



Year

# **Il-Mellieħa Local Council**

**Annual Budget  
For  
Financial Year  
2020**



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## Overview and Summary

The 2019 financial year has been split into halves between Seventh and Eighth Council after the May election. The mandate of the Seventh Council was the longest one ever. The current Council shall hence initially be engaged on projects and initiatives that were launched by the previous one. In some cases, implementation may not have materialized due to reasons beyond its control. Circumstances are such that there is lack of response from economic operators, and in fact there are cases where several calls for tenders have to be issued. This situation gives rise to concern in the case of infrastructural projects co-financed by European funds, which need to be delivered within set time frames.

The Council continued to honour its financial commitments related to the resurfacing of Triq l-Armier, under a public private partnership, which would be concluded in 2020. Another significant commitment is related to the reconstruction of Triq il-Qortin, where 18% of the costs are still due to the contractor concerned. However, in the latter case, the outstanding amount will be reimbursed by Transport Malta in virtue of an agreement reached with the same authority.

The Triq l-Inkurunazzjoni Paving Project was planned for implementation in 2018, however this did not materialize as the contractor failed to honour the awarded contract. When the necessary permit renewal procedures will be concluded, a new call for tenders will be issued. This project will benefit from a grant of € 294,000 under the Planning Development Fund, in virtue of an agreement signed in February 2018. These estimates include the installation of a lift panoramic project linking Triq l-Inkurunazzjoni with Misraħ il-Parroċċa. The Council will be seeking the necessary permissions from the competent authorities. The Council is also planning to replace existing lights with ornamental ones in the older urban part of Mellieħa, namely along the neighbouring Triq Salvinu Vella and Triq is-Santwarju. This is a continuation of previous similar initiatives involving the same zone.

The Council would also be benefitting from an 80% co-financing under the European Regional Development Fund, for the restoration and upgrading of Westreme Battery and the Tunnara interpretation centre housed within. The outer walls of the battery are being dismantled and rebuilt, which intervention involves an estimated cost of € 291 000. A contract be awarded early in 2020 for the upgrading of facilities within the battery which houses the interpretation centre. The estimated cost in this regard is €176,000, and as in the case of restoration, will be co-financed by the European Regional Development Fund.

As regards improvement of existing recreational areas, funding has been granted under Measure 4 - *Development of Green Infrastructure Using Innovative Green Solutions* - of the European Agricultural Fund for Rural Development. Such funding has been requested to enable improvements at the Family Park, involving tree planting; introduction of benches made from recycled material; embellishment of the racetrack walls with ornamental vegetation, and creation of a tree nursery at Ġnien il-Qigħan. The project is valued at € 53,000.

The Council has applied for funding through Measure 2 of the European Fund for Rural Development with a view to purchase sports equipment for the Family Park. Contacts are also underway with SportMalta to assist in the replacement of existing equipment at the open air gym.

Dario Vella  
Mayor

Carmel Debono  
Executive Secretary

## Statement of Income and Expenditure

DESCRIPTION	BUDGET	ACTUAL	BUDGET	VARIANCE	VARIANCE
	Jan-Dec	Jan-Dec	Jan-Dec		
	2019	2019	2020	Bud-Bud	Bud-Act
	€	€	€	€	€
<b>Income</b>					
Funds received from Central Government (1)	1,395,981	1,325,036	1,437,458	41,477	112,422
Income raised from Bye-Laws (2)	78,900	71,851	74,384	(4,516)	2,533
Income raised from LES (3)	7,500	3,601	4,400	(3,100)	799
Investment Income (4)	800	708	1,200	400	492
Other Income (5)	250	311	450	200	139
<b>TOTAL</b>	<b>1,483,431</b>	<b>1,401,506</b>	<b>1,517,892</b>	<b>34,461</b>	<b>116,386</b>
<b>Expenditure</b>					
Personal Emoluments (6)	191,264	184,210	213,426	22,161	29,216
Operations and Maintenance (7)	837,962	816,357	930,495	92,533	114,138
Administration (8)	81,817	105,635	69,081	(12,736)	(36,554)
Finance Cost (9)	-	-	-	-	-
Other Expenditure (10)	282,859	220,753	288,322	5,463	67,569
<b>TOTAL</b>	<b>1,393,902</b>	<b>1,326,955</b>	<b>1,501,324</b>	<b>107,421</b>	<b>174,369</b>
<b>Surplus / Deficit</b>	<b>89,529</b>	<b>74,551</b>	<b>16,568</b>	<b>(72,960)</b>	<b>(57,983)</b>

