



# ANNUAL REPORT



**2020**

**THE LANDS AUTHORITY**

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# 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 taxpayers.

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

**DR JOHN VASSALLO**

The year 2017 saw the enactment of legislation whereby the Lands Authority was set up, and within the Authority the Board of Governors intended to assist in the formulation and implementation of the Authority's policies with a view to ensuring the best possible use of Government property, as well as dealing with cases of expropriation and other issues related to the management and disposal of Government property.

During the past four years I have had the honour to serve as Deputy Chairman alongside Judge Emeritus Dr Lino Farrugia Sacco, Chairman of the Board of Governors, together with the members of the Board whose timely and professional input has been invaluable. I cannot also but laud the sustained efforts of the Authority's former Chief Executive Officers, as well as the contribution made by the various Authority officials in assisting with the development of an Authority in its infant stages.

It has by no means been an easy ride, given the frequently complex nature of the work in hand as well as the sheer volume of it. Yet I can say with a measure of pride that throughout the preceding years the Board of Governors has made it its business not to lament about the state of affairs we had moved into, but to focus on solutions and the way forward.

There is of course much yet to be done. With everything in life there is always a certain learning curve to be respected and cultivated. As happened at the time of the Authority's inception, we are continuing to seek the appropriate ways and means to achieve improvements in the nature of the service the Authority is meant to provide to the public.

The change from a Government Department to an Authority has made it a sterling priority that we seriously look at effective culture change management and the removal of bureaucratic bottlenecks, not to say inertia. To that end there is a plan to render the Authority as “paperless” as possible eventually, through the necessary upgrade in technological tools and their application. Inevitably the right recruitment of personnel by the Authority is another factor not to be underestimated.

I anticipate that in not too distant a future one will need to address the issue of clarifying and updating the set of legislation which impinges on the Lands Authority's role and responsibilities. Of course, whatever the quality of legislation on paper it is the willingness and good faith of those entrusted with a role that make the ultimate difference.

Our role as a Board of Governors remains a continuous challenge. As the celebrated Lord Denning had put it, until the very day that he was called to the Bench he had continued to treat every case he was handling as if it were his first.



# BOARD OF DIRECTORS

During 2020, the Board of Governors was composed as follows:

**Chairperson** - Judge Emeritus Lino Farrugia Sacco

**Vice Chairperson** - Dr John Vassallo

## **Board Members**

Dr Maria Cardona

Perit Odette Lewis

Perit Joseph Scalpello

Perit Michelle Piccinino

Mr Paul Mifsud

Hon Alex Muscat

Dr Lisa Marie Brooke

Mr John Mansueto

Mr Eman Castagna

Hon Alex Muscat resigned in the first week of January 2020 as he was appointed as a Parliament Secretary.

Mr Eman Castagna resigned between July and August.

# CEO'S FOREWORD

## MR. ROBERT VELLA

In the first week of February 2021, the Lands Authority has seen a change at the helm, with the appointment of a new Board of Governors, and that of myself as the new Chief Executive Officer. It is therefore my pleasure and duty to give an account of last year's achievements, and to outline the Administration's vision for the forthcoming year.

Before I delve into the practical aspect of this brief message, I feel that I must spare a few words to say what I truly believe needs to be clearly spelt out.

The Lands Authority is now almost four years old. It came into being following major legislative and organizational changes which were felt by all to be long overdue. Since then, my predecessors, whom I wish to acknowledge and thank for their sterling efforts, have strived to build an organization that can achieve the goals set out by Government for this pivotal organization.

The changes envisaged by the new set of legislative measures enacted over the past four years were intended to bring order and efficiency to the administration and management of Government estates. As a consequence of these changes, the organization has had to reinvent itself to meet these challenges, both in terms of human resources, and in terms of a radical change in internal processes.

And this brings me to the point I wish to make. The Lands Authority is often described as being an impenetrable bureaucratic fortress. Although I will be the first to declare that a lot of work still needs to be done, I must say that this criticism is largely undeserved, especially when one takes into account the major changes of the past four years.

The Authority staff, both those who were assimilated into the new structure, and those who have joined the Authority more recently as new recruits, are perfectly in tune with the organisation's commitment to be closer to the consumer and to adopt target based processes. I must at this point applaud the efforts of all those who have strived tirelessly to bring about this "first wave" of change, working against a backdrop of difficulties arising not just from the conditions of the pandemic, but also from the lack of automated processes which are still in the development phase.

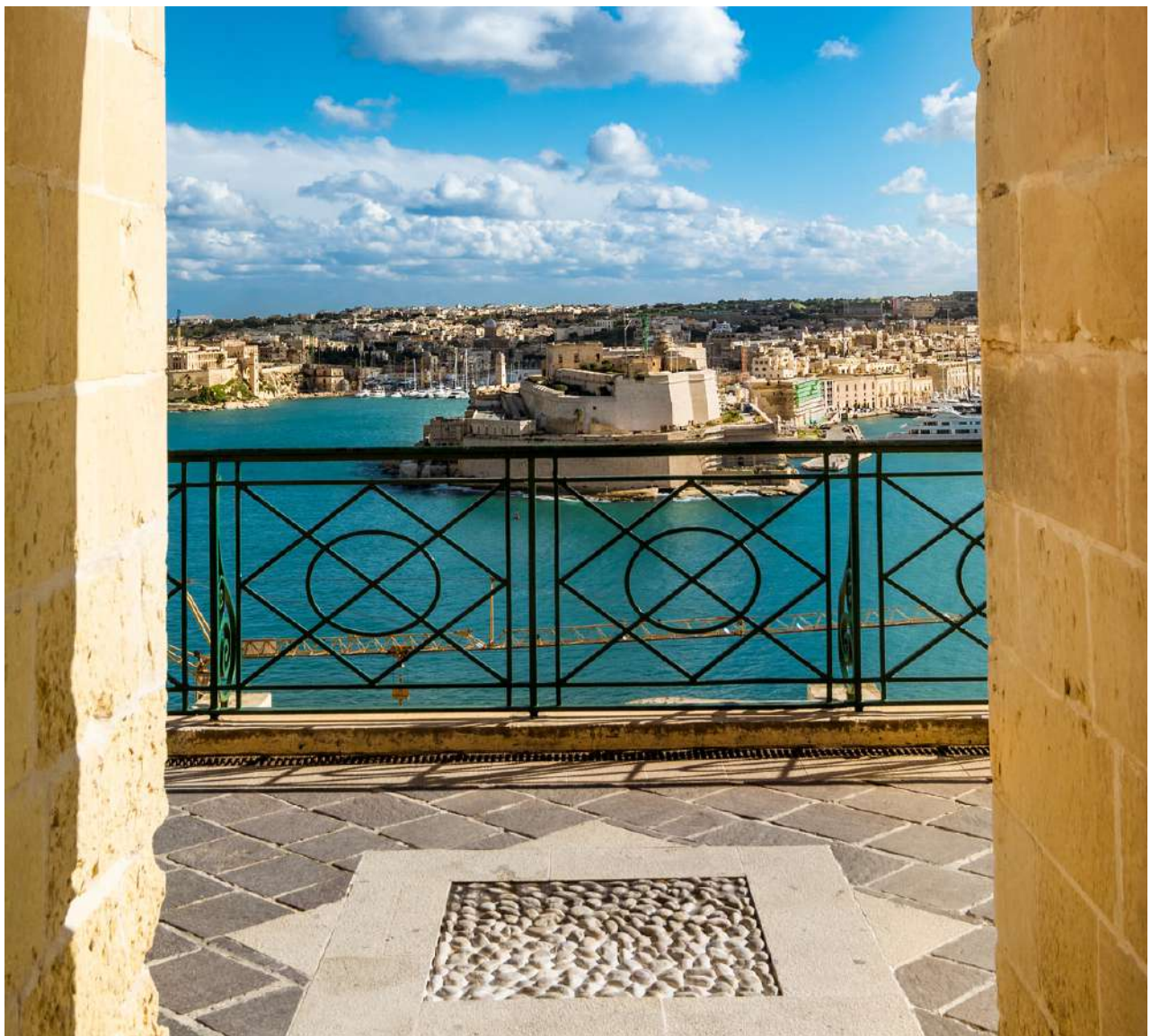
This report will clearly demonstrate that notwithstanding the difficulties of the year 2020, the Authority has still managed to maintain an admirable standard of service, and where one would have expected a reduced performance, the levels of output in terms of applications processed and overall revenue have remained constant, and this is nothing but encouraging for the future. Our vision for the year 2021 is centered around the commitment to launch a second wave of reforms designed to build upon the successes of the first four years. The strategy will be driven along two main tracks: a solid recruitment drive, and the enhancement of digitalization of processes.

