

**For discussion
on 21 April 1999**

EC(1999-2000)9

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

**HEAD 46 - GENERAL EXPENSES OF THE CIVIL SERVICE
Subhead 009 Recoverable salaries and allowances
(Land Registry Trading Fund)**

Members are invited to recommend to Finance Committee the creation of the following new rank and supernumerary post under the Land Registry Trading Fund for a period of three years from 14 May 1999 -

1 Principal Land Registration Officer
(D1) (\$98,250 - \$104,250)

offset by the deletion of the following permanent post -

1 Chief Land Registration Officer
(MPS 45 - 49) (\$76,485 - \$88,115)

PROBLEM

The Land Registrar needs dedicated directorate support to implement a Strategic Change Plan (SCP) that will enhance the operation of the Land Registry (LR) by centralising its registration functions in one office and replacing the existing system of deeds registration with one of title registration.

/PROPOSAL

PROPOSAL

2. We propose to strengthen the directorate structure of the Land Registry to implement the SCP by creating one supernumerary post in a new rank of Principal Land Registration Officer (PLRO) (D1), offset by the deletion of one Chief Land Registration Officer (CLRO) post, to head the Change Project Division and to co-ordinate and manage all aspects of the SCP.

JUSTIFICATION

3. There are at present nine district land registries. Each registry maintains its own staff to provide land registration and land search services in respect of the properties in the district. There are diseconomies of scale under such an arrangement.

4. In order to provide a more convenient and cost-effective service to the public, the Land Registrar proposes to implement the SCP that aims to -

- (a) centralise the registration and search functions of the land Registry in one office under the Central Registration System (CRS); and
- (b) change the registration of land documents from deeds registration to a land title registration system (LTS).

Encl. 1 5. The study on the SCP concludes that the CRS and the LTS will bring substantial improvements jointly and severally to the operations of the LR and its customers (Enclosure 1). As LTS is independent of CRS and subject to the introduction of new legislation, the Land Registrar proposes to introduce CRS as soon as possible to enhance productivity and pass on the benefits to customers.

6. The transition to a system of central registration will be a complex exercise involving a number of sensitive and major issues such as comprehensive accommodation rescheduling, information technology (IT) restructuring, human resources management and training, business process re-engineering and liaison with customers, solicitors and the real estate industry. In particular the IT restructuring will require an in-depth assessment by specialists of the department's

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future IT needs to implement the SCP; this assessment will need to be closely managed and co-ordinated to ensure a timely and cost-effective product. In addition, the Land Registration Ordinance will need to be amended to accommodate the CRS.

7. The Land Registrar has recently set up a Change Project (CP) Division to manage all aspects of the SCP. The CP Division comprises one CLRO and one Senior Land Registration Officer, deployed from the in-house team created for the SCP study. The Land Registrar considers that, for the successful implementation of the SCP, it is necessary for the CP Division to be headed by a directorate officer who will undertake the role of Change Manager (CM). The CM will be responsible for devising and implementing new operational procedures for all aspects of the Registry's operations and for formulating transition strategies to achieve specific targets and goals for each implementation phase of the SCP to ensure that existing operations of the LR are not disrupted. To this end, he will co-ordinate the work of the IT specialists, legal professionals and departmental staff involved in the SCP to ensure timely and appropriate implementation of each phase. He will also be responsible for ensuring that the change plan is effectively communicated to all staff and receives their full support. He will prepare LR staff for key job changes by drawing up training plans with reference to the competency gaps identified. He will liaise with Government Property Agency on the office accommodation requirements and layouts arising from the amalgamation of nine district registration offices under the CRS. He will conduct consultation programmes and publicity activities to secure the support of LR clients and other interested organisations for the smooth implementation of the plan. The CM will also be responsible for examining other new initiatives that could improve the LR's services even further; such initiatives include the use of Chinese in the registers and the feasibility of electronic registration. The LegCo Planning, Lands and Works Panel was briefed on the CM post at its meeting on 23 March 1999. A CRS Project Plan is at Enclosure 2.

