



LAND REGISTRY ACCELERATED TRANSFORMATION PROGRAMME

Consultation Responses Report

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Issued



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FOREWORD

On 22 October 2009 we announced our proposals for a five-year programme of reorganisation and transformation that will cut Land Registry's costs and put us in the best possible position to deliver the services our customers demand.

We opened a public consultation on 22 October 2009 on the proposed closure of our offices in Croydon, Peterborough, Portsmouth, Stevenage and Tunbridge Wells. The consultation closed on 29 January 2010. We have carefully considered all the responses and have now made our final decisions. This report looks at the responses we received, our consideration of them and how they have changed our final decisions.

I would just like to thank all those who took the time and effort to take part in this consultation either by responding, by attending a focus group or by completing questionnaires to help us gather data.

Marco Pierleoni

Chief Land Registrar and Chief Executive



1. SUMMARY

This report is Land Registry's response to the public consultation on the proposals announced on 22 October to close the Land Registry offices in Croydon, Peterborough, Portsmouth, Stevenage and Tunbridge Wells. The consultation document and business case for the proposals can be found on our website www1.landregistry.gov.uk/consultations. The consultation document set out the case for change and assessed the impact that the closures would have on our customers in an initial Impact Assessment (IA).

This document explores the inputs to the consultation and our responses to them (Section 3). It highlights the alternatives proposed (Section 4.6 and Annex C). It also includes the self-contained Impact Assessment (Annex A) which sets out the rationale for the changes and the impact that the changes would have on members of the public and businesses. During the consultation period we gathered further data from customers who visit our offices to allow us to test the assumptions we made in the initial Impact Assessment.

The consultation was wide-ranging and the Land Registry Board has, as a result of the input received, made a number of changes to the original proposals, namely:

- Croydon office will remain open in the existing premises; and
- Peterborough office will remain open but move to smaller premises.

Decisions regarding the other three offices are as follows:

- Portsmouth office will close by February 2011 but we will retain a sub-office, in alternative premises, until March 2013;
- Stevenage office will close by June 2011.
- Tunbridge Wells office will close by June 2011.

In addition, Land Registry's Head Office will move from its current location in Lincoln's Inn Fields to the Croydon office.

The Impact Assessment in Annex A considers the impact on our customers of these final decisions which are significantly less than the original proposals. The original assessment, set out in the Consultation Document was that we expected that the proposals would adversely affect our customers by about £160k per year. The revised assessment, based on the final decisions and the investigations and customer research undertaken over the last four months, is that the impact will be £90k per year.

The proposals to close the five offices were one part of a larger set of proposals made under Land Registry's Accelerated Transformation Programme (ATP). This report focuses on the public consultation only and not all the other elements. The overall programme is considered in the ATP Decisions Report, which is published alongside this report.



2. BACKGROUND

2.1 Land Registry

Her Majesty's Land Registry (Land Registry), established in 1862, is a government department in its own right, an executive agency and a trading fund that makes no call on monies voted by Parliament. By statute, we are required to ensure that our income from fees covers all of our expenditure under normal operating conditions.

Land Registry's functions are entirely statutory. The Land Registration Act 2002 empowers Land Registry to deal with "the business of registration under this Act" and is Land Registry's primary governing statute.

The head of Land Registry is the Chief Land Registrar, appointed under statute by the Lord Chancellor. The Chief Land Registrar is also Land Registry's Chief Executive and Accounting Officer. The Chief Executive is solely responsible for the effective and efficient day-to-day management of Land Registry, subject to financial and legislative parameters.

Under the Land Registration Act 2002, we are able to pursue additional statutory functions relating to land registration (such as provision of property information) and develop and provide "e conveyancing" services.

2.2 The proposals

On 22 October 2009 the LR Board announced the following proposals for the Accelerated Transformation Programme (ATP):

- A 1500 reduction in Land Registry staff (in FTE terms) to 4500 by 2011;
- The closure of five offices (Croydon, Portsmouth, Peterborough, Stevenage and Tunbridge Wells) and the selling of those offices owned by Land Registry;
- A reduction in the number of RO and RA grade staff in operations to about 125;
- The outsourcing of a number of support services by late 2011 and the establishment of a partnership arrangement with the private sector for New Business Development;
- The sale of the Lincoln's Inn Fields site;
- Further reviews into: a) the long-term location for Head Office; b) the board-level governance of Land Registry; and c) the office accommodation in Plymouth; and
- A review to be undertaken in 2011 into any further changes but with a working assumption that staff numbers would be further reduced to 3750 by 2014 with the closure of two further offices.

The consultation document and business case are both available on our website www1.landregistry.gov.uk/consultations and set out the full rationale and reason for the proposed changes.

2.3 Summary of consultation process

The public consultation was launched on 22 October 2009 and ran until 29 January 2010. Alongside the public consultation, we ran an internal consultation with trade unions and staff.



Whilst consultation with staff and trade unions covered all of the proposals, the public consultation was only in respect of the local office closures in Croydon, Peterborough, Portsmouth, Stevenage and Tunbridge Wells.

As part of the consultation we ran focus groups for customers, held staff meetings with Directors, met with MPs and Local Councils and gathered data from visitors to our Customer Information Centres (CICs).

In total, 359 responses were received to the public consultation. These responses came from a range of stakeholders including staff, members of the public, MPs, customers and representative bodies. The main points raised during consultation are set out in more detail in Section 4.1 below but include:

- alternative proposals for staff reduction involving voluntary rather than compulsory redundancy;
- concerns over the future of staff currently in the RO and RA grades;
- opposition to the proposal to recruit staff whilst existing staff are made redundant;
- concerns over the lack of any local office in the South East if the proposals go ahead and the impact on face-to-face services;
- general opposition to the outsourcing proposals and some specific alternative suggestions; and
- suggestions that optimistic productivity assumptions and pessimistic forecasts of future intakes had been used.

Overall very few of the responses proposed that Land Registry did not have to change and react to the position in which it finds itself. Responses from those most opposed to the proposals focused primarily on the degree of change and on how the change might be implemented.



3. THE PUBLIC CONSULTATION

3.1 The questions

The consultation document asked respondents to consider the following six questions (please note, all references to Sections or Annexes refer to parts of the Consultation Document):

1. Given the recent events and our financial position (set out in Section 2) and the need to reduce costs, staffing and surplus estate (explored in Section 3), do you consider that any other broad approaches should be explored? What would be the comparative advantages and disadvantages of any such approaches?
2. Do the criteria for closure and retention (in Tables 3 and 4) address the factors that should be taken into account when assessing offices for closure? Are any factors missing – and why? Should any be removed – and why?
3. Have the criteria set out in Tables 3 and 4 been applied correctly in the assessments given in Annex G?
4. Given the material presented on equality impact in Annex F and the input from CLG (in Section 4.2), have the equality and socio-economic impacts of the proposals been properly assessed?
5. Are there any additional impacts (over and above those set out in Section 5 and Annexes F and G) that should be taken into account in Land Registry's decision-making? If so, what are the nature and quantity of these impacts?
6. Have we correctly assessed the impact of our proposals on members of the public and businesses? Have we missed or under-estimated any substantive impacts? If so, what are the nature and scale of these impacts?

Whilst some respondents chose to use the set questions, others chose to reply in a free format without referring to the questions. All of the responses have been considered equally regardless of the method used. Where respondents didn't use the standard questions, we have considered their inputs under the appropriate question heading.

3.2 Launch and advertisement

The consultation was launched on 22 October 2009. The consultation document and business case were launched electronically on our website, in both English and Welsh, with copies in other formats available on request. Fifty five paper copies were made available to Parliament.

As a public consultation, anyone was able to respond but as part of the launch we informed and invited comment from in excess of 36,000 customers and interested parties. These contacts included customers, suppliers, contractors and stakeholders. We also wrote to MPs and Local Councils.

The initial launch had involved an article on the website homepage which linked through to the documents. After feedback about ease of navigation, an additional, bolder link was added to the homepage to assist potential respondents to find to the correct pages.

During the consultation period, 3776 copies of the consultation document were downloaded and 1987 copies of the business case.



3.3 Stakeholders communication

Land Registry's key external stakeholders for this consultation fall into two broad groups, one being those most closely impacted by the office closure decisions (such as the local authorities for an office proposed for closure or the local MPs), and the second being the main representative bodies of Land Registry's customers (such as the Law Society, RICS, Council for Mortgage Lenders, Society for Licensed Conveyancers and the Independent Complaints Reviewers).

The key representative bodies were included in the initial communication on 22 October and also received a follow up communication in December. Section 4.1 contains more information about responses from key external stakeholders.

The initial Impact Assessment identified the Police as a group of customers who may be affected by the proposals. The potentially affected Police forces were included in the initial communication on 22 October and a follow up contact was made in January reminding them of the proposals, the consultation and the closing date.

MPs and Local Authorities were included in the initial communication on 22 October and meetings were offered to the constituency MPs for each of the locations of offices proposed for closure. Councillors and other MPs requested additional meetings during the consultation, all of which were met. The following met with Land Registry representatives:

- Greg Clark, MP Tunbridge Wells
- The Right Hon. Frank Field, MP Birkenhead
- Barbara Follett, MP Stevenage
- Mike Hancock, CBE MP Portsmouth South
- Stewart Jackson, MP Peterborough
- Richard Ottoway, MP Croydon South
- Andrew Pelling, MP Central Croydon
- Cllr Gerald Vernon-Jackson, Portsmouth City Council
- Cllr Mike Fisher and Jon Rouse, CEO Croydon Borough Council
- Cllr Sharon Taylor and Scott Crudgington Acting CEO, Stevenage Borough Council
- Cllr Roy Bullock MBE and William Benson Deputy CEO, Tunbridge Wells Borough Council

In excess of 20 MPs took the opportunity to visit their local offices meeting primarily with trade unions but also staff and members of the local senior management team.

The proposals generated correspondence from a number of MPs. In total 70 letters relating to the proposals were received during the consultation period.

Whilst most of the meetings, visits and letters were an opportunity to ask questions and get a better understanding of the background to the proposals, any views, proposals or suggestions that were expressed have been included under the relevant questions.

3.4 Internal consultations

As part of the consultation with staff Director's visits were arranged to all offices. This enabled as many staff as possible to attend Q&A sessions, to understand more about the



reasons for the proposals, the decision making process and what will happen next. It also helped the Directors to get feedback from staff on the proposals and the impact that they would have on staff and the organisation as a whole.

An internal email address was set up to give staff a continual opportunity to ask questions specifically relating to the ATP programme or any of the proposals. 525 emails were received during the consultation period, many containing multiple questions. Some of these emails also constituted responses to the public consultation on office closures. Where this was the case, they have been considered and counted in Section 4 below. Annex B gives an overview of the main areas covered by these emails.

3.5 Customer research

During the consultation we carried out additional customer research. This research informed the Impact Assessment in Annex A and fed into the consultation responses. The research formed part of a larger piece of research, which was undertaken as part of the formation of our new Customer Strategy. It falls into four categories:

- Questionnaires filled in by visitors to our Customer Information Centres;
- Follow up telephone interviews;
- Statistics on diversity of visitors; and
- Focus groups of business customers set up to discuss the impact of the proposals in more detail.

Customer Information Centre (CIC) questionnaires

Visitors to CICs over a six-week period were asked to complete a questionnaire about their visit. The questionnaires were carried out for the public consultation but were also part of research for our Customer Strategy.

The reasons for visit results show the following:

Reason for visit	Citizen	Business Customer
Advice about Land Registry processes	11%	6%
Assistance in completing forms or processes	13%	4%
Enquiries about boundaries	6%	3%
Identity Check	11%	0%
Official searches	1%	4%
Personal inspection of files	1%	3%
Property ownership	18%	25%
Purchasing official copies	28%	40%
Other/Not stated	11%	15%

Other key findings included:

- The great majority of visits are made by members of the public. The ratio of visits between citizen and business customers is approximately 80:20;
- 23% of citizens don't have access to the Internet either at home or at work, which is broadly in line with national statistics;



- Most visitors use the CIC out of choice rather than necessity. They either find it more convenient or prefer to deal with matters face-to-face;
- Other channels are available for the majority of reasons for visit.

