

## Key metrics

STATUS	Programme Inc 8	Programme Inc 7
STEP overall	<span style="background-color: #92d050; width: 100%; height: 15px;"></span>	<span style="background-color: #ffc107; width: 100%; height: 15px;"></span>
Finance	<span style="background-color: #92d050; width: 100%; height: 15px;"></span>	<span style="background-color: #92d050; width: 100%; height: 15px;"></span>
People	<span style="background-color: #92d050; width: 100%; height: 15px;"></span>	<span style="background-color: #ffc107; width: 100%; height: 15px;"></span>
Delivery	<span style="background-color: #ffc107; width: 100%; height: 15px;"></span>	<span style="background-color: #ffc107; width: 100%; height: 15px;"></span>
Risk and assurance	<span style="background-color: #92d050; width: 100%; height: 15px;"></span>	<span style="background-color: #92d050; width: 100%; height: 15px;"></span>
Stakeholders	<span style="background-color: #92d050; width: 100%; height: 15px;"></span>	<span style="background-color: #92d050; width: 100%; height: 15px;"></span>

## Expenditure

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	24.8	21%
Operating expenditure	18.7	23.8	3.8	16%

## Value enabled by work to date

	Value enabled by work to date	Expenditure
Programme Increment 8	17.5%	21.0%
Programme Increment 7	13.2%	18.0%

## Key Messages

**Overall programme health upgraded to Green.** The upgrade to Green by the STEP Board reflects successful releases of search and notices products, continued progress on the core IT system rebuild, completion of recruitment for the rebuild, and key appointments to change enablement and customer engagement roles.

Search and Notices products have significantly improved how the public and registered customers interact with Landonline. The programme is now focused on the more complex and challenging work of replacing Landonline's core IT systems. This work began in August 2020 and is scheduled to be completed by December 2023.

### Finance

**The programme continued to operate within budget.** 21% of the full programme capital budget has been spent to 31 January 2021.

### People

**Recruitment for the IT system rebuild was completed** in mid-December 2020. LINZ now has the people and capability needed to complete the programme. The workforce was 119 at 31 January 2021.

### Delivery

**The rebuild of Landonline IT systems is progressing.** Seven foundational initiatives are currently being worked on. Two are nearing completion. The remainder are due by December 2021.

**All search and notices products are now released** and focus is on expanding their uptake by Landonline customers, councils, financial institutions and the public. The final product release – a public land record search service took place on 1 February 2021. Use by the public has exceeded expectations.

**Value enabled** by all work completed since April 2019 to the conclusion of increment 8 was 17.5 percent compared with the proportion of capital budget spent of 21 percent. "Value enabled" is a measure of value delivered by products or enhancements developed, released or ready to generate value.

## Finance ●

Expenditure type (\$m)	Full programme		Spend to date (since Nov18)	
	Approved funding (ORA 85)	Modelled cost (budget)	Actual	% of Modelled cost
Capital expenditure	128.2	116.2	24.8	21%
Operating expenditure	18.7	23.8	3.8	16%

21% of the full programme capital budget had been spent to 31 January 2021.

The programme is currently forecasting a reduced capital spend in financial year 2020/21 (\$20.8m against the \$29.5m budgeted). The underspend is largely due to recruitment delays experienced in 2020. Recruitment for rebuild was completed in December 2020.

A full programme reforecast will assess the impact of the reduced spend on the programme's overall financial position. This reforecast will inform the next request for financial approvals from joint Ministers (expected in August 2021).

## People ●

	August 2020	September 2020	October 2020	December 2020	January 2021
Contractors	25	24	26	26	36
Open Term	42	45	54	65	72
Fixed Term	6	7	7	11	11
<b>Total</b>	<b>73</b>	<b>76</b>	<b>87</b>	<b>104</b>	<b>119</b>

A steady rise in new starters was recorded in January after recruitment for the IT system rebuild was completed in December. Key appointments were also made to Change Enablement and Customer Engagement Roles.

## Delivery ●

With completion of recruitment for development teams in December 2020 the programme now has the people and capability needed to complete the complex and challenging work of rebuilding Landonline's IT systems. This work is being completed in 23 twelve-week increments. Seven of approximately 40 initiatives are currently being worked on.

### Core system rebuild

Progress continues to be made on the core system rebuild. Foundational initiatives have gained firm support from professional working groups representing survey and title users. This bodes well for pilot rollouts later in 2021.

The migration of Landonline's core database of survey and title information is one of the programme's most complex and therefore risky initiatives. The work needed to complete the migration will be reassessed in Programme Increment 9. Based on what has been learned to date this may identify that further time is needed to complete the migration, however this is not expected to impact other initiatives.