Encl. 2

8. At present there are two directorate officers, namely the Registry Manager (D2) and the Business Manager (D1), working under the Land Registrar (D4). The Registry Manager is responsible to the Land Registrar for the overall management, supervision, co-ordination and planning of the operations of the Urban Land Registry and the eight New Territories Land Registries. She is tasked with the delivery of efficient and cost-effective land registration and search services. The Business Manager reports to the Land Registrar on all financial management and accounting functions. She formulates business strategies and

/plans

plans to enable the Land Registry to be commercially viable and to meet its financial targets. She also plays a significant role in pricing policy, setting and monitoring of service standards and resource allocation in order to ensure effective implementation of the business strategy. Both the Registry Manager and Business Manager are also actively engaged in pursuing strategies to implement the Enhanced Productivity Programme (EPP). The existing directorate officers are therefore fully engaged in their present duties and they do not have sufficient capacity to take up the responsibilities of the CM post which requires a full-time dedicated officer.

9. In view of the importance, magnitude and complexity of these tasks, we consider that the CM post should be ranked at D1 level and be filled by a member of the Land Registration Officer (LRO) grade who is thoroughly conversant with the Land Registry's IT systems and legislation. As there is at present no D1 rank for the LRO grade, we propose to create a new rank of PLRO at D1 level and create a supernumerary post for three years, by which time the CRS is expected to become fully operational, but we will review progress in mid-2001. We will delete the existing CLRO post in the Division upon creation of the proposed PLRO post. The proposed duty list of the PLRO post, to be known departmentally as the Change Manager, is at Enclosure 3.

Encl. 3

10. The proposed organisation chart of the Land Registry is at Enclosure 4. We will review the need for this supernumerary post as the CRS rolls out.

Encl. 4

FINANCIAL IMPLICATIONS

11. The additional notional annual salary cost of this proposal at mid-point is -

	\$	No. of Post
New Supernumerary post PLRO (D1)	1,213,200	1
Less		
Permanent post to be deleted CLRO (MPS45-49)	985,260	1
	<hr/>	<hr/>
Additional Cost	227,940	0
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12. The additional full annual average staff cost of the proposal, including salaries and staff on-costs, is \$349,632. We have included sufficient provision under the 1999-2000 Land Registry Trading Fund Business Plan to meet the costs of this proposal.

13. The funding requirement to implement the above proposal represent 0.09% of the estimated total recurrent expenditure of the Land Registry. Therefore, the proposal will have minimal impact on fees.

14. The Land Registrar targets to reduce the establishment of the Land Registry by 71 posts upon full implementation of the SCP. This would save \$14.2 million at annual mid-point salary cost. He also envisages savings in accommodation requirements by 1 985m², as well as in paper consumption of some 16 million pages per annum. In total, the Land Registrar aims to achieve \$20 million annual savings in staff and other costs.

BACKGROUND INFORMATION

15. The Land Registrar is the General Manager of the Land Registry Trading Fund (LRTF) established under the Trading Funds Ordinance to operate on a self-financing basis. The Land Registrar is responsible to the Secretary for Planning, Environment and Lands for the performance of the LRTF and for advising on policies and legislative issues concerning land registration and the registration of title to land. The LRTF is responsible for maintaining an efficient and effective land registration and search system to facilitate the orderly conduct of land transactions.

16. Following a review of LRTF's operations, the Land Registrar has developed a SCP under which he proposes to establish by 2001 a fully computerised and integrated CRS that will offer more convenient, speedy and cost effective services. The SCP envisages the amalgamation of nine existing district registration offices into a single central land registration office to provide a 'one-stop' search service without geographic restriction and the replacement of the existing system of deeds registration with a simpler and more secure system of title registration. The Land Registrar believes that these changes, together with the upgrading of the CRS to take advantage of recent information technology developments in scanning, optical reading technology, and automated document tracking, will enable the Land Registry to improve substantially the quality, speed and efficiency and to reduce the costs of its services. The anticipated benefits of the SCP are summarised at Enclosure 1.