The recruitment of new staff at all levels is seen as an essential and urgent measure to enhance the Authority's performance. In addition to seeking experienced and qualified personnel, the organization shall also be seeking to launch an internship and apprenticeship programme, where young recruits will be encouraged to undertake a tailor-made training course which will provide them with a solid academic background in estate management and property law.

The second priority measure is the enhancement, use and live testing of the internal file management system, which measure should eventually lead to the launching of the "paperless office". Anyone who is familiar with the current systems used at the Authority will acknowledge the fact that this is a tall order, but it is certainly achievable. We already have plans to launch the first pilot projects in the first half of 2021; these will be focusing on the processing of selected applications purely on a digital platform, without recourse to the use of physical files.



There is a high level of optimism, and the general expectation is that the process of change will bring about benefits to both the public and the Authority's employees. As for myself, I shall be working to achieve these and other goals, in the full knowledge that I have the collaboration of employees who I am more than proud to call my colleagues.





# ESTATE MANAGEMENT & BUSINESS DEVELOPMENT

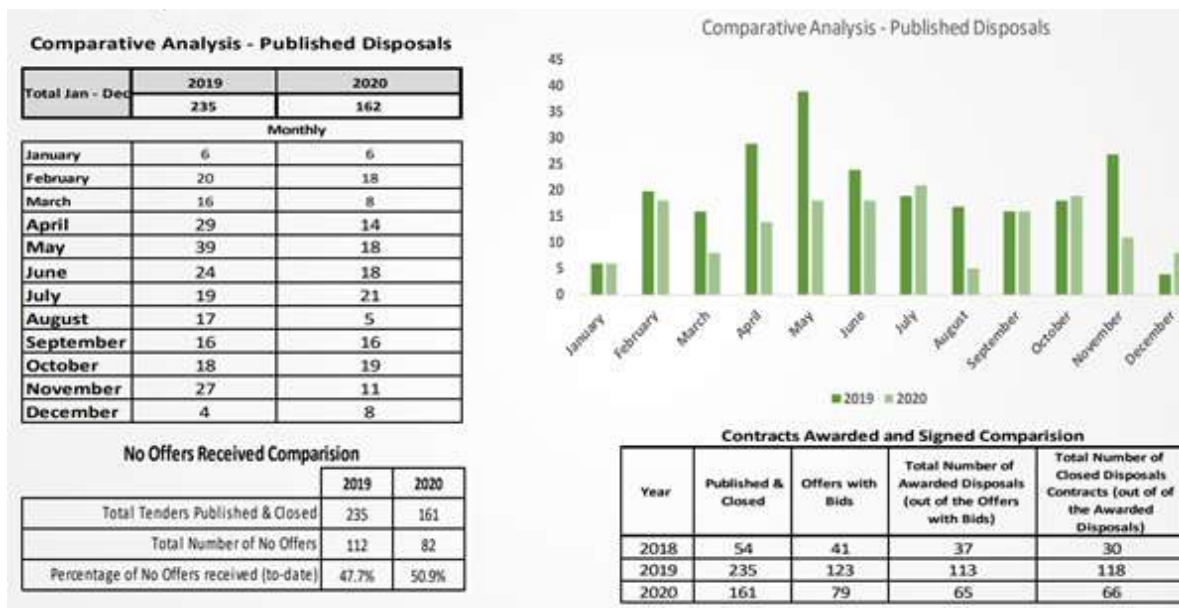
The Estate Management function is the operational nerve centre of the Lands Authority. It is tasked primarily with the best management of public property from all the various aspects, from keeping adequate property records up to issuing vacant property through the motions of a public tender. It is also 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 INDIS
- Transfers to Sport Malta
- Transfers to other social and cultural entities
- Property Maintenance
- Business Development and Commercialisation
- Valuations

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 through the publication of public tenders in line with the provisions of the law.

### Comparative Analysis: Published Disposals - 2019 and 2020 (Jan - Dec)



During 2020 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 have any transfers been made following “an announcement of auction” as contemplated by Article 31(b).

It can be noticed that there was a decline in the number of published disposals. This decline can be attributed to the decline in the number of applications, which merit the issue of tenders as can be seen in the relative section. One can also notice that the percentage of the cases where no offers were received increased from 47.7% to 50.9%. The Authority is in the process of identifying the cause of this increase, to be able to carry out the necessary action to limit this percentage to a minimum.

## **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 strived to further upgrade of the Online Application System that was launched during the third quarter 2020. This includes the monitoring dashboards and automated processes that, for the first time, introduces self-imposed deadlines aimed at spearheading further operational efficiencies. Transactions are 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**

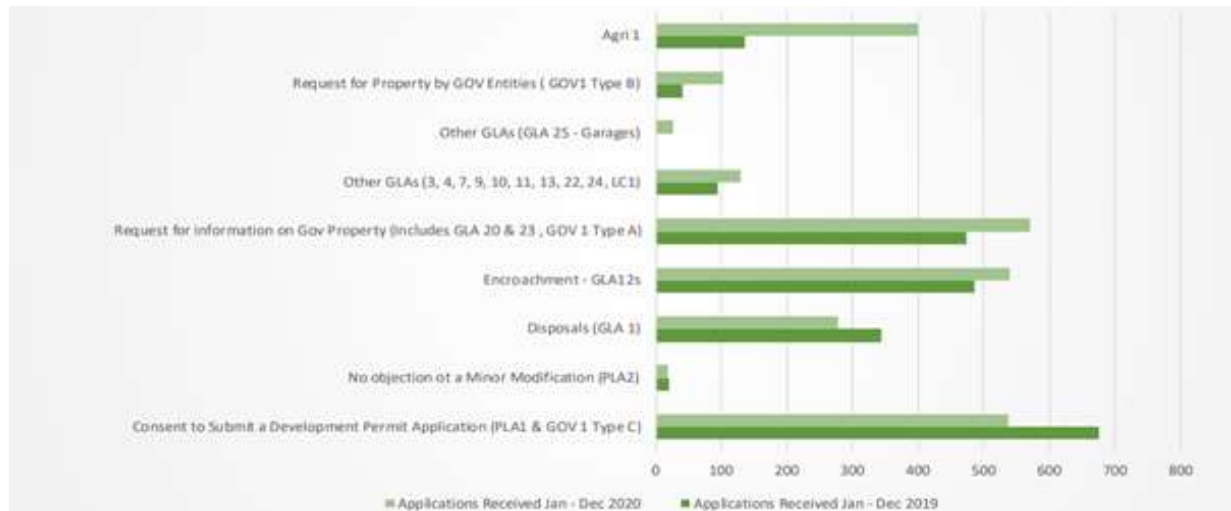
Deciding primarily on Encroachment applications for Tables & Chairs in line with OCA Policy and Applications for Billboards. Transfers exceeding €500k and other materially important matters are forwarded to the Board of Governors for final approval. A list of the various applications available online can be found in the following link:

