



Consultation on moving Land Registry operations to the private sector

**A response by
The Chartered Institute of Legal Executives**

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1. Introduction

- 1.1. The Chartered Institute of Legal Executives (CILEx) is the professional association and governing body for Chartered Legal Executive lawyers, other legal practitioners and paralegals. CILEx represents around 20,000 members, which includes approximately 7,500 fully qualified Chartered Legal Executive lawyers. This response has been formulated following member engagement.
- 1.2. We have engaged with our forum of Conveyancers who we refer to as our Conveyancing Reference Group (CRG). They have provided many practical and informative responses that we have included in the answers to your questions.
- 1.3. CILEx continually engages in the process of policy and law reform. At the heart of its engagement is the public interest, as well as that of the profession. Given the unique role played by Chartered Legal Executives, CILEx considers itself uniquely placed to inform policy and law reform relating to justice issues.
- 1.4. As it contributes to policy and law reform, CILEx endeavours to ensure relevant regard is given to equality and human rights, and the need to ensure justice is accessible to those who seek it.

2. Question 1: Do you agree that the ownership of the Registers should remain in government?

Yes

No

Not sure

- 2.1. CILEx members who answered our survey voiced great concern over the privatisation of the Land Registry. For example, profits could become a priority over customer service, the integrity of the Land Registry could be questioned and increased costs to the consumer of non-core services, and this could actually stifle innovation by other potential users of non-core services if the cost to them is too high. It is notable that 100% of the answers provided a negative response to moving the ownership of the registers to a private company.

2.2. Also the users of core services will not benefit from efficiency savings as New Co will keep those this seems unreasonable. However, there can be long delays in receiving responses from the Land Registry with the current system so further investment within the department is required. Although we are aware from attending LRAC that LR have a series of measure in place that may well address these issues.

3. Question 2: What steps should government take and what safeguards should it put in place to ensure continued and improved access to high-quality and reliable Land Registry data?

3.1. We feel that the following should be safeguarded and new company should contract to complete the relevant projects:

- The Local Land Charges project.
- Con 29 should be made to follow the Local Land Charges project.
- Implementation of the recommendation in the Law Commission Report on the Land Registration Act 2002 in respect of the Land Registry confirming ID for buyers and others. This is a sensible suggestion and one that will protect against fraud and lead to less claims against the indemnity fund which one presumes the Government will still pay for out of taxes.
- Errors and the cost of correcting them to be paid by the new company.
- No foreign investment in the new company – there are reasons of national interest to make this provision.
- Implementation of e-con including e-signatures dealing rooms and integration with case management providers.
- The Portal or anything replacing it must be free to users otherwise costs to the consumer will increase.
- No changes in the Network Access Agreement terms unless approved by Government.
- The establishment of an entity to ensure that the new company is complying with the contract terms and Key Performance Indicators (KPI) which will need to be agreed.
- CRG members have made suggestions that the Land Registry could use its registers to record more information which would then assist the sales

process. CILEx are not confident that a new company would wish to take up those suggestions.

4. Question 3: How could government use this opportunity to improve the quality and accessibility of data produced by Land Registry for all sectors of the economy?

- 4.1. There has to be a concern that whilst one of the stated aims is to achieve innovation at the moment Land Registry data is limited to cost +15% the new company may exceed that and that would impact innovation in the conveyancing and other industries.
- 4.2. Any new company must be compelled to complete existing projects and be required to complete future projects in an agreed manner.

5. Question 4: On what basis should government manage the relationship with a privately owned Land Registry to ensure Land Registry meets, as far as is reasonable, the data quality and availability requirements of all stakeholders?

- 5.1. In CILEx's view there need to be an entity set up who will scrutinise performance against KPIs.
- 5.2. CILEx is well placed to assist with this as its members and the current representative on Land Registry Advisory Council use the Land Registry services on a daily basis.

6. Question 5: Do you agree that the suggested safeguards should be included in any model?

- Yes
- No
- Not sure

- 6.1. The safeguards should include a Land Registry Regulator, limitations on prices charged and limitations on data sales.

7. Question 6: Are there any other safeguards that you think should be included?

- Yes
- No

Not sure

7.1. Yes as set out above.

8. Question 7: Do you agree with the preferred option?

Yes

No

Not sure

8.1. CILEx's preferred option is for current public ownership to remain with perhaps changes so the Land Registry can make a profit for the Government. However if privatisation goes ahead then this option with sufficient safeguards on service costs and oversight should be acceptable.

9. Question 8: What are your reasons for your answer to question 7?

9.1. As stated previously. There is the risk of a conflict of interest a failure to innovate due to costs both by Land Registry and others in the sector.

9.2. Our members have also mentioned criticisms of recent sales of public bodies in that the price obtained has not been high enough and CILEx would be concerned that this could happen again.

10. Question 9: Do you think an alternative model would be better and why?

Yes

No

Not sure

10.1. The overriding responses have been that the Land Registry's current model requires more investment and should remain in the public sector. There are concerns that the changes to SDLT and HIPs are examples of where there has been a negative impact on the conveyancing process and fears that a change in the Land Registry could significantly affect the process.

11. Question 10: Are there other key costs and benefits that you think we might have missed?

Yes

No

Not sure

11.1. None of our members surveyed could think of any benefits.

- 11.2. The above safeguards all have a potential cost to the new company and/or the price it will pay. It is CILEx's view that with all of the required safeguards in place the price will not be acceptable.
- 11.3. There is the possibility of the conveyancing industry incurring extra costs with the new company for non-core services and for extra training and IT costs to be incurred.

12. Question 11: Do you have any other comments that might aid the consultation process as a whole?

- 12.1. None of the CRG (and they all use Land Registry daily) had a bad word to say about Land Registry (other than the delay issue which we know is being addressed). The Land Registry is perceived to be the best and most efficient innovative and helpful department lawyers deal with. There is great anxiety that the changes the Land Registry are proposing could be affected and that profit will affect service which will slow the processes in conveyancing at the expense of consumers.

For further details

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