

Office of the Prime Minister

Department for Local Government

THE LOCAL GOVERNMENT REFORM

THE DEPARTMENT'S INVOLVEMENT IN THE REFORM PROCESS

The Department for Local Government's (DLG) major assignment during the year 2009 was its active input in the implementation of the Local Government Reform 2009. The DLG's input in the reform process included:

- Input in the setting up of the Local Government Reform Unit that was entrusted to carry out attendance at all consultation meetings and keeping of minutes as well as drawing up the report of all the proposals and recommendations received;
- Forwarding proposals for legal amendments and new legislation, new policies and practices in line with the local government reform report;
- The formulation and publication of a *Code of Good Practices for Local Government*, the *Malta Policy for Local Governance* and the formulation of a *Local and Regional Protocol for Elected Representatives* that is still in the consultation stage with the main stakeholders;
- Assistance in drawing up the final Reform Report, including the drawing up of maps of new Communities;
- Drafting of new and amendment legislation to reflect the local government reform proposals, including the drafting of the Act to amend the Local Councils Act (Act XVI of 2009) and other subsidiary legislation such as Twinning Regulations, Board of Petitions Regulations and Tender Regulations;
- Liaison with the Centre of Expertise of the Council of Europe for the setting up of a Working Group to discuss, design and implement Performance Indicators to measure the efficient, economic and effective performance of Local Councils in Malta and Gozo.

NEW GRANT SCHEMES

The Local Government Reform, that was initiated in May 2009, led to 2 important documents to put into effect the reform proposals: (a) the reform report titled "*Biex il-Kunsill Jagħik l-Aqwa Servizz*" that includes over 120 measures for implementation; and (b) the enactment of the Act to Amend the Local Councils Act (Act No XVI of 2009) that introduced 50 new legislative amendments. By the end of 2009,

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approximately 75% of the proposals in the reform document and 90% of the legislative amendments were put into force.

During 2009, 11 earmarked Fund Schemes for Local Councils 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 scheme are indicated in the table below.

<i>Premju Lokalitajiet Indaf -</i>	€ 200,000
Special Funds for Localities with Special Needs -	€ 565,000
Special Funds Scheme -	€ 250,000
EU Co-Financing Fund Scheme -	€ 303,000
Sustainable Development Strategy Study Scheme -	€ 75,000
Accessibility Scheme -	€ 155,000
Sport Initiatives Scheme -	€ 60,000
Energy Saving Initiatives Scheme -	€ 315,000
Cultural Activities Scheme -	€ 141,500
Local Enterprise u Green Challenge Awards	€200,000
Total	€ 2,264,500

NEW LOCAL GOVERNMENT INITIATIVES AND POLICIES

EXTENSION OF LOCAL COUNCILS' WORKING DAYS

In line with the citizens' wishes as expressed during the local government reform consultation process, by means of a circular issued in July 2009, the general public was informed that as from 17 October 2009, all the Local Council administrative offices in Malta and Gozo were to open on Saturdays from 8.00 am to 11.30 am. This measure was introduced so that the public could lodge complaints, apply for permits or pay contravention fines or make other payments. It was also announced that this initiative was also aimed as a measure for Local Councils to deliver the best service to their citizens. From on the spot checks carried out by DLG officials on different days, it was ascertained that all Councils observed this new directive.

BANK GUARANTEES WITH RESPECT TO WORKS

A circular issued to all Councils in mid 2009 made reference to the regulations on the environmental management and construction sites, whereby Councils were instructed not to demand any additional bank guarantee from developers who had obtained a permit for development from the Malta Environment and Planning Authority (MEPA). The bank guarantee drawn up in favour of MEPA was sufficient to ensure the re-instatement of the road after the works were concluded, and that MEPA was obliged to consult the Council to ensure that the works were satisfactorily carried out before the bank guarantee could be lifted. If such re-instatement works were not satisfactorily carried out, these works would be carried out either by MEPA or the Council at the expense of the developer.

