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Skrivan tal-Kamra

LANDS AUTHORITY



ANNUAL REPORT



2019



Contents

Lands Authority Annual Report 2019

Mission Statement	1
Chairman's Foreword	2
Members of the Board	3
CEO's Message	4
Figures at a Glance	5
Comparative Results (2018-2019)	6
Estate Management & Business Development	7
Corporate Services	16
Legal Affairs	20
Contracts	23
Enforcement & Compliance	26
Joint Office	27
Auberge de Bavière	27
Financials	28
Internal Audit & Investigations Directorate	31



THE LANDS AUTHORITY

Mission Statement

The Authority was set up in 2017 through the enactment of Chapters 563 and 573 of the Laws of Malta, succeeding the Government Property Division.

The Lands Authority's mission is to act as the administrator of public property on behalf of and in the ultimate interest of tax payers.

The Authority strives to promote and maintain the best use of the Government's immovable estate, ensuring a corporate philosophy grounded in the values of fairness, accountability and transparency.

Chairman's Foreword

Three years ago, Dr Deborah Schembri announced the setting up of the Lands Authority and appointed the Board of Governors and CEO. Since then an enormous workload has been carried out although there still remains so much to be done.

Unfortunately, not everybody realises the vast and sometimes complex aspects of the work assigned to this entity. However, let me assure you that all the staff, CEO, Board of Governors and persons on contract work very hard to achieve the goals set out.

The duties of the Authority include expropriations, sales of property or grants on emphyteusis, leases (residential, agricultural, and commercial), tenders, recognitions, redemptions, diritto di seguito, valuations, encroachments (including those relating to Tables and Chairs and Kiosks, allocations to Government Departments, Ministries and Local Councils, grants to NGOs, transfers to Sports Organisations and Heritage Malta, applications for no objection in principle, Agri Tourism, specific Schemes and other procedures.

Government has an extensive list of property and all these have to be looked after, and our job at the Authority is to avoid dangers which might result from time to time. We have a workforce of over two hundred persons distributed in different sections. A €2.3 million investment in a collective agreement for Lands employees has been concluded. The magnificent building of the Auberge de Baviere has been considerably embellished although there is the problem of size.

We are lucky to work under the strategic policies of Minister Hon. Ian Borg and Parliamentary Secretary Hon. Chris Agius who are always keen to discuss the problems arising from time to time. The following Legal Notices have been finalised: Agricultural Land Regulations, Transfer of Commercial Leases of Government Property with a Goodwill Procedure Regulations, Purchases of Garages owned by Government in a Government Housing Estate Regulations, Transfer of Government Property granted for Commercial Use from a Tenant to a Family Member due to retirement Regulations, Filing of Acts by Electronic means in the Land Arbitration Board Regulations, Government owned Agricultural Land Regulations, Redemption of Land belonging to Government and to the Lands Authority under a title of Revisable Perpetual Emphyteusis Regulations.



JUDGE EMERITUS DR. LINO FARRUGIA SACCO

There are more in the pipeline and the Ministers will soon finalise some of these.

At present the Board of Governors is made up of Dr John Vassallo [Deputy Chairman], Dr Lisa Brooke, Dr Maria Cardona, Mr Eman Castagna, Mr John Mansueto, Mr Paul Mifsud, Perit Michelle Piccinino, Perit Joseph Scalpello, Dr Odette Vella, Board Secretary Dr Anita Giordimaina, Asst. Mrs Bronwen Farrugia and myself as Chairman. It has been working hard and has completed formulating the Authority's Policy Document, held 134 Board meetings in 2018 and 128 in 2019, and examined 2780 files in 2018 and 2261 in 2019. It has finalised a manual on Valuations of property and issued various guidelines to obtain uniformity in such procedures. It has contributed on the subject of Public Domain; it has noted the various judgements delivered by the ART and Court of Appeal.

Finally, I would like to point out that the Authority is always proactive looking how to be of better service to the Maltese Public.

MEMBERS OF THE BOARD

During 2019, the Board of Governors was composed as follows:

Judge Emeritus Lino Farrugia Sacco - Chairman

Dr. John Vassallo - Deputy Chairman

Dr. Maria Cardona

Dr. Lisa Brooke

Perit Odette Lewis

Perit Michelle Piccinino

Perit Joseph Scalpello

Onor. Ryan Callus - resigned in November 2019

Onor. Alex Muscat - appointed Parliamentary Secretary January 2020

Mr. Paul Mifsud

Mr. Eman Castagna

Mr. John Mansueto

CEO's Message

It is certainly my pleasure to present this Annual Report during such a year characterised by significant growth and improvement. During the year 2019, the Lands Authority improved its overall performance both from an operational aspect as well as from a financial standing. The revenues generated exceed 40million Euros, whilst financial performance was characterised by a turnaround to a positive surplus of Euro 86k in 2019 from a deficit of Euro 766k in the previous period.

Operational productivity more than doubled, whilst online applications completion rate was boosted from a low 30% in 2018, to a 75% in 2019. Tenders published increased by four times with contracts signed doubled. Also an achievement definitely to be proud of, was the signing of a new collective agreement with the General Workers Union, seeing an investment of Euro 2.3 million directly in our employees capabilities, ensuring a proper career path and better opportunities for all.

During quarter 4 of 2019, the Authority took the bold step to further streamline approval channels, relieving the Board of Governors from approving each and every transaction and file, concentrating mainly on material transfers exceeding Euro 500k, thus significantly reducing lead processing time and increasing efficiency without compromising the necessary checks and balances.

