

Number: WG41413



Llywodraeth Cymru
Welsh Government

Welsh Government
Consultation – summary of response

Local Land Charges (Fees) (Wales) Rules 2020

November 2020

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview This document provides a summary of the responses to the consultation on the proposed draft *Local Land Charges (Fees) (Wales) Rules 2020*.

Action Required This document is for information only.

Further information and related documents Large print, Braille and alternative language versions of this document are available on request.

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Additional Copies This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation and proposed draft [Local Land Charges \(Fees\) \(Wales\) Rules 2020](#).

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Introduction

1. HM Land Registry's ("HMLR") *Local Land Charges Programme*'s objective is to transfer the Local Land Charges Registers of all local authorities and originating authorities in England and Wales to HMLR, so that the register of Local Land Charges is administered by HMLR on behalf of the Chief Land Registrar. This implements the regime set out in the Infrastructure Act 2015 ("the 2015 Act"). Originating authorities in Wales are required by law to comply once they have received an effective notice under the 2015 Act from the Chief Land Registrar.
2. Local Land Charges are a reserved matter, with the exception of the prescribed fee and method of payment for an official search (also known as an 'LLC1 search'), which are devolved to Welsh Ministers.
3. Unlike England, the current system Local Land Charges fee framework in Wales is a fixed fee. An official search undertaken by an originating authority in Wales costs £6. In England, this can vary significantly from £3 to £50. Under the new centralised, digitised HMLR Register, the UK Government have implemented a regulated £15 fee for an official search.
4. As the new system is hosted by HMLR, Welsh Ministers are proposing to amend the current prescribed fees and methods of payment for Local Land Charge searches in Wales, to align with those in England. This will ensure that once HMLR is responsible for delivering the service, there is uniformity of delivery and access throughout Wales and England.
5. The Welsh Government's consultation on the proposed *Local Land Charges (Fees) (Wales) Rules 2020* ('the Rules') commenced on 11 August 2020 on the Welsh Government website. The consultation closed on 3 November 2020.
6. The purpose of this consultation was to seek views and receive comments on the proposed draft statutory instrument setting out the Rules and which gives effect to the changes in the fees and methods of payment. This consultation was not consulting on the regime set out in the 2015 Act, reserved matters relating to Local Land Charges, or on any issue that is outside the legislative competence of Welsh Ministers and the Welsh Government.

Proposals

7. The consultation focused on respondents providing views or comments on the proposed *Rules*. The primary purpose of the Rules are to align the fee structure and methods of fee payment for Local Land Charge searches with England. This includes:
 - a. Amending the prescribed fee for an official search and fees for other relevant services within the legislative competence of Welsh Ministers, as set out in the *Fees Schedule* of the draft Rules.
 - b. Amending the methods of payments to function with the new online portal.
 - c. Revoking the Local Land Charges Rules 1977 and amending the Local Land Charges Rules 2018.

8. The proposed draft Rules as consulted upon can be found here:
<https://gov.wales/sites/default/files/consultations/2020-08/statutory-instrument.pdf>

Engagement

9. Views were invited as part of a 12-week consultation period which began on 11 August 2020 and closed on 3 November 2020. The consultation was published on the Welsh Government's website. The link to the consultation document was sent to stakeholders with an interest in the field of Local Land Charges in Wales.
10. The stakeholders engaged were primarily 'originating authorities' in Wales, which are local authorities in Wales. The consultation was also shared with HMLR's *Local Land Charges Advisory Board*.
11. Respondents were able to submit their views and comments on paper, by email or online, and in Welsh or English. A list of respondents to the consultation is provided at **Annex A**.
12. There were 6 responses to the consultation. The respondent type is broken down in the table below.

Respondent type	Number of responses
Professional Body	1
National Park Authority	1
Local Government	2
Individual	1
Anonymous	1
TOTAL	6

Summary of Response

13. This document is intended as a summary of the responses received. It does not aim to capture every point raised by respondents.
14. It should also be noted that responses were only considered where relevant to the consultation, as some points raised were outside the scope of this consultation. As a reserved matter and the policy holders for this matter, the Welsh Government has shared these comments with HMLR for their consideration (personal details have not been shared with HMLR, as per General Data Protection Regulations).

