



# The local government system in Malta



## 1 INTRODUCTION

The Republic of Malta is a unitary state comprising an archipelago of islands, only three of which – Malta, Gozo and Comino – are inhabited. It has a total land area of 316 sq km<sup>1</sup> with a population of 466,214.<sup>2</sup> Most people live in Malta and Gozo.

The president is Malta's head of state. The country has a unicameral parliament comprising a House of Representatives which has 65 members elected by a system of proportional representation using single transferable votes (STV). They are elected for a term of up to five years.

The House of Representatives elects a president for a five-year term. Following a national election, the president appoints the prime minister, usually the leader of the majority party, and appoints a deputy prime minister and cabinet on the advice of the prime minister.

Malta has a strong system of local government and ratified the European Charter of Local Self-Government in September 1993. As a member of the European Union, Malta

has developed close links with other local governments in Europe.

The island of Malta is divided into 54 local councils, and Gozo into 14. The capital, Valletta, has its own city council.

Local government contributed 1.2 per cent to GDP in 2001.

## 2 POLITICAL AND ORGANISATIONAL STRUCTURE OF MALTA

### 2.1 Position of local government in the state

The most recent national government elections were held in April 2003 when the Nationalist Party (PN) won 35 seats and the Malta Labour Party won 30 seats.

The Local Councils Act 1993 gave the Minister for Justice and Local Government the power to devolve more functions to local authorities, and the last few years have seen gradual decentralisation of powers and services.

Following the publication of the Act, a Local Councils Department was set up in the Ministry of Justice and Local Government. It monitors councils to ensure that they operate within the

law, supports them to help them function more effectively and spearheads devolution and decentralisation. The Local Councils Department also administers statutory funding to local councils.

The minister can devolve further powers to local authorities by means of an order in the Government Gazette. He or she can also request information on the financial administration of councils and approve the granting of financial allocations.

The minister must approve the appointment and termination of employment of any council executive secretary – the paid head of the executive and administration.

The minister can intervene and declare a council seat vacant if a councillor does not attend for six consecutive meetings, or is absent for more than one-third of meetings within a six-month period. The minister exercises this power after the council has resolved that a councillor has failed to attend for such a period without reasonable grounds for absence. Since the Local Councils Act came into force giving the minister these powers, 8 councillors have been suspended for non-attendance (up to September 2002).

In serious cases of a council breaching its financial responsibilities, the president has the power to intervene and dissolve a council. The president may dissolve a council if:

- The Auditor General has reported on persistent breaches of financial responsibilities
- The council has persistent non-regard to the provisions of the Local Government Act after formal notice has been given by the minister
- There is lack of agreement by the council in electing a mayor
- There is lack of agreement by the council in approving its annual budget
- There is a recommendation to do so in a report by a board appointed under the Inquiries Act.

Two councils have been dissolved by the president under these provisions (up to September 2002).

## 3 LEGAL BASIS FOR LOCAL GOVERNMENT

### 3.1 Constitutional provisions

Local government is enshrined in Malta's constitution, which can only be amended by a two-thirds majority in parliament. As from April 2001, Article 115A of the Constitution says:

'The State shall adopt a system of local government whereby the territory of Malta shall be divided into such number of localities as may by law be from time to time determined, each local authority to be administered by a Local Council elected by the residents of the locality and established and operating in terms of such law as may from time to time be in force.'

### 3.2 Main legislative texts

The main legislation dealing with local government is:

- Local Councils Act 1993, enacted on 30 June 1993
- Local Councils (Amendment) Act 1999, enacted on 21 December 1999
- Act XII 2002, 12 July 2002.

The Local Councils Act 1993 was modelled on the European Charter of Local Self-Government.

## 4 LOCAL GOVERNMENT ORGANISATIONAL STRUCTURE

### 4.1 Main divisions

There is a single-tier of local government, with 68 councils in total. Councils are uniform throughout the islands of Malta, which has 54 councils, and Gozo, which has 14.

### 4.2 Distribution of local governments and population

The average population of each council area is 5,650. Mdina Council covers the smallest population, with a population of 332, while the largest is Birkirkara, which serves a population of 22,264.

