

Department for Local Government

LOCAL GOVERNMENT FINANCE

In 2013, Local Councils received a direct allocation of € 31,000,000 from central government. This was apportioned to each Council on the basis of the funding formula found in the Eight Schedule of the Local Councils Act (Cap 363). Various financial schemes were again available to all Local Councils and in this respect an amount of € 700,000 was voted. The Public Private Partnership Scheme in connection with road resurfacing in localities was also continued and here an amount of € 1,100,000 was available for Local Councils.

Government also continued to assist Councils through the secondment of mainly IPSL workers. The salaries and wages of these workers are borne by central government and therefore Councils are making savings in this respect.

As in previous years, the Department for Local Government also provided financial assistance to the Local Councils Association (LCA) (€ 102,772.50) and to the Association of Local Council Executive Secretaries (ASKLM) (€ 9,318) as part of government's commitment to assist both associations.

The table below illustrates central government's direct financial allocation to Local Councils since the setting up of Local Councils in 1994.

Central Government's Direct Financial Allocation to Local Councils: 1994 - 2013

1. Direct Financial Allocation (Funding Formula):

<i>Financial Year</i>	<i>Lm mill.</i>	<i>Euro mill.</i>	<i>Euro mill.</i>
1994-95	4.5	10.48	
1995-96	6.3	14.68	
1996-97	6.25	14.56	
1997-98	8.75	20.38	
1998-99	5.831	13.58	
1999-00	6.5	15.14	
2000-01	9.66	22.50	
2001-02	10.24	23.85	
2002-03	10.54	24.55	
2003-04	10.70	24.92	
2004-05	10.686	24.89	
2005-06	10.200	23.75	
2006-07	10.250	23.88	
2007-08	10.270	23.92	
2008-09	-	26.97	
2009-10	-	27.01	
2010		30.01	
2011	-	30.01	
2012		31.50	
2013		31.00	

Total Direct Allocation

457.58

Other financial initiatives

Internet Banking

The use of Internet Banking was introduced in Local Councils. Besides facilitating the work of Local Councils it will serve for a more efficient service.

New Procedures for Bank Deposits

Various discussions and meeting were started between all stakeholders for the implementation of a new system regarding the deposit of LES fines.

Public Private Partnership Schemes

Other than PPP Schemes in connection with the resurfacing of roads, during 2013 the Department for Local Government received and processed two applications for Public Private Partnership Agreements. These were approved in February (Naxxar LC with Dar Sagra Familja) and November (Imgarr LC for a Developemnt of an observatory and interpreaton Centre).

Local Councils' Administrative Offices

The Department processed two applications for new administrative offices. These were from the Local Councils Association and Swieqi Local Council. Both were approved in November 2013.

Twinning Agreements

Two twinning applications were approved during the year – Birgu Local Council's twinning with the locality of Amalfi was approved in May while that of Mdina with the locality of Assisi was approved in October 2013

Other financial issues

The Department gives support to Local Councils on various financial matters. Besides processing the transfer of the quarterly financial allocation into the respective Local Councils' bank accounts, the Department is also responsible for the vetting and processing of all claims in connection with the various Local Councils grants' schemes. The Department also ensures that any devolution request by a Local Council would be financially sustainable before recommending its approval.

One other very important function of the Department is the continuous monitoring of Local Councils finances (see under separate heading). In this regard, the Department is in regular contact with the Auditor General in order to ensure that Local Councils retain a healthy financial position and are always operating within the law and regulations.

Co-operation with the National Audit Office is ongoing, particularly during the Local Councils' year end audits. Councils are informed about the proper procedures to be adopted in order to ensure that the auditing procedure is made in a smooth manner and all audited reports and financial statements are received by the due dates.

