

Title: Local Land Charges IA No: BIS LR003 Lead department or agency: HM Land Registry Other departments or agencies:	Impact Assessment (IA)
	Date: 27 October 2015
	Stage: Consultation Stage
	Source of intervention: Domestic
	Type of measure: Secondary legislation
	Contact for enquiries: Allison Bradbury
Summary: Intervention and Options	RPC Opinion: EANCB Validated

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as
£89.4m	£10.5m	- £1.0m	Yes	Out

What is the problem under consideration? Why is government intervention necessary?

The current Local Land Charges (LLC) service has a significant volume of paper records; this service is described more fully in section 2.1 and Appendix 1. Over time these records are degrading with some physically decomposing with age. Additionally not all records are kept up to date. This results in a lack of a single standardised customer experience for LLC. The customer pays a different price depending on the Local Authority in question. Government intervention is necessary to remove the local variation aspect, significantly improving the quality of the service to customers.

- What are the policy objectives and the intended effects?**
- National standardisation of service delivery including price, timescales and data format.
 - Creation and publication of a new centralised LLC dataset.
 - Digitisation of data improving customer access and experience and service resilience.
 - A two day turnaround time for LLC searches.
 - Price reduction to customers.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 0 – Do nothing. Service would remain fragmented with differing prices and levels of service. Paper records would also degrade over time under this option and would need to be replaced in some form or other.

Option 1 – Is the preferred option as Land Registry is now to take on LLC as a public task having received enabling powers under the Infrastructure Act 2015 to do so. Applications for LLC searches will be through existing Land Registry channels, via Business Gateway, Portal and GOV.UK, with the standardisation of both the fee and service. The fee will be reduced further within 10 years. Land Registry is best placed because of its extensive experience of digitising registers and records, currently holding 3 registers – the Register of Title to land, Land Charges Register and Agricultural Credits Register. Land Registry provides a vital function of giving assurance and confidence to the property market with the Register of Title to land (over 24 million titles are recorded) underpinning property ownership estimated to be worth more than £4 trillion across England and Wales including £1 trillion of mortgages. Land Registry has a long history going back to 1862 with services becoming more efficient and digital. Land Registry receives 98% of information services requests and almost three quarters of substantive applications electronically.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: January 2021					
Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded: Unquantified

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Chief Executive:



Date: 27 October 2015

Description: No change

FULL ECONOMIC ASSESSMENT

Price Base Year 2015	PV Base Year 2017	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: n/a	High: n/a	Best Estimate: £0

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant)	Total Cost (Present Value)
Low	£0	0	£0	£0m
High	£0		£0	£0m
Best Estimate	£0		£0	£0m

Description and scale of key monetised costs by 'main affected groups'

Not applicable.

Other key non-monetised costs by 'main affected groups'

Local Authorities will need to replace paper records as they degrade and this will have a cost but this is impossible to quantify without further information.

Main affected groups are Local Authorities, land or property-buying consumers and businesses.

BENEFITS (£m)	Total Transition (Constant Price)	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	£0	n/a	£0m
High	£0	n/a	£0m
Best Estimate	£0	n/a	£0m

Description and scale of key monetised benefits by 'main affected groups'

None identified.

Other key non-monetised benefits by 'main affected groups'

None

Key assumptions/sensitivities/risks	Discount rate	3.5%*
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Paid for searches in England rising from 1.42 to 1.45 million per annum. Average search fee charged by English Local Authorities is £26.50. The average fee remains unchanged in real terms over the 10-year appraisal period.

*2014/2015 is the base year for discounting in our financial model.

BUSINESS ASSESSMENT (Option 0)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies
Costs: £0m	Benefits: £0.0m	Net: £0.0m	Yes	Out

Description: Land Registry to assume LLC public task

FULL ECONOMIC ASSESSMENT

Price Base Year 2015	PV Base Year 2017	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: £89.4m	High: £89.4m	Best Estimate: £89.4m

COSTS (£m)	Total Transition Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£0.3m	10	£0	£0.3m
High	£0.3m		£0	£0.3m
Best Estimate	£0.3m		£0	£0.3m

Description and scale of key monetised costs by ‘main affected groups’

Main affected groups are Land Registry, Local Authorities and NLIS.

Transition (present value): NLIS/TM Group – System Changes (£0.3m)

Ongoing (present value): Land Registry costs are recovered in full by the cost recovery model and are therefore nil in economic terms. It is important to note, however, that the project requires Land Registry to incur non-trivial financial costs. The transition costs are £110.8m and the ongoing costs are £14.2m. Further details of these costs are set out in section 8.1.

Other key non-monetised costs by ‘main affected groups’

Not applicable

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	£0	10	£11.4m	£89.7m
High	£0		£11.4m	£89.7m
Best Estimate	£0		£11.4m	£89.7m

Description and scale of key monetised benefits by ‘main affected groups’

Annual (present value): The main affected group is consumers. Lower search fees paid to Land Registry via conveyancers - £8.97m (discounted) average per annum over a 10-year appraisal period.

Other key non-monetised benefits by ‘main affected groups’

Consumers: sustainable service for the future.

Conveyancers: Standardised results, which will make interpretation easier and quicker for conveyancers (currently the format of results can vary between authorities).

Personal search companies: time saving accruing through easier access and more efficient processing of LLC data.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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Official searches rising from 1.42 to 1.45 million. The fees in England to fall by around 80% within 10 years. These figures are based on an assumption that the fee reduces from £25 to an indicative fee of £4.60 by 2024. See the sensitivity analysis presented in section 10 of this document, for an analysis of the robustness of the project net present value to: (i) changes in the number of official searches conducted via the new service, and; (ii) the counterfactual fee (that which Local Authorities would have charged in the absence of the new service).

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies
Costs: £0.0m	Benefits: £1.0m	Net: -£1.0m	Yes	Out

1 LLC – Evidence Base

1.1 Impact Assessment since March 2015

This version updates the previous enactment stage version, which was published in March 2015 after the Infrastructure Bill received Royal Assent.

The first version of the Impact Assessment was published with the consultation on the primary legislation in January 2014, and was updated in both June 2014 and October 2014; latterly, to take into account the effect of the amendment that the fee setting power for LLC in Wales should remain with the Welsh Government.

1.2 Policy Development

With the Infrastructure Act now in effect, Land Registry will assume the public task of becoming the registering authority¹ in place of Local Authorities. Land Registry is consulting on the new draft Local Land Charges Rules which result from the amendments made to the Local Land Charges Act 1975 by the Infrastructure Act 2015. These amendments are to allow for the gradual replacement of local authorities' individual LLC registers with a single, digital register maintained by Land Registry. The implementation of the function will be phased. Before the LLC Register comes into effect for each authority, the LLC data referred to in this Impact Assessment will need to be prepared for digitisation, cleansed, and transformed, before migrating over to the digital register.

Land Registry has a long history going back to 1862 with services becoming more efficient and digital. Land Registry receives 98% of information services requests and almost three quarters of substantive applications electronically. Land Registry is best placed because of its extensive experience of digitising registers and records, currently holding 3 registers – the Register of Title to land, Land Charges Register and Agricultural Credits Register. Land Registry provides a vital function of giving assurance and confidence to the property market with the Register of Title to land (over 24 million titles are recorded) underpinning property ownership.

Once the initial investment is paid off, customers will benefit by paying a lower fee.

The World Bank publishes an annual “Ease of doing business” report. In 2014, the UK was 10th of 189 economies overall, but only 68th when it comes to “ease of registering property”. The criteria for this are cost, speed, and the number of processes involved. Land Registry’s proposals will help on the first two criteria and the digital LLC Service will be a first step in improving the conveyancing process.

Appendix 2 provides more detailed commentary on the development of both the Impact Assessment and policy since January 2014.

2 Current system

This Impact Assessment relates to LLC under the Local Land Charges Act 1975 as amended by the Infrastructure Act 2015 which applies to England and Wales.

However the costs and benefits of Option 1 only relate to England. This is due to the different nature of Government within Wales, the pricing regime currently found within Wales, with fee setting powers being held centrally by the Welsh Government, and the likely future reorganisation of Local Government within Wales. The digitisation and migration of the data within the 22 Local Authorities as they are currently structured within Wales will be dealt with as a separate piece of work, with its own Impact Assessment. The present assumption is that this will delay transfer beyond the 10 year appraisal period (and the service will therefore continue to be provided by Welsh Local Authorities during this time or until agreement can be reached with the Welsh Government).

2.1 What are local searches and who undertakes them?

A Local Search is one of the searches undertaken when someone buys or mortgages a property, be it a private home or commercial premises. It is normally undertaken by their conveyancer and is intended to find Local Authority information which is relevant to the prospective buyer of a property.

¹ A registering authority is the authority keeping the register of LLC.

Information contained in a Local Search will reveal any binding obligations and other information which may affect a potential purchaser. It is also needed on new mortgages of a property, to ensure the lender is getting good security for their money.² The main search application forms for a Local Search are currently LLC search and CON29 (further enquiries).³

This Impact Assessment relates to LLC searches only. Appendix 1 section 13.1 sets out how LLC searches are undertaken. Appendix 1 section 13.2 sets out data that a CON29 may include.

