

Local Government Association Briefing

The privatisation of the Land Registry

House of Commons backbench business debate

30 June 2016



Key messages

- The Local Government Association (LGA) is concerned that a change in operational ownership of the Land Registry may have an adverse impact on the future transfer of the Local Land Charges Register from local authorities to the Land Registry.
- We are therefore calling for Government to work collaboratively with councils throughout any transfer of ownership to a private company. Central government should meet any costs to councils associated with the preparations for the Local Land Charges transfer, the migration of Registers, the ongoing supply of data to the Land Registry and any future service planning.
- We support the Registers remaining in public ownership. The Government's preferred model of privatisation retains public ownership of the Registers.
- The Land Registry has a high customer satisfaction rate and has returned money to HM Treasury. Measures to reform its status and operations must continue to ensure the quality and comprehensive nature of the data it holds.

Background

The Land Registry is a non-ministerial department, and an Executive Agency of the Department for Business, Innovation and Skills.

The main statutory function of the Land Registry is to keep a register of title to freehold and leasehold land throughout England and Wales. On behalf of the Crown, it guarantees title to registered estates and interests in land. It holds responsibility for the Land Register, the Bankruptcy Register and the Agricultural Credits Register ('the Registers') and produces data on house prices and transactions of use to policy-makers.

Measures introduced in the Infrastructure Act 2015 will enable the Land Registry to develop new land and property services, and to take on responsibility for providing a single, digital Local Land Charges Register. Section 34 and Schedule 5 of the Act enables the transfer of responsibility for the registration of local land charges from local authorities in England and Wales to the Land Registry.

The transfer of responsibilities from local authorities to the Land Registry will result in a loss of income to local government but will leave them with a continued duty to supply the necessary information for registration.

In March 2016 the Government launched a public consultation on transferring Land Registry operations to the private sector. The consultation document sets out the Government's view that privatisation of the Land Registry would deliver a capital receipt for Government and has the potential to support it to be run more efficiently. The Government's preferred operating model is privatisation with a contract between government and a private sector operator. Under this model, all the core statutory functions would be transferred out of government whilst the Registers would remain in public ownership.

Briefing

The supply and quality of data

The Land Registry records the ownership of land and property in England and Wales. It also produces data on house prices and transactions of use to policy-makers. The Land Registry has a high customer satisfaction rating and has returned money to HM Treasury. Measures to reform its status and operations must continue to ensure the quality and comprehensive nature of the data it holds.

The Infrastructure Act 2015 enables the transfer of responsibility for the registration of local land charges from local authorities in England and Wales to the Land Registry. Councils will still play a central role in the collation and supply of data in their local areas. Examples include providing data relating to conditional planning consents and planning agreements, Tree Preservation Orders, Conservation Areas, Listed Building entries, Enforcement Notices and Financial Charges.

A lack of adequate funding to cover the costs associated with the transfer, the ongoing data provision to keep the register updated and any future burdens has the potential to impact on the resources available in councils. This may have a detrimental impact on the timely supply and quality of data to keep the register updated.

We are seeking assurances that any changes to arrangements by a new provider relating to the supply of data by councils would not place an extra unfunded burden on local government.

Councils are also concerned about the potential loss of control over their data and we are seeking a commitment from Government that local authorities retain intellectual property rights in their data provided to Land Registry or any new company. The use of data in any new products and services commissioned by the private provider should be agreed with, and appropriately licensed by, local government.

The costs to local government

The proposed privatisation falls at a critical time when responsibilities for the registration of local land charges will transfer from local authorities to the Land Registry. Local authorities expend considerable resources responding to requirements from Land Registry as they prepare for this migration.

The transfer of responsibilities from local authorities to the Land Registry will result in a loss of income to local authorities. It will also leave them with a continued duty to supply the necessary information for registration and to handle queries about further information.

The LGA is concerned that prolonged negotiations about privatisation may bring about delays to progressing the transfer of responsibilities relating to local land charges. We are seeking assurances from Government that any future funding model will cover the financial burdens to local authorities associated with the transfer and ongoing costs relating to the local supply of data to keep the register updated.

Safeguards

Any future arrangement and new burdens agreement could be jeopardised if a transfer of operations to the private sector goes ahead without firm agreement from central Government to safeguard the interest of local authorities.

We are seeking assurances from Government that the impact on local authorities from privatisation is kept to a minimum and that the interest of local government, as partners in the transfer of Local Land Charges Registers and services, are safeguarded.

The LGA is calling for Government to work collaboratively with councils throughout any transfer of ownership to a private company. We urge Government to fully meet local authorities' needs and any costs associated with the preparations for the Local Land Charges transfer and any future service planning.