



Ministry of Housing,
Communities &
Local Government

Neil Sachdev
Chair of HM Land Registry Board

Matthew Pennycook MP

*Minister of State (Housing,
Communities and Local
Government)*

**Ministry of Housing,
Communities &
Local Government**

4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

www.gov.uk/mhclg

04 February 2025

Dear Neil,

Thank you once again for taking the time to meet with me in October. I very much benefitted from the insights that you and members of the senior executive team shared with me about HMLR's role in registering and protecting land and property ownership and supporting an efficient property market.

As we discussed during that introductory meeting, I recognise and appreciate the performance improvements that HMLR has made in recent years, especially given the significant challenges presented by the COVID-19 pandemic. I look forward to seeing the organisation make further progress in the months and years ahead.

HMLR already plays a vital role in the property market through delivering your statutory duties and the associated services you provide to industry and the public more generally. As you know, I want to consider how we might enhance the contribution the organisation makes and explore the ways in which it can most effectively support the government's Plan for Change, particularly our ambitious milestone of 1.5 million new homes in this Parliament. I know you will agree that HMLR's transition to MHCLG's family of arm's-length bodies, and the potential this affords for closer alignment in policy priorities and delivery of government services, presents significant opportunities in that regard.

In governance terms this letter is being issued as a Chair's Letter and in this case sets out the government's priorities for your organisation over the next twelve months.

As Chair, you are responsible for ensuring the effective operation of the HMLR Board. I expect you to support the Board in bringing expertise, support, and challenge to the Chief Executive and the wider executive team, to ensure the organisation continues to deliver its programmes and overall objectives.

This letter focuses on the priorities for HMLR over the coming year as follows:

1. Support the delivery of government policy priorities:

In the next year you should ensure HMLR plays its part in the government's plans for the delivery of 1.5m new homes in this parliament. I would like to understand from you and HMLR executives how your organisation intends to support this work, both through existing plans and services and in new initiatives and strategies. To support this goal as well as supporting the delivery of other Government policies and missions, I would further like you and the other non-executive board members to ensure HMLR focuses on the following priorities:

- First, I expect HMLR to continue to work through plans **to digitalise and modernise its systems and services**, including the longer term commitment to create a geospatial, fully digital and

interoperable Land Register, as well as the ongoing Local Land Charges Programme (LLC programme). The LLC programme has particular relevance to the department's Digital Planning Programme which is also supporting Local Planning Authorities (LPAs) to move locally held data to a central platform. I would like you to support the progression of the actions in the alignment strategy you have agreed with the Digital Planning Programme, to reduce duplicative tasks and speed up data migration and publication. The LLC Programme is classified on the Government Major Project Portfolio, and you should therefore apply particular oversight to this programme. Timescales for completion of the programme are challenging, and any delivery risks should be highlighted to MHCLG and HM Treasury as soon as possible.

- Second, I would like HMLR to play its role as part of a government-wide strategy, working with the sector on improvements that will help to reform the property market. I am particularly interested in how HMLR can continue to partner with all the key stakeholders in the sector and across Government to build momentum towards **digitalising and improving the home buying and selling process** through the Digital Property Market Steering Group.
- Third, I would like HMLR to work hard on **opening up existing data and information** on land, improving its accessibility and lowering the barriers to access, including tackling the cost of obtaining data. HMLR has a crucial role to play in enabling the public and private sectors to better understand the land and property market in England and Wales at a national, regional, and local level. This is essential for creating the conditions for a more competitive housebuilding market, more effective policy design, implementation and evaluation by central government departments; developing spatial planning to support housing, transport, energy, food and environmental outcomes; and promoting innovation in digital tools and services in the sector. I am also very interested in making rapid progress towards enabling others to map HMLR data, for example by linking title numbers with INSPIRE IDs and UPRNs in published datasets. For phase two of the Spending Review I would like HMLR to pursue proposals to maximise the public value of the information it holds, including overcoming legacy issues through the continuing digitisation and modernisation of its information.
- Fourth, alongside opening up existing data, I would like HMLR to continue to work with my officials on reforms to **widen and deepen transparency of land ownership and control**. In the coming months, I look forward to seeing rapid design and delivery of the digital systems required to collect and publish details of contractual control arrangements, ahead of the planned full public launch of the data collection system in 2026. HMLR is responsible for designing, implementing, running, and improving a service that will meet the needs of users providing and accessing the database. HMLR are also responsible for registering the ownership of land but around 11% of land in England and Wales remains unregistered. I would like HMLR to work with my officials to develop policy options for accelerating progress towards complete registration.
- Fifth, following my decision to allow for an uplift to fees for information services, I expect HMLR to work quickly on plans to **restructure their charging model**. I would like to see it support our objectives for investing in the accessibility and value of data, increasing the ease of doing business in the property market and providing a simple and efficient customer experience. I would like plans to be developed which prioritise free access to data, in particular minimising the cost of information services wherever possible. In creating a new charging model, HMLR will need to ensure these priorities are balanced with the need to create sufficient revenue to enable HMLR's digital transformation as well as run its day-to-day operations. This will all need to be done in a way that protects sensitive data and the integrity of the information HMLR holds, balances a right to privacy with a right to access publicly held data, and reduces cost barriers to information while maximising value to the taxpayer.
- Sixth, HMLR should continue to support the department in the delivery of our **leasehold and commonhold reforms** through the implementation of the Leasehold and Freehold Reform Act 2024. HMLR has a role in government operationalising the ban on new leasehold houses, and updating guidance for your staff and professionals. I also welcome HMLR's expertise as we develop new policy reforms and work to improve data and evidence of the leasehold market. I am particularly interested in how we can use existing HMLR data on leasehold properties to understand the impact of current reforms, build a clear and robust evidence base for future