Telephone Interviews

Follow up telephone interviews were conducted by a market research company with 123 customers who had visited one of the five offices proposed for closure. This allowed for more sensitive questions to be asked such as what alternatives customers would have considered had the office not been there. The key findings were:

- Of those who visited for an identity check, 45% would have visited another office, 45% would have used a conveyancer and the remainder would have done something else;
- Of those visiting for a purpose other than an identity check, 36% would have visited another office, 32% would have used the Land Registry service through another channel, 18% would have visited a conveyancer and 14% either didn't know or would have done something else;
- 75% would be willing to travel for up to an hour to visit a Land Registry office.

This information is used further when analysing the impact on customers in the Impact Assessment at Annex A.

Diversity Statistics

Customers were also asked to complete an anonymous diversity questionnaire. This showed that in most areas, the statistics for the five offices proposed for closure were in line with the overall figures for Land Registry as a whole.

Across the organisation we have a relatively high number of visitors aged 56 and over. Just over 50% of the visitors to the offices proposed for closure fall into this category.

The offices proposed for closure have a slightly higher percentage of "BME" visitors compared to the overall Land Registry figure with the majority visiting Croydon or Peterborough.

The number of disabled visitors across the whole agency is 6%. The five proposed offices received, over the six week period, 7.9% with a higher proportion again visiting the Croydon office.

The data collected does not show that the proposals would have a significant impact against any particular group.

Focus Groups

Customer focus groups were arranged as an avenue for business customers to discuss the impact that the proposed closure of their local office would have on them and what could be done to mitigate those impacts.

Sessions were held in the Croydon, Peterborough, Portsmouth, Stevenage and Tunbridge Wells offices. Thirty six business customers originally contacted attended the sessions to share their views. To ensure impartiality, an external facilitator was used to run the sessions.



The key points arising from these focus group sessions were:

- a) The primary reasons to use a Customer Information Centre were:
 - preference and convenience and they can be quicker than other channels;
 - access to local knowledge and the working relationships with staff;
 - some things aren't available electronically, such as file plans held in paper format.
- b) The primary impacts of the proposed closures were considered to be:
 - loss of local skills;
 - a perception that service generally will suffer due to having less staff across the organisation;
 - loss of good and close working relationships with staff;
 - loss of the facility for members of the public to have IDs verified.
- c) The main mitigations for these impacts could be:
 - preservation of local skills;
 - retention of some local presence.
- d) Other general points / suggestions:
 - retain locations and move to smaller premises or rent excess space;
 - the South East should be left with a Land Registry presence;
 - Land Registry shouldn't be recruiting new staff when we're making others redundant;
 - concern that Land Registry did not have sufficient contingency in the event that the market recovers more quickly than anticipated.

Each session came up with largely the same issues, which were also broadly the same as the issues raised in consultation responses.



4. CONSULTATION RESPONSES

4.1 Overview

We received a total of 359 responses during the consultation period. The table below shows a breakdown by stakeholder grouping.

MPs	Members of Staff	Unions (inc branches)	Businesses	Members of the public	Other Government	Representative Bodies
15	177	4	107	36	12	8

Section 4.3 looks at the issues raised in detail but the table below gives an overview of some of the key inputs, the number of respondents and whether they were internal or external stakeholders. Many of the respondents raised a number of points. The totals in the table do not, therefore, sum to the total number of responses.

Area	Key points and concerns	No. of responses mentioning this issue		
		Internal	External	Total
General	Supporting the proposals		8	8
	General objection or unspecific concern	35	3	38
	Objection (using standard union “postcard”) to compulsory redundancies, office closures, and privatisation	Split unclear		362
Office closures	Alternative proposals involving voluntary redundancy offered across all Land Registry offices	55	6	61
	Alternative proposals for the Land Registry estate involving retaining the estate and renting out surplus space/ moving to smaller sites	62	18	80
	Some questioning of the criteria used	29	17	46
	Some questioning of the application of the criteria in the cases of individual offices	15	3	18
	General support for suggestions of others	93	12	105
	Perception that service will suffer due to closure	16	25	41
Lincoln’s Inn Fields	Head Office should not be used as mitigation for closure of South East CICs	7	1	8
Recruitment	Significant questioning of the need, cost and fairness of planning to recruit new staff in the same time period as making staff compulsorily redundant	47	6	53



Area	Key points and concerns	No. of responses mentioning this issue		
		Internal	External	Total
Move from South East	Limitations on the ability of staff readily to redeploy to other offices	11		11
	Difficulties in being able to service parts of the South East (e.g. Operational Surveyors / Register Development)	10	9	19
	Concerns on impact on customers visiting the offices and general lack of South East presence	21	23	44
Customer Service and Public Counters	Implications for customers currently visiting the offices	17	30	47
	Key issue appears to relate to identity checks	9	10	19
Customer Teams	The benefits of customer teams are not yet proven	7	2	9
Forecasts and Assumptions	Questioning the forecasts used in the business case	11	5	16
	Concerns over what might happen if volumes did increase at a significantly greater rate than anticipated - is there contingency?	17	8	25

Some of the responses were out of the scope of the public consultation, but were relevant to the ATP proposals overall. As they are out of scope for the public element of the consultation, they are not considered here. The ATP Decisions Report has considered these inputs in detail.

4.2 Stakeholder views

Land Registry's key stakeholders for this consultation fall into two broad groups, one being those most closely impacted by the office closure decisions (such as the local authorities for an office proposed for closure or the local MPs), and the second being the main representative bodies of Land Registry's customers (such as the Law Society, RICS, Council for Mortgage Lenders, Society for Licensed Conveyancers and the Independent Complaints Reviewers).

Local stakeholders

This group understood the need for Land Registry to make changes and was keen, in the case of a number of local authorities, to offer accommodation to assist retention of the office in the area. The primary concerns were:

- Accessibility to services if the counters are closed;
- The perceived loss of skills which were valued;
- The impact of the closure on the local economy; and
- The intention to recruit new staff whilst making existing staff redundant.



This group also questioned whether performance should have been included in the criteria used to assess closure (See Section 4.3 Question 2) and was concerned, more generally, with the impact of closures in the South East.

Representative stakeholders

This group recognised the need for Land Registry to reduce its costs and was supportive of the organisation tackling the problems it faces. The general feeling was that a local presence is not essential and that it is not necessary to maintain offices in all parts of England and Wales. Having said that, the key concerns of this group were:

- The need to maintain quality of service through the transition period and not to jeopardise business as usual;
- The difficulties of maintaining the commitment of staff during a period of change;
- The value of the skills built up by staff in the local offices;
- The contingency available should volumes rise faster than anticipated in the business case (though none suggested that they would);
- The loss of accessibility to services from the closure of the counter services; and
- The loss of local knowledge.

4.3 The main consultation responses

The Consultation Document asked for responses to six specific questions as referred to in Section 3.1 above. Although many of the responses did not address the questions directly, we have attempted to assess all the responses against the original questions. The inputs received as part of the consultation process and our responses to these inputs is set out for each question below. The reference in the consultation questions to Sections or Annexes refers to the sections or annexes of the Consultation Document.

Consultation Question 1:	
Given the recent events and our financial position (set out in Section 2) and the need to reduce costs, staffing and surplus estate (explored in Section 3), do you consider that any other broad approaches should be explored? What would be the comparative advantages and disadvantages of any such approaches?	
Summary of Inputs:	Responses:
Land Registry should use a voluntary redundancy/early release scheme across all offices rather than close offices and force staff into compulsory redundancy. Some suggested that any voluntary redundancies should be on compulsory terms.	The suggestion of using general voluntary redundancy rather than focused compulsory redundancy is a cornerstone of the alternative models which are discussed in more detail in Section 4.6. The new Civil Service Compensation Scheme terms which take effect from April 2010 clearly state that compulsory terms may only be offered where there is a genuine compulsory redundancy situation. This does not apply where volunteers are being invited. There is no transitional period for this change. Therefore any voluntary redundancies would have to be on the new discretionary terms.
There were numerous alternative estates options put forward. These were:	The most suggestions were for the reduction of estate through leasing out excess space or moving to smaller



<ul style="list-style-type: none"> • Retaining all offices but reducing excess estates through leasing excess space and / or selling current offices and moving into smaller premises. Some suggested the leasing of or moving into other Government Department Buildings. • Disregard current proposals and consider regional mergers such as Leicester and Coventry or Stevenage and Peterborough or Croydon and Tunbridge Wells. • Reconsider renting premises for Head Office and move it to an existing office site. • Sale and leaseback of existing premises, mortgaging property on an interest only option to provide an upfront cash injection. 	<p>premises rather than outright closures. Both these suggestions were modeled to see which might deliver the best value to Land Registry over the ten-year period of the business case. The better value option varied between renting out surplus space and moving to smaller premises depending on a variety of factors. The outcome of this modeling has been included in the assessment of alternatives in Section 4.6.</p> <p>Guidance sought from OGC suggested that the option to take on additional property assets (albeit as part of downsizing the overall estate) might be subject to challenge. In the analysis of the alternatives the opportunity to move to other premises was limited to those locations where a move to other government property could be confidently predicted.</p> <p>The original business case did not include the possible additional income from renting out surplus space. Our best estimates are that about £2.5m per year over and above the business case estates savings could be generated in this way.</p> <p>The Head Office review explicitly considered the option of moving to an existing Land Registry local office location.</p> <p>Sale and leaseback of parts of the estate has been considered but rejected as a primary solution as it would reduce our flexibility and increase long-term costs. It does, however, remain a financial contingency.</p>
<p>There is little evidence to show that fewer, larger offices are cheaper than more, smaller offices.</p>	<p>Having, for example, two offices of 150 staff instead of one of 300 doubles the management teams and associated support, significantly increases facilities management and IS support costs and increases the number of separate teams and management overheads (e.g. doubling up senior casework teams, customer service managers). For the example of offices of 2 x 150 staff this is estimated to represent an additional cost in the order of £900k per year with 17.2% of all staff costs being, by this definition, overheads compared to 11.4% in the larger office.</p> <p>Additional costs would be the lack of economies of scale in the use of space (reception areas, public counters etc).</p> <p>Further, the central estates team and associated costs will need to be higher if the Land Registry estate comprises more, smaller offices compared to fewer, larger ones.</p>
<p>Land Registry should be part of a broader change to land use in England and Wales, part of which would be compulsory registration of land by Land Registry and the use of Land Registry systems and resources to help allocate land use.</p>	<p>The proposals for compulsory registration of land and changes to the Land Registry remit would require primary legislation and are unlikely to be of sufficient priority to be introduced in the near future.</p> <p>In addition a number of issues (apart from the need for primary legislation) would need to be overcome before</p>