NEW ORGANIC WASTE TENDER DOCUMENT

In April 2009, following long and thorough discussions held between all the stakeholders, a new Tender document for the collection and disposal of municipal organic waste was finalised. All Councils were informed to issue this new tender document when their current contract expired. The primary aim of this new document was to introduce new specifications with the aim of increasing existing standards and ensure a more efficient service to local citizens. The new contract document introduces new concepts, such as new adjudication procedure, the obligation of a work plan, and standards with respect to refuse collection vehicles.

CODE OF GOOD PRACTICES FOR LOCAL GOVERNMENT

In June 2009, also in line with one of the proposals for the local government proposals, a 'Code of Good Practices for Local Government' was published and distributed to all Councillors. This code is aimed as guidelines to all Councillors by providing examples of good practice with respect to local governance. The code was published following consultations with various stakeholders as well as perusal of the Aberdeen Agenda (Commonwealth Local Government Forum) and other publications by the Council of Europe. The code, primarily aimed at assisting Councillors to provide the best service, includes guidelines with respect to: transparency in all spheres of operation, inclusivity of all spheres of society, integration and co-operation between Council members, ethical behaviour, accountable behaviour and the importance that all Council members be competent and innovative in their approach.

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LOCAL GOVERNMENT FINANCE

LOCAL COUNCIL FINANCING

Central government allocation to Local Councils for financial year 2009/2010 was of € 28.01 million, that signifies an actual increase of € 4.04 million over the previous financial year. As indicated earlier, a total of € 2.26 million were also allocated under various grant schemes. The total direct financial allocation to Local Councils for the year under review, therefore, amounted to € 30.27 million.

Government also assists Councils through the secondment of government employees with Councils. During 2009, a total of 147 IPSL (former Dockyard) workers were assigned to Councils in Malta, whereas an additional 20 Government employees were assigned with Gozo Councils. Another 20 Ministry for Resources and Rural Affairs employees are also assigned with Local Councils. The total number of Government employees assigned to Local Councils, thus, amounts to 187. Since the salaries and wages of these workers are borne by central government, this deployment of workers scheme effectively means that Councils are saving a total of approximately € 2.8 million in wages. Of these, the Department for Local Government is responsible for the salaries of all the 20 employees assigned with Gozo Councils and part of the salaries of the IPSL workers.

The Department also provides assistance to the Local Councils Association (LCA) and to the Association of Local Council Executive Secretaries (ASKLM) as part of government's commitment to assist both associations. During 2009, the LCA was given an annual financial allocation of EUR 75,000 whereas the ASKLM was given an annual financial allocation of EUR 9,318.

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 Financial Allocation to Local Councils: 1994 - 2010

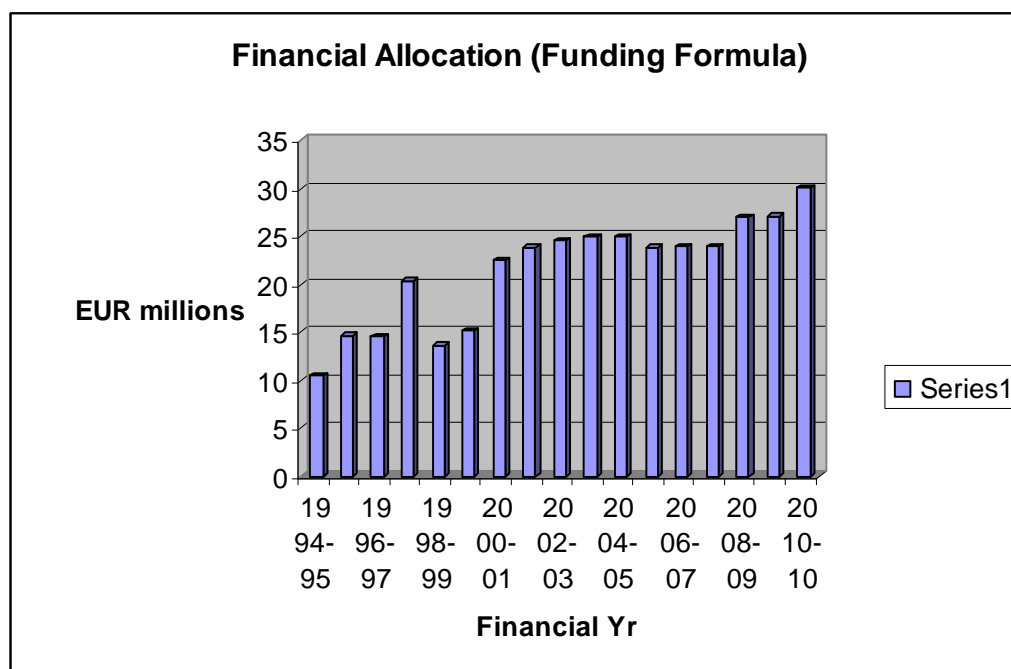
1. Direct Financial Allocation (Funding Formula):

