

# **Hamrun Local Council**

## **Business Plan**

**2016 - 2018**

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## **1.1. INTRODUCTION AND SITUATION ANALYSIS**

This Business Plan sets out what the Hamrun Local Council aim to achieve between now and the year 2018. 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.

This three year plan covers three years of the seventh legislation of the Hamrun Local Council.

At this moment in time we find ourselves drawing close towards the end of the first year of this newly incorporated Council following the election of May of the year 2015. Following a period of transition, June 2013 saw the beginning of a new era with a great deal of change within the personnel making up the Council. The initial phases of this legislature was characterized by various infrastructural works approved by the previous Council, such as the resurfacing of Triq Kanonku Bonnici, extensive patching works in Tal-Kuncizzjoni area and various minor works on maintenance of pavements throughout the locality.

Moreover the Council held various meetings with local NGO's, the Hamrun Business Community, while absorbing a number of comments, complaints and suggestions from all corners of the locality, from the residents. The Council could, in this manner, draw up a list of priorities which brought about a number of measures taken in favour of greater cleanliness in general within the locality.

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.

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. The Council has issued new a new Contract for the Upkeep, Maintenance and Cleaning of Public Conveniences, where after many years of vandalism, the Council felt it was time that these public conveniences are attended to.

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 2016, which in itself is zero-based. These last three years, the annual financial allocation a received by the Council from Central Government, has been stable but in 2016, the Council saw an increase of € 19,000 and therefore the Council felt it would only be prudent to project the annual financial allocation receivable, based on these trends. As with other income, the Council has adopted the same prudence approach and did not project any increases in income over the coming three years.

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 2015. This document is therefore outlining three overarching objectives which are;

- Customer Service Excellence
- Financial Stability
  
- Building the best relationship with local NGO's and Business Community

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.

Christian Sammut  
Mayor

Karen Camilleri  
Executive Secretary

## 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.

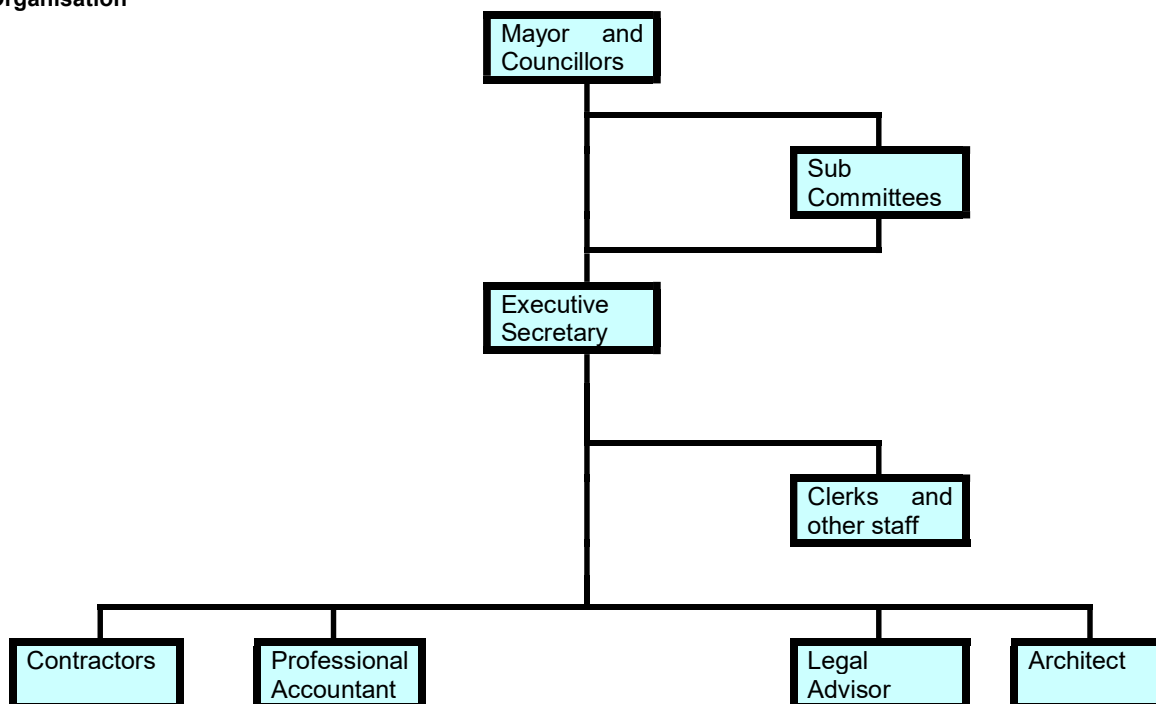
**3.1 Short-term objectives and expected results (2016-2018)**

