



Local Property Searches and Leasehold Information
Report to the Rt. Hon. Caroline Flint MP,
Minister for Housing and Planning



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Minister for Housing and Planning

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The findings and views expressed in this report are those of the authors and do not necessarily represent those of the Department for Communities and Local Government

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Background

1. After the introduction of HIPs in July 2007 former Housing Minister Yvette Cooper brought together a “Stakeholder Panel” comprising senior representatives of the major players in the property market. I was appointed as the Land Registry’s representative. The purpose of the panel was not only to provide some assurance and a forum for discussion on HIPs progress but also to identify further ways of improving the home-buying and selling process. Two major and long standing problems were raised; the service for providing local property searches (both LLC 1s and CON 29s) and the provision of information relating to residential properties which were held under long leases. I was asked, in a personal capacity, to look into both of these issues under the following terms of reference:

Terms of Reference

“To advise on what else could be done to improve the local authority/local land charge search process and the availability of leasehold information, so as to secure better quality and timeliness of information and improve value for money for consumers.

The work should:

- Consider the functioning of the **property searches** market in light of HIPs, Communities and Local Government Access Guidance and consultation on local authority charging – i.e. what is working well and what improvements might be needed; and
- Clarify the issues surrounding the availability of **leasehold information** for the purposes of including them in HIPs.

It should also identify actions which would lead to improvements in the short to medium term. For the longer term it should consider a possible future vision of electronic delivery of searches, articulating what any such vision might look like and what would need to be in place for it to be realised.

The assessment will run over a 3 month period, reporting to Ministers at the end of March 2008 with an interim report in mid February 2008.”

2. My work began in early January 2008 and concludes with this report completed in early April 2008. Given the relatively short timescale it was clear that a “root and branch” examination was not feasible. Rather, I determined to speak to as many as possible of the parties with a clear interest in one or both of these issues. I felt it important to speak to representative bodies

and at least a number of their members with recent hands on, practical experience, such as conveyancing practitioners and staff in local authority land charges departments. Even with these modest requirements the task would have been beyond one person. A small number of Land Registry colleagues volunteered to assist me, also in a part time capacity, for some 3 months. I am very grateful to the Land Registry's Chief Executive, Peter Collis, for agreeing to this arrangement, and even more so to the colleagues who have helped me in such a skilled and supportive way. They are listed in Appendix 1.

Ted Beardsall, CBE

Methodology

- 3.** It is important to emphasise that this report represents my work and my views and not necessarily those of my employer, the Land Registry, nor the colleagues who assisted me with this task. This was agreed at the outset with Peter Collis and Communities and Local Government officials, and clearly understood by the staff that assisted me. The advantage of this was that I could approach the task completely free from any prior obligation or the burden of a possible vested interest. This point was emphasised to all those people seen and was an enormous help. I was able to make clear that I was on no “side” other than the property owning public, the consumers on whose behalf the information is sought and who ultimately pay for it. The public interest was always uppermost in my mind.
- 4.** I am extremely grateful to all those seen for giving so readily of their time, views and experience. A full list of organisations and companies which gave help is set out in Appendix 2. Typically, meetings would last 1½ – 2 hours, or more where, for example, a process was being followed through. These meetings were an invaluable source of information for the team to digest and discuss and ultimately for writing this report.

Context of the Review

5. This review has been commissioned by the Housing Minister to assist in understanding the issues surrounding these two topics, local property searches and leasehold information, with a view to identifying practical measures for improvement. It has taken place immediately following the introduction of the requirement for Home Information Packs (HIPs) for almost all residential properties marketed for sale on 14th December 2007.
6. The property market is of vital interest to Government, the many service providers involved, analysts, economists, the media and many others, not least the property owning public for whom the home most often represents their most valuable financial asset. Whilst the home buying process will usually be the biggest financial transaction citizens ever undertake, the process itself is little understood by consumers, being fashioned (in England and Wales) largely by the custom and practice which conveyancers and other market players have refined over many years. It should be no surprise that the introduction of HIPs has caused something of a stir; Government has introduced a new compulsory product into a process to which many stakeholder organisations would claim strong commercial if not proprietary interest.
7. A number of matters became clear during the process of this review. I put these forward not as incontestable truths but as matters on which I have found strong evidence and often a clear consensus. I outline these matters below because many of them have a strong bearing on my conclusions and recommendations.
8. Whilst criticism of HIPs remains it is clear that they are becoming accepted as part of the buying and selling process. Few people seem to believe that HIPs themselves have had a significant impact on the buoyancy of the property market. A much more common view was scepticism about the benefits to consumers, a criticism often made in relation to both property searches and leasehold information.
9. There is a widespread acknowledgement that the home buying and selling process is ripe for modernisation and improvement. Many market players are endeavouring to improve their service with technology aided innovation. HIPs have changed some of the market dynamics and created new opportunities. They have certainly not caused the problems associated with local authority searches or leasehold information, but they have focussed attention on them and may have aggravated some issues given that both are mandatory requirements in Packs prepared under the HIPs regulations.

- 10.** It was widely felt that consumers were not well engaged with HIPs. The most usual point of contact during the process of a sale for both buyers and sellers is the estate agent, but there was little evidence that HIPs were being promoted by that group. The content and comprehensibility of the HIP, which currently has a strong bias towards documents traditionally regarded as the territory of lawyers, could be one reason for this. It is possible that consumer engagement may improve over time.
- 11.** It is certainly clear that the property market is still adjusting to the introduction of HIPs, whilst other technological and commercial changes are rapidly taking place. One such change is the emergence of national organisations providing services on a national level in contrast to the locally led services which have represented a traditional feature of the property market in England and Wales. Conveyancing bodies communicating solely through the internet and telephone, web-based selling agents, and national HIP and software providers are all examples of this movement. National organisations bring new challenges in terms of their demands for consistent pricing, turnaround times and quality levels. Unsurprisingly, they are the most vocal in seeking the central provision of data (local authority and leasehold information) which are collected by many thousands of organisations at present.
- 12.** HIPs has not only caused commercial organisations to respond to the new challenges and opportunities. It has also highlighted long standing competitive tensions and rivalries between stakeholder groups. Those with strong business interests in the property market – conveyancers, lenders, estate agents, surveyors, local authorities and property search companies, to name but some – will need no further elaboration of this point. Whilst competition usually brings consumer benefits, this is not a market in which the end consumer, who will usually be poorly informed of the process generally, can presently have a strong direct influence. If the services within the home buying and selling process are to continue to be determined largely by the market players themselves rather than regulation, there is an additional onus on representative bodies to make progress in a way which takes full account of the public interest and consumer. HIPs provide a vehicle for improvement and the potential for a better informed consumer. This is particularly important when the consumer is unaware of the purpose, quality and cost of the services that are being provided on their behalf.
- 13.** In relation to property searches, my terms of reference require me to consider the Communities and Local Government *Good Practice Guidance for Local Authorities and Personal Searchers* issued on 18th January 2008. Whilst opinions have been sought and possible implications considered, it is too early to assess the full effect of this document. Nor is this report the place for

me to attempt to summarise my consultees views on the Communities and Local Government/MoJ Charging Consultation Paper, which was also issued on 18th January 2008 and on which formal comments are to be submitted by 18th April 2008. I do nonetheless comment on both of these important documents later on in this report.

The Nature of the Problems

- 14.** It is worth considering the underlying causes of the problems in both local property searches and leasehold information. In both cases, there are complaints of high charges, of wide variation in both charges and turnaround times, and of quality issues. The facility for personal search companies to access data at some local authorities is said to be unnecessarily restrictive or even prevented. Some conveyancers do not have sufficient confidence, on quality grounds, in personal search company provided local property searches. There can be real problems in identifying the appropriate party to provide leasehold information, with long delays sometimes reported and alleged abuse of expedition services which carry a heavy price premium.
- 15.** There was a very strong consensus amongst those seen that all these problems exist, although of course views differed on the scope and extent of particular issues. Most notably, managing agents and their representative bodies challenged the basis of the criticisms made against them, mainly on the grounds that complaints were said to be of tiny proportions and that the administrative work involved, and hence the cost, was underestimated by other parties.
- 16.** The underlying causes of these problems appear to be similar. They both have a large community of “source” information providers, with some 427 local authorities and probably tens of thousands of managing agents, residents associations, property companies and private landlords who are called on to provide leasehold information. The leasehold information providers are clearly huge in number (although the precise number seems to be unknown), are increasing with the growth in new flats and maisonettes, and are evidently much greater in number and more diverse than local authorities. This is perhaps one major reason why many of our consultees regarded the provision of leasehold information as the more troublesome problem of the two, and using data from the land registry, it appears that sales of leasehold titles could be as high as one in four. Whilst local authorities are clearly a smaller and more homogeneous group, the group is still large. Each authority is autonomous and of course values its local responsibilities and accountability, which inevitably contributes to the wide variation in standards.
- 17.** In both groups there seems to be an absence of a national or central lead, although local authorities do have a central point of reference in the Local Government Association (and bodies such as the Local Government Information House and the Improvement and Development Agency for local government ‘IDeA’). Central Government is reluctant to trespass on local accountability.

- 18.** Local authorities do not place property searches in the front rank of their services. The searches themselves are not provided directly to local council tax payers, and may well be sought on behalf of someone moving into a new area. It is unsurprising, therefore, that many (including local authority staff themselves) see the local land charges department, which is usually given responsibility for dealing with both LLC 1s and CON29 searches, as low in most councils' priorities, and many are still suffering from underinvestment if not neglect.
- 19.** Whatever the reason, many market players saw costs and speed of service as unsatisfactory. During the booming economic and property market conditions of the nineteen eighties, when speed was often critical, greater use was made of the facility to visit a local authority to conduct a personal search of the records. This would often entail not only a visit to the local land charges department, but also other departments such as Planning and Highways. In response to this need, personal search companies sprang up, offering much quicker results and lower prices. Personal search companies have prospered, and some have now combined with or become part of HIP providers. There are now both national and local personal search providers, some working under licence. The personal search industry has established representative bodies (Council of Property Search Organisations (CoPSO) and The Association of Independent Personal Search Agents (IPSA).
- 20.** To address customers' needs not only for a value for money and speedy service, but also a reliable one in terms of accuracy of information, a search code was introduced by CoPSO. A Property Codes Compliance Board (PCCB) was established. PCCB registered firms undertake to comply with the Search Code and the HIP Code (both introduced in September 2006) and are subject to audit and inspection by the PCCB.
- 21.** HIPs has generated greater urgency into the front end of the home buying and selling process and with the market still adjusting to the new requirements a high proportion of the local property searches required for HIPs have been provided by personal search companies. Figures obtained from the Council of the National Land Information Service indicate that two years ago, the overall proportion of local authority search results v personal search company results was of the order of 65:35, but it is now of the order of 45:55. Figures suggested from other sources indicate that the proportion of personal search company results is higher. These overall figures hide some wide variations in the actual figures for specific local authority districts, although reliable figures seem difficult to obtain.