	<p>a system of compulsory registration could be introduced:</p> <ol style="list-style-type: none"> 1. It would be difficult to devise an adequate and proportionate sanction for not registering 2. It is unclear how the additional work could be funded from fee income (e.g. could applicants be forced to pay for something they didn't want to do and what sanctions would be put in place in the case of non-payment?) 3. Any proposal to introduce compulsion would be controversial, expensive to establish and run and could give rise to issues of compatibility with the European Convention on Human Rights. 4. Addressing a failure to register by, say, statutory vesting of the land in a designated trust corporation after a certain date would only achieve an artificial register.
<p>The difficulties associated with running a disparate estate have been exaggerated.</p>	<p>Running Land Registry's estate would be considerably simpler and less costly if the number of offices was reduced. The alternative proposals to rent out move offices to smaller premises on a rented basis would further increase the complexity of managing the estate.</p>
<p>Staff not required on mainstream business should work on updating the register (e.g. vectorisation, 3-D mapping, scale changes).</p>	<p>We have considered vectorising our title plans. An evaluation in 2006 indicated that it would probably take about six years and cost at least £150m. We have, instead, invested in the index map rather than the title plan. As a result we do not need to vectorise the title plans.</p>
<p>Suggestions were made to keep all offices open and ease financial difficulties by cutting pay for all staff, freezing pay for all staff or reducing the working week for all staff.</p>	<p>The savings made by these suggestions would not be significant and would not address the underlying issues of too many staff and too much estate. Any changes to the working week would necessitate a change to our terms and conditions. We would still need to cut staff numbers and reduce surplus estate. Pay rises in the next couple of years are already likely to be low so a freeze would save little.</p>
<p>Land Registry fees featured in several responses. Suggestions were to increase fees again, don't reduce them in the future, charge a fee for all applications, offer less reduction on Voluntary First Registrations or conversely offer more reduction to encourage more registrations and bring in more work.</p>	<p>As a trading fund, we are bound to keep fees to minimum levels. It would be inappropriate to fund an inefficient organisation through increased fees.</p> <p>There is work ongoing to review our fees structures. This is not something that we can change quickly as it involves significant consultation and changes to legislation.</p>
<p>More 'triggers' for First Registration should be added and, specifically, all leases for 3 years and over should be made compulsorily registerable. A review of classification was also suggested, with a view to downgrading work.</p>	<p>The registration of 3yrs+ leases has been considered recently. Due to the numbers involved (less than 50 per day across the whole of Land Registry) and the difficulties in monitoring the suggestion has not been taken forward. Informal consultation showed that it would meet with opposition from all quarters</p>



	<p>A classification review is one of the opportunities being considered to increase productivity. However, it would not, of itself, solve the problem of too many staff and too much estate and we would still need to make changes.</p>
<p>Respondents suggested alternative income for Land Registry by doing work for other Government Departments, staff loans to other Government Departments, working with other registries, taking funding from Government and specifically a cut from Stamp Duty Land Tax and diversification in general.</p>	<p>Land Registry has worked very closely with Job Centre Plus (JCP) recently. In the region of 170 staff were permanently transferred to JCP and approximately 100 of our staff in Nottingham work for JCP full time. Whilst we will continue to look for other opportunities, it is unlikely that opportunities of this scale could be secured. Government departments generally are expected to be working under tight financial constraints in the short to medium term.</p> <p>The International Unit has been in place since 2003. To date we have worked in approximately 15 countries throughout the world, assisting with the development of registration systems. We have also hosted study visits for more than 40 different countries, who are interested to learn about land registration in England and Wales. We are continually looking for further opportunities.</p> <p>As a trading fund, we are required to cover our costs from our fee income. A government subsidy is not an option for us.</p> <p>We are constantly looking for opportunities to diversify and, in the longer-term, this will be an avenue we will explore fully. If appropriate opportunities are identified, we will pursue them. We do, however, need to be mindful of the legislation under which Land Registry operates. Many diversification opportunities would require changes in legislation.</p>
<p>Management of poor performers should be reviewed to ensure that we are employing the best staff.</p>	<p>A new performance management system is being introduced from 1 April 2010.</p>
<p>The management structure, particularly in local offices should be reviewed and streamlined.</p>	<p>The ATP governance review is reviewing the Land Registry Board and Executive Board roles and structure. This will be followed by further management reviews. These will include the management structures in local offices.</p>



Consultation Question 2:	
Do the criteria for closure and retention (in Tables 3 and 4) address the factors that should be taken into account when assessing offices for closure? Are any factors missing – and why? Should any be removed – and why?	
Summary of Inputs:	Responses:
Some respondents proposed that performance of individual offices ought to have been a criterion for the retention of offices.	All our local offices meet their Key Performance Indicators (KPIs) and operate within a narrow range of performance. Performance was not therefore regarded as a suitable retention / closure criterion to distinguish between offices. Further, there is not a direct correlation between the performance of an office against KPIs and the cost of running that office.
It was also suggested that skills and knowledge of staff should have been a criterion.	All offices have highly skilled and knowledgeable staff and this could not be used to distinguish between offices
Respondents thought that the Lyons criteria should not have been used as a criterion.	Land Registry has a good position in respect of Lyons with 77% of all staff located outside London and the greater South East (compared to a civil service average of 68%). Nevertheless it is still government intention (reinforced recently in the <i>Smarter Government</i> report) to locate civil servants outside London and the South East. Further, the Lyons criterion was included under the Retention criteria and not under the Closure criteria, which were the more critical in determining offices to propose for closure (See the response to Question 3 below).
Alternative suggestions for criteria were the number of visitors to an office, the accessibility and proximity to other offices, the running costs per person, more 'Green' criteria and socio-economic considerations, specifically considering the growth potential of a region.	The issues around customer counters are considered as part of the impact assessment (IA) at Annex A. They are therefore included as impacts rather than as criteria. Green criteria were considered under the heading of Quality of Buildings. Socio-economic advice was sought in addition to the criteria used. The addition of socio-economic criteria would not have altered the conclusions as none of the offices proposed for closure were in areas of concern following advice from CLG.



Consultation Question 3:	
Have the criteria set out in Tables 3 and 4 been applied correctly in the assessments given in Annex G?	
Summary of Inputs:	Responses:
The application of the Lyons Compliance criterion to Peterborough was questioned.	Peterborough <u>does</u> fall within the Lyons definition of the South East. But locations in the East of England do have some slightly different rules which obviate the need to gain approval to stay in the town if already there. The recent <i>Smarter Government</i> paper reinforced the move from the South East with no special reference to the East of England. However, acknowledging the East of England position, it is agreed that the marking for Peterborough should be Amber rather than Red for this criterion.
The “Green” marking given for Portsmouth on Lyons Compliance was questioned.	The Green marking for Lyons Compliance for Portsmouth was incorrect. It should be a Red marking. This change does not alter the conclusions.
The “Green” assessment for Gloucester in respect of “Confidence in ability to sell” was questioned.	The Green marking for Gloucester on “Confidence in ability to sell” should have been a Blank. This change does not alter any of the analysis.
It was suggested that the closure costs of Peterborough were incorrectly marked.	The additional closure costs thought to be not included in the assessment for Peterborough (including two years rent and dilapidations) <u>are</u> included in the financial model. The closure costs comparison focused primarily on IT related costs. Peterborough is therefore not different from the majority of other offices.
The conclusions drawn in respect of Peterborough were questioned with a suggestion that the total retention + closure scores for Leicester or Nottingham meant that one of these offices should close instead.	<p>The alternative assessment for the Peterborough office proposed adding together the markings for closure and retention given in Annex G of the Consultation Document. This alternative marking concluded that Leicester or Nottingham should be closed ahead of Peterborough. This method of assessment is flawed in that it is dependent upon the number of factors that appear under the headings of closure or retention. The reason why this alternative approach ranks Peterborough less at risk than Leicester or Nottingham is because of its “Retention” markings are lower and there are more such markings than there are “Closure” markings. Peterborough’s Closure marking is higher than either Leicester or Nottingham.</p> <p>The method used in the business case was to assess the offices against the Closure criteria and <u>then</u> use the Retention criteria to assess whether any changes to the list derived from the Closure criteria should be made. In comparison to Peterborough’s Closure marking, Leicester’s was considerably lower and therefore the Retention marking was not used. In comparison to Nottingham, Peterborough’s Closure marking was slightly worse and for the Retention marking (even with</p>



	an Amber rating for Lyons – see above) the markings were similar. There was therefore no reason to overturn the assessment based on the Closure criteria.
Questions were asked as to the calculation of running costs and if this considered increased costs for older buildings.	The running costs for all buildings are total costs and therefore do take account of any increased costs of running older offices.
Use of e-PIMS to identify MOTO opportunities was questioned, as it doesn't include Ministry of Defence estates.	OCG clarified that it does include some MoD estates. Those not shown are intentionally excluded because they are secure sites, which would create security issues.
Respondents suggested surplus space scorings were wrong, as space had been let since the data was gathered.	The surplus space in offices can only ever be a snapshot. The space let recently does not alter the conclusions on surplus estate.
The market values were questioned for all buildings. It was suggested that we would not achieve the sale prices in the current market.	Property consultants were used to establish the current valuations. We then took a proportion of this value as a conservative estimate.
The use of 10m ² per person for calculating space needed was questioned as being too small.	The recent <i>Smarter Government</i> report confirmed that 10m ² per person is the figure that should be used.



Consultation Question 4:	
Given the material presented on equality impact in Annex F and the input from CLG (in Section 4.2), have the equality and socio-economic impacts of the proposals been properly assessed?	
Summary of Inputs:	Responses:
The method for determining equality impacts has been questioned.	The methods we have used are entirely in line with best practice established by other government departments.
Some respondents questioned the depth of information used in assessing the socio-economic impacts, especially commenting that comparative areas of deprivation in or near offices proposed for closure had been given insufficient weighting.	CLG's Regeneration Framework has been used in order to get the broadest possible view on comparable impacts - rather than use isolated statistics. The framework uses what are termed "functional economic geographies" which are similar to "travel to work areas". It is entirely recognised by the framework that within a particular area there will be some pockets of deprivation. However, the crucial factor is on the individual's ability to find alternative employment and for this purpose the functional economic geographies are a better tool. There will be some indicators that indicate relative levels of deprivation but the approach taken is that recommended.
Concern was raised about the perceived lack of transferable skills of Land Registry staff and the impact this will have on their ability to find another job.	A full support package will be provided for all staff affected. This will include onsite Human Resource support, close working with Job Centre Plus, outplacement support, additional specific support provided by a third party and redeployment opportunities. Job Centre Plus has been very happy with the staff that transferred from Land Registry on both a permanent and temporary basis. This shows that our staff do have transferable skills.
A small number of respondents questioned elements of the Equality Impact Assessment (EIA) and suggested that the proposals would have a greater impact on some groups, particularly those of minority ethnic status.	More detailed assessments were undertaken during the consultation phase. A full EIA is to be published and this will address the issues raised during the consultation. The more detailed assessments undertaken show that the overall proportion of Land Registry staff declaring themselves as "BME" in terms of diversity should remain unchanged as a result of the office closures proposed (See Annex F).
It was suggested that 'couples' both of whom would be impacted by the proposals should have been considered.	It is not possible to assess the impact that proposals would have on each member of staff's personal situation.



Consultation Question 5:	
<p>Are there any additional impacts (over and above those set out in Section 5 and Annexes F and G) that should be taken into account in Land Registry's decision-making? If so, what are the nature and quantity of these impacts?</p>	
Summary of Inputs:	Responses:
<p>There was general concern expressed on the impact on members of the public (particularly elderly customers) and local businesses.</p> <p>The fact that the proposals included all offices in the South East exacerbates the problems that customers will face.</p>	<p>Respondents, and those involved in the focus groups, did not identify any impacts over and above those identified in the Consultation Document, other than the perceived loss of local knowledge and the possible reduction in local training for customers.</p> <p>It is acknowledged that the proposed closure of all the South East offices would exacerbate the impact of closure of any individual office. In practice, many customers living in towns in the South East that are not the location of a Land Registry office would find it easier to travel to greater London than to the next nearest office (as an example, customers in Essex might find it easier to go to central London or Croydon than to Peterborough or Tunbridge Wells – customers in Suffolk, Surrey and Kent might provide similar examples).</p>
<p>Other points related to fear of general service deterioration, lack of 'personal' contact and the fact that the internet or phone can't replace face-to-face service.</p>	<p>We do not expect any of the proposed changes to have a detrimental impact on services to customers. In fact, with the planned introduction of customer teams, more customers should have a 'personal' service regardless of their proximity to their office.</p> <p>Land Registry is committed to making dealing with us as simple as possible for both citizens and business customers. This includes clarifying what services we can and cannot offer. Where complex issues remain that are judged to require a face-to-face meeting, an appointments service is proposed for these exceptional needs.</p> <p>We acknowledge that some customers might have to travel further to continue to have that face-to-face contact.</p>
<p>Concerns expressed on the loss of local knowledge that customers value.</p>	<p>The majority of services offered by Land Registry are not dependent upon local knowledge. However, in order to maintain quality of service, we recognise that where local knowledge is relevant it should be captured and made available across the whole of Land Registry through knowledge management systems.</p>
<p>There is a valuable relationship between the local offices and the areas they serve. The location encourages cooperative liaison with professional institutions and other authorities.</p>	<p>Much of the population of England and Wales cannot be said, for the purposes meant here, to be served by a <u>local</u> office. The conurbations of Manchester, Leeds, Birmingham and much of the Thames Valley do not have what could be regarded as a local office. Many whole counties and other areas (Somerset, Mid Wales,</p>



