Grants to Local Government – Design, Administration and Evaluation Manual

September 2019

Working towards White Ribbon accreditation

Queensland Government

Contents

Part 1

Preliminary

1 Part 1 – Preliminary

1.1 Introduction

The Grants to Local Government – Design, Administration and Evaluation Manual (the Manual) is a key supporting document of the Grants to Local Government Model (the Model).

The Model is the state's streamlined approach for Local Government Grant Programs[1].

The Manual expresses the 'Local Government specific' guidance on designing, administering and evaluating Local Government Grant Programs[2].

The Manual is structured as follows:

- **Part 1 – Preliminary** – explains the role of the Manual, its background, purpose, the principles which underpin it, application and its relationship to other documents

- **Part 2 – Partners and their responsibilities** – explains the responsibilities of State agencies (partners) involved in the design, administration and evaluation of Local Government Grant Programs

- **Part 3 – Program design –** explains how Local Government Grant Programs are designed

- **Part 4 – Relationship between a Policy Agency and an Administration Agency** – explains the requirements when an Administration Agency for a Local Government Grant Program is not the agency who designed it

- **Part 5 – Program administration** – explains how Local Government Grant Programs are administered

- **Part 6 – Program evaluation and analysis** – explains how Local Government Grant Programs are evaluated and analysed

- **Part 7 – Glossary** – provides a list of abbreviations and terms that assist readers to interpret the Manual

- **Part 8 – Attachments** – provides the attachments referred to throughout the Manual

Overall, this Manual is intended to be used by anyone with an interest in the design, administration and/or evaluation of Local Government Grant Programs.

1.2 Background

This Manual is an output of the Grants to Local Government Review (the review) undertaken by the former Department of Infrastructure, Local Government and Planning (DILGP) and the Department

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[1] The details of the Model are contained in the Grants to Local Government – Governance Framework document (available separately – refer to DLGRMA website). The relationship to the Manual is outlined in **section 1.6.1**

[2] It is important to note this Manual is not intended to be read in isolation, but alongside other related and supporting documents. The relationship of the Manual to other documents is outlined in **section 1.6**.

of Local Government, Racing and Multicultural Affairs (DLGRMA).

The review commenced in 2017 in response to a 2016 State Infrastructure Plan (SIP) action and a submission from the Local Government Association of Queensland (LGAQ).

The review was undertaken in two phases, as follows:

- Initial review
- Implementation planning

These phases are discussed in more detail below.

1.2.1 Initial review phase

The initial review phase was commissioned by the former DILGP and involved consultation with 14 Local Governments, 16 State Agencies and the LGAQ.

The initial review:

- Considered the context for Queensland Government grant funding to Local Governments

- Identified key trends in grant funding arrangements, including grant timeframes and associated administration costs

- Analysed key strengths and weaknesses of the current arrangements within a capacity, capability and innovation context

- Included consultation with internal and external stakeholders to establish their perspectives on grant objectives, scope and operating principles

- Recommended guiding principles for a future grant funding arrangement framework

- Outlined an implementation roadmap.

The findings of the initial review are contained in the report *Review of Grants to Local Government: Current and Future State Assessments,* with key outcomes as follows:

- **Implement** an outcome-focused grants model where grant programs with common objectives are managed consistently

- **Align** grant programs with State Government priorities and, Council strategies and budget cycles

- **Reduce** red tape through streamlining the administration, monitoring and reporting of grant programs

- **Support** councils across all stages of the grant program process, including necessary long-term planning.

These key outcomes informed the Government's Grants to Local Government Policy Position (contained in **Attachment 1** – Grants to Local Government Policy Position) and informed the implementation planning phase.

1.2.2 Implementation planning phase

The implementation planning phase was undertaken by the DLGRMA and involved the following actions:

- the development of a Grants to Local Government Model (the Model)
- the preparation of an Implementation Plan to support the implementation of the Model

These actions are discussed in more detailed below.

