

HM Land  
Registry



# Business Strategy

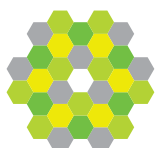
## 2017-2022

Preparing HM Land Registry to become the world's leading land registry for speed, simplicity and an open approach to data



# Contents

<b>Foreword</b>	<b>4</b>
<b>Introduction</b>	<b>6</b>
<b>Our strategy</b>	<b>7</b>
<b>1. Brilliant at the basics</b>	<b>8</b>
<b>2. A comprehensive register</b>	<b>11</b>
<b>3. World-leading through Digital Street</b>	<b>13</b>
<b>4. Opening our data</b>	<b>15</b>
<b>5. Expert people</b>	<b>17</b>
<b>6. Financially strong</b>	<b>19</b>
<b>Strategic risks</b>	<b>21</b>
<b>Our future transformed</b>	<b>22</b>



## Our ambition

To become the world's leading land registry for speed, simplicity and an open approach to data

## Our mission

Your land and property rights: guaranteed and protected

## Our values

### We give assurance

We guarantee our services and provide confidence to the property market

### We have integrity

We value honesty, trust and doing the right thing in the right way

### We drive innovation

We are forward thinking, embrace change and are continually improving our processes

### We are professional

We value and grow our knowledge and professional expertise

## > Foreword



The Rt Hon Lord Henley  
Parliamentary Under Secretary  
of State for the Department for  
Business, Energy & Industrial  
Strategy

HM Land Registry plays an important role in the property market, underpinning property ownership worth over £4 trillion across England and Wales including over £1 trillion of mortgages. As a public sector organisation, it delivers for its customers and for the wider economy and plays a critical role in supporting the government's housing and infrastructure objectives.

This business strategy shows how HM Land Registry has a wide range of plans in place to become a more digital and data-driven registration business, commensurate with the vision the government has set it to become the world's leading land registry for speed, simplicity and an open approach to data and to achieve comprehensive registration by 2030. These are exciting times for HM Land Registry as it transforms across its services and structures.



 Graham Farrant  
Chief Executive and  
Chief Land Registrar

Our mission reflects HM Land Registry's heritage and puts our customers at its heart. This Business Strategy sets out the steps we are taking to uphold our values and implement the ambition set for us by the Government "to become the world's leading land registry for speed, simplicity and an open approach to data".

Our ambition means being brilliant at delivering the basics – our core statutory registration services. We will make dealing with us quick and simple by becoming even more customer focused and efficient while upholding our values at all times.

We want all the land and property in England and Wales to be registered. HM Land Registry was set up more than 155 years ago to make conveyancing simpler, faster and cheaper by moving from an unregistered system of ownership based on privately held title deeds to full registration of land. To be the world's best we must ensure the amount of land and property which is registered increases towards 100%.

HM Land Registry will provide quicker and simpler services through digital technology. Our Digital Street project will put us at the forefront of global land registration innovation.

Our many customers, who include citizens, financial institutions, lawyers and developers, will continue to be central to everything we do. We will transform the customer experience through our digital services and improved use of technology,

“to become the world's leading land registry for speed, simplicity and an open approach to data”

making transactions instantaneous where possible and simplifying the application process.

An open approach to data is one of the three main strands of HM Land Registry's ambition. We will publish a wide variety of datasets to enable it to be used by anyone with an interest in land registration information, supporting the growing digital economy and adding to the nation's land and property geospatial intelligence. HM Land Registry looks forward to working with the recently announced Geospatial Commission more widely.

This strategy includes a vision for a more resilient organisation, motivated to achieve improvements and able to respond quickly to market fluctuations.

Our colleagues are our most important asset – we will not be the best without the best people. They need to be empowered and supported in realising the ambition for HM Land Registry to become the world's leading land registry for speed, simplicity and an open approach to data.

Our Medium Term Financial Strategy explains how HM Land Registry will operate in an uncertain economic climate where predictions about the property market are hard to make.

This five-year strategy explains the high-level framework and our priorities. It includes how we will work towards our long-term aim to achieve comprehensive registration by 2030, how we will digitise our services to make conveyancing simpler, faster and cheaper, and how we will create a digital register and maximise the accessibility and re-use of our data.

We have a proud heritage and history and through our wide transformation plans we will extend our cherished reputation even further for the benefit of our people, our customers and the nation as a whole.

A handwritten signature in black ink, appearing to read "Graham Farrant". The signature is fluid and cursive, with a long horizontal line underneath.

# Introduction

HM Land Registry exists to register ownership, interests, mortgages and other secured loans against land and property in England and Wales. Established in 1862, we are a non-ministerial government department, an executive agency (since 1990) and a trading fund (since 1993) that makes no call on funds voted by Parliament. By statute we are required to ensure that our income from fees covers all of our expenditure under normal operating conditions.

The Chancellor's 2016 Autumn Statement<sup>1</sup> confirmed that HM Land Registry would focus on becoming a data-driven registration organisation in the public sector. The Government's Housing White Paper *Fixing Our Broken Housing Market*<sup>2</sup> reinforced that message and committed us to becoming the world's leading land registry for speed, simplicity and an open approach to data, and to aim to achieve comprehensive registration in England by 2030.

HM Land Registry is seizing the opportunities of this ambition and our recently confirmed long-term public sector status to set out a strategy that reaches throughout the organisation to transform and modernise the services we provide and how we provide them. This direction has been embedded into the organisation since April 2017 and covers an important period of transition and improvement.

The areas for early change have been set out in *Starting our transformation*, the HM Land Registry Annual Report and Accounts 2016/17<sup>3</sup> published in July 2017 but this strategy brings those near-term steps together with others that we will implement over time. It includes targets which we will report against in next year's annual report and accounts and which we will refresh each year to make sure that HM Land Registry remains committed to achieving measurable, continuous improvement.

This Business Strategy explains how land registration applications, register queries and other services will become quicker and simpler by digitising and updating them. It sets out how we will give our colleagues better systems, modern working environments and improved development opportunities. It explains how we will publish more of our data and explore opportunities to extract more value from it through innovation and by working creatively with other organisations.

The strategy is based on the rationale that any transformation should only be about change for the better, with strategic risks managed, clear governance, financial controls in place and core service standards maintained or improved at all times.

## Our primary role is to provide:

- a reliable record of information about the ownership of and interests affecting land and property;
- land and property owners with a title which is guaranteed by the state; and
- the financial sector with the capability to secure lending against property.

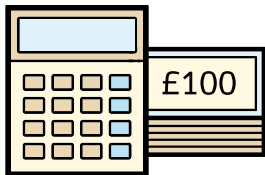
1. <https://www.gov.uk/government/speeches/autumn-statement-2016-philip-hammonds-speech>
2. <https://www.gov.uk/government/publications/fixing-our-broken-housing-market> (pg24)
3. <https://www.gov.uk/government/publications/hm-land-registry-annual-report-and-accounts-2016-to-2017>

# > Our strategy



## 1. Brilliant at the basics

Becoming more customer focused and efficient in delivering land registration services; upholding our core values at all times.



## 6. Financially strong

A robust financial plan to ensure our aims are affordable, deliver value for money and can respond to fluctuations in the market.

### > Speed

Using digital technology to reduce the time needed to receive, process and deliver services to our customers, making them instant wherever possible.



## 2. A comprehensive register

Creating a more definitive record of property ownership in England and Wales.

### > Simplicity

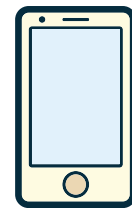
Challenging ourselves to reassess our processes, language and technology to make them as simple as possible for customers and colleagues alike.