### Statement of Financial Position

DESCRIPTION	BUDGET	ACTUAL	BUDGET	VARIANCE	VARIANCE
	as at 31 Dec	as at 31 Dec	as at 31 Dec		
	2019	2019	2020	Bud-Bud	Bud-Act
	€	€	€	€	€
<b>Non-current Assets</b>					
Property, Plant and Equipment (16)	4,005,485	3,080,261	2,929,221	(1,076,264)	(151,040)
<b>Current Assets</b>					
Inventories (11)	12,000	21,404	20,000	8,000	(1,404)
Receivables (12)	105,000	276,735	35,000	(70,000)	(241,735)
Cash and Cash Equivalents (13)	508,428	897,535	585,515	77,087	(312,020)
<b>Total Current Assets</b>	<b>625,428</b>	<b>1,195,674</b>	<b>640,515</b>	<b>15,087</b>	<b>(555,159)</b>
<b>Current Liabilities (14)</b>					
Payables	473,477	452,399	209,260	(264,217)	(243,139)
<b>Total Current Liabilities</b>	<b>473,477</b>	<b>452,399</b>	<b>209,260</b>	<b>(264,217)</b>	<b>(243,139)</b>
<b>Net Current Assets</b>	<b>151,951</b>	<b>743,275</b>	<b>431,255</b>	<b>279,304</b>	<b>(312,020)</b>
<b>Non-current liabilities (15)</b>					
	7,000	479,628	-	(7,000)	(479,628)
<b>Net Assets</b>	<b>4,150,436</b>	<b>3,343,908</b>	<b>3,360,476</b>	<b>(789,960)</b>	<b>16,568</b>
<b>Reserves</b>					
Retained Funds	4,150,436	3,343,908	3,360,476	(789,960)	16,568

### Financial Situation Indicator

DESCRIPTION	BUDGET	ACTUAL	BUDGET
	as at 31 Dec	as at 31 Dec	as at 31 Dec
	2019	2019	2020
	€	€	€
Current Assets	625,428	1,195,674	640,515
Current Liabilities	473,477	452,399	209,260
<b>Working Capital</b>	<b>151,951</b>	<b>743,275</b>	<b>431,255</b>
Government Allocation	1,159,252	1,159,252	1,229,969
<b>FSI</b>	<b>13 %</b>	<b>64 %</b>	<b>35 %</b>

**Cash Budget**

DESCRIPTION	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
	JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC	
	2020	2020	2020	2020	
	€	€	€	€	
<b>Cash Inflows</b>					
<b>Government cash inflows</b>	359,364	359,365	359,364	359,365	1,437,458
<b>Cash flows from Bye-Laws &amp; L.N fees</b>	18,596	18,596	18,596	18,596	74,384
<b>Local Enforcement cash flows</b>	1,100	1,100	1,100	1,100	4,400
<b>Finance cash flows</b>					
Loan Proceeds					-
Investment income		600		600	1,200
	-	600	-	600	1,200
<b>Capital cash flow</b>					
Proceeds from disposal of assets					-
	-	-	-	-	-
<b>Cash received from EU funds</b>					-
<b>Cash received from Twinning</b>					-
<b>Cash from Community Services</b>					-
<b>Other Cash Inflows</b>	112	423,632	112	423,632	847,488
<b>TOTAL Inflows</b>	<b>379,172</b>	<b>803,293</b>	<b>379,172</b>	<b>803,293</b>	<b>2,364,930</b>
<b>Cash Outflows</b>					
<b>Personal Emoluments</b>	53,356	53,357	53,356	53,357	213,426
<b>Operations &amp; Maintenance</b>	232,623	232,624	232,624	232,624	930,495
<b>Administration</b>	17,270	17,270	17,270	17,271	69,081
<b>Finance</b>					-
<b>Capital</b>					
Acquisition of property					-
Construction					-
Improvements	30,000	30,000	30,000	30,000	120,000
Special programmes	331,362	331,362	331,362	331,362	1,325,448
Office Furniture/Equipment	4,625	4,625	4,625	4,625	18,500
	365,987	365,987	365,987	365,987	1,463,948
<b>Cash outflows re EU projects</b>					-
<b>Cash outflows re Twinning</b>					-
<b>Cash outflows re Community Services</b>					-
	-	-	-	-	-
<b>TOTAL Outflows</b>	<b>669,236</b>	<b>669,238</b>	<b>669,237</b>	<b>669,239</b>	<b>2,676,950</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(290,064)</b>	<b>134,055</b>	<b>(290,065)</b>	<b>134,054</b>	<b>(312,020)</b>
<b>Brought forward (Bank /Cash Bal.)</b>	<b>897,535</b>	<b>607,471</b>	<b>741,526</b>	<b>451,461</b>	<b>897,535</b>
<b>Carry forward</b>	<b>607,471</b>	<b>741,526</b>	<b>451,461</b>	<b>585,515</b>	<b>585,515</b>