	<p>Norfolk) are in a similar position.</p> <p>Local offices have been processing business for conveyancers not in their immediate vicinity for some time. Yet close ties have been maintained with customers through regular contact, surgeries, training sessions and visits.</p> <p>The introduction of customer teams will, in fact, strengthen the ties between offices and the customers they serve even if these are not co-located.</p>
<p>Register development depends on local contacts.</p>	<p>The existing network of register development managers has been very successful in increasing the area of England and Wales now registered. In the South East the percentage of land now registered is very high and this is not an area on which we will be concentrating effort to increase registration in the future.</p> <p>Where we have particular register development projects in the South East we will aim to complete as many of these as possible before office closure by allocating work as appropriate. Experience has shown that, when needed, projects can be dealt with by any office - albeit with perhaps not the same level of direct customer contact.</p>
<p>The proposed closures would make it difficult to undertake activities which, by their nature, have to be carried out in the South East (for example the services provided by operational surveyors).</p>	<p>Proposals are being examined for all activities, such as surveyors, that require a location in the South East. There are sufficient alternatives available. Keeping offices open in the South East just to undertake these roles is not economic.</p>
<p>There was some concern at running our reserves so low.</p>	<p>The contingencies described in the business case (deferral of fee reduction, deferral of dividend, sale and leaseback and deferral of other investment) are available.</p> <p>The changes to the proposals as a result of consultation set out below show that the position on cash reserves has been significantly improved.</p>
<p>Respondents raised concerns about local training that Land Registry have provided for customers in local offices and what would happen if the offices closed.</p>	<p>As mentioned above, local offices have been processing business for conveyancers not in their immediate vicinity for some time. Training sessions have still occurred - just using external venues. One customer on one of the focus groups preferred Land Registry to visit their offices. This is still an option.</p>
<p>There was a suggestion that the proposals would leave Land Registry with too few Lawyers.</p>	<p>The impact on each grade has been considered, not only now, but also going forward to 2011 as part of the workforce plan. We have planned to have sufficient Lawyer resource.</p>



Consultation Question 6:	
Have we correctly assessed the impact of our proposals on members of the public and businesses? Have we missed or under-estimated any substantive impacts? If so, what are the nature and scale of these impacts?	
Summary of Inputs:	Responses:
The main comments related to access to Customer Information Centres and in particular the increased difficulties / cost in obtaining the required identity checks e.g. travel affordability, lack of some online functions. Other inputs related to the difficulties of dealing with complex issues face-to-face.	<p>The additional research undertaken on this as part of the consultation period is set out in Section 3.5 and the final impact assessment is in Annex A.</p> <p>Identity checks are available through alternate local services (e.g. Conveyancers and Solicitors).</p> <p>However, it is acknowledged that closure of the Customer Information Centres (CICs) in the South East could result in increased difficulties/cost of obtaining identify verification. 14% of the visits to the CICs of offices proposed for closure were for this purpose.</p> <p>Where complex issues remain that are judged to require a face-to-face meeting, an 'exception' service will be made available by appointment.</p>
It is 'disingenuous' to propose the London office as mitigation to the South East issue whilst a review is being undertaken into the future location of Head Office.	It is acknowledged that mitigation actions need to take account of the decision on the future location of Head Office.

4.4 PCS 'postcards' and No.10 website

We received 362 PCS 'postcards' which had been sent to Ministry of Justice. These were a standard printed card supporting the case to 'Save the Land Registry' and saying 'no' to enforced redundancies, privatisation or office closures. The cards do not ask for the status of the signatory so it is unable to allocate the respondents to particular stakeholder groups.

Although not directed to the Land Registry consultation team, PCS also encouraged their members and the public to sign a No.10 petition covering similar issues. This has been signed by 3007 people.

4.5 Supportive responses

The supportive responses felt the changes were welcomed with a view to Land Registry becoming a more efficient organisation in the future.

4.6 Alternative proposals

A number of respondents, including both PCS and the FDA, proposed alternative approaches to address some of the issues set out in the Case for Change. There were a wide number of suggestions but each proposed, to varying degrees:

- the use of a voluntary redundancy scheme across a large part of the organisation rather than the closure of offices resulting in compulsory redundancies;
- planning for fewer reductions in the number of staff;



- subletting more office space and/or moving to smaller premises; and
- undertaking little or no outsourcing.

Following discussions with PCS and FDA it was agreed that two further assessments should be undertaken, based on assumptions provided by PCS and FDA. A table showing the outcomes of this modeling, and a comparison with the original business case, is given in Annex D of this document.

In comparing the **PCS alternative** with the business case:

- Programme costs: lower costs for running the programme (with higher costs for alterations to the estate offset by there being no costs of running redundancy exercises);
- Redundancy costs: These are much lower as the great majority of the staff reduction is through retirement and natural wastage from 2010 to 2019. The exceptions are the Performance and Innovation initiatives to improve efficiency;
- Staff costs: Staff costs are higher throughout the plan period, particularly in the early years. In total these are £368m higher than the business case over the 10 year period to 2019/20;
- Ongoing estate costs: The estate running costs are similar. There are some increased running costs (from retaining all locations and paying rent for offices where the current office has been downsized) but these are partly offset by renting out more of the surplus space – though these should be added to the October business case if a true like-for-like comparison is to be made;
- Receipts: receipts from disposal of estate are lower than the business case with Lincoln's Inn Fields and a number of other offices with high market values being retained. The receipts in the PCS model arise where offices are moved to smaller rented premises in the same location. The vacated office is then sold;
- NPV: The NPV to 2019/20 is significantly lower;
- Reserves: Cash reserves would be severely impacted, especially in 2013/14 reducing to £0.9m and in 2014/15 to £0.3m;
- Fees: Any fee reduction would need to be deferred until after 2014/15;
- Measurement against success criteria: probably better against the business case in terms of the 'Skills' criterion but deterioration against financial position, staffing, surplus estate, flexibility, responsiveness and new culture.

The PCS alternative therefore has £260m less benefit than the business case, requires Land Registry to spend over £360m in staff that it considers not necessary and reduces reserves to a low level. Fees would not be reduced until 2014/15 at the earliest. Further, there would be no recruitment into the organisation for the next ten years. The PCS alternative is therefore considered financially unattractive and not a sustainable option.

The **FDA approach** is closer to that in the business case, the main differences being the use of voluntary redundancy (where possible), higher initial volumes and retaining all locations whilst seeking to optimise the estate through moving to smaller offices or renting out surplus space. The key differences for the financial model are:

- Programme costs: The programme costs are increased compared to the business case (due to increased activity on the estate);



- Redundancy costs: Lower redundancy costs due to fewer staff leaving and the use of voluntary rather than compulsory redundancy;
- Staff costs: Additional costs due to the higher volumes forecast in the early years;
- Ongoing Estate costs: The estate running costs are similar. There are some increased running costs (from retaining all locations and paying rent for offices where the current office has been downsized) but these are partly offset by renting out more of the surplus space – though these should be added to the business case model if a true like-for-like comparison is to be made;
- Receipts: Slightly lower receipts from the sale of offices;
- NPV: A lower overall NPV (£451m as opposed to £493m);
- Reserves: Less impact on reserves compared to the original business case due to lower redundancy payments

The FDA alternative is financially viable. However, it does present a number of problems:

- We would continue to hold significant surplus estate under the FDA proposals. We would have estate sufficient for about 10,000 staff whilst needing estate for 4000 (being the “staff in post” equivalent of 3600 FTE). We will therefore have two and a half times the estate we need;
- The market for MOTO agreements to rent out surplus space to other government organisations is not very buoyant now and can be anticipated to deteriorate as restraints on public expenditure are applied and as the government estate as a whole has in excess of 30% surplus space;
- Land Registry would be operating, in 2014, with fewer than 4000 staff spread between 18 offices;
- Twelve offices would be operating with fewer than 200 staff by 2018, with nine having less than 150 of which two would have less than 100. Such arrangements would increase costs and significantly limit flexibility of operations;
- There are significant overheads involved in maintaining such an estate (area management teams, the support staff involved in operating separate buildings, overheads for running the estate of this size and complexity, given the various rental arrangements etc). These factors are estimated to increase local office costs by approximately about 7% per year - for no benefit to customers; and
- There would be no recruitment until probably 2018. This would mean an effective recruitment freeze for about ten years and result in stagnation, lack of career opportunities and disengagement.

The FDA alternative, whilst financially viable, is however not operationally feasible.

4.7 Other alternatives proposed

Most of the other alternatives proposed were based on the use of voluntary rather than compulsory redundancy. Some presented higher forecasts for volumes (some rising more steeply in the early years and others reaching a higher level in the long term). No empirical evidence was given to support the rises in the early years. Others suggested that offices be merged rather than closed and a number proposed that a more vigorous approach should be adopted towards renting out surplus space within existing offices. A number proposed using natural wastage and retirements to reduce staff and employ staff on data integrity tasks in the meantime, and to use reserves for this purpose.



The other alternatives proposed were all, to a large degree, variants of the PCS and FDA alternatives modeled above.

4.8 PCS alternative vision for Land Registry

As input to the consultation process, PCS produced “An Alternative Vision for the Land Registry”. This document, by Professors Roger Seifert and Mike Ironside, focused on the potential role for Land Registry in an environment where government is deemed responsible for the comprehensive regulation of land use through planning, taxation and controls.

The main proposals contained in the vision are that government should:

- review the tax and other state mechanisms for regulating land use and abuse; and
- introduce a planned approach to land use with more council housing, more controls over misuse and non-use, and a more even distribution based on social priorities.

The Land Registry’s contribution to this vision would as part of a “state system of planning and controlling the use of land” and specifically would include:

- Keeping the Land Registry public and continuing to provide a state guarantee of title;
- An increased role for civil servants in carrying out policy;
- Compulsory registration of land assets;
- Change to be through negotiated agreement with the trade unions; and
- Investment in staff retention and training.

The ATP Business Case is aligned with a number of these arguments. The Treasury’s Operational Efficiency Programme (OEP) report issued with the Budget in April 2009 “recognised the need to retain responsibility for the creation, recording and guaranteeing of title to land within Government”. This position was re-affirmed in the OEP Asset Portfolio report published on 7 December 2009.

On the Land Registry’s role in controls of land use, this is not a Land Registry matter but rather a matter for Ministers. Land Registry implements Government policy and has not been asked to take up the wider role set out in the alternative vision document.

With respect to the compulsory registration of land, a number of issues (apart from the need for primary legislation) would need to be overcome before a system of compulsory registration could be introduced:

1. It would be difficult to devise an adequate and proportionate sanction for not registering;
2. It is unclear how the additional work could be funded from fee income (e.g. could applicants be forced to pay for something they didn’t want to do and what sanctions would be put in place in the case of non-payment?);
3. Any proposal to introduce compulsion would be controversial, expensive to establish and run and could give rise to issues of compatibility with the European Convention on Human Rights.
4. Addressing a failure to register by, say, statutory vesting of the land in a designated trust corporation after a certain date would only achieve an artificial register.

For these reasons the alternative vision is not a workable solution to the current position and to the issues set out in the Case for Change in the ATP Business Case.



5. COMPLAINTS AND GENERAL ISSUES

Only one issue was raised with the consultation coordinator. A business customer complained that the ATP documents, particularly the business case, were not written in plain English. The consultation coordinator responded to the individual explaining the audience for the document and the reason for the use of certain language and accepted that for some people, the language would be difficult to follow.

A number of consultation responses also contained general issues, but these were not formal complaints. The bulk were questioning whether it was a genuine consultation or if the proposed closures were already a fait accompli. As can be seen from the final decisions, the proposals were not a fait accompli and have been substantially changed in the light of consultation responses.



