

PA CIRCULAR 3/18

1 PA FUNDS AVAILABLE TO LOCAL COUNCILS

1.1 INTRODUCTION

- 1.1.1 This Circular is intended as a revision to PA Circular 1/17 whose aim, in Part 2, was to explain the introduction of the Development Fund in January of 2017. This revision is intended to simplify the reading of the indicated Circular and clarify some aspects in order to facilitate the work of Local Councils (LCs), their professional representatives and other relevant parties.
- 1.1.2 The opportunity is also taken to clarify some other aspects which experience over time has indicated to merit clarification. Otherwise, the objectives of the measures introduced in January 2017 and the relevant legislative aspects remain the same. It is advisable to use this Circular in conjunction with PA Circular 2/18 which has been recently issued.
- 1.1.3 As from 1st June 2018, the parking space related funding schemes have been revised and amalgamated. The details of the changes have been covered in PA Circular 2/18 already circulated. This change is expected to increase funds available to LCs. As far as this scheme is concerned, LCs will also continue to additionally benefit from 20% of the revenue generated through applications for the regularisation of development as well as planning gain directed to be used by the fund allocated for use by the relevant LCs. The PA funding application procedures are being essentially retained so that the advantages gained through the long term application of the former system, are not lost. As communicated earlier, non-committed funds accumulating in excess of the EUR 5 million mark, these being reserved for use by a specific LC, will be directed to a special common PA fund.

1.2 GENERAL CONSIDERATIONS

- 1.2.1 As contemplated in article 59 of Act VII of 2016, these funds may also be utilized by a wide range of recipients. However, given that this particular funding scheme is mainly targeted at LCs; proposals originating from government agencies, NGO's or private individuals using this particular fund, would need to be discussed with the respective Local Councils where the initiatives are intended to be implemented. This would safeguard the relevant LCs ability for longer term financial planning.
- 1.2.2 In order to reduce adverse impact on Local Council planning, proposals originating from the LCs would still be able to enjoy up to 100% of the qualifying funding. In line with the 2017 National Budget measures, as from 2019, only up to 70% of the expenditure qualifying for refund may be reimbursed in the case of proposals originating from singular LCs. In the case of submissions originating from joint submissions of two or more LCs and/or from the Regional Councils, then up to 100% of the qualifying physical interventions may be funded. This is intended to spur wider collaboration between LCs and to encourage better economies of scale resulting from such practices.

- 1.2.3 In order to facilitate the funding process, meetings with Foreign Policy Research, EU Affairs and Funding Division (FPREAFD) staff prior to the submission of proposals is strongly encouraged as this is believed to facilitate the processing of the respective proposals. The contact phone number is 22901198 and the e-mail address is lcfunds@pa.org.mt.
- 1.2.4 Proposals for funding will continue to be examined by the Development Planning Fund. This committee, currently chaired by Perit Vincent Cassar, will also be responsible for overseeing other PA local funding initiatives. A Local Councils Association representative also sits on this committee.
- 1.2.5 The funds collected in a particular Local Council will be placed at the disposal of the same Council from where they were collected. This would remain applicable in cases where two or more Local Councils decide to collaborate on a project, but in those cases, the respective Councils' PA local fund balances would be taken into account in a manner prescribed through an agreement between the relevant Local Councils and the PA.
- 1.2.6 The decisions of the Development Planning Fund Committee are not subject to Appeal. However the Executive Council may override the decision of the Development Planning Fund Committee.

