

Title: Local Land Charges IA No: BIS LR003 Lead department or agency: HM Land Registry Other departments or agencies:	Impact Assessment (IA)		
	Date: 12 March 2015		
	Stage: Enactment		
	Source of intervention: Domestic		
	Type of measure: Primary 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	Zero Net Cost
What is the problem under consideration? Why is government intervention necessary? The current Local Land Charges service has a significant volume of paper records. Over time these records are degrading with some records physically decomposing with age. There is 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 “postcode lottery” aspect, significantly improving the quality of the service to customers.				

What are the policy objectives and the intended effects? <ul style="list-style-type: none"> • National standardisation of service delivery including price, timescales and data format. • Creation and publication of a new national LLC dataset • Digitisation of data improving customer access and experience and service resilience. • A two day turnaround time for Local Land Charge 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 – No change. 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 – Land Registry to take on LLC1 public task (preferred option). Applications will be by existing Land Registry channels, via Business Gateway and Portal, and both the fee and service will be standardised. The fee will be reduced further than under alternative options. Option 2 – Standardisation of service - digitisation by local authorities of their records.

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: 12 March 2015

Summary: Analysis & Evidence Policy Option 0

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 (Constant Price)	Transition Years	Average (excl. Transition)	Annual (Constant)	Total (Present Value)	Cost
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'
 The costs of Option 0 have not been quantified due to an absence of evidence.

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 these are impossible to quantify without further information.
 Main affected groups are local authorities and land or property-buying consumers and businesses.

BENEFITS (£m)	Total (Constant Price)	Transition Price	Average Annual (excl. Transition)	Annual (Constant Price)	Total (Present Value)	Benefit
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%
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.		

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	Zero net Cost

Summary: Analysis & Evidence Policy Option 1

Description: HMLR to assume LLC public task (RECOMMENDED)

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)	Constant 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 the Land Registry to incur non-trivial financial costs. Further details of these costs are set out in section 9.1 below.

Other key non-monetised costs by ‘main affected groups’
 Not applicable

BENEFITS (£m)	Total Transition (Constant Price)	Transition 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 the Land Registry via conveyancers - £8.97m (discounted) 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 to the avoided need to visit Local Land Charges offices.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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 sensitivity analysis, presented in section 11 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 database, and; (ii) the counterfactual fee (that which local authorities would have charged in the absence of the database).		

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	Zero net Cost

Summary: Analysis & Evidence Policy Option 2

Description: Standardisation of Local Authority service

FULL ECONOMIC ASSESSMENT

Price Base Year 2015	PV Base Year 2017	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: £43.4m	High: £43.4m	Best Estimate: £43.3m

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

Description and scale of key monetised costs by ‘main affected groups’
Main affected group is Local authorities.
Ongoing and transition costs: Local authority 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 local authorities to incur non-trivial financial costs. Financial cost to digitise will be similar to that of Option 1. Cost will be higher if individual platforms and digitisation contracts are procured authority by authority.

Other key non-monetised costs by ‘main affected groups’
 Not applicable.

BENEFITS (£m)	Total (Constant Price)	Transition Years	Average Annual (excl. Transition) (Constant price)	Total Benefit (Present Value)
Low	£0	10	£5.5m	£43.4m
High	£0		£5.5m	£43.4m
Best Estimate	£0		£5.5m	£43.4m

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 the local authorities via conveyancers - £5.5m (discounted) per annum over a 10-year appraisal period.

<p>Other key non-monetised benefits by 'main affected groups'</p> <p>Conveyancers and consumers: improved completion times for LLC1 local searches, and consequent improvement in the speed and efficiency of both residential and commercial property transactions in the UK.</p> <p>Personal search companies: time saving accruing to the avoided need to visit Local Land Charges offices.</p>		
Key assumptions/sensitivities/risks	Discount rate (%)	3.5
<p>Local authorities mandated to digitise to common standards. Financial cost is met by local authorities. Financial cost to digitise will be similar to that of Option 1. Cost will be higher if platforms and digitisation contracts are procured by individual local authorities. Search volumes as per Option 1. English fees reduce to £16.92 (in 2015 prices) in 2026.</p>		

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies
Costs: £0m	Benefits: £0.45m	Net: -£0.45m	Yes	Zero net Cost

1 Local Land Charges – Evidence Base

Impact Assessment Update

This version updates the previous edition, which was published ahead of the 3rd reading of the Infrastructure Bill in the House of Lords.

The original version was published with the consultation and was updated in October 2014 to take into account the effect of the amendment that the fee setting power for local land charges should remain with the Welsh government. Following feedback from the consultation and further engagement with local authorities and the market we have undertaken a thorough reappraisal of the costs and benefits of the project. This has affected costs and benefits, but the project continues to deliver significant net benefits to the public.