Question 1	We are seeking your views on the content of the draft Rules and their practical application. What comments or observations would you like to make in relation to the draft Rules?
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Rule 1 – Title, Commencement, Application and Interpretation

15. There were no objections to the title, commencement, application or interpretation of the draft Rules. One respondent noted the draft Rules are “clear and concise”.

Rule 2 – Fees

16. All respondents agreed that increasing the level of the fee for an LLC1 and Light Obstruction Notice (‘LON’) to align with the fee structure in England was a sensible approach. Most respondents highlighted the benefits of the new central, digital system for the customer, including a smoother process, value for money, quicker response times and the ability to check the official searches results for updates for 6 months following the request. Respondents also recognised the legislative requirement for the Welsh Ministers to assist local authorities in their ability to comply with the 2015 Act.
17. Two respondents expressed concern that by increasing the fee, it may discourage some official search requestors from submitting an LLC1 search to HMLR’s centralised register. One respondent highlighted that conveyancers may consider using alternative organisations, such as Personal Search Companies. The Welsh Government recognises these concerns and has shared these comments with HMLR. Welsh Ministers only have competence to legislate on the matter of the fees and methods of payment.
18. Half of respondents recognised the increase of £9 (from £6 to £15 per official search) is a small sum in comparison to the total cost of purchasing a home or land in Wales. Most respondents recognised the importance of avoiding cross-subsidisation of official searches in Wales by ensuring all service users in England and Wales utilise a standardised fee structure.
19. One respondent suggested there was a need to increase the level of the fee in Wales to £15 prior to the transfer of the Local Land Charges Register to HMLR. They thought this would “introduce parity with English local authorities” and “reflect the true cost of providing responses to LLC1 searches”.

Rule 3 – Manner of Payment

20. One respondent highlighted that while the payment methods are “understandable”, recognition should be given to those who are unable to, or are not comfortable, using the proposed payment methods. The Welsh Government has noted these concerns.

The proposed methods of payment are required to be compatible with the payment system that HMLR uses to operate alongside their online Land Charges Register. Therefore, HMLR require that the payment methods set out for England, are required to be the same in Wales.

Rule 4 and 5 - Revocation

21. There were no objections to revocation of the Local Land Charges Rules 1977 as they apply to Wales, or the amendment of the Local Land Charges Rules 2018.

Other Considerations

22. There was a suggestion that it has been assumed that “LLC1 searches are only conducted by those purchasing property”. The Welsh Government recognises that LLC1 searches may be undertaken for a variety of reasons by an individual but note a large portion are requested as part of the property purchasing process, usually by a conveyancer on the purchaser’s behalf.
23. Another respondent noted the large amount of work involved in migrating every local authority in Wales, this has been acknowledged and Welsh local authorities will be eligible for new burdens payments from HM Land Registry. From a Welsh perspective, as this is a new burden placed upon local authorities by HMLR, Welsh local authorities will be eligible for new burdens payments from HMLR to help mitigate the costs incurred.
24. The Welsh Government understands that HMLR are currently liaising with local authorities and their representative body, the Welsh Local Government Association, to agree a burdens assessment framework for Wales. As Local Land Charges are a reserved matter, excluding the level of fees and methods of payment, the UK Government are responsible for covering the costs associated under the agreed burden payments framework.

Next Steps

25. Following consideration of the responses provided to this consultation, the Welsh Government intends to bring forward the Rules as drafted, subject to paragraphs 26 and 27 below.
26. It should be noted that following closure of the consultation, there have been technical drafting amendments to the wording of the Rules. As those amendments do not change the intended function, purpose or scope of the Rules, the Welsh Government will take no further action to consult on these changes.
27. Additionally, the proposed Rules are now referred to as *The Local Land Charges (Fees) (Wales) Rules 2021* to reflect the likelihood that they will not now be laid and brought into force until 2021. Again, the Welsh Government will take no further action to consult on this technical change.

Annex A: List of Respondents

- Two local authorities in Wales
- One national park authority
- One professional body
- One individual
- One respondent wished to remain anonymous.