

IL-HAMRUN

## **Hamrun Local Council**

### **Business Plan**

**2020-2022**

### **Table of Contents**

|   |    |
|---|----|
| Introduction and Situation Analysis         | 1  |
| Objectives, Expected Results and Strategies | 4  |
| Organisation                                | 6  |
| Financial and Performances Forecasts        | 7  |
| Capital Development                         | 11 |

## 1.1. INTRODUCTION AND SITUATION ANALYSIS

This Business Plan sets out what the Hamrun Local Council aims to achieve between now and the year 2022. It will set out the foundations to make the Council as efficient as possible and well equipped for the future. This Business Plan sets out the strong values and clear priorities which will inform budget and business planning decisions over the next three years. It is built on ideas and suggestions of local residents, NGO's and the Business Community. The Council want everyone to help develop this vision for the future of Hamrun. Simply, the Business Plan is aimed at delivering good things in challenging times for the local government sector.

During the first year in office, this Council has been based on the planning of infrastructural projects within the locality. The Local Council wanted to make sure to distribute these projects throughout all the locality areas.

During the past few months the Council continued to emphasize with its Employees the need for better services such as better Customer Care, follow ups of complaints and the best manners with Customers. Dealing with difficult residents is always a challenge but the Council has seen an improvement by its Staff. The Council has taken care of its employees and has created a better working environment within the offices, invested in new IT Systems, introduced new working procedures increasing efficiency and effectiveness in their daily duties. Moreover the Council's Employees tasks and duties have been changed for better quality of service.

As from the start of this legislation the Council has insisted and is still monitoring that the Council is given the best services by its Contractors. The Council held various meetings with the Contractors and introduced new measures in favour of greater cleanliness in general within the locality. In this manner, the Council is trying to make the locality appeal to its residents, as well as visitors, both local and foreign. With the introduction of the new Procurement System the Council is doing its utmost to provide services which are cost effective and professional as always.

The Council has looked to the future and produced a business plan that sets out how it intend to meet these challenges over the next three years. The starting base of the Business Plan is the Budget for the year 2020.

Where possible, expenditure was calculated on the basis of factual contractual commitments. In the absence thereof, an annual average growth rate of 1% is being assumed. This growth rate was based on the fact that as part of its short to medium term objectives, the Council will be adopting a stringent cost control approach. Yet, the Council is operating in a normal business environment where residents' demands are on the increase and the supplies to the Council are becoming expensive by the day. If the Council does not meet the objective of controlling recurrent expenditure, it would have to postpone expenditure over Capital Projects. The Council has to keep in mind that there is a Bank Loan on approx. € 100,000 per annum over the Car Park and Administrative Office project, which is being paid by the Govt. Annual allocation, thus causing a burden to the Council.

Therefore this business plan it is the intention to consolidate on what have been done for the locality in previous years. At the same time, it will seek to primarily address the financial situation to consolidate the statutory level aquired in 2019.

This document is therefore outlining three overarching objectives which are;

- Customer Service Excellence
- Financial Stability
- The implementation of Infrastructural projects within the locality.

This document is not a political promotion tool but it's a tool which catalyzes the Local Council's resources, physical, human and financial towards a desired outcome.

Signed

Christian Sammut  
Mayor

Signed

Daniel Bugeja  
Deputy Executive Secretary

As Approved during Council Meeting

## 2.1 Mission Statement & Values

To be faithful to our promise to the Hamrun Community in what we offer our maximal possible service, time and resources towards improvement of Hamrun such that at the end of our four year mandate we can look back and conscientiously say that we have made a significant difference.

Furthermore, the Hamrun Local Council aims to be in a strategic position so as to anticipate complaints and problems and rectify them rather than act on oncoming complaints.

To consolidate its authority on a local level as to enhance more trust of the residents in the Local Council.

## 2.2 Values

- The values of the Hamrun Local Council are:
- To maximise the benefits to the general community with particular attention to the necessities of specific sectors.
- Respecting the view points and beliefs of all member of the community and seeking public consultation in particular issues.
- The Care of the environment which is a collective responsibility and has always been highlighted to the attention by the community in the past years.
- To strengthen the sense of belonging and pride in the locality of Hamrun amongst its community by obtaining the highest benefits by the whole community and in particular by the vulnerable residents.
- Towards a more deserving, improved environment, whilst respecting and conserving the heritage of the community.
- The revival of the interest and care for the cultural and historical heritage of the community and
- A more effecient and effective administration, open to all checks and scrunity by the general community.

