
Department for Local Government

ANNUAL REPORT 2005

MISSION STATEMENT

The Department for Local Government is responsible to ensure that all Local Councils have the legislative authority to respond to local needs in accordance with the functions and responsibilities delegated to them in terms of the Local Councils Act. The Department also acts as a stimulant to the devolution and decentralization processes.

OBJECTIVES

In carrying out its objective, the Department has three main roles: (a) a co-ordinative role – the co-ordination of all initiatives by other ministries and departments that directly or indirectly affect the functions and operations of Local Councils; (b) a guidance role – by issuing circulars to all Councils to guide them in their operations and to ensure that there is uniformity of application and implementation of legislation and procedures; and (c) a monitoring role – through a supervision of Councils' minutes, in particular on areas affecting expenditure, in order to ensure compliance with legislation.

SOURCES

In the exercise of its operations, the Department is guided by the following sources of legislation:

- (i) Local Councils Act (Cap. 363)
- (ii) Subsidiary legislation issued in terms of the Local Councils Act,
- (iii) Local Councils Procedures enacted in terms of the Local Councils Act,
- (iv) Other legislation which directly or indirectly refers to Local Councils,
- (v) The European Charter of Local Self-Government of the Council of Europe which Malta ratified on 6 September 1993.
- (vi) Policies regulating local government, adopted at national level; and
- (vii) Policies adopted by the ministry responsible for local government.

ORGANIZATIONAL MATTERS

During 2005, the Department continued on the internal re-structuring process that focused on capacity building. During this year, the Department succeeded in increasing its personnel through the engagement of one Principal (Devolution Unit), one Monitoring Officer, one labourer (general duties), two former PBS officials (Devolution Unit) and one IPSL worker (cleaning duties).

FINANCIAL ALLOCATION TO LOCAL COUNCILS

For the financial year 2005/2006 (ending on 31 March 2006), Local Councils were allocated the sum of Lm10.2 million. The distribution of these funds to the 68 Local Councils is made by the Department in accordance with the funding formula established in the Tenth Schedule to the Local Councils Act.

In order to determine the part pertaining to the respective Local Council, an updated inventory of assets (directly related to the statutory functions of Local Councils) is maintained by the Department. This inventory is carried out by the Field Services Unit of the Department.

DIRECTIVES AND GUIDANCE TO LOCAL COUNCILS

As part of its role of guiding Local Councils in their operations, the Department for Local Government issues, from time to time, various circulars to all Local Councils. During 2005, the Department issued a number of circulars ranging from guidance on payments, local enforcement system new processes, general deficiencies outlined in the Auditor General's report, information on newly published local government legislation, health and safety issues, and uniformity of application of statutory requirements.

The Department also continued to give support to Local Councils in replying to various queries regarding financial, tendering and human resources matters.

The Department also assisted and vetted requests by Local Councils to obtain a Bank Loan for the purpose of acquiring new administrative offices.

The procedures adopted by Local Councils in appointing new Executive Secretaries or renewing the contracts of existing Executive Secretaries were also vetted by the Department prior to these being forwarded to the Minister for consultation

The Department also gave support in the following particular areas:

(a) Finance and Tendering

Besides answering Councils' queries regarding Finance and Tendering, the Department monitored the submission of financial statutory documents such as the Budget and Business Plans. It also assisted and vetted requests by Local Councils to obtain a Bank Loan for the purpose of acquiring new administrative offices.

(b) Human Resources

The procedures adopted by Local Councils in (i) appointing new Executive Secretaries (ii) or renewing the contracts of existing Executive Secretaries, were vetted by the Department prior to being forwarded to the Minister for consultation.

(c) Audit

The Department co-operated fully with the Auditor General on audit matters pertaining to Local Councils. Particular attention was given to the timely submission of the Audit Reports as stipulated by the law.

In addition, through close co-operation with the National Audit Office, the Department finalised the Audit Procedures which would substitute the existing procedures. The salient features of the new procedures include provisions for a mid-term audit, the new procedure regarding the submission of the Financial Statements as well as regarding the format of the Financial Statements, as well as provisions allowing for specific audits.

CONSULTATION MEETINGS

The Department held consultation meetings on a regular basis with the Local Councils Association and the Assocjazzjoni Segretarji Kunsilli Lokali Maltin (ASKLM).

