

NORTH LINCOLNSHIRE COUNCIL

**POLICY AND RESOURCES
CABINET MEMBER**

**REVIEW OF POLICY & RESOURCES FEES & CHARGES - INCLUDING
REVIEW OF LOCAL LAND CHARGES SERVICE PERFORMANCE**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.2 To review and revise the charges made by services within the Policy & Resources portfolio for the 2015/16 financial year.
- 1.2 To review the performance of the Local Land Charges Service.

2. Local Land Charges

- 2.1 During the current financial year (i.e. up to 31 January 2015) 1,622 Official (in house" Searches (this figure also includes LLC1 searches) have been received. The total for the whole of the financial year 2013/2014 was 1,996.
- 2.2 The increase in the number of searches undertaken in the current year to date continues to demonstrate an increase when compared with the previous years. The increase in demand places the service under pressure to meet targets set by the council.
- 2.3 The current charges made for a Standard Search Fee is £85 For postal and electronic searches, as opposed to personal searches which are free. This compares well with the charges raised by adjoining Authorities. See table in para 4.1 below. It is proposed to increase this by and the other charges by £5 per search (see Table D in appendix 1).

Legal Discretionary Fees

- 2.4 As in previous years a review has been undertaken of the charges made by Legal Services following the Report received from the CIPFA Benchmarking Club.

- 2.5 The charges are set out in the Appendix 1 to this Report as follows:

Table A - details of the fees charged on a fixed fee basis for the more routine property transactions

Table B - details of the hourly rate of the officers undertaking the work in Table A and which will be charged on all other contentious/non-contentious matters where appropriate to do so.

Table C - details of fees charged on a percentage basis for property transactions that attract grant funding or realise a capital receipt.

Other Policy & Resources Fees and Charges

- 2.6 Services are required to consider their fees and charges on an annual basis.
- 2.7 Fees and charges should be considered in line with the relevant charging policies
- 2.8 Changes to fees and charges should take into account recovery of cost and budgeted inflation whenever possible.
- 2.9 The proposed fees and charges may also be influenced by council objectives and priorities.

3. OPTIONS FOR CONSIDERATION

Local Land Charges

- 3.1 The amounts referred to in paragraph 2.3 above were calculated in accordance with the formula set under the 2008 Charging Regulations which seeks to apply a cost recovery charging basis. On that basis it is considered that an increase in the charges made should be applied.
- 3.2 On this basis, the proposed fees for the year 1 April 2015 to 31 March 2016 would be as set out in Table D in Appendix 1.
- 3.3 It should be noted that VAT may be introduced to Local Land Charges fees in the future and confirmation of this is awaited from HM Revenue and Customs.

Legal Services Discretionary Fees

- 3.4 The options are to retain the existing fees, increase the fees or introduce a different structure.

Other Policy & Resources Fees and Charges

- 3.5 Option 1 – to approve the proposed fees and charges as detailed in Appendix 2.
- 3.6 Option 2 – to approve the fees and charges set differently to Appendix 2. The cabinet member has the options of agreeing the fees and charges proposed, or rejecting them.

4. ANALYSIS OF OPTIONS

Local Land Charges

- 4.1 The proposed charges appear to be competitive when compared with near neighbours who charge as follows in respect of a full search:

North East Lincolnshire Council	£100
East Riding of Yorkshire Council	£130
West Lindsey District	£100
Hull City Council	£115
North Lincolnshire Council	£85

Legal Services Discretionary Fees

- 4.2 The proposal is also to increase the charges made by Legal Services for work by £5.00 per hour or less.
- 4.3 The Appendix shows the current level of fees for work undertaken by the Legal Service in Tables A & B Column 2. The proposed rates are set out in Tables A & B Column 3 and Table C Column 2.
- 4.4 The increase reflects a reasonable estimate for the cost of providing the service based on a tiered cost recovery approach and compares favourably with the charges made in the private sector which are around £200 per hour.

Other Policy & Resources Fees and Charges

- 4.5 Option 1 – Following review of each of the relevant fees & charges it is proposed not to apply any increase for the 2015/16 financial year.

In relation to charges made by the Taxation and Benefits service this is because reductions to the threshold of debt for raising charges have meant that higher levels of income are being experienced naturally.

For the charges made in relation to the Disclosure and Barring Service it has been assessed that the current charge will continue to recover the full cost of providing the service in 2015/16.

- 4.6 Option 2 – Approving fees and charges different to those set out in Appendix 2 may influence the ability to meet budgeted income levels.

5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

- 5.1 The Local Land Charges budget situation needs to be monitored, particularly given the claims brought or to be brought by private search providers in the event that such claims are successful. In respect of Legal Services, the small increase in fees should generate additional income for the budget.
- 5.2 The proposed consequences of the changes to the other Policy & Resources fees and charges are identified in Appendix 2. There are no direct staffing, property or IT implications.

6. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

- 6.1 The continued use of IT in the Local Land Charges work should result in a reduction in the amount of paper used.
- 6.2 There are no diversity implications involved in the recommendations made.

7. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

Local Land Charges and Legal Services Discretionary Fees

- 7.1 The fees have been set in line with the usual practice for their determination, as set out below.
- 7.2 Consultation with Finance has been undertaken and this report reflects their views.
- 7.3 Liaison between the Council, The Local Government Association, the Institute of Local Land Charges Officers and neighbouring authorities will continue to monitor and assess the implications of any challenges to the current local land charges regime brought by private search providers.

Other Policy & Resources Fees and Charges

- 7.4 None required.

8. RECOMMENDATIONS

- 8.1 That the local land charge fee and the legal fees set out in the Tables in Appendix 1 be adopted as proposed there with effect from 1 April 2015.
- 8.2 That the Cabinet Member approves the other Policy & Resources fees and charges for 2015-16 set out in Appendix 2.

DIRECTOR OF POLICY AND RESOURCES

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Background Papers used in the preparation of this report - None

**DISCRETIONARY LEGAL FEES
LIST OF FEES AND CHARGES**

**Table A
General and Miscellaneous Land Transactions**

DETAILS	CURRENT	PROPOSED
	Column 2	Column3
Leases Licences	A minimum of £350 – i.e. 4 hours work – work thereafter charged at the hourly rate based on Table B (below)(ii)	A minimum of. 4 hours work – work thereafter charged at the hourly rate based on Table B (below)(ii)
S 38 Agreements S106 Agreements S278 Agreements	A minimum of £810.00 – i.e. 9 hours work – work thereafter charged at the hourly rate on Table B (below)(ii)	A minimum of 9 hours work – work thereafter charged at the hourly rate on Table B (below)(ii)
Deed of Grant and Easements etc Sales of miscellaneous land at the request of the Buyer Licences to Assign/Sublet	A minimum of £360.00 – i.e. 4 hours work – work thereafter charged at the hourly rate on Table B (below)(ii)	A minimum of. 4 hours work – work thereafter charged at the hourly rate on Table B (below)(ii)
Consent by letter to Assignment/Mortgage – Leasehold Properties	£147.50	Min 1 hour at relevant fee earner rate
Abstracts/Epitome of Reversionary Freehold Title	Not less than £157.50	Approved hourly rate
Miscellaneous retrospective consents/inspections	Min 1 hour at relevant fee earner rate Approved hourly rate	
Miscellaneous legal/administrative charges		
Notices fees on Assignments, Mortgages etc of industrial premises	Amounts fixed by lease but otherwise not less than £87.50	Amount fixed by lease but otherwise not less than set out above
Letter of Postponement	£82.50	As above
Registration Fees:		As above
HAA Notice of Mortgage/Charge Supplying:	£47.50	
Title No:	£37.50	
Epitome of Title	Not less than £87.50	
Mortgage Redemptions	£87.50	
Photocopying	24p per sheet	25 per sheet
Supplying miscellaneous copy documents	Not less than £87.50	Min 1 hour at relevant fee earner rate Approved hourly rate

Table B**Legal Services Hourly charge***

Officer	Current Rate	Proposed Minimum Rate
(i) Head of Legal Services	£110.00	£115.00
(ii) Solicitors	£90.00	£95.00
(iii) Legal Assistants/Trainee Solicitors	£72.50	£77.50
(iv) Admin	£60.00	£65.00

Table C**Fees for Capital Receipt/Grant Funded Land Transactions***

Value of receipt/amount of grant funding	Fee
Up to £30,000	Minimum fee of £750
Between £30,001 and £60,000	2%
Between £60,001 and £150,000	2% of first £60,000 1.5% of the balance up to £150,000
Over £150,001	2% of first £60,000 1.5% of the next £90,000 1% of anything over £150,000

*In exceptional circumstances the Head of Legal Services may fix a fee for individual transactions where considered appropriate.

Table D**Land Charges Search Fees**

Domestic / Residential Properties	Cost £
Standard search fee for Official Certificate and Enquiries (LLC1 & CON29R)	£90
LLC1 only	£65
Con29R only	£25
Additional parcels and/or more than one unique property reference number included in the search site boundary	£15 each
Part II Enquiries	
Additional Enquiries	to be assessed and quoted for individually
CON 290 Optional Enquiries Enquiries 4-22 (submitted with full search)	£10 per question
CON290 only	£10 per question Plus an £8 Admin Fee
Commercial / Industrial Premises and Land	
The standard fees set out above, plus an hourly rate shown in Table B(iii), if the search process is estimated to exceed the normal timescale	When applicable the Land Charges Section will advise of the fee required

ITEM	Vatable Y/N	DATE OF LAST PRICE REVIEW	EXISTING CHARGE 2014-15 INCLUDING VAT @ 20% 01-04-12	PROPOSED CHARGE 2015- 16 INCLUDING VAT WHERE APPLICABLE
FINANCE				
Fee for Issue of a court summons for unpaid Council Tax/NNDR	N	2002/03	£55.00	£55.00
Liability Order	N	2002/03	£10.00	£10.00
HUMAN RESOURCES				
DBS (Disclosure & Barring Service) Clearances (Admin charge only - does not include the charge for the actual DBS)	Y	01/04/2012	£16.20	£16.20