## 3.1 Short-term objectives and expected results (2020-2023)

### Objectives

The best value for money for the services contracted, All expenditure to be maintained within the Budget.

Introducing new system for better Internal Control on the

### Expected Results

Decrease in the unit cost for the Council's function. While make the best possible use of the assigned ETC & IPSL Workers within the Local Council

Identifying long outstanding receivables/payments during the

Cash Flow Management of the Council by maximising credit terms with its Suppliers and Creditors and decrease collection period from debtors. current financial year so that to restore and maintain a positive Financial Situation.

Identify income sources by preparing the necessary project plans and apply for the various funding schemes and funds both local and EU level made available to the Council throughout the year. Increase in cultural, social and infrastructural projects throughout the local community.

Improvement in the quality of services provided by the Council's Contractors. Reducing of Complaints and therefore reducing maintenance costs

### 3.2 Short-term objectives and expected results (2020-2023)

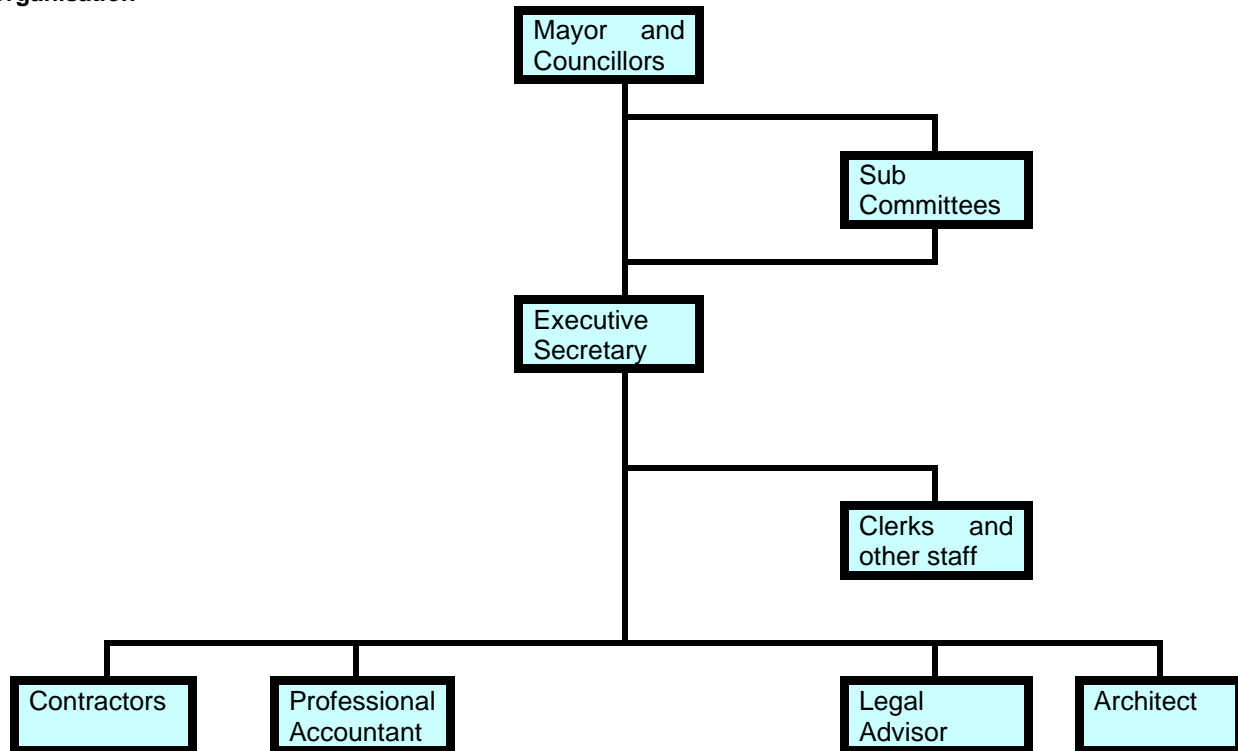
#### Objectives

Provide training to Council Staff in all sections related to local government procedures/tendering and others.  
Give a face lift to the locality

#### Expected Results

More knowledge of procedures in local government and therefore creating a stronger sense of belonging by the Staff. Various infrastructural projects are planned for the year 2020. The Council will do its utmost to use the UIF Funds to finance the majority of these projects.  
Employ an employee eligible to the post of Office Helper within the Local Council

### 3.3 Organisation



The organisation of the Local Council offices is complete.

