

Registration of Land Purchased for Highway Purposes

To: Audit and Accounts Committee

Date: 25th July 2017

From: Daniel Ashman, Asset Information Searches Manager

Electoral Division(s): All

Purpose:

To update Committee on the Highways Assets project to register with Her Majesty's Land Registry (HMLR) all 6,000 parcels of land purchased for highways schemes.

Key Issues:

Scanning of the deeds in-house had been delayed but has now commenced. The electronic lodgement stage is still being scoped by the Land Registry but the timescale for the scanning and submission of the deeds has been agreed.

Spatial analysis of the land parcels has been undertaken by the Asset Information team. Approximately 20% of the parcels may have commercial value, but issues with the data make it impossible to draw meaningful conclusions at present. The findings are explained below and in Appendix 1.

Changing national priorities resulting from the Government's White Paper on Housing, combined with a lack of HMLR resource, mean that Land Registry can no longer commit to completing registration within 18 months. It may therefore be necessary to roll forward the funding set aside for the project to the 2019-20 financial year.

Recommendation:

That the Committee notes the progress to date and the revised timescale for completion of the project.

<i>Officer contact:</i>	
Name:	Daniel Ashman
Post:	Asset Information Searches Manager
Email:	Daniel.ashman@cambridgeshire.gov.uk
Tel:	01223 699065

1. BACKGROUND

- 1.1 A report was presented to Audits & Accounts Committee on 24 January 2017, setting out the background to this project. In summary, the County Council ('CCC') is seeking to register with HM Land Registry (HMLR) some 6,000 parcels of land purchased from the 1930s to 1990 for highway purposes. The total area of the plots is just over 1,700 hectares. This land represents assets of considerable value as resources for future transport schemes and as assets of financial value.
- 1.2 The objective is both to secure the registration of the land to the Authority and to obtain detailed, indexed title of each deed.
- 1.3 The report explained that the project had been delayed due to HMLR resource constraints and the discovery that CCC's deeds needed to be scanned and certified to enable an electronic lodgement with HMLR. Making an electronic lodgement would be the first of its nature in the country.
- 1.4 The land registration itself is estimated to cost £25,000, which is being covered by reserves, from a previous ETE underspend. This allocation of funds was approved in 2016-17, and Finance confirmed in April 2017 that it was still available for the project. The scanning will cost approximately £8,500, to be paid from the Asset Information Searches budget.
- 1.5 This Committee requested a milestone report and a summary of the potential value of usable land, which is the purpose of this report.

2. MAIN ISSUES

2.1 Scanning & Certification

A pilot scanning exercise was undertaken in February 2017 which revealed an estimated duration for scanning, certification and documentation for all 6,000 deeds of 14 - 16 weeks. Testing also proved that it is possible to carry out electronic certification of the deeds after scanning, which achieves a significant reduction in the time taken to complete this part of the project.

- 2.2 The pilot data was submitted to HMLR, who confirmed in April 2017 that the scanning and certification was of an acceptable standard for the bulk electronic lodgement process, assuming that a consistent standard can be achieved.

- 2.3 A temporary agency worker has been recruited to undertake the scanning, which commenced on 10th July 2017.

2.4 Lodgement Process

In April 2017 HMLR informed CCC of additional requirements that CCC must fulfil prior to lodgement, including the provision of a list of

restrictive covenants and land charges affecting the land to be registered. This data is being obtained, and will be supplied to HMLR with the first batch of deeds to be registered.

- 2.5 The Service Level Agreement between HMLR and CCC for the work has been finalised, and the First Registration form (FR1) (the official application) submitted.

2.6 Asset value

The deeds dataset has previously been electronically mapped. This mapping has been provided to HMLR, and CCC officers have assessed it to determine the total area not currently being used for highway purposes. This will assist in the identification of land parcels which could have their value realised through sale, utilisation in forthcoming highway schemes, or by being put to other use.

- 2.7 Analysis has revealed that approximately two thirds of the land purchased for highway purposes does not fall within the current highway extent (see Appendix 1). However, closer inspection reveals that this figure may be distorted by larger sites within the dataset which are already being used for other purposes, such as landfill. Other sizeable sites appear to have been included in the mapping by mistake, and it is also possible that the deeds dataset has not been updated to reflect subsequent sales of land (meaning that land CCC has disposed of is still included).

- 2.8 Within the subset of land outside the highway extent, further calculations found that plots totalling an area of 350 hectares were not within any registered land parcel (approx. 20% of all parcels). These parcels have the greatest potential for realisation of value but will need to be assessed on their individual merits before this can be achieved.

- 2.9 The large number of sites and known problems with the data have rendered it very difficult to assess at this time any meaningful valuation of the assets. A significant benefit to be gained from this project is therefore the opportunity to cleanse the mapped data and improve its accuracy, enabling greater confidence in the data. This additional task will be done alongside the scanning of the data, prior to submission of each batch of deeds to HMLR with updated mapping.

2.10 Project Completion

The timetable for completion of the project has now been agreed with HMLR. A chart showing the revised timetable can be seen at Appendix 2.

- 2.11 The project's completion date has been impacted by a shortage of resource at HMLR, and also significantly by the government's White Paper on Housing, published in February 2017. The White Paper seeks to prioritise the registration of public land that could be used for housing development, meaning that CCC's project to register all highway land is no longer a priority for HMLR. As a result, HMLR is unable to commit to a completion date for the registration. However, HMLR has been instructed

by Central Government to ensure the registration of all local authority land by 2020, so HMLR anticipates being able to complete this project by that date.

- 2.12 HMLR recognises that CCC's highway land is highly likely to include some areas that could be developed. Therefore HMLR proposes to identify land parcels which may be used for development, and intends to register this subset of CCC's data as a priority. HMLR is currently analysing the data supplied by CCC to identify areas within or outside the highway extent and other registered land.
- 2.13 As this is a pioneering project for HMLR, the most significant risk is that technical or resource constraints may further restrict HMLR's capacity to complete electronic lodgement within the timescale agreed, regardless of how quickly CCC is able to complete its part of the project. It should be noted that any further change to central government's priorities could also affect the speed at which HMLR is able to complete registration. CCC's funding for the project is currently available to March 2019. However it may be that this will need to be rolled over to the next financial year if HMLR is unable to finish registration before that time.
- 2.14 The risk to CCC's land assets persists if the project remains incomplete, as the land will remain unregistered and is liable to adverse possession.

Source Documents	Location
Fixing our broken housing market, Department for Communities & Local Government, 7 th February 2017	https://www.gov.uk/government/publications/fixing-our-broken-housing-market