2.2 Methods of lodgement

There are three main methods that conveyancers can employ to conduct the search; most conveyancers make their own choice as to which one to use:⁴

2.2.1 Direct request to the Local Authority

These are submitted either electronically or by post. Some Local Authorities have a very high level of electronic lodgement; Gateshead receives 92% of searches electronically for example.

LLC tends to be a small administrative function within Local Authorities. Our research found the average size tends to be 2.4 FTE (Full Time Equivalent) posts making a total of about 850 posts in England and Wales.⁵ Often their role is combined with other sections in the authority. Their time is split about 80/20 between dealing with searches and maintaining the register of LLC. The role is a specialism that is not generally well known elsewhere within the authority. Therefore, extraction of the service is likely to be of minor consequence to local government, but will have a major impact in standardising fees and processes to remove the local variations.

2.2.2 Personal Search Companies (PSCs)

Under the Environmental Information Regulations 2004 (EIR), anyone may make a personal search of the LLC register without having to pay a fee. Many Local Authorities operate an appointment system, or limit the number of searches that may be made on one day.

PSCs send staff to conduct searches in person of the records held at the Local Authority and compile their own reports backed by indemnity insurance. Most firms can offer national coverage or have reciprocal arrangements with others to achieve the same.

The average price for a combined LLC/CON29 search is between £55-120.⁶ Quite often PSCs offer additional services with their results, such as information about the locality, which their customers value.

A national dataset would enable some streamlining of their business by having to conduct fewer searches in person. The Dartford example in section 8.3.3 demonstrates that PSCs appear to prefer on-line personal searches, even where a small fee is involved.

2.2.3 Hubs provided by National Land and Property Information Service (NLIS) and others (for example TM Group (UK) Limited (TM Group))

NLIS customers submit their searches via one of two channel providers (Search Flow or Thames Water Property Searches). The channels send the search request to the hub which forwards it to the Local Authority electronically and in most cases the reply will be on-line. Requestors may have to pay a fee to the hub and the channel provider, but in some cases the Local Authority charges a lower fee via NLIS to compensate.

² Law Society Conveyancing Handbook (20th edn, 2013), section H3.1.3.

³ Research done by the OFT found that local searches were the 3rd most important item influencing how much was offered by the buyer after the property information questionnaire and energy performance certificate (Home Buying and Selling, Feb 2010, table 7.32). Local searches can be very important. See for example "Birdhouse sold as a 'bungalow' " (Telegraph 16.1.2005 – local search would have revealed that vendor didn't have planning permission to use as a house). But see "Seek and you may not find" (Telegraph 21.6.2003) and "The Secret Plans that blight our life" (Telegraph 10.3.2002) about the limitations of the information in search results.

⁴ OFT research in 2005 found 86% choose the search method, while only 9% ask their client.

⁵ Smaller research by Trends Business Research in 2008 found an average of 3.4 staff per council, making a total of 1,395 in England and Wales. ([Labour Market Intelligence: Local Land Charges](#)). One respondent did think we had underestimated the number of staff employed, but the figure of 850 was generally accepted.

⁶ Based on quoted fees for 7 PSCs.

2.2.4 Factors influencing choice of supplier

Land Registry commissioned research⁷ which found that many conveyancers do not exclusively use one method of making a search, but will choose the method most appropriate to the circumstances. When asked which method they used the most, 42% said they used search intermediaries and NLIS, 38% applied to the Local Authority direct, and 20% used PSCs.

Figures supplied by the Local Land Charges Institute to the consultation on the primary legislation are different to those of Land Registry's commissioned research. The Local Land Charges Institute figure for the market share of PSCs is 33%.

We have accepted this figure in subsequent modelling. 67% of LLC searches are conducted by Local Authority staff at the request of conveyancing firms.⁸

The Office of Fair Trading (now Competition and Markets Authority (CMA)) found that the factors influencing their choice of provider were (in descending order) reliability, speed, price and convenience. Those who chose Local Authorities tended to rate reliability higher, while those for whom speed and price were more important were more likely to choose PSCs.

3 Problem under consideration

The current LLC service is characterised by:

- Different formats, including a significant volume of paper records. Over time, these paper records are degrading and are at risk of loss through fire, flood etc. During some visits to Local Authorities, Land Registry's programme team has identified records which are physically decomposing with age.
- A dependency, in certain Local Authorities, on the 'local knowledge' of LLC Officers. In some Authorities there are some inaccuracies or workarounds with the LLC records, which the relevant officer can handle and present the customer with an accurate search result. However, due to the natural turnover of staff, there is a risk that this knowledge will be lost.

3.1 Lack of Standard Fee in England or optimum fee

The lack of a standard fee in England makes it difficult for conveyancers to supply quotes to potential clients. In informal consultations in the past we have been told how important this is for them. It also results in disparity between Local Authority areas where the fees for LLC searches range from £3 to £76 with a weighted average of about £26.50 in England. For non-residential property the range is even wider, from £3 to £146⁹ with a weighted average of £28.51.

English Local Authorities have to set fees in accordance with guidance from the Ministry of Justice.¹⁰ They have to set fees to cover the cost of the whole service, so those ordering official searches pay a fee which has to include the costs of providing free searches to others.

We understand industry estimates are that it costs a PSC about £25 to conduct a personal CON29/LLC search. Their current approach of personal visits to Local Authorities is an inefficient way for them to operate. Certainly PSCs have found it is more efficient to pay Dartford Council £5 for a compiled on-line personal LLC search, rather than do the search in person for free (see section 8.3.3).

While some have argued that the reintroduction of a standard fee within the current structure is possible, it would be hard to do so. It has been acknowledged on a number of occasions that a standard fee is difficult to achieve, because Local Authority costs will always vary. The average fee in London is over £32, but in the North East it is only £18. There are clear regional differences in fees charged. We are not aware of any detailed research which confirms whether the lowest fees cover the costs of the service or whether the highest fees generate a surplus.

⁷ Research was undertaken by Synovate, who conducted telephone interviews with 294 Solicitors, 76 Conveyancers and Solicitors, 76 Conveyancers and 30 lenders in the period 4-26 July 2011.

⁸ These searches are referred to throughout this document as 'official searches'. Searches undertaken by personal search companies are referred to as 'free searches'. Research conducted in 2013/14 by [Horsham District Council](#) found similar results, that 64.7% searches in West Sussex were official, and 35.3% were personal searches.

⁹ Based on an internet search of all authorities. Most authorities charge the same for non-residential land, but 32 in our survey did not.

¹⁰ Ministry of Justice – "[Charges for Property Search Services](#)" (2006)

The current weighted average fee is £26.50. The proposed fee once cost recovery has been achieved will be an optimum fee of £4.60.

3.2 Lack of Standard Service

3.2.1 Speed

Although home moving costs (as distinct from transfer taxes) in England and Wales are very competitive on a European scale, our system is not noted for speed. In a survey of 20 EU countries England and Wales was 6th overall on the Service Assessment Index, but only 11th for the speed criterion.¹¹ Another survey by 1st Property Lawyers found that delays were the biggest irritation for homebuyers.¹²

Many Local Authorities do offer excellent levels of service, but our research has found very great differences in speed of service.¹³ The small number of staff who work in the LLC section at each Local Authority mean that delays can quickly occur due to staff sickness and sudden increases in volume.

3.2.2 Lack of digitisation/sustainability of records

While most authorities can receive searches and send results electronically, much of the information upon which the results are based is not in electronic format. The current service has a significant volume of paper records with many paper records decomposing with age.

Many Local Authorities still hold paper records which are deteriorating and will continue to deteriorate over time. Therefore digitisation is imperative and the prerequisite for further processing improvements. We intend that customers will be able to order automated official searches, in much the same way as they can currently order official searches of Land Registry's title register.

Land Registry has extensive experience of digitising registers and records, such as conversion of its Register of Title to land from paper into a digital format.

We have continued to expand our digital capability, receiving increasing numbers of land transactions electronically, migrating Land Registry's website to GOV.UK and developing new services to maximise the use of Land Registry data for the benefit of its customers and the wider economy.

Examples of Land Registry's success in digital solutions in 2014 include the launch of the free-to-use MapSearch service and the Civil Service Digital Award for Innovation for its free Property Alert service.

4 Rationale for Government Intervention

4.1 Equity failure

The provision of LLC search data, as detailed above, is characterised by the lack of a standardised fee for a product which is standardised in terms of the quantum and quality of search data which is returned. The fee for a LLC search varies greatly, and is sometimes higher for commercial land searches ranging from £3 to £146. The provision of search data from a centralised LLC digital service for a standard fee would remove the regional disparity noted in section 3.1.

Additionally, and again as detailed above, the speed of LLC search data returns varies both regionally and across Local Authorities. The period of time required by Local Authorities to return search data varies between 1 and over 30 days. Again, the provision of search data from a centralised LLC digital service would remove this disparity, by facilitating almost instant returns.

¹¹ [Summary of the comparative legal and economic study into the EU conveyancing services market](#) (Centre of European Law and Politics, 2007). A World Bank survey on doing business rates the UK 68th on speed of buying a property and 93rd cost (World Bank, "[Registering Property](#)", June 2014)

¹² "[Delays are the biggest irritation in the conveyancing process](#)" (1st Property Lawyers, 2011). The two biggest complaints were (1) The length of time the whole process took (55%), (2) Delay in Exchange of Contracts (38%).

