

TRANSFER OF LAND CHARGE SEARCHES (LLC1) to HMLR	
Executive Summary	This report details the ongoing work to migrate NNDC's Local Land Charges Register service to His Majesty's Land Registry (HMLR) and make the GRAC aware of the risks this creates and the future loss of income.
Options considered	This is an update report and there are therefore no options to consider
Consultation(s)	None
Recommendations	It is recommended that GRAC note this report.
Reasons for recommendations	This is a Central Government initiative that NNDC have to comply with.
Background papers	Infrastructure Act 2015 (legislation.gov.uk) Local Land Charges: Local authority pre-migration guide - GOV.UK (www.gov.uk) Local Land Charges Migration Hub (landregistry.github.io) New burdens information - GOV.UK (www.gov.uk)

Wards affected	All
Cabinet member(s)	Cllr Lucy Shires Cllr Andrew Brown
Contact Officer	Tina Stankley Director of Resources Tina-stankley@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	None
Medium Term Financial Strategy (MTFS)	This transfer will cause a reduction in income, worsening the position of the MTFS.
Council Policies & Strategies	None

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	No
Details of any previous decision(s) on this matter	None

1. Purpose of the report

- 1.1 To detail the ongoing work to migrate NNDC's Local Land Charges Register service to His Majesty's Land Registry (HMLR) and make the GRAC aware of the risks this creates and the future loss of income.

2. Introduction & Background

- 2.1 Every local authority is required to migrate its Local Land Charges register service to HMLR. This is part of the Government's commitment to make the home buying process simpler, faster and cheaper. HMLR initially allocated North Norfolk District Council for migration in 2023/24. However as this is a nationwide migration from all local authorities with this responsibility to HMLR delays in migration have occurred. This is the case for NNDC (through no fault of its own) and with current progress we are anticipating delivery completion post March 2025.

- 2.2 A Local Land Charge is a restriction on a piece of land or property that can limit its use or bind the owner to a payment of a sum of money. Charges can include:

- planning decisions
- road agreements
- tree preservation orders
- conservation areas and listed buildings notices
- environmental health notices
- charges or objections made against previous owners

- 2.3 The Infrastructure Act 2015 provides for the transfer of responsibility for Local Land Charges in England and Wales from local authorities to HMLR. Under these provisions, HMLR will provide a single, digital Local Land Charges register for England and Wales.

- 2.4 There are three parts to Local Land Charges. Once migration has taken place, the Council will cease to provide Local Land Charges searches (Part 1- LLC1 searches, (the register)) and customers will carry out and obtain instant local searches from HMLR via a national portal. Part 1, the LLC1 holds information about the property such as restrictions, prohibitions, Conditional Planning Consents, Enforcement and financial requirements. NNDC will continue to provide updates to the register on these elements where applicable.

- 2.5 The Council will continue to provide CON 29 enquiries (Parts 2 and 3) which relate to a wider range of enquiries, including Planning and Building Control and are usually made when buying the property. These include matters that may affect the property such as major road proposals, traffic schemes, and road adoption status.

- 2.6 The migration is a complex issue. The Council has had to enter into a Collaboration Agreement and Development Plan with HMLR, which has established a framework to govern each party's rights and obligations under the Local Land Charges Programme. In particular, the parties agree to:

- Discuss the authority data with the other

- Share and discuss the results of collaboration
- Analyse the data & take remedial action in relation to incorrect entries
- Act in good faith to support the migration process

2.7 Under the Collaboration Agreement the Council is required to appoint a Senior Responsible Officer (Planning AD) for the Migration to provide overall strategic oversight and direction and an Operational Leader (Planning Support Manager) accountable for day-to-day delivery of the migration. The Council has agreed a Delivery Plan for the project with HMLR.

2.8 The Delivery Plan sets out the timetable for the migration process and commits the Council to deliver the migration of Local Land Charges by a specified date. For North Norfolk this was originally anticipated to be completed by April 2024, but HMLR have not engaged with us early enough such that our likely date for completion will now be in 2025. A more specific timeline is yet to be agreed but is imminent.

2.9 Once the migration process is complete, the Chief Land Registrar issues a formal notice to the Council informing it of the date on which the Registrar will assume the Local Land Charges function for the Council.

2.10 After migration, the Council will continue to provide replies to CON 29 enquiry searches, which relate to a range of departmental and highways enquiries. In addition, the Council will still be required to apply new registrations, internal and from external organisations and amend, update and cancel charges in the new register.

2.11 All further enquiries following on from a HMLR search are the responsibility of the Council to respond to and any discrepancies will still be the responsibility of the Council, hence the Council's insurance in respect of Local Land Charges will still be required.

2.12 The migration of the Local Land Charges service will have financial implications for the Council as set out in the 'Current Position' below. Once the Chief Land Registrar has assumed the Local Land Charges function for the District, the Council will no longer carry out all Local Land Charges searches (Part 1 searches) with a resultant loss of income.

3. NNDC Current Position

3.1 Having successfully completed a data extract for analysis in December 2023, we were selected to move forward with the migration in March of this year. In effect this means Land Registry assign a project manager and a small data management team to us, as an authority, to assist and drive the transfer of land charge data and responsibility.

3.2 The migration process has several formal stages to ensure timeliness, data consistency (with other authorities already migrated) and accuracy. HMLR require fortnightly meetings throughout migration.

4. Corporate Priorities

4.1 None

5. Financial Considerations

- 5.1 There are 3 parts to a Local Authority Land Charges official search.
- Part 1 known as LLC1 (Land Charges Register) and
 - Parts 2 and 3 (CON 29 and CON 290).
- 5.2 Once the migration has been completed, HMLR will provide replies and receive income for Part 1(LLC1) searches, which means a loss of income for the Council of approximately £50-60k per annum (approximately a third of its income for Land Charges).
- 5.3 The Council will continue to provide replies to Part 2 and 3 (CON 29 enquiries). So it will continue to receive the income for this work, The fees for this work have recently been reviewed and increased and officers will continue to review these charges annually to ensure full cost recovery.