The above notwithstanding, many operational challenges remain. Being an Authority still in its infancy, and succeeding a government department historically renowned for its bureaucracy, the speed with which we react remains a priority and an ongoing KPI. Whilst significant improvement has been registered, more needs to be done. This will be achieved through an aggressive strategy aimed at increasing and expanding process automatisation, the cutting of unnecessary bureaucratic bottlenecks and through continuous culture change management aimed at kindling more process 'outside the box' thinking. We are investing in further technology upgrades and will soon be introducing a robust, online application system with an improved interface. Applicants will have their request sorted within a pre-determined timeframe, introducing self-imposed deadline periods on the Authority within which completion of service request would be done.



JAMES PISCOPO

This is a radical shift and will help the Authority achieve more internal discipline acting as a catalyst of change. We are also evaluating a strategic plan of having the Lands Authority go 'paper-less' in 2 years time, thus eliminating the need for having more than 250,000 files. It is not an easy task, but an achievable one.

We look forward to 2020 with cautious optimism. Changes will continue and backlogs will keep steadily reducing. Our reaction time speed will improve and our public interface shall be enhanced. It is definitely an exciting period of change and we have a good team to deliver more and deliver better.

FIGURES AT A GLANCE

The Authority

- Registered a positive **surplus of €86K** in 2019, compared with a deficit of **€766k** in the previous period.
- Generated more than **€40 million** in revenue.
- **235** Tenders for Disposals published
- **483** Contracts signed
- **48** Leases Signed (Disposals)
- **101** Encroachments for Tables & Chairs and Billboards
- **51** Other Encroachments (One time permits etc.)
- **6** Government Allocation Leases (Government Authorities, Agencies etc.)
- **35** Government Allocation Agreements (Government Departments and Ministries)
- **8** Devolutions to Local Councils and **28** Consents to the Local Councils to submit a Planning Development application
- **419** Architects' Valuations completed
- **3,642** Enforcement calls
- **33** Compensation Rights contracts signed
- **25,303** Customer Service contracts
- **2,294** Online applications received, 75% completed
- **219** Full time Employees

COMPARATIVE RESULTS

In Comparison With 2018

- Revenues **+5.5%**
- Tender for Disposals Published **+335%**
- Contracts signed **+139%**
- Leases Signed (Disposals) **+220%**
- Encroachments for Tables & Chairs and Billboards **+676%**
- Government Allocation Leases and Allocation Agreements **+356 %**
- Architects' Valuations Completed **+78%**
- Enforcement Calls **-9%**
- Compensation Rights contracts signed **+175%**
- Customer Service contacts **+1.5%**
- Online Applications Processed **+150%**
- Online Applications Received **-2.7%**
- Full time work force **-3%**

ESTATE MANAGEMENT & BUSINESS DEVELOPMENT

The Estate Management function is the operational nerve centre of the Lands Authority. It is tasked primarily with the best management of public property from all the various aspects, from keeping adequate property records up to issuing vacant property through the motions of a public tender. It is also a critical touch-point for all the internal departments within the Authority acting as main source of information.

The main responsibilities of the unit are the following:

- Tenders
- Online Applications
- Valuations
- Records Management
- Registrations
- Drawings
- Encroachments
- Agriculture and Rural tenements· Transfers to Housing Authority
- Transfers to Local Councils
- Transfers to Government Entities
- Transfers to MIP
- Transfers to SportMalta
- Transfers to other social and cultural entities
- Property Maintenance
- Business Development and Commercialisation

Transfer of Government Land and Property

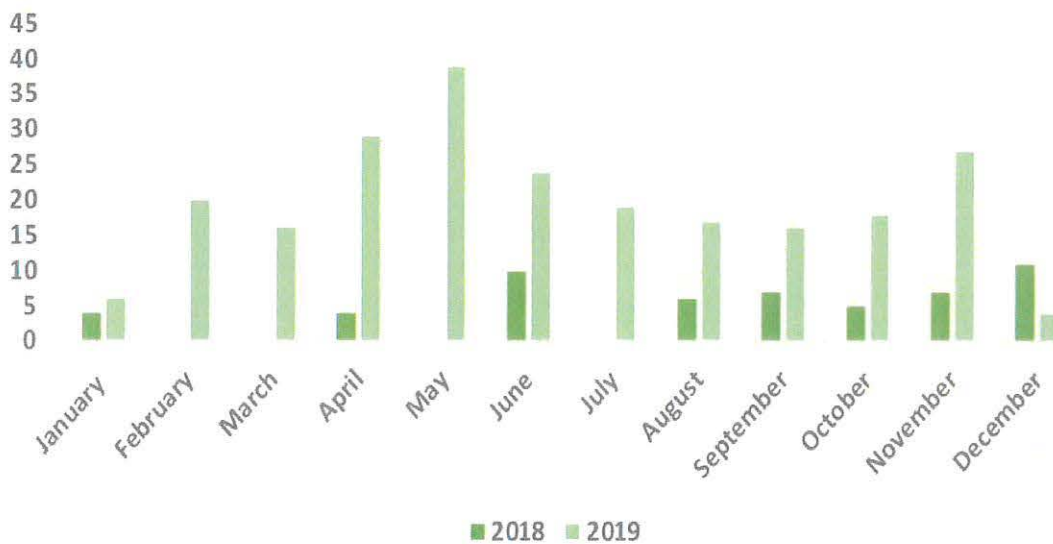
Article 31 of Chapter 573 of the Laws of Malta clearly stipulates the legal ways in which the Lands Authority can dispose of government land and property. The prevailing method of disposal of public property remains that through the publication of a public tender in line with the provisions of the law. During 2019, **235** tenders of disposals were published. 25 were granted the 'Right of First Refusal' in accordance with Article 32 of Chapter 573.

2019 was a record year for the amount of Disposal tenders published, with a registered increase of 335% over 2018.