Using continuous improvement and new technology to drive back-office savings and ensure our systems are as efficient as possible.



## 5. Expert people

Modernising and reshaping the organisation, empowering our people, developing our skills and building our capacity.



## 3. World-leading through Digital Street

Our Digital Street project will put us at the forefront of global land registration innovation.

### > Open data

Publishing as much of our data as possible in a way that is easy to access.



## 4. Opening our data

Maximising the use of our data for the benefit of wider society and to drive innovation in the digital economy.



# 1. Brilliant at the basics

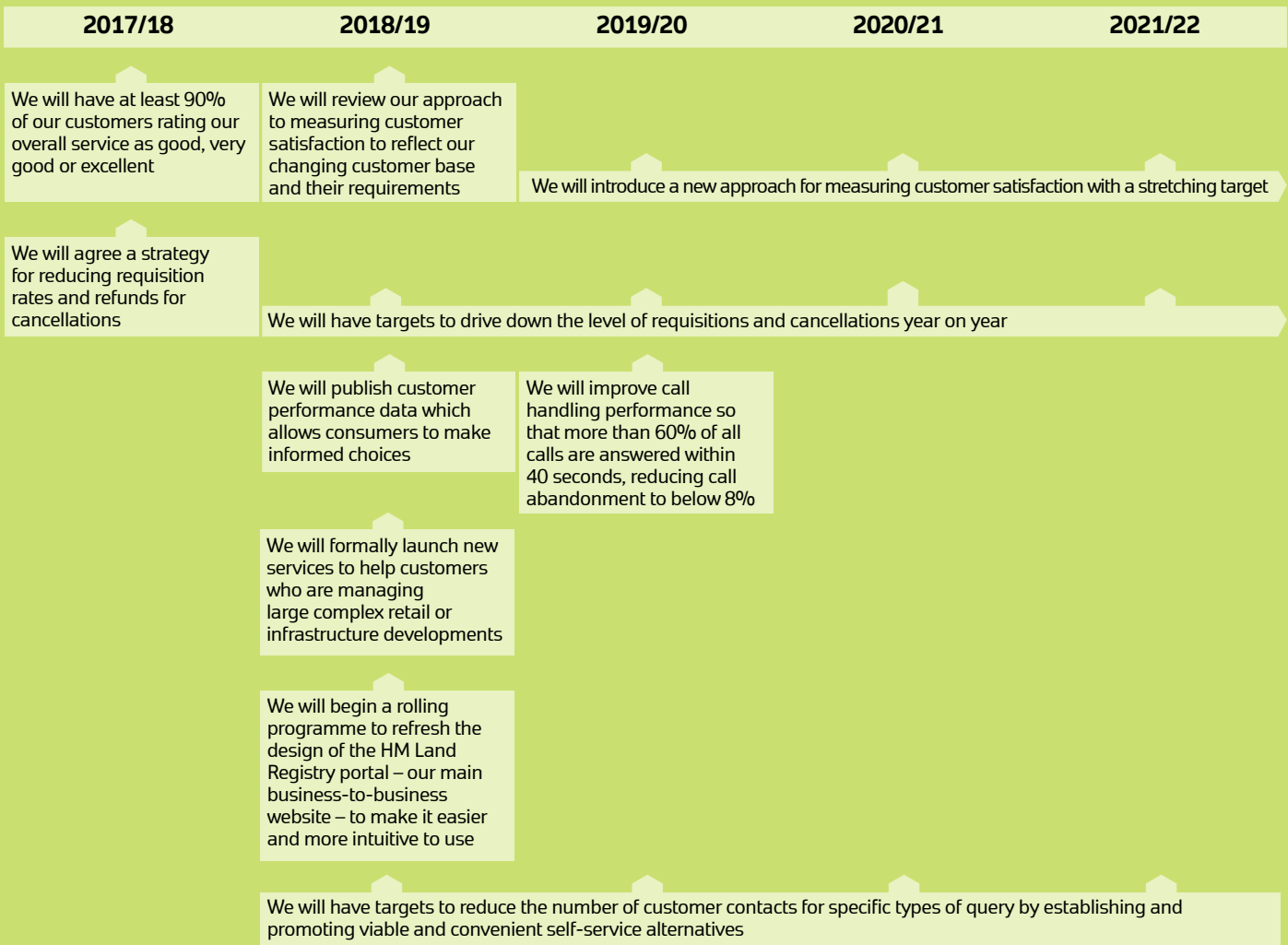
**Our ambition to become the world's leading land registry means being brilliant at delivering the basics – our core statutory registration services. We will make dealing with us quick and simple by becoming even more customer focused and efficient while upholding our values at all times.**

## More customer focused

HM Land Registry customers range from private individuals to major financial institutions, large-scale developers, a wide variety of legal and conveyancing service providers and third party businesses that make use of our data to innovate and inform their own work.

Our customer base is evolving, with a wider variety of experience and expertise coming forward beyond the traditional legal and financial services professionals. The digital revolution is also transforming the property market with

## Customer targets — Brilliant: More customer focused





the increasing availability of online property information services, estate agencies, sources of lending and investment and conveyancing service providers.

To respond, we will create a new customer services function bringing together our customer-facing teams and new Customer Support Centres to provide a consistently high quality multi-channel experience, and develop greater insight into customers' evolving needs.

We will examine the end-to-end customer experience, reviewing our guidance, our forms, our fees and our interactions to see how we can make them simpler through improvements in language, process or technology.

Over the five-year strategy we will find more ways to make it straightforward for conveyancers to submit applications to HM Land Registry, and will explore with the industry how we might reduce the need to delay applications as we seek further information, known as requisitions.

We will also look at how we can better support conveyancers through customer training and education programmes alongside exploring shared customer pathways to remove duplication of effort and simplify the registration process.

In 2016/17, 90.3% of our customers rated our overall service as good, very good or excellent. We will continue to measure customer satisfaction regularly and will review how we measure this

alongside the development of a new set of stretching standards, targets and key performance indicators to drive customer service excellence.

