

Place and Resources Scrutiny Committee

21 September 2021

Local Land Charges Service Update

For Review and Consultation

Portfolio Holder: Cllr P Wharf, Corporate Development and Change

Local Councillor(s):

Executive Director: J Mair, Corporate Director, Legal & Democratic

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Report Status: Public

Recommendation: Members are asked to note and comment on the current service position.

Reason for Recommendation:

To provide Members with information about the current service, actions which have been taken and those which are planned.

1. Executive Summary

- 1.1 The Council is responsible for processing land charges search requests, which are commonly made as part of property purchases.
- 1.2 The government has a target of a maximum of 10 working days within which these searches should be returned to applicants.
- 1.3 This target date has not been achieved for the whole Dorset Council area since October 2020.
- 1.4 Understandably, concerns have been raised and questions asked about how the delays have arisen, action taken to address the delays and future action to improve response times and return to the government target time.

- 1.5 The unexpected changes to the residential stamp duty threshold from 8 July 2020, generated a rapid, substantial and sustained increase in search numbers, at a time when the team had vacancies and while the service was migrating to a new ICT system.
- 1.6 The Service has worked tirelessly to process the increased volume of searches. The Service has also undertaken several recruitments to employ additional permanent and temporary staff and has been supported by staff made available by other services. Further appointments have been made and staff will be joining the team in September, with the expectation that the larger team will continue to work through the backlog of searches and improve response times. Staff numbers will be monitored and further recruitment will be arranged if required.
- 1.7 The new system is required to enable the systems and processes of former councils to be converged and harmonised, to enable maximum automation of search processing with seamless access within the system to relevant data from other services; a one council approach not just to land charges service, but all related services.
- 1.8 The timescale for the migration was driven by the need to replace legacy land charges systems before they expired. They could not be extended as the systems would no longer be supported. Upgrades to newer versions of those legacy systems would have been required. This would have resulted in a continuation of four legacy systems, each entirely separate, with their own processes and without direct access to the data of other services which were being migrated to the new system. Data from other services must be included in searches. Proceeding with upgrades would have impacted the Council's ability to process searches and created a greater risk of non-compliance and delay.
- 1.9 At each stage of the phased migration the service and project team managing the migration have considered whether and when to proceed. Some migrations have been delayed to avoid a clash with a change in the stamp duty land tax threshold.
- 1.10 With significant support from the project team the migration to the new system is proceeding well. Due to the timescale for the migrations, driven by the expiry of legacy systems, convergence and harmonisation of processes and data was not carried out in advance. With support from land charges officers, the wider project team, have reviewed, refined and harmonised processes within the new system. Previously with legacy systems, land charges staff had to be allocated to a particular search area and system (because each was different). Now, the team have the ability to conduct a search for any area, with a consistent approach across the team.

1.11 Further convergence and harmonisation work will be required once all the migrations are complete, to ensure all data, is within or can be accessed by the new system. There are five legacy land charges registers. Some of them were held outside of the legacy systems and so remain outside of the new system. The land charges registers will need to be converged into one register within the new system. This will require significant staff resource and time and will be heavily reliant on staff from the project team who are currently carrying out the migrations. Convergence is likely to start no earlier than January 2022. This work has been discussed within the project and will be raised through the project governance, to set a scope, allocate staff resource and agree the timing.

2. Financial Implications

2.1 Section 14 of this report comments on the staffing of the service and section 14.8 explains how the service is funded.

3. Well-being and Health Implications

n/a

4. Climate implications

n/a

5. Other Implications

n/a

6. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: High

Residual Risk: Medium

7. Equalities Impact Assessment

n/a

8. Appendices

Appendix 1 Record of search numbers for the financial years 2019/20 to 2021/22

9. Background Papers

none

10. Background

10.1 Local land charges searches are made during property purchases. Search requests are generally made by purchasers (through their solicitors or search agents). Most are submitted electronically. Local land charges searches are generally required by lenders, although local

authority search indemnity insurance can be an acceptable alternative for some purchasers and lenders.

- 10.2 A Local Land charge is a financial charge or restriction on the use of land that are enforceable against successive owners. Examples of local land charges include the conditions in a planning consent, tree preservation orders, listed building or enforcement notices. These must be registered by a Local Authority in a Local Land Charges Register. Searches of the register can be made personally or electronically and are known as LLC1 search.
- 10.3 Local authority searches are normally submitted at the same time as a search of the register. These are known as a CON29 searches and can be made to find out specific information about a property, including the planning history, any proposed road schemes, or details of any public definitive footpaths.
- 10.4 The Council's Land Charges Team delivers this service.
- 10.5 The government has a target of a maximum of 10 working days within which these searches should be returned to applicants. As set out above, local authority search indemnity insurance may be an alternative for some purchasers and lenders.
- 10.6 This target date has not been achieved for the whole Dorset Council area since October 2020.
- 10.7 Current average response times from the date of submission of a search request are:
 - East Dorset area average 25 working days;
 - Combined North, West, Weymouth, and Purbeck area average 52 working days from the date of receipt.
- 10.8 The unexpected changes to the residential stamp duty threshold from 8 July 2020, generated a rapid, substantial and sustained increase in search numbers at a time when the team had vacancies. Migration to the new ICT system is an additional factor but the main reason for our increased response times is the very significant increase in the volume of searches. Our migration to the new ICT system has though been the focus of concern from some of those who have experienced delay and so this report includes a detailed account of why convergence and migration to a new system was necessary and how this has been and is being managed. This detailed account of the migration to the new ICT system is not though intended to give the impression that our increased response times are

driven by the new system. The main reason for the increased response times remains the rapid, substantial and sustained increase in search numbers, illustrated in the appendix.

