

# San Gwann Local Council Financial Budget

Financial Year 2025

Date: 27<sup>th</sup> January 2025 (Version1.1)



## Budget 2025

- ✓ The Council is forecasting to register a **surplus of EUR 74k** in financial year 2025.
- ✓ The Council is expected to keep a solid financial position, with a stable cash and cash equivalents (at €500k levels) and sound working capital ratio.
- ✓ No capital projects are planned for 2025.



Note	Actual Quarter 2024 Q1	Actual Quarter 2024 Q2	Actual Quarter 2024 Q3	Actual Quarter 2024 Q4	Budget 2024	Budget 2025
<b>Income</b>						
<b>Funds received from central government</b>	<b>281,092</b>	<b>261,092</b>	<b>352,493</b>	<b>169,691</b>	<b>1,044,367</b>	<b>937,717</b>
In terms of section 55 of the Local Councils Act (Cap 363)	261,092	261,092	352,493	169,691	1,044,367	937,717
Supplementary Government Income						
Other Government Income	20,000	0	0	0	0	0
Organic waste income	0	0	0	0	0	0
Special Needs Govt.Income	20,000	0	0	0	0	0
<b>Income raised under Local Council Bye-Laws</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Income raised under Local Enforcement System</b>	<b>3,449</b>	<b>1,726</b>	<b>782</b>	<b>3,000</b>	<b>18,702</b>	<b>10,800</b>
<b>Other Income</b>	<b>11,484</b>	<b>10,797</b>	<b>13,558</b>	<b>11,947</b>	<b>55,695</b>	<b>47,786</b>
Income from other activities	0	0	0	0	0	
Income from tender documents	0	0	0	0	0	
Contributions and donations	0	0	0	0	0	
Other general income	11,484	10,797	13,558	11,947	55,695	47,786
<b>Total Income</b>	<b>296,025</b>	<b>273,615</b>	<b>366,833</b>	<b>184,638</b>	<b>1,118,764</b>	<b>996,303</b>
<b>Expenditure</b>						
Personnel emoluments	(56,758)	(55,632)	(59,863)	(59,863)	(234,773)	(274,911)
Operations and maintenance	(175,837)	(161,621)	(172,656)	(172,656)	(618,167)	(407,479)
Administration and other expenditure	(60,306)	(63,586)	(41,274)	(71,274)	(259,794)	(239,806)
Finance Cost	0	0	0	0	(19)	(30)
	<b>(292,901)</b>	<b>(280,839)</b>	<b>(273,793)</b>	<b>(303,793)</b>	<b>(1,112,754)</b>	<b>(922,226)</b>
<b>Surplus / (deficit) for the year</b>	<b>3,124</b>	<b>(7,224)</b>	<b>93,040</b>	<b>(119,156)</b>	<b>6,010</b>	<b>74,077</b>



## The budget for the fiscal year 2025 is based on the following assumptions:

### Income:

- ✓ Funds provided by the Government in terms of Article 55 – **EUR 937,717** (as per notice received). It is pertinent to note that the budget allocated is EUR 107k less when compared to the last year allocation (2024).

This is due to the fact of the latest measure introduced by LGD (*refer to **ĊIRKULARI 06/2024 - Allokazzjoni Finanzjarja għall-2025***), whereby as from 2025 waste collection and tipping fees will be taken over by the Regional Councils.

- ✓ Income raised from LESA and Permit income are based on average of the actual 9 months of 2024.
- ✓ No other income is taken into consideration.