Figure 1. Comparative Analysis of Published Disposals

Month	2018	2019
January	4	6
February	0	20
March	0	16
April	4	29
May	0	39
June	10	24
July	0	19
August	6	17
September	7	16
October	5	18
November	7	27
December	11	4
Totals	54	235



During 2019 there were no transfers sealed through a parliamentary resolution. As a matter of government policy, the Lands Authority did not entertain any requests for “property exchange” notwithstanding this is contemplated under Article 31(J). Nor has any transfers been made following a “an announcement of auction” as contemplated by Article 31(b).

Online Applications

As from 2017, the method of acquiring property from the Lands Authority was transformed into an online process. This resulted in a better managed system, with each request tracked at each step. Following the success of the initial phase, the Authority is also working on a further upgrade of the Online Application System aimed to be launched during the third quarter 2020. This shall include monitoring dashboards and automated processes that would, for the first time, introduce self-imposed deadlines aimed at spearheading further operational efficiencies. Transactions will be monitored and timed in a way that it will avoid the creation of backlogs whilst improving transit times. The team is organised into a pool of case officers who submit a case officer report to a committee for eventual approval or otherwise. Three committees deal with different applications as follows:

Disposals Committee

Responsible for clearing the tenders and transfers.

PLAs Committee

Deciding primarily on 'Requests for Consent to submit a Development Planning Application', and other similar matters.

Encroachments Committee

Deciding primarily on Encroachment applications for Tables & Chairs in line with OCA Policy and Applications for Billboards. Transfers exceeding €500k and other materially important matters are forwarded to the Board of Governors for final approval.

A list of the various applications available on line can be found in the following link:
<https://landsauthority.org.mt/services/application-forms/>.

During 2019 two other new Forms were introduced with a view to streamlining and strengthening further existing processes. These were:

GOV1 Form in order expedite the application process for Government Entities requesting
AGRI1 Form in line with Subsidiary Legislation 573.06

During 2019, the Authority received approximately 2,294 applications at an effective completion rate of 75%, compared to approximately 30% in 2018.



Figure 2. Online Applications Received and Processed in 2019

Type of Application and Ref Number	Applications Received January - December 2019	Applications Processed (as at end December 2019)	Percentage of Applications Processed (as at end December 2019)
Consent to Submit a Development Permit Application (PLA1 & GOV 1 Type C)	698	558	79.9%
No objection to a Minor Modification (PLA2)	21	10	47.6%
Notification of Commencement of Works (PLA3)	16	13	81.3%
Disposals (GLA 1)	345	240	69.6%
Encroachments (GLA12s, PLA1s, Other Requests)	487	300	61.6%
Request for information on Government Property (Includes GLA 20 & 23, GOV 1 Type A)	474	464	97.9%
Other GLAs (GLA 3, 4,7,9,10,11,13,22,24)	81	54	66.7%
Request for Property by GOV Entities (GOV1 Type B)	42	29	69.0%
Agri1	130	49	37.7%
Totals	2,294	1,717	74.8%

Figure 2.1. Percentage of applications processed 2018-2019

Year	2018	2019
Percentage of applications processeed	30%	75%

The above indicates an Increase in Productivity of 150%, also with approximately 95% of 2018 backlog processed by the end of 2019.

Valuations

A critical and very delicate function of the Lands Authority is to perform valuations for each property transfer, allocations and renewals. The Authority has structured itself in a such way that the majority of valuations are obtained through the procured services of external third- party architects. In accordance with Chapter 573, a valuation by 3 separate architects is needed for every transaction exceeding €400k. This policy direction has significantly improved accountability and transparency, whilst mitigating risks given that a pool exceeding 80 architects have professionally performed valuations, thus avoiding reliance on the few. Valuations are performed through comparable transactions with the open market thus yielding as close as possible a valuation to market values ensuring maximum value for government property. During 2019, Valuations were split as follows:

Figure 3. Split of valuations between over 400k and under 400k

Valuations	Amount
2019 Valuations Over 400k (Completed)	46
2019 Valuations under 400k (Completed)	373
Total	419

**Figure 4. Comparative Analysis between 2018 and 2019
(increase of +78% on Completed Valuations)**

Valuations Sent		
Month	2018	2019
January	26	35
February	6	31
March	15	63
April	26	56
May	23	42
June	22	42
July	12	35
August	30	32
September	29	52
October	33	29
November	32	33
December	17	25
Totals	271	475

Valuations Completed		
Month	2018	2019
January	26	34
February	5	28
March	14	61
April	20	51
May	19	39
June	18	40
July	12	31
August	27	28
September	27	47
October	31	23
November	27	21
December	9	16
Totals	235	419

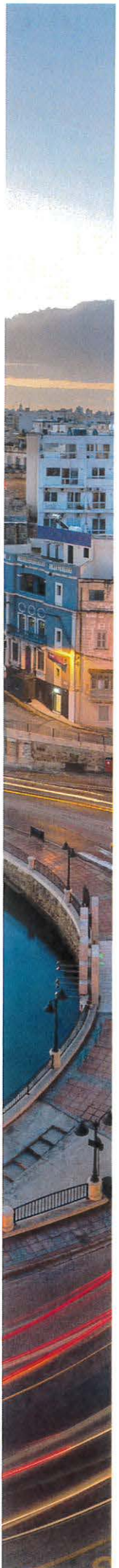


Figure 5. Monthly Comparative Analysis between 2018 and 2019



Encroachments for Tables & Chairs and Billboards

The Lands Authority is responsible for issuing an encroachment for the placing of tables and chairs in line with OCA policy. It does so in a two-stepped approach, first by granting an initial consent to the applicant to obtain a Development Planning application and will eventually grant the final encroachment, which is renewed yearly, when the applicant would have obtained a Planning Permit (PA).

