

# Modernising Landonline – Survey and Title Enhancement Programme (STEP)

Programme Increment 17 (24 January 2023 – 18 April 2023)

Report to joint Ministers

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

# Key Metrics for Programme Increment 17

25 January 2023 to 18 April 2023

Programme Status: Amber/Green

Overall 	April 2023	January 2023
Financial		
People		
Delivery		
Risk and Assurance		
Stakeholders		

The Modernising Landline programme began in November 2018. LINZ’s objectives are to deliver by 2025/26:

- a flexible and modular technology platform
- improved quality and range of survey and title services
- improved productivity and information flows by enabling the future integration of Landonline property data with systems such as the Māori Land Court’s Māori Land Information System
- better access to property information for the public and decision-makers.

Key Milestone:

2024/25: all Landonline customers migrated to new platform, legacy Landonline decommissioned.

**90% planned work completed during increment**

**49% value enabled by new functionality and services released to customers and the public (since April 2019)**

**\$70.5 million capital expenditure (44% of the reforecast modelled cost of \$175.7 million)**

**56% total time elapsed**

## Key Messages

- Overall status at the end of Increment 17 was reported to the STEP Governance board as Amber/Red. This was primarily due to the backlog of work needed to deliver the June 2025 milestone (all customers migrated to the new platform, majority of benefits enabled).
- In May 2023 the board improved the status to Green/Amber after approving a reprioritisation approach that allows the 2025 milestone to be achieved. As a result a small number of internal specialist staff and administrative functions that seldom change will now be undertaken post-programme as a business-as-usual activity.
- The Survey Capture function was released to all Survey customers on 31 March 2023. This enables surveyors to upload cadastral survey plans via the new platform.
- Significant programme workforce turnover reported to Cabinet in August 2022 has eased and the programme was close to being fully resourced by early 2023.
- Programme expenditure remains within forecast.

### Core system rebuild - Titles

- Use of the new platform to complete straightforward mortgage financing and property sale and purchase transactions (collectively two-thirds of all Landonline title transactions) has steadily increased since release of the new Title Dealings application in October 2022. By the end of Increment 17:
  - 17.4% of the three most common and straightforward sale and purchase instruments (transactions involving a discharge or registration of a mortgage and the transfer of a title to new owners) were submitted via the new platform (an increase of 2.4%). April alone saw 20.9% of these dealings submitted
  - 89% of eligible firms have had one or more people use the new application
  - few support calls had been made to the LINZ contact centre, highlighting the intuitiveness of the new application.
- LINZ is continuing to drive voluntary uptake of the application while work continues to deliver more complex title functionality. Some customers report they won't use the application until it supports more complex title transactions.

### Core system rebuild – Survey

- Survey Capture was released to all surveyors on 31 March 2023, supported by a comprehensive change, communication, marketing, and engagement plan. Survey capture allows surveyors to capture survey data and upload a cadastral survey plan to the new platform. Approximately 1400 surveyors are using the new feature, which has been well received for its usability and intuitiveness. LINZ aims to turn off the Legacy capture function later in 2023.

### Core system rebuild – approaches to backlog reduction

- As reported in Increment 16, some aspects of the rebuild are proving more complex than initially scoped, adding to the backlog of work that must be done before all customers are migrated to the new platform by the target date of mid-2025. Without mitigations, this has potential to extend the delivery timeframe.
- LINZ has responded by identifying less critical aspects of the rebuild that can be deferred to ensure the 2025 milestone can be reached. Modernisation of a relatively small number of internal specialist staff and administration functions that seldom change will now be undertaken post-programme as a business-as-usual activity. This will take place alongside delivery in 2026 of innovative enhancements envisaged by the original business case such as the capability to upload 3-D cadastral survey plans.

### Search and Notices

- Notice of Change of Ownership (NOC): 64 of 67 territorial authorities were using the NOC service at increment end. Active discussions are underway with the three remaining councils. The service allows solicitors to automatically notify councils when a property transaction is completed, introducing time and cost-savings for councils, solicitors and their clients. 76% of property transactions nationwide were notified to councils via the service.
- Notice to Mortgagee (NtM): 14 financial institutions were using the NtM service that notifies lenders when a mortgage is registered against a property.

## Finance

**Programme capital expenditure: \$77.6 million** (since November 2018). Capital spend to date is 44% of the reforecast \$175.7m modelled capital budget.