6. CONCLUSIONS

6.1 Consideration of the consultation inputs

The consultation processes (both internal and external) identified a number of issues that needed to be addressed in the final ATP decisions. In parallel to the consultation a number of other activities had been worked on. These included Head Office location, governance, the Plymouth estate, workforce planning and contingency planning.

As a result of the consultation and this additional work, the Land Registry Board considered at length:

- The productivity assumptions (both past and future) used to determine future staff numbers;
- The need to ensure the integrity of the register through this period of transition;
- Ways in which the uncertainty felt by staff could be reduced;
- The use of alternative approaches to reducing staff numbers, focused on the use of voluntary redundancy; and
- The question of the “South East”, access for face-to-face services and Head Office location.

6.2 ATP decisions

Following these deliberations Land Registry Board has made a number of changes to the original proposals regarding office closures, namely:

- Croydon office will remain open in the existing premises; and
- Peterborough office will remain open but move to smaller premises.

Decisions regarding the other three offices are as follows:

- Portsmouth office will close by February 2011 but we will retain a sub-office, in alternative premises, until March 2013;
- Stevenage office will close by June 2011.
- Tunbridge Wells office will close by June 2011.

The table below summarises the full set of decisions and changes from the ATP business case proposals.

Area	Business Case proposals	ATP decisions
Forecasts of future staff numbers	4500 staff (FTE) by end 2011/12 3750 staff (FTE) by end 2014/15	4650 staff (FTE) by end 2011/12 3800 staff (FTE) by end 2014/15
Office closures in Phase 1	Five offices closed (Croydon and Portsmouth by February 2011 and Peterborough, Stevenage, and Tunbridge Wells by September 2011)	Croydon and Peterborough will remain open Three offices closed (Portsmouth by February 2011 and Stevenage, and Tunbridge Wells by June 2011) A Portsmouth sub-office for up to 50 staff will remain open (in other premises) to March 2013



Area	Business Case proposals	ATP decisions
Office closures in Phase 2	On current forecasts of intakes, productivity and staff numbers two further offices likely to close	On current forecasts of intakes and productivity, staff numbers would be reduced through voluntary redundancy rather than through the closure of two offices Excess space to be optimized through sub-letting
RO / RA grade staff	RO and RA graded staff to be reduced to about 125	RO and RA graded staff to be reduced to about 220
Recruitment	Recruitment during the ATP plan period with 150 in 2011	There will be little recruitment (other than to specialised roles which cannot be developed in-house) in the period to 2012
Lincoln's Inn Fields	Head Office to vacate Lincoln's Inn Fields and sell the building	Unchanged - Head Office to vacate Lincoln's Inn Fields and sell the building
Head Office location	Review to be undertaken of the future location for Head Office and Satellite staff	Head Office to move to the Croydon office by March 2011 Locations for Head Office and IS satellite staff to be streamlined
Plymouth estate	Review to be undertaken of the Plymouth estate	Staff in Plumer House to be accommodated in Seaton Court and Plumer House to be sold
Outsourcing	Five areas to be outsourced (Facilities management, Desktop management, Regional file stores, Central print and Reprographics), and partnership arrangement set up for new business development	Unchanged - Five areas to be outsourced (Facilities management, Desktop management, Regional file stores, Central print and Reprographics), and partnership arrangements to be set up for new business development
Land Registry governance	Review to be undertaken into Land Registry governance	Proposals made for non-executive chair and more non-executive directors

6.3 Revised impacts on members of the public and businesses

The Impact Assessment issued in October in the Consultation Document estimated the additional costs borne by businesses and members of the public as a result of the proposals as £160k per year.

The decisions set out above, together with the testing of assumptions undertaken in the last four months, means that this impact is now significantly reduced to about £90k per year. Details of the impacts and the costs can be found in Sections A4 and A5.



7. CONSULTATION COORDINATOR

If you have any concerns over the way this consultation has been carried out, specifically on the process rather than the topics, please contact Paul Hannick by telephone on 020 7166 4848 or email him at Paul.Hannick@landregistry.gsi.gov.uk.

Alternatively, you may wish to write to him at the address below:

Paul Hannick
Consultation Coordinator
Land Registry, Head Office
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WC2A 3PH
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DX No. 1098
London/Chancery Lane WC2.



ANNEXES

The annexes attached to this Consultation Responses Report are:

- Annex A** The formal Impact Assessment of the ATP decision including:
 - Summary tables of the formal Impact Assessment
 - Evidence Base
 - A1: Introduction
 - A2: Rationale for Change
 - A3: Customer Research
 - A4: Revised impact assessment based on the final decisions
 - A5: Impact tests
 - A6: Additional information
- Annex B** Responses to “ATP Communications” email inbox
- Annex C** Alternative models (PCS and FDA)
- Annex D** Summary of respondents to the consultation
- Annex E** Consultation criteria
- Annex F** Glossary of terms and abbreviations used



Annex A: Impact Assessment

Summary: Intervention & Options		
Department /Agency: Land Registry	Title: Impact Assessment of Land Registry estates rationalisation proposals	
Stage: Decision	Version: 1.0	Date: 11 March 2010
Related Publications: Accelerated Transformation Programme Decisions Report		

Available to view or download at:

<http://www1.landregistry.gov.uk/consultations>

Contact for enquiries: Kirsty Eales

Telephone: 020 7166 4107

What is the problem under consideration? Why is government intervention necessary?

In 2006 we published our Blueprint identifying that we would need less staff and estate due to increased customer take-up of electronic services and internal efficiency measures. Since then the downturn in the property market has caused a rapid decline in fee earning work which means we need to accelerate our transformation. We have too many staff for our current and expected workloads. We are currently operating at a loss (after restructuring costs) despite a fee increase and cost cutting measures. We need to reduce our cost base.

What are the policy objectives and the intended effects?

To reduce our headcount and overheads to match expected work and revenue levels. Our estate is to be reduced in line with the headcount reduction. This will create a sustainable Land Registry.

What policy objectives options have been considered? Please justify any preferred option

We considered a range of options: a "Do nothing" option, a "Swift Rationalisation" option comprising the closure of some offices and some efficiencies, and a "Transformation" option comprising the closure of further offices and greater efficiencies. These were set out in the Consultation Document and Business case. Our preferred option was the Transformation option on the grounds of overall financial and other benefits within a manageable risk.

Following the consultation we have modified our proposals. We intend to close offices in Portsmouth, Stevenage and Tunbridge Wells and move our Head Office from central London to Croydon. We will provide a face-to-face service for customers in Portsmouth until 2013. The offices in Stevenage and Tunbridge Wells will close and Head Office move in 2011. Offices will remain in Croydon and Peterborough. These were originally proposed for closure.

This further impact assessment describes in more detail the impact of the closures on our customers and takes into account the responses to our public consultation.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

A formal review of the programme will be undertaken in 2011.

Ministerial Sign-off

I have read the Impact Assessment and I am satisfied that, given the available evidence, the assessment (i) represents a fair and reasonable view of the expected costs, benefits and impact of the policy and (ii) the benefits justify the costs.

Signed by the Minister:

Date: 11 March 2010



Summary: Analysis & Evidence	
Policy Option: 3	Description: ATP Transformation (modified following consultation)

COSTS	ANNUAL COSTS	<p>Description and scale of key monetised costs by 'main affected groups'</p> <p>One-off costs comprise Land Registry programme costs, estate change costs and redundancy costs. See Evidence Section A4.4 for more information.</p> <p>Average annual costs are the additional costs estimated for customers for travel and additional conveyancers fees (See the Evidence Base Section A4.4 for details).</p> <p>The present value of the additional costs takes account of the impacts of the closure of Stevenage and Tunbridge Wells in 2011, the move of Head Office to Croydon in 2011 and the Portsmouth closure in 2013.</p>	
	One-off (Transition) Yrs		
	£ 150.7m		5
	<p>Average Annual Cost (excluding one-off)</p>		
	£ 90k pa		
<p>Total Cost (PV) £ 139m</p>			
<p>Other key non-monetised costs by 'main affected groups'</p> <p>Loss of convenience for visitors to Land Registry offices to be closed, including opportunity cost of travel time.</p>			

BENEFITS	ANNUAL BENEFITS	<p>Description and scale of key monetised benefits by 'main affected groups'</p> <p>One-off benefits are derived from the sale of Land Registry estate.</p> <p>Average annual benefits are the savings in staff costs and annual estate running costs from this option. See Section A4.5 for more details.</p>	
	One-off Yrs		
	£ 54.0m		4
	<p>Average Annual Benefit (excluding one-off)</p>		
	£ 88.1m pa		
<p>Total Benefit (PV) £ 636m</p>			
<p>Other key non-monetised benefits by 'main affected groups'</p> <p>Non-monetary benefits for Land Registry include: increased customer engagement, ability to develop add value products, increasing the pace of change and organisational responsiveness and creating an adaptive culture</p>			

- Key Assumptions/Sensitivities/Risks**
- The programme and redundancy one-off costs are estimated and include contingencies to allow for problems in estimation
 - There is a risk that the receipts from sale of the estate are lower than anticipated – though conservative assumptions have been made
 - Details of the annual costs incurred by customers are given in Section A4. All visits are recorded but the detailed analysis is based on a sample (about 40%) of those visitors
 - The benefits are predominantly savings of staff numbers and estates running costs and are reasonably secure if the offices are closed



Price Base Year 2009	Time Period Years 11	Net Benefit Range (NPV) £ N/A	NET BENEFIT (NPV Best estimate) £ 497m
<p>The office closure proposals in this document account for 83% of the net benefit shown above and referred to in the business case.</p> <p>Section A4.6 presents more details.</p>			

What is the geographic coverage of the policy/option?	England and Wales			
On what date will the policy be implemented?	2011 to 2013			
Which organisation(s) will enforce the policy?	Not applicable			
What is the total annual cost of enforcement for these organisations?	£ Not applicable			
Does enforcement comply with Hampton principles?	Not applicable			
Will implementation go beyond minimum EU requirements?	Not applicable			
What is the value of the proposed offsetting measure per year?	£ Not applicable			
What is the value of changes in greenhouse gas emissions?	£ Minimal			
Will the proposal have a significant impact on competition?	Not applicable			
Annual cost (£-£) per organisation(excl one-off)	Micro Nil	Small Nil	Medium Nil	Large Nil
Are any of these organisations exempt?	N/A	N/A	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)				(Increase - Decrease)	
Increase of	£ Nil	Decrease of	£ Nil	Net Impact	£ Nil

Key:

Annual costs and benefits: Constant Prices

(Net) Present Value



Evidence Base

A1. Introduction

On 22 October 2009 the Land Registry Board announced the following proposals for the Accelerated Transformation Programme (ATP):

- A 1500 reduction in Land Registry staff (in FTE terms) to 4500 by 2011;
- The closure of five offices (Croydon, Portsmouth, Peterborough, Stevenage and Tunbridge Wells) and the selling of those offices owned by Land Registry;
- A reduction in the number of RO and RA grade staff in operations to about 125;
- The outsourcing of a number of support services by late 2011 and the establishment of a partnership arrangement with the private sector for New Business Development;
- The sale of the Lincoln's Inn Fields site;
- Further reviews into: a) the long-term location for Head Office; b) the board-level governance of Land Registry; and c) the office accommodation in Plymouth; and
- A review to be undertaken in 2011 into any further changes but with a working assumption that staff numbers would be further reduced to 3750 by 2014 with the closure of two further offices.

The ATP Business Case identified a programme of activity to address the issues facing Land Registry. The programme planned to deliver cost savings of £93m pa through the office closures, compulsory redundancies and estates rationalisation. It produced a positive net present value over ten years of £493m, and was deliverable with manageable risk. The proposals would have an impact on members of the public and businesses through the proposed closure of the five offices. This impact was estimated to cost about £160k per year.