- 22.** Nonetheless, it does seem clear that the combination of increasing competition and loss of income combined with the universal trend to make greater use of technology has secured very worthwhile improvements in local authority search provision. Appendix 3 shows details of reduced prices in 85 of the 427 local authorities. This is to be welcomed, not only from a consumer standpoint but also because there seems to be no doubt that the highest priced local authority searches are subsidising other council services, thus contravening the “no cross-subsidisation of service” rule that runs through the public service. There has also been significant improvement in turnaround times in many local authorities. Appendix 4 provides details. No-one claimed or reported that these improvements have been at the expense of accuracy or quality, or that there has been an effect on other council services.
- 23.** We heard of a number of councils that have taken very positive measures to increase the value for money and service that they provide with the clear intention of retaining or clawing back some of the local property search business that they have lost. Further developments and improvements can be expected. But these local authorities seem to be in the minority and some problems undoubtedly remain.

Local Property Searches

- 24.** This section of the report examines the issues that were brought to our attention and are judged as having at least enough substance to make them worthy of record. They reflect opinions and views that were openly and frankly given, although in a report of this nature it was often impossible to validate with hard factual evidence. Given that the property market has changed and will undoubtedly change further in response not just to HIPs, but the availability of credit, prices and other economic factors, it is important to emphasise that the views expressed were made during the first quarter of 2008.
- 25.** The principal issues identified appear to fall within three broad groups, although there is some considerable degree of overlap between them, as follows:
- Property searches provided by local authorities.
 - Access by personal search companies to the local authority records
 - Property searches provided by personal search companies.

Each of these broad groups is considered in more detail below.

Property searches provided by local authorities

- 26.** There is no doubt that the improvement in some local authority provided search results is significant. These local authorities have recognised that investment in data-capture and system improvement can effect a real reduction in costs, and hence charges, together with improved turnaround times. There appears to be a growing realisation amongst the local authority community that these services, whilst not front-line so far as local citizens are concerned, deserve to be given a higher priority than they have traditionally been afforded.
- 27.** However, considerable differences remain between different local authorities in terms of both price and speed. The cost of a local authority property search (LLC1 & CON29R Part 1) varies from £40 to more than £280 and turn around times can vary from virtually all property searches being issued within 24 hours or less to others where the search will routinely take several weeks. The importance of consistency to buyers of property searches (both in terms of price and speed) has been made clear to us by a number of interviewees. Furthermore, in a market which now contains more national players using internet-based services, some conveyancers have told us that they prefer the convenience of a personal search. In this way, a speedier and more consistent

delivery time is usually secured and certainty of price can be guaranteed as many property search companies will provide a search at a consistent or “blended” price. The local authority search may be just one of several searches ordered by the conveyancer from a property search company. A consistent search price may be even more important to national HIP providers who will usually want to offer to provide a HIP at a set price.

- 28.** One minority view we heard was that differences between local authorities are not in themselves a problem as there will always be differences between local authorities in the services that they provide and the charges that they make. In fact, the local cost recovery model proposed by the Charging Consultation Paper recognises that there will inevitably be some variation in the costs that different authorities incur in providing property search services. But this does not seem a sufficient answer to account for the range in prices with the most expensive costing some seven times more than the least expensive. And there seems little doubt that at least some of the charges at the high end are used to subsidise other council services. In any event, the practical upshot of such a degree of inconsistency, if it were to continue, seems likely to be that local authorities generally will continue to lose market share for property searches to personal search companies.
- 29.** The form of the replies to the CON 29R enquiries provided by local authorities remain non-standardised and are frequently difficult to read and understand. This becomes more important if the search is to be read by purchasers as part of the HIP.
- 30.** It was suggested that irrelevant or outdated information (usually planning consents) continues to be disclosed through local authority property searches, requiring the end user to read irrelevant documentation or to order at further expense and then read and consider irrelevant documentation. Such documentation represents a real discouragement to purchasers wishing to read the search as part of a HIP. Of course, not all old documents are irrelevant.
- 31.** It has also been suggested that some authorities take a considerable period to update their records so that a search may not reveal a matter that someone in the local authority has full knowledge of and which would have been revealed if the records had been updated sooner.
- 32.** There are, in almost all cases, no means to order and to be sent a local authority search electronically other than through NLIS.
- 33.** Whilst C-NLIS has helped persuade some authorities to invest in IT the willingness of many to invest and improve has not been apparent. It was

often pointed out that even the highest level (3) of NLIS connectivity may not bring full electronic data capture or automation in compiling a search response. We were told of a new C-NLIS initiative to extend the use of electronic searching (LAPIP) – see paragraph 7.2 of Appendix 6 in this respect).

Access by personal search companies to the information and records

- 34.** A number of people have observed that the manual personal search process is intrinsically inefficient and environmentally unfriendly.¹ It usually involves individuals driving to particular local authorities and manually collecting information from different departments. Where there is a two tier structure of a district and county council, two visits may be required to separate locations. The process is labour intensive and (in the extent to which it is manual) arguably inherently prone to error. It also creates difficulties for local authorities in finding staff to assist in making available records and information to personal searchers. There is little effective harnessing of technology by most local authorities to facilitate access.
- 35.** It seems difficult for some personal searchers to obtain appointments to view records at some local authorities and it has been suggested that local authorities may in some instances deliberately place obstacles in the path of personal searchers. We were told that some local authorities will make available appointments for only a very limited period of time, and some will not offer any guarantee that it will be possible to view the necessary records at a particular time or even on a particular day, whilst others require the request for an appointment to be made at a specific time. At present, a number of authorities do not allow personal searchers access to records (other than those it considers that it is obliged by statute to make available) under any circumstances.
- 36.** The Guidance Paper issued by the Department for Communities and Local Government was only issued in January 2008 and it is therefore difficult to gauge whether the comments in paragraph 35 reflect any new or changed situation. There was not a lot of evidence to suggest that, in an admittedly short time scale, the guidance had had a material effect. Some authorities were apparently awaiting the outcome of the consultation on charging, seeing the issues as to access and charging as being inextricably linked. But if followed, the Guidance Paper appears to offer a balance which would enable local authorities and personal search companies to compete on terms which seem fair to both.

¹ See for example, paragraph 11 of the Council of Property Search Organisations response to the Carsberg Review of Residential Property, dated January 2008.

- 37.** To have a real impact and secure the necessary consistency across the local land charge community, the Guidance needs to be followed by the great majority if not all local authorities. It is not clear how the Guidance will be promoted to secure the necessary level of acceptance, how it will be monitored (if at all) or whether there is any form of pressure (short of litigation or complaint to the Local Government Ombudsman or OFT) an aggrieved personal search company might use if it felt the Guidance was being flouted. Some local authorities felt that abuse by personal search agents, for example of their appointments system, was not easy to curtail.
- 38.** The ongoing debate as to what a local authority may properly charge in relation to property search services², what constitutes environmental information³ and as to whether a local authority providing an extract from its records or the information that it considers necessary to deduce the answer constitutes allowing inspection of the local authority's records⁴ appears set to continue. These access and charging issues seem likely to mean that personal search companies will continue to place reliance on insurance and that the end consumer or potential home buyer may not get access to relevant information that is readily available. In my view and in the opinion of almost all the practitioners and members of the public that we consulted, what a potential home buyer will want is the fullest possible information as to matters that may affect the relevant property, rather than insurance. The information could be of a detrimental or favourable nature to a prospective purchaser, but clearly if the latter insurance would offer no assistance at all. That is not to say that insurance should never be used, but it seems best if it is confined to the exceptional, fall back situation rather than being used as an easy option.
- 39.** A personal search company would not appear to be able to operate after the end of the transitional insurance provisions in paragraph 4 of Schedule 6 to the Home Information Act (No.2) Regulations 2007 unless they are allowed access to all the information and records necessary to compile the search result (save, arguably, through reliance on a comprehensive derived database). This point seems to have been recognised by the decision to extend the use of insurance cover where property search data is unavailable from 31 March 2008 to 31 December 2008 thus allowing more time for all local authorities to adopt the Access Guidance. But the longer the transitional provisions continue, the greater the risk (identified below) that information that should be readily available is not disclosed by the property search to a home buyer.

² See Annex 2 to Charges for Property Search Services – A Consultation Paper.

³ See Annex 2 as above, paragraph 4 of the Good Practice Guidance for Local Authorities and Personal Searchers and paragraphs 8 and 9 of the Advice on Access to Local Authority Records provided by Peter McMaster to IPSA.

⁴ See paragraphs 11-18 of Mr McMasters advice.

40. The local cost recovery option allows for capital investment in information systems and data capture to be recovered through charges⁵. However, some local authorities expressed concern that the calculations for cost recovery and charges for search fees appeared to be complex. Moreover, the local cost recovery model in itself does not appear to provide a financial incentive for local authorities to invest in system improvements.

Property searches provided by personal search companies

41. The introduction of HIPs has significantly changed the market for local authority searches. Although prior to the introduction of HIPs, some conveyancers taking panel work were obliged to use a particular personal search company for the production of the property search, most searches were purchased by the conveyancer from either the local authority or a property/personal search company on the basis of what the conveyancer saw to be best for his client taking into account price, perceived quality and timeliness of the search. But this has now changed. The selling agent will usually arrange for the production of the HIP, often it seems requiring a fee for a HIP referral. The HIP provider may itself carry out personal searches or have a particular relationship with a company providing personal searches. Such arrangements may well operate against establishing healthy competition between local authorities and personal search companies or between different personal search companies, which would not appear to be in the best interests of the consumer. Some local authorities believe that these commercial arrangements impair their competitive position.
42. Some conveyancers have advised us that they use a personal search company for a property search where acting for a seller in the preparation of a HIP but would not then wish to use such a personal search when acting for a buyer. What this appears to mean in practice is either that the buyer's conveyancer may be obliged to rely on a search product that he considers to be inferior or will pay for a further search from the local authority at additional cost to the client. The problems surrounding access and the transitional insurance provisions appear to be contributing to this position, and the legal press has recently included claims by practitioners that personal searches included in HIPs have contained serious flaws.⁶ The preference for a local authority property search may be based on an unsubstantiated/erroneous view that the local authority property search is better or at least more reliable, and it would undoubtedly be wrong to judge the merits of personal search results generally on the basis of a few potentially unrepresentative problems. But some conveyancers specifically identified the risk of a personal search not revealing a problem because of the position concerning the transitional insurance provisions, which is of concern.