The Director, accompanied by senior officials from the Department, also had meetings with Local Councillors at the Local Councils' Administrative Offices. During 2004, meetings were held with 31 Local Councils.

A Joint Committee made up of members from the Employment Training Corporation, the Department for Local Government and the Local Councils Association was set up to discuss possible participation in employment schemes eligible under the European Social Fund Programmes.

DELEGATION OF FUNCTIONS TO LOCAL COUNCILS

(a) Local Enforcement

As part of the consultation process started by the Ministry for Justice and Home Affairs with all the stakeholders of the local enforcement system, major legislative amendments were made through the Omnibus Act (Act XIII of 2005). These *inter alia* make provisions for: the right for a person summoned before a Commissioner for Justice to forward written submissions confirmed under oath and the right of a person summoned before a Commissioner for Justice to appoint his/her representative to appear in the Local Tribunal in his/her stead; and an extension of the time limit to lodge an appeal from the decision of the Commissioner for Justice from six working days to thirty days.

(b) Devolution of Government Property

During 2005, central Government devolved immovable property to the following Local Councils: (i) the "Kalkara tal-Gir" to the Sannat Local Council for the purpose of establishing a socio-cultural centre; (ii) the devolution of Casino Notabile to Mdina Local Council; (iii) the devolution of Fort St. Anthony to the Qala Local Council; (iv) the devolution of premises at Gnien Misrah il-5 ta' Ottubru to the Msida Local Council; and (v) the devolution of a site in Guze' Aquilina Street to the Munxar Local Council for the development of a playing field.

MONITORING OF LOCAL COUNCILS' FUNCTIONS AND OPERATIONS

The Monitoring Unit has the remit of scrutinising the Local Councils' management of funds allocated to them by central Government. One of the functions of this Unit is to see that Local Councils strictly adhere to the Financial Regulations and Procedures and refrain from entering into commitments that would result in a deficit in the Local Council's working capital.

The functions of this Unit are mainly to monitor Local Councils from various aspects such as illegal payments and excessive expenditure with special emphasis on the financial commitments of the Local Councils particularly the ones that registered financial deficits throughout the current financial year (ending 31 March 2005). During the year in question there were eight (8) Local Councils that registered a financial deficit in their working capital. Through this Unit, the Local Councils in question were requested to submit concrete plans on how they intend to eliminate their deficits in the least possible time.

Another important function of this Unit is the evaluation of Local Councils statutory documents, such as minutes of Council meetings, Schedules of Payments, Budgets, Business Plans, Administrative Reports and Quarterly Financial Reports. The Unit also ensures that the statutory documents are submitted within the prescribed time.

During the year in question, two Monitoring Officers were engaged with this Unit. This has been an effective step forward, as for the first time it was possible to analyse in detail the Local Councils' Audit Reports. This enabled the Department to obtain a true picture of the performance of the Local Councils during the financial year 2004/2004.

FIELD SERVICES UNIT

During 2005, the Field Services Unit of the Department carried out the following activities:

(a) Data update

During 2005, the Field Services Unit (FSU) continued to update the inventory of assets data of Local Councils, which serve as the basis for the allocation of funds to Local Councils.

(b) Efficiency Reports

During 2005, the FSU carried out inspections in Malta and Gozo with respect to the Local Councils' statutory functions of upkeep and maintenance of all roads, street sweeping, road signs and markings, public conveniences, urban footways and non-urban roads, and gardens.

(c) Other services

The Field Services Unit was responsible for the distribution of funds to all Local Councils in terms of the inventory of assets. The Unit was also responsible for the plotting of inventories, including traffic flow, bus shelters and gardens data into map form. During 2005, the Department obtained Ministry of Finance approval to charge for the distribution of maps with inventories to non-Governmental organisations, including parastatal organisations. All inventory data, including maps will be forwarded to Local Councils free of charge.

NEW LEGISLATION

(a) Legislation affecting the operation of Local Councils

During 2005, 25 main and subsidiary legislation affecting the functions and operations of Local Councils were enacted. These included extensive amendments to the Local Councils Act that made new provisions for conflicts between the office of Executive Secretary and that of Local Councillor, direct election of the Mayor and Deputy Mayor by the citizen, quorum for Council meetings, statutory devolution to Local Councils of public libraries and bus shelters, exemption of the Mayor and Executive Secretary from jury service and the inclusion of Mayor in the list of Marriage Registrars.