<b>Objectives</b>	<b>Expected Results</b>
The best value for money for the services contracted, All expenditure to be maintained within the Budget	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
Introducing new system for better Internal Control on the Cash Flow Management of the Council by maximising credit terms with its Suppliers and Creditors and decrease collection period from debtors.	Identifying long outstanding receivables/payments during the 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 (2016-2018)**

<b>Objectives</b>	<b>Expected Results</b>
Provide training to Council Staff in all sections related to local government procedures/tendering and others	More knowledge of procedures in local government and therefore creating a stronger sense of belonging by the Staff.

### 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.

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 is the first year of the 7<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	2016	2017	2018	2016-2018
0	Government	619,897.00	626,096.90	632,357.87	<b>1,878,351.77</b>
20	Bye-Laws	2,000.00	2,500.00	3,000.00	<b>7,500.00</b>
90	Investment	500.00	1000	1000	<b>2,500.00</b>
4	Other Gvt. Income	60,000.00	25000	25000	<b>110,000.00</b>
100	General	21,105.00	21,105.00	21,105.00	63,315.00
	TOTAL	<b>653,084.60</b>	<b>682,000.00</b>	<b>697,000.00</b>	<b>2,032,084.60</b>
1	<b>Expenditure</b>				
1000	Personal Emoluments	128,400.00	132,252.00	136,219.56	396,871.56
2000	Operations and maintenance	415,000.00	419,150.00	423,341.00	1,257,491.00
7000	Capital Expenditure	100,000.00	120,000.00	130,000.00	350,000.00
	TOTAL	<b>643,400.00</b>	<b>671,402.00</b>	<b>689,560.56</b>	<b>2,004,362.56</b>
	<b>SURPLUS/DEFICIT</b>	<b>9,684.60</b>	<b>10,598.00</b>	<b>7,439.44</b>	<b>27,722.04</b>
	<b>BROUGHT FORWARD</b>	-	9,684.60	20,282.60	-
	<b>CARRY FORWARD</b>	9,684.60	20,282.60	27,722.04	27,722.04

## 4.2 Notes and Assumptions

The starting base of this Business Plan is the Budget for the year 2016. 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 1% 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

		c			
ACCT NO	DESCRIPTION	FORECAST 2016	FORECAST 2017	FORECAST 2018	FORECAST 2016-2018
2	Income	€	€	€	€
0000	<b>Government</b>				
0001	Annual Govt. Income	565,464.00	571096.9	576807.869	1,713,368.77
0002	Supplementary Govt. Income	54,433.00	55000	55550	164,983.00
0003	Special Needs Govt. Income	-	5000	7000	12000.00
0004	Public/Govt. Delegations	60,000.00	60,600.00	61,206.00	181,806.00
0005	Other Govt. Income	-	-	-	-
		<b>679,897.00</b>	<b>691696.9</b>	<b>700563.869</b>	<b>2,072,157.77</b>
	<b>Bye-Laws</b>				
0022	Library	400.00	500	600	1,500.00
0023	Cultural activities	6,000.00	7000	8000	21,000.00
0036	Contraventions	3,000.00	3000	3000	9,000.00
0037	Bye-Laws	300.00	500	500	1,300.00
0038	LES	1,000.00	2000	2500	5,500.00
0056	Sponsorships	1,500.00	2000	2000	5,500.00
0070	Temporary Permits	5,000.00	6000	7000	18,000.00
0066	General - Car Park Rent	21,105.60	21105.6	21105.6	63,316.80
		<b>38,305.60</b>	<b>42,105.60</b>	<b>44,705.60</b>	<b>125,116.80</b>
0090	Investment				
0091	Bank interest	450.00	500	500	1,450.00
0096	Government securities	0.00	0	0	0
		<b>450.00</b>	<b>500</b>	<b>500</b>	<b>1,450.00</b>
0100	General				
0110	Donations	0.00	0.00	0.00	0.00
0120	Contributions	0.00	0.00	0.00	0.00
	<b>TOTAL</b>	<b>718,652.60</b>	<b>734,302.50</b>	<b>745,769.47</b>	<b>2,198,724.57</b>



