



Framework Document 2008

Foreword

Her Majesty's Land Registry (referred to in this document as Land Registry) has operated as a separate government department for 146 years, as an executive agency for almost 18 years and as a trading fund for 15 years.

This framework document is a statement of Land Registry's legal position and reflects its status as a non-ministerial government department. It sets out my role and responsibilities as Chief Land Registrar and those of the Lord Chancellor and Secretary of State for Justice.

A handwritten signature in black ink, appearing to read 'Peter Collis', written in a cursive style.

Peter Collis
Chief Land Registrar and Chief Executive

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1 Status and functions

Status

- 1.1 Her Majesty's Land Registry has been a non-ministerial government department since 1862. It was established as an executive agency of the Lord Chancellor in July 1990 and as a trading fund in April 1993. It has the formal title Her Majesty's Land Registry but in everyday use, the term Land Registry is used. Like other non-ministerial departments, Land Registry's functions have always been entirely statutory. It has no prerogative powers.
- 1.2 Land Registry's existence was expressly continued by section 99(1) of the Land Registration Act 2002, which provides that it "is to deal with the business of registration under this Act".
- 1.3 By virtue of section 99(2) of the Land Registration Act, Land Registry consists of the Chief Land Registrar, who is its head, and the staff appointed by him.
- 1.4 Land Registry operates as a trading fund in accordance with the Government Trading Funds Act 1973, as amended by the Government Trading Act 1990. The Chief Land Registrar is Land Registry's Accounting Officer for the trading fund.

Functions

- 1.5 The main statutory function of Land Registry is to keep a register of title to freehold and leasehold land throughout England and Wales. On behalf of the Crown, it guarantees title to registered estates and interests in land. State-backed registration gives greater security of title, providing protection against claims of adverse possession.
- 1.6 In addition to the registration of title, Land Registry also has responsibility for the functions of the Land Charges Department and the Agricultural Credits Department.
- 1.7 The Land Charges Department operates under the authority of the Land Charges Act 1972. It maintains registers of land charges, pending actions, writs and orders affecting land and other encumbrances registered against the named owners of property not registered under the Land Registration Act 2002.
- 1.8 The Agricultural Credits Department is responsible for maintaining a register of short-term loans by banks under Part II of the Agricultural Credits Act 1928. These charges are secured on farming stock and other agricultural assets of the farmer.

- 1.9 Under the Land Registration Act 2002, Land Registry is able to pursue additional statutory functions relating to the provision of land and property information, consultancy/advisory and training/education services relating to land registration. It is also able to develop and provide services facilitating the process of electronic conveyancing in England and Wales.

2 Mission, principal aims and objectives

2.1 Land Registry's mission is **“to provide the world's best service for guaranteeing ownership of land and facilitating property transactions”**.

2.2 In pursuit of this mission, Land Registry's principal aims are:

- to maintain and develop a stable and effective land registration system throughout England and Wales as the cornerstone for the creation and free movement of interests in land
- on behalf of the Crown, to guarantee title to registered estates and interests in land for the whole of England and Wales. The guarantee does not cover matters which affect the property that are not referred to in the register of title (overriding interests) such as public rights of way or compulsory purchase orders. If somebody suffers a financial loss because of an error in the register of title, compensation may be available.
- to provide ready access to up-to-date land information relating to registered land so enabling confident dealings in property and security of title. A registered title is underpinned by the state, providing protection against claims of adverse possession.
- to provide a Land Charges and Agricultural Credits service.

2.3 Our vision is **“making property transactions easier for all”**. To fulfill this vision, our strategy seeks to develop or enhance existing services as well as introduce new services for our customers. Land Registry has identified four key areas for development: customer service, land registration, electronic service delivery and other business. Our longer-term strategic objectives within each of these areas are as follows:

Customer service

- Continue to make improvements to the delivery of services to all stakeholders.

Land registration

- Deliver timely and effective secondary legislation in relation to land registration.
- Create a comprehensive Land Register for England and Wales.

Electronic service delivery

- Introduce an electronic conveyancing system through which most property transactions will be effected.

Other business

- Develop a broader range of services for property professionals, the public and others.

3 Responsibilities

Responsibilities and duties of the Lord Chancellor

The Lord Chancellor has a number of legal responsibilities in relation to Land Registry and the Chief Land Registrar.

- He has ministerial responsibility for Land Registry and for the legislation under which it operates. He is accountable to Parliament for its activities and performance. From time to time, the relevant Minister of State or Parliamentary Under Secretary of State at the Ministry of Justice discharges the Lord Chancellor's responsibilities.
- He appoints the Chief Land Registrar who will normally hold office until he vacates it in accordance with the terms of his appointment. He may remove the Chief Land Registrar from office if he is unable or unfit to discharge his functions.
- He is entitled to receive an annual report from the Chief Land Registrar on the business of Land Registry and must lay copies before Parliament of every such report.
- He has power to make secondary legislation authorised by the Acts, defining the regulatory framework within which Land Registry, conveyancing and electronic conveyancing operate. This includes the setting of fees for dealings with Land Registry.
- He appoints the member of the Rule Committee with experience in, and knowledge of, consumer affairs and has power to nominate other members with qualifications and experience, which would be of value to the committee. The Lord Chief Justice must consult him before nominating a Chancery Division judge as a member of the committee.
- He appoints the Adjudicator to Her Majesty's Land Registry to determine judicial disputes arising from the work of Land Registry; prescribes the fees to be paid in proceedings before the Adjudicator; pays his remuneration and reimburses his expenditure. However, the Lord Chancellor is entitled to recover these payments from the Chief Land Registrar.

