



**Northern Ireland  
Assembly**

**Committee for Finance**

Room 375  
Parliament Buildings  
Tel: 028 9052 1230

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**From: Jim McManus**  
**Clerk to the Committee for Finance**

**Date: 3 July 2020**

**To: Lucia Wilson, Clerk to the Public Accounts Committee**

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### **Land Registry Fees Order**

At its meeting on 1<sup>st</sup> July 2020 the Committee for Finance considered correspondence from the Department of Finance regarding proposals for a new Fee Order with the appropriate level of fees.

The Committee agreed to forward the response to the PAC to inform its Inquiry into NI Audit Office Report *the Land and Property Service LandWeb project*.

I should be grateful if you would bring this to the attention of your committee.

**Jim McManus**

Tel. 21230

Mr Jim McManus  
Finance Committee Clerk  
Northern Ireland Assembly  
Parliament Buildings  
Stormont  
Belfast  
BT4 3XX

Private Office  
2<sup>nd</sup> Floor  
Clare House  
303 Airport Road West  
BELFAST  
BT3 9ED  
Tel: 028 9081 6216  
Email: [private.office@finance-ni.gov.uk](mailto:private.office@finance-ni.gov.uk)

Your reference:  
Our reference: GM-1399-2020

Date: 26<sup>th</sup> June 2020

Dear Jim,

## **LAND REGISTRY FEES ORDER**

At its meeting on 17th June 2020, the Finance Committee agreed to ask the Department when the Committee can expect to see proposals for a new Fee Order with the appropriate level of fees as recommended in the report as an urgent action.

The current Land Registry fees were set by the Land Registry (Fees) Order (Northern Ireland) 2014.

As soon as the institutions were re-established in January, the Department started the process of preparing a new Fees Order. The Department is required to convene a Lands Registry Rules Committee to consider the new fee structure and charges. The Committee is chaired by a High Court judge which involves representatives nominated by the Bar Council and the Law Society as well as the Department. I am pleased to advise that Lady Justice McBride has agreed to chair the committee and the members have been nominated.

The work of the committee has been disrupted by the COVID-19 outbreak, but the Department is pressing ahead as quickly as possible. It is the Department's intention to bring the proposals to the Assembly Finance Committee in the early Autumn with a view to having a new Fees Order made by the end of this calendar year. The Land Registry is required to give the legal profession three months' notice of any change in fees, so the plan is for the new fees to take effect from April 2021.

While the Fees Order itself is a relatively simple piece of legislation, the challenge for the Department lies in determining the appropriate level of fees to be charged. Under Section 84 of the Land Registration Act (NI) 1970, the Land Registry is to ensure as far as practicable that fees shall produce an annual amount sufficient to meet its operating expenses. This requires the Department to estimate the future

costs and volumes of transactions which will be processed by the Land Registry in the next number of years.

A surplus in the Land Registry fee income arose over the last three years as a result of the buoyancy in the property market, which saw a substantial increase in the number of transactions processed by the Land Registry and therefore a substantial increase in income, coupled with improved efficiency in Land Registry operations, which was able to complete the additional work without an increasing staff numbers.

Due to the impact of the Coronavirus pandemic on the property market, the number of applications submitted to the Land Registry is projected to be substantially lower in 2020/21 than in previous years and it is not anticipated that a surplus will be generated this year. In order to set the fees for 2021/22 and subsequent years at an appropriate level, the Department is now considering a number of possible scenarios for the trajectory of the property market and analysing the impact that they would have on fees income.

Yours sincerely,

*Ciara McKay*

**CIARA McKAY**  
**DEPARTMENTAL ASSEMBLY LIAISON OFFICER**