

EXPANDING THE LAND CHARGES PARTNERSHIP

Date: 11/2/2020
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Key Decision? YES
Local Ward None
Members



CABINET

1. Executive Summary

- 1.1 Lichfield District Council and South Staffs Council formed a shared service in 2015 to deliver the land charges service. Land charges is a statutory service that maintains the 'Local Land Charges Register' (LLCR) which lists key information on land such as restrictions on use, financial charges, etc.
- 1.2 Land Charges also provide a discretionary, fee earning service supplying around 2,000 property history reports known to the industry as the 'CON29' service or 'Official Search'.
- 1.3 Private 'Personal Search' companies compete with the Councils to provide that service and have around half of the market share.
- 1.4 Whilst the existing shared service has been effective in improving service delivery using GIS technology to deliver the best performance ever recorded, and retaining key staff, growth of the shared service has stalled as there are limited resources to market the service effectively. The shared service is expected to meet its financial objectives but that cannot be certain moving forward.
- 1.5 This proposal is for South Derbyshire District Council to join the shared service, this will consolidate income and resources to ensure performance is maintained for all three councils. The larger shared service is more financially sustainable and in a better position to respond to threats.
- 1.6 Councils in the proposed shared service:
 - Lichfield District Council
 - South Staffs Council
 - South Derbyshire District Council
- 1.7 A larger shared service, delivered electronically, provides opportunity for further staff training and development to help with resilience. Consolidation of resources generates efficiency that provides the capacity to market the service.
- 1.8 The net cost of the land charges service to Lichfield DC is currently low at £15K and this proposal will reduce the net cost further. However, the main advantages of the shared service are that it will help to compete better and it puts all three councils in a position to respond to the threats, including the potential 25% drop in income following transfer of the LLCR to the HM Land Registry, expected in 2 to 5 years.
- 1.9 The shared service provides the best available opportunity to generate increased fee income, ensuring the net cost of the service is as low as possible. It helps the property market to run smoothly and discharges all statutory duties effectively.

2. Recommendations

- 2.1 Cabinet gives authorisation to enter into a new agreement with the Councils listed in Section 1.6 of this report.
- 2.2 Delegate authority to Cabinet Member for Legal & Regulatory Services and Head of Economic Growth & Development to authorise the creation of the shared service.
- 2.3 Cabinet agree Lichfield District Council to be the Host Authority for the new shared service.

3. Background

- 3.1 Land Charges is a small local authority service but significant in terms of the service it provides to customers and the income it generates. Anyone planning to buy or lease property needs to know whether there are any issues of concern, such as plans for a new railway at the bottom of the garden or outstanding Notices requiring owners to remedy an earlier wrong doing
- 3.2 The government intends for the Land Registry to take over responsibility for the LLCR. This will remove an income stream which is currently around 25% of Land Charges income. The proposal will also increase each Council's workload and responsibility as councils will be responsible to the Land Registry.
- 3.3 Around 75% of the income is from the main chargeable (fee-earning) service that involves selling information (CON29) held by the council. This is not directly under threat and there is opportunity to increase market share by improving services.
- 3.4 Non-chargeable services provided by Local Land Charges include maintaining the LLCR and providing access to information for 'Personal Search' companies who attend the council. These services are funded directly by the council and workload is expected to rise following the takeover of the Land Registry
- 3.5 The main aims and objectives moving forward are:
 - Improved customer service
 - Greater service resilience
 - Competitive chargeable services fully funded from fee income, at zero net cost to the council.
 - Non-chargeable statutory services to be delivered at the lowest cost possible.
 - Electronic service delivery.
- 3.6 No staff are to be transferred from South Derbyshire DC to Lichfield DC. The land charges partnership is currently providing land charges services to South Derbyshire DC on a consultancy basis.
- 3.7 A new Team Leader post will be required to focus on the Lichfield and South Derbyshire areas. This will be recruited from within the existing Land Charges team.
- 3.8 1 new additional full time post at band 'D' will be required.
- 3.9 No accommodation will be required at South Derbyshire DC
- 3.10 It is not possible to currently join together all the information from each council on a single system. Three systems will be used with staff trained on multi systems.