<https://onlineportal.landsauthority.org.mt/Services/Forms>

**During 2020 another new form was introduced with the aim of streamlining and strengthening existing processes. This form, called LC1, was introduced for the processing of requests from Local Councils. In fact, it caters for any type of request that may be made by Local Councils.**

## Comparative Analysis: Online Applications Received Jan - Dec 2019- 2020

Applications received online and via email 2019 - 2020



Type of Application and Ref Number	Applications Received Jan - Dec 2019	Applications Received Jan - Dec 2020
Consent to Submit a Development Permit Application (PLA1 & GOV 1 Type C)	676	537
No objection of a Minor Modification (PLA2)	21	18
Disposals (GLA 1)	345	279
Encroachment - GLA12s	486	539
Request for information on Gov Property (Includes GLA 20 & 23 , GOV 1 Type A)	474	570
Other GLAs (3, 4, 7, 9, 10, 11, 13, 22, 24, LC1)	94	129
Other GLAs (GLA 25 - Garages)	0	26
Request for Property by GOV Entities ( GOV1 Type B)	42	102
Agri 1	135	399
<b>Totals</b>	<b>2273</b>	<b>2599</b>

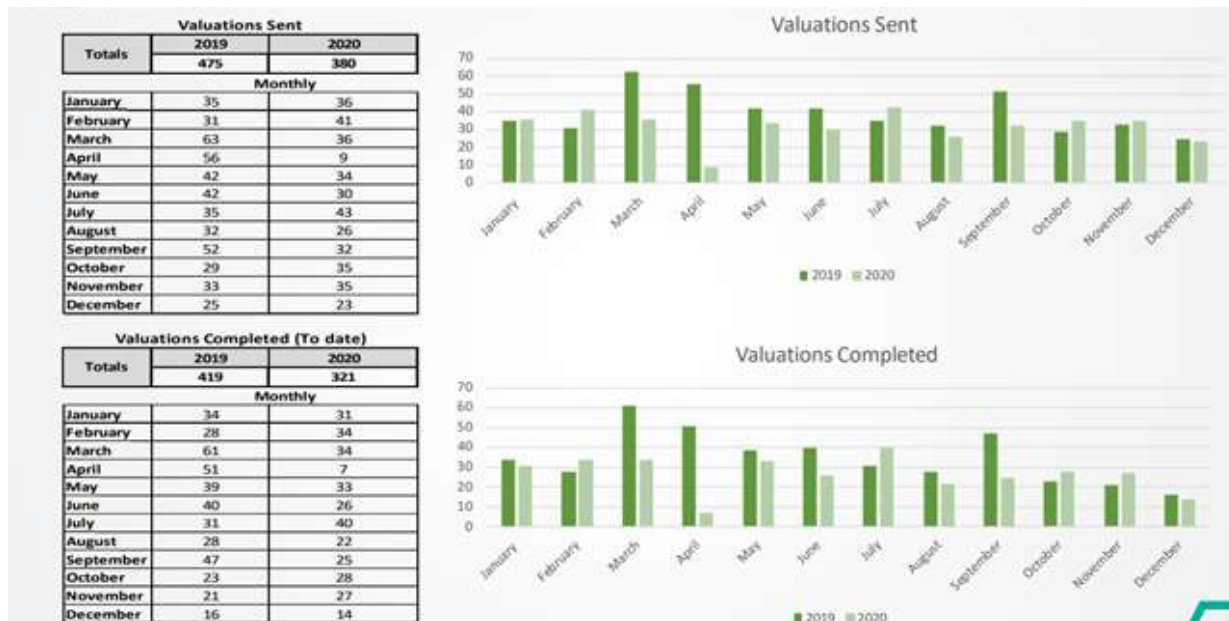
The above tables show that during 2020 **the number of online applications increased by 14% over the amount of applications in 2019**. This could be due to the more practical facility to apply online. However, it is pertinent to note that the increase resulted in the AGR1, encroachments, requests for information, requests for property by Government entities, and requests for the sale of garages. Requests for disposals and requests for consent to apply for a development permit declined. This also resulted in the decline of the number of properties which were issued for tenders.

## Valuations

A critical and very delicate function of the Lands Authority is to perform valuations for each property transfer, allocations, expropriations and renewals of expired leases which predate the setting up of the Lands Authority. The Authority has structured itself in a such way that the majority of valuations are obtained through the procured services of a pool of external 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.



## Comparative Analysis: Architects' Valuations Sent and Completed - 2019 and 2020 (January - Decemeber)



The number of valuations carried out depends on many factors amongst which is the number of requests for disposal, the number of requests for expropriations, and the number of expired leases that have to be revalued. Although one can notice that in 2020 the amount of requests for valuations was lower than that of 2019, **the efficiency in acquiring such valuations increased by 4%.**

### Encroachments for Tables & Chairs and Billboards

The Lands Authority is responsible for issuing encroachment permits 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 eventually by granting the final encroachment permit, which is renewed yearly, when the applicant would have obtained a Development Permission from the Planning Authority (PA). The Authority is also responsible for issuing encroachments for Billboards (also adopting the above mentioned two-stepped approach) and other types of encroachments (for example one time permits). The amount of active encroachment permits is at approximately 2,400. In 2020, the Authority issued 152 encroachments split as follows;



## Comparative Analysis: Encroachment - Aggregate Value of News Permits: Jan - Dec 2019-2020

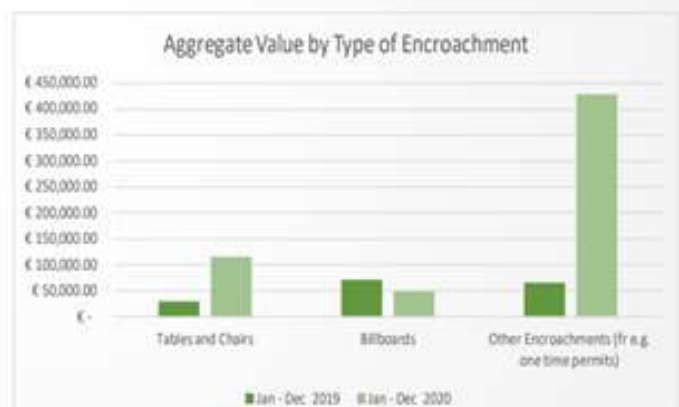
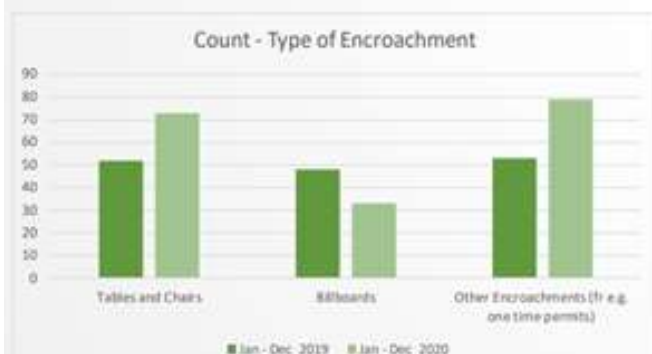
Encroachments Billboards' & Tables and Chairs		2019	2020
Billboards		48	33
Tables and Chairs		52	73