### More efficient

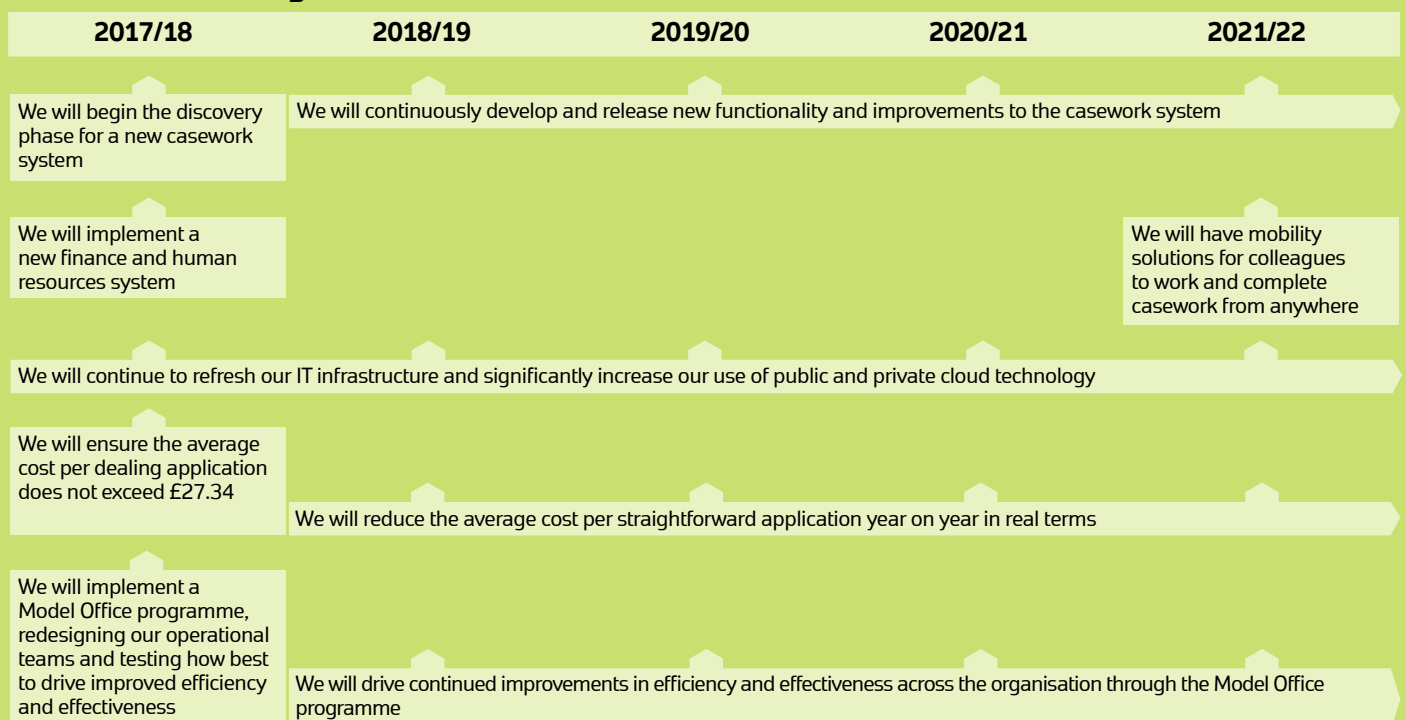
Our caseworkers process around 20,000 applications to change the Land Register each day, with 18,000 being straightforward updates (dealings) and 2,000 being more complex processes such as first registrations, first leases and splitting titles. In addition, we process approximately 100,000 register query requests and searches every day, most of which are already automated.

Some 650,000 applications were received through the post in 2016/17. We aim to digitise and automate 95% of our daily transactions by 2022 to help simplify, speed up and improve the efficiency of registration – increasing automation from 81% in 2016.

We will do this by focusing on automating the most straightforward updates and aspects of the complex processes where possible and beneficial. This will save experienced caseworkers from needless copy typing, data entry and repeat administrative work, freeing them to focus on exercising expert judgement on registration applications.

Automation will need improved and digitised internal processes and systems. We will refresh and re-platform our core information technology (IT) and casework systems and infrastructure,

## Core services targets — Brilliant: More efficient



making them easier to use, easier to support, more resilient and better able to meet the needs of our people and our customers.

By evolving our casework and workflow systems we can route work directly to the people with the right skills to process it. This will enable centralisation and specialisation for appropriate tasks and also capability to quickly deploy national responses to better manage fluctuations in the market.

We have reviewed our Customer Support Centre operations and begun to invest in improved call handling as well as the promotion of ‘self-service’ options as convenient alternatives to email and telephone contact.

We are also driving productivity increases through implementing a Model Office initiative of continuous improvement, redesigning our operational teams and testing how best to drive efficiency and effectiveness across the whole organisation. We will review our productivity measurements and develop incremental improvement targets from which we will derive annual targets for improved productivity.

In all areas we will continue to enhance our operational systems, processes, structures and skills to improve our productivity and performance. Transformation planning will prioritise meeting and exceeding our service standards in line with customer needs.

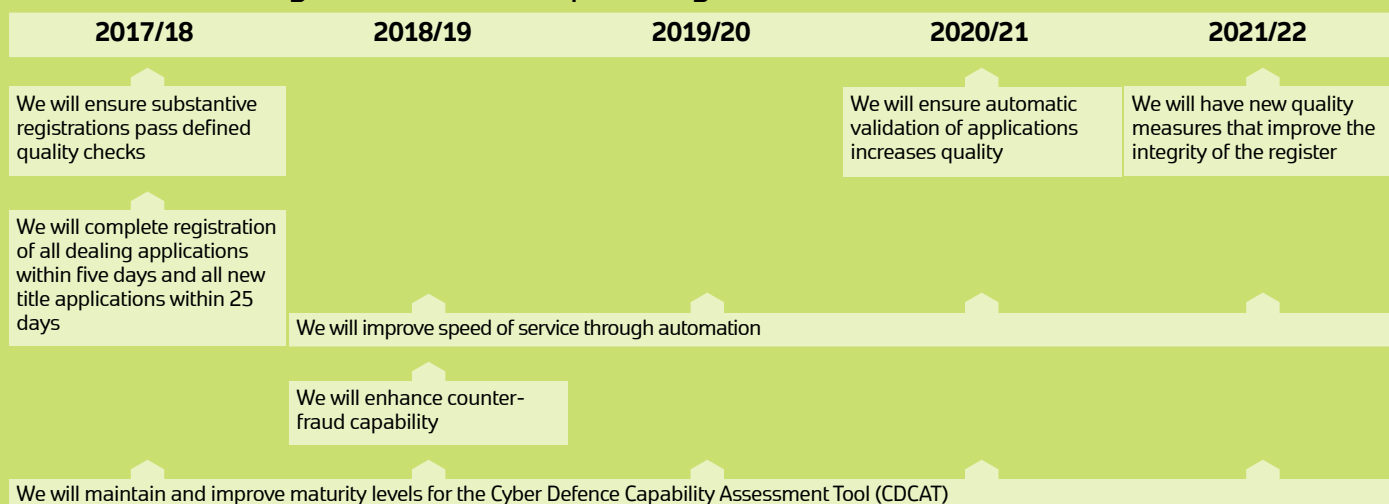
## Upholding our values

Customers rightly expect HM Land Registry to uphold our values in our dealings with them. We will give assurance by being clear about our service provision, demonstrate integrity by being transparent about our performance standards and our performance against them, listen to customers to drive improvements and innovation and be professional in our interactions with them.

Protecting the integrity of the register from fraud is a risk that constantly evolves. We will apply continuous improvement to our counter-fraud systems, helping to identify and prevent fraudulent applications at the earliest opportunity. Alongside this we will continue to work with industry and partners in government to address the risk of fraud and help protect owners from loss.

We will also continually strengthen and mature our cyber security defences, working with the National Cyber Security Centre among others, to address increasingly sophisticated national and international threats.

## Core services targets — Brilliant: Upholding our values



## › 2. A comprehensive register

**We want all the land and property in England and Wales to be registered. HM Land Registry was set up more than 155 years ago to make conveyancing simpler, faster and cheaper by moving from an unregistered system of ownership based on privately held title deeds to full registration of land. To be the world's best we must ensure the amount of land and property which is registered increases towards 100%.**

Land and property registration has been compulsory across England and Wales since 1990 (and earlier in some places). There has been an increase in registration levels from around 40% in 2004 to nearly 85% in 2017.

*Fixing Our Broken Housing Market* announced our targets for comprehensive registration, including making a complete list of all unregistered publicly held land openly available by April 2018.

HM Land Registry will focus initially on completing the register of publicly held land by 2020 in areas with the greatest housing need. We plan to complete the remainder of the register over the following five-year period so that all publicly held land is registered by 2025 and all remaining residential and commercial land and property is registered by 2030, although we will bring forward those timescales where possible.

A comprehensive land register, that is enabled and supported digitally and with high quality and comprehensive data, promises to be a significant tool to support economic and housing growth, innovation and the overall property market. It will mean that the ownership of all land will be transparent, helping to support development choices by making transfers simpler, faster and cheaper. It will consolidate HM Land Registry's

core business as part of the Critical National Infrastructure of England and Wales.