⁵ See paragraph 4.21 and 4.22 of Chapter 4 of Charges for Property Searches – A Consultation Paper.

⁶ See, for example, the letters to the Editor in the Law Society Gazette, 6 March 2008.

- 43.** It was suggested that where a charge is payable to (or required by) the local authority for the personal search company to access some of the information that is required for the purpose of the CON 29 replies, the personal search company will not pay the fee (or at least not pay the fee where they consider it to be unreasonable) but instead seek to rely on the transitional insurance provisions contained in Schedule 6 to the Home Information Pack (No 2) Regulations 2007. If this is correct, then the end consumer is not in these circumstances getting access to information that may affect his decision whether to purchase and may mean that the buyer takes subject to an interest that he knew nothing about but would want to know. At least one major search provider has stated that the charge will only be paid where the charge is considered (by them) to be “fair and equitable”, the particular search company considering a charge of £10 or less to access the particular information as being fair and equitable. In my view, the consumer is best served by having comprehensive and accurate relevant information so as to take an informed decision as to whether to proceed with a purchase (see paragraph 39).
- 44.** Personal search companies have stated that where a fee is charged for extracts, or the result of a local authority employee inspection, of the local authority records, they will not pay the fee but instead rely on the transitional insurance arrangements. IPSA (on the advice of leading counsel⁷) consider that in these circumstances they are not (as an *other person*) being allowed access to inspect such records and consequently cannot rely on the copies provided and are obliged to rely on the transitional insurance provisions – which seems to conflict with the Home Information Pack (No.2) Regulations 2007 Procedural Guidance⁸. Whether or not this view is correct is largely irrelevant for the purpose of the consumer as home buyer, as the practical result would appear to be that information that may be relevant to the end user of the search result is not being disclosed.
- 45.** Issues as to access and what is included in a personal property search are inextricably linked to what a local authority is permitted to charge. KPMG, as the consultants appointed to consider the OFT’s recommendations on charging, provide guidance in this respect in their costing and charging guidance. But some degree of uncertainty appears to remain as to what constitutes “environmental information” for the purposes of the Environmental Information Regulations 2004⁹. Furthermore, the Consultation Paper on charging appears to envisage that (subject to the outcome of the consultation exercise) amendments may be required to

⁷ See paragraphs 11-16 of the advice of Peter McMasters dated 20 November 2007.

⁸ See the second bullet point on page 68 of the Home Information Pack (NO.2) Regulations 2007: Procedural Guidance.

⁹ (S 2004/3391).

legislation to address concerns about local authorities powers to charge for providing services to personal searchers. It is clearly desirable that any remaining uncertainty as to local authorities power to charge is resolved as soon as possible.

- 46.** Steps are being taken by some private companies to create surrogate databases to local authority records, for the purpose of compiling information that will enable a response to be given to both the LLC1 and CON 29 enquiries, without resort to local authority records (or at least all local authority records). This is not necessarily a problem in itself and could be seen as commercial innovation operating to resolve problems regarding non-electronic access. It appears that the provision in the Home Information Pack (No2) Regulations 2007 requiring that if the records searched are derived from other records, a description of those other records and the name and address of the person who holds them must be provided¹⁰, recognise that a HIP compliant property search may be compiled without requiring access to data held by the local authority itself.
- 47.** We have heard suggestions that such databases may be updated more quickly than local authority records are updated. Also, it appears that such databases may mean that search companies can access data electronically, thus filling a significant gap.
- 48.** Furthermore, the creation of such registers potentially means that the local authority may have a degree of “competition” in relation to its “back office¹¹” functions that *may* drive down the costs of the search for the end consumer. Compilers of such databases have stated that they do not claim that their databases are complete or provide at present all the necessary information and that they will (for property search purposes) supplement the information that they hold by investigation of local authority records as necessary. On the other hand, suggestions have been made that the data held may not always be current, accurate or complete.
- 49.** Broadly speaking, I agree with the position statement issued by CoPSO concerning data banking.¹² I can see no objection to the use of such a data bank provided that a property search compiled by reference to such records will be no less reliable or accurate than a local authority property search or a personal search compiled through direct access to local authority records. I understand that the Property Codes Compliance Board is looking at this issue and exploring how it can most effectively ensure that PCCB registered firms

¹⁰ Paragraph 6(1)(g), Schedule 6 to the Home Information pack (No.2) Regulations 2007.

¹¹ See paragraph 4.5 of the Charging Consultation Paper for the distinction drawn between the local authority's back office and front office functions.

¹² Position Statement dated 7 March 2008.

undertaking data banking ensure that the information is always current. Such an industry led initiative is to be welcomed. But the PCCB are at a fairly early stage in these considerations and their monitoring will of course be confined to PCCB registered firms.

Leasehold Information

- 50.** This section of the report examines the leasehold information issues that were brought to our attention. The same caveats set out under “Local Property Searches” apply. As with property searches, most of the problems concerning charges for leasehold information and documentation and the timeliness of provision of such information and documentation are long standing and widely known. Concerns relating to charges made by landlords and managing agents are not a product of the introduction of Home Information Packs. But the introduction of Home Information Packs and the leasehold information and documentation required to be included in the HIP¹³ has moved further forward in the conveyancing process some of those long standing issues and some others have come to the fore.
- 51.** It should be noted at the outset that the real impact on the market of the required leasehold documentation and information required under the Home Information Pack (No.2) Regulations 2007 has probably not yet been seen. The No 10. Commencement Order¹⁴ (which brought into force Part 5 of the Housing Act 2004 and extended the requirement for a HIP to almost all residential properties, regardless of the number of bedrooms that the property has) coincided with the introduction of the Home Information Pack (Amendment) Regulations 2007.¹⁵ The Amendment Regulations provide that for a temporary period until 1 June 2008 all required leasehold documents (other than the lease) are to be treated as authorised rather than required pack documents.
- 52.** Concern has been expressed by practitioners about excessive charging for providing leasehold documentation and information, which we were told could range from no charge at all to over £1000. Practitioners are of the view that there is no realistic means to challenge the sums demanded; even if the provision of such information constitutes an administration charge¹⁶ and if challenged through application to the Leasehold Valuation Tribunal, such a process will always be too slow and complicated to be of value to the seller. In practice, a tenant wishing to sell will usually have to pay whatever is demanded for the information/documentation if (as is often the case) they cannot obtain the information from any other source. Most interviewees appear to be making their comments in relation to the charges made for

¹³ That is the leasehold information and documentation originally required to be included under Regulation 8(h) of the Home Information Pack (No.2) Regulations 2007. Save where otherwise specified, this paper considers the position without reference to the effect of the Home Information Pack (Amendments) Regulations 2007, whereby for a temporary period until 1 June 2008 leasehold documents other than the lease are to be treated as authorised rather than required documents

¹⁴ Housing Act 2004 (Commencement No 10 (England and Wales) Order 2007 – SI 2007/3308.

¹⁵ SI 2007/3301.

¹⁶ For the purposes of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.

responses to pre-contract enquiries rather than for the provision of leasehold information to be included in a HIP, emphasising once again that these problems are long standing and not directly caused by the HIP. But HIPs create a potential for duplication of costs and may through potentially preventing marketing of the property increase the potential for exploitative charging (see below).

- 53.** There appears to be no legislative requirement for the landlord or managing agent to provide all the required leasehold documentation and information, to do so at a reasonable price or within a set period of time. Practitioners suggest that the selling tenant will almost never have all the required leasehold information and documentation. In most cases the managing agent or landlord will need to be approached for at least some of this. Practitioners suggest that some agents and landlords can be dilatory in providing leasehold information/documentation (although this is disputed by ARMA in respect of their members). Concern has been expressed regarding the end to the operation of Regulation 34 in relation to leasehold information and documentation, as the Regulation allows for a temporary period first day marketing of a property without the documentation that would otherwise be required under Regulation 8 having been obtained. But Regulations 14(2) and 17 appear to mean that the inability to obtain the required leasehold information /documentation may not delay or prevent marketing of the property, even after Regulation 34 ceases to have effect¹⁷. However, it in any event defeats a primary stated purpose for the HIP Regulations if the required information and documentation is not made available to a potential buyer reasonably quickly and before the initial decision is made as to whether to proceed with the purchase. There was near universal agreement amongst those we consulted that it would create major difficulties if it were necessary to have obtained all the required information and documentation set out in paragraphs 1 and 2 of Schedule 5 to the Home Information Pack (No2) Regulations 2007 before a leasehold residential property could be marketed.
- 54.** It has been suggested that the requirement to include the leasehold information/documentation in the HIP may give a landlord undue leverage. The examples given include a situation where a service charge/ground rent demand or contribution might be at issue and the landlord or managing agent refuses to provide the necessary information until the sum in dispute had been paid. Again, this has always been a potential problem with

¹⁷ This is subject to the fact that Regulation 17(2)(a) requires that the day that a request for the document is delivered must fall before the first point of marketing. In relation to leasehold property, it may be necessary to identify the persons who may be able to provide the necessary document, to write to them to seek confirmation as to whether or not they can provide the information and/or documentation required and to ascertain the fee that will be required to provide such documentation before the request for the document may be made. There may therefore be a considerable gap (depending upon the timeliness of the response to the initial enquiry) between the initial correspondence and the date that the request for the document is delivered.

leasehold properties, although the problem would traditionally arise later in the conveyancing process. The potential new problem, though, created by the HIP requirement is that the absence of the leasehold information / documentation may stop the property from being marketed at all until the dispute is resolved.