<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	
Total Direct Allocation			365.07 mill.

2. Funds for Special Needs/Grant Schemes:

<i>Financial Year</i>	<i>Lm mill.</i>	<i>Euro mill.</i>	
1994/95	0.3	0.70	
1995/96	1.3	3.03	
1996/97	2.5	5.82	
1997/98	2.5	5.82	
1998/99	2.5	5.82	
1999/00	2.5	5.82	
2000/01	-	-	
2001/02	-	-	
2002/03	-	-	
2004/05	-	-	
2005/06	-	-	
2006/07	-	-	
2007/08	-	-	
2008/09	-	-	
2009-10	-	1.59	
2010	-	2.26	
Total Special Funds/Grant Schemes			30.86 mill.
Total Funds to Local Councils (1994-2010)			395.93 mill.

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HUMAN RESOURCES – MAJOR ACTIVITIES

PERSONAL DEVELOPMENT OF COUNCIL MEMBERS, EXECUTIVE SECRETARIES AND STAFF

An important local government reform initiatives was the assignment of a new function to the DLG; that of offering training and personal development activities to Council members, Executive Secretaries and staff. This new departmental objective has now been added to the already existing 3 objectives, namely: (i) to provide co-ordination with ministries, departments and other government entities that directly or indirectly affect the functions and operations of local government; (ii) to provide guidance to Local Councils for uniformity of application as well as to facilitate their efficient and effective functioning; and (iii) to supervise Council's functions and operations to ensure that they operate within the framework of the law and approved policies and procedures.

TRAINING FOR LOCAL COUNCILLORS

Following the election of new Councillors in June 2009, a training programme was organised by the DLG for the newly elected Councillors. The course was designed in a way to incorporate both knowledge of

legislation, regulations and procedures, as well as interpersonal skills. A total of 68 Councillors from Malta and Gozo attended this training programme. The course was structured as follows:

- Module 1 - Local Councils Act (Chapter 363, Laws of Malta), the Standing Orders and Bye-Laws
- Module 2 - Financial Regulations, the Role of the Auditor General vis-à-vis local government
- Module 3 - Principles of Local Government, the Role of Council Member, the Role of the Executive Secretary
- Module 4 - Teamwork, Leadership Skills

During 2009, and after having identified the need to give additional training to the Council political leaders the DLG also organised in conjunction with the Staff Development Organisation a series of workshops for Mayors and Deputy Mayors on *Managing with Leadership*. A total of 37 Mayors and Deputy Mayors attended this training programme.

