

Survey and Title Enhancement Programme (STEP)

Programme Increment 12 (2 November 2021- 8 February 2022)

Report to joint Ministers

- Minister for Land Information
- Minister of Finance
- Minister for the Digital Economy and Communications

Key Metrics for Programme Increment 12

Programme Status: Amber

Overall 	February 2022	November 2021
Financial		
People		
Delivery		
Risk and Assurance		
Stakeholders		

89% of work planned in Programme Increment 12 was completed

27% value has been enabled by new functionality and services released to customers and the public

\$46.2 million capital expenditure (40% of modelled cost of \$116.2 million)

58% total time elapsed

Key Messages

Programme status remained at Amber while the programme has focused on recruitment and retention and managing delivery impacts caused by tight job market conditions.

Delivery – core system rebuild

- Focus for 2022 is now turning to rolling out new title and transaction services to customers.
- Database migration will now take place in 2025 when the current Landonline platform is decommissioned and all users are using the new platform.

Delivery – Search and Notices

- The new online public land record service is turning over 10,000 orders a month.
- 34 of 67 territorial authorities are now subscribed to the property transaction notification service (Notice of Change of occupancy). 10 banks are subscribed to mortgage registration notification service (Notice to Mortgagee).

Cabinet/Expenditure approvals

- A paper is being prepared that will update Cabinet in June on progress and outline revised timelines and costs resulting from the full programme reforecast completed by LINZ in February. LINZ will then ask Joint Ministers to approve the next drawdown of capital funding available to the programme.

Finance

Programme expenditure: \$46.2 million by 31 January 2022 (since November 2018). This is 40% of the programme's modelled capital cost (at the 50th percentile) of \$116 million.

Expenditure type (\$m)	Full Programme		Spend to date (since Nov18)	
	Approved funding (QRA 85)	Modelled cost (budget)	Actual	% of modelled cost
Capital expenditure	128.2	116.2	46.2	40%
Operating expenditure	18.7	23.8	12.2	51%

Programme re-estimation: The programme's delivery timeframe and scope have now been updated. The resulting cost model will inform request for expenditure approvals and drawdown of capital funds available to the programme. Current approved funding available to the programme is expected to keep the programme running until July 2022.

People

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
Forecast Number of People						168
Contractors	43	50	54	58	61	63
Internal Fixed & Open Term prior to Dec-21 *	83	83	80	76		
Internal – fixed term					18	18
Internal – open term					59	61
Total	126	133	134	134	138	142
Fixed Term & Contractor %					57%	57%
Open Term %					43%	43%

High priority continues to be placed on strategies for managing difficult job market conditions. LINZ is managing higher than anticipated attrition, with 40 percent annual turnover in a highly fluid market (compared with 1.5% earlier in the programme). High workforce turnover is resulting in lower productivity given time needed to recruit and onboard new workers contributing to slowed overall delivery. A recruitment drive is planned to attract permanent team members. A second squad has been established in Christchurch.

Delivery

Rebuild of core IT system

Last year's focus on foundational changes to Landonline's core system is now turning toward migrating customers onto new survey and title services. Progress in Increment 12:

- **89 per cent of** committed work was completed.
- **timing of the Landonline database migration** onto the new system (previously planned for April 2022) has been deferred due to a review of programme delivery priorities and a reassessment of

the value of earlier migration. Resetting the migration timing does not affect overall programme delivery.

Search and Notices products – customer adoption

- **Registered web search**¹ is in use by 37.5% of customers by volume (35% in November 2021). Good progress is being made moving “Search only” customers onto the new web search service. These are Landonline users whose sole use of Landonline is conducting searches for property information (e.g., financial or government institutions, real estate firms and valuers).
- **Public land record search**² – records are being ordered at a rate of 10,000 a month (compared with 35,000 records previously ordered annually via LINZ’s manual service).
- **Notice of Change of Ownership**³ – in use by 34 of 67 councils (up from 24 in November 2021) with a further seven due to access the service shortly, including Auckland and Christchurch City councils. 64% of conveyancers are using the service in participating regions where councils have been using the service for more than six months. The completion date for having all councils onboarded has been pushed from March to June 2022, with council priorities or system readiness holding up adoption in many cases.
- **Notice to Mortgagee**⁴ – in use by ten financial institutions, up from three in March 2021, Full uptake by major banks targeted for June 2022.