55. There is a danger that in a falling market some property owners may be obliged to sell and may have little or even negative equity in the property. It may significantly increase the cost of the leasehold HIP if it becomes obligatory to include all the required information and documentation detailed in paragraphs 1 and 2 of Schedule 5 to the Home Information Pack (No.2) Regulations, 2007. Particularly given this, it appears desirable for the cost of the HIP to be kept as low as possible in relation to leasehold information, where so doing will not reduce the value of the HIP to the prospective purchaser.
56. It has been suggested that much of the information and documentation requested by the seller to meet the leasehold HIP requirements will have only a limited shelf life and be requested again by the buyer's conveyancer. This is particularly likely if in a falling market properties remain on the market for longer without being sold. If this is the case, then we may find that an extra burden and expense has been created for the seller without helping the buyer. The position in relation to service charges, ground rent, insurance, new s.20 notices in respect of qualifying works or agreements and amendments made or proposed to any regulations or rules made for the purpose of managing the property and the like may all have changed since the information and documentation was produced for the purpose of inclusion in the HIP.
57. Concern has been expressed as to the wide variety in standards of service that can be expected from those to whom the requests for the required leasehold information and documentation may need to be made. The point has been stressed that the HIP Regulations will apply to a huge number of different leasehold properties with different arrangements and management structures, from new multi-million pound developments with managing agents and/or management companies down to small converted houses where the freehold may be owned by one or more of the tenants. Numerous landlords are not members of any professional trade body. Even where managing agents are in place, concern has been expressed that standards vary and that there is no clear relevant code of practice (let alone statutory obligation) that addresses the speed at which all the required leasehold information and documentation should be provided.

- 58.** It was almost universally claimed by the interviewees to whom we spoke that most potential buyers will struggle to understand the required leasehold information without proper guidance, as some of the leasehold documentation can be very difficult to interpret. Certainly the required documentation may prove difficult for an average buyer to readily understand. Those matters that are likely to be of most interest to an intending buyer and which might affect the purchase decision do not stand out.
- 59.** Many practitioners that we consulted were of the view that the required information and documentation was unlikely to be sufficient in itself to enable a buyer's conveyancer to complete a purchase of a leasehold residential property. At least some of the authorised documentation would be required, usually supplemented by further information/documentation that is neither authorised or required by the Home Information Pack (No.2) Regulations, 2007.
- 60.** Claims have been made that landlords and agents simply issue a standard pack or reply in response to a request for leasehold information or documentation, regardless of what is asked for and regardless of what is needed to comply with the HIP Regulations.
- 61.** It has also been widely stated that buyers of leasehold residential properties simply do not understand the nature of leasehold ownership in general or the charges that they are likely to face.
- 62.** It has been suggested that the HIP Leasehold Regulations are aimed at flats (or rather flats in large blocks) but catch all leasehold properties, including houses held on long (typically 999 year) leases where only a very low or nominal rent may be payable and where there may be no forfeiture provision in the lease. Some felt that it is inappropriate for the leasehold documentation/information HIP requirement to apply to such leasehold houses and that it wastes time and money for the seller's solicitor to have to confirm that there is no other documentation and information (other than the lease) to be provided.
- 63.** It was suggested that the position would be much improved if all relevant leasehold information were held on one centralised national database. This point is referred to later on in this report.

Establishing a Better Way Forward

- 64.** The preceding sections of this report will, I hope, confirm beyond doubt that there is dissatisfaction with many aspects of the service provision of both local property searches and leasehold information. It should also be apparent that whilst the dissatisfaction extends to all three principal features of service delivery – cost, timeliness and quality – there are a number of practical concerns within those broad headings.
- 65.** Yet it should not be forgotten that the property market in England and Wales continues to function in a way which has been judged to be more cost efficient than most systems elsewhere in the world, albeit not as speedy as many. It is not wildly optimistic to suggest that some of the more recently emerging problems may be alleviated over time as the market adapts and deals with them. That the introduction of HIPs should necessarily effect change, generating new issues and concerns that will take time to work through, should not be surprising.
- 66.** Nonetheless, the existence of a strong feeling on the part of many that the consumer is not as well served by the system as they have a right to expect is hard to ignore. Nor is consumer led change likely given the relative lack of transparency in the buying and selling process and the poor understanding that consumers have of it.
- 67.** Earlier on this report comments on the emergence of national players in the property market, and those organisations and some others' desire to seek central or national solutions. Within the framework of modern technology one such solution, which might be seen as something of a panacea, would be to have one central data provider for local property information, and for leasehold information. My own organisation, the Land Registry, as a national body that is widely regarded as having successfully harnessed technology to improve its information services to both the public and professionals, has been referred to in that connection.
- 68.** The accessibility of a central service provider, using modern technology and providing a range of services at standard charges, and working to clearly defined service levels, has obvious attractions. This suggestion has much merit, but to my mind fails the crucial test of practicality. To consider leasehold information first, the number of data providers (freeholders, managing agents etc) is very large and disparate. Simply identifying who these people and organisations are would be no small task. Land Registry and other records would only offer a measure of assistance. Even if that could be accomplished, establishing the information to be recorded would be problematic, and

keeping it up to date even more so. Currently, little of it appears to be held electronically. The regulations to require such an outcome would undoubtedly be complex and almost certainly be subject to severe criticism on grounds of cost to the taxpayer; would the elaborate machinery and considerable expense required to keep and maintain the information really be justified when on average properties are only sold once every seven years? There would certainly be efficiency savings, but would these be enough to justify the investment and would these be passed on to the consumer? Whilst this proposition has been considered mainly on the assumption that a central body would come from the public sector, it is difficult to envisage the private sector being prepared to consider such an enterprise, even under a PFI type arrangement.

- 69.** Similar considerations would apply to local authority data. Whilst the number of local authority information providers (427) is substantially less, the data itself is of a more complex nature, it is not held in a standard form and it would certainly require much cleansing. Much data is held on paper cards and records and only some is held electronically. It might be relatively more simple to convert the local land charges register into electronic form to make remote searching of the register possible than it is to capture and hold all the information necessary to respond to CON 29 Part 1 enquiries. However, to reap real benefits, all the information necessary for the property search needs to be held and made available in electronic form, because in practice the LLC 1 and Con29 enquiries are usually requested at the same time as one property search. The position will vary both between and within each local authority. The question of usurping local accountability and autonomy would obviously arise. Yet, as discussed later, there seems to be more scope for electronic provision of information for local authority data than there appears to be for leasehold information.
- 70.** Whilst I cannot see in the foreseeable future, central electronic service provision for either of these services, it is clear that to date investment has been lacking. Current use of technology includes NLIS (which has been providing an automated or partially automated service for local authority searches and other services for some years), local authorities that have some electronic records and many personal search and HIP providers that have electronic databases and produce digital products. In this very limited review we were unable to see how managing agents and property companies were investing in modernising their records, although any such developments did not seem to be working through into lower costs and speedier provision. Converting manual records into electronic format not only brings efficiency savings, but benefits to all because the conversion process should be associated with a robust scrutiny to secure standardisation and the

removal of unnecessary data. It is difficult not to conclude that there remains considerable scope for more technology-led improvement.

Property searches – proposals and recommendations

71. Earlier sections of this report have explained the present market position and the basis of current problems. Local property searches are now extensively provided by both local authorities and by property search companies, with business for the property search companies boosted by the introduction of HIPs. The personal search industry is still developing and local authorities are, belatedly, becoming alive to the consequences.
72. Whilst this situation has some unsatisfactory features, suggested improvements for which I set out later in this section, I can see no over riding reason to suggest that the market will necessarily develop to the detriment of consumers. The 'mixed economy' of public and private sector service provision, based on the level playing field and fair competition principles that Government is endeavouring to secure, should better serve the consumer.
73. Local authorities, stimulated by the competition, with the benefit of the Communities and Local Government Guidance on Access by personal search agents, and with the focus on establishing a common fair charging policy set out in the Communities and Local Government Consultation Paper, are beginning to respond to these initiatives. But there is undoubtedly a lot more that many of them could do to improve their services and make them more attractive.
74. The key to improvement lies in accepting that there is private sector competition that could continue to erode local authorities income stream from property searches. Local authorities should capitalise on the significant advantages that they enjoy. These advantages include their position, status and authority as the public sector source of the information and their undoubted knowledge and expertise. They have excellent, committed staff who are often hugely experienced. Under such circumstances there should be no reason why local authorities cannot compete well on grounds of efficiency and charges, or of turnaround times and, perhaps even more so, quality. Although this report is for the Housing Minister, I would urge local authorities to:
 - invest in data capture ; adopt a holistic approach across all departments whenever practicable
 - consider collaboration with other local authorities, especially – but not exclusively – those that are geographically linked or which share characteristics, culture or size

- improve the service by offering more options. For instance, consider a low cost “refresher” option for a local property search, which could be an even bigger attraction in a slow-moving market; consider including free additional information [e.g. planning decision notices or building regulations approval];
- improve the presentation and comprehensibility of the results of searches and introduce greater standardisation
- consider a programme to remove obsolete documents that no longer have any relevance. This might be done by incorporating an “as and when” approach i.e. whenever the old document would otherwise be revealed in a search application
- consider taking positive steps towards web-based access to the data
- use the existing institutions (the national, regional and County Local Land Charge Institutes) to provide forums for best practice and innovation
- publicise the value and quality of the local authority service, both externally and internally

75. Those local authorities that have not adopted the Guidance should do so as a matter of urgency, and those whose charges are clearly very high and well out of step with their costs should review them before waiting for the outcome of the consultation period on charging. Ignoring the Guidance on Access, or maintaining charges which have little relationship to actual cost, will undoubtedly raise competition issues, but I do not believe the initiatives that I am suggesting would do so. I hope that the Local Government Association will be able to provide a strong lead here, working in collaboration with Communities and Local Government. The Guidance on Access needs to be explained, supported and promoted, through events such as the ‘Charges for property searches workshop’ recently organised by the LGA and Communities and Local Government. The CoPSO/C-NLIS sponsored ‘Local Search Summit’ for local authorities and personal search companies, scheduled for May 2008, represents another positive step towards greater mutual understanding and respect.

