

Local Land Charges – Fee Income

There are three separate issues which are having an impact on the level of income received for Local Land Charge Searches;

1. The general stagnation in the housing market;
2. The Governments decision to abandon Home Information Packs;
and
3. The revocation of the personal search fee.

The following tables set out the total number of searches undertaken in the last financial year and the first six months of the current financial year together with details of the number of personal searches and the income derived from personal searches.

2009/10

Month	Total Number of Searches	Number of Personal Searches	Income from Personal Searches
April	329	186	2,046
May	339	199	2,189
June	429	263	2,893
July	370	236	2,596
August	309	208	2,288
September	426	279	3,069
October	337	213	2,343
November	388	242	2,662
December	233	154	1,694
January	236	161	3,542
February	370	267	5,874
March	484	353	7,766
Total	4,250	2,761	£38,962

Note: Personal Search fee was increased from £11 to £22 on 1st January 2010

2010/11

Month	Total Number of Searches	Number of Personal Searches	Income from Personal Searches
April	418	307	6,754
May	323	212	4,664
June	182	59	1,298
July	206	61	1,342
August	205	58	00.00
September	287	103	00.00
Total	1,621	800	£14,058

Note: The Personal Search fee was revoked by HM Government on 27th July 2010

As can be seen from the above tables there has been a significant drop in the total number of searches being processed, with the average number per month in 2009/10 being 354 -124 per month if personal searches are excluded, for the first six months of 2010/11 the corresponding figures are 270 and 136.

There has therefore been a significant reduction in the total number of searches being carried out this is due to the stagnation of the housing market and the Governments decision to abandon Home Information Packs (HIP's). There has been a slight increase in the number of searches being submitted directly to the council by solicitors.

In regard to the number of Personal Searches whilst there was a significant drop in the number following the Governments decision to abandon HIP's, indications are, that the number will now start to increase as new properties come on to the market.

However as the fee for undertaking a personal search of the Local Land Charges register was revoked by HM Government in July no income will be received from these searches which require a significant amount of staff time to deal with.

In regard to income from searches, total income in 2009/10 was £196,581, and £225,610 was the budgeted income for 2010/11, income in the first six months of the current financial year is set out below.

Month	Income	Income less Income from Personal Searches £
April	14,752	7,998
May	16,364	11,700
June	14,404	13,103
July	16,348	15,006
August	13,932	13,932
September	17,693	17,693
Total	£93,493	£79,432

Average income per month has therefore been £15,582. Current forecasted income for 2010/11 is £182,000 which results in a current pressure of £48,610. It is considered that if current levels of income are maintained for the remainder of the current financial year then there should be no further pressure over and above the existing £48,610; $(15,582 \times 6 + 93,493 = £186,985)$. The number of searches submitted per month will not however be consistent as there is always a fall in numbers in December and January.

There are however a number of other factors that need to be borne in mind. The Governments decision to revoke the fee for personal searches was based on the fact that it was considered that the charging of a fee was incompatible with the Environmental Information Regulations 2004 and the

underlying 2003 EU Directive. Since this announcement a number of personal searches companies have argued that the charging of a fee has been unlawful since 1st January 2005 and local authorities should repay all fees paid since this date. The advice of the Local Government Association is that all requests should be resisted.

A number of other Local Authorities are looking to reduce their fees in order to compete more effectively with the Personal Search companies, the Council's fees are however already significantly lower than neighbouring councils, and there are no proposals at present to alter the level of fees. A number of people have expressed the view that local search information should be provided free of charge in order to comply with the Environmental Information Regulations, the latest advice from the Department for Environment Food and Rural Affairs is that local authorities can continue to make reasonable charges where environmental information is supplied (including in relation to searches of the local land register), rather than inspected in person.