Bearing in mind the difficulties and restrictions and adverse comments which may have been encountered in the performance and execution of the responsibilities involved in the administration of a Local Council, the ultimate objects achieved are considered satisfactory within the resources which were at the disposal of the Council. Changes in the tasks and duties of the clerical staff will surely enhance the office work better.

The Clerical Staff has been involved much better in the Council's Operations and they are all aware of what is expected of them. All Staff knows well what the Council expects of them and they are knowledgeable to all the projects being planned and carried out from time to time.

Moreover, the Local Council is assisted by 2 IPSL Workers and 4 Community Workers under the ETC Community Scheme. These workers do general maintenance around the locality under the Supervision of the Executive Secretary together with the Mayor.

#### Strategies

This are the first months of the 8<sup>th</sup> Legislation of the Council and after taking in stock of the situation inherited from previous legislatures, it is the intention to consolidate on what has been done in the previous years. At the same time, it will seek to address the financial situation to reposition it back to an acceptable statutory level.

The Council is therefore adopting the following strategies in order to achieve its objectives;

- The consolidation of the services provided by the Contractors in order to achieve the planned objectives.
- Alert oneself on available funding schemes launched by Central Government throughout the year.
- Improvement in the management of the Council's administration.
- Encourage the residents, local NGOs and the Business Community to involve themselves in the enhancement of the environment. Strengthen local activities by involving local NGOs and Associations

## 4.1 Three-Year Financial Forecast

| ACCT NO. | Description                | Forecast          | Forecast          | Forecast          | Forecast            |
|----------|----------------------------|-------------------|-------------------|-------------------|---------------------|
| 2        | Income                     | 2020              | 2021              | 2022              | 2020-2022           |
| 0        | Government                 | 826,648           | 834,914.48        | 843,263.62        | 2,504,826.10        |
| 20       | Bye-Laws                   | 21,000            | 21,500.00         | 22,000.00         | 64,500.00           |
| 90       | Investment                 | 150               | 100               | 200               | 450.00              |
| 4        | Other Gvt. Income          | 0.00              | 0.00              | 0.00              | -                   |
| 100      | General                    | 58,600.00         | 60,000.00         | 62,000.00         | 180,600.00          |
|          | <b>TOTAL</b>               | <b>908,418.00</b> | <b>918,535.48</b> | <b>929,485.62</b> | <b>2,750,376.10</b> |
|          |                            |                   |                   |                   |                     |
| 1        | <b>Expenditure</b>         |                   |                   |                   |                     |
| 1000     | Personal Emoluments        | 161,000.00        | 146,220.00        | 147,862.00        | 455,082.00          |
| 2000     | Operations and maintenance | 531,318.00        | 541,944.00        | 552,782.00        | 1,626,044.00        |
| 7000     | Capital Expenditure        | 83,500.00         | 85,200.00         | 88,000.00         | 256,700.00          |
|          | <b>TOTAL</b>               | <b>775,818.00</b> | <b>773,364.00</b> | <b>788,644.00</b> | <b>2,337,826.00</b> |
|          |                            |                   |                   |                   |                     |
|          | <b>SURPLUS/DEFICIT</b>     | <b>132,600.00</b> | <b>145,171.48</b> | <b>140,841.62</b> | <b>412,550.10</b>   |

## 4.2 Notes and Assumptions

The starting base of this Business Plan is the Budget for the year 2019. A careful approach is taken by projecting income a stable level based on trends over the past years.

Where possible, expenditure was calculated on the basis of present contractual commitments. In the absence of such services, an annual growth of 2% in expenditure was assumed. The Council should keep in mind that it has a Bank Loan which is paid from the Annual Government Allocation, therefore It is of high importance that the Council abides to the Budget, so that no Liquidity Risk is caused. If this objective is not met, as a contingency plan, the Council would have to postpone the majority of its capital commitments.