1.3 QUALIFYING PROPOSALS

- 1.3.1 The main aim of this PA funding scheme for LCs is to introduce long lasting physical interventions which are intended to upgrade the amenity and appreciation of a locality. These interventions should be demonstrated to improve upon the existing situation in terms of amenity and appreciation of the context. They should also be neighbour friendly and environmentally sustainable.
- 1.3.2 The qualifying proposals in terms of the former CPPS / UIF schemes will continue to remain eligible under this funding scheme. For ease of reference, these are listed below:

FORMERLY QUALIFYING PROPOSALS UNDER PREVIOUS PA FUNDING SCHEMES STILL ELIGIBLE FOR FUNDING

- New Parking Facilities
- Facilities intended to improve public transport
- Alternatives for more sustainable travelling modes
- Gardens and landscaping areas
- Playing fields
- Traffic Management schemes including the implementation of sustainable urban transport plans aimed at reducing the impact on air pollution, noise, congestion and CO₂ emissions
- Street lighting
- Street furniture
- Public Convenience
- Facilities for the Disabled
- Green Transport modes

- Projects using methods of sustainable construction such as energy efficient buildings, which aim at decreasing CO₂ emissions
- Restoration of cultural heritage immovable property in the public domain

(Note: In the case of street or open space lighting, the PA will only consider funding of schemes which demonstrate better overall energy efficiency when compared to the current situation and use of full-cut-off luminaires. The use of lamps which, from a medical point of view, are considered to be most appropriate to employ in the vicinity of a residential area, would be preferred.

1.3.3 In addition to the previous list, the PA Development Planning Fund may also consider proposals which are:

- a) Of a physical, immobile and permanent nature; and
- b) Beneficial to the wider community; and
- c) Widely and freely available to the community (including positive interventions to upgrade facades defining a public open space, public sector community facilities);

subject to the conditions indicated in **Section 1.4 (Funding Exclusions)**. In this context, the term "beneficial to the wider community" refers to facilities which can be enjoyed freely by everyone. Thus facilities which can actually or potentially generate independent revenue through membership fees, commercial activities (especially those located on site), or facilities that can be predominantly enjoyed by a restricted sector of the wider community are not deemed to qualify under this funding scheme. The only exception to this provision may be made to physical proposals which contemplate the free use by the vulnerable sectors of society.

In addition to the above, the PA may give favourable consideration to fund the capital component of applications for EU funding (the local funding component) and which projects are earmarked to provide further amenity to the locality for the free enjoyment of the wider community.

1.3.4 Thus, in the light of the qualifiers in **Section 1.3.3** above and **Section 1.4** below, physical infrastructure, security and safety related installations, may also be considered to potentially qualify under this scheme. Through this interpretation, removal of visual clutter from public spaces (including those formed by private facades), are also deemed to likewise qualify. Examples of other qualifying interventions include new surfacing or replacement of pedestrian or semi-pedestrian surfaces in the public domain, storm water culverts, and extension to, or replacement of, services which would normally be required out of the Local Council funds. Proposals intended to be predominantly used by a non-vulnerable sector of the wider society will not qualify for funding. A degree of flexibility on the qualifying proposals indicated in **Sections 1.3.2 and 1.3.3** may be retained if the Local Council makes a strong case that the proposal is in the wider community's interest and is broadly in line with the spirit of **Section 1.3.1**.

1.3.5 Unless otherwise explicitly prohibited, these funds may be used in conjunction with other funding sources (both PA and non-PA). Where partial funding is contemplated, the proponent should indicate in the funding application form, the approved non-PA funding amount as well as the relevant source of funding. These should be substantiated by the relevant documentation. The idea is for the PA to ensure that the proposal is led to fruition.

1.4 FUNDING EXCLUSIONS

1.4.1 In common with many former PA funding provisions, the following will be retained as **not** qualifying for PA funding under this scheme:

- a) Fees related to professional, technical, management, permits, adverts, reports, tariffs, licenses or related services or similar fees; or
- b) Acquisition of property, land or title (including rent, emphyteusis etc.); or
- c) Non-physical interventions (eg. activities, events, media related); or
- d) Recurrent expenditure (including all forms of maintenance arrangements); or
- e) Mandatory construction phase related measures; or
- f) Mobile property or temporary structures; or
- g) Projects or proposals which have already started works prior to the signing of the funding contract with the PA