Most of the population is concentrated in urban areas with a negligible number of people living in non-urban areas.

## 5 DEMOCRATIC AND POLITICAL STRUCTURES IN LOCAL GOVERNMENT

### 5.1 Council structures

Councillors are elected by proportional representation using STV and serve for a three-year term.

The councillors of each council elect their mayor and deputy mayor by open ballot. There is no cabinet system.

The number of councillors each council has depends on the size of the population the council serves:

- Up to 4,999 inhabitants: five councillors
- 5,000–9,999: seven councillors
- 10,000–14,999: nine councillors
- 20,000 plus: 13 councillors.

16.4 per cent of councillors are women. Over the 68 councils, five mayors are women (seven

| No. of councils | Population of largest council | Population of smallest council | Average population | % rural |
|-----------------|-------------------------------|--------------------------------|--------------------|---------|
| 68              | 22,264                        | 332                            | 5,650              | 0       |

per cent) and 16 deputy mayors are women (23 per cent).

Mayors are paid an allowance of up to 33 per cent of the honorarium given to an MP, as defined in the Local Councils Act. The exact amount is decided by resolution of the council.

Other councillors are not paid and serve on an honorary basis.

### 5.2 Regional groupings of councils

Councils are grouped into three regions. Malta Majjistral Region has 29 councils, Malta Xlokk Region has 25 councils and Gozo Region has 14 councils.

### 5.3 Committees and sub-committees

Each council must have an annual meeting to set budgets, which is open to the public.

Councils by law must have a financial committee and a committee to administer the affairs of hamlets. They may set up other committees and sub-committees and have the power to hold referenda.

Hamlets within a council locality, having 10 per cent or more of the population served by the council, are eligible for a pro-rata budget from the council.

Decisions are taken by simple majority, with committees making recommendations that must then be ratified by the council.

### 5.4 Local government staffing

An executive secretary is appointed as head of paid service to run the administrative and financial affairs of the council. Appointment of executive secretaries requires ministerial approval, and an executive secretary cannot be fired before the end of their contract without the approval of the minister. For other positions local authorities recruit their own staff.

Typically there is one council employee for every 2,500 people locally registered. In some cases, central government staff may be seconded to work for local councils. Up to three workers may be assigned to a council at the discretion of central government and at the request of the local council.

### 5.4 Independent scrutiny

The Auditor General appoints auditors for local government under the Local Councils Act. An Ombudsman was established under the Ombudsman Act 1995 to adjudicate in cases where people are not happy with the way they have been dealt with by a council.

## 6 DISTRIBUTION OF SERVICE DELIVERY COMPETENCE

Councils in Malta are responsible for:

- Maintenance and cleaning of public footways
- Refuse collection
- Maintenance of playgrounds, public gardens and leisure facilities
- Pedestrian and parking areas near schools
- Road signs and markings
- Health and rehabilitation centres, government dispensaries, health district offices and homes for elderly citizens.

Councils have a duty to provide advice and information to citizens, including information on consumer and welfare rights, and transport and tourist facilities. They must be consulted on building schemes, plans and traffic schemes that affect their area, and they can issue guidelines on the upkeep and appearance of buildings.

For other functions, central government may delegate discretionary powers to councils, which may take action in areas where action is not being taken by any other authority.

## 7 FINANCE

### 7.1 Revenue

Total local government revenue for 2005/2006 was LM12,840,118 (US\$30,045,875)<sup>3</sup>.

Four-fifths (79 per cent) of council funding comes from government, with smaller amounts generated by income from by-laws, law enforcement, investment, and other sources.

Central government collects all taxes and rates. Councils cannot raise taxes.

### 7.2 Revenue-sharing

Allocation of funding to local councils by government is set out in a funding formula in the Local Councils Act. Money is transferred annually.

Funds for special needs used to be given as specific grants by the government. Since 2000 they have been incorporated into the annual allowance to councils for general use at their discretion.