Encroachments Signed, Substations & Kiosks		2019	2020
Kiosks and Others		53	54
Kiosks		0	25
Enemalta		0	0

Count - Type of Encroachment	Jan - Dec	
	2019	2020
Tables and Chairs	52	73
Billboards	48	33
Other Encroachments (fr e.g. one time permits)	53	79

Aggregate Value by Type of Encroachment	Jan - Dec	
	2019	2020
Tables and Chairs	€ 29,339.00	€ 115,988.00
Billboards	€ 72,000.00	€ 49,500.00
Other Encroachments (fr e.g. one time permits)	€ 67,238.33	€ 428,226.94



From the above tables one can see that there was **a significant increase in the revenue from encroachments, from €67,238.33 to €428,226.94, an increase above the 600% mark.**

## Transfers of Property to Government Entities and Local Councils

The Lands Authority is occasionally requested the allocation of land and property to various public entities for projects and initiatives. Transfers of land are also requested by Local Councils, normally through the devolution mechanism. During 2019, the following transfers and allocations were made:

Government entities: **55 properties**

Malta Industrial Parks: **3 properties**

Sport Malta: **3 properties**

Housing Authority: **44 properties**

Local Councils: **7 properties**

## 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. An Agricultural Advisory Committee was also set-up in line with Subsidiary Legislation 573.06. During 2020 the main objective of the Rural unit shifted from the processing of ALS applications to the processing of AGRI1 online applications. This can be noticed in the next table.



## Comparative Analysis: Agricultural and Rural Unit (Jan - Dec) 2020

Works carried out in 2020										
Agricultural Land Scheme					Rent		Recognitions		FILES	
	PD's 2020	Application Withdrawn By Applicant	Application Refused by LA	Total	Rent Reduction Re ALS Applications		AGRI 1 APPLICATIONS	FORMER APPLICATIONS	AT LOCATION	BU
January	5	4	0	9	4		17	14	0	0
February	4	1	0	5	4		5	11	0	0
March	12	0	1	13	0		16	8	2557	1314
April	9	4	4	17	1		14	12		
May	12	2	1	15	0		12	8		
June	8	0	0	8	0		10	2	2954	1246
July	9	0	0	9	2		39	0		
August	2	0	0	2	4		18	5		
September	5	1	1	7	1		31	4	2848	1469
October	23	1	0	24	0		40	7		
November	1	1	1	3	0		29	4	2594	1618
December	0	0	0	0	0		16	1		

One must note that **the number of processed AGRI1 applications went up from 49 in 2019 to 247 in 2020.**

## 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 is 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 also works 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.

## Commercialisation: Summary of data relevant to the cases that have been reviewed by the Unit in 2020

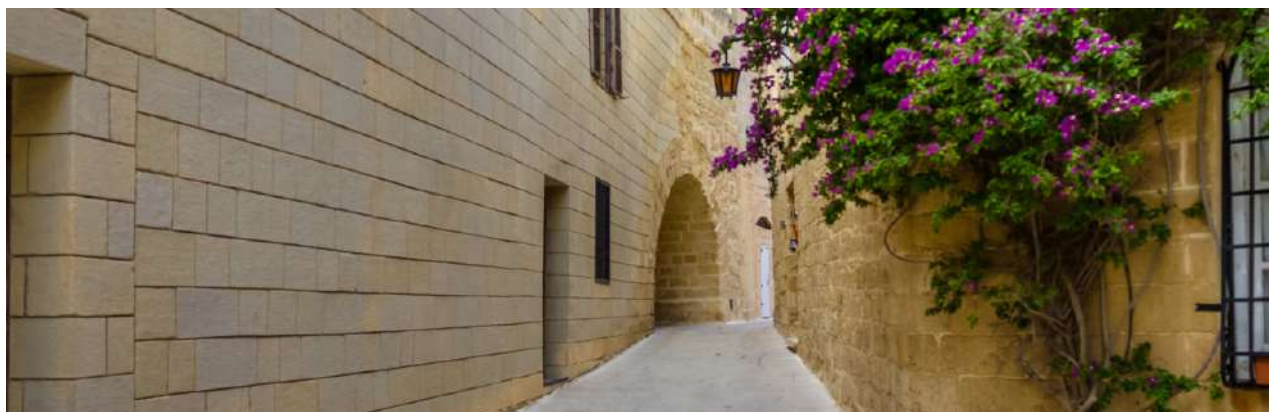
Summary of data		
Number of property case files evaluated for possible disposal	114	
Number of property case files pending input from other LA units	34	
Number of property case files found not to be available for disposal	21	
Number of property case files work in progress	24	
Number of property case files identified for national projects	15	
Number of property case files identified for governmental use	6	
Number of properties identified for use by NGOs	2	
Disposal tender procedures completed*	7	
Disposal tender procedures in progress	5	

*Receipts from completed tender procedures	€	
Value of completed tenders for disposal of temporary emphyteusis 45 years	36,000	per annum
Value of completed tenders for disposal on commercial lease 15 years	44,375	per annum
Number of tender procedures with no registered bids	4	number