TRAINING FOR LOCAL COUNCIL EXECUTIVE SECRETARIES

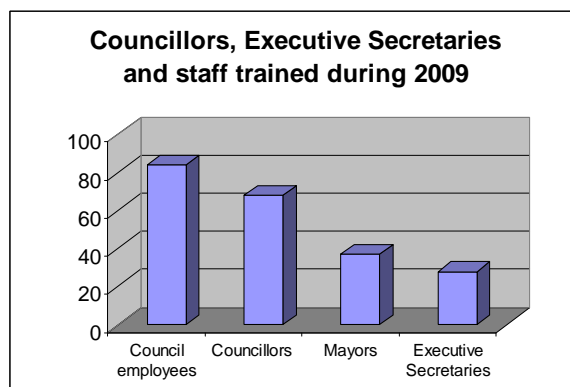
During the same year, the *Managing with Leadership* programme was also organised for Executive Secretaries. A total of 28 Council Executive Secretaries attended this training programme.

TRAINING FOR LOCAL COUNCIL EMPLOYEES

In 2009, the second series of training on *Front Office Skills* and *Customer Relations* was organised to Council front office staff. This programme was organised jointly with the Staff Development Organisation and was attended by 84 Council employees.

TRAINING FOR YOUTHS PARTICIPATING IN YOUTH LOCAL COUNCILS

The DLG collaborated closely with the National Youth Council in the training programme for youths who have engaged to participate in Youth Local Councils. An intensive training programme was organised for the participating youths that incorporated subjects such as the Youth Local Council Project, experiences of a Mayor, an Executive Secretary and a Councillor as well as the Local Councils Act. The latter was presented by the Director (Local Government) and this generated a lot of interest and discussion among the participating youths who are deemed as potential future Mayors and Councillors.



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SEMINAR ON LOCAL COUNCILLORS ON THE GUARDIANSHIP DEEDS

The Parliamentary Secretariat for Public Dialogue and Information in conjunction with the DLG organised a half day seminar for Local Councillors on the implications for Local Councils of the Guardianship Deeds legislation and procedure. The seminar was addressed by HE Dr Ugo Mifsud Bonnici, Parliamentary Secretary Chris Said, the President of the Local Councils Association, the Director Local Government, the Superintendent of Heritage and senior officials from the Government Property Division. Councillors whose remit included local heritage attended this highly informative and important seminar.

LOCAL DEVOLUTION ACTIVITIES

DELEGATION OF ADMINISTRATION OF PUBLIC PROPERTY

During 2009, the administration of further government property was delegated to nine Councils. These were:

- The delegation to the Xghajra Local Council of two sites to be developed into a Sport Centre and a Recreational Centre
- The delegation to the San Ġiljan Local Council of 2 sites to be developed into a recreational centre comprising a 5-a-side football pitch
- The delegation to the Munxar Local Council of an extension to an already devolved site for the development of a playing field
- The delegation to the Sannat Local Council of a site to be developed into a playing field and botanical gardens
- The delegation of part of the Government School to the Gharb Local Council to be used as council administrative offices
- The delegation to the Rabat (Gozo) Local Council of a playing field to be developed into a recreational centre
- The delegation to the Kirkop Local Council of a site to be developed into a Primary Health Care Centre, NGOs Conference Hall, Archives and annex to the Social Security offices

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- The delegation to the Mellieha Local Council of a Defence Post to be restored and used as a tourist attraction
- The delegation to the Żurrieq Local Council of site to be developed into a centre to provide legal, social and tourist services

DEVOLUTION OF BRANCH AND REGIONAL LIBRARIES

The year under review also saw the additional delegation of administration of 2 branch and 1 regional library. Marsaxlokk and Kirkop were given the administration of the Branch Library within their localities, whereas the Paola Local Council assumed responsibility of the Regional Library within its locality. In addition, 3 Council took the initiative to set up a Branch library within premises owned or leased to them. These were the Ta' Xbiex, Msida and Xgħajra Local Councils. The total number of Local Councils administering a Branch or Regional Library amounts to 53.

LOCAL ENFORCEMENT

LOCAL ENFORCEMENT SYSTEM (LES)

All the 68 Local Councils in Malta and Gozo now form part of the local enforcement system (LES). The DLG is responsible to oversee that the system works as flawlessly as possible. As part of its oversight, the department offers a customer care service with respect to LES issues. As part of the local government reform process, the LES system is also under review.