2 Current system

This impact assessment relates to Local Land Charges under the Local Land Charges Act 1975 which applies to England and Wales. This impact assessment relates only to England.

However the costs and benefits of our preferred option only relate to England. This is due to the unique nature of Government within Wales, the pricing regime currently found within Wales, and the likely future reorganisation of local Government within Wales, the Digitisation and Import of the data within the 22 Local Authorities within Wales will be dealt with as a separate piece of work, with its own Impact Assessment. The present assumption is this will delay transfer beyond the 10 year appraisal period (and the service will therefore continue to be provided by 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 a property, be it a private house 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. 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.¹ The main search application forms for a Local Search are currently LLC1 (Local Land Charges search) and CON29 (further enquiries).²

This Impact Assessment relates to LLC searches only. Should the Government make a decision to proceed with the digitisation of Con 29 information, a separate IA will be prepared for that proposal. Appendix 1 sets out how LLC1 searches are undertaken.

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:³

2.2.1 Direct request from the Local Authority

These are submitted either electronically or by post. Some local authorities have a very high level of electronic lodgement, Gateshead only receives 8% of searches by paper for example.

¹ Law Society Conveyancing Handbook (20th edn, 2013), section H3.1.3.

² 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.

³ OFT research in 2005 found 86% choose the search method, while only 9% ask their client.

Local Land Charges 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 in England and Wales.⁴ 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 Local Land Charges. The role is a specialism that is not generally well known elsewhere within the authority.

2.2.2 Personal Search Company (PSC)

Under the 2004 Environmental Information Regulations, anyone may make a personal search of the local land charges 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 LLC1/CON29 search is about £55-120.⁵ Quite often they offer additional services with their results, such as information about the locality, which their customers value.

A national database would enable some streamlining of their business by having to conduct fewer searches in person. The Dartford example in section 9.3.3 below 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).

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.

2.2.4 Factors influencing choice of supplier

Land Registry commissioned research⁶ 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 Personal Search Companies.

Figures supplied by the Local Land Charges Institute to the consultation suggest we have underestimated the market share of personal search companies. They state the figure should be 33%.

We have accepted this figure in subsequent modelling. 67% of searches are conducted by local authority staff at the request of conveyancing firms⁷.

The Office of Fair Trading 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 Personal Search Companies.

⁴ 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.

⁵ Based on quoted fees for 7 PSCs.

⁶ 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.

⁷ 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.

3 Problem under consideration

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 Local Authority visits, the Land Registry 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.

3.1.1 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 past informal consultations we have been told how important a point this is for them. It also results in disparity between local authority areas where the fees for LLC1 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 £146⁸ with a weighted average of £28.51.

English local authorities have to set fees in accordance with guidance from the Ministry of Justice.⁹ 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.

Fees in Wales are set nationally by the Welsh government. Currently the fee is £6.

Sending people to make personal visits to local authorities is also an inefficient way of achieving a standard fee. We understand industry estimates are that it costs a PSC about £25 to conduct a personal CON29/LLC1 search. Certainly PSCs have found it makes sense to pay Dartford Council £5 for a compiled on-line personal LLC1 search, rather than do the search in person for free (see section 9.3.3 below).

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:

Average LLC1 fee by government region in England

Region	Average LLC1 fee
North East	£18.27
North West	£19.56
East	£22.77
West Midlands	£23.97
East Midlands	£25.71
Yorks & Humberside	£26.37
South West	£28.85
South East	£30.86
London	£32.48

Figures are based on our research into fees and estimate of volumes, and weighted to take account of the number of searches per authority.

⁸ Based on an internet search of all authorities. Most authorities charge the same for non-residential land, but 32 in our survey did not.

⁹ Ministry of Justice – [“Charges for Property Search Services”](#) (2006)

3.1.2 Lack of Standard Service

3.1.2.1 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.¹⁰ Another survey by 1st Property Lawyers found delays were the biggest irritation for homebuyers.¹¹

Many Local Authorities do offer excellent levels of service, but our research has found very great differences in speed of service.¹² The small number of staff who work in the Local Land Charges section at each Local Authority mean that delays can quickly occur due to staff sickness and sudden increases in volume.

3.1.2.2 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 order official searches of the title register now.

A national database would also enable some streamlining of Personal Search Company business by having to conduct fewer searches in person. The Dartford example in section 9.3.3 below demonstrates that PSCs appear to prefer on-line personal searches, even where a small fee is involved.

4 Rationale for Government Intervention

4.1 Equity failure

The provision of local land charge 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 returned. The fee for a LLC1 search varies greatly, and is sometimes higher for commercial land searches: from £3 to £146. The provision of search data from a centralised Land Registry database for a standard fee would remove the regional disparity noted in section 3.1.1 above.