The Authority is also responsible for issuing encroachments for Billboards (also adopting the above mentioned two-stepped approach) and other type of encroachments (for example one time permits). Additionally it decides on 'Requests for Consent to submit a Development Planning Application.

The amount of active encroachment permits is at approximately 2,400. In 2019, the Authority issued 152 encroachments split as follows;

Type of Encroachment	Amount	Aggregate Value of New Permits (Euros)
Tables and Chairs	52	34,299
Billboards	49	73,500
Other Encroachments (for e.g. one time permits)	51	112,573
Totals	152	220,372.00

Figure 6. Encroachment Permits Issued in 2019

Additionally the Authority also issued 139 Consent to the applicants to obtain a Development Planning application.

In 2019 the Authority registered a significant progress in the amount of issued encroachments for Tables & Chairs and Billboards, resulting in an increase of +676% on the amount issued in 2018.

Transfers of Property to Government Entities and Local Councils

The Lands Authority is occasionally requested to transfer land and property to various public entities for projects and initiatives. Transfers of land are also facilitated to Local Councils, normally through the devolution mechanism.

During 2019, the following transfers and allocations were made:

- 56 Transfers to Housing Authority
- 8 Transfers to Local Councils (Devolutions)
- 6 Transfers to Other Government Entities
- 9 Transfers to MIP
- 10 Transfers to SportMalta
- 6 Government Allocation Leases (Government Authorities, Agencies etc.)
- 35 Government Allocation Agreements (Government Departments and Ministries)

Rural and Agricultural Tenements

The Lands Authority administers government owned rural and agricultural tenements through the agricultural lease system, renewable on a yearly basis. In so doing, the Lands Authority contributes significantly to the development of the agriculture industry in Malta and Gozo.

- 11,000+ Rural and Agri tenements to-date
- 105 Agricultural Land Scheme leases signed.
- 116 Alps Applications solved
- 250 Recognitions (Old Applications)
- 49 AGR11 Applications

An Agricultural Advisory Committee was also set-up in line with Subsidiary Legislation 573.06

Maintenance of public property

The government estate portfolio is very vast, diverse and spread across the islands. Whilst many units are effectively transferred to third parties under various different forms of title, much remains unutilized and in some cases, in dilapidated state. For 2019, a budget line of €800,000 was dedicated for maintenance interventions. Also during 2019, a Framework Agreement was signed with a view to having the proper rapid intervention mechanism for the deployment of contractor to initiate maintenance work on government property. The unit prioritized work in accordance with reports filed, primarily from Police, Local Councils and other third parties on needed intervention. It is however at a stage where a Property Maintenance Strategy will be compiled and which would highlight the needs for further resources and a priority hierarchy.

During 2019, 280 inspections and 23 Condition report Assessment Reports were compiled.



New Business Development & Commercialisation Unit

During the end quarter of 2019 a new unit was set up with the aim of identifying vacant Government property which could be better used and commercialised. To this end, the Lands Authority will be taking a more pro-active approach in maximising the potential of Government Estate as opposed to the past practice of reacting only to requests. This unit will also work hand in hand with other key government entities in order for the Lands Authority to act as a primary actor in social and economic development.

Other Key Figures

- 720 Land Registry plans
- 480 Property Drawings
- 48 Site Plans
- 120 Registration Correction Applications
- 95 First Registration Applications



CORPORATE SERVICES

The Corporate services function of the Authority is the administrative backbone of the Authority with a coordinating role and a robust support structure. Human Resources and Talent management, the role of ICT, Customer Care and External relationships, Registry Management, Research and Support as well as Marketing and PR fall within this critical directorate. During 2019, key deliverables and important milestones were reached.

By the end of 2019, the Lands Authority had 219 full time employees as opposed to 226 in 2018.

Human Resources and Talent Management

- **New collective agreement finalised**
- **Eur 2.3million investment in our employees, to the benefit of 140 employees**
- **Increase of 4.2% in Salaries**
- **Better career paths and improved opportunities**
- **Additional benefits for all**
- **In-depth professional job evaluation exercise with all employees**
- **HR Systems overhaul, introducing more accountability**
- **Robust ICT Investment in HR and Payroll Systems**
- **Training schemes launched**

One of the most significant achievements of the Corporate Services Directorate in 2019 was the finalising of the details of a new collective agreement, that would see the Authority directly invest **€2.3 million** in its employees.

The agreement acknowledges the conditions characterising the modern day work-force, the economy on a national scale and the measures that contribute towards the long-term development of the Authority. In fact, as a result of the signed agreement between the Lands Authority and the General Workers' Union, **140 Authority employees** will have an average **salary increase of 4.2%**.

Employees will also benefit from more flexibility in their working hours, the introduction of family-friendly measures and other benefits promoting employee health and career progression. Furthermore, as part of the agreement, and following an in-depth robust exercise performed by a leading HR specialist, clear job descriptions were compiled and communicated to all employees, eliminating anomalies and inherent inefficiencies whilst ensuring that every employee is full aware of his or her main duties and responsibilities and what is clearly expected of each.

The agreement had been sought after by the Authority's employees for a long time and serves to sustain harmonious industrial relations between them as employees within the Public Sector, their respective Unions and the Government. All parties stand to benefit, whereby the employees' conditions of employment and well-being are improved, which in turn leads to a better disposition towards the tasks they are to perform as employees.