**4.3 Three Year Income Forecast****2.2 Details of Income**

|            |                            | FORECAST          | FORECAST          | FORECAST          | FORECAST            |
|------------|----------------------------|-------------------|-------------------|-------------------|---------------------|
| Nominal AC | DESCRIPTION                | 2020              | 2021              | 2022              | 2020-2022           |
|            |                            | €                 | €                 | €                 | €                   |
| 2          | Income                     |                   |                   |                   |                     |
| 0          | <b>Government</b>          |                   |                   |                   |                     |
| 1          | Annual Govt. Income        | 762,048.00        | 762,566.00        | 770,191.66        | <b>2,294,805.66</b> |
| 2          | Supplementary Govt. Income | -                 | -                 | -                 | -                   |
| 3          | Special Needs Govt. Income | -                 | -                 | -                 | -                   |
| 4          | Public/Govt. Delegations   | -                 | -                 | -                 | -                   |
| 5          | Other Govt. Income         | 15,505.00         | 16,000.00         | 17,000.00         | <b>48,505.00</b>    |
|            |                            | <b>777,553.00</b> | <b>778,566.00</b> | <b>787,191.66</b> | <b>2,275,229.00</b> |
|            | <b>Bye-Laws</b>            |                   |                   |                   |                     |
| 22         | Library                    | 600               | 600               | 600               | 1,800.00            |
| 23         | Cultural activities        | 13,000.00         | 13,000.00         | 15,000.00         | 39,000.00           |
| 36         | Contraventions             | 200               | 250               | 300               | 750                 |
| 37         | Bye-Laws                   | 0                 | 0                 | 0                 | 33,000.00           |
| 38         | LES                        | 200               | 200               | 200               | 3,000.00            |
| 56         | Sponsorships               | 4,000.00          | 9,000.00          | 9,000.00          | 33,000.00           |
| 70         | Temporary Permits          | 10,000.00         | 12,000.00         | 10,000.00         | 75,000.00           |
| 66         | General - Car Park Rent    | 21,105.00         | 21,105.00         | 21,105.00         | 63,315.00           |
|            |                            | <b>49,105.00</b>  | <b>56,155.00</b>  | <b>56,205.00</b>  | <b>188,865.00</b>   |
| 90         | Investment                 |                   |                   |                   |                     |
| 91         | Bank interest              | 154               | 160               | 165               | 479                 |
| 96         | Government securities      | -                 | -                 | -                 | -                   |
| 100        | General                    |                   |                   |                   |                     |
| 110        | Donations                  | -                 | -                 | -                 | -                   |
| 120        | Contributions              | -                 | -                 | -                 | -                   |
|            | <b>TOTAL</b>               | <b>826,812.00</b> | <b>834,881.00</b> | <b>843,561.66</b> | <b>2,505,254.66</b> |



## 4.4 Three Year Expenditure Forecast

|          |                                      | FORECAST | FORECAST | FORECAST | FORECAST       |
|----------|--------------------------------------|----------|----------|----------|----------------|
| ACCT NO. | DESCRIPTION                          | 2020     | 2021     | 2022     | 2020-2022      |
|          |                                      | €        | €        |          | €              |
| <b>1</b> | <b>Expenditure</b>                   |          |          |          |                |
| 1000     | <b>Personal Emoluments</b>           |          |          |          |                |
| 1100     | Mayor's allowance                    | 11,058   | 11,169   | 11,280   | <b>33,507</b>  |
| 1200     | Employee salaries and wages          | 56,994   | 57,564   | 58,140   | <b>172,698</b> |
| 1201     | Executive Secretary Salary           | 30,121   | 30,422   | 30,726   | <b>91,270</b>  |
| 1300     | Bonuses                              | 6,500    | 6,550    | 6,700    | <b>19,750</b>  |
| 1400     | Income supplements                   | -        | -        | -        | -              |
| 1500     | Social Security contributions        | 8,000    | 8,500    | 9,000    | <b>25,500</b>  |
| 1600     | Allowances                           | -        | -        | -        | -              |
| 1700     | Overtime                             | 5,000    | 6,500    | 7,000    | <b>18,500</b>  |
|          |                                      |          |          |          |                |
| 2000     | <b>Operations and maintenance</b>    |          |          |          |                |
| 2100     | Utilities                            | 7,000    | 8,500    | 9,500    | <b>25,000</b>  |
| 2200     | Materials and supplies               | 10,000   | 12,500   | 13,200   | <b>35,700</b>  |
| 2300     | Repair and upkeep                    | 60,000   | 68,000   | 72,000   | <b>200,000</b> |
| 2400     | Rent                                 | 7,300    | 7,300    | 7,300    | <b>21,900</b>  |
| 2500     | National / International memberships | 1,500    | 1,700    | 1,900    | <b>5,100</b>   |
| 2600     | Office services                      | 15,000   | 17,500   | 19,200   | <b>51,700</b>  |
| 2700     | Transport                            | 1,500    | 1,800    | 2,000    | <b>5,300</b>   |
| 2800     | Travel                               | 2,000    | 3,000    | 4,000    | <b>9,000</b>   |
| 2900     | Information services                 | 10,000   | 11,500   | 12,500   | <b>34,000</b>  |
| 3000     | Contractual services                 | 309,718  | 315,912  | 322,231  | <b>947,861</b> |
| 3100     | Professional services                | 22,000   | 25,000   | 27,000   | <b>74,000</b>  |
| 3200     | Training                             | 1,500    | 2,500    | 2,500    | <b>6,500</b>   |
| 3300     | Community and hospitality            | 58,000   | 62,000   | 65,000   | <b>185,000</b> |
| 3400     | Incidental expenses                  | 1,500    | 1,600    | 1,700    | <b>4,800</b>   |
| 3600     | Local Enforcement Expenditure        | 300      | 350      | 400      | <b>1,050</b>   |
|          |                                      |          |          |          | -              |
|          |                                      |          |          |          | -              |