CIVIL SERVICE BUREAU COMMENTS

17. Having regard to the justifications put forward, the Civil Service Bureau supports the creation of the proposed supernumerary directorate post in the Land Registry and considers the grading and ranking of the proposed post to be appropriate having regard to its level of responsibilities and the complexity of the project.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

18. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the Principal Land Registration Officer would be appropriate if the post were to be created.

Planning, Environment and Lands Bureau
April 1999

Summary of Benefits of the Strategic Change Plan

- (1) To provide property purchasers with clarity of title.
- (2) To provide property owners with guaranteed title to their properties.
- (3) To simplify conveyancing procedures and therefore reduce costs.
- (4) To streamline search and registration procedures and therefore reduce property transaction time.
- (5) To enhance data integrity.
- (6) To reduce the Land Registry's establishment by 71 staff (11%).
- (7) To reduce the Land Registry's accommodation requirements by 1 985 square metres (19%).
- (8) To achieve savings in staff and other recurrent costs of \$20 million (6% of annual costs).
- (9) To save 16 million pages of paper per annum.
- (10) To accelerate the feasibility studies of numerous business improvement practices for the Land Registry.
- (11) To explore cost-effective means to deliver the Land Registration System services using modern information technology .

Implementation of Central Registration System

ID	Task Name	Duration	Start	Finish	1998	1999	2000	2001	2002	2003
					98	99	00	01	02	03
1	Policy Endorsement on SCP	1d	22.04.98	22.04.98	◆					
2	Consultation Programme	117d	08.06.98	17.11.98	■					
3	SCP Internal Consultation	44d	08.06.98	06.08.98	■					
4	CRS External Consultation	36d	29.09.98	17.11.98	■					
5	Selection of Consultant to Conduct ISSS	157d	07.09.98	13.04.99	■					
6	Issuing of EOI & CCSB Stage 1 Submission	62d	07.09.98	01.12.98	■					
7	Issuing of RFP & CCSB Stage 2 Submission	17d	15.02.99	09.03.99		■				
8	ISSS Contract Negotiation	8d	22.03.99	31.03.99		■				
9	CCSB's Approval of Contract Agreement	1d	13.04.99	13.04.99		◆				
10	ISSS & Drafting of Tender Documents	228d	20.04.99	02.03.00		■				
11	ISSS Period	133d	20.04.99	21.10.99		■				
12	Presentation & Acceptance of ISSS Report	7d	22.10.99	01.11.99		■				
13	Tender Exercise to Assign Consultant to Draft Tender Documents	30d	25.10.99	03.12.99		■				
14	Drafting of Tender Documents	30d	10.12.99	20.01.00		■				
15	Acceptance of Draft Tender Document	30d	21.01.00	02.03.00		■				
16	ISSS Implementation	731d	03.03.00	20.12.02			■			
17	Tender Exercise to Select Business Partners to Implement ISSS	90d	03.03.00	06.07.00			■			
18	Contract Negotiation	21d	07.07.00	04.08.00			■			
19	Detailed User Requirements Study	70d	07.08.00	10.11.00			■			
20	Systems Development (Core Systems) (timeframe advised by SSM/ITSD)	283d	13.11.00	12.12.01				■		
21	Systems Live Run (Core Systems)	1d	13.12.01	13.12.01						◆