The Collective agreement was finalised in substance by end of 2019 and signed in February 2020. Apart from closing a Collective Agreement, the new management embarked on an assimilation corrective exercise that was critically needed. All wrongfully assimilated employees had their process corrected and amended to reflect the proper realities of their current job and experience, whilst making sure that any resultant reimbursements were effectively made to each employee who was incorrectly pegged to the wrong placing. **The Lands Authority paid circa €145,852.88 in assimilation payments from 2017 to 2019 to 55 employees.**

Also during 2019, the Lands Authority invested heavily in overhauling the Human Resource Systems. A new electronic vacation leave application system was introduced as well as improved interface in personal payslip visibility. Biometric and face recognition punch clocks were also introduced replacing an old fashioned card punching system, ensuring a more disciplined and accountable punching management system, cutting down on potential inefficiencies that may have led to past abuses. A company doctor was also introduced to cut down a high sick leave incidence that was prevalent. **Sick leave per employee went down from a yearly average of 11 days in 2018 to 3 days by the end of 2019.**

Various employees were provided with training opportunities and a training plan identifying skills gaps and how these can be mitigated, will be deployed in 2020. Moreover, a half-day workshop for all employees provided an opportunity for the CEO to explain the positive comparative results with 2018, whilst ensuring that all employees understand better the strategic direction of the Lands Authority, whilst communicating in no uncertain terms the need for change, primarily culture changes and process re-engineering. This also served as an important exercise of networking which also resulted in a thought-sharing and provoking opportunity for staff to provide feedback and ideas.

During 2019, the Lands Authority was in a position to re-introduce again the mechanics of the Public Administration Act's Directive 7. This was an important step and a significant show of trust in the new Human Resources management team following the withdrawal of this directive early in 2018. The re-introduction of this Directive was crucial to secure a more efficient, effective and quicker recruitment process, reduce bureaucracy and streamline administrative processes.

A Code of Ethics was also introduced to all employees, highlighting the Authority's values and principles and linking them with standards of professional conduct. The code articulates the type of behaviour the Authority wishes to foster amongst its work force.



General Data Protection Regulations (GDPR) Awareness

One of the most difficult moments in 2018 was the experiencing of a Data Breach that was eventually investigated by the Data Protection Commissioner. The Commissioner's decision of Feb 2019 can be perused through this link: <https://idpc.org.mt/en/Press/Pages/Lands-Authority-Personal-Data-Breach.aspx>. The Commissioner highlighted the "full and unrestricted collaboration to the Commissioner during the course of the entire investigation", of the Lands Authority and its management.

In order to make sure that all its procedures fully adhere to GDPR and that all employees are fully aware and abreast with GDPR polices and procedures, extensive General Data Protection Regulation (GDPR) training was provided to all employees. Additionally, the Authority's policies were updated in order to be in line with GDPR regulations. The GDPR sets out principles for the lawful processing of personal data, whereby processing includes the collection, organisation, structuring, storage, alteration, consultation, use, communication, combination, restriction, erasure or destruction of personal data. A Data Protection Officer was also appointed tasked with full oversight and policy implementation powers.

ICT Infrastructure

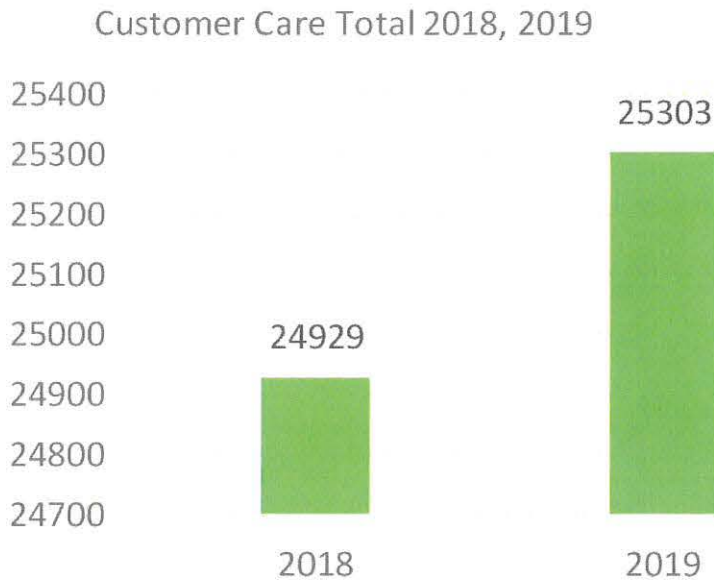
The Authority recognises that a robust and solid ICT infrastructure is paramount for the attainment of its objectives. During 2019 significant investment has been made in the ICT infrastructure, enhancing DAKAR payroll systems whilst resolving past pending issues in the LEMIS management system. Following the data breach, a decision was also taken to migrate hosting to MITA Azure systems. An investment plan of around Euro 800k is currently underway and will be finalised in 2020. The Lands Authority is also currently underway in the implementation of the next phase of the online application system aimed for deployment during 2020.

Customer Care

The Lands Authority is a very complex structure, inherently fusing the legal, notarial, contractual and architectural together. The Customer Care function offers a critical external interface with the general public and has the inundating task of trying to manage large volumes with complex requests. Throughout 2019, acceptable improvements were registered both from a productivity perspective and also from a qualitative approach. The strategy of the Lands Authority is to manage its external relations through improved automation, including improved online application forms, FAQs and online payment method, which are aimed to reduce the need of personal footfall at Authority's offices. In 2019 the Customer Care department attended to approximately 25,303 calls (emails, walk-ins and telephone calls), i.e. **an increase of +1.5% over 2018.**



Figure 7. Customer Care Calls Totals: Comparatives



Totals		Emails		Walk-Ins		Telephones	
2018	2019	2018	2019	2018	2019	2018	2019
24,929	25,303	9,746	11,818	5,852	6,533	9,331	6,952

Registry

In 2019 a business process re-engineering exercise was carried out on the Registry Function.

In order to improve efficiency and shorten delivery time frames for file movements, registry personnel were assigned to each directorate as opposed to a totally centralised system.

Additionally the digital scanning of files exercise was continued and a standard operating procedure was formulated and distributed to all personnel accordingly.