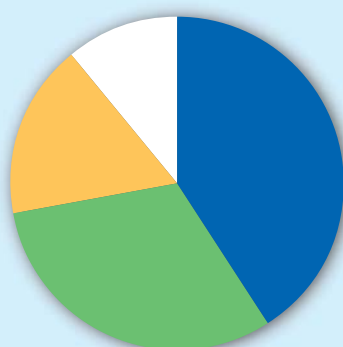
In 2005/2006 central government has committed itself to transfer to local councils the amount of LM10.7 million (approx. US\$25m).

### 7.3 Expenditure

Total local government spending for 2001/2002 was LM12.7m (US\$29,718m). The main items of expenditure were:

**Figure 1. The financial structure of local government in Malta**

Expenditure %



- Operations and maintenance
- Purchase and fixed assets
- Personal emoluments
- Administration and other expenditure

- |   |       |
|---|-------|
| 1. Operations and maintenance           | 41%   |
| 2. Purchase of fixed assets             | 31.4% |
| 3. Administration and other expenditure | 17%   |
| 4. Personal emoluments                  | 11%   |

No more recent records are available.

Councils are not permitted to set deficit budgets.

## 8 ASSOCIATIONS OF LOCAL GOVERNMENT

There are two associations representing local government in Malta, one representing councils and the other a professional organisation for executive secretaries. Both receive funding from central government.

The Local Councils Association was set up under the Local Councils Act to promote the common interests of local councils and represent them on international bodies concerned with local government. The association is recognised in law though membership is voluntary.

The Local Councils Association is a legal body and has the power to enter into contracts, take legal action and perform other activities in line with its functions.

The Association of Local Councils' Executive Secretaries (Assocjazzjoni Segretarji Ezekuttiv Kunsilli Locali Malta or ASKLM) was formed in November 1994 as the professional association for executive secretaries. Its aim was to promote their interests and provide training and support for its members. Membership of ASKLM is also voluntary.

The two organisations work together and with the Local Councils Department to promote local government, raise standards and improve the

democratic process.

The Local Councils Association is very active in Europe and internationally, and a member of a number of organisations such as the Congress of Local and Regional Authorities in Europe (CLRAE), the Council of European Municipalities and Regions (CEMR), the UCLG and the CLGF. ASKLM has international links with a number of similar professional bodies.

## 9 INTERGOVERNMENTAL RELATIONS

There are both formal and informal meetings between the minister, department and local councils, including regular monthly meetings. Councils are consulted on all relevant statutory legislation.

## 10 E-GOVERNMENT

A national strategy for e-government is in place. The ministry responsible is the Ministry for Investment, Industry and Information Technology.<sup>4</sup> However, all e-government initiatives involving local authorities are coordinated through the Ministry for Justice and Home Affairs in consultation both with the Local Government Department and the Local Councils Association.

The local e-government strategy is a corollary of the national strategy, harnessing the cost-effectiveness of using existing IT infrastructures, including both hardware and software. The issues being given priority are:

- Devolution of administrative authorities to local councils, mainly through the provision of services using internet-based systems
- One-stop shops (where services formerly provided by central government departments are now being provided by local councils)
- More quality service provided at local level.

Each initiative is given a specific target date for implementation.

Services delivered via e-government-installed software programmes incorporate:

- Payment of rent, licences, temporary permits, trenching work
- Handling of civic complaints through an electronic customer care handling system
- Land registration
- Online payment of traffic contraventions.

Services delivered via email are numerous and incorporate among others exam applications, civil status certificates, testimonial research, law courts' proceedings etc.

Other initiatives taken within the e-government policy incorporate:

- My Web programme – teaching of IT to

adults using district school IT facilities

- Installation of Public Internet Access Points (PIAPs) in all the localities of Malta.

One of the special features of e-government in Malta has been the role given to local councils to roll out the strategy and ensure that the population overcomes the digital divide. The success of this strategy is attested to by the fact that the percentage of the population with internet access has doubled from 15 to 30 per cent in one year.

In recognition of the fact that mobile phone technology has a high penetration rate in Malta, government services are also being extended to that technology including SMS messaging.