### Detailed Estimates of Income

DESCRIPTION	A	B	C	D (B + C)	E	F (E - A)	G (E - D)
	BUDGET	ACTUAL	FORECAST	TOTAL	BUDGET	VARIANCE	VARIANCE
	Jan-Dec	Jan-Sept	Oct-Dec	Jan-Dec	Jan-Dec		
	2019	2019	2019	2019	2020	Bud-Bud	Bud-Act
	€	€	€	€	€	€	€
<b>Income</b>							
<b>1 Funds received form Central Government:</b>							
0001 In terms of section 55 CAP 363	1,159,252	900,103	259,149	1,159,252	1,229,969	70,717	70,717
0002-0004 In terms of section 58 CAP 363	224,578	40,932	124,852	165,784	195,007	(29,571)	29,223
0005-0019 Other Income	12,151		-	-	12,482	331	12,482
	<b>1,395,981</b>	<b>941,035</b>	<b>384,001</b>	<b>1,325,036</b>	<b>1,437,458</b>	<b>41,477</b>	<b>112,422</b>
<b>2 Bye-Laws &amp; Legal Fees</b>							
0021-0025 Community Services	1,900	640		640	1,900	-	1,260
0026-0035 Income from Permits	77,000	53,408	17,803	71,211	72,484	(4,516)	1,273
	<b>78,900</b>	<b>54,048</b>	<b>17,803</b>	<b>71,851</b>	<b>74,384</b>	<b>(4,516)</b>	<b>2,533</b>
<b>3 Local Enforcement Income</b>							
0037 Commission from Regional Committees	7,500	2,666	889	3,555	4,400	(3,100)	845
0038-0055 Contraventions	-	46	-	46	-	-	(46)
	<b>7,500</b>	<b>2,712</b>	<b>889</b>	<b>3,601</b>	<b>4,400</b>	<b>(3,100)</b>	<b>799</b>
<b>4 Investment Income</b>							
0091-0095 Bank interest	800	531	177	708	1,200	400	492
0096-0099 Income received from Government Securities	-			-	-	-	-
	<b>800</b>	<b>531</b>	<b>177</b>	<b>708</b>	<b>1,200</b>	<b>400</b>	<b>492</b>
<b>5 General Income</b>							
0056-0065 Sponsorships	-	-		-	-	-	-
0066-0069 Documents & Information	-	-		-	-	-	-
0070-0075 EU Funds	-	-		-	-	-	-
0076-0080 Twinning	-	-		-	-	-	-
0081-0089 Insurance Claims	-	-	-	-	-	-	-
0100-0109 Donations	-	-		-	-	-	-
0110-0119 Contributions	-	-		-	-	-	-
0120-0129 General Income	250	233	78	311	450	200	139
	<b>250</b>	<b>233</b>	<b>78</b>	<b>311</b>	<b>450</b>	<b>200</b>	<b>139</b>
<b>Total</b>	<b>1,483,431</b>	<b>998,559</b>	<b>402,947</b>	<b>1,401,506</b>	<b>1,517,892</b>	<b>34,461</b>	<b>116,386</b>



### Detailed Estimates of Expenditure

**DESCRIPTION**

A	B	C	D (B + C)	E	F (E - A)	G (E - D)
BUDGET	ACTUAL	FORECAST	TOTAL	BUDGET	VARIANCE	VARIANCE
Jan-Dec	Jan-Sept	Oct-Dec	Jan-Dec	Jan-Dec	Bud-Bud	Bud-Act
2019	2019	2019	2019	2020		
€	€	€	€	€	€	€