Additionally, and again as detailed above, the speed of LLC1 search data returns varies both regionally and across local authorities. The period of time required by local authorities to return search data varies between one and more than 10 days. Again, the provision of search data from a centralised Land Registry database would remove this disparity, by facilitating instant returns.

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 personal search company is appointed to arrange a LLC1 search.

¹⁰ [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)

¹¹ “[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%).

¹² 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.

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 LLC1 are set by each individual authority, guided by a combination of various legislative and statutory instruments. 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 Standardise 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 Local Authority visits, the Land Registry 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.

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 Local Land Charges 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.¹³

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 real terms change in the level of fees for LLC1 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.¹⁴

The Personal Search Companies 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.¹⁵ PSCs have partially delivered the policy objective of a standardised fee, although some charge less for searches nearer to where they are based¹⁶. However they will be unable to optimise the fee in the absence of intervention, because of the labour intensive nature of the PSC service and the fact that costs can only be minimised by having a single centralised database.

The National Land Information Service (NLIS)¹⁷ 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 lot less (the calculations in the economic case here assume an

¹³ 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](#))

¹⁴ For example, Southwark Borough Council ([Cabinet Report 29.1.2013](#)) paragraph 12.

¹⁵ As a result of competition from PSCs, Three Rivers Council reduced fees for LLC1/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).

¹⁶ See for example [HomeInfo UK](#), who charge £54 for searches near their Bridgend base and £90 for the remainder of England and Wales.

¹⁷ 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.

indicative 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 is our preferred option.

Under this option Land Registry will assume the public task of undertaking LLC1 searches, which is currently carried out by English Local Authorities. This will require amendments to the Local Land Charges Act 1975¹⁸ and minor changes to Land Registration Act 2002.

We are considering a number of delivery options, ranging from an in-house option to a fully outsourced one.

6.2.1 Timeline

We will build a new register of Local Land Charges, which will be updated by Local Authority staff either directly, or, in the case of light obstruction notices, via a form sent to Land Registry. LLC1 searches will be submitted by customers via the existing LR Portal or Business Gateway¹⁹. It is anticipated that all searches would be processed automatically.

The proposed timeline is set out in section 11.1.4 below.

6.2.2 Fees

Fees for LLC1 searches would 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 11.1.2 – Assumptions: Fees below.

6.2.3 Impact on Personal Search Companies (PSCs)

Personal Search Companies operating in England use Environmental Information Regulations (EIR) to access LLC and CON 29 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 LA and view records on site or through an open digital portal.

PSC 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 LLC1/CON29 search ranges from £55-120.²⁰ Quite often PSCs offer additional services with their results, such as information about the locality, which their customers value. Their customers value speed and price.

Under this option Local Authorities would continue to provide CON29 searches, and Personal Search Companies 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 LLC1 information from a remote terminal, 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 personal search companies currently have.

¹⁸ Section 9 currently requires searches to be made of the registering authority.

¹⁹ 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 casework management software.

²⁰ Based on quoted fees for 7 PSCs.

There is some evidence that an on-line personal search service is attractive to personal search companies, see section 9.3.3 below.

Further consideration of effects on competition for Personal Search Companies are set out in section 14.1.4 below.

6.2.4 Option 2 – Standardisation of local authority service

As a ‘do minimum’ approach, we have considered an option where each local authority would continue to provide the service, but would be required to digitise their records at their expense, with legislation used to secure adherence to a common set of data and interface standards, service levels and pricing structures. In this option we assume costs of digitisation based on recent local authority digitisation projects, but some of the costs would no longer apply. However based on the current fees charged by digitised authorities, we know the benefits are considerably more limited. We have assumed that the average fee would fall to that of authorities that are digitally advanced now – to £21.04 (in 2015 prices). These are set out in more detail in section 10 below.

The problem is that this has been suggested before but has been difficult to achieve. In 1988²¹ The Law Commission recommended enabling legislation as an interim measure until Land Registry had the capacity to run the service. They did highlight the problem of having a standardised fee – that the overhead of some councils will always be higher. This is still true today where average fees for authorities in London and the South-East are significantly above the average. Only by providing the service on a national basis can this be overcome.

A further attempt was made in 1994 when the Department for the Environment published a consultation “A statutory scheme for Local Authority Land Searches”. Proposals to have a 10 day limit to complete searches was very popular with consultees, but no such scheme was introduced probably because it relied on getting parliamentary time for primary legislation.²²

It would also be impossible for the Land Registry to become involved without the prospect of recovering investment via local land charge fees. We would not be permitted to pay to digitise local authority records out of registration fee income. However another supplier may wish to undertake this.