76. I set out below those further measures that I believe need attention in the interests of establishing a fair yet competitive market and securing improvement. Most of these suggestions will fall to either Communities and Local Government or LGA or both to consider:

- Continue to explain and promote the Access Guidance; monitor the practices being followed; as a last resort consider regulation to ensure compliance

- Consider how best to clarify the obligations on local authorities to provide access to their records; consider amending the HIP Regulations to clarify when the derogation contained in paragraph 4 of Schedule 6 to the Regulations will be engaged.
 - Monitor the situation regarding the payment of referral fees to ascertain whether this is affecting fair competition between local authorities and personal search companies or different personal search companies and/or preventing the consumer from choosing their own service provider.
 - As soon as possible, end the HIP transitional insurance arrangements. This will need to be considered in conjunction with the local authority take-up of the Access Guidance, but in my view there should be no extension of the transitional arrangements beyond December 2008.
 - Conclude the charging consultation exercise as quickly as possible. Provide clear guidance on what records/information local authorities can and cannot charge for (including guidance as to what will constitute environment information), and legislate as necessary to remove any potential ambiguities.
 - Require any amendment to the Home Information Pack (No.2) Regulations 2007 the answers to enquiries made using Con 29 Part 1 to be provided in a standard consumer friendly form (by both local authorities and personal search companies). I can see no particular objection to the general form of answers suggested in respect of Schedule 8 under the Home Information Pack (No.2) Regulations 2007: Procedural Guidance being made compulsory.
 - Provide incentives for local authorities. Ensure that Chief Executives, Finance Officers and senior staff, who will almost certainly feel that they have more important and pressing responsibilities, do not continue to relegate their local land charge offices to the bottom of their list of priorities. Encourage local authorities to work together in groups, in conjunction with software houses, to improve affordability and encourage standardisation and shared practices
 - Promote the efficiency savings and economies to be gained from establishing electronic databases and making all or some LLC and CON 29 information available at a realistic fee over the web.
- 77.** The last of these suggestions is worth emphasising. Some local authority departments, for example planning, are already doing this. There are local authorities that seem to be very close to being able to provide a web-based property search information service. Yet even these seem reluctant to take what most impartial observers would regard as a logical if not inevitable step to provide electronic access for customers. The LGA might wish to consider

how best to overcome this reluctance. It could, for example, identify exemplar local authorities which are close to being able to take this step and encourage them to do so. It does not seem that this is a major step in funding terms but if it were some assistance from central funds to provide an incentive for early participants would be worth considering. So too would contact with software houses or other private sector IT suppliers. With a potential base of over 400 customers, all with the same or very similar requirements, they might well consider some form of partnership with central backing to be a worthwhile investment.

- 78.** Property search companies and their representative bodies have been very active in establishing the “Search Code” which, with the assistance of the PCCB, they will want to ensure is followed. I am sure they will also want to see that property search agents play their full part in adhering to the Communities and Local Government Access Guidance.

Leasehold information – proposals and recommendations

- 79.** In my view, it is necessary to be clear as to what the HIP is trying to achieve. The HIP should be developed to help create better informed buyers, rather than to assist in speeding up the sale process. This is particularly important in relation to leasehold property. We were not surprised to hear many times that leaseholders understanding of the nature of their property ownership was very poor. This comment may also apply to many freeholders and landlords. It also seemed clear that the standards achieved amongst leasehold information providers were almost always the subject of strong criticism from customers, with the property owning public paying for unreasonably high charges for documentation, and perhaps without knowing the cause suffering the frustration of a highly uncertain and variable service. Those considerations represent the primary drivers for the suggestions that follow:

- Redraft the Regulations so that the requirement is to produce a summary sheet only (in addition to the lease and general explanatory leaflet – see below). Details of the proposed summary sheet proposed are set out at Appendix 5, although I believe that the precise content of the summary sheet should be arrived at through consultation with the relevant stakeholders. In my view, this should result in a cheaper and quicker leasehold HIP that actually provides the information likely to be of relevance to an intending buyer in a format that is readily comprehensible.
- If the proposed introduction of such a summary sheet is not considered viable, then I believe paragraphs 1 and 2 of Schedule 5 to the Home Information Pack (No.2) Regulations 2007 should be permanently amended so that the only required documents should be the lease and a document providing details of the name and address of the landlord or managing agent (if known) to whom further enquiries should be directed.

- To improve buyers knowledge of leasehold ownership, the HIP should be required to contain a simple leaflet approved by Communities and Local Government and the Leasehold Advisory Service explaining in basic terms what ownership of the leasehold property may involve and of the charges that may be made. Such a leaflet, produced by Communities and Local Government, LEASE, ARMA and ARHA, is already available and may well meet the need.
- In view of the strong criticism from so many customers of the service in relation to leasehold information, the representative bodies may wish to conduct an audit to establish the basis of the criticism for themselves. In my view it would be worthwhile for every managing agent or other such information provider to publish their charges and service standards and maintain a record of the performance against those standards. This would not only help to improve standards but also act as a safeguard against unwarranted criticism.
- I also recommend that the representative trade bodies and organisations for managing agents are asked to collaborate and produce and publish an agreed formal code that clearly addresses both the charges that may be made for providing leasehold information and the time within which the information should normally be provided. Ideally an independent body should also be established to monitor and ensure compliance with such a code.
- Even if a formal code such as that proposed above were to be adopted, many managing agents and landlords will not be members of relevant bodies or trade organisations. Consideration should be given by the Ministry of Justice to introducing legislation to ensure that tenants are adequately protected from excessive charges and delay in providing relevant leasehold information and documentation and that meaningful potential redress or challenge is allowed to a lessee who cannot obtain the necessary leasehold information from his landlord or managing agent within a reasonable time and at a reasonable cost.
- I also recommend a review of the existing legislation that governs the rights and responsibilities of both landlords and tenants to ascertain whether existing legislation can be helpfully consolidated. We were advised that many problems presently arise because the relevant parties are unclear as to their rights and responsibilities, which at least partly appears to be a product of the present legislative complexity.

- If neither of the proposals made in my first two bullet points above are accepted, I recommend that consideration is given to the possibility of removing houses held under long leases from the category of residential leasehold properties. In these cases all the information and documentation contained in paragraphs 1 and 2 to Schedule 5 is required – but all that should be required in relation to such properties is the lease and the address of the landlord.

My own department, the Land Registry, has a programme to scan the many leases it holds in paper form. As many conveyancers find it most convenient to obtain copies of leases from the Land Registry, this should help to make available more leases more quickly. I am asking the Chief Land Registrar and Chief Executive to consider whether it is possible to accelerate the scanning programme in relation to leases.

The Longer Term

- 80.** I have explained why I do not believe it is viable to look to a central information provider for either local property searches or leasehold information. But greater use of technology is clearly the single most important step towards lower costs and service improvement. Business increasingly uses technology and the internet to conduct transactions, and even more so as the preferred means to communicate and provide information. The services available to provide local property searches and leasehold information are behind the pace.
- 81.** My comments based on what we have seen amongst local authorities and what we have been told suggests that there is a varied picture. At one extreme this can mean complete reliance on paper records and manual handling, and at what might appear to be the other extreme virtually all records are in electronic format and all processing can be done automatically. Yet even the best users of technology seem to require some manual checking, which seems questionable. And more so, we did not see and were not made aware of any authority that has taken the crucial next step to allow remote searching, or some form of access to records over the internet.
- 82.** Local land charges departments contain very few staff and there is an understandable nervousness to take these routes. But unless they are taken there is a risk that the “front office” official searching business will disappear. The private sector, represented by personal search companies, NLIS, HIP providers, and other intermediary information providers is certainly using technology and will continue to do so. Local authorities need to catch up; I am sure the combined expertise of their often excellent Local Land Charge Officers and IT specialists can build and improve upon the ideas I have set out in paragraph 74.
- 83.** On the basis of what we saw from the local authorities visited, and what we learned from software houses and others about the general picture, we have put together a summary of the IT situation across local authorities. This summary is set out in **Appendix 6**. We believe this is an accurate and thorough statement but of course it is not based on an exhaustive survey. Nonetheless, I hope it will be helpful to local authorities themselves and other interested parties as a valuable reference point and basis for ideas and development. It contains a number of ideas and suggestions that could be used as a basis for development.

- 84.** Leasehold information provision is more problematic. There are far too many information providers to even begin a limited survey of the practices and methods that they adopt. But all that we were told suggests that the absence of competitive pressures amongst the major players provides no incentive to modernise and improve. In the absence of regulations to establish standards amongst such a huge and disparate group, it is difficult to do other than focus on the representative bodies (ARMA and the Federation of Private Residents' Associations 'FPRA') to do more themselves. My recommendations for that are set in paragraph 77. A focus on raising standards ought to bring with it a drive to introduce technology, but of course this is by no means certain and some form of regulation may ultimately be needed if progress is not made.
- 85.** Whilst technology led improvement for both local property searches and leasehold information is certainly needed now, it will be even more so in the future. HIPs is seeking to introduce a measure of urgency and sensible time limits at the beginning of the sale process. The Land Registry's e-conveyancing programme will make electronic property transactions a reality. The Land Registry has already brought in electronic information services, electronic discharges and electronic form lodgement. It is due to take significant steps forward this year with the introduction of electronic mortgages and next year, electronic transfers. These are major steps requiring legislation, significant practice changes and comprehensive stakeholder participation. Citizens will have what for most will be their first experience of electronic signatures. Greater certainty and transparency is planned through an electronic noticeboard to give key details of each transaction in a chain. These changes are likely to bring with them a much needed system for electronic funds transfer on settlement and an automated contract exchange protocol.
- 86.** The overall impact of these changes on market players and the property owning public should not be underestimated. The culture will change. The conditioning which causes participants to think in terms of a rather antiquated process involving many steps and parties which must inevitably take many months will be broken down. New commercial opportunities will appear and seem to me to be likely to fuel a developing public desire for a modern service – one that will be more readily understood, provide greater certainty and transparency, and the potential to move more quickly should that be what the customer wants.
- 87.** Nonetheless, the property market will remain one in which there are many players and many interests. The home buying process is a sophisticated one which can be very sensitive to any change no matter how small. These features lead me to believe that change and improvement is more likely to be successful when industry-lead. The sectional interests should and usually

do, make claims to be working in the public interest. Their commercial interests should not override that consideration. To avoid the necessity for Government intervention to protect the public, the major representative bodies need to be working together to resolve problems collectively and provide a platform for improvement which will demonstrate value for money for the consumer.