¹³ Thames Water Property Search website gives indicative completion times. We noted four neighbouring authorities, whose completion times were 1 day, 2 days, 3 days and 25 days.

Buyers of residential and commercial property are unaware of the length of time required by Local Authorities to return search data at the time a conveyancing firm or PSC is appointed to arrange a LLC search.

4.2 Sustainability of records

Many Local Authorities still hold paper records which are deteriorating and will continue to deteriorate over time. Therefore digitisation is imperative to address this and, if carried out by one body operating from a single digital platform would save the duplication of effort (and therefore cost) of Local Authorities carrying this out individually.

5 Policy Objectives

5.1 Standardised Fee – end the fee disparity

Currently fees vary greatly from authority to authority. As referred to above, the fees currently charged by the registering authority in respect of the LLC search are set by each individual authority, guided by a combination of various legislative provisions. A single electronic point of access and standard procedures will improve data accessibility for all involved in purchase transactions. By standardising processing costs, Land Registry will also eliminate the current variation in price. Although this will take time, ultimately the reduced overheads will mean a lower fee for the customer, and the standardised process means that fees will not differ based on location.

5.2 Standardised turnaround times

Customers of the existing LLC service experience turnaround times between 1 and over 30 days. As the processing of charges in Local Authorities is characterised by significant levels of manual intervention, turnaround time can fluctuate significantly within any given Local Authority depending on the volume of searches they need to process and the associated availability of staff. Furthermore, the digitisation of the LLC service means that customers (both citizens and PSCs) will be able to access the service online, rather than having to travel to Local Authority offices to perform a manual search of records.

5.3 Service Resilience

The current LLC service is characterised by:

- A significant volume of paper records. Over time, these records are degrading and are at risk of loss through fire, flood etc. During some visits to Local Authorities, Land Registry's programme team has identified records which are physically decomposing with age and not kept up to date.
- A dependency, in certain Local Authorities, on the 'local knowledge' of LLC Officers. In some Authorities there are some inaccuracies or workarounds with the LLC records, which the relevant officer can handle and present the customer with an accurate search result. However, due to the natural turnover of staff, there is a risk that this knowledge will be lost.

A single digital register, where the LLC records are cleansed prior to being entered on the register, will provide the overall service with greater resilience and robustness.

5.4 Consistency of Customer Experience

There is a lack of a single, standardised customer experience for LLC. Best practice is that the consumers of the LLC service should be able to expect full pricing transparency, service standardisation, and consistency in turnaround times, removing any 'postcode lottery' concerns. It is known from Local Authority engagement that the turnaround times can fluctuate significantly due to staffing levels, as well as holidays and sickness. By developing a single digital register held by a single provider, Land Registry will reduce overheads and eliminate regional variations in speed, format, price and costs of the LLC service. It will also enable individual citizens to perform their own unofficial searches.

5.5 Supporting the Government's 'digital by default' agenda

'Digital by Default' sets out how Government will fulfil the commitments made in the Civil Service Reform plan. It is underpinned by the goal of providing digital services that are "so straightforward and convenient that all those who can use them will choose to do so whilst those who can't are not excluded".

Current Local Authority projects have demonstrated the benefits achievable from greater use of IT.¹⁴

5.6 Other Options considered at earlier stages in the policy cycle

5.6.1 Option 2 – standardisation of Local Authority service

In the enactment stage Impact Assessment we considered an alternative option. This option involved each Local Authority continuing to provide the service, but digitising their records at their own expense, with legislation used to secure adherence to a common set of data and interface standards, service levels and pricing structures. This option would not create a central LLC digital service, therefore not necessarily meet the Government's Open Data agenda nor create a new national data set.

The cost of addressing the challenge individually (project management overhead, as well as technical development costs) would likely be significantly greater than a single approach via Land Registry.

A standard fee was difficult to achieve within the current structure, because overheads of some councils will always be higher. Only by providing the service on a national basis can this be overcome.

In this option we assumed costs of digitisation based on recent Local Authority digitisation projects. However based on the current fees charged by digitised authorities, we know the benefits are considerably more limited than the preferred option.

6 Options

6.1 Option 0 – Do Nothing

In the Do Nothing option, the service will continue to be run by individual Local Authorities. However, as mentioned earlier, many Local Authorities operate systems that are wholly or partially reliant on paper records which are deteriorating and will continue to deteriorate over time. Therefore there is significant concern about the resilience and sustainability of the existing system.

For the reasons set out below we do not believe there will be any change in real terms in the level of fees for LLC searches.

The fragmented market does encourage some indirect competition. There is some evidence of this amongst neighbouring Local Authorities, as many do not want to be seen to be charging more than their nearest comparators.¹⁵

PSCs have created more competition in the market and there is evidence that their presence has benefited customers. For example some Local Authorities have reduced fees and completion times in response to competition from search companies.¹⁶ PSCs have partially delivered the policy objective of a standardised fee, although some charge less for searches nearer to where they are based.¹⁷ However they will be unable to optimise the fee in the absence of intervention, because of the labour intensive nature of the PSCs service and the fact that costs can only be minimised by having a single centralised LLC digital service.

¹⁴ It has been calculated that face to face transactions cost Local Authorities £8.62 each compared with 15p for the same transaction via the Internet ([Government Digital Strategy, December 2013](#))

¹⁵ For example, Southwark Borough Council ([Cabinet Report 29.1.2013](#)) paragraph 12.

¹⁶ As a result of competition from PSCs, Three Rivers Council reduced fees for LLC/CON29 from £141 to £99 and improved completion times ([Executive Committee report 30.10.2008](#), ratified at full council 16.12.2008). Newport Council have concluded that to increase fees would not increase revenue because of competition ([Cabinet Report 19.4.2013](#)). DCLG noted 85 authorities who reduced fees in 2007 because of competition ([Property Search Consultation](#) (2008), Annex 4, paragraph 28).

¹⁷ See for example [HomeInfo UK](#), who charge £54 for searches near their Bridgend base and £90 for the remainder of England and Wales (January 2015 fee card).

NLIS¹⁸ has delivered significant improvements through their work with Local Authorities, by encouraging them to procure the necessary hardware and software to engage electronically. All Local Authorities are connected to the NLIS hub and nearly all can deliver results electronically (level 3 connection). Their interface allows integration with customer's casework management systems. They believe that this has helped reduce fees and turnaround times.

While acknowledging the progress made by the market, it has been unable to deliver on consistency of price and service, because it is reliant on 326 different Local Authorities. The objectives of standardised fee and service would not be met, and there would be many authorities who would not offer a fully geo-spatial digital service. Furthermore it is unlikely that a standardised fee could ever be met, due to differing size and overhead of each council. It is important to understand that our aim is not just a standardised fee, but an optimum fee also. We believe that once the initial investment is paid off, customers will pay a lower fee (the calculations in the economic case here assume an optimum fee of £4.60 from October 2024). Only one authority charges less than that now for paper applications, and only four authorities charge less than that for electronic applications.

Therefore Option 0 is not a viable one to take forward.

6.2 Option 1 – Land Registry becomes sole registering authority for LLC

This was our preferred option and has been taken forward by the provisions contained in the Infrastructure Act 2015.

Under this option Land Registry will assume the public task of undertaking LLC searches currently carried out by English Local Authorities. The Local Land Charges Act 1975¹⁹ has been amended by the provisions in the Infrastructure Act 2015 and minor changes to Land Registration Act 2002.

6.2.1 Why there is only one implementation option

This is an Impact Assessment for secondary legislation delivering what was intended by the primary legislation. Non regulatory and non-legislative approaches were considered and ruled out at the point of Royal Assent of the primary legislation. The option presented here is the preferred option presented in previous iterations of the Impact Assessment. It was selected after detailed multi-criteria decision analysis of various project objectives including strategic fit, business requirements, market feasibility, organisational achievability, end user acceptability, legal requirements and technical feasibility.

There are a number of strands of work which need to be completed between Outline Business Case and Full Business Case. In addition to the secondary legislation, the prime points of focus are:

- More detailed programme planning - to deliver a smooth rollout of the migration per the plan, and to minimise risk on delivery quality, timescales and cost.
- To provide firmer costs prior to approval of the Full Business Case and contracting with service providers for register services, hosting and digitisation and migration.
- A final stage Impact Assessment will be published in 2017.

6.2.2 Timeline

We will build a new register of LLC, which will be updated by Land Registry on applications from Local Authority staff either directly, or by originating authorities, or in the case of light obstruction notices, via relevant information sent to Land Registry. LLC searches will be submitted by customers through the existing Land Registry channels, via Business Gateway, Portal and GOV.UK.²⁰ It is anticipated that all searches will be processed automatically.

¹⁸ The aim of NLIS was "national land information system may be one way to allow the citizen faster and easier access to an authoritative and comprehensive public record of all land and property". It launched in 2001 after a pilot project in Bristol (1998). NLIS works by having 3 retailer channels who connect to data providers via the NLIS hub. Customers pay a channel and hub fee on top of the providers' fees, but many providers charge less for electronic access.

¹⁹ Section 9 currently requires searches to be made of the registering authority.

²⁰ Land Registry [Portal](#) is a web based interface, where account customers can order information services and submit certain registration applications. [Business Gateway](#) is an alternative interface which is more integrated with a customer's existing case management software.

The proposed timeline is set out in section 9.3.