11. ICT System

- 11.1 Following the formation of Dorset Council in 2019, the Council formed a project to converge and transform planning services. The aim was to deliver a more effective, efficient and customer focussed planning service. A key part of this project was the introduction of a single planning software system, to replace the legacy systems of the former councils.
- 11.2 The local land charges search service is part of the project and the project team have involved and supported the service throughout. The service used the same legacy systems or relied on access to data held in the same legacy systems as the planning services.
- 11.3 The service had 4 core legacy systems used to process searches.
- 11.4 Those legacy systems themselves, how they work and process searches are different. Similarly, although each land charges register records the same core information, as prescribed by legislation, the layouts and where the registers were stored differed for each former council.
- 11.5 Some of the legacy systems held land charges, the register, planning, building control etc. within different modules of the same system meaning searches had a level of automation and could be carried out within the one system. Others held data from other services or the registers, separately, meaning the search process was more manual; searches were logged and processed in the system but the land charges register was checked and other data was requested manually and details added into the search. For all the legacy systems, requests for former county council data, such as highways, were made outside of the systems.
- 11.6 Within each systems the search processes were based on a number of questions, used to locate data. For each former council the wording of those questions, where those questions were sent, either within existing systems or manually, differed.
- 11.7 Three of the former council legacy system licences were due to end between October 2020 and June 2021. Extensions were explored, but were not possible, as the systems would no longer be supported by the providers. It was imperative that Dorset Council had fully supported systems to deliver services. Upgrades to new systems were available but that would have resulted in a continuation of four separate legacy systems, with their own processes and without direct access to the data of other services which were being migrated to the new system. Data from

other services must be included in searches. Proceeding with upgrades would have impacted the Council's ability to process searches and created a greater risk of non-compliance and delay.

- 11.8 In early 2020, before the first national lockdown and announcement of a stamp duty holiday and after months of planning, the Council contracted with MasterGov for new ICT system for planning and related services, including local land charges. This new system was to replace all former legacy systems, including those which were due to end and was to hold the land charges register. The new system would enable the systems and processes of former councils to be converged and harmonised, to enable maximum automation of search processing with seamless access within the system to relevant data from other services; a one council approach not just to land charges service, but all related services.
- 11.9 The project phased the migrations from former legacy systems to the new system.
- 11.10 In preparing for the purchase and each migration, planning services were able to build on data convergence and harmonisation work which had been started by former councils prior to April 2019. Equivalent work had not been carried out for land charges. As described above, for each former council the legacy system was different, the set-up of the system and how it processed searches was different, access to data from other services and the registers and layout of the registers differed.
- 11.11 The scale of work needed to converge and harmonise in advance of the first and subsequent migrations to the new system was substantial. Colleagues involved in this project, the work with planning services convergence and harmonisation and the wider migrations for all services have commented this is the biggest project they have worked on and likened it to conducting the migration to the adult social care database every couple of months.
- 11.12 Work on the migration and new system set for the land charges element began in earnest, from June 2020. At that time, and as explained below, search numbers significantly increased. The land charges team were focussing on responding to searches and the project team were fully occupied with migrations. These same staff would be required for the convergence and harmonisation of land charges, in particular the land charges registers.
- 11.13 The former council system licences coming to an end has driven the timescale for adopting a single new system. Ideally, work would have been conducted to converge and harmonise land charge search processes and register in advance of migration to a new system. But the imperative to replace the legacy systems within a timescale, meant there was insufficient time to conduct work of that scale in advance and a

strategic decision was made to progress with migration of the systems with convergence and migration to follow.

- 11.14 Former North services were migrated to the new system in October 2020, followed by West, Weymouth, and Purbeck with remaining areas to migrate from Autumn 2021.
- 11.15 At each stage of the phased migration the service and project team managing the migration have considered whether and when to proceed. Some migrations have been delayed to avoid a clash with a change in the stamp duty land tax threshold.
- 11.16 With significant support from the project team the migration to the new system is proceeding well. With support from land charges officers, the wider project team, have reviewed, refined and harmonised processes within the new system. The questions and area of the new system they are directed to have been reviewed and refined to ensure consistency and maximise the speed of processing.
- 11.17 Previously with legacy systems, land charges staff had to be allocated to a particular search area and system (because each was different). Now, the team have the ability to conduct a search for any area, with a consistent approach to processing across the team.
- 11.18 More harmonisation work is planned, particularly following migration of former East area data into the system.
- 11.19 Future plans for convergence of the registers and wider harmonisation is referred to under Actions and Lessons Learned below.

