

Brighton & Hove City Council

Strategy, Finance and City Regeneration Committee

Agenda Item 69

Subject: Local Land Charges Fees & Charges 2024/25

Date of meeting: 7 December 2023

Report of: Executive Director for Governance, People & Resources

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

1.1 This report sets out the proposed Local Land Charges fees and charges for the financial year 2024/25

2. Recommendations

2.1 That Committee agrees the fees and charges set out in 3.3.

3. Context and background information

The Local Land Charges service provides searches and information to the conveyancing and property industry. These searches and information consist of:

- LLC1 – Search of the Local Land Charges Register.
- CON29 – Enquiries of District Councils.
- Personal Searches of the Local Land Charges register for which a fee cannot be charged.
- Property information under the 2008 Regulations.
- The inspection of property information under the Environmental Information Regulations (EIR) 2004.

3.1 Traditionally solicitors acting for the purchasers of properties request CON29 and LLC1 searches on behalf of their clients as part of the conveyancing transaction. These searches can take the form of official local authority searches or personal searches which are carried out by private companies.

3.2 Councils are allowed to set fees for providing these search and information services. When considering fees, the Council must be mindful of the Corporate Fees & Charges Policy and the Local Authorities (England) (Charges for Property Searches) Regulations 2008 which require fees to have regard to local authority costs.

- 3.3 Fees were increased by 19% for 2023/24. It is proposed that the fees for the financial year 2024/25 remain the same:

Search	2023/2024 Fees
Full local authority search (inc LLC1 and Con29R)	£227.53
LLC1 search only (Non Vatable)	£66.88
Con29R search only	£160.65
Each additional parcel of land (LLC1)(Non Vatable)	£13.39
Each additional parcel of land (Con29R)	£16.12
Each printed enquiry (Con29O)	£24.04
Commons registration (question 22)	£24.04
Each supplementary enquiry	£48.20

- 3.4 It is proposed that fees are held due to:

- Risk of further loss of market share:** The Local Land Charges service does not have a monopoly over the search market - with private search companies operating too. Previous warnings have been given that the Council must be mindful that an increase in fees could lead to conveyancers moving their business to one of the private companies in operation. Analysis of searches show that several firms are no longer purchasing Council searches after the 2023/24 rise.

Moreover, while the cost of a search may appear small when compared with the cost of purchasing a property, the reality is searches are purchased by solicitors on behalf of buyers. Solicitors will be keen to minimise the disbursements incurred in a transaction as this will raise the overall cost of their service for their clients, which risks making them less competitive in a very competitive market. A further increase to search fees risks solicitors looking at alternatives.

- Local Authority benchmarking:** Extensive benchmarking has been undertaken across a widened South-East region. Following the 2023/24 rise, Brighton & Hove's have risen from the top third to the top quarter. The majority of those with higher pricing are from London or London fringe.

When compared against the South-East average, Brighton & Hove's fees are already £44.22 higher - and £106.60 higher than a search at Lewes District Council.

- Inability to meet income target:** The service has not met its income target five years out of the last seven. This is because the income

target was set at a time when many more property transactions (and therefore searches) were taking place. Despite the significant increase in fees, the service is currently forecasting an underachievement of £223k for 2023/24. Fee increases of 58%, and no reduction in the number of searches, would be required to close this budget gap.

4. Analysis and consideration of alternative options

- 4.1 The recommendations have considered the threat to market share, benchmarking and the scale of increase required to meet the income target.
- 4.2 A raise in fees is not proposed because the service cannot risk losing further market share to private companies. The fees charged by private companies are not publicly available but our research from 2023/24 shows that our current fees are higher than those charged by private companies locally.
- 4.3 A higher fee is also not proposed because the Council must be mindful of the cost to run the service when compared to fees - a significant rise would not be justifiable.
- 4.4 A lower fee was not proposed because there is no available evidence to confirm if previous clients would return to using the service if the fees were reduced. Moreover, with the housing market continuing to slow – a reduction in price may lead to a widening of the already significant underachievement of income.

5. Community engagement and consultation

- 5.1 The service continues to work closely with the Local Land Charges Institute and have shared their benchmarking with members.

6. Conclusion

- 6.1 A thorough assessment of Local Land Charges fees and charges has taken place. The fees have been developed with regard to Council policy and legislation relevant to the setting of Local Land Charges fees, sector benchmarking, increased running costs and the future number of property transactions. The proposed fees reflect these within the context of the service trying to maintain market share which could affect revenue.

7. Financial implications

- 7.1 The 2024/25 budget model assumes an increase of 3.5% for fees and charges. It is not considered practical to apply this increase to local Land Charges for the reasons set out in paragraphs 3.4 to 4.4. The latest budget monitoring forecast for 2023/24 indicates an under achievement of £0.223m for Local Land Charges income and an increase in charges for 2024/25 would be likely to increase that pressure. The existing pressure will need to be considered as part of the budget setting process for 2024/25.

Name of finance officer consulted: Jeff Coates Date consulted: 21/11/2023

8. Legal implications

- 8.1 The fees charges in relation to access to property records are governed by the Local Authorities (England) (Charges for Property Searches) Regulations 2008 and are limited to costs recovery. The cost for answering enquiries about a property are at the Council's discretion 'but must have regard to the costs to the local authority' of answering enquiries about the property.

Name of lawyer consulted: Elizabeth Culbert

Date consulted 22/11/23

9. Equalities implications

- 9.1 An Equalities Impact Assessment has been undertaken. No implications have been identified.

10. Sustainability implications

- 10.1 None identified.