



Service Deficit Mitigation Report

Service	Local Land Charges
Directorate:	Law & Governance
Deficit amount:	£200,000
Details of Deficit: <p>The Q1 income variance is primarily due to a continued slowdown in the housing market, resulting in reduced demand for Local Authority Searches. Consequently, actual income is currently below the budgeted estimate.</p> <p>This trend is largely driven by external economic factors, including rising interest rates and changes in mortgage availability, which have impacted the volume of property transactions</p>	
Mitigation already assumed: <p>We are closely monitoring market conditions and search numbers as well as reviewing income forecasts to ensure they reflect current trends. In parallel, we have been sending a bi weekly update to key stakeholders promoting our turnaround times and exploring opportunities to promote direct search submissions to the Council and assessing whether fee adjustments will be possible going forward to offset the shortfall.</p> <p>Operationally, we have transitioned to bi-weekly invoicing for account customers, which should have helped improve the last few months - Further updates will be provided in Q2.</p>	
Further Mitigation needed: <p>We are continuing to monitor the property search market closely. Encouragingly, income levels in July and August have aligned with budget estimates, indicating a potential recovery in demand.</p> <p>To improve forecasting accuracy, we have implemented a tracker for interest rate movements, which will help us better anticipate market fluctuations and their impact on service volumes.</p> <p>Following the implementation of the new corporate MasterGov system, we are reviewing service demand and operational efficiency. One notable change is the shift in payment behaviour, with a growing number of solicitors opting to pay by invoice. This has introduced a delayed payment structure, which will require adjustments to our income forecasting model to reflect timing differences in revenue recognition.</p> <p>We are also actively engaging with HM Land Registry regarding the planned transfer of the LLC1 element of Local Land Charges searches, expected within the next two years. This transition may have significant implications for service delivery and income generation, and we are working to assess and prepare for its impact.</p>	
Conclusion: <p>While income figures in July and August has shown signs of recovery, the overall Q1 variance reflects the ongoing volatility in the housing market and its impact on Local Authority Search demand. External factors such as interest rate fluctuations and mortgage</p>	

availability continue to influence service volumes, making future income projections inherently difficult.

We will continue to monitor market conditions closely and adjust our approach as needed. A further review will be undertaken in Q2 to assess the effectiveness of current mitigations and determine whether additional actions are required.

Likelihood of success:

While mitigation measures are in place and early indicators—such as improved income performance in July and August—are encouraging, the overall likelihood of success remains **cautiously optimistic** but subject to external volatility.