

10 AUGUST 2020

PC12-20 | TRANSPARENCY AND COMPETITION: DATA AND LAND CONTROL

Summary

The Ministry of Housing, Communities and Local Government has issued a call for evidence on data and land control. This call for evidence seeks views on proposals to require additional data from the beneficiaries of certain types of interests in land—rights of pre-emption, options and estate contracts. It also seeks views on the design of the policy and additional evidence on the impacts of the policy. The main document can be found [here](#).

Consultation questions

NALC will be responding to the consultation questions as follows:

1. The Public Interest

Do you think there is a public interest in collating and publishing additional data on contractual controls over land?

2. Rights of pre-emption and options

(a) Do you think that the definition of rights of pre-emption and land options in the Finance Act 2003, s. 4616 is a suitable basis for defining rights of pre-emption and options that will be subject to additional data requirements? Please give reasons.

(b) Is the exemption for options and rights of pre-emption for the purchase or lease of residential property for use as a domestic residence sufficient to cover: • options relating to the provision of occupational housing and • shared ownership schemes? Please give reasons.

(c) Are there any types of rights of pre-emption or options that do not fall under the scope of the definition in the Finance Act 2003, s. 46? Please give reasons

3. Estate contracts

Are the tests set out above sufficient to avoid inadvertently capturing transactions not related to the development of land? If not, please give examples.

4. Other contractual controls

(a) Are there any contractual arrangements by which control can be exercised over the purchase or sale of land, which should be included within this regime and which are not rights of pre-emption, options or estate contracts? Please give examples.

(b) If so, do you consider them (i) an interest in land (interests that are capable of being protected by way of a notice on the land register); or (ii) not an interest in land? Please give reasons.

5: Data requirements

(a) Are there any data fields that (i) should; or (ii) should not be subject to additional data requirements? Please give reasons.

(b) Are there any data fields that (i) should; or (ii) should not be placed on the land register? Please give reasons.

(c) Are there any data fields that (i) should; or (ii) should not be included in a contractual control interest dataset? Please give reasons.

(d) Are there other data fields that should be collected? Please give reasons.

(e) Do any of the data fields give rise to privacy risks? Please give reasons.

6. Contractual conditions

(a) Are there any data fields that (i) should; or (ii) should not be subject to additional data requirements? Please give reasons.

(b) Are there any data fields that (i) should; or (ii) should not be placed on the land register? Please give reasons.

(c) Are there any data fields that (i) should; or (ii) should not be included in a contractual control interest dataset? Please give reasons.

7. Legal Entity Identifiers

Should legal entities that are beneficiaries of contractual arrangements be asked to provide a Legal Entity Identifier? Please give reasons

8. Data currency

(a) Should beneficiaries be required to provide updated information on: • variation • termination, or • assignment or novation? Please give reasons.

(b) Are there other ways in which data currency could be maintained?

9. Accounting treatment

If your organisation is required to produce annual accounts, when are: (i) rights of preemption; (ii) options; and (iii) estate contracts recognised on the balance sheet? Please give reasons and state the accounting standard used.

10. Existing contractual control interests

(a) Should the requirement to supply additional data be limited to: (i) new contractual control interests only; or (ii) all extant interests? Please give reasons.

(b) How long should beneficiaries of an extant contractual control interests that is varied, assigned or novated be given to provide additional data before losing protection: (i) three months; or six months?

11. Current beneficiaries

What are the best ways of informing current beneficiaries of the need to provide additional data? Please give reasons.

12. A digital process?

Should the provision of additional data prior to the application process for an agreed notice be exclusively digital (with assisted digital support if required)? Please give reasons.

13. Certification

Should beneficiaries of contractual control interests with a duty to produce annual accounts be required to certify that all relevant interests have been noted? Please give reasons.

14. Restrictions

(a) Should beneficiaries of contractual control interests be required to obtain an agreed notice before they could apply for a restriction? Please give reasons.

(b) Should the protections of restrictions placed on an un-noted contractual control interest be (i) limited; or (ii) removed? Please give reasons.

c) If the Government accepts the Law Commission's recommendation on restrictions, should contractual control interest fall into the category of interest that cannot be capable of protection by way of a restriction? Please give reasons.

15. Alternative options

(a) Should a mandatory system be introduced whereby the beneficiary of a contractual control interest would, where it is possible to do so, be required to note their interest with HMLR? Please give reasons.

(b) If so, how should the system be enforced? Please give reasons.

16. Current practice

(a) If you are a beneficiary of a right of pre-emption, option or estate contract, please indicate how you protect your interest.

| | Notice | | Restriction | Other | Do not protect |
|----------------------|--------|------------|-------------|-------|----------------|
| | Agreed | Unilateral | | | |
| Right of pre-emption | | | | | |
| Option | | | | | |
| Estate contract | | | | | |

(b) What factors influence your choice? Please give reasons.

17. Data collation and provision

(a) Are there any data fields in Annex A that contracting parties would not have readily to hand? Please list them.

(b) What is your estimate of the time needed to provide the additional data?

(c) Does your entity hold a Legal Entity Identifier?

18. Data currency

What additional work (over and above the time and cost of preparing annual accounts) would your organisation need to undertake to identify contractual control interests that needed to be updated?

19. Certification

What additional work (over and above the time and cost of preparing annual accounts) would your organisation need to undertake to certify in your organisation's annual accounts that all relevant contractual control interests had been noted on the land register where the land is registered?

20. Economic impact

What impact, if any, do you think that these proposals will have on the English land market (residential and commercial)? Please describe the effects and provide evidence.

21. Costs

What impact, if any, do you think that these proposals will have on the costs incurred by participants in the English land market (residential and commercial)? Please describe the effects and provide evidence.

22. Identifying and understanding contractual control interests

(a) Can you estimate the amount of (i) time and (ii) money that you have spent on identifying land affected by a contractual control interest?

(b) What is the source of your information?

(c) Can you estimate the amount of (i) time and (ii) money that you have spent on seeking professional advice on exactly how a contractual control interest affects a piece of land?

23. Market impact

(a) If you are a small or medium enterprise (SME) builder or developer, do contractual controls hinder your ability to assess the viability of a local market? Please give reasons.

(b) If you are an SME builder or developer, does a lack of freely accessible and understandable data act as a barrier to you entering the market? Please give reasons.

24. Trust in the planning system

(a) Do you think that a lack of accessible and understandable data on contractual controls makes it more difficult for local communities to understand the likely pattern of development? Please give reasons.

(b) If so, to what extent does it undermine trust and confidence in the planning system: (i) not much; (ii) somewhat; (ii) a great deal? Please give reasons.

25. Public Sector Equality Duty

What impact, if any, do you think that these proposals will have on people who share protected characteristics²⁰? Please describe the effects and provide evidence.

Your evidence

Please email your responses to this consultation to policycomms@nalc.gov.uk by 17.00 on 16 October 2020. County associations are asked to forward this briefing onto all member councils in their area.

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