7 Option not proceeded with - Land Registry to be hub provider

Land Registry could become a hub provider like NLIS. However this is undesirable because it would confuse customers and bring nothing new to the market, It places Land Registry in direct competition with experienced and specialised companies, because we would be providing exactly the same service. It is unlikely to improve the service, achieve digitisation or standardise fees, nor does it align with central government economic and digital strategies. It would also expose the Land Registry to service delivery risk over which we would have no control.

8 Impacts of option 0 (no change)

Option 0 is a baseline option against which other options are measured.

There was previously some evidence that local authority improvements has meant local land charge fees are not rising as fast as inflation, and this was reflected in previous editions of the Impact Assessment. However many authorities known to have introduced computerisation have been unable to reduce fees. Taken with the fact that new information from 2014 shows the average fee rose in line with inflation, we have assumed no real increase in fees going forward.

Continuing with the current system should have little effect on local authorities or personal search companies.

²¹ Local Authority Enquiries: How Can we Eliminate Delays?

²² Hansard HC 11.3.1994, 26.10.1994; HL 11.7.1994

In reality, a further factor is the impact of the deterioration of paper records still held by some local authorities (which will require them to replace their records) but this has not been monetised.

9 Impacts of preferred option 1

Option 1 is described in section 6.2 above.

9.1 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 as Land Registry intends to go to market to procure these services.

10 Year Profile of Financial Costs and Economic Benefits (present value)²³

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 ²⁴
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

9.2 Local Authorities (England)

9.2.1 Transition

Land Registry are responsible for start up costs.

Cost estimates also include amounts to be paid by Land Registry to each Local Authority (“Burdens”). These include both fixed amounts for data preparation activities and development of bespoke IT user interfaces. 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 local land charges register

²³ 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.

²⁴ 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.

9.2.2 Overall costs

Local Authorities are required to do no more than break even on the LLC1 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.

9.2.2.1 Local Authority Internal Searches

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

9.3 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”²⁵. 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.

9.3.1 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 IA we have assumed an indicative figure of £4.60 (see 6.2.2 above) from October 2024).

About 12% of registered titles are owned by companies, charities or industrial and provident societies (see Appendix 2 for details). 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).²⁶

Projected LLC1 applications handled by HMLR (England) and fee savings²⁷ (Real prices)

The volumes dealt with by the 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).

Year	Option 1 Fee	Saving over option 0 ²⁸	Saving for business (12% of total) ²⁹
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

²⁵ That is charges by third parties for many services associated with conveyancing, which are passed on at cost by solicitors.

²⁶ During consultation 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.

²⁷ Fee savings are calculated by the forecast volume processed by HMLR multiplied by the fee saving for that year

²⁸ These savings are presented in undiscounted terms.

²⁹ See previous footnote above.

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

In the consultation, a lot of local authorities and some conveyancers highlighted additional burdens on business if the LLC1 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 LLC1s. Access to the LLC1 register will be via Land Registry Portal, and so can be combined with the other necessary enquiries made of Land Registry, such as official copies.

9.3.2 Speed

We intend the system to be 100% automatic, so customers should get instant results in the same way they can get Land Registry official copies and official searches.

9.3.3 Personal Search Companies

In consultation, the personal search companies 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 don't believe the current proposals will affect the business of the Personal Search Companies significantly, for the reasons set out below.

Personal Search companies 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 LLC1 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 personal search companies. Dartford Borough Council became the first council to use the IDOX Public Access for Land Charges System³⁰ 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.³¹ Clearly PSCs have taken the view that it is worth their while to get the result electronically.

9.3.4 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.

³⁰ IDOX are a company providing proprietary software, which is widely used by local authorities.

³¹ [Dartford improves services and cuts costs with new on line Land Charges solution from Idox](#) (IDOX, 31.5.2012). In their consultation response 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).

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.³²

We do not think that the current proposals, to offer LLC1 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 Local Authorities or the 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 the 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**³³.

9.3.5 Land Registry

The total economic cost for Land Registry of setting up an electronic Local Land Charges register is estimated at £110 million (see section 9.1 above), this includes the development and implementation costs, as well as operating costs in the first 10 years.

Certain costs which appear in the financial case do not form part of an economic case, in accordance with the rules in the Treasury Green Book. This includes:

- “sunk costs” and not accounted for here- expenditure on 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 (if any)

The operating surplus is set at a level to recover the transition costs.

The digitisation estimate was obtained through:

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

Some authorities have contracted out their Local Land Charge service to 3rd parties. We are uncertain of whether there will be costs involved in relation to contracted out local land charge searches.