12. Stamp Duty Land Tax Threshold

- 12.1 On 8th July 2020 the Chancellor announced an increase in the residential stamp duty threshold for all residential property purchases initially until 31 March 2021, and then extended in March 2021 on a sliding scale until 30 September.
- 12.2 The initial announcement in July 2020 was received by councils at the same time as residents, giving councils no prior warning or time to prepare before demand increased.
- 12.3 The Council were in the same position as all other councils, unaware of the proposals in advance of the announcement.

13. Search volumes

- 13.1 From the establishment of Dorset Council (which is the first date that we have records for the full Dorset Council area) until April 2020 and the start

of the first national lockdown as a result of Covid-19, search requests received were largely as anticipated compared with earlier years.

- 13.2 During the first national lockdown and until early June 2020 fewer search requests were received each week for the whole Dorset Council area as compared to the equivalent weeks in 2019 for just the former Dorset Council Partnership (area of Weymouth, West and North Dorset).
- 13.3 By mid-July 2020 comparing the data for just former Dorset Council Partnership area (for which we have full comparative data sets) search request numbers were double the numbers received for the same weeks in 2019.
- 13.4 The numbers of search requests received has remained at a significantly increased level at the time of this report.

14. Staff numbers

- 14.1 In July 2020 at the time of the announcement of the stamp duty holiday and significant increase in search requests the land charges team had 1.5 FTE vacant posts (in a team of 8.5 FTE). Recruitment planned during March 2020 had been delayed while arrangements were made for staff to work from home.
- 14.2 Staff turnover during August 2020 created a further 1.6 FTE vacancies.
- 14.3 Recruitment took place from August to November 2020, filling the vacancies and appointing to an additional 2 FTE posts. Training was provided (where necessary) and those staff are actively logging and/or processing searches.
- 14.4 In addition, since January 2021 the team have been supported by several additional staff from the Dorset Council skills agency. Some staff continue to work in the team while others have returned to their substantive duties.
- 14.5 During early August 2021 further successful recruitment was carried out. A vacancy of 1 FTE was filled, and four additional FTE posts were created and filled. These new staff are due to join the council on 13th September and following induction and any necessary training will work on searches.
- 14.6 Enquiries were made about employing agency staff to cover vacancies or provide additional resource, but despite searches, none were identified.
- 14.7 The team will be 12.5 FTE plus 2 FTE additional posts and continued support from staff via the Skills Agency. The team have and will continue to work tirelessly to process the increased volume of searches and revert to normal response times as quickly as possible.

14.8 The land charges service does not have a Council staffing budget. The staffing budget is met from income received. All recruitment activity (including reviews of staffing numbers, creation of additional posts and appointments) is monitored and managed by the Head of Legal Services, in accordance with the Council's internal policies and Scheme of Delegation. Senior Manager support was obtained to use the Council's Skills Agency.

15. Complaints

15.1 Complaints and enquiries have been received about the reasons for delay and/or actions taken to improve response time. The main themes of complaint include:

- Why did we implement a new system in a pandemic?
- Why are we not employing more staff?
- Why did we not anticipate/know about the stamp duty holiday?

15.2 Answers have been given including explanations about the need to proceed with a new system having contracted with a supplier and for the land charges service to be able to access the data it needs, the recruitment and internal support from staff, and the changes to stamp duty thresholds were simply not known in advance.

16. Lessons Learned

16.1 Response times

a. From August 2020 we began to receive an increased number of enquiries about our delayed response times. As a result, the team began to update the response times on our website more frequently. Updates are currently published fortnightly. This is something that will continue.

16.2 Access to the team

- a. Some complaints have been received regarding the accessibility of the team; difficulties contacting them by email or telephone. Due to the team focussing on processing searches, the team have five email addresses for the former council areas of Dorset and a voicemail explaining options for any telephone enquiries.
- b. A new email address is currently being arranged for enquiries which will replace the five existing email addresses.
- c. It is likely the team will need to focus their effort on processing searches for some time yet and some arrangements to manage enquiries will need to continue. With the arrival of new staff these arrangements will be reviewed to ensure any automatic responses and correct contact details are clear, consistent, and publicised.

16.3 System

- a. Reasons for progressing with the migration and the timing of the migrations, in advance of convergence and harmonisation, are set out above.
- b. As explained above, some harmonisation of land charge searches, particularly the processes within the new system has been carried out with more to follow.
- c. Significant work will be required to review, converge, and harmonise the legacy land charges registers. This task will take significant time and staff resource and will be heavily reliant on staff from the project team who are currently carrying out the migrations. As explained above, the staff needed to complete the task are integral to the current system migration work and/or are fully occupied with search responses.
- d. Convergence work will follow the final migration, and will start no earlier than January 2022. This work has been discussed within the project and will be raised through the project governance, to set a scope, allocate staff resource and agree the timing.

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.