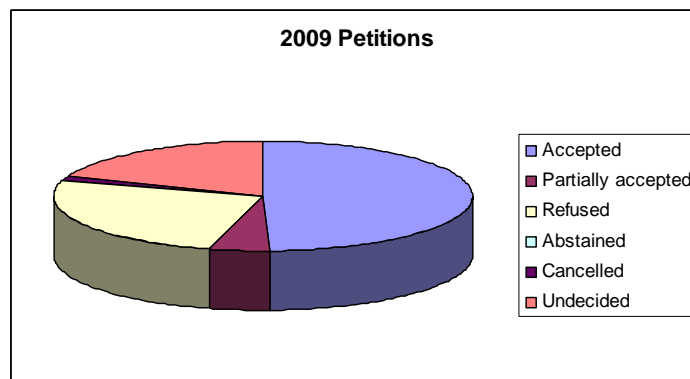
An online payment service of contraventions is also available on the following webpage <http://www.gov.mt/frame.asp?l=1&url=http://www.les.gov.mt>

BOARD OF PETITIONS

The Board of Petitions, whose Registry is manned by DLG officials, which was set up since January 2006 has, till the end of 2009 received 53,813 petitions. During 2009, a total of 18,608 petitions were received, that is an average of 360 petitions per week. At the end of 2009, the situation was the following: 9,204 (49.5%) petitions were accepted, 869 (4.5%) were partially accepted, 4,725 (25.4%) were refused, 16

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(0.2%) abstained, 288 (1.6) were cancelled, 3,506 (18.8%) undecided petitions. The chart below gives a graphic illustration of this data.



MONITORING OF LOCAL COUNCILS

MONITORING OF LOCAL COUNCILS AND ACTION TAKEN

The monitoring of Local Council functions consist of scrutiny of Council decisions and documents, including financial documents, monitoring of Councils that had registered a deficit in their working capital in the previous financial year, and on site monitoring whenever deemed proper. During 2009, the Mosta Local Council was issued with a Formal Notice by the Prime Minister whereby the Council was requested to address several serious irregularities. Monitoring Officers attended Council meetings, prepared reports and action taken whenever Council decisions were not deemed in line with local government legislation.

During 2009, the Monitoring Unit also investigated several allegations made against Councils. In one instance the case was referred to the Police for further investigation, whereas some cases were also referred to the Auditor General to refer to the Local Government Auditors to verify in their audit work.

In those cases where Councils were found to have made irregular payments, corrective measures from the Councils concerned were requested, and in other instances financial deductions were effected from Government's subvention. The total amount of moneys withheld from 10 erring Councils during 2009 was of € 14,740.

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LOCAL COUNCIL APPRAISAL

EFFICIENCY REPORTS

UPDATING OF LOCAL COUNCILS ASSET INVENTORY

The Department's Field Services Unit carried out field surveys with respect to updating the local government assets in 14 localities. These included the update of verges within 6 localities (Marsaskala, Marsaxlokk, Mellieħa, Mgarr, Mosta, Mqabba), and traffic signs and markings in 8 localities (Żejtun, Kirkop, Kalkara, Iklin, Lija, Gharghur, Gżira, San Pawl il-Bahar).

LOCAL GOVERNMENT LEGISLATION

LEGAL NOTICES

During 2009, DLG was responsible for the preparation, vetting and publication of eleven legal notices concerning local government. These legal notices regulate: the Petitions Regulations requesting that petitions can only be made within one year from receipt of the notice of contravention, the regulations regarding activities requiring permit from Councils with respect to certain exemptions from payment, new Twinning Regulations, the increase of Local Council Executive members from six to nine and the inclusion of the regional concept, amendments to the Appeals Board from decisions taken by Councils with respect to Tenders, and the coming into force of provisions in the Act to Amend the Local Councils Act.