Alternative Options

1. Continue to provide the service as we do within the existing shared service. There are concerns about the lack of growth with the impending HMLR transfer and the risk from competition. There is an increased risk of the service having increased net costs and resilience remains a significant risk.

Consultation

1. No consultation has been carried out other than internal departmental discussions. This shared service would not have any negative effect on service delivery.

Financial Implications

- Forecast income for 2019/20 from South Derbyshire DC is £117K

Income				
	Lichfield	South Staffs	South Derby	TOTAL
2018-19	£182,514	£103,400	£129,015	£414,929
2019-20 Forecast	£161,971	£108,675	£117,195	£387,841
Post HMLR				
Forecast	£121,478.3	£81,506.3	£87,896.3	£290,880.8

- Post HMLR forecast is a threat. It is an estimate, subject to a government new burdens funding application and is not expected to occur for at least 2 years.
- Estimated cost of the team leader is an increase to band G = £7K (To top of band)
- Additional Band D post £25K
- Assume ICT contribution at South Derbyshire DC is £25K
- Assume additional contribution to LDC Support costs is £4K
- Existing shared service net cost to Lichfield DC is currently £13.5K, reducing to zero in year 1.
- All costs at Host Council and South Derbyshire DC are recovered from income.
- Lichfield DC as the host authority receives an additional £4K towards its support services.

Shared Service (South Derbyshire DC Changes) Financial Implications

	2020/21	2021/22	2022/23	2023/24
Team Leader Promotion	7,000	7,140	7,280	7,430
Band D	24,730	25,260	25,780	26,330
Estimated LDC Recharge	4,000	4,000	4,000	4,000
Estimated Recharge for IT at SSDC	25,000	25,500	26,010	26,530
Land Search Fees	35,000	35,000	35,000	35,000
Income Forecast	(117,000)	(117,000)	(117,000)	(117,000)
Net Surplus	(21,270)	(20,100)	(18,930)	(17,710)

	2020/21	2021/22	2022/23	2023/24
LDC Current Budget				
Direct Budget	(60,140)	(60,140)	(60,140)	(60,140)
Indirect Budget	73,640	73,640	73,640	73,640
Net Cost to LDC	13,500	13,500	13,500	13,500

LDC Financial Implications	2020/21	2021/22	2022/23	2023/24
Removal of LDC Land Charges Cost	(13,500)	(13,500)	(13,500)	(13,500)
Increase income to cover overheads	(4,000)	(4,000)	(4,000)	(4,000)

	Total LDC Savings	(17,500)	(17,500)	(17,500)	(17,500)
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Contribution to the Delivery of the Strategic Plan	1. Providing good quality, resilient and sustainable statutory services.
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Equality, Diversity and Human Rights Implications	1. None
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Crime & Safety Issues	1. None
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GDPR/Privacy Impact Assessment	1. None. This proposal is fully consistent with GDPR.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Resilience: Critical staff leave before changes are implemented	Additional team leader post created. Provide support and assurance. Ensure staff are fully briefed and support the changes. Staff to be fully engaged in the process.	yellow
B	Data held on Systems may require cleansing.	Data Audit to be carried out. Prepared to work with data owners.	Green
C	Fail to deliver set up of the expanded shared service	Clear Detailed Action plan and resource strategy.	Yellow
D	Partnership operates at loss as income falls below target	Accounts kept under constant review.	Yellow
E	Insufficient allowance made for running costs	Current information is based on previous actual budgets. Monthly budget monitoring and reports	Green
F	South Derbyshire DC fail to deliver new IT system as planned	Wait until new IT system is implemented and tested-fully engage with IT project.	Yellow
G	Take-over by land registry expected 2-6 years	Increase market share within 2 years without increasing staff costs.	Green

Background documents Business case – land charges partnership V2
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Relevant web links