Responsibilities and duties of the Chief Land Registrar

The Chief Land Registrar is the Head of Land Registry. He is appointed by the Lord Chancellor and may resign by written notice to the Lord Chancellor and may be removed by the Lord Chancellor if he is unable or unfit to discharge the functions of his office. Otherwise he will normally hold office until he vacates it in accordance with the terms of his appointment.

Legal responsibilities

The Chief Land Registrar is legally required to:

- carry out the role of registrar referred to in the Land Registration Act 2002, the Land Charges Act 1972 and the Agricultural Credits Act 1928 and is responsible for keeping the registers established for the purposes of those Acts. He has all the powers, responsibilities and duties conferred and imposed on the registrar by those Acts and by the rules and other secondary legislation made under them. In carrying out those functions he is not subject to any ministerial control or direction, although he is, of course, subject to supervision by the court through the judicial review jurisdiction
- make an annual report on the business of Land Registry to the Lord Chancellor and publish that report
- manage and control the Land Registry Trading Fund
- manage the funded operations (that is those limited to the conduct of business under the Land Registration Act 2002, the Land Charges Act 1972 and the Agricultural Credits Act 1928 as well as the provision of services in wider markets relating to registration and the management and marketing of information relating to land and property so that the income of the fund:
 - consists principally of receipts in respect of goods and services provided in the course of the funded operations, and
 - is not less than sufficient, taking one year with another, to meet outgoings properly chargeable to the income and expenditure account
- achieve any further financial objectives determined by the Lord Chancellor, with Treasury concurrence
- carry out the responsibilities of Accounting Officer of the trading fund. In this capacity, he is responsible for the proper, effective and efficient use of resources and ensures compliance with the requirements in *Managing Public Money* and with any general guidance issued by the Treasury and the Cabinet Office. In particular, he prepares and signs a statement of accounts for each financial year, which is to be transmitted to the Comptroller and Auditor General. He must also send an annual report and accounts, audited by the National Audit Office (or a sub-contracted authorised firm of accountants) to the Lord Chancellor, with a report containing information as to the funded operations in such form as the Treasury may require

- ensure that all expenditure he incurs in respect of the funded operations are to be paid out of the trading fund
- taking one year with another, pay into the Consolidated Fund each year a dividend equal to the required rate of return on average capital employed
- establish and maintain general, capital and other reserves in the accounts of the trading fund and may pay into the Consolidated Fund any amount standing in the reserves of the trading fund that at any time appear to him to be surplus to the foreseeable requirements of the funded operations
- invest, if he wishes, money not immediately required in such Government securities as the Treasury may approve
- appoint the staff of Land Registry on such terms and conditions as, with the approval of the Minister for the Civil Service, he thinks fit
- determine, in agreement with Treasury, the amount and time of any payment out of the trading fund into the Consolidated Fund in respect of staff pensions and associated administrative expenses
- authorise, if necessary, other members of Land Registry (that is, members of staff) to carry out his functions.

Parliamentary responsibilities

- The Chief Land Registrar is normally expected to give evidence, on behalf of the Lord Chancellor, when the affairs of Land Registry are being discussed by parliamentary committees. He is responsible for putting into effect recommendations by the Public Accounts Committee, the Justice Committee and other Parliamentary Select Committees or other authority that the Government has accepted.
- The Chief Land Registrar will respond to correspondence received directly from Members of Parliament on matters concerning the day-to-day operation of Land Registry. He will also reply to correspondence on such matters that the Lord Chancellor receives from Members of Parliament.

4 Planning and control

Operations

- 4.1 Although not a statutory requirement, each year the Chief Land Registrar publishes a business plan, which includes the key performance indicators and targets for the department. Before publishing the plan, he asks the Lord Chancellor to approve the key performance indicators and targets, which are then presented to Parliament by means of written ministerial statements.
- 4.2 The Chief Land Registrar will meet the Lord Chancellor annually to discuss Land Registry's performance and the outlook for the coming year. The meeting will take place before Land Registry's annual report and accounts are submitted to the Lord Chancellor for approval.

External audit

- 4.3 In accordance with section 4(5)(b) of the Government Trading Funds Act 1973, the Comptroller and Auditor General is the external auditor.

Internal audit

- 4.4 The Chief Land Registrar is responsible for making suitable arrangements for the provision of an effective internal audit service, to be procured in a manner that demonstrates best value for money. Internal audits are conducted in accordance with the objectives and standards of the Government Internal Audit Standards.