6.2.3 Fees

Fees for LLC searches will be standardised and reduced by the end of the 10 year appraisal period, as the initial investment is paid off. Our expectation is for the fees in England to fall in cash terms from £25 to an indicative fee of £4.60 over the 10 year project lifespan. For details see section 9.2 – Assumptions: Fees.

6.2.4 Impact on Personal Search Companies (PSCs)

PSCs operating in England use EIR to access LLC and CON29 information to create their own interpretative reports. To access this information search agents are offered a range of access points, which can include an appointment to visit the Local Authority and view records on site or through an open digital portal.

PSCs reports are backed by indemnity insurance. Most firms can offer national coverage or have reciprocal arrangements with others to achieve the same.

The price for a combined PSC LLC/CON29 search ranges from £55-120.²¹ PSCs also offer additional searches such as, drainage and water, environmental, mining, chancel repair, transport, utility and information about the locality. Their customers value speed and price.

Under this option Local Authorities would continue to provide CON29 searches, and PSCs would continue to get their information from personal visits to collect the data.

PSCs will continue to be allowed to access the raw data necessary to compile their results free of charge. Our proposals will reduce their overheads because they will be able to access LLC information, but they will currently still need to visit Local Authority offices to conduct CON29 searches. Thus the proposal will not erode the competitive advantage – principally speed – that PSCs currently have.

There is some evidence that an on-line personal search service is attractive to PSCs (see section 8.3.3 below).

Further consideration of effects on competition for PSCs is set out in section 12.4.

7 Impacts of Option 0 (Do Nothing)

Option 0 is a baseline option.

8 Impacts of Option 1

Option 1 is described in section 6.2.

8.1 Summary of costs and benefits

The table below sets out the costs and benefits of Option 1 in present value terms over the 10 year appraisal period. In accordance with guidance in the Treasury Green Book, we have included an adjustment for optimism bias. We started with the standard maximum and then revised downwards, based on the level of confidence in the figures.

We do have more detailed costings, but cannot share them at present as it is commercially sensitive information. Land Registry intends to go to market to procure these services.

²¹ Based on quoted fees for 7 PSCs.

10 Year Profile of Financial Costs and Economic Benefits (present value)²²

Item	Detail	Total Cost	Benefit
Transition – Land Registry	This includes: <ul style="list-style-type: none"> • Programme Management • Legislation amendments • IT Build • Personnel and TUPE Assessment • Digitisation • Data Migration • Stakeholder Communications • Maintenance of Data 	£110.5m	
Transition – NLIS and TM Group	Costs of amending their systems as a result of the changes.	£0.3m	
Total transition		£110.8m	£0.0m
Land Registry – Ongoing Costs	This includes: <ul style="list-style-type: none"> • System Running Costs • IT Support • Insurance 	£14.2m	
Land Registry – Fee Revenue			£146.9m ²³
Customers – Lower Fees	Difference in fees that would have been paid under Option 0 and Option 1.		£89.7m
Total ongoing		£14.2m	£236.6m

8.2 Local Authorities (England)

8.2.1 Transition

Land Registry is responsible for all transitional costs; these are listed in the table above.

Cost estimates also include amounts to be paid by Land Registry to each Local Authority. These include both fixed amounts for data preparation and ongoing data maintenance. These amounts are to compensate Local Authorities for costs incurred in relation to maintaining the data included within the LLC Register, where Local Authorities will no longer receive a search fee.

Local Authorities will continue to be responsible for collection and dissemination of the data that creates and updates the LLC register.

8.2.2 Overall costs

Local Authorities are required to do no more than break even on the LLC service over a three year period. Therefore we have assumed there are no lost profits for Local Authorities.

If they have fewer staff, then they will have lower overheads. As Local Authorities set fees to break even on the service, there is no benefit to them if underlying costs fall. The cash benefits of this are accounted for in the benefits of lower fees.

²² These cost estimates include optimism bias. It should be noted again that the financial costs of Option 1 are fully recovered by a fee and are zero in economic terms. See sections 9 and 10.

²³ This represents an over-recovery of the economic costs of Option 1, due to the inclusion of potential redundancy payments, irrecoverable VAT and return on capital employed payments, which are merely transfers.

8.2.3 Local Authority Internal Searches

Concerns were raised in the consultation on the primary legislation that Local Authorities would have to pay to view their own data, but this will not be the case.

8.3 Customers

In all but a small proportion of cases, conveyancers will make searches on behalf of their clients (typically, the homebuyers). They pass on the cost of this as a “disbursement”.²⁴ Thus the benefits listed here should be passed onto the general public. Those conveyancers that deal with Local Authorities on paper at present will have some savings in postage and paper, but this is likely to be negligible. Most conveyancers already have Land Registry Portal accounts, which would be a prerequisite for making search applications. There are no charges for setting up a Portal account. As it is likely they will be using an existing system, we do not believe there will be any significant familiarisation costs. Customers who do not have access to Portal can apply for searches through GOV.UK.

Land Registry's Annual Report and Accounts 2014/2015 states out of a total of over 27 million applications, over 25 million were received electronically.

8.3.1 Reduced cost

We would not proceed with the proposal if we could not offer the service at a significantly reduced cost (and fee) over time. We have assumed productivity improvements will lead ultimately to a greatly reduced fee (for the purposes of calculating the Impact Assessment we have assumed an indicative figure of £4.60 (see section 9.2.2) from October 2024).

About 12% of registered titles are owned by companies, charities or industrial and provident societies. Taking this as a proportion of the savings to be made, businesses can expect to save £13.8 million in fees over 10 years (see table below, £10.5m at present value).²⁵

The volumes dealt with by Land Registry are based on a Local Authority migration profile we have compiled. 2024/25 has two Option 1 fees because the fee is planned to change mid way through the financial year. Figures are in real terms (undiscounted).

Projected LLC search applications handled by Land Registry (England) and fee savings.²⁶(Real prices)

Year	Option 1 Fee	Saving over Option 0 ²⁷	Saving for business (12% of total) ²⁸
2016/17	£24.03	£0m	
2017/18	£23.56	£0.3m	£0.1m
2018/19	£23.10	£1.4m	£0.2m
2019/20	£22.64	£3.0m	£0.4m
2020/21	£22.20	£4.8m	£0.6m
2021/22	£21.76	£6.6m	£0.8m
2022/23	£21.34	£7.5m	£0.9m
2023/24	£20.92	£8.2m	£1.0m
2024/25	£20.51 falling to £3.77	£21.2m	£2.5m
2025/26	£3.70	£33.1m	£4.0m
2026/27*	£3.63	£27.7m	£3.3m
* Part year			
Total		£113.9m	£13.8m

²⁴ That is charges by third parties for many services associated with conveyancing, which are passed on at cost by solicitors.

²⁵ During consultation on the primary legislation we did have queries as to why the business benefits were calculated from 2009 and not a more recent date, but this is standard practice set out in government Impact Assessment guidance.

²⁶ Fee savings are calculated by the forecast volume processed by Land Registry multiplied by the fee saving for that year

²⁷ These savings are presented in undiscounted terms.

²⁸ See previous footnote above.

In the consultation on the primary legislation, a lot of Local Authorities and some conveyancers highlighted additional burdens on business if the LLC and CON29 service were split. Instead of ordering both searches from one source, current Local Authority customers would have to place two separate orders. We had initially agreed with this point and costed it at £0.4 million per annum. However we now envisage that there will not be a significant burden in ordering LLC searches. Access to the LLC register will be through Land Registry channels, via Business Gateway, Portal or GOV.UK and so can be combined with the other necessary enquiries made of Land Registry, such as official copies. Also a lot of customers currently order all their searches from search intermediaries (for example NLIS/TM) and so they should see no change in their service other than their LLC search being faster for migrated authorities and costing less (after fees standardise).

8.3.2 Speed

We intend the system to operate with minimal manual intervention. The service standard will be set at 2 days to align with other similar Land Registry services. 98% of information services applications are delivered through Land Registry's Business e-services and processed within 48 hours (Land Registry Annual Report and Accounts 2014/2015). However, it is planned that most customers should receive LLC search results almost instantaneously.

8.3.3 Personal Search Companies

In consultation on the primary legislation, the PSCs and their representative bodies have expressed a number of fears relating to the viability of their businesses. We have carefully considered these and other comments but do not believe the current proposals will affect the business of the PSCs significantly, for the reasons set out below:

- PSCs will continue to be allowed to access the raw data necessary to compile their results free of charge. Our proposals will reduce their overheads because they will be able to access LLC information from a remote terminal, but they will currently still need to visit Local Authority offices to conduct CON29 searches.
- There is some evidence that an on-line personal search service is attractive to PSCs. Dartford Borough Council became the first council to use the IDOX Public Access for Land Charges System²⁹ in 2012. They introduced an on-line compiled personal search for a fee of £5 as an alternative to a personal visit to get the information for free. Now 70% of personal search customers use the £5 compiled search.³⁰ Clearly PSCs have taken the view that it is worth their while to get the result electronically.
- PSCs also offer other additional searches which are not affected by the current proposals, such as, drainage and water, environmental, mining, chancel repair, transport, utility and information about the locality.

8.3.4 NLIS and other intermediaries

NLIS will be able to route their requests to Land Registry but their customers (mostly conveyancers) are likely to have Land Registry Portal accounts, so they may use Land Registry direct to avoid the hub and channel fees. It is expected that NLIS would still have the advantage of being a one-stop shop for local searches.