MONITORING UNIT

During the year 2013 a complete review of the work process of the Monitoring Unit was undertaken. The office of the Monitoring Unit was transferred to the main building of the Department for Local Government and the filing system was totally organised in a digital format. At the second quarter of the 2013, a senior monitoring officer was engaged to manage the Unit. Four monitoring officers were also engaged with the unit, each officer being assigned a particular area leading to specialisation in the same subject and a Principal Officer to manage the administration of the Unit. The Department's Customer Care Unit which deals with complaints regarding Local Councils was also incorporated within the Monitoring Unit.

The Monitoring Unit dealt with various cases reported by individuals and Councils' Members alleging that the Council breached the Law. Regular checks were also made on the schedule of payments, reports, minutes and other related documents. In this respect special attention was given to ensure that the Councils abided by the Local Councils Act, Regulations and Procedures as well as the instructions which are issued from time to time by the Department through various memos. The timely submission of reports was also scrutinized.

The Monitoring Unit also manages all the logistics in events and seminars organised for Local Councils by the Department and/or Secretariat for Culture and Local Government.

The IT Section of the Department is also under the Monitoring Unit's responsibility. Monitoring Officers scrutinise the www.lc.gov.mt website and make sure that Local Councils are uploading their meetings' documents and reports on time. The Unit offer support to those Councils who have difficulty in doing so. The IT Section is also responsible on all IT related projects of the Department, support DLG staff in various ICT issues and offer also same support to Local Councils.

Apart from that, the unit continued scrutinizing the various functions of the Local Councils, with particular emphasis on the financial aspect. During this year members from this Unit were also asked to attend Council meetings and to submit reports on their findings.

During this year the Monitoring Unit reviewed around 780 cases. This is considered to have been a major improvement on past years. In those cases where Councils were found to have made irregularities, they were asked to take corrective measures.

HUMAN RESOURCES AND ADMINISTRATION

During 2013 an Assistant Director Human Resources and Administration was appointed.

A call for a new pool of Executive Secretaries was issued, the pool was selected, and new Executive Secretaries in Local Councils, Regional Committees and AKL, started being appointed.

DLG (Malta) is now in a single building, following a reorganisation of offices.

GRANT SCHEMES

SCHEMES LAUNCHED IN 2013

Since the inception of schemes from the financing of projects to cultural activities in 2009, the Department for Local Government has noted that the Councils are embarking on even more ambitious projects, and actively participating in each scheme launched. Administrative Committees and even Regional Committees are following suit. During 2013, 3 new schemes were launched

The Department was involved in the preparation, adjudication (through an official on the Adjudication Board) and payment of these schemes to the successful Councils. The schemes and the amounts allocated to each one are indicated in the table below.

List of Schemes Issued in 2013

Memo 9/2013 - Scheme for the financing of Lifelong Learning courses	€14,962.00
Memo 17/2013 - Scheme for the financing of Live Streaming	€158,700.00
Memo 25/2013 - Scheme for Cultural Activities 2013/14	€250,000.00

Schemes Awarded in 2013

In 2013, the Department for Local Government, following the adjudication of the various schemes each by their respective Adjudication Board, some even pertaining from 2012. This is the respective list :

	No of applications received	No of Councils which applied		No of Adm Comm which applied		Regional Committees	Total grant for each scheme	No of Councils which benefitted		No of Adm Comm which benefitted		Regional Committees
		Malta	Gozo	Malta	Gozo			Malta	Gozo	Malta	Gozo	
Memo 38/2012 - Scheme for Cultural Activities 2012/13*	89	67	15	4	2	1	€250,000.00	40	11	2	2	1
Memo 40/2012 -Scheme for Local Councils who have the responsibility of local libraries 2013	47	36	11	0	0	0	€36,500.00	36	11	0	0	0
Memo 45/2012 - Scheme for the financing of Special Initiatives	48	31	10	3	2	2	€105,000.00	8	2	0	1	0
Memo 49/2012 - Scheme for the financing of Sport Initiatives 2013/14	35	23	11	0	1	0	€60,000.00	24	11	0	1	0
Memo 56/2012 - Scheme for the financing of Pilot Project - Book Box	19	19	0	0	0	0	€4,800.00	7	0	0	0	0
Memo 9/2013 - Scheme for the financing of Lifelong Learning courses 2012/13	25	24	1	0	0	0	€14,962.00	23	0	0	0	0
Memo 17/2013 - Scheme for the financing of Live Streaming	69	51	14	0	0	4	€158,700.00	51	14	0	0	4
Memo 25/2013 - Scheme for Cultural Activities 2013/14**	95	69	17	4	3	2	€250,000.00	11	4	0	0	0

