



HM Land Registry: Main Estimate 2024-25



1 Overview

1.1 Objectives

HM Land Registry's (HMLR) is a non-ministerial department who register the ownership of land and property in England and Wales. HMLR's vision is to support a world-leading property market as part of a thriving economy and a sustainable future Within England and Wales.

HMLR's responsibilities are to provide:

- a reliable record of information about ownership of and interests affecting land and property;
- owners with a land title, guaranteed by the government; and
- a title plan that indicates general boundaries.

HMLR's Business Plan 2022 to 2025¹ sets out how these responsibilities will be achieved.

The 2024-25 Main Estimates along with this accompanying memorandum were prepared during a General Election Campaign, whereby the priority outcomes detailed were set under the previous Parliament.

1.2 Spending controls

HMLR's net spending is broken down into several spending totals, for which Parliament's approval is sought. The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit ("Resource DEL"): a net limit comprising day-to-day running costs;
- Capital Departmental Expenditure Limit ("Capital DEL"): investment in software, estates and IT equipment; and
- Resource Annually Managed Expenditure ("Resource AME"): less predictable day to day spending that is not easily controlled. For HMLR, the most significant element is the movement in the Indemnity provision which is used to underwrite the accuracy of the land register and act as an indemnity against fraud or error. It also covers other non-cash items such as impairments.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require HMLR to pay out cash in the financial year.

1.3 Comparison of net spending totals sought

The table below shows how the net spending totals sought for HMLR compares with last year.

¹ <https://www.gov.uk/government/publications/hm-land-registry-business-plan-2022-to-2025>



Net Spending total Amounts sought this year (Main Estimate 2024-25) £m		Difference (+/-) compared to final budget last year. (Supplementary Estimate 2023-24)		Difference (+/-) compared to original budget last year (Main Estimate 2023-24)	
		£ m	%	£m	%
Resource DEL	£413.617m	(£20.653m)	(4.8%)	(£10.653m)	(2.5%)
Capital DEL	£59.100m	£8.900m	17.7%	(£1.100m)	(1.8%)
Resource AME	£12.000m	(£7.000m)	(36.8%)	(£7.000m)	(36.8%)

A breakdown of spending within the net total is shown in section 2.1.

1.4 Key Drivers of spending changes since last year

The net Resource DEL and Capital DEL have changed from last year in line with Spending Review 2021 (SR21) allocations. The key drivers for the movement outside of spending review allocations are:

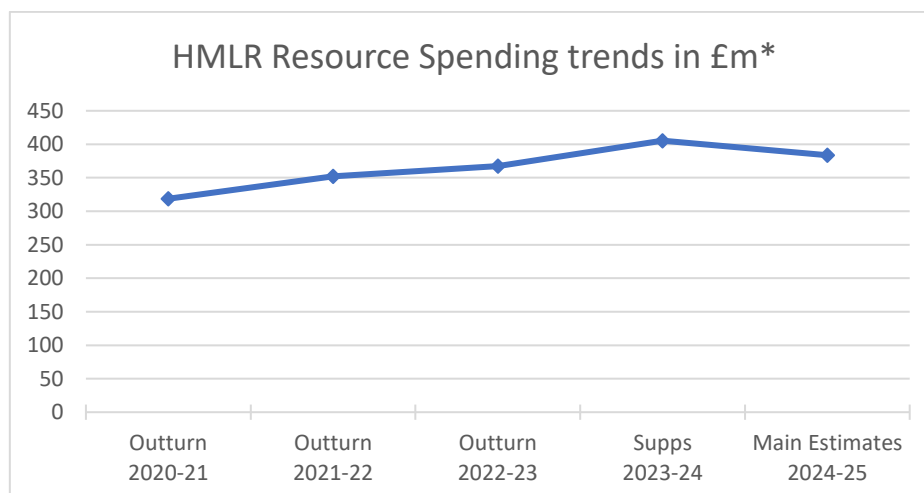
- £1.0m Resource DEL increase for additional depreciation for the Local Land Charges Programme.
- £6.2m Resource DEL increase for IFRS 16 lease payments.