Project : CRS

Date : 22.4.98

Task



Milestone



Rolled Up Task



Rolled Up Progress

Progress



Summary



Rolled Up Milestone



Implementation of Central Registration System

ID	Task Name	Duration	Start	Finish	1998	1999	2000	2001	2002	2003
					98	99	00	01	02	03
22	Documentation & User Training (Core Systems)	90d	17.08.01	20.12.01				■		
23	Systems Development (Non-core Systems) (timeframe advised by SSM/ITSD)	260d	14.12.01	12.12.02					■	
24	Systems Live Run (Non-core Systems)	1d	13.12.02	13.12.02					◆	
25	Documentation & User Training (Non-core Systems)	90d	19.08.02	20.12.02					■	
26	Offices Relocation Programme	154d	02.04.01	01.11.01				■		
27	Confirm Detailed Accommodation Requirements	21d	02.04.01	30.04.01				■		
28	Prepare Shortlist of Suitable Sites	14d	01.05.01	18.05.01				■		
29	Lease Terms Negotiation	30d	21.05.01	29.06.01				■		
30	Draw Up Possession & Vacation Schedule	14d	02.07.01	19.07.01				■		
31	Design Layout & Draw Up Fitting Out Plan	28d	02.07.01	08.08.01				■		
32	Fitting-out & Sites Preparation	60d	09.08.01	31.10.01				■		
33	Move Into New Sites	1d	01.11.01	01.11.01				◆		
34	HRM Programme	205d	01.03.01	12.12.01				■		
35	Confirm Actual CRS Strength Requirement	21d	01.03.01	29.03.01				■		
36	Formulate Phasing-out Plan	90d	30.03.01	02.08.01				■		
37	Brief Staff on Phasing-out Plan	21d	03.08.01	31.08.01				■		
38	Phase out Excessive Staff	1d	12.12.01	12.12.01				◆		
39	Identify Training Needs	14d	02.04.01	19.04.01				■		
40	Draw Up Training Plan	7d	20.04.01	30.04.01				■		
41	Prepare Training Materials, Guides & Manual	30d	01.05.01	11.06.01				■		
42	Deliver Training Programme	120d	12.06.01	26.11.01				■		

Project : CRS

Date : 22.4.98

Task Milestone Rolled Up Task Rolled Up Progress

Progress Summary Rolled Up Milestone

Implementation of Central Registration System

ID	Task Name	Duration	Start	Finish	1998	1999	2000	2001	2002	2003
					98	99	00	01	02	03
43	Review Feedback & Decide Follow-up on Training Programme	7d	27.11.01	05.12.01						
44	Publicity Programme	200d	17.01.01	23.10.01						
45	Draw up Publicity Plan	30d	17.01.01	27.02.01						
46	Prepare Publicity Materials	120d	28.02.01	14.08.01						
47	Kick off Publicity Programme	1d	15.08.01	15.08.01						
48	Review Feedback & Decide Follow-up on Publicity Programme	7d	15.10.01	23.10.01						
49	Legislation Programme	190d	02.04.01	21.12.01						
50	Prepare Drafting Instruction	60d	02.04.01	22.06.01						
51	Prepare & Submit ExCo Paper	40d	25.06.01	17.08.01						
52	Enact Amendments to LRO & LRR	1d	02.10.01	02.10.01						
53	Design Prescribed Form & Arrange Printing	60d	01.08.01	23.10.01						
54	Fix the Appointed Date & Gazette the Date	21d	03.10.01	31.10.01						
55	The Appointed Day	1d	21.12.01	21.12.01						

Project : CRS

Date : 22.4.98

Task



Milestone



Rolled Up Task



Rolled Up Progress



Progress



Summary



Rolled Up Milestone



Job Description of the Change Manager (CM)

