

ESTATE MANAGEMENT DEPARTMENT

Annual Report

Period covered

1st January 2002 to 31st December 2002

DEPARTMENTAL OVERVIEW

The Estate Management Department (EMD) plays a central role in helping Government delivering its immovable property agenda. During 2002, in spite of substantially reduced resources, EMD managed to achieve very positive results as reflected in the registration, under the Land Registration Act, of nearly 500,000 square meters of government property and in the identification of land for sale that has netted Lm1.7 million.

ROLE AND MISSION

EMD plays an important facilitation role at the centre of the Government Property Division. EMD's mission is to help the division shape and deliver Government's agenda by providing quality property-related advice and services. EMD helps the Government achieve its policy objectives by contributing to three key outcomes:

Improved and more efficient property management operations – developing and maintaining highest and best use considerations in the property disposal process, maintaining and updating a comprehensive property terrier, protecting Government ownership of property via registration under the Land Registration Act.

Sustaining Government finances – assisting the Government to meet its revenue objectives through the quick processing of property requests and the identification of property for disposal (sale, lease etc.)

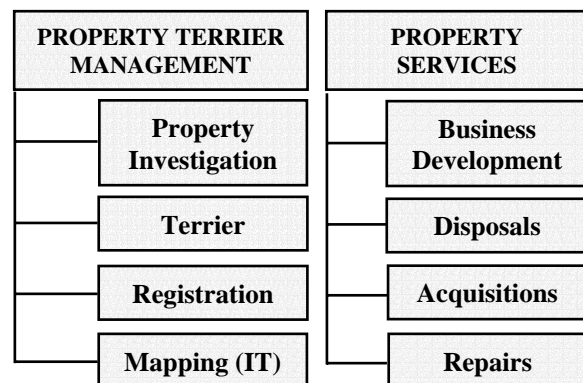
Sustaining Government projects and initiatives – assisting in the transfer of Government property to Sport Associations, assisting in the devolution of property to Local Councils, supporting infrastructural/development projects through property research and preparation of related property plans, supporting Home Ownership initiatives via the transfer of property to the Housing Authority.

VISION AND VALUES

EMD is committed to becoming a high performance organisation. To achieve this vision, EMD strives for continuous improvement, underpinned by such values as being performance driven and being responsive and open to change.

EMD'S STRUCTURE

The figure below shows EMD's organisation structure chart at December 2002. This structure aims to facilitate decision-making.



EMD is organised into two main business groups. The key functions of each Business Group are:

Property Terrier Management

- maintains and keeps an accurate and accessible property inventory including maps, plans and documents;
- determines plan and mapping standards for the GPD, including the development of a geographic information system (GIS);
- investigates, researches and determines property extents and boundaries;
- determines and provides advice regarding property ownership queries, claims and disputes;
- provides policy advice related to property recording and Government's property title rights;
- protects property from illegal usurpation via registration under the Land Registration Act;
- identifies Government-owned property that is available for disposal;
- assists the Government in its Home Ownership policy by determining the transfer

of residential property to the Housing Authority for eventual sale to tenants

Property Services

- manages Government property on a best use basis;
- provides policy advice related to business development and property disposal;
- authorises repairs and maintenance works required on government-owned property;
- provides property to government departments and other entities;
- evaluates client requests for the lease/temporary occupation/sale of government property including preparation of ad hoc lease conditions;
- evaluates and proposes the disposal (via lease/sale or otherwise) of vacant government property;
- provides property valuation services in relation to the disposal/acquisition of property;
- provides technical support to the Land Department in relation to compulsory acquisition of property;
- provides assistance in relation to government property being used for Government special projects and initiatives.

EMD OUTCOME 1 – Improved and More Efficient Property Management Operations

The EMD's first outcome – improved and more efficient property management – centres on the continued effort to ensure the highest and best use of Government's immovable estate and on the EMD's commitment to improve Government's property terrier. Highlights include:

- Modernising and updating the property terrier
- Protection of Government's title to property
- A business approach towards property management and disposal

Modernising and Updating the Property Terrier

The EMD is charged with the onus of maintaining the inventory for government-owned immovable property. Government real estate

records are hitherto predominantly manual in nature and extraction of information is rendered laborious through the presence of the multiple datasets involved and the vast quantity of such data that at any one time has to be checked and maintained.

Property records – As part of its efforts of updating the property terrier during 2002, the EMD continued its efforts to rebuild depleted property records particularly those related to Gozo property and those related to land acquisition. In both instances the relative map records were completely rebuilt thus paving the way for the easier scanning of such records into electronic form as part of the EMD's Mapscanning project.