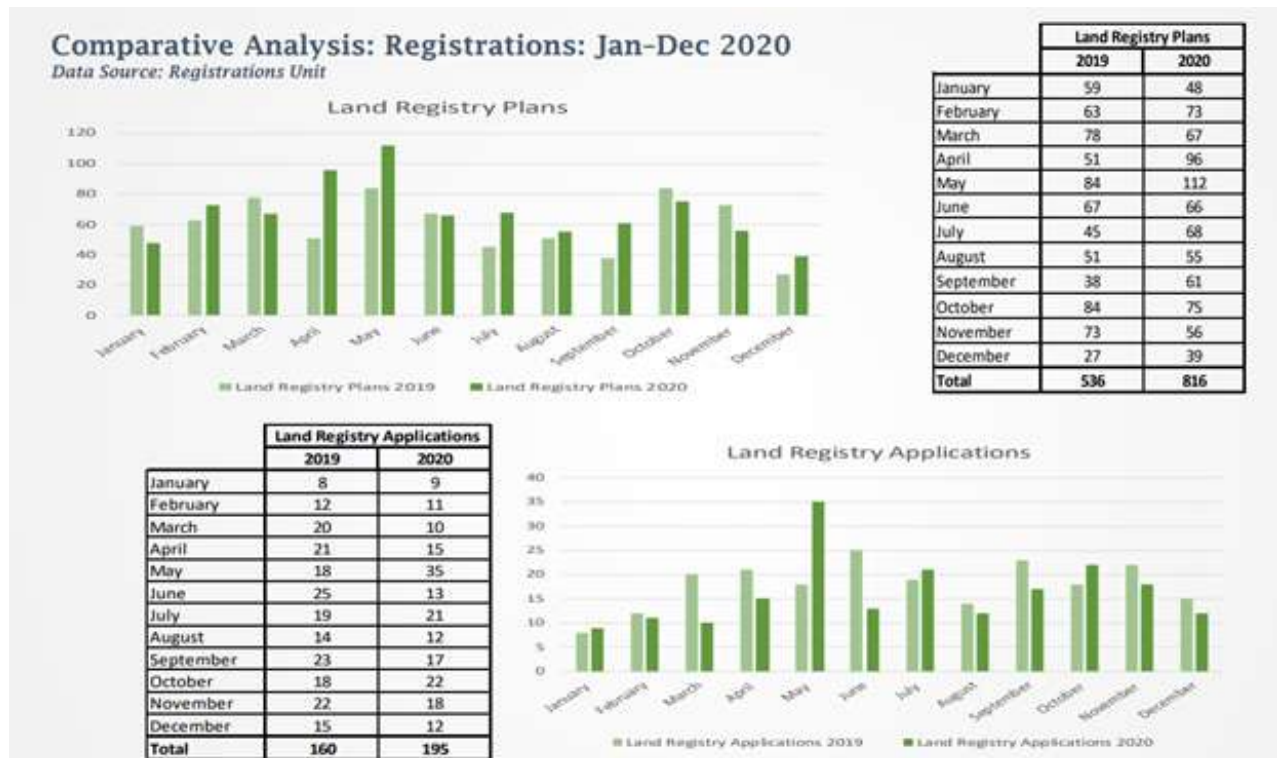
## Land Registration Unit

The registration of property at the Land Registry is a very important task for the Lands Authority. The registration of property serves primarily to safeguard Government property from being usurped by third parties. Registration is also part of the disposal of property when a property is sold or granted on emphyteusis. **During 2020 there was a significant increase in registrations. This increase is shown in table below.**





## Comparative Analysis: Registrations Jan - Dec 2020

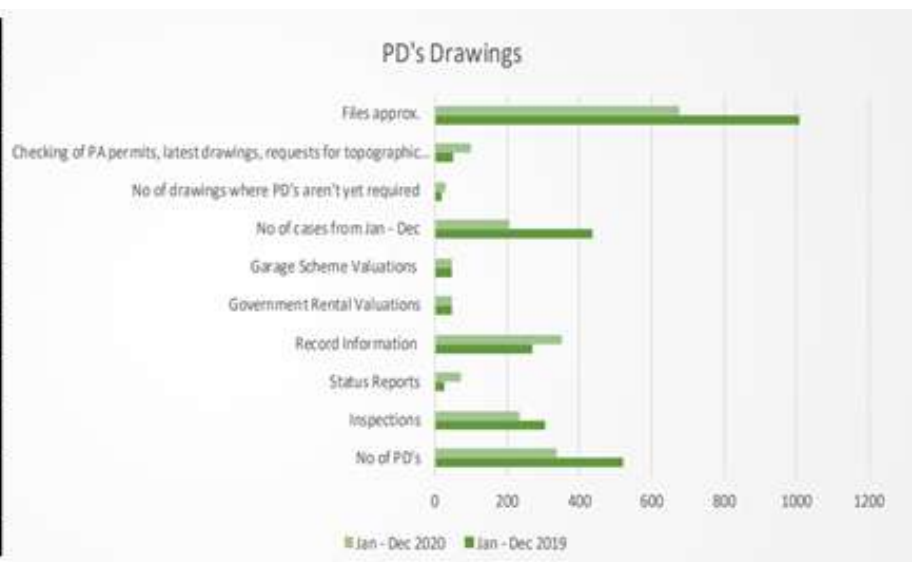


## Drawing Office

In any organisation dealing with property, the role of a Drawing Office is very important. This unit is made up of two qualified draughts persons and two other officers who were trained in-house to be able to prepare P.D.s (property drawings). Apart from drawing plans for property, which will eventually be disposed of, the Drawing Office, staff carry out site inspections and take site measurements to ascertain themselves of the correctness of the plans they draw. They also assign new tenement numbers to the property to be disposed of and prepares a status report of the property.

### Comparative Analysis: PDs Drawings: Jan - Sept 2019 - 2020

Type	Jan - Dec	
	2019	2020
No of PD's	522	337
Inspections	304	234
Status Reports	25	70
Record Information	269	349
Government Rental Valuations	48	46
Garage Scheme Valuations	46	46
No of cases from Jan - Dec	435	207
No of drawings where PD's aren't yet required	18	29
Checking of PA permits, latest drawings, requests for topographic surveys	50	100
Files approx.	1007	676





## Maintenance of Government Owned Non-Residential Property

The government estate portfolio is very vast and spread across the islands. Whilst many built units are effectively transferred to third parties under various different forms of title, some remain unutilized and, in some cases, in a dilapidated state.

For this reason, during 2019, a Framework Agreement was signed to have a proper, rapid intervention mechanism for the deployment of contractors to initiate maintenance work on government property.

The unit prioritizes work in accordance with reports filed, primarily from Police, Local Councils and other third parties on urgent interventions. A Property Maintenance Strategy is in the process of being compiled, which will highlight the needs for further resources and set up a priority hierarchy.

### Maintenance Interventions Data: 2019 and 2020 Jan - Dec

	2019	2020
Completed Cases	19	52
Works ongoing	n/a	45



# 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. It provides support services to all Directorates across the Authority in areas of business long-term planning, general corporate affairs, training and development, human resources management, ICT, customer care and external relationships, registry management, marketing and PR.

During 2020, long-term plans in the retaining and building of new organisational capabilities continued to be pursued along the same underlying strategic objectives set in 2019. The Management mainly focused on the restructuring of the Authority to strengthen its resources, improve its corporate governance, and increase its capacity building, where possible and necessary and as per approved threshold.

**In February 2020, the Authority signed the first collective agreement for unionised staff members falling under the category of “overtime grades”.** Through this agreement, the Authority managed to ameliorate conditions of work of existing employees with a view to retain human resources who have gained substantial experience within the ranks of the Authority and to provide a career progression plan for those who wish to further their career. In fact, as a result of the signed agreement between the Lands Authority and the General Workers' Union, **140 Authority employees had an average salary increase of 4.2%.**

Following the finalisation of this Collective Agreement, the management started discussions on the remuneration packages for legal professionals and middle management which unfortunately came to a stall due to COVID-19 pandemic. Discussions resumed third quarter of 2020 and feedback is eagerly awaited to reach a consensus and conclude these financial packages by mid-2021.

In respect to COVID-19, the Authority followed all the directives, guidelines and instructions provided by the Health Authorities. These are the measures taken by the Authority:

- increased telework and implemented a teleworking roster system, installed sanitizers in each department as well as in common areas and corridors,
- installed perspex screens at cash office and customer care,
- security officer on duty takes temperature to all employees and visitors – reminds them to sanitize their hands and to wipe their feet on a sanitized carpet,
- wearing of mask is a must and has to be adhered to by all employees within the premises and visitors visiting the Authority;
- affixed signs that provide guidelines to prevent the spread of COVID-19, namely how to wash hands properly, to wear masks and to retain social distance;
- frequent sanitization of offices and common areas and when needed quotes for fumigation were requested.