1.5 New policies & programmes and ambit changes

There are no significant new policies or programmes for HMLR in 2024-25. There is no ambit change for HMLR.

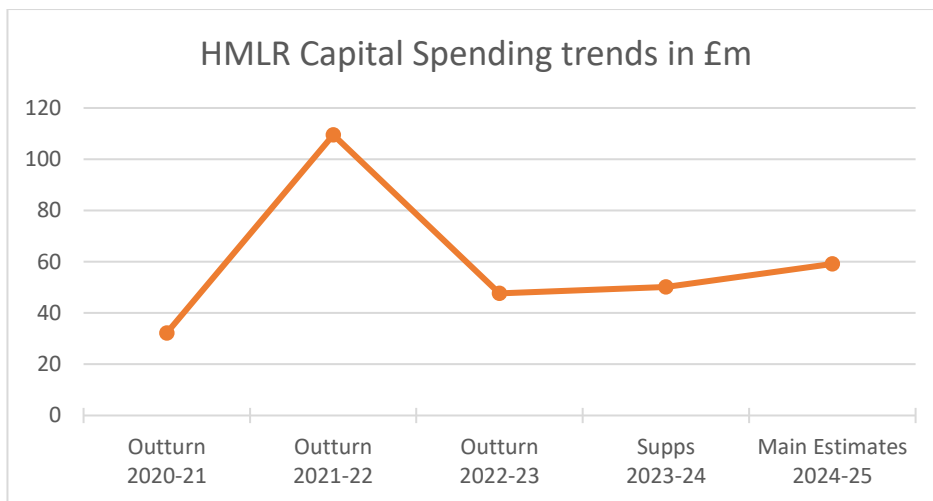
1.6 Spending and income trends

The charts below show overall resource DEL spending trends for the last four years, and budgetary plans presented in the Estimates for 2024-25.





**Depreciation has been excluded in the Resource DEL figures shown in the above graph.*



1.7 Administration costs and efficiency plans

Due to the nature of HMLR’s services, its Resource DEL budget is categorised as programme spend.

HMLR’s investment strategy includes plans to upgrade and modernise data and technology infrastructure, which will assist in creating operational efficiencies over the medium to long-term. This will be achieved through the creation of modern digital services that provide an excellent customer experience, supported by an efficient, value for money case working operation based on improved technology, greater automation and efficient management approaches.

1.8 Other funding announcements

There have been no additional funding announcements.

2 Spending and income detail

2.1 Explanations of changes in spending and income

Resource DEL

The table shows how spending plans for Resource DEL compare with the 2023-24 Supplementary Estimates.

Subhead	Resource DEL			Is change significant? See note number for explanation.
	2024-25 Main Estimates budget sought	2023-24 Supplementary Estimates budget approved	Change from last year	



		£m	£m	£m	%	
A Resource DEL	Cash	383.7	405.4	(14.5)	(3.6%)	1
	Depreciation: Non-Cash	23.7	28.9	(5.2)	(18.0%)	
	IFRS 16 Depreciation: Cash	6.2	0	6.2	100.0%	
	Net Expenditure	413.6	434.3	(19.7)	(21.6%)	

Notes:

1. Budget has been reduced from 2023-24 Supplementary Estimates in line with the SR21 allocation. £6.2m is allocated as 'Depreciation: Cash' as it is IFRS 16 depreciation so is a lease payment and is therefore cash.

Capital DEL

		Capital DEL				
Subhead		2024-25 Main Estimates budget sought	2023-24 Supplementary Estimates budget approved	Change from last year		Is change significant? See note number for explanation.
		£m	£m	£m	%	
A Capital DEL	Core Expenditure	59.1	50.2	8.9	17.7%	2
	Net Expenditure	59.1	50.2	8.9	17.7%	

Notes:

2. 2024-25 Capital DEL budget in line with HMLR's settlement in SR21.

Resource AME

		Resource AME				
Subhead		2024-25 Main Estimates budget sought	2023-24 Supplementary Estimates budget approved	Change from last year		Is change significant? See note number for explanation.



		£m	£m	£m	%	
B Resource AME	Indemnity and impairments	12.0	19.0	(7.0)	(36.8%)	3
	Net Expenditure	12.0	19.0	(7.0)	(36.8%)	

Notes:

- £12.0m Resource AME budget agreed annually for indemnity provision.