Figure 8. Registry Statistics 2019

Incoming Correspondence	13,720
File Movements	217,452
New Files Created	766
Digital Scanning of Files	7,093

Corporate Social Responsibility

Corporate Social Responsibility During 2019 the Authority continued with its CSR Program and organised a number of volunteer and philanthropic activities.

LEGAL AFFAIRS

- 523 Scheme Applications
- 198 Redemptions done (26 Government Property & 172 Joint Office)
- 106 New Court Cases
- 26 New Appeals (from preceding cases)
- 2,000 Legal Requests
- 348 Total Ongoing Cases

Figure 9. Ongoing Legal Cases

Civil Cases	100
Constitutional Cases	36
Rent Regulation Board	5
Administrative Review Tribunal	24
Judicial Warrants and Protests	28
Gozo Court Cases	14
LAB – Lands Arbitration Board	115
LAB (Inferior Appeals)	26
Total	348

In substance, much of the work at the Lands Authority is grounded in legal hues and principles. The Legal Affairs unit performs critical functions, spanning from internal legal advice, to court litigation, to pro-active initiatives such as the enactment of schemes and legal notices.

During 2019, the Legal Affairs unit had to place too much reliance on external third party service providers for the proper conduct of its affairs. It is acknowledged that to attract and retain quality legal expertise within the LA that can effectively manage the current workloads and tackle ten year backlogs is by no means an easy task. By end 2019, the Lands Authority has 6 in-house lawyers and 6 externally contracted lawyers mainly focused on litigation. It is aimed that by 2020 the unit would employ a minimum of 8 internal lawyers and would slowly reduce reliance on the procurement of external services.

This is in order to address the widely acknowledged fact that at least a decade old back-log exists when it comes to requests for recognitions and other legal requests estimated at circa 5,000 pending requests.



Scheme for the Purchase of the Temporary Direct Dominium

During 2019, the Lands Authority in conjunction with the Joint Office issued a widely anticipated scheme that would give the opportunity to individuals to purchase the temporary direct dominium thus becoming owners of their residential property. It is expected that around 5,000 individuals stand to gain and benefit from this scheme. Information about the scheme, which echoes similar schemes issued in the past, can be found at the following link: <https://landsauthority.org.mt/purchase-of-the-temporary-directum-dominium/> The scheme is still open and as yet no end date has been defined.

From an operational perspective, the Lands Authority would want to avoid past practices where applications remain unsolved years after the scheme closed. To this end, the process was changed in a way that applications are received at the Joint Office with a view to have all the registration and necessary documents ready to be delivered to the Lands Authority for the processing of the redemption itself as from March 2020. By the end of 2019, 523 applications have been received at the Joint Office.

Recognitions

During 2019, the Lands Authority continued to receive substantial recognition requests. The system deployed between 2017 – 2018 whereby external lawyers were outsourced the performance of recognition requests was scrapped during 2019 owing to the poor quantitative results it yielded.

It is only through an agreed simplified procedure that such an overwhelming backlog can be eradicated and prevented in future. The Authority has sought the advise of a top lawyer and together with the Notarial Council is working on having a new, simplified procedure aimed at having a request for new recognitions finalised and approved within a time-frame of one month. The Authority aims to implement this by second quarter 2020. It is also planned that an electronic, online Recognition Request is deployed as part of the Lands Authority's portal, which will further facilitate and speed up the completion of similar requests.



Subsidiary Legislation 573.06 Government owned Agricultural Land Regulations

During 2019, the Lands Authority started implementing new regulations of SL 573.06. These regulations provide for facilitation of transfers of agricultural land between parties. This important legal notice addressed past lacunas blocking transfers to genuine farmers. In fact, the Legal Notice provides for the facilitation of agricultural land transfer only to registered farmers, whilst blocking transfers of parcels of land where property exceeding 40sqm is involved, as a way to act against potential speculation. The Legal Notices provides primarily for:

- Transfer and assignment of rights between Family Members.
- Land Returned to the Authority.
- Transfer and Assignment of rights or parts thereof to a third-party full time or part time farmer.
- Transfer of Land after death of the lessee to Family members or members in solidum determined by lessee.
- Transfer of Land after death of the lessee to Family members or members in solidum NOT determined by lessee.
- Transfer of Share in solidum
- Request to divide agricultural land or Building thereon
- Request by a student for agricultural land to be released on lease agreement

As noted under the Online Applications section of this report, an Agricultural Advisory Committee was also setup in line with Subsidiary Legislation 573.06. This committee includes representatives from the Agriculture Department, the Veterinary Services, the Authority responsible for Sustainable Development and the Lands Authority. Additionally, as noted above, a new application form was introduced and The Lands Authority received **130 applications** by the end of the year 2019.

LEGAL NOTICE 216 of 2019 - Redemption of Land belonging to the Government or to the Lands Authority under a Title of Revisable Perpetual Emphyteusis Regulations, 2019

Another important Legal Notice enacted in 2019 concerned the redemption of Revisable Perpetual Emphyteusis introducing the opportunity of redeeming of the Emphyteusis at any point in time and not necessarily on the date of revision. This introduced a flexible and fairer opportunity to revisable perpetual Emphyteusis holders to be able to redeem and become full owners of their properties.



CONTRACTS

The Contracts function is responsible for practically all contracts entered into by the Lands Authority, normally following an award by public tender or a Parliamentary resolution. The Authority makes use of its in-house notarial team to publish deeds.