**Programme expenditure** over build phase (November 2018 to 30 April 2023).

	Capital expenditure (\$m)	Operating expenditure over 12 years (\$m)
<b>Full Programme</b>		
Original PBC approved funding (QRA 85)	128.2	51.7
Approved Programme re-forecast	175.7	76.1
<b>Spend to date (since Nov18)</b>		
Actual	77.6	31.8
% of Approved Programme re-forecast	44%	42%

The reforecast capital expenditure (a \$47.5m increase on the programme business case forecast of \$128.2m) was approved by Cabinet on 8 August 2022 [GOV-22-MIN-0026].

## People

The STEP team is fully resourced after considerable recruitment and retention effort and aided by softening employment market conditions. Future recruitment will focus on permanent employees to bring the programme back to the forecast 50:50 ratio of permanent to contractor numbers.

	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	April-23
Forecast number of people	164	171	172	170	171	180
Contractors	90	95	96	96	97	98
LINZ employed	74	76	76	74	74	73
<b>Total actual<sup>1</sup></b>	164	171	172	169	171	171
Contractor %	55%	56%	56%	57%	57%	58%
LINZ employed %	45%	44%	44%	43%	43%	42%
<b>Annualised turnover<sup>2</sup> % LINZ employed</b>	<b>40.8%</b>	<b>30.7%</b>	<b>27.4%</b>	<b>25.9%</b>	<b>20.8%</b>	<b>21.4%</b>
<b>Annualised turnover % contractors</b>	<b>29.0%</b>	<b>26.6%</b>	<b>27.1%</b>	<b>22.5%</b>	<b>22.2%</b>	<b>23.8%</b>
<b>3 Month Turnover % Total</b>	<b>6.6%</b>	<b>5.1%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>4.0%</b>	<b>5.6%</b>

## Benefit delivery

**Value enabled by products and services delivered since April 2019:** 49%, up from 45% reported at the end of Increment 16. The programme remains on track to fully realise or exceed benefits anticipated by the 2018 Programme Business Case. Progress toward benefit realisation targets is independently assessed at the conclusion of each 12-week programme increment.

<sup>1</sup> The Total actual row comes from our financial data and consists of all staff who have been in the role for > 2 weeks of the month irrespective of whether they are new starters or leavers. As such this figure is never 100% accurate at any moment in time.

<sup>2</sup> Turnover is annualised, based on a rolling 12-month average headcount. Contractors who've been here for <3 months are excluded.

## Risk and Assurance

### Assurance

- The 2022/23 STEP Assurance Plan was reviewed by the Government Chief Digital Officer.
- Programme risks were refreshed.

### Top risks managed by governance board

- Productivity and cost impacts of retention, recruitment, and sickness.
- Unanticipated complexity, which increases delivery timeframes.

### Top four programme risks

Risk	Mitigation	Current state	Resolution by
Inability to attract and retain resources	We maintain a rolling review of our approaches to recruitment in line with changes to market conditions	Programme is using the following approaches to manage the risk: <ul style="list-style-type: none"> <li>• Retention strategy</li> <li>• Workforce plan</li> <li>• Continuous recruitment approach</li> <li>• Squads outside Wellington</li> <li>• Non-monetary retention approach</li> </ul>	Ongoing
Change capacity (internal)	Extensive communication to business units and active involvement of senior management	<ul style="list-style-type: none"> <li>• Strong engagement, communications and feedback loops with LINZ business groups and teams; direct involvement of Kaihautū and key LINZ leaders</li> </ul>	Ongoing
Timelines (possible delay to end delivery)	Well embedded rolling review process in place	<ul style="list-style-type: none"> <li>• Monthly reporting / monitoring</li> <li>• Consistent re-evaluation of initiatives</li> <li>• Continuing development and tracking of metrics</li> </ul>	Ongoing
Stakeholders and potential to resist move to new Landonline	<ul style="list-style-type: none"> <li>• Extensive piloting of enhancements</li> <li>• Change management plans and close customer contact</li> </ul>	<ul style="list-style-type: none"> <li>• Steady currently with strong pilot involvement by customers</li> </ul>	Ongoing

## Stakeholder Engagement

LINZ continued to engage widely with stakeholders, including property lawyers, cadastral surveyors, territorial authorities, and key data organisations.

### Programme Increment 18

Programme Increment 18 runs to 11 July 2023. The focus of the increment is on:

- mitigating challenges posed by unanticipated delivery complexity
- ongoing monitoring of IT job market conditions and STEP workforce retention strategies
- supporting new titles services
- building complex title transaction services
- driving uptake of the new survey capture service
- driving uptake of search and notices services.