9.3.6 Other effects considered

9.3.6.1 Unemployment Costs

Unison in their response to the consultation 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 authority.

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

³² 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, the lesser nature of the recommended proposal will inevitably result in fewer switchers.

³³ This is based on costs supplied when a previous major system update was required.

it separately. This is because unemployment benefits are treated as a transfer cost – it is money that comes from the Treasury and ultimately returns there.

It has been suggested that there may be effects on local economies but we do not consider that these will be large. As mentioned above, the numbers of Local Land Charge staff are small and they are spread geographically across the whole country.

9.3.6.2 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%). Although we hope to ultimately remove the option to apply for LLC1 searches on paper, it would not be done before some kind of citizen electronic access becomes available.

9.3.7 Local Authority Software Suppliers

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

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 on 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.

10 Impacts of Option 2

Under this option local authorities will digitise all their records and that they would have new protocols to provide a standard level of service and fee. We leave open the issue of who would pay for this. From our research, we believe 319 of the 326 English authorities would need to do something to fully digitise their records.

It is difficult to find detailed data on the costs of digitisation, as previous local authority programmes have included CON29 data or information from the whole planning department. We therefore assume that it would cost them a similar amount to Option 1. The cost savings for items which would not apply to local authority digitisation, or for authorities that are already digital, would be cancelled out by the increased costs of 300 or so procurement exercises. Like Option 1 these costs would be netted off against fee income.

The average LLC1 fee across all English authorities is currently about £26.54. Some authorities charge less for electronically lodged searches where they have made the necessary infrastructure and process improvements to justify a lower fee. The ten nominees for the best performing NLIS Level 3 authorities in June – November 2013 charge on average £5.50 a search less than their regional average.³⁴ Therefore we have assumed for the purposes of Option 2 that the voluntary compliance option 2 could deliver productivity improvements leading to an average real terms fee of £21.04 (possibly imposed by direction or agreement) across all authorities from 2021/22. We assume this would commence in year 5 once migration was complete and official.

Overall the Net Present Value fee savings will be £43.3 million over 10 years. This less than Option 1, and is driven by a widening gap between average fees, which by year 10 is nearly £20m per annum.

Option 2 – fee savings to customers

Year	Option 0	Option 2 Fee	Volume of	Saving over	Saving for
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³⁴ The authorities were (with difference between electronic fee and regional average from section 2.1 above in brackets): Torridge (-£11.15), York (-£11.37), Worcester (-£1.97), Medway (-£5.86), Mid Devon (-£11.25), Epsom (-£8.86), South Somerset (-£10.86), Hastings (+£3.14), Wakefield (+£3.13). Source: [NLIS Awards 2014 nominations](#).

	Fee		paid for searches	option 0	business (12% of total) ³⁵
2017/18	£26.54	£25.51	0	£0m	
2018/19	£26.54	£25.01	0.44m	£0.67m	£0.08m
2019/20	£26.54	£24.52	0.80m	£1.62m	£0.19m
2020/21	£26.54	£24.04	1.13m	£2.84m	£0.34m
2021/22	£26.54	£23.57	1.37m	£4.07m	£0.49m
2022/23	£26.54	£23.10	1.45m	£4.97m	£0.60m
2023/24	£26.54	£22.65	1.45m	£5.64m	£0.68m
2024/25	£26.54	£19.91	1.45m	£9.62m	£1.15m
2025/26	£26.54	£17.26	1.45m	£13.45m	£1.61m
2026/27*	£26.54	£16.92	1.21m	£11.62m	£1.39m
* Part year					
Total				£54.48m	£6.54m

10.1.1 Business benefits

Benefits for business would be calculated on the same basis as for option 1, at 12% of the overall benefit. They would benefit from faster completion times, but the disparity in fees would still be an issue in fee setting.

The savings for customers and business for a £20 constant fee and the same official market share as Option 0, over 10 years are £0.4 million per annum (discounted).

11 Assumptions

11.1.1 Search volumes

Our assumptions about volumes in England are set out in the columns A and B of the table below. 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.³⁶

The Land Registry 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.

³⁵ See section 8.3.1 above.

³⁶ 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.

11.1.2 Fees

11.1.2.1 Fees in Option 0 (the counterfactual)

We now have details of the average Local Authority fees for 2014 which show earlier below inflation price increases in the fees charged by local authorities have not continued (see section 6.1 above)³⁷.

While there was an increase in LLC1 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.³⁸ This may have been in part due to the way Local Authorities calculate their fees³⁹. 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 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 11.

Average LLC1 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%

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.

11.1.2.2 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 indicative 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	£25

³⁷ 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).

³⁸ 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.

³⁹ 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.