Mapscanning project – During 2002 EMD, following research into document scanning possibilities, conducted discussions and negotiations with MITTS Ltd with a view of subcontracting the staged scanning of all graphical property records maintained by the department. This project will be commenced in 2003 and is expected to yield such benefits as protection of unique property records and the removal of process bottlenecks through the provision of simultaneous electronic access to map records.

LEMIS project – The Land & Estate Management Information System project spans across all the departments that constitute the Government Property Division (GPD) but is, to a large extent, championed and carried forward by the EMD. This is because the core of LEMIS is the property inventory maintained by EMD. LEMIS comprises a GIS-based system of property management that incorporates revenue management, property disposal and acquisition, and electronic document management. During 2002 an Analysis & Design Report was completed that paved the way for the preparation of an Invitation to Tender for the provision and supply to the GPD of a comprehensive property management system. This tender is intended to be published in the early weeks of 2003.

Protection of Government's title to property

Under the provisions of the Land Registration Act the mover of a first registration of a title to property obtains a pre-emptive advantage over third parties with similar claims over the property.

This puts considerable burden on the EMD to ensure that no third party attempts to usurp government owned property via such registration.

Vetting of Property Registration applications

- To safeguard government's rights the EMD adopts a number of approaches. Paramount amongst these is the need to check every single application for property registration made with the Land Registry Department. EMD cross checks such applications against its property terrier and then files the necessary legal caution if government property is affected.

Property Registration System – Another approach to protect Government's estate is for the EMD to register its title to property before others may attempt to do so. However this is an arduous and laborious process and given the vast extent of Government's estate and the limited resources available it requires years to be completed. To hasten the process, EMD has in 2002 implemented a computerised GIS-based registration system that enables it to mass-capture land parcels and then transfer them electronically to the Land Registry Department together with manually-raised registration forms. As a result during 2002, EMD has managed to register Government's title to nearly 50,000 tumoli of land, comprising practically all Government property in Gozo.

Property Title Research – During 2002, EMD has also undertaken research into Government's title to its property. This research has yielded a historical document that could potentially be of extreme importance in providing proof of Government's claim on certain properties. The document is still being analysed with a view of establishing its legal meaning and implications.

A Business Approach to Property Management

EMD believes that, whilst Government's social role is not to be neglected, proper property management requires the adoption of a business approach that treats Government property as a scarce and expensive resource whose full potential needs to be garnered.

Value-based considerations of property requests – A business approach to property management implies a value-based orientation

that weighs property disposal considerations in terms of achieving the best return on the property rather than merely in terms of positively reacting to a client's request. EMD's strategy is to consider every single request in terms of the best opportunity for the property and therefore any disposal is appropriately priced to reflect such opportunity.

Streamlined processes – A business approach requires the streamlining of processes to make service delivery fast and efficient. During 2002, EMD has streamlined the application process for the granting of permits to place tables and chairs in a public space. Following collaborative discussions with the Malta Tourism Authority (MTA) the application form was amended to include MTA requirements thereby facilitating the introduction of a one-stop shop concept that sees clients submitting a single application to the MTA that then channels it to the EMD for eventual clearance of the required GPD permit.

EMD OUTCOME 2 – Sustaining Government Finances

EMD sustains government finances primarily by promoting policies and processes that ensure a maximum return on Government property.

Sale of property – As part of its business development process EMD continually strives for the identification of property that may be issued for sale at competitive prices. This is done via detailed analysis of its property records as well as examination of development planning issues. Over the last years EMD has consistently identified a number of developable sites that are sold through tenders whilst taking due cognisance of current market opportunities. Once a decision is taken the sale process is referred to the Land Department for publication of tenders and eventual award. During 2002 revenue generated by the GPD from sales has topped the record figure of Lm1.7 million.

Property Leasing – This is another activity that bears a financial return to Government. As already pointed out EMD follows a business approach to property management and this encapsulates also the property leasing process. During 2002 the EMD handled hundreds of requests for property, including requests for the

lease of such properties as shops and garages, and also other requests for the temporary use of government property for such purposes as mobile kiosks, luna parks, tables and chairs. During 2002 the EMD favourably processed over 400 cases of property leasing/permits resulting in a total revenue of over Lm100,000. Within this ambit GPD policies allow current holders of commercial leases to transfer their lease to third parties and get paid for it. GPD obtains a variable percentage of the transfer price.