This is confirmed by the market research undertaken by Synnovate, where a much higher percentage of search intermediary customers said they would definitely change to Land Registry.³¹

We do not think that the current proposals, to offer LLC searches only, will affect these businesses. Indeed as they will be offering a combined service, which customers will not be able to get from either

²⁹ IDOX are a company providing proprietary software, which is widely used by Local Authorities.

³⁰ [Dartford improves services and cuts costs with new on line Land Charges solution from Idox](#) (IDOX, 31.5.2012). In their consultation response to the primary legislation the council said it had now increased to 80% of searches. Fylde Council, who charge only £3 for LLC searches, have found that PSCs prefer to pay for official searches than visit the office for a free personal search ([Cabinet Agenda 28.6.2011](#), page 21).

³¹ 35% of Search Intermediary Customers said they would "definitely" change, as opposed to 8% of Personal Search - Company customers. However the proposal described to them was not option 1, and the less convenient nature of the recommended proposal will inevitably result in fewer switchers.

Local Authorities or Land Registry, the competitive advantage of NLIS and other intermediaries will be maintained.

TM Group say that there would be costs for them in integrating their systems with any one offered by Land Registry, as has been the case for them in the past.

We estimate the transition costs for hub providers to be in the region of **£250,000**.³²

8.3.5 Land Registry

The development cost of the LLC register service is likely to be small, but there will be a higher cost for the digitisation and migration of the data from the existing LLC registers held by Local Authorities. The total financial cost for Land Registry is estimated at £110 million (see section 8.1); this includes the operating costs in the first 10 years.

Certain costs which appear in the financial case do not form part of the economic case, in accordance with the Treasury Green Book. These include:

- “sunk costs” not accounted for here- expenditure incurred by the project before the Full Business Case gives the formal go-ahead
- irrecoverable VAT
- return on capital employed, and notional interest earned on project expenditure.
- redundancy costs under TUPE (Transfer of Undertakings (if any))

The operating surplus is set at a level to recover the transition costs during the transition and thereafter the service will operate at full cost recovery.

The digitisation cost estimate was obtained through:

- engagement with Local Authorities with digitised datasets,
- cost of Land Registry digitising data from Watford Council during the prototype
- engagement meetings with potential suppliers, including the current software suppliers within Local Authorities.

Some authorities have contracted out their LLC service to 3rd parties. We are uncertain of whether there will be costs involved in relation to contracted out LLC searches.

8.3.6 Other effects considered

8.3.6.1 Unemployment Costs

Unison in their response to the consultation on the primary legislation pointed out the wider costs of unemployment, which we accept had not been properly accounted for in the original response. However, Land Registry continues to believe that its proposals will not have a major impact in employment terms on any Local Land Charges Department.

The average spell of unemployment in England and Wales is 13-26 weeks. This may mean that there will be additional costs in Job Seeker’s Allowance and loss of income to the local economy. Normal Impact Assessment practice is not to include this figure in the calculations for each option, but to note it separately. This is because unemployment benefits are treated as a transfer cost money moves between the Treasury and the citizen but remains within the UK.

Effects on local economies are unlikely. As mentioned above, the numbers of LLC staff are relatively small, and they are spread geographically across the whole country.

8.3.6.2 DIY Conveyancers

A small number of people do their own conveyancing rather than employ a professional. These form a very small segment of the market (less than 5%) and will be catered for.

8.3.7 Local Authority Software Suppliers

Many authorities use proprietary software to manage LLCs and some respondents said that this would affect their business.

³² This is based on costs supplied when a previous major system update was required.

We received replies from the two largest software suppliers, who represent three-quarters of the market. Although against the proposals, they do not appear to have identified any costs to their business. There may be opportunity benefits for them if chosen to run all or part of the service and the majority of software suppliers have expressed an interest in contracting with Land Registry for the service.

9 Assumptions

9.1 Search volumes

Our assumptions about volumes in England are set out in columns A and B of the table in section 10.2.1. They are based on two variables – the number of property transactions (which, in turn, are based upon Land Registry forecasts), and the proportion of total search volumes that are ‘official’ searches as opposed to personal searches (which are undertaken free of charge). This is explored further below.

At present the ‘official’ market is 67% of the total and we are forecasting no change to this.³³

Land Registry’s central ‘official’ transaction forecast is based on our current market knowledge. We are forecasting a small increase in official searches from 1.42 million in 2015/16 to 1.45 million in 2019/20.

9.2 Fees

9.2.1 Fees in Option 0 (the counterfactual)

We now have details of the average Local Authority fees for 2014. These show fee increases in line with inflation, a change from the trend in prior years for below inflation fee increases.³⁴

While there was an increase in LLC fees when they were deregulated in 2005, since then they have risen by less than the rate of inflation, and process times have improved. Using English authority data (as their fees are not fixed), the table below suggests fees have risen year on year by 1.8 – 2.1 percentage points less than the rate of inflation.³⁵ This may have been in part due to the way Local Authorities calculate their fees.³⁶ Below inflation price increases may also have been due to lower costs facilitated by digitisation and other efficiency improvements. For instance, some authorities, such as Dartford and Ipswich, have delivered savings via process improvements which have been reflected in significant fee savings.

However, the future path of the price movements in the fees Local Authorities may charge is uncertain. Therefore, over the appraisal period, we are assuming no real terms increase or decrease in the fees in the Do Nothing option. The importance of the average fees charged by Local Authorities in the counterfactual is explored further in section 10.3.

Average LLC search fee (English Authorities) 2009 – 2014 (unweighted)

	Fee 2009	Fee 2013	Fee 2014	Annual change 2009 – 2014
Paper	£26.72	£26.80	£27.28	+0.52%
Electronic	£26.72	n/a	£26.89	+0.16%
Consumer Price Index				+2.32%

³³ This is based on the figures supplied to us by the Local Land Charges Institute. They ran a survey of authorities in October 2013 which found 1.2 million searches (67%) out of a total marked of 1.8 million were official.

³⁴ Average price increase (2014) for the 271 authorities is 1.8%, whereas CPI was 1.7%. Early indications for 2015 show an average fall in fees of 0.7%, when CPI in January was 0.3% (this is based on fees announced by 40 authorities for 2015, it excludes the highest increase (Stafford) and decrease (Warwick).

³⁵ Source Advisory Panel on Public Sector Information (2009) and table compiled from web search of all Local Authorities. Some authorities excluded because of local government reorganisation since 2009. The “all authorities” 2009 figure may have been lower because it appears some authorities had not reassessed their fees after deregulation by then.

³⁶ Under Local Authorities (England) (Charges for Property Searches) Regulations 2008, Local Authorities may only charge on a cost recovery basis. The previous 1994 regulations only required them to “have regard” to the costs of the service.

To make a proper comparison, authorities charging the old statutory fee of £6 in 2009 and those subject to local government reorganisation since 2009 (Beds, Cheshire, Cornwall, Durham, Northumberland, Shropshire, and Wilts) are omitted, leaving 271 Authorities. The economic assessment is based on a weighted (by volume) average of fees at £26.54.

9.2.2 Fees under Option 1

Our fee assumptions for a Land Registry operated system are that the fee will fall in cash terms from £25 to an optimum fee of £4.60 as the cost of the digitisation is paid off and the process savings become more apparent.

Option 1 – Indicative fees and start dates used for Impact Assessment

Year	Proposed Fee (cash terms)
February 2017	£25
October 2024	£4.60

9.3 Roll out

The proposed project timeline is set out below, following anticipated adoption of the Full Business Case in February 2017.

We now propose a phased rollout to Local Authorities, which has been reflected in revenue assumptions above.

Option 1 – Proposed rollout

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Local Authorities migrated that year	0	22	71	90	72	64	6	1
Total Local Authorities migrated	0	22	93	183	255	319	325	326

The time taken to migrate was based on the format of the existing records and the readiness of the authority, as explained below.

The classifications for placing Local Authorities into groupings were drawn from definitions of High, Medium and Low Readiness for the three distinct data formats; namely paper, digital or hybrid. The definitions were drawn from experience of Land Registry Stakeholder engagement staff and their visits to Local Authorities and signed off by the Stakeholder Manager and Digital Manager.

Digital readiness categories were defined based upon the accuracy of their records held, and the ease by which data was accessible via Local Authority IT departments or incumbent software suppliers.

Paper readiness categories were defined based upon the accuracy and robustness of records, whether microfiche was easily readable; and whether records were logically ordered.

Hybrid readiness categories were defined based upon the quality of records held and the nature of the data held either electronically or in paper.

10 Option 1 sensitivity analysis

10.1 Key uncertainties

The estimated net benefit of Option 1 is sensitive to two key variables: 'official', or chargeable, LLC search volumes, and the fee that Local Authorities charge in the counterfactual. The future path of both variables is uncertain. Therefore, these variables have been selected as the basis of the sensitivity analysis undertaken on the estimated net benefit of Option 1.

As is discussed below, there are a number of drivers – the future path of which is also highly uncertain – which determine the volume of ‘paid for’ official or chargeable LLC search volumes. Therefore, the choice of ‘paid for’ search volumes as a variable upon which to base one element of the sensitivity analysis undertaken can be treated as the choice of a ‘generic’, or ‘catch all’, variable which captures any variability in the drivers of ‘paid for’ search volumes.