During 2019, the Lands Authority published **a record of 483 contracts resulting in an increase of 139% over 2018.**

Figure 10. Contracts published by the Lands Authority

Type of Contracts	Amount
Sales Contracts	36
Garage Scheme	260
Transfers to Malta Industrial Parks	9
Transfers to SportMalta	10
Compensation Rights	33
Acquisitions	4
Modifications & Payments	13
Conditions Modifications	1
Cancellation of Hypothecs	2
Payments Continuations	3
Correction of Contracts	8
Sell Backs	1
Obligations o.b.o. 3rd Parties	6
Conversions re Blue Harbour and Tigne'	18
Emphyteusis	21
Shop Scheme	2
Transfers to Housing	56
Total	483

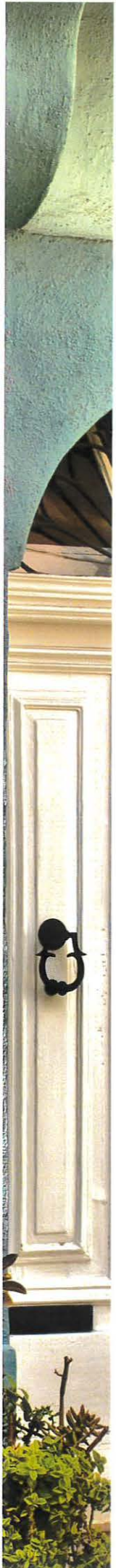
Acquisitions for Public Purpose (Expropriations)

- **95 New Declarations of Acquisitions**
- **18 Declarations for 'possession and use'**
- **1 'Declaration to Survey'**
- **9 Released, 5 Revocations, 57 Terminations**

The Lands Authority has unique powers to take up private property, or terminate existing commitments on government land, for the scope of “public purpose”, defined as “any purpose connected with exclusive government use or general public use, or connected with or ancillary to the public interest or utility (whether the land is for use by the Government or otherwise) or with or to town-planning or reconstruction or the generation of employment, the furtherance of tourism, the promotion of culture, the preservation of the national or historic identity, or the economic well being of the State or any purpose connected with the defense of Malta or connected with or ancillary to naval, military, or air operations; and includes any other purpose specified as public by any enactment; and for the purposes of this definition, where the purpose for the exercise of any right under this Act is connected with the utilization of any land or any right in connection or in relation therewith for any purpose connected with the supply, storage or distribution of fuels or other sources of energy, or in connection with the provision of any utility or municipal services or infrastructural project shall be deemed to be connected with or ancillary to the public interest or utility”, in accordance with Chapter 573.

During 2019, the Lands Authority published **95** new Declarations for Acquisition of Property for Public Purpose and 18 new Declarations for 'possession and use' were issued. Much of these acquisitions were to facilitate the nationwide road infrastructure and other projects, whilst some involved the finalisation of past outstanding acquisitions to compensate owners whose property was expropriated prior to 2003. Also during 2019, **57 terminations** were concluded on public land required back for a public purpose.

Only **one** 'declaration to survey' was published, which allows the relevant entity requesting expropriation to inspect a piece of land for evaluation as to whether the proposed land is adapted for the intended expropriation or otherwise. **Nine** releases and **five** revocations were published, resulting in public land being released or transferred back to the private owners.



Past Aquisitions

It is acknowledged that a substantial amount of past expropriations have still yet to be finalised and settled, the vast amount of which refers to expropriations made prior to 1994. After this year, the Lands Authority and its predecessors started requesting originating entities to deposit full funds in individual bank accounts with a view to clearing immediate payment for the expropriated property once the process was finalised. During 2019, 115 new bank accounts were opened with the total sum deposited exceeding €4.75million.

By the 2002 amendments to the Land Acquisition (Public Purpose) Ordinance, the Government becomes the owner immediately when the Declaration is published in the Government Gazette.

The value of the land is part of the same Declaration and is immediately afterwards deposited in an interest bearing account. This stopped the accumulation of past cases, however still gives the private owners to contest the valuation in front of the Lands Arbitration Board. In 2017, the Land Acquisition Ordinance was abrogated and the Government Lands Act, CAP 573 of the Laws of Malta was promulgated. Cap 573 provides a different method of compensation for expropriations that precede the year 2003, however it adopts the same principles that the Government becomes the owner of the land immediately upon the publication of the Declaration of the Chairman of the Lands Authority in the Government Gazette.

In addition to the above, the Land Authority is allocated a budget line out of the consolidated fund to service past expropriations, in order to try to extinguish the accumulation of the acquisition debts for expropriated property prior to 1994. For the year 2019, **€8.5million was allocated**.

During 2019, circa **2,028** cheques were processed and issued for the payment of recognition and acquisition rent to payees whose land is being held by Government under title of possession and use or public tenure. These payees receive a recognition or acquisition fee every 6 months.

Land Arbitration Board

In virtue of the dispositions of CAP 573, whenever a land owner institutes proceedings before the Land Arbitration Board, the procedure is that there must be proof of ownership of the land prior to proceeding forward with the case. **By the end of 2019, the Lands Authority had 141 cases being contested in front of the LAB.**

ENFORCEMENT AND COMPLIANCE

The Enforcement function is a critical yet delicate function of the Lands Authority. It is primarily concerned with ensuring that abuse on public land is inspected, investigated and any resultant abuse is acted upon. During 2019, Enforcement Officers conducted 3,642 inspections and actions split as follows:

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total	3642	376	407	320	400	402	240	312	166	239	299	276	205
Affixed letters to call	786	72	81	56	75	109	46	73	23	73	59	61	58
Health Hazard	24	2	0	1	7	3	2	2	0	1	2	4	0
Gen. Inspection	2272	228	265	192	232	221	151	188	124	155	202	178	136
Dk Form	26	2	1	1	3	5	1	2	2	2	1	2	4
Issue of Eviction Order	0	0	0	0	0	0	0	0	0	0	0	0	0
Exec. Of Eviction	1	0	1	0	0	0	0	0	0	0	0	0	0
Court Summons	75	10	10	8	7	9	9	0	0	2	8	7	5
Viewing I/C/W Tenders	80	6	3	0	19	0	3	13	9	5	16	6	0
MSD Works	74	11	5	6	4	13	2	5	6	1	7	12	2
Dues	300	45	41	56	52	42	26	29	2	0	4	3	0
Surr.Keys	4	0	0	0	1	0	0	0	0	0	0	3	0