EMD OUTCOME 3 – Sustaining Government Projects and Initiatives

This is perhaps the least evident but more congruous contribution made by the EMD and takes a number of forms.

Devolution of Property to Local Councils – EMD is an active participant in government's initiative towards decentralisation as reflected in its policies towards Local Councils. In this regard during 2002 EMD approved the transfer of a number of properties to various Local Councils. EMD's task is to assess the proposal, draw up necessary plans and ad hoc conditions and then refers the matter to the Land Department for finalisation of the contract of transfer.

Property Expropriation Assistance for Infrastructure Projects – EMD also handles requests made by government departments for the expropriation of private property for public purposes, mainly in connection with the carrying out of major infrastructural projects such as road building and the Mater Dei Hospital. EMD collects all relevant technical data, takes corrective measures as appropriate and liaisons with the sponsoring department and also with the Land Department with a view of hastening the acquisition process. During 2001, EMD assisted the Land Department in finalising the acquisition of property valued at over Lm2.25 million.

Special Projects – During 2002 EMD has continued to play an active role in special projects sponsored by central Government. Particular mention must be made of EMD's participation in the privatisation of the Malta International Airport both by way of contributions made to the contractual arrangements for the transfer of the airport facilities as well as in the preparation of

necessary property plans. In late 2002 EMD also started preparatory work for the programmed privatisation of the Mediterranean Offshore Bunkering Company.

Transfer of Government Property to Sport Associations – EMD plays another role in supporting Government's initiative to promote sports by way of transferring sports complexes and other government property to Sport Associations. In early 2002 EMD finalised all necessary research and plans to enable the transfer of 35 such properties. EMD also contributed suggestions to the newly enacted Sports Act that, amongst other things, aims to further simplify the use of Government property for purposes of sports.

Facilitation of Home Ownership Schemes – The Housing Authority's ability to promote and implement its home ownership schemes is very much dependent on EMD transferring residential property to the Authority so that it can then sell it to the respective tenant. During 2002 the EMD, following research into Government's title to the property and evaluation of the relative requests, approved the transfer of over 200 residential units to the Housing Authority. At the same time EMD carried out an exercise to determine pending Home Ownership Scheme applications that are withheld as a result of the uncompleted expropriation of the land over which the residential units were built by Government. This will enable Government to hasten the relative acquisition by taking advantage of the fast expropriation proceedings introduced by the Administration of Lands Act and which will be put into effect in early 2003.

E-Government Initiative – During 2002 EMD provided assistance to the E-Government initiative sponsored by the Ministry of Justice & Local Government by participating, together with the Land Department, in the formulation of requirements for a Pay Rent On-line System whereby as from 2003, rent on Government property can be paid over the Internet. As part of this project, EMD also took the initiative to formulate and design a fully-fledged website for the GPD, including the drafting of all webcontent. The new GPD website will be launched in early 2003 and shall be available at <http://www.gpd.gov.mt>.

Agriculture Land Scheme – EMD has hitherto been responsible for organising the 10,000 applications received for the leasing of Government-owned agricultural land. During 2002 EMD concluded the public screening exercise for all applications in all localities Malta and Gozo. Under this exercise, arrangements were made with Local Councils so that, after due briefing, all applications were subjected to the scrutiny of the public who were given the opportunity to raise possible objections to applications. Total objections received by EMD amounted to less than 3% of the applications. In the latter part of 2002 EMD, apart from carrying out basic preparatory work, commenced the gradual processing of applications. The whole process is very laborious and has required substantial effort from EMD's staff. During the last months EMD has suffered substantial reduction in staff levels and this has hindered the speed with which ALS applications can be processed.

Support Services – EMD also provides support services by providing property related information to such government bodies as the Planning Authority, the Works Division, the Department of Social Housing, the Land Registry and the Housing Authority.

CONCLUSION

During 2002 EMD staff has shown continued commitment and support to the best value principles of property management and this is manifested in the results achieved. It is admitted however that the reduction of staff resources suffered by EMD during the last year as a result of posting to other GPD departments or promotion to other Government departments, has placed considerable strain on the morale of staff who see themselves having to cope with ever increasing workloads and reduced resources. EMD recognises that it is bad management to expect employees to become more efficient and effective in such circumstances. It shall therefore be a 2003 priority for EMD to recruit additional personnel to cater for the sensitive task of managing Government's immovable estate, the more-so because of the change management requirements that will be solicited by the contracting of the LEMIS project.

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7th February 2003