10.2 ‘Official’ search volumes

The number of ‘official’ searches impacts upon the revenue generated under both the ‘Do Nothing’ and Option 1, and, therefore, the net present value of the latter. The EIR allow both businesses and consumers to access Local Authority-held LLC data free of charge.³⁷ Land Registry will be required to provide free access once it assumes fulfilment of the LLC function via a centralised digital service. As occurs under the Do Nothing, it is anticipated that PSCs and some conveyancers will request free access to LLC data.

The Local Land Charges Institute survey of Local Authorities in October 2013 found that, of a total of 1.8 million searches conducted annually in the preceding year, 67% were ‘official’ and 33% were ‘personal’ searches.

As mentioned above, currently, ‘official’ searches are those searches undertaken by Local Authority staff, where the search request is made directly to the Local Authority by a conveyancer or by the consumer. ‘Personal’ searches are typically those searches undertaken by PSCs, and other intermediaries, to whom Local Authority-held LLC data is made available without charge under the EIR.³⁸

‘Personal’ searches also include ‘self serve’ searches, which are those undertaken directly by conveyancing firms and consumers. The EIR require that LLC data will continue to be made available without charge to those undertaking ‘personal’ searches, under Option 1. The continuing scope for ‘personal’ searches under Option 1 generates uncertainty around future volumes of the ‘official’ searches which generate LLC fee income for Land Registry. The greater the number of ‘personal’ searches made of the LLC digital service, the fewer the number of ‘official’ searches, relative to the baseline estimate of ‘official’ searches. The baseline estimate of ‘official’ searches is based upon both Land Registry forecasts of land and property market transactions and the Local Land Charges Institute estimate of the split between ‘personal’ and ‘official’ searches mentioned above.

10.2.1 Land and property market transactions

Clearly, the total volume of LLC searches and, therefore, the number of ‘official’ searches, in any given year is contingent upon the number of transactions in land and property markets.

The high degree of uncertainty around forecasts of transactions in land and property markets, therefore, introduces further uncertainty into estimates of future ‘official’ search volumes. This is in addition to that introduced by the scope for ‘personal’ searches to be made of the register under Option 1.

The table below presents the expected total search (in Column A) and ‘official’ search (Column B) volumes in each year of the appraisal period.

³⁷ The EIRs can be accessed at <https://ico.org.uk/for-organisations/guide-to-the-environmental-information-regulations/>

³⁸ The Local Authority will issue an official certificate of result for ‘official’ searches; hence, searches are often referred to as ‘official’ searches. The result is not guaranteed, but the relevant Local Authority must pay compensation to the person making the official search for losses incurred because a LLC had not been registered or had been omitted from a search result. Personal search companies do not get an official search result, but rely on a personal inspection of the local land charges register. This is supported by personal search companies taking out indemnity insurance instead, so they can themselves pay compensation to the person requesting the search if similar losses are incurred. It is understood that very few compensation payments need to be made in practice.

Option 1 – Forecast transactions and break even point

Year	Forecast total search volume in England (A)	'Official' volumes	
		Central estimate ³⁹ (B)	Break-even point (C)
2017	2.13m	1.42m	1.42m
2018	2.15m	1.43m	1.26m
2019	2.17m	1.45m	1.12m
2020	2.17m	1.45m	0.99m
2021	2.17m	1.45m	0.87m
2022	2.17m	1.45m	0.77m
2023	2.17m	1.45m	0.67m
2024	2.17m	1.45m	0.59m
2025	2.17m	1.45m	0.52m
2026	2.17m	1.45m	0.38m

Given the high degree of uncertainty described above, the sensitivity of the estimated net benefit of Option 1 to the number of 'official' searches has been tested. The result is presented below.

10.3 The fee charged by Local Authorities in the counterfactual

The benefits generated under Option 1 are driven by the difference in the fee charged by Land Registry for searches conducted via the centralised LLC digital service and the average fee charged for the same 'official' search undertaken via a Local Authority. This difference in fee, when multiplied by the number of searches conducted via the LLC digital service over the appraisal period, generates the total benefit of the policy.⁴⁰ The average fee charged by Local Authorities in the counterfactual, therefore, is critical to the scale of the benefits expected under Option 1.

As mentioned above, evidence from the 2009 to 2013 period suggests that Local Authority efficiency improvements have dampened the inflation of LLC fees, which had not been rising as fast as general inflation. However, many authorities known to have introduced computerisation have not reduced fees. Newer information from 2014 shows the average Local Authority fee rose in line with inflation. Our central estimate of the (net) benefit of Option 1 is based upon an assumption that the counterfactual fee rises in line with general inflation over the appraisal period.

Given how central the counterfactual fee is to the generation of benefits under Option1, and the absence of a medium to long run trend in price movements, the sensitivity of benefits to it has been tested. The results are presented below.

10.4 'Break even' analysis

In order to demonstrate the sensitivity of the estimated net benefit of the policy to highly uncertain variables, 'break even' analysis has been undertaken. For the variables tested, a tipping point has been identified, at which Option 1 represents a neutral zero net present value. As mentioned, the variable variables tested are:

³⁹ As mentioned above, the central estimate of 'official' has been generated from Land Registry forecasts of land property market transaction numbers and the Local Land Charges Institute's estimate of the proportional split between 'official' and 'personal' searches.

⁴⁰ Given the cost recovery model that the LLC function will follow, where all project costs are recovered via the fee charged by Land Registry, it generates the total net benefit of the policy.

- 'Official' search volumes: the scale of persistent year-on-year reductions in the number of 'official' searches, over the entire appraisal period, required to reduce Option 1 to a zero net present value.
- The average Local Authority fee in the counterfactual: the effects of persistent increases in the counterfactual, over the entire appraisal period, required to reduce the Option 1 to a zero net present value.

The results of this 'break even' analysis are presented in the table below. The table shows the variable tested, the test undertaken (with all other variables being held unchanged) and the tipping point identified (at which the net present value of Option 1 is zero).

Option 1 – Break Even Analysis

Variable	Test undertaken	Tipping point
'Official' search volumes	Persistent year-on-year reductions in volumes, relative to baseline expected volumes	12% per annum reduction in volumes, relative to the baseline expectation, over the entire appraisal period. ⁴¹
Counterfactual fee	Persistent year-on-year	9% per annum falls in the Local Authority fee in the counterfactual over the entire appraisal period.

In terms of 'official' search volumes, the net present value of Option 1 is robust. It is highly unlikely that, over the entire appraisal period, land and property market transaction volumes would fall by 12% per annum. It is equally unlikely that growth in EIR usage is sufficient to ensure that the proportion of total search volumes that are official falls by 12% per annum over the entire appraisal period.

Similarly, the net present value of Option 1 is robust to movements in the fee charged by Local Authorities in the counterfactual. It is unlikely that LLC office productivity gains will be sufficient, and that this gain is passed on to the conveyancer, to ensure that the counterfactual fee falls by the 9% per annum required to reduce the net present value of Option 1 to zero.

A further test of a more plausible scenario has been undertaken on the impact of counterfactual fee price movements on the net present value of Option 1. The effects of persistent real terms price changes of +5% and -5% per annum, over the appraisal period, have been tested. The net present value of Option 1 – estimated to be £89.4m over 10 years - has been shown to increase to £162.2m, and decrease to £34.3m, in response to price changes of +5% and -5% per annum, respectively.

11 Risks of Option 1

There are other uncertainties which present a risk of the outturn net benefit of Option 1 being significantly different from the estimated net benefit.

11.1 Increase in self serve searches

The LLC service proposed under Option 1 makes scrutiny of LLC data much simpler, and, under the EIR, only 'official' searches would attract a fee. In some cases, liability for errors and omissions could reside with Land Registry, rather than with conveyancing firms or with consumers, therefore there is a possibility that some users may not see the value in using the paid service. It is therefore arguable that more conveyancing firms and consumers will choose to 'self serve'.⁴² An increased number of

⁴¹ The 'official' search volumes that are generated by 12% per annum falls in volumes are presented in column C of the preceding table.

⁴² Even though a self-serve search would not be a 'guaranteed' result, Land Registry would still be liable if the customer could prove a land charge had been omitted. Customers, for example, could protect themselves by taking a screen shot of the result.

'self serve' searches in a given year would reduce the number of 'official' searches, relative to the baseline.⁴³

11.2 Possible redundancy costs

One of the critical assumptions of the appraisal relates to the likelihood of TUPE legislation coming into effect resulting in the transfer of Local Authority staff to Land Registry when it assumes responsibility for the delivery of LLC search results. Whether TUPE comes into effect is a matter of law and will be determined based on the facts of the situation at the time. At this stage the expectation is low that TUPE will apply, when the intended service delivery methodology is assessed against the current legislation. However, while Land Registry can make its own assumption about the likelihood based on professional understanding, in the event of dispute, only a relevant court (employment tribunal) could determine. It is important that Land Registry is transparent in its considerations of TUPE and that it takes its obligations seriously when there is a potential impact on Local Authority employees. Therefore, an initial assessment of potential costs related to TUPE has been made. These costs reflect the resource effort required to determine the TUPE position within each Local Authority and the likely numbers of transferees, and the estimated costs associated with any transferring Local Authority staff. When the service is migrated the potential for a legal challenge remains a risk and a judicial finding against Land Registry has the potential to increase these costs significantly. Engagement with senior Local Authority representatives will continue in order to mitigate against the risk of legal challenge.

