

PA FUNDING

AND LOCAL COUNCILS



PA FUNDING AND LOCAL COUNCILS

INTRODUCTION

- Local Councils have since 2003 benefitted from various PA and MEPA schemes. Previously there were the CPPS / UIF / EIPP. Many projects for the benefit of the community were funded through these initiatives.
- In 2017, these were replaced by the Development Planning Fund. The EIPP fund was transferred to ERA. All PA funding streams are managed by the Development Planning Fund Committee which reports to the PA Executive Council
- By early November 2018 there were of the order of €30M of PA funds associated with all the localities. The contributions come from a number of streams namely:
 - a) 63% of parking spaces shortfall contributions
 - b) 20% of regularization fees
 - c) Planning gain – amount depending on specific case
 - d) Sebbah il-Lokal (if applicable) – additional 50K (28 LCs benefitted from the scheme)
 - e) Other sources
- Funds generated within a Local Council are normally directed to be used within the same locality.
- Since 2017, and up till mid-February 2019, around €7.6 M have been contracted for 85 projects with 39 Local Councils in Malta and Gozo.

PA FUNDING AND LOCAL COUNCILS

THE PA FUNDING APPLICATION PROCESS

- Meetings or exchanges with PA prior to PA funding application strongly encouraged. These give direction on the process, material and interventions qualifying for funding as well as any need for planning consent.
- There is a 2 page application form downloadable from PA website which is straightforward to fill. To be signed by Mayor, Executive Secretary and responsible architect
- In cases where partial funding is requested, details of other sources of funding need to be indicated
- The application form is normally supplemented by technical information such as a site plan, photos of existing situation, Proposed intervention drawings, specifications of equipment, bills of quantities (BoQs) and other relevant information
- The duration from submission to the drafting of the PA funding contract mainly depends on the complexity of the proposal, the quality of the submission and the pending caseload. Experience suggests that in the case of the simpler submissions, the quality of the submission accounts is a main determinant of the duration of this part of the process.

PA FUNDING AND LOCAL COUNCILS

THE PA FUNDING APPLICATION PROCESS

- The main guidance on projects qualifying for PA funding is found in PA Circular 2/18 and PA Circular 3/18.
- In the case of PA Circular 2/18, only the last paragraph of section 2 is relevant. This states that proposals associated with tarmacing of carriageways are no longer funded in view of the setting up of Infrastructure Malta. However paving in specific situations would continue to qualify for PA funding.
- PA Circular 3/18 is an update of PA Circular 1/17 and is the more relevant PA Circular. It gives overall direction on the process as well as qualifiers of such funding.
- PA Circular 2/19 is a new Circular which indicates changes in the reimbursement procedure. Through the new procedure, 30% of qualifying amount would be presented upfront upon the signature of the contract, another 60% would be refunded upon the completion of the project following the presentation to the PA of a satisfactory architect's certificate and the final 10% following a report by PA officials. In the two latter instances, part of the indicated percentage may be reimbursed if departures from the contracted agreement are registered.
- **Links:**
 - PA CIRCULAR 2/18: <https://www.pa.org.mt/en/file.aspx?f=22920>
 - PA CIRCULAR 3/18: <https://www.pa.org.mt/en/file.aspx?f=23020>
 - PA CIRCULAR 2/19: <https://www.pa.org.mt/en/file.aspx?f=23414>

PA FUNDING AND LOCAL COUNCILS

PROJECTS QUALIFYING FOR PA 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.

PA FUNDING AND LOCAL COUNCILS

PROJECTS QUALIFYING FOR PA FUNDING (Cont'd)

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

PA FUNDING AND LOCAL COUNCILS

FUNDING EXCLUSIONS

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*

PA FUNDING AND LOCAL COUNCILS

AVAILABLE FUNDS

Local Councils are forwarded the respective amounts associated with their locality upon request. It is important to note that the LC does not have the exclusive right to the use of these funds but this remains at the discretion of the PA. Moreover, other entities or organizations are entitled to use these funds. In the latter case, these are obliged to consult with the respective LC about their intentions and expenditure. The LC's reaction is deemed useful for the PA to vet whether to allocate the funds to the non-LC applicant. However, the PA reserves the right to disagree with the LC's reaction to this effect. The funds associated with respective LC's are communicated upon request.

As indicated in PA Circular 3/18, LC associated funds will not, at any point in time, accumulate to more than EUR 5M. This measure is intended to ensure that the LC's uses the LC associated funds to the benefit of the community. Any excess revenue will be transferred to a common fund.

As announced at the beginning of 2017 (through PA Circular 1/17), Local Councils were entitled to benefit from up to 100% of qualifying PA funds. Since the beginning of 2019, Local Councils will still be entitled to benefit from up to 100% of the qualifying funds if they apply for projects with at least one other Local Council or if the application is submitted through the Regional Committee. If not, then the respective Local Council may benefit from up to 70% of the qualifying PA funds. This measure mirrors similar procedures adopted for EU funding and is intended to foster greater inter-council collaboration and achieve superior economies of scale.

PA FUNDING AND LOCAL COUNCILS

Other Relevant Links

FORMS

PA FUNDING APPLICATION FORM

<https://www.pa.org.mt/en/file.aspx?f=23002>

ARCHITECT'S DECLARATION OF SATISFACTORY COMPLETION

<https://www.pa.org.mt/en/file.aspx?f=1099>

REQUEST FOR EXTENSION OF TIME FOR PROJECT

<https://www.pa.org.mt/en/file.aspx?f=1100>

VARIATIONS TEMPLATE

<https://www.pa.org.mt/en/file.aspx?f=23413>

PA FUNDING AND LOCAL COUNCILS

Contacts us

In case of queries related to funding associated with Local Councils, please contact:

Telephone:

22901198 or 22901528

E-mail:

lcfunds@pa.org.mt

Even when sending e-mail to a particular person, it is strongly recommended to copy the e-mail group lcfunds@pa.org.mt

Prior to submitting proposals, especially those which are not in the list indicated earlier, it is always advisable to hold a meeting with relevant staff of the Research and Local Funding Team so as to guide on the submission requirement as well as what does and does not qualify for PA funding.

Thank You