Amendments to the Local Councils Association Regulations made provisions for a new Code of Ethics for Local Councillors that is in line with the recommendations of the Council of Europe.

The subsidiary legislation enacted during period under review *inter alia* made provisions for: the inclusion of two NGOs in the list of Scheduled non-Government organisations eligible for donations by Local Councils, change in the coat-of-arms of Ghaxaq, the inclusion of several contraventions under the Motor Vehicle Regulations that could be enforced by Local Wardens, the exclusion of 4 Industrial Zones from the responsibilities of the respective Local Councils, amendments to the Local Councils Human Resources Regulations to reflect the new provisions of the Collective Agreement for Local Council Executive Secretaries, the enforcement by Local Wardens and Plain Clothes Wardens of breaches of environmental regulations and the introduction of Plain Clothes Wardens, and the new regulations establishing a Board of Petitions to determine any petition submitted by any person who is charged or about to be charged with any offence before the Local Tribunal when there such person deems that the issue of the contravention was due to a mistake or for any other reason listed in the regulations.

(b) Approved Bye-Laws enacted by Local Councils

During 2005, seven Bye-Laws were made by Local Councils after approval by the Minister. Vetting by the Department is carried out with respect to: (a) legal *vires*, (b) conformity with approved policies; (c) vetting and approval with respect to the legal text. The Bye-Laws enacted during the said period cover the areas of: advertisements on street furniture, organization of courses by the respective Local Councils, and regulations on the use of (Council) facilities.

LOCAL e-GOVERNMENT AGREEMENT

The Local e-Government Agreement (LeGA) signed between the Ministry for Investment, Infrastructure and Information Technology (MIIT) provides for the provision of IPSL workers with all Local Councils in exchange for Councils' commitment to strengthen and engage in more local e-Government services for the benefit of their respective communities.

The deployment of the 140 IPSL workers in Malta was done by the LeGA Committee (comprising representatives of the Department and the Local Councils Association) whereas in the case of the Gozitan Local Councils, 33 public officers formerly detailed with the Water Services Corporation have had their detailing revoked in order to be assigned with the Gozitan Local Councils.

NEW INITIATIVES

Training for Local Councils

As part of the Department's guidance role, and more specifically in line with our commitment to assist Local Councils within the new EU scenario, an EU information seminar was held in January 2005. During this seminar, which was well attended by Local Council Mayors, Councillors and Executive Secretaries information was given about the Interreg IIC programme. Presentations were given by officials from the Planning and Priorities Co-Ordination Directorate within the Office of the Prime Minister.

Training for Department staff

During 2005, the Department's Human Resources Section intensified its commitment towards the training and development of all the staff. During this period, several officials attended training courses on How the European Union Operates (senior officials), Occupational Health and Safety Matters (officers within the Occupational Health and Safety In-House Committee), Human Resource Management (officers within the HR Section) and other short courses on IT and office services.

Commonwealth Local Government Forum held in Malta

The Department, in conjunction with the Local Councils Association organised the Commonwealth Local Government Forum (CLGF) Meeting in Malta between 25 and 27 October 2005. Members from around the Commonwealth (Jamaica, Bahamas, UK, New Zealand and Cyprus) joined their counterparts from Maltese Local Councils to discuss the issue of priorities for Local Government. Three Working Groups discussed a key issue each, namely: Promoting Partnership between spheres of Government, Community Participation in Decision-making and Making Local Government More Accountable and Transparent.

New Competition for Local Councils titled 'Il-Kunsilli Lokali u ċ-Ċittadin'

A new competition for all Local Councils was organised by the Department for Local Government under the general theme of "Il-Kunsilli Lokali u c-Cittadin" (Local Councils and the Citizen). This competition was superseding the competition "Sebbah Pajjizek" (Embellish your Locality) which had been organised for a period of around ten years. The specific theme chosen for 2005 was "L-Ahjar Inizzjattiva Edukattiva għall-Komunita'" (The Best Educational Initiative for the Community). Money prizes were given to the first three placed and a special trophy was commissioned at the Targa Gap MCAST and given to the winning Local Council. The prizes were given by the Deputy Prime Minister and Minister for Justice and Home Affairs on 14 December 2005.

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