11.3 Decline in CON29 service

During the legislative passage of the Infrastructure Act 2015 some stakeholders challenged the merits of the policy, stating it will not meet all of its objectives as it splits the service provided by Local Authorities. Land Registry believes there should be an overall programme of activities across HM Government to positively influence the digitisation and modernisation of Local Authority land and property information (CON 29).

11.4 Risk of interruptions to the LLC digital service

System availability is an obvious challenge for any organisation that aspires to put its services online. Land Registry has a strong record in system reliability and will be testing its systems at all stages. So, as a risk, system outage should be categorised as high impact but low likelihood. Therefore, the impact of system outages has not been quantified in this Impact Assessment.

It forms one of the key performance indicators set by government that overall system availability should be 99.6%. The most recent reliability figures are set out below. These figures have been stable over the last 4 years:

Land Registry Electronic Systems Availability (First Quarter of 2015/16 Financial Year)

Service	Availability
Find a Property	99.95%
Business Gateway	99.99%
Business e-Services	99.98%
Corporate Website	99.95%
Inspire	100.00%

The average external e-services availability was well ahead of Land Registry's target of 96% (Land Registry's Annual Accounts 2014/2015).

As with current Land Registry systems, the system would be built with robust disaster recovery and business continuity processes in place. So, in the unlikely event of any failure there will be minimal customer impact.

⁴³If the number of 'self serve' searches increased personal searches increased then we would have to increase fees, because Treasury rules in "Managing Public Money" would not allow us to plan for a loss.

Most customers will also see a considerable increase in service availability, relative to baseline availability of data via Local Authorities. Business Gateway and Portal customers have access from 6.30am to 11pm every day, including bank holidays, for example.

12 Specific Impact Tests

12.1 Statutory Equality Duties

A separate Equality Impact Assessment is in the process of being prepared.

12.2 Competition

12.2.1 Legal Position

Under British and European law, undertakings with a dominant position in the market may not abuse that dominant position to the detriment of trade within the UK.

Local searches have been the subject of Office of Fair Trading Reports; we are mindful of this in framing our proposals.

In 2004 they investigated allegations that the proprietors of the NLIS hub were abusing their market position. They found that that because the majority of local searches were done by methods other than NLIS, there was no market dominance anyway. Below-cost pricing by one of the channels was also found to be acceptable, because it was not intended to drive others out of the market, but to encourage the purchase of add value information.

The 2005 Office of Fair Trading Report on local searches did raise concerns about the potential for abuse of market position, by having the Local Authority providers in competition with private sector suppliers. This is not the position that Land Registry would find itself in if it undertook the public task of LLC provision via Option 1 of a LLC digital service. As mentioned above, under the EIR, anyone may make a personal search of the LLC register without having to pay a fee. Market intermediaries – including PSCs – would continue to be able, under Option 1, to scrutinise the dataset. Crucially, market intermediaries would also continue to be free to produce their own search reports, backed by their own indemnity insurance, to both conveyancers and consumers. Market intermediary search reports, therefore, would continue to compete for market share with Land Registry’s own ‘official’ search reports.

Our research found the current market share is as set out in the table below.⁴⁴ Before the demise of Home Information Packs, PSCs had about 70% of the market. Conveyancers named speed, convenience and price as the main reasons for not always using the Local Authority service. Most customers are pleased with the service they receive from their supplier.

Since then the Local Land Charges Institute has done research with Local Authorities, which suggests the market share of PSCs, at 33%, is significantly higher than the 20% shown below.

LLC Market Share (2011)

Mode	Main provider	Used sometimes
Search Intermediary/NLIS	42%	66%
Local Authority Direct	38%	69%
Personal Search Companies	20%	48%
Conducted own personal search	1%	6%

When the Option 1 was explained to them, 21% of interviewees said they would definitely use Land Registry, while a further 38% said they probably would. PSCs customers were not very inclined to switch, even when the option in question included both CON29 and LLC searches together – only 8% of their customers said they would definitely switch. Given this, it is unlikely that many will switch just for LLC searches only.⁴⁵

⁴⁴ Land Registry commissioned Synnovate to conduct a 25 minute telephone survey of 370 conveyancers in 2011.

⁴⁵ Synnovate, the company who ran the survey, say in their experience only 80% of “definites” will really switch.

We have held initial discussions with the Office of Fair Trading (now the CMA), but to take a view, they need to see more detail as the policy is developed.

12.2.2 Personal Search Companies

An explanation of the business of PSCs is set out in section 6.2.4, while the effects of Option 1 on their business are set out in section 8.3.3.

The competition they have brought to the market and their willingness to innovate has certainly helped to reduce costs and completion times and we would not wish to see them excluded from the market. A recent example of innovation is the Japanese Knotweed searches offered by several PSCs.

Local searches are a major component of their business. They represent about 30-50% of business for the five largest firms, but among small suppliers the proportion is closer to 70%. This makes all of them vulnerable if they were to lose business. Also, we understand a significant proportion of their other business is reliant on 'getting customers through the door' for local searches.

The sector has contracted since 2010, falling from 181 firms at its height to about 99 firms (with individual franchises and their franchisees still operating).⁴⁶ It is probable that this shakeout is not yet complete. In 2008 Trends Business Research estimated the number of employees in the sector to be about 1,300 and the contraction in their business has led to redundancies since then.⁴⁷

Under both options PSCs would still have free access to the raw data necessary to complete their LLC search results. As our research has shown their customers are least likely to go elsewhere, we judge the competition effects as regards the PSCs to be neutral.

PSCs will also be able to inspect a central LLC digital service and will therefore benefit from not having to attend in person (see section 8.3.3), at least for LLC searches, opening up the possibility of a wider market. The Dartford example in section 8.3.3 suggests that on-line access is popular with PSCs even where a small fee is involved.

12.2.3 NLIS and other intermediaries

Like the PSCs, NLIS has also had to reduce the scale of their operations in recent years, although TM Group has continued to maintain the scale of their operations somewhat.⁴⁸ We are uncertain how many are employed in this sector, although in 2013 TM Group employed 87 people and NLIS channel Searchflow employed 94.⁴⁹

They will be able to route their requests via Land Registry but their customers are likely to have Land Registry Portal accounts, so may use Land Registry direct to avoid the hub and channel fees. Alternatively present customers of Local Authorities may switch to NLIS so they can order all their local searches in one go.

Even if the business conducted by NLIS and others did reduce, it would not necessarily infringe competition law, because we do not believe our market share would be so large as to engage the provisions of abuse of market position. We believe NLIS, TM Group and PSCs will retain their competitive advantage because they will be able to offer a service which includes both LLC search and CON29.

12.2.4 Entry into the market

The proposed LLC search facility might facilitate entry to the market by new PSCs because it will lessen the need for personal attendance at the Local Authority. It might encourage local PSCs to expand their operations nationally, which they will find harder to do at present.

⁴⁶ 107 firms (compilers and retailers) and 91 franchisees are registered with the Property Codes Compliance Board, but not all deal with Local Authority Searches.

⁴⁷ According to the latest company accounts, 6 of the 7 large firms referred to above have a total of 349 employees.

⁴⁸ According to NLIS parent Land Data's 2012 Annual report they have reduced operating costs from £688,000 to £398,000. Presumably this has involved redundancies. In 2013 TM Group made an operating profit of £1.6 million on turnover of £49.5 million. Turnover has increased by 50% since 2011.

⁴⁹ Source: Annual Reports to Companies House.

12.2.5 Small businesses

Some small businesses are involved in the purchase/transaction of land and property. There is no obvious negative impact on these businesses, indeed they should benefit from lower fees and faster turnaround of LLC data during transactions. Similarly, small businesses which are intermediaries in the land and property sector, and which need to access LLC data, should find it quicker and cheaper to do so. The one sector that may be more widely impacted is PSCs (see section 12.2.5.1).

12.2.5.1 Personal Search Companies

Nearly all PSCs will be classed as small (11-50 employees) or micro (1-10 employees) firms.⁵⁰

Small firms are more reliant than larger ones on local search income, so if our proposals led to a fall in sales volumes for the sector, then they are likely to be disproportionately affected. Balanced against this, though, is the possibility of small local PSCs upscaling their operations nationally as more information becomes available on-line; however many already combine their efforts to create national coverage.

There is some evidence within the PSCs that they see an opportunity to expand their market share as Land Registry takes on responsibility for LLCs, they can provide a single source of data for LLC and CON29 for their customers. PSCs also offer other additional searches (set out in sections 6.2.4 and 8.3.3) which are not affected by the current proposals.

12.2.5.2 Conveyancers

Most conveyancing firms count as small or micro firms. They are not directly affected by the level of fees for local searches, as this is a disbursement which is passed onto their clients. We therefore judge the effect on them to be neutral.

12.3 Environmental impacts

Our research found that 27 percent of searches were submitted on paper as the most common method of submission, although nearly half use the post sometimes.

The LLC search form is 1 page long and the reply another page. This would equate to about 1.23 tonnes of CO₂⁵¹ saved annually. However the *economic* benefits from this are small.⁵²

We have not identified any other environmental impacts.

12.4 Health and wellbeing

We have not identified any impacts.

