



Department for Business, Innovation & Skills

Introduction of a Land Registry service delivery company: Consultation response form

This consultation response form is available electronically on the consultation page:
www.gov.uk/government/consultations/land-registry-new-service-delivery-company

Alternatively, this form can be submitted by email or by letter to:

Kirun Patel
Shareholder Executive
Department of Business, Innovation and Skills
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Email: bis.lr.consultation@bis.gsi.gov.uk

This closing date for this consultation is **20 March 2014**.

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

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Organisation (if applicable): The Kent County Council

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Please tick the box from the list below that best describes you as a respondent. This allows views to be presented by group type.

<input type="checkbox"/>	Business representative organisation/trade body
<input type="checkbox"/>	Central government
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual

	Large business (over 250 staff)
	Legal representative
✓	Local Government
	Medium business (50 to 250 staff)
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Trade union or staff association
	Other (please describe)

Question 1

Do you agree that by creating a more delivery-focused organisation at arms length from Government, Land Registry will be able to carry out its operations more efficiently and effectively for its customers?

☐ Yes

☐ No

☒ Not sure

Comments:

With the level of information provided in the Consultation Document, we cannot assess whether or not the service delivery company will operate more effectively or costs-efficiently for its customers. The Council's understanding, however, is that there is very little evidence of any potential for the Land Registry to operate more efficiently in the private sector.

The Council also has grave concerns that in the short to medium term any potential efficiencies will be lost during the transitional period.

Question 2

Do you agree that the OCLR should retain exclusive responsibility for the functions set out in paragraph 49?

☒ Yes

☐ No

☐ Not sure

Comments:

It is vital that the current standards and guarantees are remain with the OCLR and are not eroded by the creation of the new service delivery company.

Question 3

Are there additional functions that should be retained in the OCLR? Please explain what and why.

Comments:

Please see our response to question 2 above. The state guarantee, which is vital for a robust and vibrant property market, must continue to be provided by the OCLR. A state backed guarantee is likely to be seen as far more cost effective and reliable than one provided by a commercial profit making company. The OCLR must also govern the way in which the service delivery company can diversify and assume new functions within the property market (or otherwise). The 'oversight' role referred to in paragraph 50 (b) is insufficient to provide market confidence.

Question 4

What are your views in respect of the proposals for shared functions set out in paragraphs 50-51?

Comments:

We consider that further information is required to fully understand the implications of the proposals being outlined in paragraph 51. It is insufficiently clear precisely what the role of the OCLR in respect of the registers will be.

Question 5

What are your views on the proposed approach to service delivery company functions in paragraph 52?

Comments:

Without specific examples, once again there is a lack of clarity as to what the proposals will mean in practice. Detailed, real-life examples should be provided to enable a meaningful response.

Question 6

Do you agree that the overall design provides the right checks and balances to protect the integrity of the Register and safeguard the provision of indemnities and state title guarantee? If not, please state your reasons why not.

☐ Yes

☐ No

☒ Not sure

Comments:

We have some comfort from the fact that the proposals provide for the OCLR to retain some regulatory functions. However, in practice would the service delivery company have any influence on any changes that could be made, for example in relation to fee setting. The paper does not provide any information on the degree of independence the OCLR would have from the service delivery company, particularly in light of the company's need to meet commercial / profit targets.

Question 7

Would you be comfortable with non-civil servants processing land registration information provided they do so within the framework set out by the OCLR through the service contract? If not, please explain your reasons why not.

☒ Yes

☐ No

☐ Not sure

Comments:

It is vital, however, for the perceived integrity of the new service delivery company that extreme care is given to setting the terms of the framework agreement. This framework should ideally be publicly available to ensure transparency of data protection issues.

Question 8

Are there any situations, other than those set out in this consultation, in which you would want to see an escalation process to the OCLR? Please explain what and why.

Comments:

No.

Question 9

Do you agree with the proposed approach for handling complaints, as set out in paragraph 56? If not, please explain your reasons why not.