### Other ways to improve the conveyancing process

We are helping to improve the way that Local Land Charges are managed, subject to programme business case approval. Our aim is to help provide a faster and simpler way to complete local land charges searches, improving the customer experience and reducing costs.

We are working with stakeholders in the property market to set up industry and policy forums to find other ways to improve conveyancing. This will include addressing issues with leasehold registration and working with the Law Commission to implement any agreed recommendations from their recent review<sup>4</sup>.

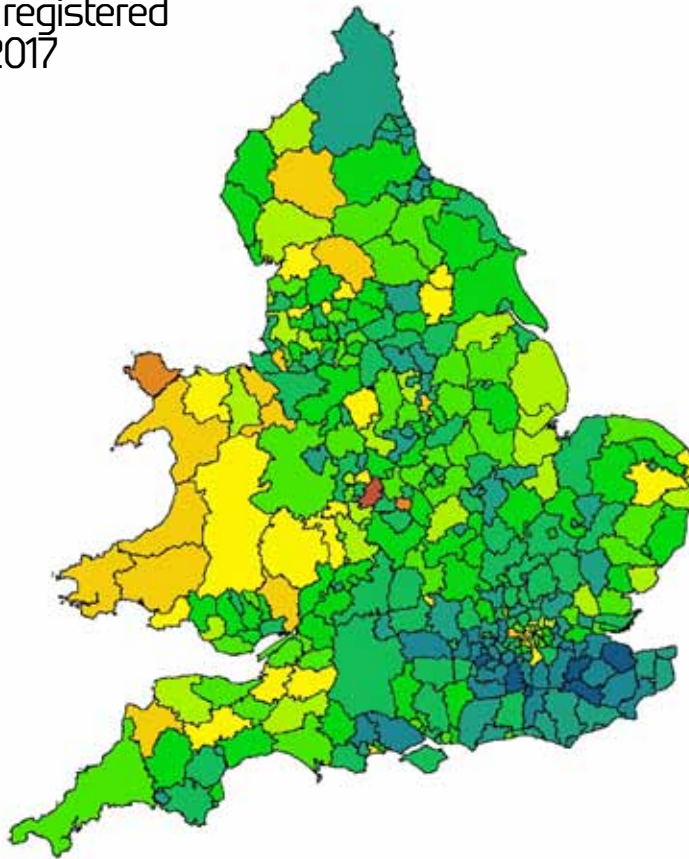
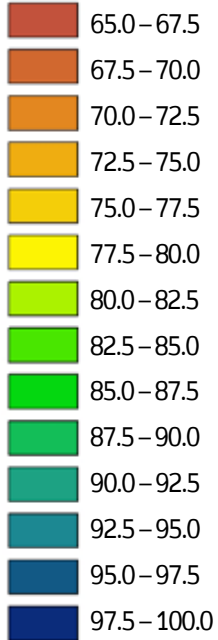
We will investigate the options for improving access to other information and opportunities for holding additional registers and improving the information flows for conveyancing.

4. <https://www.lawcom.gov.uk/project/updating-the-land-registration-act-2002/>

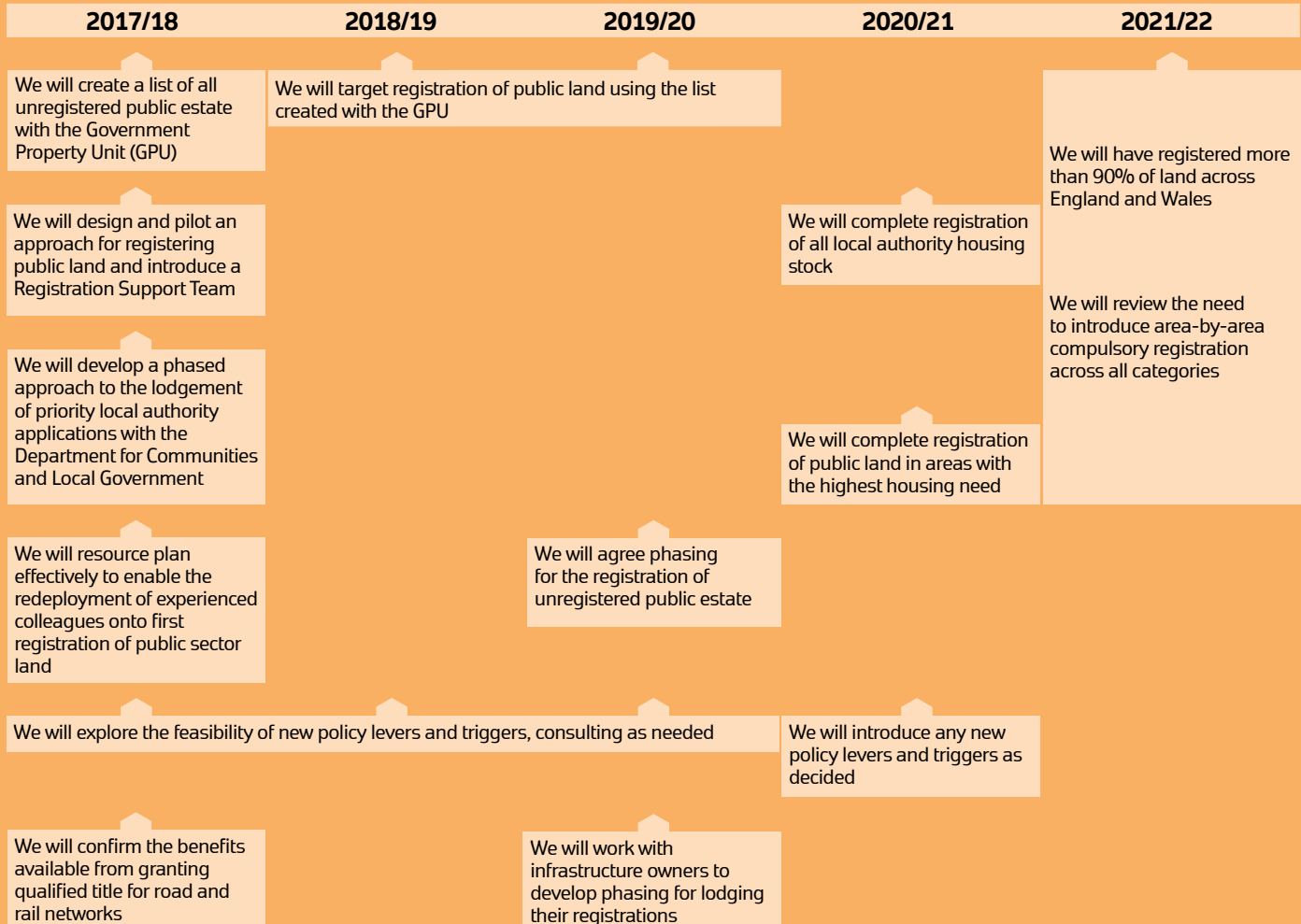


## Percentage of land registered as of 1 November 2017

### Registered (%)



## Comprehensive registration targets



# › 3. World-leading through Digital Street

**HM Land Registry will provide quicker and simpler services through digital technology. Our Digital Street project will put us at the forefront of global land registration innovation.**

## Digital Street

Digital Street is our groundbreaking research and development project that is exploring how land registration might work in 2030. We want to become the world's leading land registry in using digital technology to make buying and selling property simpler and easier as well as providing an absolute guarantee of ownership.