- 88.** Although strictly outside my remit, a number of commentators referred to the nugatory work caused by inconsistent conveyancing practices. A recent and welcome development has been industry recognition of the need to revisit the Transaction Protocol in the light of HIPs to consider how the concept of a seller's pack can be built on to speed up the conveyancing process and ultimately develop what will amount to an exchange ready pack.¹⁸ Such an industry led improvement is in my view preferable to trying to achieve an exchange ready pack through extension of HIP Regulations.
- 89.** Such a development could make a big difference. But there is a real danger that a new protocol will be not be widely or fully adopted. In order to be successful a protocol needs to be taken up or supported by as many practitioners and other market players as possible. If the number of non-participants is significant, the protocol can never really work as well as intended and those participating will begin to question its worth leading inevitably to disuse.
- 90.** I believe the time is right for the industry to respond to this challenge. A standard, widely adopted protocol should tackle many of the practical matters that can bedevil the provision of local property searches and leasehold information, but would have much wider benefits. In my view, the key to success could lie in the following:
- Ensuring that the protocol has as its primary focus the streamlining of the process in order to benefit the participants but also and most importantly the consumer
 - Including all key representative bodies, to greater or lesser extents, in the development of the protocol, with the ultimate aim of securing joint ownership and agreement. [I have in mind here that the Law Society working with the CML would be the primary players, but with contributions from others such as ILEX, CoPSO, AHIPP etc]
 - Ensuring that the protocol takes full account of advances in technology, is regularly reviewed and keeps pace with electronic communication and transaction methods

¹⁸ See by way of example the comments made by Paul Marsh and Rob Hailstone in the February 14 2008 edition of the Law Society Gazette and by Richard Barnett in the March 2008 edition of Property in Practice.

- Securing Government support for the initiative
- Developing the protocol alongside the enhancement of the HIP
- At the last Stakeholder Panel meeting, the Chair called on those present to work more collaboratively and effectively together. Given the buying and selling process that exists in England and Wales, such collaboration seems to me to be crucial. My final recommendation is that the Housing Minister and Communities and Local Government should maintain and develop the Stakeholder Panel as a high level, Government sponsored forum to consider improvement and reform in the home buying and selling process. It should continue to be chaired by the Housing Minister or one of her ministerial colleagues, but its membership may need review to ensure the most appropriate representation. It should meet with sufficient regularity to create some urgency into the change process, with some subordinate groups established for detailed work. The Stakeholder Panel would provide the impetus and support for collaborative initiatives, such as the new conveyancing protocol.

In Conclusion

91. I should like once again to thank all those who have contributed to this report, especially the small team of colleagues from Land Registry. The task has been challenging and enjoyable. Whilst I have tried to remain strictly within my terms of reference, it has not always been possible to avoid comments and suggestions on the wider property market scene. I fully accept that those comments may seem to stem from too narrow a base and that more wide-ranging terms of reference might have led to some different conclusions. Nonetheless, I hope that this report will prove valuable in finding ways to improve the provision of local property searches and leasehold information, as well as broader improvements in the buying and selling process.

Ted Beardsall

APPENDIX 1

Support Team Members:

Jan Batho, Land Registry – Head Office

Stephen Brown, Land Registry – Information Systems

Darren Cavill, Land Registry – Kingston Upon Hull Office

Emma Hodgson, Land Registry – Head Office

Pete Ireland Snr., Land Registry – Information Systems

APPENDIX 2

Organisations and Companies contributing to research:

The Association of Home Information Pack Providers	(AHIPP)
The Council of Mortgage Lenders	(CML)
The Council of Property Search Organisations	(CoPSO)
The National Association of Estate Agents	(NAEA)
The Law Society	
Which?	
The Royal Institution of Chartered Surveyors	(RICS)
Ministry of Justice	(MoJ)
KPMG	
The Council for Licensed Conveyancers	(CLC)
The Local Government Association	(LGA)
The Institute of Legal Executives	(ILEX)
The Association of Residential Managing Agents	(ARMA)
The Association of Independent Personal Search Agents	(IPSA)
The Direct Conveyancers Association	(DCA)
The Leasehold Advisory Service	(LEASE)
The Local Land Charges Institute	(LLCI)
The Property Codes Compliance Board	(PCCB)
The Office of Fair Trading	(OFT)
Local Government Analysis and Research	(LGAR)
PA Consulting	
The Council for the National Land Information Service – CIC	(C-NLIS)
MDA SearchFlow Limited	
TM Property Service Ltd.	
OneSearch Direct	
The Independent HIP Group	(HIPAG)
Northgate IS	
Conveyancing Systems & Solutions	
Innogistic	
Spicerhaarts	

Practitioners

In addition to the groups of current practitioners spoken to in meetings with the various representative bodies, several partners within the following firms of solicitors were also interviewed:

BannerJones (Chesterfield)

Barnetts (Southport)

Blackett, Hart and Pratt (Durham)

Brignall, Balderston and Warren (Letchworth Garden City)

Cartmell Shepherd (Haltwhistle and Carlisle)

Darbyshires (Lytham St Annes)

Field Cunningham (Manchester)

Field Porter (Bolton)

Pengillys (Weymouth)

Taylor and Emmett (Sheffield)

Wessex Conveyancing (Weymouth)

Local authorities

Bradford Metropolitan District Council

Corby Borough Council

Crewe and Nantwich Borough Council

East Herts District Council

Fenland District Council

Hambleton District Council

Kingston Upon Hull City Council

London Borough of Harrow

London Borough of Sutton

North Herts District Council

North Yorkshire County Council

Plymouth City Council

Reading Borough Council

Royal Borough of Kensington and Chelsea

Royal Borough of Windsor & Maidenhead

Wakefield Metropolitan District Council

APPENDIX 3

Local authorities that have reduced their property search fees (Information provided by CLG – last updated December 2007)

£'s	Reduced fee	Old Fee	Reduction
Sutton	75	200	125
Brentwood	85	209	124
New Forest	80	156	76
East Herts	110	185	75
Wakefield	40	114.6	74.6
Warrington	70	149	79
Birmingham*	75	140	65
Exeter	69	135	66
Kingston upon Thames	212	275	63
South Hams	65	126	61
Liverpool	101	161	60
Guildford	135	190	55
Sefton*	135	80	55
Hambleton	80	134	54
Restormel	82.5	135	52.5
Plymouth*	78	130	52
Slough*	118	168	50
Crewe	125	75	50
Chelmsford*	100	145	45
Redditch*	80	124	44
Bromley*	145	185	40
Brighton*	115	155	40
Torbay	130	170	40
Mid Sussex	100	140	40
Worcester*	76	113	37
Wealden	100	135	35
Mid Devon	78	112	34
North Hertfordshire	125	158.5	33.5

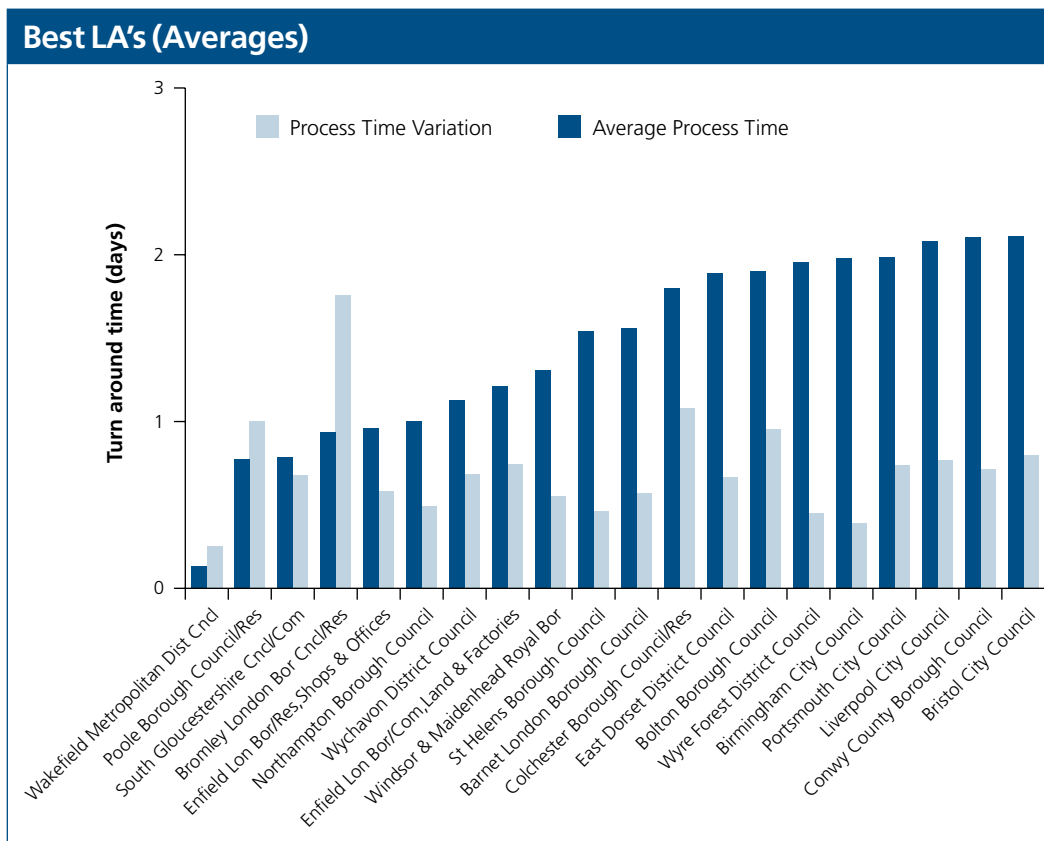
£'s	Reduced fee	Old Fee	Reduction
Babergh	137	170	33
Gateshead*	100	133	33
East Riding	130	160	30
Surrey Heath	146.70	179	32.3
Wychavon*	82	114.3	32.3
Havant	100	130	30
Portsmouth	50	80	30
Rushmoor*	120	150	30
South Gloucester*	115	145	30
Waltham Forest*	220	250	30
Ashford	145	174	29
Elmbridge	163	192	29
Stafford*	135	164	29
Cotswold*	106.5	133.5	27
Colchester	100	126.5	26.5
Oswestry	115	140	25
St Albans*	145	170	25
Shepway	100	125	25
Warwicks	100	125	25
Cherwell	75.5	99	23.5
Newark	75	98	23
East Lindsey*	90	112.5	22.5
Wansbeck*	110.59	131	20.41
Pembrokeshire*	67.99	90	22.01
Winchester	118	140	22
Derby	75	95.5	20.5
Eden	112	132	20
Hertsmere*	116	136	20
Northampton	110	130	20
South Bucks	170	190	20
Test Valley	97	117	20
Torridge*	85	105	20