reforms, and to review property registration processes as we move towards commonhold as the default tenure.

- Finally, HMLR data has the potential to be invaluable for our **development and analysis of policies with a land and property dimension** across government. I would like HMLR to work with MHCLG and other government departments to ensure an efficient and collaborative approach is taken to using HMLR data across the full range of government policy areas. I would like HMLR to support the work underway to more easily share HMLR data with analysis teams both in MHCLG and more broadly with central and local government to support the government's Growth and Clean Energy Missions, including the recently published consultation on a Land Use Framework for England. HMLR should continue to improve the quality, accessibility (including cost), interoperability and reusability of HMLR's data, including continuing to work with the Geospatial Commission as one of its Partner Bodies to maximize the opportunities of the data and expertise HMLR holds; to identify and resolve shared challenges across the wider land and property data system; and to ensure that HMLR's work is consistent with the UK Geospatial Strategy and plans for a National Data Library.

2. Delivery of the Business Plan and KPIs, particularly reducing the backlog

I expect the Board to support and robustly challenge the delivery of the business plan and key performance indicators (KPIs). In particular, this includes reducing the size and age of the backlog. Furthermore, I would like you to hold HMLR to account through improved monthly performance reporting and monitoring against the objectives and KPIs in the business plan. This extends to acting on recommendations from the Customer Care Review Committee's report, and improving customer service. I expect the escalation of any emerging issues to be prompt and transparent with the sponsorship team in MHCLG.

3. Governance

There will be five new Non-Executive Board Members (NEBMs) taking up their posts in Quarter 4 of 2024/25 and I am looking to you to ensure the Board has the right skills, expertise and diverse views to provide effective support and challenge to the executive team. I ask that you work with MHCLG to nominate and identify a new Senior Independent Director to replace Kirsty Cooper once she steps down from her role. You and the organisation should provide an effective onboarding programme to the incoming NEBMs, including supporting them in understanding the public sector dynamics and policy objectives that HMLR operates within. Finally, I expect that you will continue to develop a succession plan together with MHCLG for both the board and the executive to ensure smooth transitions in future.

You should ensure the Board provides the appropriate support to HMLR and MHCLG in the work to refresh HMLR's Governance Framework. This is particularly important as the Department transitions to full corporate sponsorship of HMLR in the new financial year, and as an MHCLG senior sponsor takes up the sponsor representative position on the Board.

This letter also provides a summary of MHCLG's governance expectations of a Chair in Annex A in line with current Cabinet Office guidance. While I appreciate that this is materially the same as the 2023/24 Chair letter, I hope it is a useful reminder of best practice as you continue in your role.

4. Spending Review

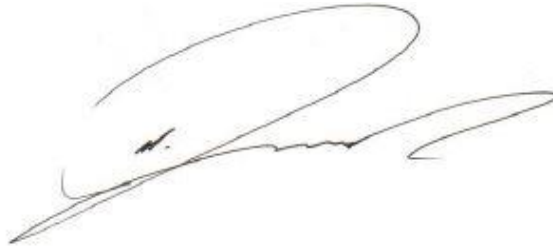
The Spending Review phase two process will be an important milestone, and MHCLG and, whilst still in role, UKGI will work to support you in presenting ambitious plans to me and to HM Treasury. These plans should aim to improve our economic infrastructure, drive growth and support MHCLG and other government departments' policies that benefit from HMLR's data and its role in an efficient property market. Clear and quick next steps on the recent call for evidence on HMLR's fees and charging structure will be an important contribution to the discussion on how to open up more data to the ordinary citizen while simplifying complex fee structures.

I am grateful for the continued efforts of you and your Board to deliver improvements and high-quality outcomes. I look forward to seeing HMLR continue to develop over the coming year and meeting you to discuss progress towards the above priorities on a regular basis. The importance of maintaining an

open, honest and trust-based partnership supported by the principles set out in relevant government guidance cannot be overstated.

I am copying this letter to Kirsty Cooper, as current Senior Independent Director, for sharing with the whole Board so that it understands the Government's key priorities for HMLR.

Best wishes,

A handwritten signature in black ink, appearing to read 'Matthew Pennycook', with a large, stylized initial 'M'.