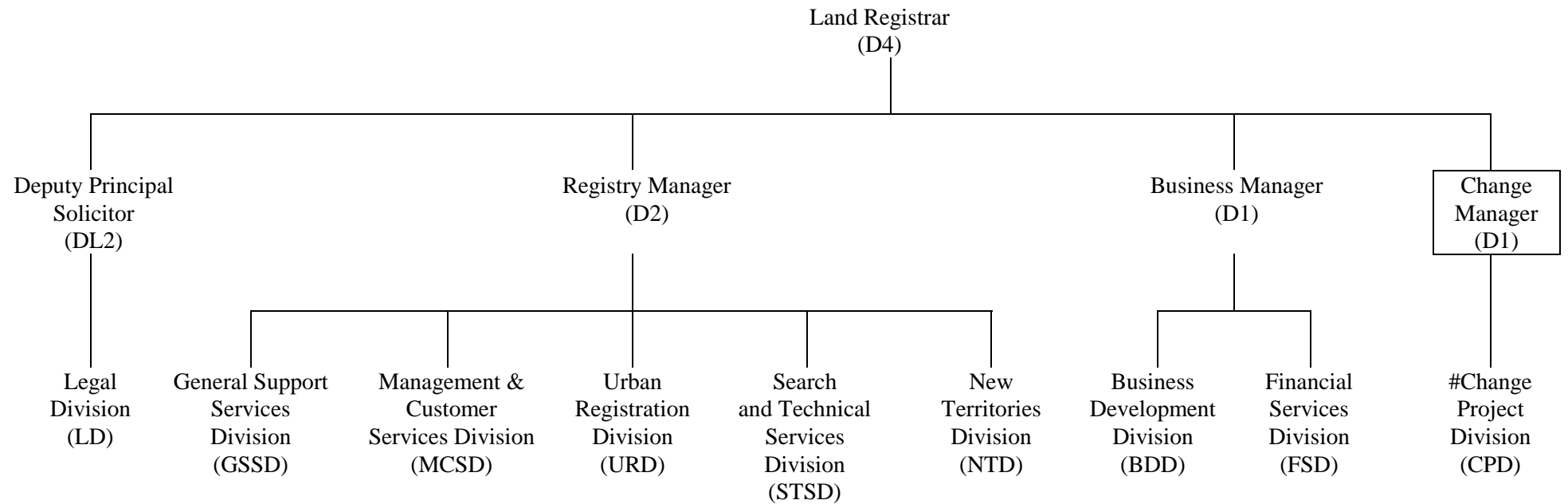
Rank : Principal Land Registration Officer (D1)

Responsible to the Land Registrar for the following main duties and responsibilities -

1. To ensure timely and successful implementation of the recommendations in the Land Registry Strategic Change Plan, particularly the two key Change Drivers, namely the Central Registration System (CRS) and the Land Title System (LTS).
2. To devise a new integrated flow system for the revised business processes that will emerge from both CRS and LTS, and to review and re-design accommodation requirements in the Land Registry's headquarters to reflect these changes.
3. To devise and implement a programme for the transfer of registration services from the NT offices to the Land Registry's headquarters, and to identify revised accommodation equipment and staffing requirements of the re-organised NT offices.
4. To draw up training plans with reference to critical competencies.
5. To secure commitment of all Land Registry staff and support for the Strategic Change Plan.
6. To liaise with clients and interested bodies to secure their support for the smooth implementation of the CRS : in particular to prepare and co-ordinate appropriate consultation and publicity programmes, including LR Circular Memoranda.
7. To head the Change Project Division and to liaise closely with the IT Division and the Legal Division in equipping the Land Registry with a fully automated land title registration system, in preparing drafting instructions for amendments to the Land Registration Ordinance to effect CRS, and, in due course, in co-ordinating the operational aspects of the Land Titles Bill and Regulations.
8. To act as co-ordinator with the consultants to be appointed to conduct the Land Registry's Information Systems Strategy Study.

9. To liaise with the Deputy Principal Solicitor in consulting the Law Society, clients, and interested bodies to secure their support for the smooth implementation and operation of LTS. In particular, to prepare and co-ordinate appropriate consultation and publicity programmes.
10. To prepare and co-ordinate appropriate arrangements in the Land Registry for switching from a deeds to a title system, in preparation for the enactment of the Land Titles Bill.
11. Any other duties assigned by the Land Registrar.

Proposed Organisation Chart of Land Registry



new post sought in this ESC paper

currently headed by a Chief Land Registration Officer post. This post will be deleted upon creation of the proposed Change Manager post

