



A response to the consultation on introducing a Land Registry service delivery company

Who we are...

The Intergenerational Foundation (www.if.org.uk) is a think tank which researches fairness between the generations in the UK, in order to protect the interests of younger and future generations, who are at risk of being ignored by current policy-makers.

Our response...

One of the primary areas of concern for the Intergenerational Foundation (IF) is the national housing crisis which is currently affecting millions of young people. By extension to this, IF is concerned about any proposed policy changes which seem likely to make the housing market function less efficiently for either homebuyers or house builders, as this is likely to harm the interests of young people who are trying to get on the housing ladder.

We would argue that the consultation document which BIS has produced does not make a sufficiently strong case for why the proposed changes would make the Land Registry provide its services more effectively to users. In fact, we fear that the proposed changes could actually make the service function less effectively. We are especially worried that the increasing commercial pressure which creating a Land Registry service delivery company is likely to exert will result in a smaller volume of data about the housing market being released free of charge to the general public and housing developers.

Under its current structure as a Trading Fund, the Land Registry is already subject to a significant degree of commercial pressure because it is required to be economically self-sufficient from the fees it charges for providing services. The fact that the Land Registry was able to generate a financial surplus of £98.7 million during the 2012/13 financial year suggests that it is already extremely successful at raising revenue, so there cannot be a strong argument in favour of radically restructuring the organisation on economic grounds alone.¹ However, the fact that it charges in return for providing so many of its services means that access to public data on land and property ownership is already relatively difficult to obtain, with the data's commercial value meaning that high cost barriers exist which prevent it from being shared more widely.

The consultation document includes several references to making data more widely available. In particular, the description of the Land Registry's newly formulated business strategy for 2013–18 says that one of the organisation's priorities is to "*maximise the re-use of data for the benefit of the wider economy*", while the document also claims that this business strategy supports the present Government's agenda to "*give better access to data, some free of charge, and to maximise the potential for its re-use*".² However, IF is concerned that these aims of increasing data transparency are likely to be in conflict with commercial pressures if the Land Registry is reorganised to become a service

¹ Armstrong, Ashley (2014) "Land Registry tipped for part-privatisation" *Daily Telegraph* 23 Jan 2014

² BIS (2014) *Consultation Document: Introduction of a Land Registry Service Delivery Company* London: BIS

delivery company, especially if – as multiple commentators have suggested – this move is merely a stalking horse towards a full-scale privatisation. If the Land Registry were to become fully privatised then its data is almost certain to be treated as one of its most valuable commercial assets. Increasing commercial pressure on the Land Registry is likely to lead to a less efficient delivery of services to the broader economy, as a private sector buyer would have a strong incentive to increase fees for accessing data, inserting greater friction into the smooth operation of land and property investigations and transactions.

Although the Land Registry is a member of the Public Data Group – alongside Companies House, the Met Office and the Ordnance Survey – whose members have explicitly adopted the aim of increasing the use and accessibility of Open Data, relatively little of the data which is held by the Land Registry is currently freely available to the public (although progress has been made in this area over recent years, including the release of the Price Paid data series going back to 1995). There are a number of datasets which would be extremely useful to planners, housing campaigners and developers which are not currently available as Open Data, including:

- a national map of all land ownership boundaries displaying who owns what;
- a national database of all land owned by public bodies;
- a time series of price paid information for land, rather than just housing;
- A map/database of nationwide development land, including sites which have been earmarked for development by local authorities and urban micro-sites that could be suitable for development.

Releasing all of these data resources would be likely to stimulate additional building activity in the housing market by making it much easier to identify possible sites which would be suitable for development (or redevelopment) on both public and private land, while also enabling potential developers to discover who owns them quickly and efficiently. IF believes that enabling members of the public to combine these datasets would lead to the identification of many extra potential sites for housing development which have been missed by users of the present system because they have not been able to undertake searches algorithmically in the way that they would if the data were freely available. In turn, this would have a positive impact on construction and the broader economy. Releasing this data would enable the Land Registry to achieve several of its core objectives much more effectively under its present form without the need to restructure the organisation as a service delivery company.

Recommendations

IF would like to make two broad recommendations in response to this consultation. Firstly, IF recommends that the Land Registry should not be restructured as a service delivery company. Such a transition would be likely to result in a significant amount of distribution for no economic benefit, as the Land Registry is already extremely successful at generating revenues and serving the needs of its users in its current form.

Secondly, IF believes that the Land Registry should be given an Open Data objective. This would be a requirement to publish as large a share as possible of its data in the public domain free of charge. This should provide a useful stimulus to house building in Britain which could help young people who face a housing crisis, improving intergenerational fairness.

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For more information about the Intergenerational Foundation and its work, please visit www.if.org.uk or contact Liz Emerson, Co-Founder at liz@intergenerational.org.uk.