In total the Authority had 14 positive cases by the end of 2020. Positive cases affected also increased the average number of sick leave days per employee, that is, circa 5 days per employee.

### **General Data Protection Regulation (GDPR) Awareness**

During the beginning of 2020 the Authority set a target to become compliant with the GDPR. One year down the line, the Authority had put most of the policies into effect. Over and above this:

1. The Authority continued with the ongoing training of newcomers through the induction course relative to the GDPR;
2. It launched the Data Protection Corner, which proved to be very effective in keeping employees abreast with the development taking place in the field of Data Protection;
3. The Authority had entered into several data sharing agreements and is still doing so with other entities.
4. The Authority had also launched the Data Champion initiative which proved to be very effective for the Authority's administration to have a contact point in each department when it comes to the day-to-day system of administration.
5. The Authority is also in the process of carrying out an audit exercise for each department in order to identify whether the data protection policies and procedures in place are being adhered to.

## Freedom of Information Requests

The Lands Authority amongst the public sector is the public entity which receives the highest number of FOI requests from the general public. The following is the full picture in numbers:

**21** FOI requests received by the Authority last year.

**33** FOI requests accepted.

**10** FOI requests which were partially accepted.

**55** FOI requests that were refused.

**27** FOI requests that are pending.

**4** FOI requests that were abandoned after no feedback was received from the applicants.

**2** FOI requests that were transferred to the Ministry.

From the 55 FOI requests which were refused, only 3 lodged a complaint before the IDPC, two of which were accepted whilst one was refused.

## ICT Infrastructure

2020 brought many challenges and the IT infrastructure enabled us to continue with our operations without disrupting our services to our stakeholders. However, it proved critical and of utmost importance to have a robust and solid ICT infrastructure. Indeed, VPN connection was set up and installed on every employee's laptop over a short period to permit employees to work from home.

**The Authority continued to invest and it embarked to set up a new web responsive online form portal, fully integrated with our system, LEMIS, together with eID and payment gateway. This portal enabled our customers to submit and monitor application forms electronically whilst facilitating internal processes.** We have also migrated LEMIS Payment Page on latest PCI technology and further decommissioning of the domain. This has increased performance stability security on our payment page and shifted all LEMIS URLs. The LEMIS GIS software was also updated with latest BaseMaps and OrthoPhotos as well as included the latest Lands Registry layer, providing LA users with an updated version of land ownership. The GIS re-coding and enhancement of the LEMIS GIS module eliminated

dependence from the deprecated Internet Explorer, and achieved high responsive systems, such as introducing the new Geo referencing systems. However, such implementation was delayed due to the urgent implementation of the online forms and the pandemic outbreak.

**The Authority also commissioned, set up and installed a new IP PABX system including the use of softphones that has facilitated users when working from home.** The IT office also assisted in the re-design of the LA website, and setting up of a new Azure hosting environment and managing the required Vulnerability and penetration testing for the new website. The new website should be launched in the second quarter of 2021. Furthermore, the Authority redesigned the property tendering procurement process from a manual one to a fully online secure procedure that has enabled our customers to purchase and receive all required documentation online without turning up at LA premises.

## Customer Care

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. During 2020, customer care obtained high performance through team-work and dedication. The Authority has seen a drastic decrease of 34% in walk-ins in 2020 compared to the previous year mainly due to Covid-19 outbreak. However, this was compensated with an increase of 35% in email replies. A decrease of 6% was registered in telephone replies.

	2019	2020	%
Walk-ins	6682	2322	-34%
Emails	11809	15968	+35%
Telephones	6983	6607	-6%

The strategy adopted by the Authority is to manage its external relations through improved automation, including improved online application forms, FAQs, online payment methods and logging of website complaints, which are all aimed to reduce the need of personal footfall at the Authority's offices.

## Registry

The role of the Registry office is crucial to the day-to-day operations of the Authority as they are responsible for the daily incoming mail, registration of new letters, insertions, the distribution of files, scanning of files and tagging in LEMIS.

Files from bring up Archives	10,000
Files from Put Away	30,000
Movements of files	200,000
Emails	18,000
Scanning of files	14,000





## Marketing and PR

The Marketing and PR unit was fully focused on creating a new website for the Lands Authority. This involved considerable collaboration and coordination with all heads of unit, back end developers and front-end designers. The new website is ready for launch in 2021.

Apart from the website, the unit carried on its normal functions, including responding to queries sent by the press and establishing a good rapport with news agencies, reporting to the office of the Permanent Secretary on budget measures, in liaison with every department within the Authority, writing any published material, monitoring online and print media and updating of the current website.

## Legal Affairs

In February 2020 the Authority embarked in defining a new management structure for the legal office. The procedures were streamlined in order to improve efficiency and today we have a complement of 9 lawyers and law students who are all assigned with different tasks and responsibilities. Said restructuring and external recruitment was crucial to the operations of the Authority given that the Legal Office is one of the core pillars of this organisation. During 2020 this office processed and finalised:-

Recognitions	581
Redemptions (ex-Church property)	64 (this number could have been twice as much but due to COVID-19 restrictions & “partial lockdown” during the first 6 months of 2020 the Authority was closed for the public as per directives given by the Authorities)
Redemption Lands (Gov)	34
Conversions Lands	25
Skema 2019	Finalised 20 and 29 applications were pending awaiting documents from Notary
Formal requests	1360
Current workload	2227

The remit of the Recognitions and Redemptions Unit is to issue recognitions to new emphyteutas after transfers and to redeem the properties given by title of emphyteusis. This unit deals with various types of recognitions, including recognitions on properties given by perpetual emphyteusis, temporary emphyteusis, residential and commercial leases, boathouses, caravans and others.

The Unit also tackles all redemptions which are submitted under LN 216 of 2019 for perpetual emphyteusis, the current 2019 Redemption Scheme and the uncompleted applications from prior schemes. This Unit also represents the Government of Malta on all the contracts of redemption and on all post-redemption contracts, including diritto di seguito and cancellation of hypothecs, after due vetting of the relative files.

Among this unit's responsibilities are the vetting and withdrawing the Schedules of Deposit and all the conversions of temporary emphyteusis to perpetual and extensions of all expired emphyteusis. The unit also handles modifications in conditions of contracts and provides Legal Advice on any matter related to the outlined work and to all other units and directorates within the Authority.

## **Recognitions**

In 2020, with all the logistical problems that the pandemic brought about, the team managed to finalise 581 recognitions.

## **Redemptions – Joint Office**

A total of 63 redemption contracts were signed, thus further contributing to the clearance of backlog which had been accumulating over the years. **Since August 2020, when this unit started receiving applications of the 2019 Scheme, the Unit vetted 158 applications and appeared on 18 contracts.** This brings the total of redemption contracts signed to 81. This is the same number of redemption contracts signed in 2019. Unfortunately, in 2020 the Unit was forced to stop contract signing for a few months. Despite the restrictions faced, a considerable team effort was made to reach targets under very difficult circumstances.