Figure 11. Enforcement Action Taken By The Authority

Legal Reform

From the above figures, it is acknowledged that the issuance and carrying of Eviction Orders is clearly on the low side (although at par with 2018 levels). Whilst it is primarily the result of negotiations that would lead to an agreed eviction as opposed to a forced executive one, it must be said that the provisions of Chapter 573 have proved to be quite cumbersome for the Lands Authority to executive timely and effective evictions. In this context, discussions are ongoing together with relevant entities such as the Housing Authority with a view to suggesting amendments that would empower government entities having quicker and stronger legal tools in hand to be able act timely on evictions.

Resources and Training

The compliment of enforcement officers During 2019 was that of 15 employees with 8 of them joining the Land Authority late 2017. The Authority will continue to invest in the necessary training and investment in the current workforce but is also evaluating the opportunity to strengthen further its resources.



JOINT OFFICE

During 2019, internal government direction was given for the Joint Office to assume a more separate and visibly independent role from the Lands Authority. For this reason, joint office operations were migrated to the offices at Marsamxett Street in Valletta, a separate building distinctive from Auberge De Baviere, which was fully refurbished. During the course of 2019 and will continue during 2020, full separation will be finalised. Joint Office Operations will be reported separately.

AUBERGE DE BAVIÈRE

The Lands Authority is currently putting up a proposal to migrate its full operations to a new building. It is widely acknowledged that Auberge de Baviere is no longer fit to properly accommodate the increasing operations of the Lands Authority and more that 200 staff. Whilst staff are crammed, significant risks exist to the proper preservation of records and archives due to heavy exposure to elements including high humidity and which may be very damaging to the records themselves. The Lands Authority is also evaluating the opportunity cost of remaining at Auberge De Baviere and also identifying potential and different use opportunities for the place itself. A report and proposal will be presented during 2020.



FINANCIALS

The Finance Directorate is committed to provide:

- Clear and complete reporting to management, Ministry of Finance and Parliament;
- Timely and accurate rent invoicing;
- Assistance in policy formulation;
- Support to all the other Authority's directorates.

For the financial year ending December 2019, the Authority registered a surplus of €86,069 when compared to a previous deficit of €766,420 registered in the period between Feb-2017 to Dec-2018.

Figure 12. Income and Expenditure Account

	2019 12 months €	2018 23 months €
Income	9,040,958	12,571,125
Expenditure	(8,855,264)	(12,518,230)
Surplus before other expenditure	185,694	52,895
Other expenditure	(99,625)	(819,315)
Net excess of income/expenditure over expenditure/income	86,069	(766,420)

Figure 13. Balance Sheet

	2019 €	2018 €
Assets		
Non-Current		
Intangible assets	61,748	12,819
Plant and equipment	247,540	230,585
	309,288	243,404
Current		
Receivables	259,732	-
Cash and cash equivalents	2,003,690	1,013,108
	2,263,422	1,013,108
Total assets	2,572,710	1,256,512
Reserves		
Deficit	(680,351)	(766,420)
	(680,351)	(766,420)
Liabilities		
Current		
Trade and other Payables	3,253,061	2,022,932
	3,253,061	2,022,932
Deficit and liabilities	2,572,710	1,256,512

One of the main financial performance targets is cash collection. For 2019, the estimated collection was set at €35,320,000 this was exceeded by €5,542,683 and circa €2,133,178 more than 2018.

Figure 14. Cash Collection

	2019 €	2018 €
*0316 Fees on contracts/Notarial Fees	74,886	54,911
*0345 Participation fees in Departmental Tenders		-
*0611 Rent of rural tenements	214,159	218,923
*0612 Perpetual Leases	2,746,841	1,840,419
*0613 Rent for residential tenements	2,187,008	1,291,511
*0614 Rent for non -residential tenements	1,978,286	1,849,419
*0615 Rent for commercial tenements	20,620,520	16,002,669
*0616 Rent of property occupied by Government Dept.	4,486,088	5,900,242
*0617 Payment of encroachment Government property	1,230,043	1,224,033
*0619 Rent from Ex-Church property	2,098,656	2,110,030
*0902 Sale of Government Lands etc.	4,330,684	8,045,052
*0999 Miscellaneous receipt	895,510	192,295
Total	40,862,683	38,729,505

THE INTERNAL AUDIT AND INVESTIGATIONS DIRECTORATE

The Internal Audit and Investigations Directorate within the Lands Authority safeguards the principles of accountability, efficiency and sustainability which lie at the heart of the Authority's work, and simultaneously seeks to ensure that the Authority accomplishes its mission, i.e. acts on behalf and in the interests of tax payers in the management of all public property. Its vast responsibilities emerge from the Lands Authority Act, Chapter 563 of the Laws of Malta, and its main tasks can be divided into three main categories:

1. Scrutinizing and evaluating any transaction to be entered into by the Authority with a value exceeding one hundred thousand Euro (€100,000).
2. Reviewing and assessing the effectiveness of the management of the Authority in its compliance with policies and in the discharge of its regulatory and compliance functions while providing assistance with regard to the management of all the most important risks undertaken by the Authority.
3. Evaluating alleged irregularities taking place in the Authority. A detailed Annual Audit Report compiled by the Chief Audit Officer was prepared in line with the provisions of article 24 of Chapter 563 of the Laws of Malta and was tabled in Parliament on the 30th March 2020, during sitting number 316.

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