**6 Personal Emoluments**

1100 Mayor's Allowance	11,226	9,380	2,830	12,210	15,027	3,801	2,817
1200 Employees' Salaries & Wages	136,484	90,934	34,182	125,116	141,486	5,002	16,370
1300 Bonuses	11,150	1,517	9,874	11,391	11,620	470	229
1400 Income Supplements	1,454	727	-	727	1,454	-	727
1500 Social Security Contributions	12,569	8,173	3,182	11,355	13,010	441	1,655
1600 Allowances	14,382	13,418	4,473	17,891	25,829	11,447	7,938
1700 Overtime	4,000	4,140	1,380	5,520	5,000	1,000	(520)
	<b>191,264</b>	<b>128,289</b>	<b>55,921</b>	<b>184,210</b>	<b>213,426</b>	<b>22,161</b>	<b>29,216</b>

**7 Operations and Maintenance**

2100-2149 Public Utilities	5,537	6,120	2,040	8,160	8,293	2,756	133
2200-2259 Public Materials & Supplies	2,277	2,843	948	3,791	3,644	1,367	(147)
2300-2399 Repairs & Upkeep	109,400	52,841	17,614	70,455	123,400	14,000	52,945
2400-2449 Rent	4,250	3,058	1,019	4,077	4,250	-	173
3010 Street Lighting	27,000	22,098	7,366	29,464	36,000	9,000	6,536
3020 Lease of Equipment	-	-	-	-	-	-	-
3030 Insurance	7,000	5,282	1,761	7,043	6,000	(1,000)	(1,043)
3035 Bank Charges	350	617	206	823	900	550	77
3038 Penalties	-	-	-	-	-	-	-
3040 Waste Disposal	131,000	104,085	34,695	138,780	148,000	17,000	9,220
3041 Refuse Collection	102,448	74,852	24,951	99,803	130,000	27,552	30,197
3042 Bulky Refuse Collection	21,000	30,558	10,186	40,744	32,000	11,000	(8,744)
3043 Bins on wheels	-	-	-	-	-	-	-
3045 Bring in sites	3,000	-	-	-	2,000	(1,000)	2,000
3051 Road & Street Cleaning	35,000	26,271	8,757	35,028	35,000	-	(28)
3052 Cleaning & Maintenance of Non-Urban Areas	25,000	18,740	6,247	24,987	30,000	5,000	5,013
3053 Cleaning of Public Conveniences	90,000	54,872	18,291	73,163	76,000	(14,000)	2,837
3055 Cleaning of Council Premises	3,000	1,846	615	2,461	4,800	1,800	2,339
3060 Cleaning & Maintenance of Parks & Gardens	-	-	-	-	-	-	-
3061 Cleaning & Maintenance of Soft Areas	57,000	38,748	12,916	51,664	117,281	60,281	65,617
3062 Cleaning & Maintenance of Beaches & CA	500	-	-	-	500	-	500
3063 Cleaning & Maintenance of Country Non-Urban	1,000	-	-	-	1,000	-	1,000
3064 Other Contractual Services	-	-	-	-	-	-	-
3070-3090 Consultation Fees	3,000	328	109	437	1,000	(2,000)	563
3100-3139 Contract & Project Management	17,600	10,842	3,614	14,456	15,000	(2,600)	544
3300-3379 Hospitality	99,000	67,656	22,552	90,208	96,500	(2,500)	6,292
3380-3389 Community	21,000	7,932	2,644	10,576	23,216	2,216	12,640
3600-3694 Local Enforcement Expenses	100	162	54	216	325	225	109
3700-3799 EU Projects	62,000	80,380	26,793	107,173	24,886	(37,114)	(82,287)
3800-3899 Twinning	10,500	2,137	712	2,849	10,500	-	7,651
	<b>837,962</b>	<b>612,268</b>	<b>204,089</b>	<b>816,357</b>	<b>930,495</b>	<b>92,533</b>	<b>114,138</b>



