

## **REASSESSMENT OF LAND CHARGES FEES**

Since 2002 the number of Land Charge Searches carried out by Personal Search agents has been gradually increasing.

Until 2006/7, the Council held the largest market share. However, the roll out of Home Information Packs appears to have resulted in a sharp downturn in the number of LA Searches carried out. HIPs were required for 4 bed + houses from June 2007 and they were rolled out to all properties on 14 December 2007. For 2007/08, Personal Search Agents (private sector providers) carried out more searches than the Council. This trend is continuing.

At the Hertfordshire Land Charges Officers meeting on 25/02/08 the cost of searches was discussed. ALL councils agreed that their fees will not be increasing, and the aim was for the whole of Hertfordshire to reduce their fees to under £100 to meet with the competition. Hertsmere, Three Rivers and Watford have this under review. I attach a list of the current charges.

Stevenage now offers a full service for £100, and has retained 50% of the market share.

Officers from the Dacorum Land Charges service attended a meeting at Turner Debenhams in St. Albans on 14 December 2007. Taylor Walton were also represented. The clear message from them, on behalf of a forum of Herts Solicitors, was that as HIP providers they will no longer use Local Authorities to provide searches because the cost is prohibitive.

The average cost of a HIP is about £300. DBC's standard search charge is £137. Turner Debenhams will not commission a search that takes up more than a third of the cost of providing the HIP.

Anecdotal evidence from Turner Debenhams is that 95% of HIPs contain searches provided by Personal Search Agents. Analysis of 2007 figures appears to confirm information from Turner Debenhams.

The budgeted income from Searches for 07/08 was £425,000, with the actual outturn £15,000 below this figure. Budgeted income for 2008/09 is £450K. Current predictions – at September 2009 – are that income will be in the region of only £250K, giving a concerning year end forecast shortfall of £200K. This could reduce further as the decline in the housing market deepens. Continuing poor competition with the private sector will only lead to the loss of further businesses. In order to regain competitiveness a reduction in fees is proposed for as soon as possible.

Coupled with this is the very steep decline in property transactions caused by the slump in the housing market and the current economic situation.

Search fees, therefore, need to be urgently reduced to make them more competitive.

To complement these proposed reductions, the Service will be undertaking a marketing campaign to recoup lost business, with the selling points of a lower fee and quality service.

Suggested fees are as follows:

	<b>Current</b>	<b>Proposed</b>
<b>Certificate of Search</b>	£37	£30
<b>Con29 only</b>	£100	£69*
<b>LLC1 Only</b>	£37	£30
<b>Optional questions only</b>	£12 per question	£12 per question
<b>Commons Search</b>	£20	£20
<b>Personal Search</b>	£11	£11
<b>Standard Search (Residential)</b>	£137	£99
<b>Refresher Search within 1 year</b>	-	£30
<b>Commercial</b>	£190	£190

\*Made up of:

Q1.1 a – e	£7	Planning
Q1.1 f – l	£7	Building Control
1.2	£5	Planning
Q.2	£5	Highways
Q 3.1	£2	Planning
Q3.2	£2	Highways
Q.3.3	£2	Building Control
Q3.4	£5	Highways
Q3.5	£2	Highways
Q3.6	£5	Highways
Q3.7	£8	Highways, Planning and Environmental Health
Q.3.8	£5	Building Control
Q3.9	£5	Planning
Q3.10	£2	Planning
Q3.11	£3	Planning and Environmental Health
Q3.12	£2	Environmental Health
Q3.13	£2	Environmental Health

I suggest these fees are reviewed quarterly to assess whether they have resulted in increase in number of LA searches.

This would need to be accompanied by marketing to ensure that solicitors are aware of amended charges.

Attached as a separate table are projections of income based on typical all-in fees of the main search elements, the CON29 and LLC1 forms, of £99, £95 and £85.

## CURRENT HERTFORDSHIRE COUNCILS LAND CHARGES FEES

<u>COUNCIL</u>	<u>CON 29</u>	<u>LLC1</u>
East Herts D.C <i>Reviewing the situation during October/November</i>	£101	£29
Broxbourne B.C	£102	£30
Hertsmere D.C <i>Reviewing fees with a view to reduction</i>	£101	£30
<b>Dacorum B.C</b>	<b>£100</b>	<b>£37</b>
Three Rivers D.C <i>Cabinet approval sought to reduce total to £99</i>	£101	£40
Watford B.C <i>Under Review</i>	£118	£9
North Herts. D.C <i>Working on a review</i>	£119	£6
Stevenage B.C <i>have retained 50% of the market share.</i>	£94	£6
Welwyn and Hatfield	£128	£6

Two London boroughs, Sutton and Lewisham have reduced their fees to £75 and £65 respectively.

Version at 17 October 2008