# The budget for the fiscal year 2025 is based on the following assumptions:

## ALLOKAZZJONI FINANZJARJA TAL-KUNSILLI LOKALI 2025

KUNSILL LOKALI: San Ġwann

	Allokazzjoni €
<b>L-Allokazzjoni Finanzjarja</b>	
<b>1. <u>Tisbiħ u manutenzjoni tal-Parks u Ġonna</u></b>	
Tisbiħ u manutenzjoni tal-Parki u Ġonna	49,115
Fond għal-Latrini Pubbliċi	13,288
<b>2. <u>Manutenzjoni tat-Toroq</u></b>	
<b>Tiswija u Manutenzjoni ta' toroq:</b>	
Urbani, sinjali u marki tat-traffiku	170,903
Mhux Urbani, sinjali u marki tat-traffiku	12,542
Knis ta' Toroq Urbani	123,179
Tindif ta' Toroq Mhux Urbani	5,574
<b>3. <u>Immaniġġar tal-Iskart</u></b>	261,147
<b>4. <u>Spejjeż ta' Amministrazzjoni</u></b>	301,967
<b>Fond ta' Aġġustament (jekk japplika)</b>	
I. Fond għal Żoni Turistiċi	0
II. Fond għall-Belt Kapitali, Ex Belt Kapitali u Bliet	0
<b>TOTAL</b>	<b>937,717</b>



## Recurrent expenditure:

[Personnel expenditure](#) increased in line with the COLA adjustment (EUR 5.24 per week as announced in the Govt. Budget). Overtime and allowances are to remain within the same levels of 2024 (first 10 months). Staff compliment 8 staff members (Executive Secretary, Assistant, Finance, 3 Customer Care, Project and Driver) and 11 Councillors (incl. the Mayor).

<b>Personnel emoluments</b>	<b>Actual 2024 Q1 Quarter</b>	<b>Actual 2024 Q2 Quarter</b>	<b>Actual 2024 Q3 Quarter</b>	<b>Actual 2024 Q4 Quarter</b>	<b>Budget 2024</b>	<b>Budget Budget</b>
Mayor's honoraria	4,091	4,091	5,950	5,950	16,366	20,441
Executive Secretary salary and allowances	11,451	9,865	9,851	9,851	45,427	46,416
Employees' salaries	31,988	32,605	33,802	33,802	135,826	163,709
Mayor's and Councillors' Allowances	5,550	5,350	6,250	6,250	22,600	27,400
Social Security Contributions	3,677	3,720	4,009	4,009	14,555	16,944
<b>Total</b>	<b>56,758</b>	<b>55,632</b>	<b>59,863</b>	<b>59,863</b>	<b>234,773</b>	<b>274,911</b>



## Recurrent expenditure:

Operations and maintenance are primarily based on the current contractual service agreements.

**Repairs and upkeep** (incl. road and street pavements /patching works): budget of EUR 60k (2024 – 9 months: 33k)

**Contractual Services:** budget EUR 332k (2024 – 9 months: EUR 477k), however as already pointed no cost is planned for waste collection and tipping fees.

- Refuse Collection: budget EUR 13k (bring in sites costs)
- Bulky refuse: budget EUR 46k
- Road and street cleaning: budget EUR 132k
- Public Convenience: budget EUR 16.5k
- Parks and Garden: budget EUR 78.4k
- Street lighting maintenance : budget 60k (note that in 2024 – 9 months EUR 40k)



## Recurrent expenditure:

### Operations and maintenance

#### Operations and maintenance

##### Repairs and upkeep:

Road and street pavements (Patching works)

Street signs

Road markings

	Actual Quarter 2024 Q1	Actual Quarter 2024 Q2	Actual Quarter 2024 Q3	Actual Quarter 2024 Q4	Budget 2024	Budget
Road and street pavements (Patching works)	8,601	8,559	9,313	9,313	50,000	50,000
Street signs	860	571	1,833	1,833	4,190	5,000
Road markings	77	946	2,302	2,302	5,000	6,000
	<b>9,538</b>	<b>10,077</b>	<b>13,448</b>	<b>13,448</b>	<b>59,190</b>	<b>61,000</b>

##### Contractual Services:

Refuse collection (including bins on wheels)

Bulky refuse collection (including open skips)

Road and Street Cleaning (mechanical and manual)