* Only the activities covering Part 2 of the call have been awarded.

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Follow ups in 2013

We have been following the Local Councils, Administrative Committees and Regional Committees in their progress, related to the schemes they have benefitted from. This has led to the schemes awarded in 2009, to be closed. Also schemes awarded in 2010/2011 are nearing final completion. The follow ups have resulted in a screening process of Councils carry on for the execution of such works. It is noted that all necessary tenders or quotations are issued, they are vetted and followed, to follow up each Council in the progress of such works.

DEVOLUTION OF PUBLIC PROPERTY TO LOCAL COUNCILS

During 2013 six public sites/properties have been devolved to Local Councils through the Government Property Division (GPD). Meanwhile the Department together with the GPD concluded a further three devolution requests, pending approval from the Parliamentary Secretariat for Planning and Simplification of Administrative Processes (OPM).

STREETLIGHTING

The Department is on discussions with the Local Councils Association (LCA) and Enemalta with regards to the devolution of the remaining street lighting. In view of this the Department is currently also involved in a EU funded ERDF project led by the Ministry for Energy and Conservation of Water (MECW), aiming at retrofitting street lighting by LED smart lighting in Gozo.

LOCAL-ENFORCEMENT-SYSTEM

The Department submitted its thoughts with regards to the new LES reform, to be considered for inclusion in the relevant new white paper launched in 2014. Meanwhile the Department oversaw the smooth transition to the newly appointed LES Management Committee.

E-GOVERNMENT

The Department sustained its support to Local Councils in providing free wi-fi service in the localities' open spaces and in their offices. Local Councils were given financial assistance amounting to €33,360 by the DLG.

EU AND INTERNATIONAL UNIT

Since Malta has become a member state of the European Union new funding opportunities for local government projects have become available. In September 2013 the Unit was completely restructured in a way to be able to cater for its various responsibilities. New staff was transferred to the Unit and assigned with key tasks to focus on. The following is a list of the Unit's core business:

1. Application for funding of national projects and the implementation thereof projects that are selected under various programmes that provide
2. Become a National Contact Point for EU programmes
3. Express opinions on thematic developments in the European Union and the Council of Europe related to local government;
4. Assist other ministries and the EU Representation with feedback on EU legislation; and
5. Monitor the implementation of EU partly funded project by local councils.

Hereunder please find further details on the activities carried out by the Unit:

NATIONAL CONTACT POINT

The Department is the National Dissemination Point of the URBACT programme and the National Contact Point for the "Europe for Citizens" Programme. These programmes are designed to assist local government in the preparation of urban and community planning together with opportunities to implement activities aimed at enhancing the citizen's participation in public life.

As a National Contact Point for the "Europe for Citizens" programme the Department has been actively involved in the formulation of the opinion of Malta regarding the new programming period - 2014-2020. Furthermore, the Department has assisted local councils in various local meetings related to the project, wherever this was demanded.

PARTICIPATION IN THE COUNCIL OF EUROPE

The Department represents Malta in the Regional and Local Development Committee of the Council of Europe. This committee provides the platform for the 47 Member countries to debate issues that are of general interest to local government as well serve as a bridge to other European institutions. However the main activity relates to the opinion expresses to the Committee of Ministers of the Council of Europe on various themes that will eventually shape local government policy throughout Europe.