6. Migration Funding

- 6.1 The migration process is extensive and time consuming. This has been acknowledged by HMLR who will provide some financial assistance for this. This should be in the region of £75k paid in two tranches, the first will be paid at the point we agree a timeframe for the migration, and the second will be paid upon completion of the project (up to 3 months from the point we will go live). We will also receive a small new burdens grant of around £10-15k for the additional work that is to help cover the additional costs.

7. Resource Implications

- 7.1 This project requires the coordination/collaboration of several key service areas as follows:



- 7.2 The Council's Land Charges team are working closely with HMLR to determine the amount of work needed to be undertaken in order for our data to be accepted by HMLR. A data download took place in December 2023 and the team is working with HMLR to cleanse this data of the 'anomalies' found. It is not a case of having provided incorrect data but identifying which elements on the maps are associated with a charge or not e.g. often BT kiosks, ruined elements of listed buildings or telephone boxes. We must check these and relay that the record is correct. It should be noted that at this stage HMLR have indicated that compared to other authorities our data is very good, which is a credit to the team and the Council

- 7.3 Currently the team members involved in this project have been able to carry out the review of a significant portion of the initial data cleansing requests. This is mainly because the housing market is slower at the moment, however if the housing market picks up additional temporary resource may be required to do this work. It is crucial that we keep to the timescale agreed as there are penalties via a reduction in the funding forthcoming if we miss the deadlines agreed. Therefore it needs to be acknowledged and accepted that additional resource may need to be brought in potentially. Progress is being closely monitored and all staff involved thus far and ongoing are logging the hours spent on this project.
- 7.4 On 17 April 2024, as we moved into the migration stage officially, we have been given a new 'dashboard' with additional requirements that require us to manually check thousands of records. Some amendments can be made digitally and we will be expected to resource these costs from the funding provided. Most of these will require collaborative work with Idox.
- 7.5 **Post migration**
The Council has one full-time local land charge officer dedicated to delivering this service (cover is provided by the part-time Team Leader). Staffing needs will be reviewed once the volume of work left with the Council is better understood, although registering of the NNDC charges, daily updates to HMLR and Con 29 and Con 29O search requests will remain. This exercise does not involve a transfer of staff from the Council to the Land Registry.

Comments from the S151 Officer

The financial implications of the transfer of part of the Land Charges function are contained in the report above. It is once the transfer takes place that we will need to look closely at the impact on our annual revenue budgets and resource required to deliver the service that will sit with the Council.

8. Legal Implications

- 8.1 In 2015, HMLR was given authority under the Infrastructure Act 2015 to create a single, national, digital register of Local Land Charges across England and Wales. The Local Land Charges Register whether operated by the Council or HMLR is a statutory duty function and data must therefore be registered in a specific way. Whilst there are no legal implications as such, incorrectly registered data could expose the Council to claims from customers of the HMLR, therefore it is important to maintain adequate insurance cover.

Comments from the Monitoring Officer

The Monitoring Officer will complete this section.

This report is for noting only but raises issues concerning anticipated loss of income as a result of the transfer of responsibility for Local Land Charges from the Council to HMLR. The report also raises the Council needs to meet agreed deadlines in the transfer process, or be at risk of loss of funding. In order to meet deadlines, there may be risk to other key tasks as the checking of thousands of records is time and resource intensive. There should be

sufficient monitoring to ensure that important key tasks, especially those with financial or statutory implications, are maintained.

9. Risks

- 9.1 This report illustrates that the transfer of key parts of the Local Land Charges service is set down in legislation, therefore no alternative course of action is available to the Council. The key risks are:
- Loss of income, as set out.
 - Loss of transition funds if migration in line with the deadline is delayed.
 - Retained responsibility for data and associated liabilities for any material errors in the data.
- 9.2 The risks to the Council are becoming clearer as we are presented with the feedback on the quality of our data. Land Registry use their experience to estimate – based on the quality of our data and migration of other authorities they have already migrated – the likely timeframe for completion. At this stage HMLR have indicated that compared to other authorities our data is very good. However there is evidence from other Authorities regarding their experiences which highlight the following project risks.

Warwick Council concluded some lessons learned which we are mindful of, including:

- Do not underestimate the time, energy and expertise required to drive your migration project. Even if your software supplier provides some of the tools, you may still have significant data cleansing tasks.
- Get the right staff resources on the project and keep an accurate record of time spent on the project
- Some Councils have suggested waiting for the HMLR payments before allocating staff resource/time to the project. This won't work as the burdens payments are not calculated or paid to Local Authorities until the end of the project!
- Although HMLR is taking over the LLC Register, Local Authorities are still responsible, as the originating authority, for maintaining the register and ensuring the data is accurate. So any queries regarding inaccuracies/anomalies will be referred by HMLR to the Local Authority to investigate, correct and respond.

To date all supporting service areas have been involved in the meetings arranged with HMLR and are aware of the process we will need to follow.

10. Net Zero Target

- 10.1 None

11. Equality, Diversity & Inclusion

- 11.1 None

12. Community Safety issues

- 12.1 None

13. Conclusion and Recommendations

The project team involved in migrating the data are working closely with HMLR and are currently able to meet the requirements to complete this

project within the given timeframe. HMLR have acknowledged the good quality of our data which is a credit to the team and the Council. Progress will be closely monitored and if it is identified that meeting the deadline is at risk then the team will look to bring in additional resource. Further progress reports can be brought to this Committee if it would like to receive them.