

Local Land Charges – Briefing Note

As you are aware changes to the amount that local authorities could charge for local land searches were expected such that a reduction of £100,000 of income was included in the General Fund Financial profile for 2010/11.

This was on the basis that local authorities should achieve break-even over a three-year rolling period. Management Board agreed that no changes would be made to the charges for 2009/10 as the downturn in the number of searches requested was likely to drive down the surplus which had been achieved in previous years. And if it did not then the charges would be reduced accordingly for 2010/11.

Whilst the Government issued the Statutory Instrument 'The Local Authorities(England) (Charges for Property Searches) Regulations 2008' in December 2008 it was not until 5th February 2009 that the Council received guidance from the Department for Communities and Local Government as to how charges are to be calculated for 2009/10.

This provides clear details for determining the charge to be set for providing the answers to specified questions on the search.

On the basis of the guidance and reference to the level of charges set by our neighbouring authorities the following charges have been determined for 2009/10:

Full Search	£100 (previously £181.00)
Optional Questions	£15.00 per question (previously £15.00)
Extra Parcels	£15.00 (previously £25.00)
LLC1 search	£16.00 (previously £6.00)
Personal Search	£16.00 (Previously £16.00)
CON29R questions	£19.30 for all chargeable questions (New Charge)

Based on predictions of the number of enquiries to be received it is calculated that the income received will cover the cost of the service.

Full Searches	900
Personal Searches	2,000
Optional questions	800
Extra Parcels	150
CON29R	700

Financial Implications

The Land Charges Service Budget for 2009/10 is a net surplus of £149,720. As the charges have to be set to achieve break-even the Council will obviously under-achieve income against this budget. Based on current predictions on the number of enquiries received this will be a shortfall of £149,720.

With the current economic climate it is very difficult to predict the number of enquiries. It is therefore essential that the position is closely monitored on a monthly basis such that any reductions in enquiries can trigger increases to the level of charges that may be required.

Nb. Increases in the number of enquiries will not trigger a reduction in charges until the following year.

Legal Implications

If the Council had not revised its charges for 2009/10 as required under the law then it would be open for legal challenge. In fact one Search Company had already given notice that as the Council had not published its new charges on the website on 1st April 2009 it would challenge our charges if they were not updated and set in accordance with the guidance.

Governance Arrangements

The charges have been set in accordance with the Guidance to the Statutory Instrument issued by the Government and were issued on 14th April 2009 in order that the Council met its legal obligations for all new requests for land searches.

The charges for 2009/10 together with details of the financial implications will be reported to Cabinet.

Trevor Wilson
Head of Finance
14th April 2009