Scope - Impact on businesses and the public

Under our proposals the areas served by the offices to be closed will be taken over by our remaining offices. All our customers will continue to be provided with high levels of customer service. The only change for our customers using postal services will be in the address to which they direct their mail.

We consider that the main impact to members of the public and businesses will be where they currently visit the offices proposed for closure. The proposals would mean no Customer Information Centre in the locations of the closing offices. However, we do not believe this impact will be significant compared to the benefits for our customers as a whole and for the organisation.

The great majority of applications made to us, come from channels other than the Customer Information Centre (CIC). In fact all our CICs account for less than 0.4% of our work and those proposed for closure account for less than 0.1% of total transactions.

The majority of reasons for visit can be satisfied through more than one different Land Registry channel for both members of the public and for businesses. Therefore the majority could receive the same service or information from us without incurring any additional cost (the exceptions are discussed in Section A4). The biggest impact for most of our affected customers would be a loss of convenience. Some of these customers may prefer to deal with us face-to-face or may be unaware that other channels are available.



We consider that the main cost impacts of our proposals will be:

- Possible savings from the use of our online services to obtain information, rather than visiting an office;
- Additional travel costs to obtain identity (ID) checks from a Land Registry office;
- Additional fees for non-conveyancers for having ID checks;
- Additional travelling costs to personally inspect Land Registry records;
- Potential additional costs for police services; and
- Additional travelling costs for members of the public wishing face-to-face dealing for any other enquiries.

These are considered in detail in Sections A4 and A5.

The consultation process

Two consultation processes have been undertaken:

- a) an external process based on the ATP Consultation Document and focused on the office closure proposals; and
- b) an internal process with staff and Departmental Trade Unions (DTUS) covering all the proposals outlined above.

Both these processes ran from 22 October 2009 to 29 January 2010. This Impact Assessment focuses on the external consultation and the proposal to close offices.

The external consultation was based on a Consultation Document published on the Land Registry website. All Land Registry's regular customers, local MPs and other interested bodies (e.g. the Law Society, local authorities etc) were informed of the consultation by letter – approximately 36,000 letters were sent. The Consultation Document is held electronically on our website, alongside the Business Case – www1.landregistry.gov.uk/consultations. During the consultation period, 3776 copies of the Consultation Document were downloaded and 1987 copies of the Business Case.

In total 359 responses to the external consultation have been received, 36 from members of the public, 106 from business customers of Land Registry, 177 from staff, 4 from trade unions and branches, and 36 from other interested bodies. In addition a further 362 "postcard" responses were received. These were printed cards expressing opposition to enforced redundancies, office closures and privatisation. A further 589 members of the public and businesses took part in questionnaire surveys aimed at assessing the impact of the proposed office closures, and of those 123 were engaged in follow up telephone surveys and 36 business customers in focus groups.

The internal process comprised a comprehensive communications exercise to all staff following the announcements and a formal consultation process with DTUS involving 15 meetings.

Changes to the October proposals

The consultation process has resulted in a number of changes to the proposals made in October:

- Croydon office will remain open in the existing premises; and



- Peterborough office will remain open but move to smaller premises.

Decisions regarding the other three offices are as follows:

- Portsmouth office will close by February 2011 but we will retain a sub-office, in alternative premises, until March 2013;
- Stevenage office will close by June 2011.
- Tunbridge Wells office will close by June 2011.

In addition, Land Registry's Head Office will move from its current location in Lincoln's Inn Fields to the Croydon office.

The Impact Assessment has been revised to take account of these changes.

Structure of the Impact Assessment

This Impact Assessment (IA) is a follow up to the assessment made in the ATP Consultation Document of 22 October 2009. Section A2 repeats the rationale for change. Section A3 highlights the customer research undertaken during the consultation period. Section A4 then presents the amendments to the October proposals that have now been made by the Land Registry Board and the revised Impact Assessment. Section A5 sets out the impact tests and Section A6 presents the assumptions made in drawing up the assessment.

In addition to this report, we have also published the Accelerated Transformation Programme Decisions Report. The Decisions Report covers all the proposals made in the Accelerated Transformation Programme, not just those related to the office closures. It also presents more detail on the changes made to the October proposals.



A2. Rationale for our proposals

Land Registry is a non-ministerial government department established as an agency in 1990 and as a trading fund in 1993. Our primary legislative function is to create and maintain a register of title to freehold and leasehold land throughout England and Wales. On behalf of the Crown it guarantees title to registered estates and interests in land.

Land Registry identified in 2006, with the publication of its Blueprint, that it needed to become a smaller, leaner, more flexible organisation. Land Registry has an enviable strong history of year-on-year productivity improvement. Over seven years this has produced an average 10% per annum productivity increase. In part this has been due to an increasing range of services being delivered electronically. However, the credit crunch and the property market decline have had a major impact on the organisation. Demand for Land Registry services has reduced to 62% of its 2007/8 peak with 10m units of work anticipated this financial year compared to 16.1m in 2007/8. Our current, central forecast is for volumes to pick up from these historically very low levels, but only steadily, to a figure of 14m (in 2017).

The decline in business inevitably had a severe impact on the organisation's financial position with a surplus of £70.7m in 2007/8 becoming a loss (including restructuring costs) of £129.9m in 2008/9 and a forecast loss of £61.3m (including restructuring costs) in 2009/10.

Land Registry has already responded by reducing staff in post by 1748 (21%) and costs by £77.4m (19%) over the last two years. The Land Registry Board has recognised the issues facing the organisation and has established an Accelerated Transformation Programme (ATP) to address them in a controlled and sustained fashion.

The ATP Business Case and Consultation Document set out the Case for Change, summarized below.

1. We need to reduce our underlying cost base
2. We currently have 1500 too many staff (FTEs) for current intakes and by 2014 we may well need still fewer staff
3. The skills that we need are changing
4. We currently have far too much surplus estate - about double what we need
5. Our costs are almost all "fixed" with little ability to respond to changes in demand (particularly downward changes)
6. We need to increase our understanding of our customers in order to respond to their needs
7. We face a potential problem with the "sustainability" of Land Registry's staff profile with an average age over 45
8. We need to develop and market our add value products and services
9. We need to increase the pace of change and our responsiveness
10. We need to adapt our culture to a new environment

We analysed three options:

1. Do Nothing
2. Swift rationalisation - reducing staff and offices by 2011



3. Transformation - going further in efficiencies and introducing change

The business case came to a firm conclusion that Option 3: Transformation was the option to pursue. It substantially addressed the issues in the case for change, delivered the greatest savings and highest net present value, and could be delivered with manageable risk.

The proposals announced by the LR Board in October 2009 for the Accelerated Transformation Programme (ATP) included:

- A 1500 reduction in Land Registry staff (in FTE terms) to 4500 by 2011;
- The closure of five offices (Croydon, Portsmouth, Peterborough, Stevenage and Tunbridge Wells) and the selling of those offices owned by Land Registry;
- A reduction in the number of RO and RA grade staff in operations to about 125;
- The outsourcing of a number of support services by late 2011 and the establishment of a partnership arrangement with the private sector for New Business Development;
- The sale of the Lincoln's Inn Fields site;
- Further reviews into: a) the long-term location for Head Office; b) the board-level governance of Land Registry; and c) the office accommodation in Plymouth; and
- A review to be undertaken in 2011 into any further changes but with a working assumption that staff numbers would be further reduced to 3750 by 2014 with the closure of two further offices.

It was the proposed closure of the five local offices (Croydon, Portsmouth, Peterborough, Stevenage and Tunbridge Wells) that was the focus of the external consultation process. The impact of these closures and the outcome of the Head Office review are examined in terms of impact on members of the public and businesses in this Impact Assessment.

Economic rationale

The conventional economic approach to Government intervention is based on efficiency or equity arguments. Government intervenes if there is a perceived failure in the way a market operates or if it would like to correct existing institutional distortions. Government also intervenes for equity (fairness) reasons.

Intervention in this case would be made to correct an existing institutional distortion: the Land Registry estate and workforce are no longer being optimally utilised, meaning the changes to our estate and staff numbers are justified on efficiency grounds.



A3. Customer research

This section identifies briefly the customer research that has been undertaken through the consultation period to help test the assumptions that were made in the Impact Assessment in the October Consultation Document. Section A3.1 highlights the questionnaires and surveys carried out with visitors to our Customer Information Centres located in local offices. Section A3.2 focuses on the focus groups run with members of our business customers.

The vast majority of our transactions are received by post or electronically, without the need to visit a local office, and therefore are not impacted by the location of our offices.

However, each of our offices has the facility to receive visitors. The number of visitors has been declining in recent years (89,104 visitors in 2003/04 falling to 55,816 visitors in 2008/09). We are seeing increased usage by our customers of our electronic channels.

A3.1 Customer Information Centre questionnaires

The questionnaire data was gathered in just over 30 business days. Questionnaires were completed by nearly half of all visitors to our Customer Information Centres in all offices (not just those proposed for closure).

The reasons for visit results show the following:

Reason for visit	Citizen	Business Customer
Advice about Land Registry processes	11%	6%
Assistance in completing forms or processes	13%	4%
Enquiries about boundaries	6%	3%
Identity Check	11%	0%
Official searches	1%	4%
Personal inspection of files	1%	3%
Property ownership	18%	25%
Purchasing official copies	28%	40%
Other/Not stated	11%	15%

Other key findings included:

- The great majority of visits made are by members of the public. The ratio of visits between citizen and business customers is approximately 80:20;
- 23% of citizens don't have access to the Internet either at home or at work, which is broadly in line with national statistics;
- Most visitors use the Customer Information Centre (CIC) out of choice rather than necessity. They either find it more convenient or prefer to deal with matters face-to-face;
- Other channels are available for the majority of reasons for visit.

Telephone Interviews

A market research company conducted follow up telephone interviews with 123 customers visiting the five offices proposed for closure. This allowed for more sensitive questions to be



asked such as what alternatives customers would have considered had the office not been there and how long they would be willing to travel to visit a Land Registry office. The key findings have been incorporated into the update of the Impact Assessment.

Diversity Statistics

Customers were also asked to complete an anonymous diversity questionnaire. This showed that in most areas, the diversity statistics for visitors to the five offices proposed for closure were in line with the overall figures for Land Registry as a whole.

A3.2 Customer focus groups

Externally-facilitated customer focus groups were arranged as another avenue for business customers to discuss the impact that closure of the proposed office would have on them and what could be done to mitigate those impacts. A total of 36 business customers attended events in the Croydon, Peterborough, Portsmouth, Stevenage and Tunbridge Wells offices.

The key points arising from these focus group sessions have been incorporated into the update of the Impact Assessment including:

- a) the primary reasons to use a Customer Information Centre;
- b) the impact of the closures;
- c) the main mitigations for these impacts; and
- d) other general points and suggestions.

Each session came up with largely the same issues, which were also largely the same as the issues raised in consultation responses.



A4. Revised impact assessment based on the final decisions

A4.1 Introduction

The internal consultation ranged more widely than just the office closures. It also covered: alternative proposals for staff reduction involving voluntary rather than compulsory redundancy and opposition to the proposal to recruit staff whilst existing staff are made redundant.

In parallel to the consultation a number of other activities have been worked on. These included Head Office location, governance, the Plymouth estate, workforce planning and contingency planning.

As a result of the internal and external consultations, and this additional work, the Land Registry Board considered, at length:

- The productivity assumptions (both past and future) used to determine future staff numbers;
- The need to ensure the integrity of the register through this period of transition;
- Ways in which the uncertainty felt by staff could be reduced;
- The use of alternative approaches to reducing staff numbers, focused on the use of voluntary redundancy; and
- The question of the “South East”, access for face-to-face services and Head Office location.

A4.2 ATP decisions relating to office closures

Following these deliberations Land Registry Board have made a number of changes to the original proposals regarding office closures, namely:

- Croydon office will remain open in the existing premises; and
- Peterborough office will remain open but move to smaller premises.

Decisions regarding the other three offices are as follows:

- Portsmouth office will close by February 2011 but we will retain a sub-office, in alternative premises, until March 2013;
- Stevenage office will close by June 2011; and
- Tunbridge Wells office will close by June 2011.