2.2 Ring fenced budgets

Within the totals, the following elements are ring fenced, which means that savings in these budgets may not be used to fund pressures on other budgets.

Resource DEL

Resource DEL					
Ring fenced budgets: Amounts sought this year	2024-25 Main estimates	Difference (+/-) compared to final budget last year Supplementary Estimate 2023-24		Difference (+/-) compared to original budget last year Main Estimate 2023-24	
	£m	£m	%	£m	%
Non-Cash Depreciation	23.7	(5.2)	(18.0%)	1.0	4.4%
Cash Depreciation	6.2	6.2	100.0%	6.2	100%
Digital Transformation Programme	9.5	0.0	0.0%	0.0	0.0%
Additional Casework Capacity	16.2	(0.5)	(3.0%)	(0.5)	(3.0%)

Capital DEL

Capital DEL			
Ring fenced budgets Amounts sought this year	2024-25 Main Estimates	Difference (+/-) compared to final budget last year. Supplementary Estimate 2023-24	Difference (+/-) compared to original budget last year. Main Estimate 2023-24



	£m	£m	%	£m	%
Local Land Charges Programme	32.8	13.5	69.1%	0.4	1.2%
Digital Transformation Programme	26.3	(1.5)	(5.4%)	(1.5)	(5.4%)

2.3 Changes to contingent liabilities

The Land Registration Act 2002 places a legal liability on HMLR to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. HMLR provides for these claims within its Indemnity Fund, both for known claims and claims incurred but not reported.

The estimates and underlying assumptions supporting the valuation of the Indemnity Fund are reviewed regularly by HMLR, supported by the Government Actuary's Department. The latest review based on data up to the end of October 2023 showed no material change.

Under IFRS 16 *Leases*, HMLR's leasehold properties are recorded as assets within its accounts which means HMLR carries the impairment risk of these assets should there be an adverse movement in property market. HMLR is working closely with the Government Property Agency to ensure the value of its property assets are appropriately reflected in its accounts.

3 Priorities and performance

3.1 Measures of performance against each priority

As outlined in Section 1.1, the following priorities were set under the previous Parliament.

Our long-term Strategy 2022+² and Business Plan 2022-25 were published in August 2022.³ We remain committed to delivering both our Strategy and Business Plan and will report progress in our Annual Report and Accounts (as we did for 2022-23).

HMLR provides a fast and efficient customer experience for those essential pre-completion services that enable properties to change hands without delay and keep the property market moving. In 2023-24:

- 99.7% of 21.3m information service requests were processed within the three-day service standard. These constitute around 82% of all HMLR customer requests.
- 94.3% of 371k expedited (urgent) applications were processed within ten working days (around 1.2k applications every day).

Our priority remains improving the speed of our services and our customers have been clear that reducing the age of outstanding applications is the priority from their perspective:

² HMLR Strategy 2022+, [HMLR Strategy 2022+.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/115444/HMLR_Strategy_2022+.pdf).

³ Business Plan 2022-25, [HMLR Business Plan 2022 to 2025.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/115444/HMLR_Business_Plan_2022_to_2025.pdf).



- We remain focussed on our ambition to materially reduce the number of outstanding applications older than 12 months. Our outstanding applications are for post-completion activity after the house-buying process has been completed (approx. 2% of all HMLR customer requests). The legal interests of the applicant are protected from the moment HM Land Registry receives the application. Any application that could cause problems – whether legal, financial, or personal – for the end customer can be expedited, free of charge.
- We have created specialist, dedicated teams that are now targeting the oldest and most complex applications, specifically to reduce processing times for those applications. So far, we have reduced the oldest applications (over 18 months old) by 25k to 12k from a peak of 36k at the end of January 2023.
- The age⁴ of the oldest outstanding applications (currently the more complex Developer applications) reduced to 17.5 months by year-end, better than our 2023-24 end of year expected target of 18 months. Other services are lower with the youngest (Volume Register Updates) at 4.3 months. The average customer experience to update or create new entries on the Land Register (excluding time awaiting a customer response and other 3rd party action) is currently 14 days.