To understand the possibilities of what this might mean, we are creating a pilot digital register for a small selection of properties by the end of 2017. This pilot register will be fully machine-readable and able to be updated instantly. Digital Street will contribute towards a property industry where people will buy, rent, sell, finance, build and manage property with ease.

We will then apply real-life scenarios to demonstrate how a fully geospatially enabled digital register might revolutionise future property transactions, including using Blockchain technology, putting HM Land Registry at the forefront of global land registration innovation.

Working closely with our main customers, stakeholders and suppliers we will explore the benefits and impacts of HM Land Registry creating a fully digital land register. This will pave the way to take decisions on wider implementation and for the steps to be taken forward over the five-year strategy.

Digital Street involves a number of technology project strands. Each one explores both the technology enablers and what adopting them might mean for HM Land Registry organisationally

and our customers in terms of their own processes, as well as what it might enable in the wider conveyancing market.

The main project areas are set out below.

**Improving the conveyancing process:** We will explore how a digital register might improve the conveyancing process by making transactions faster and more secure. The proof of concept digital register will link a home owner's digital identity and the register, make identity verification more secure, improve fraud prevention and enable home owners to make simple changes to the register, such as a change of name, themselves.

**Enabling Artificial Intelligence:** We will explore the use of Artificial Intelligence (AI) in conveyancing and registration. AI might assist conveyancers by processing and interpreting data from the register and taking unstructured data from documents to automatically identify the main information needed to complete the transaction.

**Enabling novel business models:** Digital Street will provide an opportunity to work closely with PropTech, FinTech and LawTech start-ups and innovative businesses, such as challenger banks, to explore how a digital register might enable new business models to make conveyancing simpler, faster and cheaper. We are already working with Ordnance Survey on a new Geovation programme<sup>5</sup> that provides grant funding to digital start-ups in the PropTech industry.

**Distribution of the register:** New technologies such as Blockchain might enable the register to be distributed among trusted parties such as lenders and conveyancers, giving them the ability to operate and update in a secure and tamper-proof manner. We will explore the benefits of this alternative approach to managing a digital land register.

**Richer data:** Digital Street will look at the benefits of HM Land Registry collecting additional data and will explore how our data might be linked and

5. <https://www.gov.uk/government/news/partners-in-innovation-hm-land-registry-and-ordnance-survey>

combined with other government data. This might create a richer and more useful dataset of land and property information for the benefit of citizens and conveyancers and also provide banks and finance-providers with greater assurance. Digital Street will help us to demonstrate what a Land Information system for Britain could achieve.

We will define an affordable plan for our paper file stores to support a truly digital register in the future.

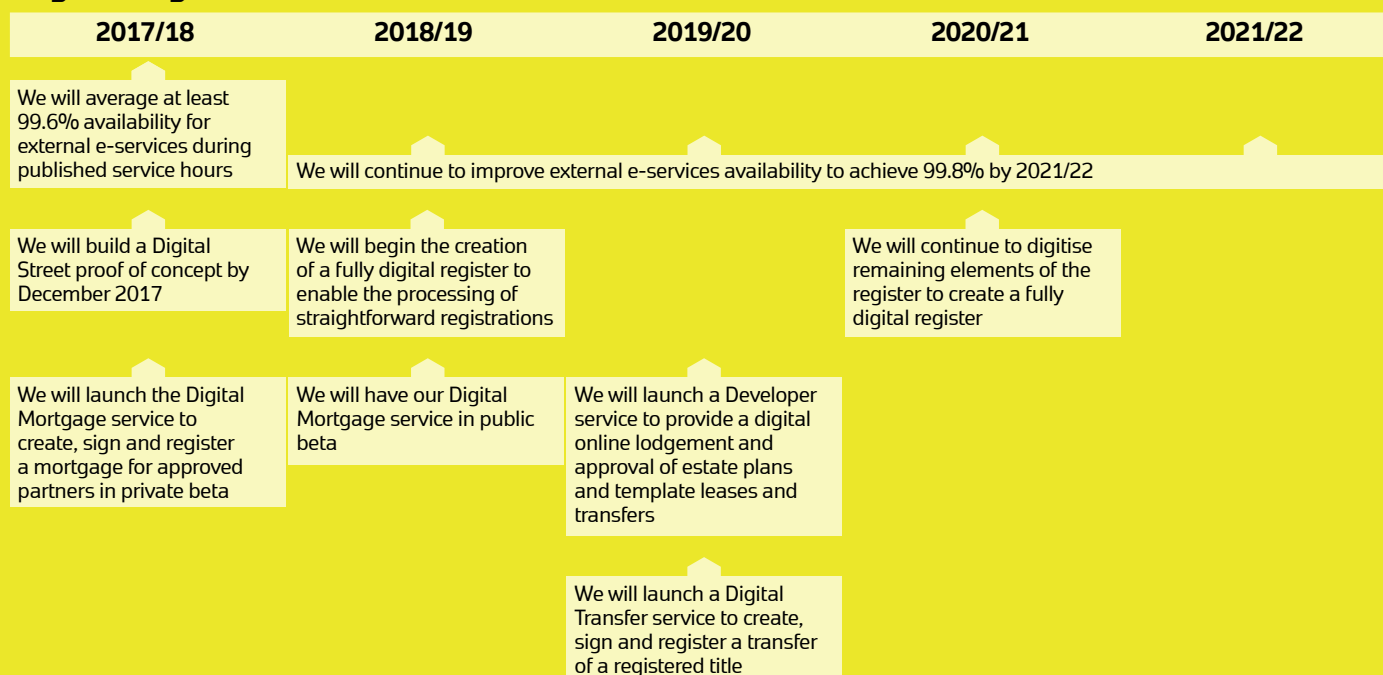
## Quicker and simpler services

Most of our register query services are fully automated and already nearly instantaneous. Other transactions generally rely on a customer downloading and completing an electronic form and submitting it to HM Land Registry with additional information attached separately.

We will continue to enhance and expand our existing e-enabled services, such as our innovative Digital Mortgage service that uses secure identity assurance techniques to enable a customer to sign their mortgage deed digitally. Across all stages of digital service development, the needs of the user and a drive for speed and simplicity will be at the heart of our design.

Our governance systems mean we carry out a thorough value for money and fraud impact assessment around new ideas before putting them into action. Meeting our customer service standards is a key performance indicator. Our digital transformation must deliver customer benefit and not compromise our ability to maintain critical services to them, as well as maintaining the integrity of the register.

## Digital targets



# › 4. Opening our data

**An open approach to data is one of the three main strands of HM Land Registry's ambition. We will publish a wide variety of data in high quality and accessible formats to enable it to be used by anyone with an interest in land registration information, supporting the growing digital economy and adding to the nation's land and property geospatial intelligence.**

## Data publication

HM Land Registry holds a rich variety of publishable data of potential interest to individuals, customers, governments, lawyers, conveyancers and financial institutions. Every plot of registered land has a unique register title with corresponding number and plan. Information stored relates to people, places, rights and restrictions.

Our open approach to data has enabled new service products such as MapSearch and Property Alert. We already publish a range of data including monthly Price Paid Data<sup>6</sup> and monthly Transaction Data<sup>7</sup>, as well as the UK House Price Index<sup>8</sup> (published on behalf of the Office for National Statistics, Registers of Scotland and Land and Property Services Northern Ireland).

The Government believes using data can support economic growth and demonstrate transparency. HM Land Registry, which holds information on 25 million land and property registered titles, will play an active role in enabling data transparency and supporting innovation through using our data.