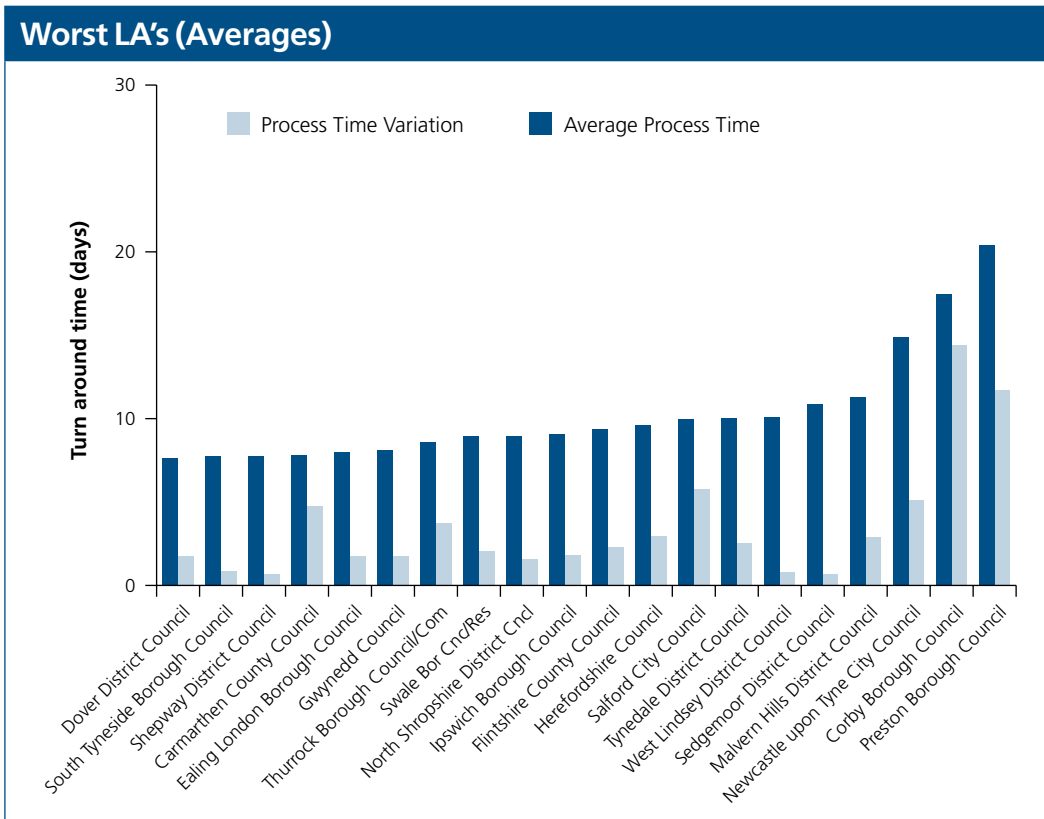
£'s	Reduced fee	Old Fee	Reduction
Thanet	106	125	19
West Somerset*	110	128	18
Derbyshire Dales*	97	113.5	16.5
Salford	110.67	126	15.33
Arun	114.15	129.15	15
Broadland	90	105	15
Epping Forest*	105	120	15
Knowsley	100	115	15
Medway*	70	85	15
Barnsley*	91.58	106	14.42
Staffordshire Moorlands*	112.58	125.88	13
Castle Point*	88.03	101	12.97
Worthing*	120.65	133	12.35
Ashfield	68	80	12
Bassetlaw*	89	101	12
Harrogate	125	137	12
Lewes	128	140	12
Melton	100	112	12
Bolsover	80	91	11
Chiltern	172	182	10
Christchurch	100	110	10
East Staffs*	90	100	10
St Edmundsbury	100	110	10
South Lakeland*	126	136	10
Wyre	95	105	10

* NLIS electronic search fees (August) compared to 1 April 2007 Local Authority Questionnaire fees

APPENDIX 4

Turnaround times provided by C-NLIS. (NB: The figures are made up of electronic returns (which are known to be exact) and the figures supplied by local authorities for their manual returns cannot be verified).





APPENDIX 5

Proposed leasehold information summary sheet

- (i) Name and address of the landlord.
- (ii) Name and address of the person to whom enquiries should be sent (if different from the landlord).
- (iii) Term of the lease.
- (iv) Current ground rent.
- (v) Current service charge.
- (vi) Details of any notices issued in respect of any qualifying works or agreements to which s.20 of the Landlord and Tenant Act 1985 applies.
- (vi) Identification of the part of the lease that contains covenants restrictive of the user of the leasehold property.¹⁹

Explanatory note

This represents a rough outline of the nature and extent of the information that we think the summary sheet might contain. The exact content of the summary sheet should be decided in consultation with the relevant stakeholders. There undoubtedly is additional information that some buyers might wish to know initially (including financial information such as, for example, the amount in any sinking fund) but for the summary sheet to be effective it has to be readily comprehensible and in our view contain only the information that a potential buyer would usually need to know to make an informed initial decision as to whether to proceed.

If the summary sheet is adopted consideration should be given to legislating so as to require a landlord or managing agent receiving a request for documentation necessary to complete the summary sheet to either provide that document or confirm that they do not hold it within 10 business days.

¹⁹ It is envisaged that this part of the summary sheet will need to be accompanied by a warning that the intending buyer should speak to their conveyancer if unsure as to what the covenants mean or what the restrictions on the user of the property are. The buyer would similarly need to be warned that there may be other restrictions on user imposed elsewhere – for example if the terms of the lease permit the landlord or management company to make rules or regulations relating to the management of the building. But covenants relating to the restriction of a particular activity (for example the ability to keep a pet or sub-let) may be fundamental to a particular homebuyer's decision as to whether to proceed and it appears desirable that a potential buyer is made aware of any such restriction at as early a point as possible.

As there may be a delay before it is possible to obtain some of the information and documentation necessary to complete the summary sheet, we consider it important that the inability to complete the summary should not delay the first marketing of the property provided the responsible person takes all reasonable steps to try to ensure that the summary is completed as quickly as possible.

Appendix 6

Summary of the IT situation across local authorities

1. Current IT situation in local authorities (in relation to land charges):

1.1 Systems and Data

The data required for compiling a full local land charge search (LLC1 and CON29(R)) comes from a number of separate departments within a local authority:

- Local Land Charges Register
- Planning
- Highways
- Building Control
- Environmental Health
- Others e.g. Home Improvement Unit

Each department tends to be wholly responsible for its own data and has evolved its own system for maintaining and using the data efficiently. There is a wide variety of data formats across the departments within a single authority as well as across the various local authorities. This varies from mainly paper records in all areas to fully electronic and many combinations between.

Where electronic records exist they can cover a wide range of business requirements in both textual and spatial formats, including:

- Gazetteers
- Maps (both vector and raster)
- Scanned documents
- E-documents (Word, PDF etc)

Generally these records are held in multiple repositories under a variety of different indices e.g. different unique property reference numbers that have to be cross-referenced. Spatial databases have become more widespread as planning departments have been encouraged to use electronic systems to create planning portals. If a local land charges department is looking for a system to invest in, it will often be influenced by what is already being used by planning.

The use of a corporate Geographic Information System (GIS) has become more common, although different mapping systems are often still used within the same local authority. The major providers of GIS to local authorities are able to integrate in a variety of environments by the use of data standards. As each situation varies, there is variable success. Some out-of-the-box GIS are functionally rich and can bridge information islands across local authority departments. They make a full range of maps, aerial photos and planning applications available over the internet.

Some authorities have implemented a modular single vendor system solution, which can be used within all the relevant departments, making data integration and access more straightforward.

1.2 Data Conversion of the Local Land Charges Register

Local land charges departments have embarked on the conversion of their paper charges register in one of three ways:

- In-house (used by c30% of authorities)
Resource has been found internally, within a generally small (less than 4 people) department. The major benefit of this approach is the control of the data and the accuracy checking as it is converted. The disadvantage is that it can take two or three years to convert the register fully and over six years for other departments' data.
- Outsourced (used by the majority of authorities)
The whole register is given to a third party agency to convert in a short timeframe at a fixed cost. The major disadvantage of this approach is that the data quality suffers, as subjective decisions need to be made by untrained staff. Invariably the converted dataset needs to be manually quality assured by land charges staff after the bulk conversion. The problem can be minimised by cleansing the paper records before conversion, although this is itself an onerous task.

To convert an average register of up 150k records would take between six and nine months and cost approximately £50k.

- Mixture of in-house and outsourcing (used by c30% of authorities)
The land charges department uses agency staff to work with them to convert the register. The additional resource is funded as required and then trained to improve the quality of their work. The flexibility of this method has proven cost-effective and efficient. It is also possible to approach the conversion in manageable chunks, in a logical order, which will vary depending on the authority.

Ideally the register records are referenced spatially when they are converted, to facilitate searching within a GIS, although a textual index can still be used to link datasets within the authority.

Some land charges departments that still work from paper records have either created a scanned image of all the records or duplicated the records in word documents to use as a back-up copy. Although they are not used for servicing search results, they have to be maintained as new entries are created.

1.3 Local Land Charges Searches

Again there is a wide range of methods used in local land charges departments for compiling search results.

The most basic method is to send the various enquiries to the relevant departments on paper and collate the responses when they are returned. The result can then be entered into a Word document before dispatching, either electronically, or after printing.

- Search compilation software is commonplace and the same system can be implemented in many ways to suit an individual authority's environment:
 - The system can simply be used as a checklist that all queries have been answered. Each department can access the list to update progress, or the land charges department can control the list as it receives responses.
 - Business rules can be set up to automatically retrieve query results from the appropriate databases and update the progress checklist. This level of operation is dependent on levels of data integration.
 - Access to the system can be granted to personal searchers to perform their searches, if sufficient controls are in place to prevent misuse of the system.
- Some bespoke systems enable customers to link automatically to the search submission system, using, for example, an Adobe (Professional) form that uses XML (possibly the PISCES standard) to feed directly into their database.

2. Current situation outside local authorities (in relation to Land Charges)

2.1 The National Land Information Service (NLIS)

NLIS went live in 2001 to act as a hub for various electronic searches, including local land charges searches. It is now a public-private partnership with C-NLIS. The NLIS hub delivers search requests to and receives search results from local authorities at one of three levels of connectivity:

Level 1 – no electronic connection either way. Searches and payments are both made manually.

Level 2 – some electronic connection. Usually in receiving search requests and payments.

Level 3 – full electronic connection. As well as electronic receipt and delivery of searches, payments and compilation of searches are electronic. Fully automatic compilation requires the various local authority departments' datasets to be interoperable and it is therefore achievable in just a few authorities.

In reality level 3 is sub-divided into those authorities that can process search requests electronically without manual input and those that still need manual input, but can still deliver the results electronically.

2.2 Direct Links

Some local land charges departments have been asked by their large customers if they can set up direct links to process their searches without going through the NLIS hub. A similar facility has been requested by personal searchers to enable them to submit their search requests more quickly and accurately than over the phone.