MONITORING OF LOCAL COUNCILS PROJECT IMPLEMENTATION PROCESS

Participation in bilateral meetings that are held between Managing Authorities of the ERDF, ESF, Malta-Italia and Measures 313 and 323 programmes and the Local Councils. The aim of this participation is twofold - to give advice to both the Managing Authorities and Locals Councils leading to facilitate a better implementation of projects and to monitor the Councils operation in project management in such a sensitive task dealing with public procurement and working with national and international partners.

IMPLEMENTATION OF DEPARTMENT'S EU PARTLY FUNDED PROJECTS

Project 1 - CERTESS

DLG is a partner in this EU co-funded as part of the INTERREG IVC programme. The programme supports projects that aim, through interregional exchange of experience at policy level, to improve regional and local policies addressing the selected sub-theme. CERTESS refers to Priority 2 and, in

particular, to the sub-theme "Cultural Heritage and landscape"; some of the project objectives, results and activities, however, deal also with other subthemes of both priority areas, thus ensuring a cross-sector and integrated approach.

The specific field of action is related to the European cultural routes as defined by the Council of Europe (usually intended as a historical line interconnecting one or more regions and organised around topics whose historical, artistic or social interest proves to be European, either because of the geographical layout of the route, or due to its contents and significance).

The project aims at setting up a common methodological framework of policy and development instruments for the regions, elaborated through the sharing and transferring of best practices among the partner regions. The best practices shall tackle all aspects relevant the development of a sustainable cultural tourism, from the local micro level to higher decision making bodies, with reference to:

1. identification, interpretation and adding value to cultural heritage local assets
2. development & adoption of advanced governance systems
3. promotion of local economic enterprises & products along the routes, by adopting innovative immaterial services including ITC
4. attention to environmental issues such as:
 - reducing environmental impact & energy consumption of local socio-economic activities;
 - protection and valorisation of landscape, etc.

Most of the routes already identified, and regions intersected by them, indeed lack comprehensive methodologies, governance instruments, innovative ideas, etc. to implement effective strategies at regional level, the result being that there is a range of punctual, local and sometimes isolated initiatives that:

1. are casually scattered along the route and its associated territory,
2. have no critical mass and
3. do not generate or involve a systematic approach.

The 12 partners to this project are: European Institute of Cultural Routes, LU, Lazio Region, IT, Department of Local Government, MT, Salzburg Research, AT, Tourism Agency of the Balearic Islands (ATB), ES, Regional Ministry of Tourism, Commerce and Sport, ES, Karlsruhe Institute of Technology, DE, Zlin Region, CZ, Administrative District of Gorlice, PL, Ministry of Culture Luxemburg, LU, Sibiu County Tourism Association, RO and JAMK Univeristy of Applied Sciences, FI.

This project is enabling the Department to gain valuable experience in the project management cycles of an EU partly funded project whilst being able to recover all the costs involved including the staff costs.

Project 2 - Improving Public Management and Governance at Local Level

The Training Unit within the Department for Local Government was established in June 2011 so as to conduct training courses according to current and future local government needs. The Unit collaborates with other units within the Department such as the Human Resources and the EU and International Affairs

with the main aim to co-ordinate and maximise the use of its own resources in developing a training programme for both the elected and the executive arms of local government. Furthermore, the main goal of the unit is to establish a **national training strategy**. The TNA provided a clear strategy that the Department needed to develop - to introduce a common training framework specifically designed to meet the needs of Executive Secretaries working in Local Councils/ Regional Committees and DLG staff with the aim of ensuring and improving Public Management and Governance at Local level.