2017	
October 2024	£4.60

11.1.3 Fees under Option 2

We assume a real terms fee of £20 from year 5 when we have assumed the digitisation process would be complete.

11.1.4 Roll out

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

We now propose a phased rollout to local authorities, which has been taken account of 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
LAs migrated that year	0	22	71	90	72	64	6	1
Total LAs 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 LAs 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 definitions were 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 definitions were based upon the accuracy and robustness of records, whether microfiche was easily readable; and whether records were logically ordered.

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

12 Option 1 (the preferred option) sensitivity analysis

12.1.1 Key uncertainties

The estimated net benefit of Option 1 is sensitive to two key variables: ‘official’, or chargeable, Local Land Charge 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 Local Land Charge 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.

12.1.2 'Official' search volumes

'Personal' searches

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 Environmental Information Regulations (EIR) allow both businesses and consumers to access local authority-held local land charge data free of charge⁴⁰. The Land Registry will be required to provide free access once it assumes fulfilment of the local land charge function via a centralised database.

As occurs under the Do Nothing, it is anticipated that Personal Search and some conveyancers will request free access to local land charge data of the Land Registry.

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 personal search companies, and other intermediaries, to whom local authority-held Local Land Charge data is made available without charge under the Environmental Information Regulations⁴¹.

'Personal' searches also include 'self serve' searches, which are those undertaken directly by conveyancing firms and consumers. The Environmental Information Regulations require that Local Land Charge 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 local land charges fee income for the Land Registry. The greater the number of 'personal' searches made of the Land Registry database, 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.

12.1.3 Land and property market transactions

Clearly, the total volume of local land charge 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.

Option 1 – Forecast transactions and break even point

Year	Forecast search volume	total volume in	'Official' volumes
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⁴⁰ The EIRs can be accessed at <https://ico.org.uk/for-organisations/guide-to-the-environmental-information-regulations/>

⁴¹ 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 Local Land Charge 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.

	England (A)		
		Central estimate ⁴² (B)	Break-even point (C)
2017	2.13m	1.42m	1.42m
2018	2.15m	1.43m	1.25m
2019	2.17m	1.45m	1.10m
2020	2.17m	1.45m	0.95m
2021	2.17m	1.45m	0.83m
2022	2.17m	1.45m	0.72m
2023	2.17m	1.45m	0.63m
2024	2.17m	1.45m	0.55m
2025	2.17m	1.45m	0.47m
2026	2.17m	1.45m	0.36m

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.

12.1.4 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 the Land Registry for searches conducted via the centralised database 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 Land Registry database over the appraisal period, generates the total benefit of the policy⁴³. 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 local land charge fees, which had not rising as fast as general inflation. However, many authorities known to have introduced computerisation have been unable to reduce 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.

12.1.5 '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 the preferred policy option represents a neutral zero net present value. As mentioned, the variable variables tested are:

⁴² 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.

⁴³ Given the cost recovery model that the Local Land Charges function will follow, where all project costs are recovered via the fee charged by the 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 volumes	16% per annum reduction in volumes, relative to the baseline, over the entire appraisal period ⁴⁴ .
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 15% 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 15% 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 local land charge 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.

It should be noted that the sensitivity to variability in the counterfactual fee of the estimated net present value of Option 2 has also been undertaken. It shows that the counterfactual fee would have to fall by approximately 4% per annum over the entire appraisal period in order to generate a neutral, or zero, NPV. Additionally, as for Option 1, persistent real terms price changes of +5% and -5% per annum, over the appraisal period, have been tested. These show that the net present value of Option 1 – estimated to be £43.3m over 10 years - increases to £115.8m, and decreases to £-9.8m, in response to price changes of +5% and -5% per annum, respectively. The net present value of Option 2, therefore, is more sensitive, relative to Option 1, to changes in the counterfactual fee.

⁴⁴ The ‘official’ search volumes that are generated by 15% per annum falls in volumes are presented in column C of the preceding table.

13 Risks of option 1 (the preferred option)

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

13.1.1 Increase in self serve searches

The Local Land Charges database proposed under the preferred option makes scrutiny of Local Land Charges data much simpler, and, under the Environmental Information Regulations, only 'official' searches would attract a fee. It is therefore arguable that more conveyancing firms and consumers will choose to 'self serve'⁴⁵. An increased number of 'self serve' searches in a given year would reduce the number of 'official' searches, relative to the baseline⁴⁶. In some cases liability for errors and omissions could reside with the Land Registry, rather than with conveyancing firms or with consumers, there is a possibility that 'self serve' searches will increase after the database is rolled out.

13.1.2 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 LA staff to Land Registry when it assumes responsibility for the delivery of LLC1 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 the TUPE regulations 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 LA 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 LA representatives will continue in order to mitigate against the risk of legal challenge.