2.3 Data banking

Commercial companies have aggregated various elements of the data required to compile a search result from the local authorities in England & Wales into national repositories e.g. planning data and road schemes. The data collection methods vary from direct electronic feeds to the manual input of information from planning minutes and decisions published in local newspapers. Although the databases have national coverage, they are only comprehensive in certain elements of the local authority data e.g. building regulations are not publicly available.

3. Key points

3.1 Converting paper records

Local land charges departments who only have paper records and manual processes to compile results can still operate efficiently and within performance targets. However, it is becoming increasingly difficult for them to react to changes in the market and to meet the demands for easier access without making at least their land charges registers electronic.

The availability of search information from other departments in the authority would similarly be improved if were held electronically.

The overriding principle is that the data needs to be accurate enough ultimately to allow fully automated searches to be compiled. When the data can be relied upon, it should be possible to issue results without final checking and save both time and cost.

The work that each department needs to do to create accurate datasets benefits both that department and the land charges department. The full list of datasets within a local authority needs to be defined at the outset to ensure compatibility when converted.

3.1.1 Investment in IT

Most land charges departments have the support of their IT departments and their software suppliers and can get upgrades and enhancements if they are prepared to pay. Generally, they can propose new initiatives when they identify areas that can, or need to be improved.

Building a business case for new IT developments that will benefit the land charges department is an important stage in securing the necessary financial investment from an authority's budget. They can be helped in this task by the software vendors. Although the fully automatic processing of local land charges may not be a strategic aim for many authorities, it should form part of a longer-term strategy.

Few land charges departments would be reluctant to trust other departments' fully electronic data and consequently felt it would not be desirable to make the data available on the internet. However, most felt that a web enabled service should be able to interact with their data.

3.1.2 Integration across local authority departments

Where different departments use the same software products, integration is usually straightforward e.g. planning records can be updated on the charges register automatically. When systems have evolved at different times, integration can be more difficult e.g. gazetteers may use different indices that have to be manually updated.

3.1.3 Managed data capture

The initial task of capturing paper records electronically is labour intensive to complete in a reasonable timeframe. Using agency staff to start on intact, easy to capture record sets in a logical sequence enables early benefits of servicing query results as those datasets come on stream e.g. Tree Preservation Orders, Listed Buildings, Article 4, Building Control etc. In some instances it may be more suitable to convert the more straightforward textual data first, followed by the polygon data.

Alongside this data capture activity, the land charges staff would be able to concentrate on getting the remainder of the more complex files ready for conversion.

When resource is not available in a department, assistance can be provided in the same way to capture the initial bulk of the data e.g. the latest ten years worth of planning records. Older records can then be converted, as resource permits, as an ongoing task.

During this transition to electronic search compiling, searchers have to refer to both the paper and electronic parts of the records.

3.1.4 Spatial referencing

If data can be referenced spatially it is much easier to perform automatic searching to respond to full searches. The Ordnance Survey's Geocode can be used to identify properties and polygon data can be overlaid their MasterMap backdrop. Many GIS systems use layers of information from the various authority departments in this way to display related data for compiling searches e.g. contaminated land and road schemes.

It is more expensive to digitise paper map records into intelligent polygon information that can automate search queries; the precision required makes it more time consuming than capture of purely textual data. The cost of digitisation for a large authority has been estimated at £0.25M.

If text based information has been keyed in, rather than scanned, it can often be transformed into a spatially referenced application system.

3.1.5 Data standards

Open standards are an important enabler within local authority datasets. They allow flexibility in combinations of system products across departments and when upgrading to more sophisticated products. Some of the more common standards used include:

- BS7666 – The British Standard for addresses and geographic locations, as published on GovTalk and used by many gazetteers.
- NLPG – The National Land and Property Gazetteer is a definitive address list for England & Wales, conforming to BS7666
- LLPG – The Local Land and Property Gazetteer is an address list maintained by local authorities, with obvious links for update with the NLPG
- PISCES – The Property Information Systems Common Exchange Standard defines XML interfaces that can be used between external systems communicating with local authority systems

- GIS formats – Geographic Information System standards for encoding geographic information, including e.g:
 - GML
 - NTF
 - GeoTIFF
 - Other more proprietary standards
- E-GIF – The e-Government Interoperability Framework defines policies and specifications for information flows across public bodies
- INSPIRE – The European Union’s INSPIRE initiative intends to trigger the creation of a European spatial information infrastructure (A recent initiative for the longer term).

4. Best IT practice

Some authorities have invested in data conversion programmes and IT software that makes the compilation of search results an automated process for the land charges department. For an integrated, automatic land charges searching process to be fully effective, there are some key requirements:

- The local land charges register needs to be electronic.
- The data held by departments who respond to CON29 queries needs to be electronic.
- The datasets should:
 - Satisfy the needs of the owning department, the authority’s business users and the land charges department
 - Provide contingency and continuity
 - Be relational to allow multiple uses across applications
 - Be spatially referenced to enhance search capability
 - Be maintained by the owning department
 - Be stored once only, either centrally or in integrated sub-sets
- Application systems are required to:
 - Manage and monitor search requests through the office
 - Manage and assist personal searchers
 - Automatically compile search results
- Electronic access channels for customers, either via NLIS or directly over the Internet.

5. Common IT practice

Currently, most authorities have evolved into a hybrid situation, whereby they may have some of the best practice requirements already, but they have to co-exist with other, less efficient components. The most common IT scenario is:

- A central land charge search management system

The use of a computer application at the heart of the local land charges department is fundamental in controlling search requests and results efficiently. Even if there is no electronic data to help compile results, there is value in using such a system to record and manage compilation of results across the many contributing departments.

- A computerised, textually referenced land charges register

If the local land charges register is electronic, most search applications can automatically generate results for LLC1 requests.

- A mixture of paper and computerised data (both spatial and textual) in other local authority departments

With a hybrid of data across local authority departments, queries have to be answered in a variety of ways; perhaps spatially from the planning department, in paper from highways and from a textual dataset in housing. However, all responses can be co-ordinated more easily by the land charges department using a search application system. Obviously as more of the contributing data providers convert their data, firstly from paper and ultimately into spatially referenced records, search result compilation can become more automated.

- Level 2 connectivity to NLIS (251 authorities in February 2008)

Connectivity to NLIS has been a major benefit to land charges departments as it streamlines receipt of searches, payments and delivery of results. Again, increased automation of search compilation can move the department towards full Level 3 connectivity in progressive stages.

6. Local innovations

The current local search market has been changing over the last six months to be more nationally focussed. In part this has been the result of the introduction of HIPs, the growth of bulk conveyancing practices and the consequent proliferation of personal search agents. Local land charges departments that have some level of computerisation can consider options that can improve their situation in the current environment.

6.1 Local authority portal

Some search applications are designed to operate within a web browser, even if it is only used within a local authority. It is possible that the information could be presented to external customers over the Internet, given appropriate charging arrangements and security controls. A land charges portal could operate along the lines of the now very common planning portals provided by authorities.

6.2 Front desk access

The large number of personal search agents could be less disruptive to the local land charges department if sufficient terminals were made available within the authority to give access to the relevant data.

7. National innovations

7.1 National land charges database

As detailed at 2.3 above, there are commercial companies who have created national datasets to facilitate searching. It may be possible to aggregate the data more easily with online data feeds, set up as an alternative revenue stream for the local authorities. More collaboration between the parties would result in more complete data of assured quality.

Although the land charges register data sets could also be aggregated to a national level, ownership and maintenance issues would need to be resolved with the hosting company.

7.2 Local Authority Property Information Portal (LAPIP)

LAPIP is a current collaboration between C-NLIS and Northgate IS, who are a major provider of local authority systems; in particular land charges searching systems. Their proof-of-concept demonstrator uses XML and Web Services technologies to connect potentially all the local authority datasets to a central hub for search customers. The significant features for local land charges include:

- The breakdown of local authority searches into the many components, so customers can select individual queries.
- The use of a 'cookie-cutter' concept to extract all layers of data relating to spatially referenced polygons for CON29 information.
- A one-stop-shop for all local authority data.
- The accommodation of all levels of data within authorities i.e. paper to electronic.
- It is aimed at a full range of customers, from citizen to bulk HIP providers, including personal search agents.

- Data may be banked centrally within the authority, or accessed at source within a department, depending on an authority's level of IT i.e. LAPIP would provide an access channel to the data wherever it is held.
- The ability for local authorities to compete for bulk business at a national level.

8. Summary

8.1 Overview

Research has shown that the technology is now available to make full local land charges searches (LLC 1 and CON29) an automatic electronic process. For various historical, political and financial reasons each local authority has developed its use of IT in its many departments at different speeds and to different levels. The result has been that no two authorities have the same infrastructure across the land charges related data providers. Even where similar products are used, the IT departments are managed differently (often outsourced) and will use different hardware and operating platforms.

The fact that each authority is so different need not inhibit their progress towards the completely electronic delivery of searches in the future. If the financial investment were committed to achieve this objective, each authority would have a different roadmap plan. There could be incidental benefits to the operation of the individual departments' services along the way.

8.2 Data

A primary objective must be the conversion of paper records to electronic, without which access, resilience and flexibility remain deficient. As has been shown, a targeted programme of conversion can be efficient and cost effective, bringing immediate benefits along the way.

The overall data landscape in an authority needs to be analysed before embarking on the road to fully spatial data. The fact that there will likely be a mixture of datasets can be managed using data standards to facilitate interoperability.

8.3 Systems

Individual departments will still want to use the best of breed for their particular requirements. The necessary variety of technology products can still interoperate within a corporate GIS if open standards are used.

8.4 Access

Once the core data has been made electronic (and preferably spatial), existing access channels can be improved. It will also open multiple access options for the local authority:

- Across and within departments
- By automated search compilation software
- Between authorities, particularly in the district/county hierarchy
- With third party vendors
 - Value add data providers e.g. commercial data banks
 - NLIS / LAPIP
 - Personal search companies
 - HIP providers
- Direct to customers over the internet
 - Citizens
 - Solicitors
 - Personal search agents
- New markets
 - Developers wanting specific subsets of data e.g. housing scheme

8.5 Mixed economy

There is a current conflict between the local authorities operating on a local level and their search competitors operating at a national level. The two are not mutually exclusive in an electronic delivery environment. The possibilities that would become available through technology would encourage competition and efficiency in the market.

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