

# Department for Local Government

## LOCAL GOVERNMENT FINANCE

In 2014, Local Councils again received a direct allocation of € 31,000,000 from central government. This was allocated to each Local Council according to the funding formula found in the Eight Schedule of the Local Councils Act (Cap 363). Another, € 1,000,000 were voted towards Local Councils special initiatives by which many Councils could organise various activities or undertake several projects. . The Public Private Partnership Scheme in connection with road resurfacing in localities was also continued and here an amount of € 608,845 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 - 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	
2011	-	30.01	
2012		31.50	
2013		31.00	
2014		31.00	

**Total Direct Allocation**

**488.58**

### Other financial initiatives

#### Community Inclusive Employment Scheme

This scheme is intended to enable Local Councils to employ persons with special needs. Early in 2014, the Department for Local Government took over the responsibility of paying the salaries of such employees. Eighteen Councils are participating in this scheme.

#### Local Councils Income and Expenditure

The Department was involved in an extensive exercise to identify to what extent are Local Councils underfunded vis-vis their operational commitments. Officials from the Ministry, the Parliamentary Secretariat, the Ministry of Finance and the Local Councils Association also formed part of this working committee.

## GRANT SCHEMES

Schemes

### SCHEMES LAUNCHED IN 2014

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 still following suit. During 2014, 5 new schemes were launched by the DLG and another scheme was issued jointly with the Parliamentary Secretariat for Rights for Persons with Disabilities and Active Ageing. We also took over the CIES Scheme from the MFSS.

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 2014*

Memo 4/2014 - Scheme for the financing of Libraries under the responsibility of Local Councils	€27,200
Memo 5/2014 - Scheme for the financing of Live Streaming	€67,000
Memo 12/2014 - Scheme for the financing of Lifelong Learning courses	€15,278
Memo 25/2014 - Scheme for the financing of Sport Activities	€30,466
Memo 27/2014 - Scheme for Cultural Activities 2014/15	€250,000
Accessibility A+ Award Scheme	€25,000

#### *Schemes Awarded in 2014*

In 2014, the Department for Local Government, following the adjudication of the various schemes each by their respective Adjudication Board, only one pertaining from 2013. 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 25/2013 - Scheme for Cultural Activities 2013/14*	9 5	6 9	1 7	4 4	3 3	2	€179,000.00	4 7	1 2	3 3	2 2	1
Memo 4/2014 - Scheme for Local Councils who have the responsibility of local libraries 2014	5 0	4 1	9	0	0	0	€27,200.00	4 1	9	0	0	0
Memo 5/2014 - Scheme for the financing of Live Streaming	6 7	5 4	1 3	0	0	0	€67,000.00	5 4	1 3	0	0	0
Memo 12/2014 - Scheme for the financing of Lifelong Learning courses 2014/15	3 8	3 4	4	0	0	0	€15,278.00	2 1	1	0	0	0
Memo 25/2014 - Scheme for the financing of Sport Initiatives 2014/15	3 6	2 7	8	0	1	0	€30,466.00	2 5	8	0	1	0
Accessibility A+ Award Scheme	3 1	2 4	7	0	0	0	€25,000.00	2	1	0	0	0
Memo 27/2014 - Scheme for Cultural Activities 2014/15**	9 0	6 3	1 7	3	3	4	€63,000.00	4	5	0	1	0

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

\*\* Only the activities covering Part 1 of the call have been awarded.

### *Follow ups in 2014*

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 2011, to be closed. Also schemes awarded in 2010/2012 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.

## HUMAN RESOURCES AND ADMINISTRATION

Following the selection of the 4th pool of prospective Local Councils and Regional Committees Executive Secretaries, in autumn of 2013, 25 new Executive Secretaries were appointed.

The unit is involved in:

Department for Local Government employees HR, payroll and leaves;

Local Councils and Regional Committees Executive Secretaries HR;

Local Councils and Regional Committees employees (public sector) HR;

[www.dlg.gov.mt](http://www.dlg.gov.mt) website administration;

Data Protection and Freedom of Information Issues;

Electoral issues;

Matters relating to the Local Councils Act, relative subsidiary legislation, the Public Administration Act, other legislation and the PSMC;

Department for Local Government administration, including Registry, maintenance of building, and messenger.drivers;

The administration of the Public Private Partnership Resurfacing of Roads scheme;

All technical matters inherited from the ex-Field Services Branch, including Geographical Information System (GIS), interpretation of locality boundaries, relative Law Courts issues, the Local Councils and Administrative Committees annual funding process.

## **DEVOLUTION**

### **STREETLIGHTING**

The Department is finalising the draft devolution agreement with the Local Councils Association (LCA) and Enemalta with regards to the devolution of the remaining street lighting. This forms part of an EU funded ERDF project led by the Ministry for Energy and Health (MEH), aiming at retrofitting street lighting by LED smart lighting in Gozo.

### **LOCAL-ENFORCEMENT-SYSTEM**

The Department gathered the responses submitted by the public during an external consultation process led by the Parliamentary Secretariat for Local Government. These submissions are being analysed by the Parliamentary Secretariat for inclusion in the reform.

### **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. This was done after the Department secured €25,000 in funding from the European Commission to organise information and training sessions. During 2014, two (2) information sessions were held in Malta and one (1) in Gozo to which over a hundred elected and administrative staff of various Local Councils have actively participated.

## **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 THE DEPARTMENT'S EU PARTLY FUNDED PROJECTS**

### ***Project 1 – European Cultural Routes – Transfer Experiences...Share Solutions - 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 Luxembourg, LU, Sibiu County Tourism Association, RO and JAMK University of Applied Sciences, FI.

This project is enabled 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. The project was successfully completed according to the respective deadline of November 2014. A final National conference on the subject was organised and a Route Implementation Plan of more than a 100 pages was drafted by local and international experts engaged on this project and presented during the final conference.

### ***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.

According to the project's main deliverables, a Diploma course at CPD level 5 on local governance for Executive Secretaries and staff within the Local Government Department has been accredited and the course was officially launched in October 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 project is progressing in line with its implementation schedule. An agreement with the Centre of Expertise for Local Government Reform within the Council of Europe was signed in the beginning of 2014 and will be providing the Department with the technical know-how and expertise on the subject. The training needs analysis report has been drafted by an international expert appointed by the Council of Europe and by February 2015 the National Training Strategy will also be published.

## **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](mailto:petitions.dlg@gov.mt)) and as from April 2012 the Government launched an online system ([www.les.gov.mt](http://www.les.gov.mt)) further facilitating accessibility. During 2014 the Board received a total of 26,216 petitions, out of which 12,174 were received by post, 2,934 were received by email, whereas 11,108 were received online. By the end of 2014, the Board had processed and decided circa 70% of all petitions received.

## **MONITORING UNIT**

The Monitoring Unit is made up of a Senior Monitoring Officer who manages the Unit and 4 Monitoring Unit officers, 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 and also. During the last quarter of the year 2014, an Assistant Director Monitoring Unit was engaged being the head of the Unit. The Customer Care Unit which deals with complaints regarding Local Councils is also part of 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 IT Section of the Department is also under the Monitoring Unit's responsibility. Monitoring Officers scrutinise the [www.lc.gov.mt](http://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 2014 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 1031 cases. This was an increase of 248 from last year. In those cases where Councils were found to have made irregularities, they were asked to take corrective measures.