13.1.3 Decline in CON29 service

During the legislative process 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).

13.1.4 Risk of the Land Registry system going down

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%. Reliability figures are set out below:

⁴⁵ Even though a self-serve search would not be a 'guaranteed' result, the 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.

⁴⁶ If 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.

Land Registry Electronic Systems Availability (13 months to January 2014)

Service	Availability
Find a Property	99.34%
Portal	99.72%
Business Gateway	99.77%
Electronic Discharges	99.91%

As with current Land Registry systems, the system would be built with contingency and back up. So, in the unlikely event of any failure there will be systems in place to take over; thus minimising the impact on the customer.

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

14 Specific Impact Tests

14.1.1 Statutory Equality Duties

A separate Equality Impact Assessment is in the process of being prepared to deal with issues that have been raised, including about access to the data by DIY conveyancers and the Welsh language.

14.1.2 Competition

14.1.3 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 two recent 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 LLC1 provision via the preferred option of a LLC database. As mentioned above, under the 2004 Environmental Information Regulations, anyone may make a personal search of the Local Land Charges register without having to pay a fee. Market intermediaries – including personal search companies – would continue to be able, under the preferred option, to scrutinise the database without. 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 compete for market share with the Land Registry's own 'official' search reports.

Our research found the current market share is set out in the table below⁴⁷. Before the demise of HIPs, personal search companies had about 70 per cent 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.

⁴⁷ Land Registry commissioned Synnovate to conduct a 25 minute telephone survey of 370 conveyancers in 2011.

Since then the Local Land Charges Institute has done research with local authorities, which suggests the market share of personal search companies is significantly higher at 33%.

LLC1 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 recommended option was explained to them, 21% of interviewees said they would definitely use Land Registry, while a further 38% said they probably would. Personal Search Company customers were not very inclined to switch, even when the option in question included both CON29 and LLC1 searches together – only 8% of their customers said they would definitely switch. Given this, it is unlikely that any will just for LLC1 searches only.⁴⁸

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

14.1.4 Personal Search Companies

An explanation of the business of PSCs is set out in section 5.2.1, while the effects of option 1 on their business is set out in section 9.4 above.

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.

Local Searches are a major component of their business. It represents about 30-50% of business for the five largest firms, but among small suppliers the proportion is closer to 70%.⁴⁹ This makes all of them vulnerable if they were to lose business⁵⁰. 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. Now about 99 firms with individual franchisees and their franchisees still operate⁵¹. It is probable that this shakeout is not yet complete. In 2008 Trends Business Research estimated the number employees in the sector to be about 1,300 and the contraction in their business has led to redundancies since then.

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

Personal Search Companies will also be able to inspect a central database electronically and will therefore benefit from not having to attend in person (see section 8.4 above), at least for LLC1 searches, opening up the possibility of a wider market. The Dartford example in section 8.4 suggests that on-line access is popular with PSCs even where a small fee is involved.

⁴⁸ Synnovate, the company who ran the survey, say in their experience only 80% of “definites” will really switch.

⁴⁹ Source: Institute of Personal Search Agents.

⁵⁰ Company accounts of two firms big enough to file detailed accounts show one made an operating profit of £137,000 on turnover of £6.9 million in 2012 (2% gross profit), having lost 35% of business after the end of HIPs in 2011. The other lost 60% of turnover after the end of HIPs and made an operating loss of £1.9m on turnover of £5.3m in 2011.

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

14.1.5 NLIS and other intermediaries

Like the personal search companies (PSCs), NLIS has also had to reduce the scale of their operations in recent years, although TM Group (UK) Limited has bucked the trend somewhat.⁵² We are uncertain how many are employed in this sector, although in 2011 TM employed 64 people and NLIS channel Searchflow employed 97.⁵³

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 LLC1 and CON29.

14.1.6 Entry into the market

The proposed LLC1 search facility might facilitate entry to the market by new Personal Search Companies, because it will lessen the need for personal attendance at the Local Authority. It might encourage local Personal Search companies to expand their operations nationally, which they will find harder to do at present.

14.1.7 Small businesses

14.1.7.1 Personal Search Companies

Nearly all Personal Search Companies will be classed as small (11-50 employees) or micro (1-10 employees) firms.⁵⁴

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 Personal Search companies upscaling their operations nationally as more information becomes available on-line; however many already combine their efforts to create national coverage.

Overall the effect of our proposals is likely to encourage more consolidation in the market.

14.1.7.2 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.

14.1.8 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 LLC1 is 1 page long and the reply another page. This would equate to about 1.23 tonnes of CO₂⁵⁵ saved annually. However the *economic* benefits from this are small.⁵⁶

⁵² 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 2011 TM Group made an operating profit of £5.8 million on turnover of £32.8 million.