In 2005 there were an estimated 127,000 internet users in Malta, representing approximately 32 per cent of the population.<sup>5</sup>

## 11 ENVISAGED REFORMS

There are a number of envisioned reforms, mainly regarding the inclusion of more local e-government services and proposed amendments to the financial and audit regulations and procedures.

## 12 SUMMARY

Councils in Malta have direct responsibility for a range of street maintenance, planning and welfare services. They have a central and increasing role in providing citizens with information on public services and their rights. This role will be enhanced as part of the government's e-government drive to streamline and improve public services.

### References

- 1 CIA World Factbook 2006
- 2 Malta Government population statistics, 31 March 2002
- 3 LM1 = US\$2.31
- 4 www.gov.mt
- 5 CIA World Factbook 2006.

| Service                                  | Delivering authority |                  | Remarks |
|--|----------------------|------------------|---------|
|  | Central              | Local government |         |
| <b>GENERAL ADMINISTRATION</b>            |                      |                  |         |
| Police                                   | ●                    |                  |         |
| Fire protection                          | ●                    |                  |         |
| Civil protection                         | ●                    |                  |         |
| Criminal justice                         | ●                    |                  |         |
| Civil status register                    | ●                    |                  |         |
| Statistical office                       | ●                    |                  |         |
| Electoral register                       | ●                    |                  |         |
| <b>EDUCATION</b>                         |                      |                  |         |
| Pre-school                               | ●                    | ●                |         |
| Primary                                  | ●                    |                  |         |
| Secondary                                | ●                    |                  |         |
| Vocational and technical                 | ●                    |                  |         |
| Higher education                         | ●                    |                  |         |
| Adult/further education                  | ●                    | ●                |         |
| <b>SOCIAL WELFARE</b>                    |                      |                  |         |
| Kindergarten and nursery                 | ●                    | ●                |         |
| Family welfare services                  | ●                    |                  |         |
| Welfare homes                            | ●                    | ●                |         |
| Social security                          | ●                    |                  |         |
| <b>PUBLIC HEALTH</b>                     |                      |                  |         |
| Primary care                             | ●                    |                  |         |
| Hospitals                                | ●                    |                  |         |
| Health protection                        | ●                    |                  |         |
| <b>HOUSING AND TOWN PLANNING</b>         |                      |                  |         |
| Housing                                  | ●                    |                  |         |
| Town planning                            | ●                    |                  |         |
| Regional planning                        | ●                    |                  |         |
| <b>TRANSPORT</b>                         |                      |                  |         |
| Roads                                    | ●                    |                  |         |
| Transport                                | ●                    | ●                |         |
| Urban roads                              |                      | ●                |         |
| Urban rail                               |                      |                  |         |
| Ports                                    | ●                    |                  |         |
| Airports                                 | ●                    |                  |         |
| <b>ENVIRONMENT AND PUBLIC SANITATION</b> |                      |                  |         |
| Water and sanitation                     | ●                    |                  |         |
| Refuse collection and disposal           |                      | ●                |         |
| Street management                        |                      |                  |         |
| Cemeteries and crematoria                | ●                    |                  |         |
| Slaughter-houses                         | ●                    |                  |         |
| Environmental protection                 | ●                    | ●                |         |
| Consumer protection                      | ●                    | ●                |         |
| <b>CULTURE, LEISURE AND SPORTS</b>       |                      |                  |         |
| Theatre and concerts                     | ●                    | ●                |         |
| Museums and libraries                    | ●                    | ●                |         |
| Parks and open spaces                    | ●                    | ●                |         |
| Sports and leisure                       | ●                    |                  |         |
| Religious facilities                     | ●                    |                  |         |
| <b>UTILITIES</b>                         |                      |                  |         |
| Gas services                             | ●                    |                  |         |
| District heating                         | ●                    |                  |         |
| Water supply                             | ●                    |                  |         |
| Electricity                              | ●                    |                  |         |
| <b>ECONOMIC</b>                          |                      |                  |         |
| Agriculture, forests and fisheries       | ●                    |                  |         |
| Economic promotion                       | ●                    |                  |         |
| Trade and industry                       | ●                    |                  |         |
| Tourism                                  | ●                    | ●                |         |

● = discretionary service by the local authority