Cleaning and Maintenance of Public Convenience

Cleaning and Maintenance of Parks and Gardens

Street Lighting

Local Enforcement Expenses

Refuse collection (including bins on wheels)	76,644	75,275	80,335	80,335	258,461	13,200
Bulky refuse collection (including open skips)	11,212	11,160	11,520	11,520	45,079	45,638
Road and Street Cleaning (mechanical and manual)	32,978	33,103	34,319	34,319	129,369	132,212
Cleaning and Maintenance of Public Convenience	4,128	4,128	4,128	4,128	16,511	16,511
Cleaning and Maintenance of Parks and Gardens	19,605	19,605	19,605	19,605	78,418	78,418
Street Lighting	21,732	8,221	9,120	9,120	30,000	60,000
Local Enforcement Expenses	0	53	182	182	1,139	500
	<b>166,299</b>	<b>151,544</b>	<b>159,208</b>	<b>159,208</b>	<b>558,977</b>	<b>346,479</b>

<b>Total</b>	<b>175,837</b>	<b>161,621</b>	<b>172,656</b>	<b>172,656</b>	<b>618,167</b>	<b>407,479</b>
--------------	----------------	----------------	----------------	----------------	----------------	----------------



## Recurrent expenditure:

**Administrative and other expenditure** are planned to increase with in line with the general inflation rate – projected to be 2.2% as per EU Commission projections.

Overall budget EUR 240k (2024 – 9 months: EUR 165k). Hence, this is the main item where the Council can save some expenditure.

This item includes the annual Depreciation provision on capital projects: 42k (based on existing Council's Assets – that is, no additions during 2025)

[https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/malta/economic-forecast-malta\\_en#:~:text=Inflation%20remains%20high%20despite%20unchanged%20energy%20prices&text=Nonetheless%2C%20inflation%20in%202023%20is,of%20food%20and%20i ndustrial%20goods.](https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/malta/economic-forecast-malta_en#:~:text=Inflation%20remains%20high%20despite%20unchanged%20energy%20prices&text=Nonetheless%2C%20inflation%20in%202023%20is,of%20food%20and%20i ndustrial%20goods.)



## Recurrent expenditure:

### Administrative and other expenditure

	Actual Quarter 2024 Q1	Actual Quarter 2024 Q2	Actual Quarter 2024 Q3	Actual Quarter 2024 Q4	Budget 2024	Budget
<b>Administration and other expenditure</b>						
Training	0	0	0	0	0	0
Utilities	1,762	1,547	1,813	1,813	8,157	7,088
Rent	2,648	2,648	2,171	2,171	10,148	9,850
Other repairs and upkeep	4,645	5,512	4,090	4,090	20,037	18,741
National and International Memberships and Participation expenses	0	0	0	0	0	0
Office Services	258	1,097	268	268	3,872	1,933
Travel	0	0	0	0	1,500	0
Transport	3,781	3,639	3,345	3,345	16,331	14,421
Information Services	852	877	971	971	3,981	3,752
Other contractual services	1,850	2,029	2,092	2,092	8,179	8,241
Professional services	2,970	13,696	3,205	3,205	40,000	23,584
Community and hospitality	2,212	2,278	3,127	3,127	15,000	10,981
Social events	24,186	12,396	5,759	35,759	75,000	79,817
Cultural events	4,991	6,237	3,796	3,796	15,000	19,235
Depreciation	10,151	11,630	10,635	10,635	40,090	42,162
Bad debts written off	0	(0)	0	0	2,500	
<b>Total</b>	<b>60,306</b>	<b>63,586</b>	<b>41,274</b>	<b>71,274</b>	<b>259,794</b>	<b>239,806</b>



## Important observations to the Council

It is important to point out that the Council must carefully assess:

1. The impact of the previous years' capital projects on the Council's increase in the annual recurrent expenditure in the foreseeable future (sustainability of the projects, such as the costs related to maintenance agreements, upkeep costs etc.) – No new recurrent expenditures were taken into consideration for 2025 Budget.
2. Impact on the Council's cashflow position (the effect of the deferred income realised in the past – funds received by the Council from applied Schemes in the past – recognised as deferred income, which need to be used for applied projects).