⁵³ Source: Annual Reports to Companies House.

⁵⁴ Trends Business Research ([op cit 2008](#)) interviewed 8 firms who had 1 to 14 employees.

We have not identified any other environmental impacts.

14.1.9 Health and wellbeing

We have not identified any impacts.

14.1.10 Human Rights

We have not identified any impacts.

14.1.11 Justice System

We have not identified any impacts.

14.1.12 Rural Proofing

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

14.1.13 Sustainable development

We have not identified any impacts.

15 Appendix 1 – The current system described

15.1.1 LLC1 – Local Land Charge Searches

The Local Land Charges 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 local land charges registered with 65,000 updates (new registrations/cancellations) every month.

⁵⁵ 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](#).

⁵⁶ 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.

A sample of 20 searches contained in Home Information Packs found that entries were revealed in 85% of cases, broken down as follows: Sample of land charge entries revealed from published HIPs

Class	Type	Number
3	Planning Conditions	7
3	Section 106 Planning Agreement	4
3	Control of Advertisements	4
3	Conservation Area	1
3	Enforcement Notice	1
3	Tree Preservation Order	1
4	Smokeless Zone	7
4	Homes in Multiple Occupation	2
4	Building Lines	1
4	Miscellaneous other acts	3
10	Listed Building	3

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 Local Land Charge had not been registered or if it had been registered but had nevertheless been omitted from the search result. Personal search companies⁵⁷ do not get an official search result, but rely on a personal inspection of the local land charges 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 LLC1 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.

15.1.2 Additional Property Searches (form CON29)

Requests for CON 29 information are normally submitted to Local Authorities when a search of the LLC register is made. CON 29 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.

⁵⁷ 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.

As the required information affects a number of different Local Authority departments, such requests are often circulated within the authority⁵⁸. 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 Environmental Information Regulations 2004 (EIR), Personal Search Companies 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.

16 Appendix 2 – Statistics on types of registered proprietor

Companies and the third sector are owners of about 12% of titles. Overall they make up a similar proportion of register activity where a local land charges search would be required. The table below shows they make up about 9% of transfers for value, but sampling suggests their share of new lease and remortgage applications is considerably higher.⁵⁹

Titles owned by various name categories (March 2014)

Type of Proprietor	Freehold	Leasehold	Percent
A Private Individual	16,529,634	3,902,310	86.03%
B Limited Company Or Public Limited Company	1,324,988	655,698	8.34%
C County Council	94,989	3,321	0.41%
D Local Authority	467,450	28,322	2.09%
E Corporate Body	251,502	53,260	1.28%
J Industrial And Provident Society (Company)	248,709	46,975	1.24%
K Industrial And Provident Society (Corporate Body)	63,286	8,209	0.30%
L Unknown (Used For Customer Names Only)	0	0	
M Unlimited Company	2,140	2,160	0.02%
N Limited Liability Partnership	11,635	32,006	0.18%
P Housing Association/Society (Company)	13,925	3,264	0.07%
Q Housing Association/Society (Corporate Body)	2,667	634	0.01%
R Official Custodian For Charities	1,788	138	0.01%
S Official Custodian For Charities (On Behalf Of Trustees)	1,373	81	0.01%
Total	19,014,086	4,736,378	

⁵⁸ In two tier council areas, the district council will often need to request information from the county council.

⁵⁹ A sample of 100 new leases and 100 remortgages sent to our Birkenhead, Coventry and Durham offices in January found that they made up 36% of new leases and 19% of remortgages. Taking into account that these applications are fewer than transfers for value, the overall average for business applicant s of all applications where a LLC1 search would be needed was about 12% also.

Number of transfers for value by type of purchaser (April – September 2014)

Code	Name Category	Transfer for Value	Transfer under power of sale	Total	Percent
A	Private individual	558,302	9,438	567,740	90.98%
B	Limited company or public limited company	44,990	1,184	46,174	7.40%
C	County council	263	1	264	0.04%
D	Local authority	1,199	29	1,228	0.20%
E	Corporate body	2,609	92	2,701	0.43%
J	Industrial and provident society (company)	2,968	21	2,989	0.48%
K	Industrial and provident society (corporate body)	406	4	410	0.07%
M	Unlimited company	237	1	238	0.04%
N	Limited liability partnership	1,379	59	1,438	0.23%
P	Housing association /society (company)	768	0	768	0.12%
Q	Housing association /society (corporate body)	100	0	100	0.02%
R	Official custodian for charities	4	0	4	0.00%
S	Official custodian for charities (on behalf of trustees)	5	0	5	0.00%
		613,230	10,829	624,059	