## Detailed Estimates of Statement of Financial Position

DESCRIPTION	A	B	C	D (B + C)	E	F (E - A)	G (E - D)
	BUDGET Jan-Dec 2019 €	ACTUAL as at 30-Sep 2019 €	FORECAST changes from 30 Sep-31 Dec 2019 €	TOTAL as at 31-Dec 2019 €	BUDGET Jan-Dec 2020 €	VARIANCE Bud-Bud €	VARIANCE Bud-Act €
<b>11 Inventory</b>							
5201-5249 Stationery	12,000	20,189	1,215	21,404	20,000	8,000	(1,404)
5250-5299 Consumables				-		-	-
				-		-	-
	<b>12,000</b>	<b>20,189</b>	<b>1,215</b>	<b>21,404</b>	<b>20,000</b>	<b>8,000</b>	<b>(1,404)</b>
<b>12 Receivables</b>							
0201-0209 Receivables	55,000	190,222	25,841	216,063	10,000	(45,000)	(206,063)
0210-0219 LES Receivables				-		-	-
0220-0229 Receivables from EU				-		-	-
0250 Prepayments & Accrued income	50,000	25,419	35,253	60,672	25,000	(25,000)	(35,672)
				-		-	-
	<b>105,000</b>	<b>215,641</b>	<b>61,094</b>	<b>276,735</b>	<b>35,000</b>	<b>(70,000)</b>	<b>(241,735)</b>
<b>13 Cash &amp; Equivalents</b>							
5001-5099 Bank & Cash Balances	508,428	1,044,569	(147,034)	897,535	585,515	77,087	(312,020)
	<b>508,428</b>	<b>1,044,569</b>	<b>(147,034)</b>	<b>897,535</b>	<b>585,515</b>	<b>77,087</b>	<b>(312,020)</b>
<b>14 Payables</b>							
4000 Payables	352,477	297,791	(54,104)	243,687	159,260	(193,217)	(84,427)
4100 Accruals	100,000	202,025	(21,743)	180,282	50,000	(50,000)	(130,282)
4150 Deferred Income		20,941	(20,941)	-		-	-
Current portion of Long-Term Borrowings	-			-	-	-	-
Current portion of Long-Term Borrowings	21,000	31,842	(3,412)	28,430	-	(21,000)	(28,430)
	<b>473,477</b>	<b>552,599</b>	<b>(100,200)</b>	<b>452,399</b>	<b>209,260</b>	<b>(264,217)</b>	<b>(243,139)</b>
<b>15 Non Current Liabilities</b>							
4200 Long Term Borrowings	7,000	7,183	(7,183)	-	-	(7,000)	-
Deferred Income		479,628		479,628		-	(479,628)
	<b>7,000</b>	<b>486,811</b>	<b>(7,183)</b>	<b>479,628</b>	<b>-</b>	<b>(7,000)</b>	<b>(479,628)</b>

**16 Depreciation of Property, Plant and Equipment**

		Property	Special Programmes	Assets under Const	Street Signs	Urban Improvements	Office Equipment	Office Furniture	Computer Software		Total
<b>Asset</b>											
% of depreciation		1%	10%	0%	100%	10%	20%	7.5%	25%		
		€	€	€	€	€	€	€	€	€	€
<b>Cost</b>											
As at 01 January	2020	568,224	7,000,000	1,100,000	73,322	700,000	70,000	184,877	1,700		<b>9,698,123</b>
Additions			1,825,448			120,000	13,500	5,000			<b>1,963,948</b>
Disposals				(500,000)							<b>(500,000)</b>
As at 31 December	2020	<b>568,224</b>	<b>8,825,448</b>	<b>600,000</b>	<b>73,322</b>	<b>820,000</b>	<b>83,500</b>	<b>189,877</b>	<b>1,700</b>	-	<b>11,162,071</b>
<b>Grants/ other reimbursements</b>											
As at 01 January	2020		1,367,061	82,229							<b>1,449,290</b>
Additions			1,326,666			-					<b>1,326,666</b>
As at 31 December	2020	-	<b>2,693,727</b>	<b>82,229</b>	-	-	-	-	-	-	<b>2,775,956</b>
<b>Accumulated Depreciation</b>											
As at 01 January	2020	22,721	4,197,418	-	73,322	660,841	48,521	164,852	897	-	<b>5,168,572</b>
Charge for the year		5,576	274,153		-	2,550	482	5,148	413		<b>288,322</b>
Released on disposal											-
As at 31 December	2020	<b>28,297</b>	<b>4,471,571</b>	-	<b>73,322</b>	<b>663,391</b>	<b>49,003</b>	<b>170,000</b>	<b>1,310</b>	-	<b>5,456,894</b>
<b>Budgeted NBV 31 Dec</b>	<b>2019</b>	539,927	2,948,701	210,830	-	190,604	15,798	99,625	-	-	<b>4,005,485</b>
<b>Forecasted NBV 1 Jan</b>	<b>2020</b>	545,503	1,435,521	1,017,771	-	39,159	21,479	20,025	803	-	<b>3,080,261</b>
<b>Budgeted NBV 31 Dec</b>	<b>2020</b>	539,927	1,660,150	517,771	-	156,609	34,497	19,877	390	-	<b>2,929,221</b>