Value enabled

Value enabled by delivery to date: 27%. This is up from 23% reported in November 2021. Value delivery is expected to increase from October 2022 when survey and title transaction functionality (based on the new system) will be widely released to customers.

Initiative	Value points	Value enabled to date
Completed Initiatives	159	100%
Initiatives in analysis	86	
CS -B1 Requests	1	31%
DB-A Database Migration	38	39%
Survey A - Import and Validate LT Survey	50	90%
Survey J3- Digitally Visualised Surveys Design	24	36%
Survey-B- Extending Survey User Interface	33	29%
Titles A - eDealing foundation & Refinancing	26	87%
Titles B - Transfers	33	7%
Spatial Search C1 - Design, Arch and Foundation	19	43%
Initiatives not yet started	531	
STEP Overall	1,000	27%
Value enabled to date		27%

¹ A web-based search application allowing registered customers to search for and purchase products such as a title record from any device

² A web-based service offering easier and cheaper public access to property information, e.g., a land title or survey plan

³ Automated notifications to territorial authorities when a property transaction is completed, enabling accurate updating of rating information

⁴ Automated notifications to participating financial institutions when a mortgage is registered on a title

Risk and Assurance

The latest quarterly review by Independent Quality Assurance New Zealand (IQANZ) has supported the programme's transition from scaling the workforce needed for delivery to consolidating and optimising the workforce for delivery of programme outputs. IQANZ recommended prioritising the development of a Service Operating Model that articulates how services would be delivered and supported by LINZ when the programme was completed. This would help ensure new services align with the model as they are developed and released. Other recommendations centred on enhancing consistent progress measures by development teams

Top Risks Managed by Governance Board

Risk	Mitigation	Current state	Resolution by
People Resources	Review of recruitment strategy in line with changes to market conditions	Programme is using the following approaches to manage the risk: <ul style="list-style-type: none"> Retention strategy Workforce plan Continuous recruitment approach Squads outside Wellington Non-monetary retention approach 	Ongoing
Business Implementation	<p>a) Maintain strong links between the programme and the business</p> <p>b) Develop and implement improved programme reporting</p> <p>c) Ongoing review of programme assumptions</p>	<p>Executive involvement in governance, active role of business owners and the STEP Business Squad all continue to ensure these links are tight and effective</p> <p>Improved programme reporting methodology has been implemented</p>	Ongoing
Time delay	Integrated planning and improved reporting	Improved estimating and reporting metrics, implemented as part of the current reforecast, allow leadership team earlier identification and management of delivery problems	Ongoing
Stakeholders	<p>Change management processes</p> <p>Active engagement with stakeholders across and outside of LINZ</p>	Extensive programme of internal and external communication and relationship-building underway. Focus on two-way input and then feedback on results from customers.	Ongoing

Stakeholder Engagement

LINZ continues to engage widely with stakeholders, including property lawyers, cadastral surveyors, territorial authorities, and key data organisations, to both promote the adoption of new services at predominantly online events, direct online engagement, through representative groups, social media, and industry publications. Work is also underway planning for the major releases of new functionality for property conveyancing and lodgement of subdivision plans later this year.

Programme Increment 13

Programme Increment 13 runs from 9 February 2022 to 3 May 2022. Work will continue on:

- the rebuild of the core system – including ongoing pilots of new survey and title functions
- driving uptake of new services and search and notices services
- managing recruitment issues
- preparation for expenditure approvals (May 2022).

Proactive Release