Our plans will address how we can develop new products with public or private partners, ensuring they provide value for money and derive maximum value from our data. Over the next five years we plan to:

- make all of our publishable data accessible and restructure it to increase the ability to query and analyse the information, to enable greater automation of transactions and to build services that can link to other registers;

- work closely with our main partners and the industry to understand which data might be beneficial to our customers, and what services might be made easier or enabled in the future through optimising our data gathering and its release;
- drive greater data sharing across government and industry, building on initiatives such as our partnership with Ordnance Survey to encourage more use of our data to improve the conveyancing process and to support government policies; and
- make our data accessible and free of charge wherever possible and appropriate.

## Quality new open datasets

Specifically, *Fixing Our Broken Housing Market* has committed HM Land Registry to publishing, free of charge, two new datasets for:

- Commercial and Corporate Ownership Data; and
- Overseas Companies Ownership Data.

We have carried out research and market engagement in 2017 to draw up a roadmap for this and other specific data releases over the next five years.

The research has examined how HM Land Registry data releases might allow customers to provide automated sales progression and chain management tools to speed up completions and reduce the risk of chains breaking; and analysed the most appropriate method of supplying datasets without compromising anti-fraud and data protection requirements, while at the same time recognising and respecting third-party intellectual property rights.

We are also looking at publishing our comparative conveyancer data to provide the end consumer with a real picture of how well their conveyancer is performing, and to enable firms to track their relative performance.

6. <https://www.gov.uk/government/collections/price-paid-data>
7. <https://www.gov.uk/guidance/hm-land-registry-transaction-data>
8. <https://www.gov.uk/government/collections/uk-house-price-index-reports>

## Data quality

HM Land Registry provides a guarantee of land and property title to owners. We provide a service to protect interests in unregistered land (Land Charges Department) and maintain the bankruptcy index of England and Wales.

Data quality is fundamental to HM Land Registry's ability to provide its statutory function and future development. We rely on the skill and expertise of our colleagues and on the ease of use and efficiency of our systems and processes.

Enabling HM Land Registry to reach its ambition of being a world-leading land registry service and to uphold the values of the organisation involves taking a stringent approach to ensuring data quality.

We are baselining the quality of our core data, working with our customers and stakeholders to ensure the data held in the register is fit both for registration purposes and for re-use as accessible datasets.

We will implement any improvements needed to meet agreed quality levels that support the wider transformations for digitisation, comprehensive registration and our People Strategy, through a programme of data cleansing that will use a combination of automated and manual input.



## Data targets

2017/18	2018/19	2019/20	2020/21	2021/22
We will release the Commercial and Corporate Ownership and Overseas Companies Ownership Datasets	We will implement our data publishing platform	We will make 90% HM Land Registry (HMLR) publishable data available by March 2020	We aim to make all publishable data available where there is demand and a user need	We will make Find Property Information our single channel access to all HMLR citizen services



# › 5. Expert people

**Our colleagues are our most important asset – we will not be the best without the best people. They need to be empowered and supported in realising the ambition for HM Land Registry to become the world’s leading land registry for speed, simplicity and an open approach to data.**

## Developing our skills

We will continue to develop the skills of our caseworkers to enable them to become the most digitally skilled land registration experts, blending their registration expertise with digital systems to focus on exercising judgement on registration applications.

We will invest in developing leadership and management skills through a new learning and development framework, giving our people an opportunity to work towards professional standards, aligned to both government and external benchmarks.

In parallel we will introduce a new individual performance management framework explicitly linked to skills and capability planning. We will identify current and future skills requirements and use professional validation modules to assess gaps. We will establish clearly defined career paths and personal development plans which will enable staff to build and maintain their skills, and to seize opportunities for promotion and progression.

We will develop routes for technical, management and customer services career progression, and establish a Head of Profession in a number of business areas to build and enhance professional standards. We will complement these steps through new talent programmes both to build potential for the future and to retain valuable skills and experience where we need to. We will continue to develop specific programmes linked to professions to increase core skills including financial, commercial, digital and project management.

We will maximise our links into cross-government professional groups such as the legal, finance, commercial, communications, human resources and operational delivery professions, better utilising cross-government experience and initiatives to improve how we manage and deliver our services.

## We will build capacity and capability

HM Land Registry is a demand-led organisation, providing statutory functions. We will ensure our core registration services and transformation programmes are resourced properly through high-quality resource planning. Matching resources to demand involves continuous assessment and reassessment of both forecasted volumes and available casework resource.

We will maintain an annual strategic workforce plan to develop flexible approaches that enable a programme of structured, regular and proactive recruitment and effective deployment of existing colleagues to deal with changing resource levels and needs across the organisation.

We will establish defined entry routes for all professions to secure our future expertise, and ensure our reward packages attract and retain high-performing people. We will sometimes need to procure specialist partners to bring in additional expertise and capacity but, where that occurs, knowledge transfer will be central to how those roles are fulfilled.

## Modernising and reshaping the organisation

This Business Strategy contains a wide range of transformational measures that will require fundamental organisational change within HM Land Registry to drive productivity, make efficiencies and optimise the benefits for the organisation, our customers and our people.

During 2017 we have established a new senior management structure with clear accountabilities to lead HM Land Registry in becoming a more effective and efficient organisation, implementing the ambition and values described in this Business Strategy. As we complete recruitment into the new senior management structure over the next few months, we are restructuring our teams to improve the experience for our customers and our people, and to respond to the needs of this strategy.

We are using the Model Office initiative described on page 10 to test and implement new structures, roles and responsibilities; rapidly rolling out improvements that increase productivity, drive efficiency, raise effectiveness and improve colleague engagement.

As well as putting in place the means to build capacity and skills within well-defined roles that

give colleagues tailored development plans, we will ensure equal opportunities for advancement and promotion alongside a review of our pay structure.

Digitisation and automation of services will reduce the estates requirement. Comprehensive registration and investment in the integrity of the register and the quality of our data, along with potential new services, will require quality, flexible accommodation for our people. We will embed the principles of smart working into our operations and link this into our future estates design so that we can provide flexible and modern workplaces with colleagues enabled to work remotely and flexibly as their work and circumstances require.