## Redemption / Conversion - Land Files

A significant increase in finalising Land files can be noted from 2019 to 2020. **A total of 34 redemptions were concluded, in contrast with 2019, when 14 redemptions were finalised. Furthermore, 25 conversions contracts were signed.**

The total number of contracts finalised by this office amounted to 140. These were all completed in a year, despite there being a period during which contracts could not be signed. Targets for 2021 are to continue simplifying the recognition process, to be able to process the requests as fast as possible whilst tacking and reducing the backlog. This is very ambitious given that the Unit had thousands of pending requests when it was established.

The Unit is also working on a consolidated version of Policies together with the Board of Governors and reviewing legislation aids which will all help the team in processing and vetting files. With the introduction of new systems, simplified procedures, legislative aids and online forms that are due to go live, the overall performance of the unit should continue to improve, and the public will be served better.

## Court Cases

Type	As at end of Dec 2020
Civil Cases	79
Constitutional Cases	35
Rent Regulation Board	3
Administrative Review Tribunal (inc. <u>Gozo</u> )	23
ART - (Inferior Appeals)	2
Judicial Warrants	1
Protests 2020	0
<u>Gozo</u> Court Cases (exc. ART)	14
LAB - Lands Arbitration Board	137
LAB Appeals	8
Commercial Court	1
Appeals - Superior	5
Appeals - Inferior	0
<b>Total</b>	<b>308</b>

As part of the restructuring process of the legal office, the Authority has invested its time to address court matters which in previous years were being dealt by outsourced lawyers, a few of whom are still assisting this office. All ART and Gozo cases were assigned to two in-house lawyers. They have re-built this unit from scratch and have identified that one of the main problems of the Authority was that we were not being informed about the pending court cases, with the result of being fuori termine on its replies. An online calendar (accessible from mobile) was set up so that all information pertaining to said cases is adjourned. Furthermore, these lawyers are also responsible to provide legal advice and legal assistance on dangerous structures, official letters, judicial protest and assistance to the Police Force.

Our in-house lawyers who have gained enough experience are now able to give advice at pre-decision stage and this will position the Lands Authority in a better legal position in the potentiality of any court case.

**Despite all restrictions and challenges 2020 was a positive year and we can only look forward to the betterment of performance now that the Unit has a solid working structure.**

### **Contracts and Expropriations Directorate**

The Contracts Section is responsible for most of the contracts entered into by the Lands Authority, which mainly include contracts of sale and lease agreements following a call for public tender and the contracts following a Parliamentary Resolution. There are also other type of contracts which are published in accordance with the dispositions of disposal as stipulated in Part III of the Government Lands Act.

**During 2020, 280 contracts were published, compared to the 483 contracts which were published in 2019.**

Type of contracts published in 2020	
Sales	34
Garage Scheme	89
Transfer to MIP	3
Transfer to Sport Malta	3
Comp Rights	41
Acquisitions	3
Modification & Payment	6
Cancellation of Hypothecs	1
Payments Continuations	1
Corrections	6
Selling Back	3
Deed of Obligation	1
Conversion re Blue Harbour and Tigne	7
Emphyteusis	22
Shop Scheme	8
Transfers to HA	44
Conv from temp to perp	6
Loss of crops	1
Rescission	1



In 2019 the Contracts Section finalised a large number of contracts in connection with the Garage Scheme which was issued in 2018 and this explains the decrease in the number of contracts published.

Moreover during 2020, the deeds in connection with Midi, Cottonera and Blue Harbour were eventually taken over by the Legal Section of the Lands Authority so that we will have a one centralised unit in connection with redemptions.

On the other hand, from June 2020, the Contracts Section has taken over the finalisation of the lease agreements following the tender procedure and also the allocation agreements in connection with properties allocated to Ministries and Government Departments and Leases to Government entities. In all, 23 leases following a public tender, 15 allocations to Government Departments and 6 lease agreements to Government Entities were signed.

With the introduction of on-line applications in 2020, Contracts Section is in charge of GLA25, application for the purchase of garages owned by Governemnt in a Govt. Housing Estate granted under a title of temporary emphyteusis of lease. **In total, during 2020, 37 applications were received out of which 13 contracts were finalised.**

### **Acquisitions for public purpose (Expropriations)**

One of the main functions of the Lands Authority is to take over private property, or terminate existing commitments on government land for public purpose.

This process is also conducted by the Contracts Section and which process is defined in Part IV of the Government Lands Act. By virtue of the expropriation process, the government is enabled to carry out major infrastructure works and other projects of benefit to the Maltese society.

In 2020, 57 new Declarations for the acquisition of property and 47 new Declarations for possession and use were issued, in comparison to the 95 new Declarations for the acquisition of property and 18 new Declarations for possession and use, which were issued in 2019. These were mainly in connection with the major road projects and some of them also for the finalisation of past outstanding acquisitions to compensate the owners whose land was expropriated prior to 2003.



During 2020, 26 terminations of agricultural leases of government property required for public purposes were concluded compared to the 57 terminated in 2019.

We have also published 1 declaration to survey. A declaration to survey 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. In addition, we also published 3 declarations for subsoil rights.

Finally, in 2020, 8 releases and 8 revocations were published whereas in 2019, 9 releases and 5 revocations were published, this resulting in land being released or transferred back to the original owners. This involved land in various localities around Malta which were formerly expropriated for public purposes and was no longer required by Government.

## **Past Acquisitions**

For many years, the Government used to take over private property without having finalised acquisition proceedings. Thus, today there is still a substantial amount of past expropriations which still need to be settled. These mainly refer to expropriations prior to 1994. Following 1994, the Lands Authority and its predecessors started requesting the originating entities to provide the full funds that are necessary to finalise an expropriation. The Authority then deposits in individual bank accounts so that when the relative land owners come forward to get compensated, the Authority can effect immediate payment once proof of ownership is provided.

**During 2020, 111 new bank accounts have been opened for total sum deposited of €7,520,793.22.**

By 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 step was taken in order to stop the accumulation of past cases. Then, it would be up to the owners to prove title to the property and request payment of compensation but at the same time the owners may still proceed to the Land Arbitration Board to contest the price.

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.

Apart from this, the Government every year provides a budget allocation out of the consolidated fund in order to try and extinguish the accumulation of the acquisition debts for expropriated property prior to 1994. The budget allocation for the year 2020 was of €7,500,000. However, due to a number of court decisions which exceeded the budgetary allocation for that year, a further €7,700,000 were allocated by the Ministry of Finance in order to be able to adhere to these court decisions.

Contracts Section also processes the payments for Recognition and Acquisition Rent to payees whose land is being held by Government under title of possession and use or public tenure and during 2020 we have issued 1904 payment cheques as compared to the 2028 cheques issued in 2019. This decrease is a result of various factors including finalisation of deeds of compensation rights. These payees receive a recognition or acquisition fee every 6 months.

The Directorate conducts the recognition of new payees in connection with the said payments of the recognition and acquisition rent a process which was taken over by the Directorate in 2019.

The Notaries vet the title for the recognition of new owners.

### **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. The Notaries vet the root of title and makes all the necessary verifications to ascertain that there is ownership to the land. Total number of cases pending at the LAB by end of 2020 amounts to 156 cases.