APPROVAL OF NEW BYE-LAWS

In 2009, 5 Councils issued Bye-Laws following approval of the Minister and vetting from the DLG. These were: the Use of Facilities Bye-Laws by the Isla Local Council, Outdoor Activities within the locality of Mellieħa, Use of Animal-drawn Carriages (Mdina Local Council Bye-Laws), and the Control of Pigeons Bye-Laws by the Gżira and Hamrun Local Councils.

NEW INITIATIVES

CULTURAL EVENTS SCHEME

As part of the measures undertaken by central government for the development of sustainable localities a fund amounting to €141,500 was allocated for the first time in 2009 to assist Local Councils in the implementation of cultural activities held throughout the year. This scheme was in line with Government's policies objectives namely the Policy for Local Governance and the National Tourism Policy on the need to diversify the product offer, reduce seasonality and provide a better distribution of income within our localities.

A total of 38 applications were received (26 from Local Councils in Malta and 12 from Gozo Councils). 3 Councils submitted more than one application (Birgu - 5, Qormi - 4, u Tarxien - 2). A total of 28 Councils were granted financial allocation (14 Councils in Malta, and 12 Gozo Councils).

CLEAN LOCALITIES REWARD

A new scheme, called *Premju Lokalitajiet Indaf* was also organised for the first time in 2009 and all Local Councils were invited to participate. Participating Councils were also entitled to part refund of expenses for activities held together with cash prizes. The criteria for adjudication and the maximum points were clearly laid out in the circular issued to all Councils. These were: (i) the general cleanliness in the locality; (ii) educational campaigns; (iii) citizen complaints; (iv) activities organised for local citizens and local organisations; (v) enforcement of littering offences; (vi) state of cleanliness in playing fields and public gardens; (vii) waste separation schemes; (viii) state of cleanliness of Bring-In-Sites; (ix) adequate and quality of litter bins; and (x) innovative ideas and other initiatives with respect to cleanliness in the locality. 30 Councils participated in this scheme, and a total of € 200,000 were given by way of refund of expenses and prizes.

SPECIAL FUNDS FOR LOCALITIES WITH SPECIAL NEEDS

This new scheme was issued in April 2009. These Special Funds were intended for the special needs of localities. Applicant Councils had to justify the special need in their application, attaching also a balance sheet and a statement of commitments, and Council's additional income from government's subvention. A total of 87 applications were received from 37 Councils. The original amount allocated for this scheme

was of € 500,000, which was eventually increased to € 565,000 to enable a total of 20 Councils to benefit from this scheme.

SPECIAL FUNDS SCHEME

This grant scheme was launched in August 2009. The scheme was aimed at assisting Councils to carry out projects or initiatives of a particular nature, provided that such activity was within the competence of the Council. The criteria for evaluation were the following: proposed projects helped in better achieving the concept of sustainable localities; projects that could be started immediately were to be given preference over others that still had to obtain the necessary permits from the competent authorities; an estimate of costs was to be submitted with the application; Councils that had benefited from less than 10% increase in their financial allocation when compared to the previous year were to be given preference; and the maximum grant to be given was not to exceed 50% of the total cost of the project.

A total of 79 applications were received from 31 Councils and the total amount of financial grant amounted to € 250,000.

EU CO-FINANCING FUND SCHEME

By means of a circular issued in February 2009, Local Councils were informed that in line with what was stated in the Budget Speech, central Government was allocating the sum of € 303,000 to assist Councils to apply for EU projects. This scheme was intended to provide financial assistance for Councils with respect to the co-financing part pertaining to the Council. 17 Councils and the Local Councils Association submitted a total of 21 applications.

SUSTAINABLE DEVELOPMENT STRATEGY STUDY SCHEME

This scheme was issued as part of the measures being undertaken by central government for the development of sustainable localities. Applicant Councils had to submit a project proposal for a Sustainable Development Strategy study. The original amount allocated under this scheme was of € 50,000 for 2 projects, which was eventually increased to € 75,000 for 3 projects.