### Empowering our people

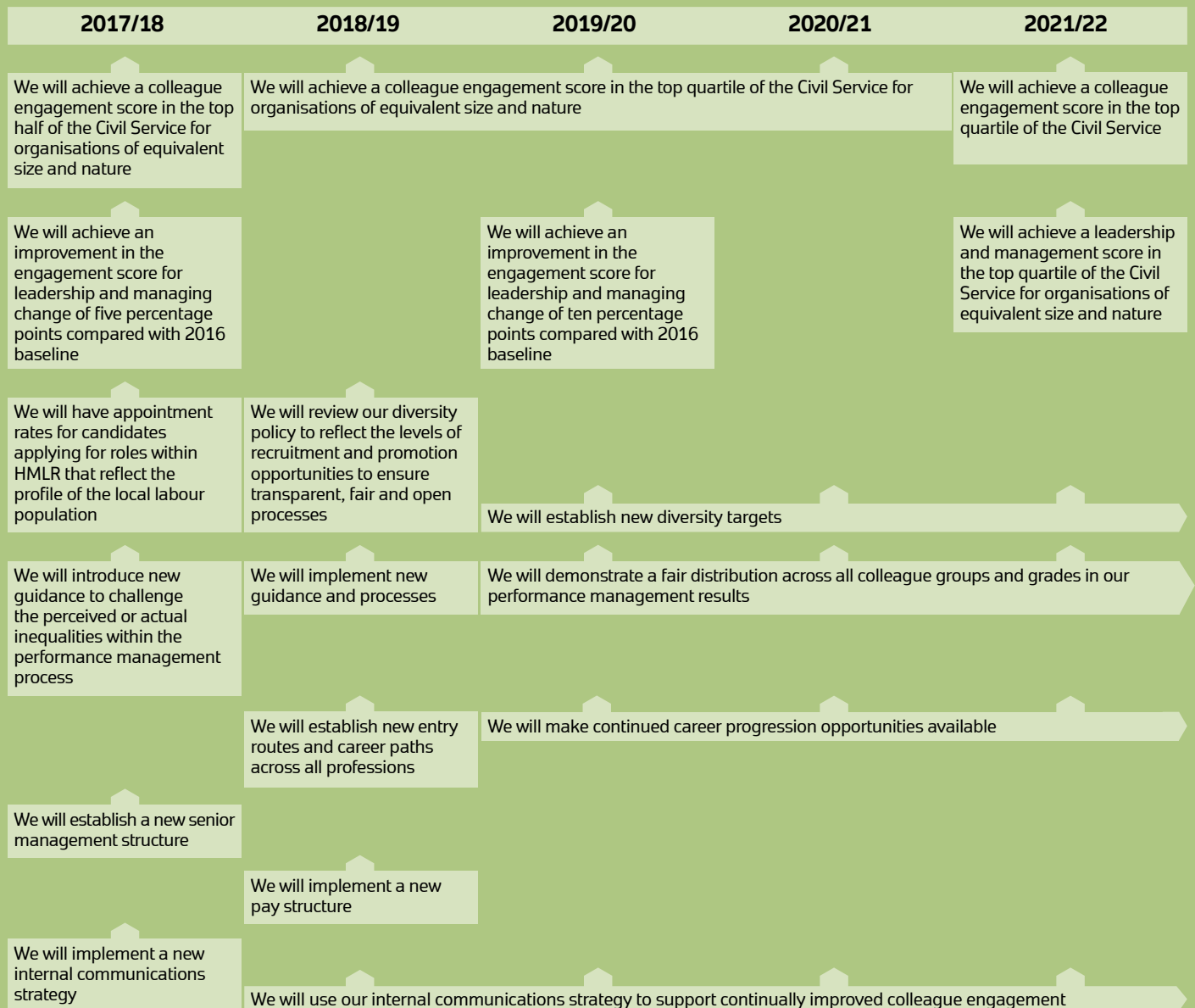
Achieving our ambitious plans will rely on the commitment of our expert colleagues. By actively involving them in our change programmes we will

create a customer-focused culture that recognises the value of their skills alongside lean processes and procedures.

We will help to reset expectations of both managers and colleagues to ensure that roles and personal responsibilities are clearly aligned, offering meaningful, rewarding and challenging work in an environment where staff are well-managed, well supported and empowered to do their best.

We will strengthen and widen the involvement of our colleague engagement network across our organisation to put in place a refreshed engagement plan, building on existing networks that reflect our diverse backgrounds and working arrangements. A new internal communications strategy will help to embed our values into our processes, policies and the way we work so they truly guide and reflect everything we do.

## People targets



# › 6. Financially strong

**Our Medium Term Financial Strategy explains how HM Land Registry will operate in an uncertain economic climate where predictions about the property market are hard to make.**

## Planning for uncertainty

A potentially fluctuating property market makes it hard to predict the volume and nature of HM Land Registry workloads, and we need to be resilient in response to unanticipated changes including in customer demand and emerging technology.

It is easier to plan financially with greater accuracy over the first three years than for future years. Our core planning assumptions show that our revenue from fees over the five years of this Business Strategy will be sufficient to fund the investment priorities, although modest annual surpluses and deficits may need to be smoothed out across the period, a flexibility that our status as a trading fund supports, and which we would manage through fee orders where necessary.

We have processes in place to reassess our forecasts regularly. If there were to be a major economic downturn, we would consider a range of options to make sure our budget position was sustainable. These would include revising our recruitment plans, reprioritising transformation investment and raising the profile of our initiatives to introduce comprehensive registration and improve our data quality.

## Efficient work environments, modern and right-sized

HM Land Registry's estates requirements will vary over the next five years, driven by the changing needs of our business and the market.

The objective of our Estates Strategy is to operate out of cost-efficient locations of the right size which meet our needs as an organisation and embrace the government estates strategy.

Our approach proactively looks for property disposal opportunities and embraces smart working principles, so we can provide flexible and modern workplaces with an average 8m<sup>2</sup> per full-time equivalent.

## Affordability and fees

We are forecasting a significant investment in transformation projects, profiled over the next five years. Our customers' needs and expectations are changing too, whether business customers or individual citizens, and we need to be in a position to respond quickly.

Our investment in digital technology will make us more resilient and better able to respond to changes in the market and is expected to deliver a wide range of positive outcomes for our stakeholders. Our fee arrangements need to match the pace of our implementation of new and improved services.

We will aim to introduce a new fee order in 2018 that makes fees simpler for our customers and our colleagues and supports a digital rather than paper-based registration process. This may need to be revised again during the life of this strategy depending on how property transactions change over time.

## Medium Term Financial Strategy

HM Land Registry has made a range of efficiencies in recent years, reducing our operating costs significantly through downsizing our estate and reducing the number of people working within the organisation. Our Medium Term Financial Strategy necessarily takes account of a range of strategic issues to support our ambition and our statutory function.

This Business Strategy focuses on continuous improvement of our processes and technologies, expansion of our services to meet customer demands and investment in our people and their working environment.

Our financial planning takes account of inputs from the individual transformation programmes and supporting strategies, and is based on a range of key assumptions, that:

- fee income remains as per current volume projections;
- all aspects of this strategy are incorporated, including comprehensive registration, data quality and recruit-to-replace activity to continue to refresh the workforce; and
- there is significant investment in the digital transformation of land registration and the way that charges are registered and searched.

Our forecasts for income and costs have been derived by taking a ‘most likely’ case estimate between the optimistic and pessimistic forecasts of property market activity and market pressures over the foreseeable future, projecting current market trends and overlaying confidence levels to ascertain likely outcomes. The property market is dependent on many variables. These estimates take account of appropriate hedging and contingency.

Our financial plans and assumptions will be subjected to regular annual review and agreement alongside our annual targets, adapting to new information, learning from experience and responding to emerging government policy.

Our trading fund status means that HM Land Registry is able to balance the financial position across a number of years to deliver this Business Strategy.

## HM Land Registry finances

Statement of comprehensive income (£m)	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Total revenue</b>	<b>301.0</b>	<b>301.1</b>	<b>302.1</b>	<b>304.0</b>	<b>307.6</b>
Operating costs	(257.4)	(254.0)	(248.2)	(241.4)	(239.7)
Project costs	(20.2)	(26.8)	(28.8)	(30.8)	(32.9)
Exceptional costs	–	–	(8.7)	(6.8)	(2.5)
Dividend and interest	(19.9)	(21.9)	(22.5)	(23.2)	(24.3)
<b>Retained earnings for the year (excluding Local Land Charges (LLC))<sup>9</sup></b>	<b>3.5</b>	<b>(1.5)</b>	<b>(6.1)</b>	<b>1.8</b>	<b>8.4</b>
<b>Capital expenditure (excluding LLC) (£m)</b>					
Transformation projects	(4.1)	(10.0)	(10.0)	(10.0)	(10.0)