# 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.

Works related to enforcement officers includes:

- Inspections
- Drawing up of status reports supported with photos
- Deliveries of official letter, when letters are being returned
- Deliveries of eviction orders (assisting court marshalls)
- Executing eviction orders
- Handing warning letter to all tenants in connection with keeping animals within government residual property
- Handing of letters to all tenants in connection with illegla construction at roof level
- Drawing up of inventory
- Attending court summons
- Retreiving keys
- Inspection relating to reading water and electrivity meters and assisting Water Service Corporation (WSC) during the removal of water and electricity meters
- Assisting clients during the viewing of Lands Authroity property during tender's procedure
- Assisting contractor during direct order
- Assisting transport contrator during carting away goods found within Lands Authority's property during direct action
- Assisting contractor during works related to health hazards
- Handing of letters for related activities / celebrations
- Joint inspections with MTA officials for work related to beach concessions and table & chairs eviction orders
- Clearance of tables and chairs due to public activities

2019									
Affixed Letters To Call	Health Hazard	General Inspection	DK Form	Execution. of Eviction	Court Summons	Viewing in connection with Tenders	MSD Works	Dues	Keys
<b>786</b>	<b>21</b>	<b>2354</b>	<b>26</b>	<b>1</b>	<b>69</b>	<b>80</b>	<b>81</b>	<b>300</b>	<b>4</b>

2020									
Affixed Letters To Call	Health Hazard	General Inspection	DK Form	Execution of Eviction	Court Summons	Viewing in connection with Tenders	MSD Works	Dues	Keys
<b>1044</b>	<b>17</b>	<b>2239</b>	<b>35</b>	<b>5</b>	<b>39</b>	<b>47</b>	<b>68</b>	<b>7</b>	<b>3</b>

The enforcement directorate was not as directly hit by the global pandemic as the other units within the Authority, due to the fact that most of its work is not conducted indoors.

Notwithstanding, enforcement officers were asked not to make direct contact with public in general to avoid contracting the Covid-19 Virus.

The year 2020 saw a 13.2% increase in the number of affixed letters to call and a 400% increase in Direct Action (evictions).

The enforcement directorate will continue to strive to achieve its stipulated targets and goals.



# Finance Directorate

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.

As Finance Directorate, one of our main targets is cash collection. Estimated cash collection is set in the financial estimates issued. For 2020, the estimate collection was set at €41,555,000 hence we exceeded budget by €34,910. Moreover, it is important to note that we collected €727,227 over year 2019.

The result for the year is arrived after taking into consideration Government subvention received, other income of 7% on total rents collected on behalf of and remitted to Government, administration fees on expropriations and recurrent and other expenditure.

<b>Income and Expenditure Account</b>			
		<b>2020</b>	<b>2019</b>
		<b>€</b>	<b>€</b>
Income		10,667,274	9,040,958
Expenditure		(10,027,126)	(8,855,264)
Surplus before other expenditure		640,148	185,694
Other expenditure		0	(99,625)
<b>Net excess of income/expenditure over expenditure/income</b>		<b>640,148</b>	<b>86,069</b>

<b>Assets</b>			
	<b>Non-Current</b>		
	Intangible assets	54,650	61,748
	Plant and equipment	185,031	247,540
		<b>239,681</b>	<b>309,288</b>
	<b>Current</b>		
	receivables	812,280	259,732
	Cash and cash equivalents	3,728,240	2,003,690
		<b>4,540,520</b>	<b>2,263,422</b>
	<b>Total assets</b>	<b>4,780,201</b>	<b>2,572,710</b>

<b>Reserves</b>			
	Deficit	(40,203)	(680,351)
		<b>(40,203)</b>	<b>(680,351)</b>
<b>Liabilities</b>			
	<b>Current</b>		
	Trade and other Payables	4,820,404	3,253,061
		<b>4,820,404</b>	<b>3,253,061</b>
	<b>Deficit and liabilities</b>	<b>4,780,201</b>	<b>2,572,710</b>



## Cash Collection

		2020	2019
		€	€
*0611	Rent of rural tenements	195,662	214,159
*0612	Perpetual Leases	3,738,406	2,746,841
*0613	Rent for residential tenements	1,116,240	2,187,008
*0614	Rent for non -residential tenements	1,507,764	1,978,286
*0615	Rent for commercial tenements	16,827,766	20,620,520
*0616	Rent of property occupied by Government Dept.	8,390,208	4,486,088
*0617	Payment of encroachment Government property	1,089,834	1,230,043
*0619	Rent from Ex-Church property	1,889,202	2,098,656
*0902	Sale of Government Lands etc.	6,323,112	4,330,684
*0999	Miscellaneous receipt	511,716	970,396
	<b>Total</b>	<b>41,589,910</b>	<b>40,862,683</b>

Increase in revenue over 2019		<b>2%</b>
Budget estimate for year 2020:	41,555,000	
Exceeded budget:	34,910	
Collection over previous year:	727,227	

Year 2020 presented us with unique challenges due to Covid-19 and the closure of many businesses. We strived to achieve compromise with our tenants where we postponed payments of rents to help businesses and families in this difficult period. Meanwhile Lands Authority still managed to reach the budgetary estimates for cash collection set at €41,555,000.

# Internal Audit and Investigations Directorate

The Internal Audit and Investigations Directorate within the Lands Authority conducts independent and objective assurance and consulting activities, designed to add value and improve the Authority's operations. The responsibilities and duties of the Directorate and of the Chief Audit Officer, who is responsible for the day-to-day management of the Directorate, emerge from Chapter 563 of the Laws of Malta and include, but are not limited to, the following:

- Scrutinizing and evaluating any transaction to be entered into by the Authority with a value exceeding one hundred thousand Euro (€100,000);
- 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;
- Evaluating alleged irregularities taking place in the Authority.

In 2020, the Directorate reviewed a total of four hundred and ninety-seven (497) files. Cases are usually referred to the Directorate by the Board of Governors, by the Authority's administration or by the employees themselves, however the Directorate also acts upon complaints received from the general public and has the faculty of selecting any file to review the contents thereof. Following a delegation of authority from the Board of Governors to the Chief Executive Officer, the Internal Audit and Investigations Directorate also reviews randomly selected files on a weekly basis. This mechanism is aimed at ensuring that the efficiency obtained through the simplification of internal processes is in no way impinging on transparency and accountability.

During 2020, the Internal Audit and Investigations Directorate received nine (9) complaints from the general public, five (5) complaints from the Ombudsman's Office and five (5) complaints from the Commissioner for the Environment and Planning. The Directorate prepared twenty (20) detailed reports, which can be found in the Annual Audit Report that was compiled by the Chief Audit Officer and tabled in Parliament in February 2021, in line with the provisions of article 24 of Cap. 563 of the Laws of Malta. Furthermore, the Directorate concluded a Contractual Conditions Compliance Audit, coordinated a Payroll Audit exercise and initiated a Revenue Audit.

The Internal Audit and Investigations Directorate conducted the aforementioned tasks notwithstanding limitations and the challenges posed by the pandemic, which brought about numerous restrictions at the place of work to control the spread of the virus and which caused a shift to remote work. The successful completion of the numerous tasks outlined above was only possible thanks to the cooperation of the Authority's employees, who once again proved to be one of the Authority's most valuable assets.

During the current year, notwithstanding its limited resources, the Internal Audit and Investigations Directorate will keep on carrying out its functions which emerge from the law itself, and will also strive to attain the objectives expounded in its annual risk-based audit plan. While carrying out its functions, the Directorate 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.