The Department application under for funding under ESF was successful and since September, 2012 the Unit was also engaged in the implementation process of a project that address various issues related to the Local Governance Policy. The relevance of the common training framework relates also to the increase of service to the public by means of a greater efficiency in Local Councils with better trained public serviced and public sector employees whilst installing related needs such as leadership and ownership. Therefore a common training framework within a national training strategy for local government shall increase the efficiency in local government in the sectors of public procurement, effective customer satisfaction to the community's needs and in particular in the management of public funds. The implementation of this project is expected to commence in 2014.

Project 3 - Partnership for Creative Governance

The Department for Local Government has filed a project proposal - "A partnership for Creative Governance" under the Norwegian Grants that is structured under various programmes originated by the Council of Europe. This project shall create a set of initiatives that will research, examine, focus and create a number of measures to strengthen institutional capacity, strengthen people development within the respective departments responsible for local government, the elected and the executive arms of local and regional government, improve the quality and accessibility of services provided and create a professional programme for exchange of personnel. The Head of the EU and International Unit within DLG attended for a Train the Trainer Seminar held in Switzerland organised in conjunction with the Council of Europe.

One of the main initiatives to be undertaken is the Leadership Academy programme. Good leadership can make a real difference to how well a local authority performs. There is growing consensus that it is the most important element in developing good local governance. Leadership is the capacity to formulate a vision for the future of the local community and to make it come true through the involvement of the community, the use of public authority and strategic management of public services. The main objectives of the ToT were (a) to enhance knowledge and skills of trainers in the field of leadership in local governments, based on concepts contained in the Centre's Manual on modern leadership; (b) to create a pool of trainers/experts that potentially would carry on Leadership Academy programme in their respective countries/local governments; (c) create a network of international trainers/experts that would continue to co-operate in the future with aim to exchange practices and experiences, and ultimately would conduct the Leadership Academy Programme in pairs.

During 2012, the Council of Europe, by means of an invitation informed the Department for Local Government of a meeting that was being organized in Oslo, Norway with KS - the Norwegian Association of Local Municipalities with the aim "... to discuss the implementation of the Partnership for Creative Governance Project, which is to be funded by the Norwegian Grants, as well as the role of each partner in this Project." The predefined project "Partnership for Creative Governance" was drafted in Malta between the Department for Local Government and the Local Councils Association and the assistance of the Centre of Expertise for Local Government Reform of the Council of Europe under the Programme Area 25: 'Capacity Building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities' of the Norwegian Financial Mechanism. The Head of Unit of EU & International Affairs with DLG attended this meeting and successfully concluded various pending issues regarding the project. The project is expected to commence in 2014.

BOARD OF PETITIONS

The Local Enforcement System entails a substantial devolution of power to local government authorities (Regional Committees and Local Councils) to enforce legislation scheduled in terms of Legal Notice 32 of 2000. This radical programme for Local Enforcement has helped the Local Government authorities to secure a high level of community discipline in terms of citizens' compliance through educational campaigns and also through enforcement initiatives. This has been realized through planned management via a tightly integrated solution based on the process rather than individual functions. This has been achieved by linking together all Local Councils, Regional Committees, Warden Services Contractors, Service Providers and Enforcement Officers.

The functions of the Board of Petitions are as follows:

- (a) to determine any petition submitted to it by any person who is charged or is about to be charged with any scheduled offence before a Commissioner;
- (b) to order the waiving or discontinuance of any proceedings before a Commissioner relating to any scheduled offence at the request of any person as mentioned in the preceding paragraph; and
- (c) to remit in whole or in part any financial penalty imposed by a Commissioner following proceedings for an infringement relating to a scheduled offence.

The Board receives petitions through letters (by post on PO Box 62, Victoria - Gozo), through emails (on petitions.dlg@gov.mt) and as from April 2012 the Government launched an online system (www.les.gov.mt) further facilitating accessibility. During 2013 the Board received through letters received by post and through emails 23,498 petitions, out of which 7632 were received online. Whereas the number of petitions received kept in line with the previous years, the Board however set up a more efficient processing system and decreased the number of petitions awaiting a decision by 67%.