In addition, Land Registry’s Head Office will move from its current location in Lincoln’s Inn Fields to the Croydon office.

Implications for Land Registry staff

These decisions have an impact on staff in Land Registry in Phase 1 of ATP implementation to 2011/12. This is set out below.

The figure for those made compulsorily redundant is made up of those in the three closing offices, plus staff unable to relocate to the new Head Office location in Croydon and staff in our clerical RO and RA grades. The reduction in the number of offices to be closed does enable more practical opportunities for staff to redeploy within Land Registry (for example from Tunbridge Wells to Croydon and from Stevenage to Peterborough).



	ATP decisions
Number of staff at risk of compulsorily redundancy	860
Anticipated number of staff taking voluntary redundancy	180
Other options available to staff made compulsorily redundant	150 redeployment opportunities assumed

Land Registry will continue its practice of providing extensive support for staff placed in a redundancy situation including Job Centre Plus assistance, financial advice, further education and outplacement support. These measures will assist staff to make the best of their transferable skills.

Implications for this Impact Assessment

These decisions clearly have implications for this Impact Assessment. These are:

1. Customers of the Portsmouth, Stevenage and Tunbridge Wells local offices and of Head Office will be affected by the Land Registry ATP proposals;
2. The impact on customers visiting the three local offices is lower than proposed in the October Impact Assessment as most customers who still decide to travel to a Land Registry office will have less far to travel (for example customers of the Tunbridge Wells office will now be able to travel to Croydon, customers of Stevenage will now be able to travel to Peterborough)
3. The relocation of Head Office to the Croydon office and the subsequent merging of the face-to-face services will mean that all journeys that had previously been assumed to be to the central London office in Lincoln's Inn Fields will now be to either Croydon, or to Peterborough if that is nearer.

These are explored in more detail below. In quantifying the impact we have made certain assumptions in respect of the costs of additional travel. These were confirmed by additional work in the consultation period.

A4.3 Cost benefit analysis

Sections A4.4 and A4.5 set out the potential costs and benefits associated with implementing the ATP decisions.

The Impact Assessment (IA) process aims to identify as far as possible the impacts of Government proposals on society. A critical part of the process is to undertake a cost benefit analysis (CBA) of the proposal. CBA assesses whether the Government's proposals would deliver a positive or negative impact to society, accounting for economic, social and environmental considerations. The IA process therefore should not be confused with a *financial appraisal*, which is focused purely on assessing how much resource the Government would save from certain proposals.

CBA Principles

This IA identifies as far as possible both monetised and non-monetised impacts from society's perspective, with the aim of understanding what the net social impact to society might be from implementing these changes. The costs and benefits of the policy are compared to the do nothing option, which has a Net Present Value (NPV) of zero.



CBA places a strong emphasis on the monetisation of costs and benefits. However there are important aspects that cannot sensibly be monetised. These might be distributional impacts on certain groups of society or some institutional impacts, either positive or negative.

An important consideration for any CBA is the relevant scope of the assessment. The scope of this IA is defined to include the impacts that fall within England and Wales.

A4.4 Costs of the decisions

Identity checks

Since 2008 certain applications lodged by non-conveyancers require verification of evidence of identity. This applies to private individuals and corporate bodies. This can be done by a conveyancer, who may charge for this service, or at a Land Registry CIC, free of charge. We do not consider that this will have a significant impact on business customers (due to the small number we receive, for example we received only 11 across all offices in the six weeks of data collection for the consultation).

Members of the public request the majority of ID checks. Customers can visit any of our offices to have their identity verified. Following further investigation (See Additional Information in Section A6) we have made an assumption that, if their local CIC closes, 70% will choose to pay a conveyancer to have their identity verified and 30% will choose to travel to an alternative Land Registry office. Our data collection exercise points to 1697 ID checks being carried out across the three closing offices and Head Office per year. We have used this assumption and the following travel and conveyancer fees assumptions to estimate the potential additional costs.

We have assumed average additional (not total) travel costs as follows:

£19.00 for Tunbridge Wells to Croydon;

£16.50 for Stevenage to Peterborough;

£7.90 for central London to Croydon; and

£42.00 for Portsmouth to Croydon (effective from 2013 when the facility at Portsmouth is closed).

We have not included the opportunity cost of the additional travel time incurred by visitors having to go to a different office, though we recognise that there may be significant additional travel time for some of our visitors.

We assume a £60 fee from conveyancers for ID checks (See Additional Information in Section A6).

	Annual additional costs to the public for identity checks	Calculations
Additional travel costs	£10867*	Being the travel costs of additional journeys made to the next nearest office by 30% of customers
Additional conveyance fees	£71280*	Being the fees paid to conveyancers for identity checks where customers choose not to travel to the next nearest office (assuming 70% choose not to do so)

*An element of these costs will not be incurred until the closure of Portsmouth in 2013.



Personal inspections

Personal inspections (where members of the public or businesses wish to view Land Registry records), by their very nature, cannot be done without attending a CIC. They do, however, account for only 2% of the visits to all CICs (See Additional Information in Section A6). There will be an impact for customers who would have chosen to attend one of the offices proposed for closure if they wanted to carry out a personal inspection. Based on the 2% figure (about 230 inspections in the three closing offices and Head Office per year) and the assumed travel costs above, the additional costs incurred are estimated as in the table below.

	Annual additional costs to the public and businesses for personal inspections
Portsmouth	£1974*
Stevenage	£974
Tunbridge Wells	£1178
Head Office	£482
Total	£4607

*These costs will not be incurred until the closure of Portsmouth in 2013.

Police visits

The prime reasons for police visits are personal inspections and obtaining copies of documents. The October assessment assumed that the police would not be significantly impacted by the proposals. This assumption was not challenged in any responses to the consultation. All police forces covering the regions served by the proposed offices were contacted on 22 October 2009 to inform them of the proposals and inviting them to participate in the consultation. Further contact was made in January, reminding them of the consultation period. None of the affected police forces responded to the consultation. We therefore maintain the assumption that the police will not be materially impacted by the proposals.

Other reasons for visits

There are other reasons why members of the public or businesses visit our Customer Information Centres, however, for most reasons other than for ID checks and personal inspections, customers do not need to visit the office. The additional information section (A6) identifies that only 4% of citizen visits and 12% of business visits fall into this category of visits – approximately 620 visits per year to the three closing offices and Head Office. The additional costs for ID checks and personal inspections have been addressed above. Using these figures the additional costs for these other visits are estimated below.

	Annual additional travel costs to the public and businesses
Portsmouth	£6384*
Stevenage	£1568
Tunbridge Wells	£3705
Head Office	£1430
Total	£13086

*These costs will not be incurred until the closure of Portsmouth in 2013.



Costs to Land Registry

The costs of the ATP programme (unadjusted for inflation) are given below. The total costs of £150.7m are mainly spent in 20010/11 (£45m), 2011/12 (£47m), 2012/13 (£38m) and 2013/14 (£12m).

Areas of the ATP programme	Costs	
Project management	£30.1m	<p>This covers programme and project management for five of the six projects (sourcing, process improvement, customer, people changes, and change & structures) within ATP and the programme unit</p> <p>Costs include internal staff costs, external staff costs, communications, legal costs, some consultancy, IT changes, pensions quotes, and outplacement support for staff made redundant</p> <p>All cost estimates have been estimated by the programme team and verified by a group of senior Land Registry managers</p>
Estates costs	£22.5m	<p>This covers the estates costs of the programme and includes: the estates project team, legal costs, moving costs, dilapidations, building closedown costs, marketing and sale costs, and fit out costs for the Head Office and other moves</p> <p>All cost estimates have been estimated by the estates team and verified by a group of senior Land Registry managers</p>
Redundancy and relocation	£98.1m	<p>These costs include:</p> <ul style="list-style-type: none"> ○ the compulsory redundancy costs for staff in closing offices (for a maximum of 610 staff though some redeployment is likely); ○ redundancy costs for those unable to move to the new Head Office location (100 assumed); ○ redundancy costs for RO and RA grade staff (150); ○ voluntary redundancy costs (180 assumed in Phase 1 and 450 in Phase 2); and ○ relocation and redeployment costs (for an assumed 150 staff) <p>Costs for compulsory redundancy have been calculated by Land Registry's pensions provider using Cabinet Office Civil Service Compensation Scheme rules. Voluntary redundancy and relocation costs have been modeled using average calculations based on compensation scheme rules</p>
Total	£150.7m	



A4.5 Benefits of the decisions

Possible savings to customers

For some visitors to our Customer Information Centres (CICs), the information needed is available more cheaply on-line.

The two most common reasons for visiting a CIC are enquiries on property ownership and obtaining official copies. Property ownership would be established through an official copy of the register. Official copies could be of the register, a title plan, a document or an historical copy of the register. All these can be obtained through alternative channels and copies (albeit not 'official') of title plans and registers can be obtained from our Internet site at half the cost of those obtained through a visit to a CIC. An official copy of the register is admissible in evidence in a court to the same extent as the original and a person is entitled to be indemnified by the registrar if he/she suffers loss by reason of a mistake in an official copy.

Based on an assumption that half the ownership enquiries resulted in the purchasing of an official copy of the register and that half the official copy requests were for registers or plans, the savings set out below could be made by customers requesting copies online rather than visiting one of our offices. These assumptions have been verified during the consultation period. ATP plans include making our online services easier to use and more accessible.

	Annual savings available to customers arising from the ATP changes
Portsmouth	£2001*
Stevenage	£1334
Tunbridge Wells	£3185
Head Office	£2340
Total	£8860

*Savings from Portsmouth are only from 2013

Savings to Land Registry

The financial benefits to Land Registry of the ATP programme (unadjusted for inflation) are given below.

Areas of the ATP programme	Benefits	
Receipts from sale of estate	£54.0m	The programme vacates and sells a number of Land Registry buildings The current market value of these buildings has been assessed by external property consultants and a proportion of the valuation taken into the business case. A conservative figure has been taken to minimise the risk of overstating these benefits
Reductions in estate running costs	£9.7m pa	The closure of three offices and the central London Head Office will reduce the costs of running the Land Registry estate. The costs savings have been calculated by Land Registry estates and verified by external property consultants



Areas of the ATP programme	Benefits	
Reduction in staff costs	£75.3m pa	The reduction of Land Registry staff, through compulsory and voluntary redundancy, and through natural wastage, amounts to 2350 by the end of the 10-year period and will reduce staff costs significantly. Current average staff costs, including National Insurance and employer pensions contributions, have been used for the grades affected
Other cost reductions	£3.1m pa	These comprise cost savings from the five outsourcing projects included in the ATP programme (facilities management, desktop management, file stores, central printing and national reprographics) Cost reductions have been estimated by the outsourcing project teams for each function based on current information

A4.6 Net impact

The table below sets out the net impacts of the costs and benefits discussed in Sections A4.4 and A4.5 over a ten year period. It also gives the 11 year NPV.

Programme costs, benefits and net present value - including costs and benefits to businesses and members of the public												
In £000												
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Totals
Costs to businesses and the public			58	68	91	100	100	100	100	100	100	817
Programme and Estates Costs	1470	15237	14711	10440	8997	300	300	300	300	300	300	52655
Redundancy and redeployment costs		30036	31765	27307	2643	2040	1491	1063	814	584	332	98073
Total Costs	1470	45274	46533	37815	11731	2440	1891	1463	1214	984	732	151546
Possible savings to customers			6	7	8	9	9	9	9	9	9	75
Estates cost savings			1484	3984	7059	8307	9691	9691	9691	9691	9691	69291
Staff cost savings		12500	47000	59400	70600	72200	73700	75300	75300	75300	75300	636600
Other savings		100	1600	1600	3100	3100	3100	3100	3100	3100	3100	25000
Receipts from sale of estate			28800	15200		10000						54000
Total Financial Benefits	0	12600	78890	80191	80767	93616	86500	88100	88100	88100	88100	784966
Net benefits	-1470	-32674	32356	42376	69036	91176	84609	86638	86887	87117	87368	
Discounted net benefits	-1470	-31530	30131	38081	59867	76299	68326	67515	65339	63219	61183	
10 year Net Present Value	496958											



A5. Impact tests

Competition Impact

The ATP changes are not expected to have a negative impact on competition.