## 4.4 Three Year Expenditure Forecast

ACCT NO.	DESCRIPTION	FORECAST	FORECAST	FORECAST	FORECAST
		2016 €	2017 €	2018 €	2016 - 2018 €
<b>1</b>	<b>Expenditure</b>				
1000	<b>Personal Emoluments</b>				
1100	Mayor's allowance	10,000.00	11,000.00	12,000.00	33,000.00
1200	Employee salaries and wages	80,000.00	82,000.00	83,000.00	245,000.00
1201	Executive Secretary Salary	25,540.00	26,000.00	26,200.00	77,740.00
1300	Bonuses	2,600.00	2,626.00	2,652.26	7,878.26
1400	Income supplements	1,000.00	2,000.00	2,000.00	5,000.00
1500	Social Security contributions	8,200.00	8,282.00	8,364.82	24,846.82
1600	Allowances	8,500.00	8,585.00	8,670.85	25,755.85
1700	Overtime	3,500.00	4,000.00	4,100.00	11,600.00
		139,340.00	144,493.00	146,987.93	430,820.93
2000	<b>Operations and maintenance</b>				
2100	Utilities	10,000.00	10,100.00	10,100.00	30,200.00
2200	Materials and supplies	3,000.00	3,500.00	4,000.00	10,500.00
2300	Repair and upkeep	70,000.00	75,000.00	80,000.00	225,000.00
2400	Rent	8,600.00	8,600.00	8,600.00	25,800.00
2500	National / International memberships	250.00	500.00	500.00	1,250.00
2600	Office services	5,500.00	6,000.00	6,500.00	18,000.00
2700	Transport	450.00	500.00	600.00	1,550.00
2800	Travel	500.00	1,000.00	1,000.00	2,500.00
2900	Information services	5,700.00	6,000.00	6,500.00	18,200.00
3000	Contractual services	273,950.00	276,689.50	279,456.40	830,095.90
3100	Professional services	18,000.00	18,180.00	18,361.80	54,541.80
3200	Training	1,000.00	1,000.00	1,000.00	3,000.00
3300	Community and hospitality	20,000.00	22,000.00	23,000.00	65,000.00
3400	Incidental expenses	500.00	600.00	700.00	1,800.00
3600	Local Enforcement Expenditure	700.00	707.00	714.07	2,121.07
		418,150.00	430,376.50	441,032.27	1,289,558.77
7000	<b>Capital expenditure</b>				
7001	Acquisition of property				
7100	Construction				
7200	Improvements	7,230.00	10,000.00	12,000.00	29,230.00
7300	Equipment	11,100.00	5,000.00	5,000.00	21,100.00
7500	Special programmes	260,282.32	200,000.00	250,000.00	710,282.32
	Loan Repayment	38,896.00	36,000.00	34,000.00	108,896.00
		317,508.32	215,000.00	267,000.00	869,508.32
	<b>TOTAL</b>	<b>139,340.00</b>	<b>789,869.50</b>	<b>855,020.20</b>	<b>1,784,229.70</b>

**4.5 NOTES****Income**

Assume increase in Annual Govt. Allocation for years 2017 and 2018

Forecast of Income for 2016, 2017 and 2018 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. Project No.	Capital Expenditure Project Description	2016		2017		2018		2016 to 2018
		Account €	Project €	Account €	Project €	Account €	Project €	Account Total €
7001	Acquisition of property							
7100	Construction							
7200 7210 7230 7242 7250	Improvements Office Furniture and Fittings New Street Signs Street Furniture Improve. to property							
7300	Equipment  Offices Equipment	1,000.00		1,000.00		1,000.00		3,000.00
7500	Special programmes  Pjazza Kappillan Mifsud  Gnien Salvinu Spiteri U rigenerazzjoni ta Triq il- Frangiskani  Pavements  Resurfacing of Roads	220,000						220,000

TOTAL New Projects:

220,000

220,000

**5.0 Capital Development (cont.)**

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**5.2 Details of Capital Development Projects planned for 2016**

**Project**

Refurbishment of Pjazza Kappillan Muscat

Refurbishment of Triq il-Frangiskani & Salvinu Spiteri Garden

Resurfacing of Roads

Maintanance of Pavements