### Search and Notices products – customer adoption

Products	Release stage	Customer adoption			
		Market uptake		Transactions	
		Dec	Jan	Dec*	Jan*
Registered search**	General release	15%	20%	221,067	272,261
Public search***	General release	N/A	N/A	N/A	N/A
Notice of change****	General release	51%	53%	5,398	5,922
Notice to mortgagee****	General release	3 of 8 institutions	3 of 8 institutions	3,056	7,058

\* Cumulative totals.

\*\* % of all search products ordered via new search service

\*\*\*Released 1 February 2021. Use will be reported in next increment report

\*\*\*\* % of property transactions notified using new service

**Public land record search** (allows the public to directly search for and order property information via the LINZ website): released on 1 February 2021. Use of the product exceeded expectations in the first two weeks to the end of increment 8. Use data will be included in next increment report.

**Registered web search** (allows registered Landonline customers to search for and purchase property information from any device and location): Released to all Landonline users in March 2020. About 20% of total search products ordered in January 2021 were delivered via registered web search. Use is steadily increasing across all user groups, in particular among Landonline “search only” customers. LINZ has found that conveyancers who use the service do not go back to the search functionality within the current system. LINZ is focused on migrating more users to web search.

**Notice of Change of Ownership** (property transaction notifications allowing territorial authorities (TAs) to update rating databases): Four out of 61 TAs are now using the product and strong interest is being expressed by other TAs given the success and positive feedback to date from the pilot release in 2020. LINZ aims to have all TAs using the product by the end of 2021.

**Notice to Mortgagee** (notifications to financial institutions when a mortgage is registered): Three of eight financial institutions using the product. LINZ anticipates the five remaining institutions will be using the product by August 2021.

### Value enabled by work to date

Value enabled by the programme (products or enhancements developed, released or ready to generate value) since April 2019 is assessed at 175 value points (up from 132 in the previous period), or 17.5% of a total of 1000 value points allocated across all STEP initiatives. This compares with the capital spend to date of 21%. The variance between cost/effort expended continued narrowing. Peaks and troughs in value delivery can be expected, however LINZ anticipates the variance to narrow over time.

	Value enabled by work to date	Capital spend
Programme increment 8	17.5%	21.0 %
Programme increment 7	13.2%	18.0 %

### Risk and Assurance

**Assurance:** recommendations from independent assurance advisor IQANZ aimed at improving how work is planned, sized and consistently reported was reflected in additional assurance actions now being actioned by the programme.

Assurance actions	This period	Last period
<b>Total</b>	75	63
<b>In progress</b>	24	12
<b>Completed</b>	51	51
<b>Key focus area:</b> Managing the scaling of the programme		

### Risks: top risks monitored by the STEP Board

Risk	Mitigation	Current State	Resolution By / Date
Poor budget management by STEP	a) Develop and implement improved programme reporting. b) Ongoing review of programme assumptions	A focused team of LINZ people and external experts established to complete this work in Programme Increment 9	11/05/21
Breach of private information held in Landonline	a) Increase resourcing for security certification & accreditation activities. b) Remedy identified security actions	Security resourcing is being increased. Security improvement plan developed and resources in place to complete remedial action	30/06/21
Inadequate integration of STEP with rest of LINZ	a) Establish Change Enablement and Customer Engagement teams to ensure LINZ systems and process are aligned with release of STEP outputs.	An Integrated programme plan has been completed. Change and Customer Engagement teams have been established	30/04/21

**Risk Actions:** A number of risk actions are in progress.

Risk actions	This period	Last period
<b>Total</b>	18	18
<b>In progress</b>	8	13
<b>Completed</b>	10	5

Key focus areas: Change strategy, better security resourcing

### Stakeholder Engagement ●

- Engagement with providers of commercial property search services about the launch of the public land record search service.
- Ongoing engagement with territorial authorities and financial institutions to increase uptake of Search and Notices products.
- Several councils are in the pipeline for the Notice of Change of Ownership product. Western Bay of Plenty District began using the service in February 2021.
- Ongoing engagement with the Māori Land Court . LINZ and the Court are working closely to ensure respective system upgrades are aligned and provide for digital connectiveness between the systems in future.
- Quarterly progress demonstration was held with key groups representing property industry professionals.

### Focus of Programme Increment 9

- Continue delivery of core system rebuild initiatives/build momentum.
- Review progress of database migration initiative.
- Expand uptake of Search and Notice products.
- Prepare update to Cabinet on programme progress (due April 2021).