|      |                            |                |                |                |                |
|------|----------------------------|----------------|----------------|----------------|----------------|
| 7000 | <b>Capital expenditure</b> |                |                |                | -              |
| 7001 | Acquisition of property    | -              | -              | -              | -              |
| 7100 | Construction               | -              | -              | -              | -              |
| 7200 | Improvements               | 7,500          | 8,500          | 9,500          | <b>25,500</b>  |
| 7300 | Equipment                  | 6,000          | 8,000          | 9,000          | <b>23,000</b>  |
| 7500 | Special programmes         | 161,500        | 250,000        | 150,000        | <b>561,500</b> |
|      | Loan Repayment             | 40,607         | 36,000         | 27,000         | <b>103,607</b> |
|      | Interest on Bank Loan      | 21,700         | 18,500         | 15,000         | <b>55,200</b>  |
|      |                            |                |                |                | -              |
|      | <b>TOTAL</b>               | <b>237,307</b> | <b>321,000</b> | <b>210,500</b> | <b>768,807</b> |

#### 4.5 NOTES

##### Income

Assume increase in Annual Govt. Allocation for years 2020 and 2021

Forecast of Income for 2020, 2021 and 2022 includes funds generated from Carpark.

##### Expenditure

The Council is planning to minimise the increase of recurrent expenditure while improving the quality of works received. Council will also be repaying loan obtained for the Constuction of basement carpark and overlying relaxation garden/playground including Local Council Administrative Offices while carrying out its statutory obligations.

##### Performance

It is envisaged that through our growing partnership with our suppliers and contractors, we will succeed to improve the quality of the various works and services being provided.

**5.0 Capital Development (cont.)****5.1 Three Year Capital Development Forecasts**

| Account No.<br>Project No. | Capital Expenditure<br>Project Description | 2020           |         | 2021         |         | 2022         |         | 2019-2021      |
|----------------------------|--|----------------|---------|--------------|---------|--------------|---------|----------------|
|                            |  | Account        | Project | Account      | Project | Account      | Project | Account Total  |
|                            |  | €              | €       | €            | €       | €            | €       | €              |
| 7001                       | Acquisition of property                    | -              | -       |              |         |              |         |                |
| 7100                       | Construction                               | -              | -       |              |         |              |         |                |
| 7200                       | Improvements                               | -              | -       |              |         |              |         |                |
| 7300                       | Equipment                                  |                |         |              |         |              |         |                |
|                            | Offices Equipment                          | 6000           |         | 5000         |         | 5000         |         | 16,000         |
| 7500                       | Special programmes                         |                |         |              |         |              |         |                |
|                            | Upgrade Triq il-Frangiskani                | 40,000         |         |              |         |              |         |                |
|                            | Liceo Roof garden                          | 100,000        |         |              |         |              |         |                |
|                            | Playground Pjazza San Pawl                 | 100,000        |         |              |         |              |         |                |
|                            | Pavements                                  | 300,000        |         |              |         |              |         |                |
|                            | Loan Repayment                             | 100,000        |         |              |         |              |         |                |
| <b>TOTAL New Projects:</b> |  | <b>640,000</b> |         | <b>5,000</b> |         | <b>5,000</b> |         | <b>536,000</b> |

**5.0 Capital Development (cont.)**

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**5.2 Details of Capital Development Projects planned for 2020**

**Project**

- Liceo Roof garden
- Refurbishment of Triq il-Frangiskani
- Restoration of Monuments & Statues
- Maintenance of Pavements
- Playground Pjazza San Pawl

The Council will do its utmost to provide funding for projects from the Urban Improvement Funds.