☐ Yes

☒ No

☐ Not sure

Comments:

If a decision has been made in isolation by the service delivery company, there should always be the opportunity for the customer to escalate the matter to the OCLR (acting as an Ombudsman in this respect).

The paper does not make it clear whether the service delivery company has to implement the recommendations of the ICR or whether it can simply choose to ignore them. This significant

information as to the degree of power the ICR has over the service delivery company should be provided.

Question 10

Do you agree with the escalation process set out for objections in paragraph 56? If not, please state your reasons why not.

☐ Yes

☒ No

☐ Not sure

Comments: Please see our comments in respect of question 9

Question 11

Do you think the Rule Committee should include a representative from the service delivery company? Please explain why or why not.

☐ Yes

☒ No

☐ Not sure

Comments: It would seem inappropriate for a representative from the service delivery company to have a decision making role within the Rule Committee, as the Rule Committee should be entirely independent of the service delivery company. It may be a practical advantage for the Rule Committee to receive papers from the service delivery company which would allow the Rule Committee to make informed but independent decisions.

Question 12

The Data Protection Act will protect personal data that is provided to the service delivery company. Would you like to see any protections beyond this, and if so please explain what and why?

☒ Yes

☐ No

☐ Not sure

Comments: There must be a provision in the service contract with the delivery company that sharing of data with unrelated third parties is prohibited unless the customers specifically opt in, authorising the sharing and distribution of such data.

Question 13

What are your views on the proposed system for safeguarding customer service issues and the continued role of the Independent Complaints Reviewer?

Comments: The independence and the integrity of the ICR and the OCLR must be maintained. It is not immediately clear in the third subparagraph of paragraph 32 which entity (the OCLR or the service delivery company – “it”) would oversee relationships with the regulatory bodies. This point needs to be clarified.

Question 14

Do you think there is a difference between the opportunities and risks depending on whether operational control over the service delivery company is entrusted to Government or a private sector company? If yes, what?

☒ Yes

☐ No

☐ Not sure

Comments: Central Government must be confident that there are significant benefits to having the service delivery company run by a private sector entity, otherwise there is a limited business case for undertaking the proposed changes. If run by a private sector entity, the focus of the service delivery company may well compromise the public sector ethos as the new organisation will be focused on delivering a profit to its shareholder.

Question 15

Do you think there is a difference between the opportunities or risks depending on whether the service delivery company is owned by the Government or a private sector company or both? If yes, please explain your reasons.

☒ Yes

☐ No

☐ Not sure

Comments: Please see our comments in response to question 14 above.

Question 16

What do you think are the constraints and dependencies for Land Registry’s successful delivery of the business strategy?

Comments: An initial lack of clarity and detailed information about the proposals is likely to impede a comprehensive and meaningful debate on the issues. Looking forward, there must be no interruption to the service provided to the Land Registry’s customers and the paper does not give any reassurance in this respect. Any interruption could significantly affect the current economic recovery which is being fed in part by the current property upturn.

Question 17

Do you have any other comments on the proposals contained in this consultation?

Comments: The OCLR must remain independent from the service delivery company and remain robust and respected in its decision making process, uninfluenced by the commercial objectives of the delivery company.

Question 18

Do you have any other comments that might aid the consultation process as a whole? Please use this space for any general comments you may have. Comments on the layout of this consultation would also be welcome.

Comments The paper provides very limited information about the future of the delivery service, the structure / ownership module of the proposed new company and relies heavily on the repetition of the main principles.

Self-service plans are only hinted at in the Paper but these are likely to be a significant financial and risk burden placed on the legal profession; how will small and medium sized high street firms make the necessary changes? Any such self service would also erode the long established practice of the state being the formal registration authority for the ownership of land; if solicitors are to deal with both the conveyancing process and compilation of the register, they arguably become, in part, a state official conflicting with their duty to their lay client.

Since dematerialisation, the number of incidences of fraud has increased significantly and compensation claims against the Land Registry have soared. Do the proposals envisage transferring that risk to solicitors / conveyancers - with their firm's insurance policies, rather than the Land Registry's funds pick up these costs?

Thank you for your views on this consultation. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ☐

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

☒ Yes

☐ No

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