Matthew Pennycook MP

Minister of State for Housing and Planning

CC: Joanna Key, Caroline Crowther, Charlotte Spencer, Kirsty Cooper, Simon Hayes

Annex: Governance Expectations of the Chair

This annex issued by the Ministry of Housing, Communities and Local Government (MHCLG), sets out the standard governance expectations of Chairs within its portfolio. This is not an exhaustive list of the duties of a Chair, and should be read alongside the Chair's letter. This annex does not supersede or alter any responsibilities as set out in HMLR's Framework Document or other constitutional documentation.

The Department expects the Chairs of its Arm's Length Bodies to lead the Board in an effective and collegiate manner, and adhere to best practice corporate governance standards where possible in undertaking their roles. It is your responsibility, as Chair of HMLR to lead the Board, and ensure that it undertakes all of its responsibilities as set out in HMLR's governance framework. The Chair should set the tone from the top of HMLR and promote an effective and appropriate culture in both the Boardroom and the wider organisation.

Your responsibilities are to act in accordance with the highest standards of corporate governance, and are complemented by requirements and expectations of you by Government. Below is a list of some of the core governance expectations of MHCLG regarding your duties as Chair encompassing both of these elements. This list is not intended to be exhaustive, and does not supplant any responsibilities set out in HMLR's governing documentation:

Set the Board's agenda

You should set HMLR's Board's agenda in good time ahead of a Board meeting. There should be sufficient visibility of items for forthcoming meetings to allow Board members, Executives, and stakeholders as necessary to prepare and engage with the Board. The agenda should focus upon HMLR's strategy and any policies as set by MHCLG. In addition, the Board's agenda should interrogate HMLR's ongoing performance, culture, and value for money, all while being cognisant of its overall accountability to the taxpayer.

Encourage engagement from Board members

You should encourage Board members to engage with HMLR both within Board meetings, through active participation in discussions and decisions, and more widely. You should encourage Board members to join Board committees where they can add value. You should support Board members to contribute their expertise where relevant to HMLR on an ongoing basis. You should foster effective relationships based on trust, mutual respect, and open communication between Board members and the Executive team, both inside and outside of the Boardroom. You should monitor and manage conflicts of interest among Board members in order that the Board may function appropriately, in accordance with the conflicts of interest policies of and HMLR.

Foster relationships between the Board and stakeholders, including Government

You should be the principal point of contact between stakeholders and the Board. You should foster constructive relationships with all relevant stakeholders to HMLR. You should also maintain a constructive relationship with MHCLG in the course of your work.

Develop a strong working relationship with the Chief Executive

The relationship with the Chief Executive is key to the long-term success of HMLR. You should provide support and advice to the Chief Executive, while respecting their executive responsibility. You should work with the Chief Executive to consider the strength of the broader executive team. Under your leadership, the Board should consider executive succession planning on a regular basis.

Work with HM Government on the composition of the Board, and the appointment of new Board members

You should consider the composition of the Board in line with the requirements of HMLR on a continual basis, providing regular feedback to MHCLG as appropriate. You should work with MHCLG to consider appointments to the HMLR Board. You should engage in the appointment process as appropriate as per the agreed framework, and in compliance with rules or regulations governing appointments to the HMLR Board.

Provide mentoring and an induction to new Board members

You should lead the induction to new Board members on behalf of HMLR. You should make sure new Board members are introduced to all relevant people both within HMLR and among stakeholders. This should be done in cooperation with MHCLG. The induction process should familiarise new Board members with HMLR and its overall governance framework.

You should encourage Board members to develop their knowledge and skills

You should continually consider the knowledge and skills that the Board requires to discharge its duties to HMLR. Where the Board would benefit from additional knowledge and skills, which can be met without the need to recruit new or additional Board members, you should encourage Board members to undertake relevant training and education where possible.

Lead the annual evaluation of the Board, which should be externally facilitated at least every three years

You should ensure that a review of the Board's effectiveness is undertaken on an annual basis. This should be facilitated by an external provider at least every three years. Where the evaluation is not externally facilitated, you should lead the process, gathering feedback from Board members regarding the Board's functioning. You should also consider how stakeholders can input into the review, to provide comment upon the Board's effectiveness in engaging with Government and stakeholders. Reviews should produce a written report. You should be responsible for overseeing the implementation of any recommendations arising from a review as necessary.

Evaluate the performance of non-executive Board members at least annually

You should undertake a review, at least annually, of the performance of non-executive Board members. This review should consider their contributions to the Board, and the value they add to HMLR. You should write these reviews and be prepared to share them with MHCLG in an appropriate manner. A written review of performance may be necessary to support any reappointment decisions for Board members.

Be subject to an annual performance evaluation

You should engage with an evaluation of your performance on an annual basis. You should allow the Senior Independent Director to gather feedback on your performance from the perspective of Board members. MHCLG shall gather feedback from Government and other stakeholders. This will be collated by MHCLG and provided to the Principal Accounting Officer in an appropriate manner. A written review of your performance may be necessary to support any reappointment decision.