Financial

- 4.5 A Treasury minute dated 15 December 2003, laid before the House of Commons pursuant to section 4(1)(b) of the Government Trading Fund Act 1973, indicates that the Lord Chancellor has determined (with Treasury concurrence) that a further financial objective desirable of achievement by Land Registry shall be to achieve a return, averaged over the period as a whole, of a minimum of 3.5 per cent in the form of a surplus on ordinary activities before interest (payable and receivable) and dividends expressed as a percentage of average capital employed. Capital employed shall equate to the total assets from which shall be deducted the total liabilities.
- 4.6 The trading fund accounts must:
- satisfy the accounting principles and disclosure requirements of the relevant edition of the relevant sections for a trading fund of the *Financial Reporting Manual* issued annually by the Treasury
 - satisfy the audit requirements of the Comptroller and Auditor General.

- 4.7 Land Registry's net assets are, in part, financed by Public Dividend Capital. As a trading fund, Land Registry is permitted to borrow to finance capital expenditure and permanent working capital needs. In accordance with section 2(3) of the Government Trading Funds Act 1973, the Lord Chancellor has fixed a limit on additional borrowing by Land Registry of £130 million.
- 4.8 If an in-year fluctuation arises, Land Registry will agree a temporary borrowing limit with the Treasury. Such loans from the National Loans Fund are repayable in-year.
- 4.9 Under the terms of a memorandum of understanding agreed with the Treasury and the Department for Constitutional Affairs (now incorporated into the Ministry of Justice), Land Registry has the flexibility to (a) re-invest inadvertent surpluses in future years or (b) carry over to a future year the sum equivalent to the previous year's dividend payable (whichever of (a) or (b) is the greater) without increasing public expenditure.
- 4.10 In the event of Land Registry forecasting a loss in any year, the Ministry of Justice will be required, in the first instance, to ascertain whether the estimated loss can be contained within its own departmental expenditure limit. If this is not possible, a call on the reserve will be considered.

5 Human resources

Status and conditions of service of staff

- 5.1 Land Registry's staff are civil servants employed on terms and conditions of service consistent with the rules and principles set out in the Civil Service Management Code and the provisions of the Civil Service Pension Scheme. Within this framework, the Chief Land Registrar (in his role of Agency Chief Executive) is responsible for the appointment of staff to Land Registry and for determining their tenure and other conditions of appointment. Land Registry conducts its own pay bargaining and has its own pay and grading structures best suited to its specific requirements. The Chief Executive may develop further and implement revised or alternative HR and pay policies consistent with those requirements and needs. This will be undertaken with the agreement of central departments where appropriate, and after consultation with staff and their trade union representatives through the Whitley procedures.
- 5.2 The Chief Executive is also a civil servant and is a member of the Senior Civil Service.

Personnel management

- 5.3 The Chief Executive is responsible for the personnel management, personnel review arrangements and the pay and grading of all Land Registry staff. This includes the ability to make promotions, to deal with inefficiency, disciplinary and grievance matters and for determining pay and grading. In carrying out these responsibilities, the Chief Executive will seek the approval of the Minister for the Civil Service, Cabinet Office or Treasury as appropriate. For the Senior Civil Service, this responsibility is exercised within the broad framework set out by the Cabinet Office, but excludes those matters where responsibility remains with the Cabinet Office. The Chief Executive is responsible for promoting equality of opportunity for all and for ensuring diversity policies reflect statutory requirements and Land Registry's commitment to making the best use of the skills and talents of all its staff. He is also responsible for ensuring Land Registry complies with statutory requirements in relation to health and safety matters and that management of health and safety reflects relevant guidance and good practice.

6 Review of the framework document

Review arrangements

- 6.1 This framework document will be reviewed as and when it is necessary to do so, and particularly if changes are sought by the Chief Land Registrar in the light of experience of Land Registry's operation or changes in circumstances. Where terms and conditions of staff are affected, these will be subject to consultation with trade union representatives of the staff.
- 6.2 Copies of this framework document and any subsequent revisions will be published and placed in the libraries of the Houses of Parliament.
- 6.3 Additional copies of this framework document can be obtained free of charge from the Strategy Group, Land Registry, Lincoln's Inn Fields, London WC2A 3PH. An electronic version is available on Land Registry's website (www.landregistry.gov.uk)

Annex A

Principal legislative provisions governing present operations

Primary legislation

Registration of Title

Land Registration Act 2002

Land Charges

Land Charges Act 1972

Agricultural Credits

Agricultural Credits Act 1928

Secondary legislation

Registration of Title

Land Registration Rules 2003 (SI 2003 No 1417) as amended

Land Registry Trading Fund Order 1993 (SI 1993 No 938)

Land Registration (Determination of Costs) Order 1993 (SI 1993 No 939)

Land Registry Trading Fund (Additional Assets) Order 1996

(SI 1996 No 750)

Land Registry Trading Fund (Extension & Amendment) Order 2003

(SI 2003 No 2094)

Land Registration Fee Order 2006 (SI 2006 No 1332)

Land Charges

Land Charges Rules 1974 (SI 1974 No 1286) as amended

Land Charges Fees Rules 1990 (SI 1990 No 327)

Agricultural Credits

Agricultural Credits Regulation 1928 (SR & O 1928 No 667)

Agricultural Credits Fees Order 1985 (SI 1985 No 372)