3.2 Commentary on steps being taken to address performance issues

HMLR's focus this year has been on investment in capacity, capability, and efficiency to improve our speed of service. In summary:

- Our biggest operating constraint remains the number of our caseworkers able to complete our most complex work (36% of our caseworkers have less than 18 months experience). We recruited more than 300 new caseworkers in 2023-24 blending new talent alongside our experienced colleagues.
- Our Land Registration Academy has delivered training to more than 500 colleagues in the last year. We are starting to see improvements despite the high levels of demand for our services over the last two years. Our caseworkers processed 6% more applications to change the register in 2023/24, than they did in 2022/23.
- We have created new specialist, dedicated teams that target the oldest and most complex applications, specifically to reduce processing times for those applications.
- We receive more than 450% more expedites than we did in early 2020. To better manage the demand, we have set up a targeted expedite approach for each type of application which has ensured we have continued to deliver against our speed of service targets.
- In February we surpassed our annual target for the number of charge (mortgage) applications automated (5,700) with three weeks to spare, which is helping deliver an increase in organisational production alongside other continuous improvement efforts.

In 2024-25 we will continue to focus on delivering an improved service for our customers while laying the foundations of our future role in a digital property market and wider economy. This includes:

- continuing to upskill our workforce to maximise capacity and improve resilience.

⁴ 95% of each application type



- improving our internal operations to reduce day to day constraints on casework systems and processes. This means we are delivering both tech and non-tech improvements to our processes to make our caseworkers more efficient.
- harnessing technology and re-engineering processes to deliver radical, permanent improvements to how changes to the Register are completed. This includes increasing the numbers of applications that can be automated and exploring how we can build resilient functionality for the future.
- improving the customer experience aiming for resolution at first contact wherever possible to enable us to optimise our capacity to focus more directly on casework and improving the overall customer experience.
- improving the quality of post-completion applications, we receive to reduce avoidable requisitions. Sometimes, we are unable to complete a registration application because some of the information we need is missing, incomplete or wrongly drawn. Nearly 20% of registration applications require us to raise a requisition, but requisition rates vary widely between individual firms, up to 50% of applications in some cases. Nearly half of all requisitions could be avoided. We have plans this year to continue training and feedback for conveyancers, designing an applications quality scheme with regulators, reviewing guidance to make it easier to understand and exploring technical solutions to check and validate data before it is submitted.
- consulting on the future fees and charging structure of the organisation. The call for evidence was launched on 8 March and closed on 5 April 2024. This call for evidence sought views on how HMLR might increase access to land and property data for greater land transparency and update its fees and charging structure to make it simpler for customers and generate operating efficiencies. It sought specific views on supporting the land and property information agenda and encouraging innovation through better/open access to HM Land Registry data, modernising and simplifying its fee structure and ensuring fees are fair and reasonable across its customer base.

3.3 Major projects

HMLR's Local Land Charges (LLC) programme is its only project within the Government Major Project Portfolio (GMPP). The LLC programme is run, in partnership with local authorities, in England to standardise and migrate local land charges register information to one accessible place⁵. We migrated an additional 23 authorities to the Local Land Charges programme in 2023-24. In total we have migrated 96 local authorities (89 local authorities are live and a further 7 are in their notice period) with over 5 million charges on the register. We have delivered 860k searches, saving customers an average of £11 per search, and receiving results instantly, an average of 13 days faster than the services we replaced, greatly enhancing land transparency.

The Accounting Officer Assessment of the Local Land Charges Programme is available in the public domain⁶.

⁵ GMPP data, [HMLR Government Major Projects Portfolio data, 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/hmlr-government-major-projects-portfolio-data-2023).

⁶ LLC AO Assessment, [Accounting Officer Assessment: Local Land Charges Programme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/accounting-officer-assessment-local-land-charges-programme).



4. Other Information

4.1 Additional specific information required by the select committee

No additional information has been requested by the Department of Levelling Up, Housing and Communities Committee.

5. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by me as Departmental Accounting Officer.

Simon Hayes
Accounting Officer
HM Land Registry
12 July 2024