## Medium Term Financial Strategy (MTFS) March 2017 – key assumptions

Workload	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Total applications by type</b>					
Leasehold creation from existing title, splitting freehold titles and new title creation	540,500	536,544	537,071	537,790	538,697
Update Existing Title <sup>10</sup>	5,037,700	4,951,540	5,026,857	5,103,680	5,182,040
Register query services	26,047,600	26,092,015	26,139,177	26,188,972	26,241,295
<b>Total</b>	<b>31,625,800</b>	<b>31,580,099</b>	<b>31,703,104</b>	<b>31,830,443</b>	<b>31,962,031</b>
<b>Inflation Rates for main cost drivers</b>					
Staff costs (Current pay guidance)	1.0%	1.0%	1.0%	1.0%	1.0%
Overheads (GDP deflator from ONS)	0.0%	1.9%	2.1%	2.2%	2.2%
Indemnity (House price indexation [compounded])	0.0%	4.9%	5.6%	5.6%	4.8%
Dividend (CPI - 12 month average movement)	0.7%	1.0%	1.0%	1.0%	1.0%
<b>Staffing (FTE)</b>					<b>5 year Total</b>
Total attrition - all leavers					1,655
New recruitment (incl Apprenticeships) planned					741
<b>Potential net staffing reductions</b>					<b>914</b>
<b>Assumed productivity gain through system efficiencies</b>					<b>21%</b>
Funded positions for recruit to replace in MTFS, if required <sup>11</sup>					684
<b>Net staffing reduction funded in MTFS</b>					<b>230</b>

<sup>9</sup> LLC programme spend subject to continuing discussions with HMT and development of implementation plans and is therefore excluded from these summary projections.

<sup>10</sup> Over the period of the MTFS, it is anticipated that the proportion of digitised updates to existing title transactions will increase considerably.

<sup>11</sup> The MTFS prudently included funding for this additional positions to replace leavers, if required. The Digital Programme Business Case being developed is assessing whether these posts will be required or could be saved as additional efficiencies.

## Estates targets

2017/18	2018/19	2019/20	2020/21	2021/22
We will continually right-size the estates to an average of 8m <sup>2</sup> per full-time equivalent				Entire estates right-sized to an average of 8m <sup>2</sup> per full-time equivalent
We will retender the facilities management contract and HMLR will join the Department for Business, Energy and Industrial Strategy cluster				
We will reduce travel costs through remote working technology				

# › Strategic risks

**We have a clear ambition, a significant transformation plan and a clear focus on providing our statutory services, all of which carry risks that we will manage corporately and collectively.**

Each project in our portfolio actively maintains and manages its own risk register. Portfolio level risks associated with our transformation plans are owned and managed at executive level through our Transformation Board.

At the highest level strategic risks are identified, managed and mitigated by our Executive Board supported by the Audit Committee and Board to HM Land Registry.

Foremost among the summary of strategic risks below are potential economic uncertainty affecting overall transaction volumes, our ability to recruit to replace experienced colleagues leaving the organisation and obtaining the required level of transformational capacity and capability.

## **Business transformation**

Business Strategy outcomes might not be achieved at sufficient pace or to acceptable quality, so that original benefits anticipated cannot be realised for customers and the organisation.

## **Economic**

An economic downturn, substantially reducing application volumes below the current forecast, might adversely affect revenue and overall workload.

## **Integrity of the register**

The integrity of the register might be compromised due to poor quality or inadequate systems, security and data.

## **Volumes**

An inability to manage an increased workload in a market uplift might result in an increased backlog and problems with workflow.

## **Fraud**

An increase in financial exposure to registration fraud might arise through the registration or attempted registration of fraudulent dispositions or the misuse of any registration system by colleagues or those with authorised access.

## **Data**

The quality, accessibility or security of our published datasets might be compromised, resulting in potential loss of confidence in our data and associated reputational damage, and there is the risk that third party rights in our data may not be adequately protected.

## **IT**

Major operational failure of computing facilities or loss of capacity or capability of facilities might result in an inability to service our workload and to provide electronic services.

## **Cyber security**

Insufficient investment in, or ineffective implementation of, technical and personnel cyber security defences might increase the likelihood of a successful damaging cyber attack.

## **Reputation**

A failure to manage the reputation of HM Land Registry, including giving an inadequate response to adverse publicity, might lead to a loss of confidence in our ability to meet our statutory and other responsibilities.

## **People**

We might not have the right number of people with the right skills in the organisation to ensure we would meet future business needs.

## **Business continuity**

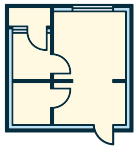
A sustained business continuity incident at one or more of our offices might have a detrimental impact on our ability to provide statutory services and implement the Business Strategy.

## **Government initiatives**

Potential government new initiatives may impact on pre-existing HM Land Registry work plans and priorities.

# Our future transformed

## The present



### Technology

Information services are mostly instant and accurate.

Simple registrations are dealt with quickly.

New registration processes are complex.



### Citizens and businesses

I find buying, selling and dealing with property complicated.

I find it hard to get all the information I need and then it is difficult to understand.

I don't really know what HMLR does – "my conveyancer deals with them".

Advice we get is not always consistent.

Access to data is good but we would like to use more.

HM Land Registry



### Our Colleagues

My work is interesting but I have too many systems to use.

I spend too much time on administrative tasks.

There are some opportunities for my personal development but limited opportunities for me to progress.

I want to be involved in and contribute to designing change.



### Financial institutions

HM Land Registry underpins £1 trillion worth of mortgages against £4 trillion of property.

HMLR systems are not well integrated with banks and building societies.

Current processes are clumsy, causing delays between parties.

Financial institutions use data-sync to verify their portfolio.



### Government

HMLR is an important institution that underpins the property market.

HMLR could do more to aid housing, infrastructure and transparency through open data.

HMLR should improve the way it works across government and with stakeholders.

# The future



## Transformed technology

Every street is digital.  
 Transformed digital register to bring even more security and speed.  
 Dealing with HMLR is quick and simple.  
 More than 95% of services are automated and digitised.  
 We are providing new services based on efficient conveyancing.  
 HMLR's data is helping the sector to operate more efficiently, making the process of buying and selling property easier for all.



## Transformed for colleagues

HMLR is customer focused, efficient and organised to give me a rewarding career and a meaningful role.  
 Automation and the new casework systems mean I can concentrate on using my professional judgement.  
 Our open approach to data means we work with partners across government and industry to share information.  
 Innovation of new products, processes and services is encouraged, common and fast.

HM Land Registry



## Transformed for financial institutions

We have a greater level of integration with HMLR systems, allowing automation of charges.  
 There are no delays between parties and processes are streamlined and transactions are delivered with speed and simplicity.  
 Digital mortgages and remortgages are used by approved and trusted partners.  
 Our security is enhanced by modern accurate systems and data.  
 HMLR's data is helping the sector to operate more efficiently, manage risk and streamline lending.



## Transformed for citizens and businesses

HMLR's digital services are cutting-edge, quick and easy to use.  
 I can find all the property information I need in one place even though I'm not a property expert.  
 Conveyancer performance information means I can choose the right firm for me.  
 I understand that registration protects my property interests.  
 Progress on comprehensive registration means my transactions are faster, simpler and cheaper.  
 HMLR processes integrate seamlessly with our own e-conveyancing systems.



## Transformed for government

HMLR has published all the data it can to support the economy.  
 HMLR has helped counter fraud and tax avoidance through greater transparency, data sharing and collaboration.  
 HMLR is a digital and data-driven registration business.  
 Statutory services are faster, simpler and cheaper.  
 HMLR's comprehensive register is directly supporting housing and infrastructure agendas.  
 HMLR is classed as one of the world's leading land registries for speed, simplicity and an open approach to data.

[www.gov.uk/land-registry](http://www.gov.uk/land-registry)