Opinion: EANDCB validation

Origin: domestic

RPC reference number: RPC-3687(1)-BEIS-LR

Date of implementation: 14 March 2016



Application Enquiry Service

Department for Business, Energy & Industrial Strategy – Land Registry

RPC rating: validated

Description of proposal

The Land Registry (LR) has introduced a new online Portal for tracking applications. This measure was aimed at helping customers to track applications more easily, thereby reducing the number of calls enquiring about the progress of applications. LR's internal data showed that around one third of all telephone enquiries relate to application tracking.

Impacts of proposal

The Land Registry estimates that 36,000 businesses have access to the Portal and could be affected by the change. This includes solicitors, licensed conveyancers, legal executives, notaries and other paralegals.

The assessment estimates the total familiarisation cost at £150,000. It provides detailed information on the length, complexity and the time taken to read each guidance document. The average wage rate used in the assessment is £24.51 (the hourly wage rate for conveyancers based on data from the Annual Survey of Hours and Earnings, 2016).

The key benefit identified in the assessment is the ability to access information more quickly online. Using internal data, LR states that the average phone call to its enquiry line lasts 7 minutes. It then assumes that the new system would allow conveyancers access to the same information in 2 minutes. Using the same hourly wage as for familiarisation, this translates into a saving of up to £2 per call. LR estimates that approximately 200 fewer calls per day would be received as a result of the change, saving conveyancers £103,000 per annum.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of -£0.1 million. This will be a qualifying regulatory provision that will score under the Business Impact Target.

Date of issue: 23 May 2017

www.gov.uk/rpc

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Quality of submission

This is a clear and concise BIT assessment. It discusses the costs and benefits of the policy in sufficient detail and presents information in an accessible way.

The assumptions used in the assessment appear to be reasonable, but a more detailed discussion of their sources would have been beneficial. The claim that the number of calls decreased by 200 since the implementation of the system is not fully supported with evidence.

Issues addressed following RPC's initial review

With regard to the missing benefits, the Initial Review Notice stated that the original assessment should have considered benefits to businesses related to efficiency savings to LR. This point has been addressed in the revised assessment. However, having reviewed the resubmission and considered the further information provided, the RPC has concluded that LR is not a typical "industry funded body" as it relies on fees from individuals as well as businesses. Therefore, the RPC no longer believes the efficiency saving should be regarded as a benefit to business. As this does not affect the EANDCB materially, the RPC is still able to validate it.

The initial review notice also pointed out that the on-going costs of the policy were not discussed in the original assessment. The revised document explains that the measure introduced changes to the existing online Portal, so there would be no new recurring costs.

The revised assessment also explains the assumption regarding the time needed to obtain information using the new functionality of the Portal. Based on LR's own use of the Portal, the assessment states that it would take a customer 2 minutes to find application information.

Departmental assessment

Classification	Qualifying regulatory provision (OUT)
Equivalent annual net cost to business (EANCB)	-£0.1 million
Business net present value	0.8 million

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RPC assessment

Classification	Qualifying regulatory provision (OUT)
EANCB – RPC validated ¹	-0.1 million
Business Impact Target (BIT) Score ¹	-0.5 million

Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.