Small Firms Impact

Some small conveyancers will have some additional inconvenience from these changes.

Legal aid

There is no anticipated impact on legal aid.

Sustainable Development Impact

There is no anticipated sustainable development impact.

Carbon Assessment Impact

A detailed carbon assessment has not been undertaken. There will be some additional and longer journeys made by customers but the impact is anticipated to be minimal.

Other Environment Impact

No other significant environmental impacts are anticipated from the ATP changes.

Health Impact

There are no expected health implications arising from these changes.

Equality Impact (Race, Disability, Gender)

A full Equality Impact Assessment has been completed and will be published alongside the ATP Decisions Report. The changes do not result in any significant adverse equality impacts.

Human Rights Impact

There are no expected human rights implications of these changes.

Rural Impact

None of the office closures are in rural areas. It is possible that some customers living in rural areas will now have to travel further to visit an office.

No responses to the consultation raised any issue suggesting a rural impact nor did our customer research.



Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	Yes	No
Rural Proofing	Yes	No



A6. Additional information

This section summarises the assumptions made in the Consultation stage Impact Assessment and how these assumptions have been affected by the responses to the consultation and by additional research.

Testing the assumptions regarding visits

In the October Impact Assessment, we suggested that at least one alternative method was available for the majority of visits and therefore the impact on customers would be limited.

Many of our customers visiting our Customer Information Centres do so out of preference or convenience (52% of our business customers and 61% of citizens / members of the public). Relatively few believe that a personal visit is the only way to resolve their particular query or requirement (31% of business customers and 26% of citizens). During the consultation period, at the end of each visit by a customer, we asked our staff to consider whether there was an alternative channel available that would have allowed the customer to satisfy their request. From this we have deduced that, of the total visits, only 15% of all business customers and 16% of all citizens needed to attend a local office.

12% of citizen visits are for identity (ID) checks or personal inspections. We accept that there are no other Land Registry alternative channels at present for these services. If these are removed from the 16% figure deduced in the previous paragraph then only 4% of all citizen visits, other than for ID checks and personal inspections, require a visit to a local office.

Using the same logic, only 12% of business visits, other than for ID checks or personal inspections, necessitated a visit to a local office.

This clearly shows that most visits to local offices do not need to be made. It is accepted however, that visitors do perceive a need to visit. It is therefore an important part of our customer strategy to improve the information available through alternative channels and ensure that awareness of these services is increased.

Possible savings for customers

In the October Impact Assessment, we calculated possible savings to customers by obtaining electronic copies of some of our documents, which are cheaper than copies obtained from visiting the office. The savings were based on an assumption that 50% of such visits result in a purchase of an official copy of the register or a title plan that could have been obtained more cheaply through other channels. The data collection provided no information to suggest that this assumption was incorrect.

Identity checks

Since 2008, certain applications lodged by non-conveyancers require verification of evidence of identity. This applies to private individuals and corporate bodies. This can be done by a conveyancer, who may charge for this service, or at a Land Registry Customer Information Centre, free of charge. During our period of data capture, only 11 visits from business customers across all Land Registry were for this purpose. Therefore we still believe that the impact for business customers in relation to ID checks will be minimal.



Assumption 1: Numbers of citizen visits

The data collection exercise suggested that 3009 citizen ID checks could be expected across the five proposed closing offices and Head Office during a year, and 1242 visits to the three offices that will now close as a result of the ATP decisions and 455 to Head Office. We have used the figure of 1697 in the revised Impact Assessment.

Assumption 2: Alternatives for an ID check

We assumed in October that 80% of our customers visiting for ID checks would choose to pay a conveyancer and 20% would choose to visit another office. The follow-up telephone surveys suggested a more even split. However, customers also put limits on how much further they were willing to travel. From this analysis we are now proposing a 70:30 split for use of a conveyancer vs travel to another office.

Assumption 3: Costs of additional travel

In the October assessment, we used assumptions for additional travel: £25 for shorter trips (e.g. those who would have travelled to Croydon / Tunbridge Wells / Stevenage now travelling to London), and £50 for longer trips. No respondent challenged these numbers. Further examination, and the changes in journeys that would need to be made following the amendments to the ATP proposals, mean that the figures now used are as set out in Section A4.4.

Assumption 4: Conveyancer fees for ID checks

In October, we assumed a cost of £50 for a conveyancer to carry out an ID check. The majority of conveyancers we contacted during the consultation confirmed that they would charge between £20-£50 plus VAT. We did not include VAT in our original assumption; adding this to the £50 assumption gives a rounded cost of £60.

Personal inspections

Personal inspections (where members of the public or businesses wish to view Land Registry records), by their very nature, cannot be done without attending a Customer Information Centre. In the October assessment, we assumed, using 2008/09 figures, that this accounted for 3% of all visits but during consultation personal inspections accounted for fewer than 2%. We have used 2% to calculate the additional costs for personal inspections.

Police visits

The October assessment assumed that the police would not be significantly impacted by the proposals. This assumption was not challenged in the consultation. All relevant police forces were contacted on 22 October 2009 inviting them to participate in the consultation. Further contact was made in January. No police forces responded. We therefore maintain our assumption that the police will not be significantly impacted by the proposals.

Other reasons for visits

An alternative Land Registry channel exists for all reasons for a visit other than ID checks and personal inspections. Our analysis of the customer research concluded that, excluding ID checks and personal inspections, only 12% of Business Customers and 4% of Citizens need to visit a local office. We accept that the other channels may not be their preference but they do exist and we will be enhancing these as part of the ATP plans. Additional costs for these other visits have been calculated and included in the overall assessment of impact.



Annex B: The ATP Communication email inbox

The table below sets out the main headings and sub headings of emails sent to the ATP communications email inbox by members of staff. Where emails also represented a response to the public consultation, they have been counted as such. We received a total of 525 emails.

Topic	Number received	Main issues raised
Accommodation	38	South East closure dates and costs Future Head Office location Office closure criteria
Business Case numbers	59	Sourcing queries Business case clarifications on forecasts and other assumptions
Operational issues	61	Performance as a criteria for deciding closing offices Losing experienced caseworkers and specialist South East knowledge Work distribution after office closures
Technical HR issues	131	Compensation Scheme/Redundancy terms Voluntary/Early Retirement schemes as an alternative Equality Impact Assessments RA/RO progression scheme TUPE questions
General / Other	241	No offices left in South East / effect on customers and staff options Support for proposals made by others Affect of general election on proposals



Annex C: Alternative Voluntary Redundancy models

Assessment summary

The table below shows a comparison between the revised business case (after the decisions following consultation) and the results of the alternatives proposed by PCS and FDA.

	PCS Alternative	FDA Alternative	ATP Decisions March 2010
Programme costs	£56.8m	£65.1m	£52.7m
Redundancy costs etc	£12.0m	£78.6m	£98.1m
Total costs	£68.8m	£143.7m	£150.8m
Staff reduction by 2014	860	1950	2300
Staff cost reductions by 2014	£22.9m pa	£66.0m pa	£75.3m pa
Estate cost reductions 2014	£9.6m pa	£9.5m pa	£9.7m pa
Receipts from estate disposal	£34.8m	£48.8m	£54.0m
Annual financial benefits 2014	£35.7m pa	£78.6m pa	£83.6m pa
NPV (benefit) to 2019/20	£238.6 m	£450.6 m	£497.6m
Impact on Surplus & Loss	Within cash reserves	Within cash reserves	Well within cash reserves
Impact on Fees	Reduction deferred to after 2014/15	5% pa reduction available from 2011/12	5% pa reduction available from 2011/12
Other key benefits	Retention of staff	Many	Many
<i>Measurement against success criteria</i>			
Financial position	Not Met	Met	Met
Staffing levels	Not Met	Met	Met
Skills	Met	Met	Met
Surplus estate	Not Met	Not Met	Part Met
Flexibility and variable costs	Not Met	Part Met	Part Met
Customer orientation	Met	Met	Met
Sustainable workforce	Not Met	Not Met	Part Met
Growth in add value	Met	Met	Met
Pace and responsiveness	Not Met	Met	Met
Adaptive new culture	Not Met	Not Met	Met
<i>Key Risks</i>			
	Financial position	Stagnation	Sharp upturn
	Stagnation		Capacity
			Disruption



Annex D: Respondents to the consultation

Due to the number of respondents, we are not publishing a full list. The respondents fall into the following stakeholder groups:

MPs	Staff	Unions	Businesses	Citizens	Other Government	Representative Bodies
15	177	4	107	36	12	8



Annex E: Consultation criteria

The seven consultation criteria are as follows:

1. **When to consult** – Formal consultations should take place at a stage where there is scope to influence the policy outcome.
2. **Duration of consultation exercises** – Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.
3. **Clarity of scope and impact** – Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.
4. **Accessibility of consultation exercises** – Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.
5. **The burden of consultation** – Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.
6. **Responsiveness of consultation exercises** – Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.
7. **Capacity to consult** – Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.



Annex F: Diversity analysis of office closures

The table below presents the current and future position (after the closure of Tunbridge Wells, Portsmouth and Stevenage) against the diversity categories of age, gender, ethnicity, disability and part-time working.

	Current position % of staff	Position <u>after</u> closure of three offices % of staff
Age: Staff aged 50 or over within office	30.2%	28.9%
Gender: Women within the office	60.6%	60.5%
Ethnicity: BME staff within office	4.7%	4.8%
Disability: Disabled staff within office	6.2%	6.3%
Part-time: Part-time workers within office	31.4%	31.2%



Annex G: Glossary of terms and abbreviations used

Add value	Services and products that provide an additional income above Land Registry's statutory business.
ATP	Accelerated Transformation Programme
BME	Black and Minority Ethnic – category in diversity analysis
Casework unit	Measure of effort to complete transactions and casework
Channel	A means by which customers can access and use the central service. Examples are telephone, post, e-mail, face-to-face
CIC	Customer Information Centre
CLG	Department of Communities and Local Government
CSCS	Civil Service Compensation Scheme
DITI	Distributed Information Technology Infrastructure – the contract to maintain LR's non-central computer components connected by the wide area network.
DTUS	Departmental Trade Unions
e	Electronic, for example e services, e business
FDA	Professional association and union for the UK's senior public servants and professionals
FTE	Full Time Equivalent (refers to staff numbers)
HMT	Her Majesty's Treasury
ID check	Identity check
Index Map	The index map displays index polygons against the current Ordnance Survey map to provide the location of every registered title in England and Wales
IS	Information Systems – Land Registry's IT Department, located in Plymouth
KPI	Key Performance Indicator
Lincoln's Inn Fields	Land Registry Head Office (in London)
LR	Land Registry
Lyons	Controls on government buildings and staff in London and the greater South East – after the report by Sir Michael Lyons
MOTO	Memorandum of Terms of Occupancy – this is the rent agreement made between government departments.
OGC	Office of Government Commerce
Operations	That part of LR that processes the statutory business.
NPV	Net Present Value
Non-conveyancer	Someone <u>other than</u> : a Solicitor; a licensed conveyancer; a fellow of the Institute of Legal Executives; a barrister; a duly certificated notary public; or a registered European lawyer
PCS	Public and Commercial Services trade union
RA	Registration Assistant. Junior clerical grade.
RE2L and RE2U	Grades of staff working on casework
RICS	Royal Institute of Chartered Surveyors
RO	Registration Officer. Junior clerical grade.
Satellite Staff	Staff of Head Office directorates who work in locations other than Head Office Lincoln's Inn Fields
<i>Smarter Government</i>	Paper produced by the Cabinet Office in December 2009
SRO	Senior Responsible Owner
TUPE	Transfer of Undertaking Protection of Employees
Unit	A standard measure of effort in casework
Vectorisation of title plans	Converting paper title plans to electronically held plans prepared on Land Registry's Computer Mapping System