

**Department of
Finance and Personnel
Memorandum on the Fifteenth
Report from the
Public Accounts Committee
Session 2009-2010**

Transforming Land Registers: The LandWeb Project

**Presented to the Northern Ireland Assembly
by the Minister of Finance and Personnel**

3 August 2010

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Glossary of Abbreviations

BT	British Telecom
CoPE	Centre of Procurement Expertise
DFP	Department of Finance and Personnel
LPS	Land and Property Services
NI	Northern Ireland
NICS	Northern Ireland Civil Service
PPM	Project and Programme Management
TIPRs	Transferability of Intellectual Property Rights

Fifteenth Report

Department of Finance and Personnel

Transforming Land Registers: The LandWeb Project

PAC Recommendation 1

The Committee recommends that DFP reminds departments of the importance of considering the full range of services to be delivered in a major business transformation project. This includes identifying underlying interdependencies within the organisation and between systems when defining the scope and developing an output specification.

The Department of Finance and Personnel (DFP) accepts this recommendation and agrees with the Committee that every major transformation project should consider the full range of services to be delivered by it, paying particular attention to interdependencies both within the organisation and between systems when defining the scope of a project and developing an output specification. DFP will bring the Committee's views to the attention of all Northern Ireland (NI) departments.

PAC Recommendation 2

The Committee recommends that DFP puts in place a register of public sector staff with project and programme management skills and experience. This will enable Departments to effectively plan future resource requirements; enable strategic oversight and management of these key skills; and ensure that future projects will benefit from this experienced pool of staff.

DFP agrees with the Committee on the importance of identifying the Project and Programme Management (PPM) skills and experience within the Northern Ireland Civil Service (NICS). As part of the development of the PPM profession, under the government skills agenda, DFP has recently commissioned a survey to obtain the details of PPM skills and experience across the NICS. Once the analysis of results has been completed, this will help inform development of the PPM profession, identify where in the NICS the relevant skills reside and provide the information in such a way that will allow departments to better plan their future PPM resource requirements. This will include consideration of the development of a central register.

PAC Recommendation 3

The Committee recommends that DFP reminds Departments of the importance of public bodies considering the potential benefits of retaining intellectual property rights and to seek appropriate advice. DFP should also alert public bodies to the risk of overdependency in a contractual arrangement, which can be a barrier to successful contract completion, reduce competition and result in less innovation in the market.

DFP accepts this recommendation. Departments should consult with their respective Centres of Procurement Expertise (CoPEs) at the earliest possible stage of the procurement life cycle when there is any Transferability of Intellectual Property Rights (TIPRs) within a future procurement competition. CoPEs in conjunction with departments will consider the commercial risks and benefits of TIPRs and agree how these will be handled within the contractual arrangements to maximise the economic and business benefits to both the departments and wider public sector.

DFP agrees with the Committee's view on the risk of overdependency in a contractual arrangement in terms of the issues highlighted in its recommendation. Central Procurement Directorate will discuss the issues raised with CoPEs and DFP will bring the matter to the attention of all NI departments.

PAC Recommendation 4

The Committee recommends that the Department undertakes a market testing exercise to assess the value for money of the ongoing staff support services currently being provided by BT. Public bodies must be careful when making significant changes to Agreements, and the presumption should be in favour of competition.

DFP accepts this recommendation. This staff support service has been substantially reduced since the time of the Northern Ireland Audit Office report due to the decline in the property market. The service will be reassessed prior to the commencement of the break point negotiations in 2011 and, if there is still a requirement for such services, then a market testing exercise will be undertaken. DFP notes the Committee's view that public bodies must be careful when making significant changes to agreements, and that the presumption should be in favour of competition.

PAC Recommendation 5

The Committee recommends that the Department undertakes a rigorous value for money assessment on the rate of return information provided by BT. The Department must press BT to provide appropriate mechanisms, such as profit-sharing; benchmarking; market testing; and open book accounting. In the Committee's opinion the public sector must have this as a right and not have to bargain for it in the 2014 break-point negotiations for LandWeb.

DFP notes this recommendation. Under the contract, British Telecom (BT) are obliged to provide DFP with a value for money assessment in 2010 and this will be critically analysed when received prior to the commencement in 2011 of negotiations about the 2014 breakpoint. These negotiations will determine whether DFP will exercise its option to terminate the contract in 2014 or whether the contract will continue until 2019. During these negotiations, DFP will press for the inclusion of the appropriate mechanisms which are now regarded as standard in Government contracts. However there is no legal basis under which DFP can unilaterally vary the contract or force BT to accept any amendments to the agreed terms.

PAC Recommendation 6

The Committee recommends that the Department puts in place an action plan ahead of break point negotiations. This must fully consider its negotiating strategy and identify a suitably experienced and qualified negotiating team. This may benefit from drawing on the experience and advice of bodies such as the Strategic Investment Board.

DFP accepts this recommendation and will put in place an action plan ahead of break point negotiations. The action plan will fully consider DFP's negotiating strategy and identify suitably experienced and qualified resources. Consideration will also be given to drawing on the experience and advice of bodies such as the Strategic Investment Board.

PAC Recommendation 7

The Committee recommends that the Department continues to closely monitor the activities of Land Registers to ensure that its fees reflect the cost of delivering its services. Excessive surpluses should be avoided as they represent an indirect local tax on Land Registers' customers. It is also important that where such surpluses are surrendered, the use made of those funds for other public services is not out of public view, but properly approved by the Assembly.

DFP accepts this recommendation and will continue to closely monitor the activities of Land Registers to ensure that its fees reflect the cost of delivering its services. The Land & Property Services (LPS) agency has already introduced processes to monitor Land Registers' income and expenditure on a continuous basis to support the early identification of potential shortfalls and surpluses so that, where possible, corrective action can be taken, including through the introduction of new Fees Order, as appropriate. DFP agrees with the Committee that it is important that where such surpluses are surrendered, the use made of those funds is properly approved by the Assembly.

PAC Recommendation 8

The Committee recommends that the Department puts in place the necessary arrangements between its Departmental Solicitors Office and Land Registers to ensure the timely progression of legislation to enable the appropriate fee to be charged to customers and avoid the potential for claims for compensation.

DFP accepts this recommendation and the Departmental Solicitor's Office will work closely with Land Registers, within LPS, to ensure the timely progression of Fees Orders.



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