12.5 Human Rights

We have not identified any impacts.

12.6 Justice System

We have not identified any impacts.

12.7 Rural Proofing

There are no significant impacts. Digitising records may assist those in rural areas wishing to do personal searches, who live some distance from their Local Authority offices.

12.8 Sustainable development

We have not identified any impacts.

⁵⁰ Trends Business Research ([op cit 2008](#)) interviewed 8 firms who had 1 to 14 employees.

⁵¹ The market is about 1.3 million searches, if 27% were lodged on paper this would equate to 0.7 million sheets of paper or 1,400 reams (1,300,000 x 0.27 x 2 sheets). Each ream (500 sheets) of paper saved thereby would reduce the carbon emissions in the production of paper by 0.88 kg (2 lb), as well as savings in water consumption and other waste emissions. Source – [Odyssee Indicators](#).

⁵² Richard Clarkson and Kathryn Deyes "[Estimating the Social Cost of Carbon Emissions](#)" (Government Economic Service Paper 140, 2002) estimates the value to be £70 per tonne.

13 Appendix 1 - The current system described:

13.1 LLC Searches

The LLC register is divided into 12 parts, with most charge entries falling under parts 1-4:

- (1) General Financial Charges, for example private street works
- (2) Specific Financial Charges, for example where the authority makes emergency repairs under the Public Health Acts, or the costs of demolishing a house without planning permission.
- (3) Planning Charges, for example conditions to planning permissions granted after 1977, tree preservation orders, conservation areas or section 106 planning agreements.
- (4) Miscellaneous charges, being charges not falling in parts 1-3, usually referred to in some Act of Parliament.

According to the Local Land Charges Institute, there are 20 million LLC registered with 65,000 updates (new registrations/cancellations) every month.

Searches are usually made using form LLC1, which is sent to the relevant Local Authority. The authority will issue an official certificate of result. The result is not guaranteed, but the authority must pay compensation to the person making the official search for losses occurred because a LLC had not been registered or if it had been registered but had nevertheless been omitted from the search result. PSCs⁵³ do not get an official search result, but rely on a personal inspection of the LLC register and back this up by taking out indemnity insurance instead, so they can themselves pay compensation to the person requesting the search if similar losses are incurred. It is understood that very few compensation payments need to be made in practice.

There used to be a fixed fee for LLC searches across the whole of England and Wales. However this changed in 2005, with the devolution of fee making powers to Wales. In Wales there is still a fixed £6 fee. In England, however, where Local Authorities are free to set their own fees, the average (weighted by volume) is about £26.54 although the individual fees vary widely between different authorities.

13.2 Additional Property Searches (form CON29)

Requests for CON29 information are normally submitted to Local Authorities when a search of the LLC register is made. CON29 data may include relative Town Planning, Drainage, Highways, Environmental Health and Building Regulations and further information relating to Public Rights of Way, Strategic Planning, Environmental Notices, Food Safety, Radon Gas, Advertisement Restrictions and Register of Advertisement applications.

The relevant information is held by a number of different departments within the Local Authority. To complicate matters further, in 'two-tier' authority areas the district council needs to get information from the county council in order to be able to complete the search reply.

As the required information affects a number of different Local Authority departments, such requests are often circulated within the authority.⁵⁴ The replies are designed to be 'yes/no' if possible. Conveyancers may need to investigate further if they receive a 'yes' reply to a question.

Local Authorities must pay compensation if a customer suffers loss as a result of an incorrect search, but only where the incorrect search is the result of negligence. The Local Government Association used to set recommended fees, but abandoned this in 2000 because so few Local Authorities were using it. Local authority fees in respect of CON29 searches are now set on a 'cost recovery' basis over 3 years. The average is about £75.

Due to the impact of the EIR, PSCs can conduct personal searches for free, but instead have the overhead cost of sending staff to get the information. Their indemnity insurance covers losses arising from an incorrect search result.

⁵³ Personal Search Companies offer an alternative service to Local Authority official searches. They make personal searches at the Local Authority which are free of charge, which enables their completion times and fees to be competitive vis a vis other channels.

⁵⁴ In two tier council areas, the district council will often need to request information from the county council.

14 Appendix 2 - Impact Assessment – Policy development reflected in Impact Assessment development since January 2014

The basis for each document, and the prime changes between them, are described below:

14.1 Published 16 January 2014 – Consultation Stage

This document was produced to support the initial public consultation. It was based on significant qualitative research undertaken by an independent research company, preliminary engagement with stakeholders by Land Registry staff and early findings from the development of a prototype with 7 Local Authorities. It included two options for economic assessment:

1. Do nothing.
2. Land Registry assumes statutory responsibility for LLC searches.

Other options that had previously been considered, but excluded, were:

3. Minimum change – introduce legislation to promote standardisation of the Local Authority service.
4. Land Registry to become a hub provider.

At this time, it was envisaged that it would take approximately three years to digitise and migrate the current registers to the new central service. It was also assumed that the initial cost for searches on Land Registry's central register would be £12, falling to £5 after cost recovery.

The Regulatory Policy Committee opinion dated 29 November 2013 (Reference RPC13 – FT BIS-1925(2)) relating to the Regulatory Triage Assessment validated the measures as follows:

“The costs for conveyancers of familiarising themselves with the new system are therefore in scope, making the policy an IN. The Department will need to submit an EANCB (Equivalent Annual Net Cost to Business) validation to confirm the value of the IN.”

14.2 Published 16 June 2014 – Final Stage

This update was produced after a public consultation ('Land Registry, Wider Powers and Local Land Charges') which was undertaken between 16th January and 9th March 2014. There were a number of changes to the document as a result of wider engagement and feedback from the consultation exercise, as well as fuller data being available from the prototype:

1. Land Registry's original consultation proposal was to limit digitisation and the scope of the new digital service to charges less than 15 years old. After consideration of the consultation responses Land Registry decided not to pursue this proposal. The period covered by an official LLC search will not be limited in this way.
2. With further background information and analysis undertaken, a transition cost range was created, with a low and best estimate of £20m, a high of £28m. (The original estimate was £26m). Annual running costs also reduced to £3.4m.
3. The previously rejected option of digitising Local Authority records and standardising the service (but retaining delivery in Local Authorities) was re-introduced for formal comparison in economic options analysis.

The Equivalent Annual Net Cost to Business calculation was considered by the Regulatory Policy Committee (Reference RPC13 – FT BIS- 1925(3)) on 30 May 2014, summarised as follows:

“The Impact Assessment is fit for purpose. In line with the Regulatory Triage Assessment confirmation, the Impact Assessment treats the changes to conveyancing fees as an impact on the individual or business purchasing the property, not as a cost to conveyancers that is indirectly passed through to customers.

The Impact Assessment estimates that the reduced fees as a result of the changes will result in benefits to business of £1.8 million each year. As a regulatory measure with benefits to business, the Regulatory Policy Committee can validate the measure with an IN with a 'Zero Net Cost'.”

14.3 Published 29 October 2014 – Revised Final Stage

This version was created to reflect discussions regarding the setting of fees in Wales. Fees are set nationally by the Welsh Government; therefore the principles assumed for pricing in English authorities could not be replicated.

The Impact Assessment did not need to be revalidated because there was no change to the 'Zero Net Cost' conclusion in the previous Regulatory Policy Committee opinion.

14.4 Published 20 March 2015 – Enactment Stage

This version was issued to coincide with submission to the Department for Business Innovation and Skills and Her Majesty's Treasury of the Outline Business Case for the programme. By this stage, significant additional work had taken place, including:

1. Between June 2014 and January 2015, meetings with over 300 Local Authorities to understand more about the LLC process and the nature, format, quality and scale of the data they hold.
2. Extensive stakeholder engagement with bodies such as the Local Land Charges Institute, Council of Personal Search Organisations and Institute of Personal Search Agents.
3. Market engagement with potential suppliers, starting with a market warming day in July 2014, followed by a series of follow-up meetings with interested parties to further explore likely issues, opportunities and the financial scale of the required work.
4. Based on data gathered from the engagement described above and detailed development of plans for digitisation and migration, comprehensive cost assessment and financial modelling.
5. Progress through the parliamentary process, with the necessary legislation to support the programme included in the Infrastructure Act 2015.

A number of significant changes are reflected in this version of the Impact Assessment:

1. To ensure adequate consideration of the complexity of the transition, an extended period of digitisation and migration has been included in the rollout schedule. While 70% of Local Authorities are planned to be migrated approximately 3 years after migration commences, the residue of authorities is not expected to complete until year 8 of the programme.
2. The identification of new cost areas, and, based on market engagement, some significant changes to assumptions included in previous financial modelling (most notably a large increase in the cost of digitisation). Land Registry financial costs increased to £110.8m for the transition and £14.2m ongoing.
3. Due to the increased financial cost and extended timescales, the fees charged during the transition were increased to £25, to drive cost recovery during the 10-year programme delivery period. The search fee has been reduced from £5 to £4.60 once the service is fully live and transition costs recovered. This reflects more detailed assessment of ongoing operating costs and sets the fee at a level required to operate the ongoing service on a cost-recovery basis.
4. Different treatment of the economic costs. There are some transition costs for two intermediaries (£0.3m). However, Land Registry economic costs remain nil as they are recovered in full by the cost-recovery model used for the programme.