ACCESSIBILITY SCHEME

This scheme was also issued as part of the measures being undertaken by central government for the development of sustainable localities. An original budget of €100,000 was allocated for this scheme to assist in making Local Councils' premises and public spaces within localities more physically accessible to the community. The amount was eventually increased to € 155,000. 32 Local Councils and the Local Councils Association submitted a total of 38 applications of which 19 were successful.

SPORT INITIATIVES SCHEME

In January 2009 the Sport Initiatives scheme was launched jointly between the Parliamentary Secretariat for Public Dialogue and Information and the Parliamentary Secretary for Youth and Sport. This initiative was part of the measures being undertaken by central government to increase sports participation within the local communities and in view of Central Government's strategy for the development of sustainable localities. A fund amounting to €60,000 was allocated to assist Local Councils in the implementation of sport initiative/s held throughout 2009. A total of 44 Councils applied under this scheme.

ENERGY SAVING INITIATIVES SCHEME

This scheme was launched in December 2008 and adjudicated during 2009 with the aim of financially assisting Councils to carry out the specific function of safeguarding the locality's rural and urban environment. The scheme was also in line with the sustainable localities concept. A total of 44 Councils applied under this scheme, including a consortium made up of 15 Councils. The original amount allocated for this scheme was of € 180,000 which was eventually increased to € 315,000.

LOCAL ENTERPRISE AND GREEN CHALLENGE AWARDS

As part of the measures undertaken by central government for the development of sustainable localities a fund amounting to €200,000 was allocated for two schemes; one focusing on the awarding of initiatives undertaken within localities which during these past two years assisted and incentivised businesses within respective localities. And another scheme focusing on the Local Councils Green Challenge Award for initiatives undertaken for the embellishment of the local environment.

Seventeen Councils submitted their application under the Local Enterprise Award Scheme, and 24 Councils submitted an application under the Green Challenge Award Scheme. Under the Local Enterprise Award Scheme, 8 Councils received a grant of € 5,000, the semi-finalist (Birgu) received an award of € 10,000 and the winning Council (Mellieha) received an award of € 40,000. Under the Green Challenge Award Scheme, another 8 Councils were awarded the sum of € 5,000, the semi-finalist Council (San Lawrenz) received an award of € 10,000 and the winning Council (H'Attard) was awarded € 40,000. Councils were also given a trophy and the award ceremony was aired on the national television station.

CODE OF GOOD PRACTICE FOR LOCAL GOVERNMENT

Following consultations with key stakeholders and extensive research of local government good practice documents of other EU and Council of Europe Member States, the Department prepared a working document titled *Code of Good Practice for Local Government*. This document was further discussed with the LCA and the ASKLM and a final document was published in mid 2009. The code is aimed at assisting in achieving effective and efficient functions and operations within Local Councils and comprises the

following principles: openness and inclusivity, integrity, accountability, ethical conduct, competence and capacity, innovation and openness to change, responsiveness, corporate governance, enhancing local democracy, adopting a management approach, sustainability and long term orientation, sound financial management, and rule of law. It also lays down recommended action, such as the adoption of a Local Strategic Plan, the adoption of a Vision for the locality, promoting values, taking informed and transparent decisions and personal development of Council members and staff.

ENVISAGED ACTIVITIES FOR 2010

The following activities and initiatives are envisaged for 2010:

- The launch and award of approximately 24 schemes for Local Councils
- Continuation of the implementation of the local government reform, including new or amendment legislation, policies and initiatives
- The restructuring of the Department for Local Government
- Recruitment of a Legal Officer
- Recruitment of an Accountant
- The strengthening of the Monitoring Unit
- Assuming responsibility for all the 68 Local Council Executive Secretaries once they are integrated as public officers
- Intensive training programme for the public officers in the Executive Secretaries' pool
- Training and development programmes for Councillors, Executive Secretaries and Council staff
- The joint organization of an international conference on Twinings

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