1.2.2.1 Development of the Grants to Local Government Model

The development of the Model has been informed by the policy position, and engagement with all 77 Local Governments, 19 State entities, 4 Local Government industry bodies, the Queensland Treasury Corporation and the Queensland Audit Office.

The components which comprise the Model are outlined in the Grants to Local Government – Governance Framework (refer to **section 1.6.2** for more information about this document and the Model).

1.3 Purpose

The purpose of this Manual is to set out a whole-of-Government approach to the design, administration and evaluation of grant programs where Local Government is the only recipient.

1.4 Principles

This Manual is underpinned by five principles, as outlined below:

- **Customer-focused** – ensuring Local Government Grant Programs meet the needs of councils and the communities they serve

- **Collaboration –** promoting stakeholder collaboration and engagement throughout the grant lifecycle to ensure government objectives are met and reduce fragmentation, overlap and duplication of Local Government Grant Programs

- **Consistency –** encouraging the use of a consistent approach to Local Government Grant Program design, administration and evaluation to promote both State agency and customer confidence in Local Government Grant Program outcomes

- **Clarity –** ensuring the intended outcomes of Local Government Grant Programs are clear and achievable

- **Communication –** promoting clear lines of communication between stakeholders to facilitate positive working relationships, information and knowledge sharing, and a common understanding of expectations and intended outcomes.

1.5 Application

This Manual applies to grant programs where the:

- Queensland Treasury Financial Accountability Handbook: Volume 6 – Grants Management (the Handbook) applies[3]

- recipient of grants is Local Government only, and

- grant is in the form of funding (rather than assets or property)

Where appropriate, State agencies may have regard to the contents of this Manual for all grant programs where Local Government is eligible to apply (i.e. not Local Government only grant programs).

Agencies are to consider the benefits to the customer of using this Manual, even where programs do not meet the criteria outline above. Benefits include consistency of agreements, multi-year timeframes for project completion and application timelines aligning with Local Government budget cycles.

This Manual relates to the management of Local Government grants and grant programs only, and not procurement activities or service provision.

1.6 Relationship to other documents

This Manual is to be read alongside the following documents:

- Queensland Treasury Financial Accountability Handbook: Volume 6 – Grants Management, and

- Grants to Local Government – Governance Framework.

The relationship to these documents is outlined below.

1.6.1 The Handbook

The Handbook is the overarching whole-of-Government approach to designing, administering and evaluating all grant programs, not just those developed for Local Governments. It provides a Grant management framework with a common set of broad management and operational processes that State Agencies must comply with, as outlined in **Figure 1** below.

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[3] The Handbook does not apply to certain grants, such as those administered by the State on behalf of the Commonwealth.

Figure 1 : Grant management framework (Financial Accountability Handbook, Volume 6)

Unless specifically stated**, Parts 3, 5** and **6** of this Manual are structured to follow this Grant management framework.

Where required these parts provide additional and/or 'Local Government specific' guidance to support the principles outlined in **section 1.4**[4].

To the extent of any inconsistency, the Handbook prevails.

1.6.2 The Grants to Local Government – Governance Framework

The Grants to Local Government – Governance Framework (the Framework) sets out the governance arrangements for the Model.

The Framework is comprised of six parts, as follows:

- Principles
- Risk management
- The Grants to Local Government Model
- Governance structure
- Roles and responsibilities
- Supporting documents

The Framework should be read to understand the components which make up the Model (including the Outcome-focused program streams), the governance structure and the high-level role and responsibilities of Partners.

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[4] Where the Handbook provides an appropriate level of guidance, the Manual will not provide additional and/or 'Local Government specific' guidance. This will be referenced as *'No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.'*.

Part 2

Partners and their responsibilities

2 Part 2 – Partners and their responsibilities

2.1 Overview

This part of the Manual provides an overview of the responsibilities of state entities (Partners) involved in the design, administration and evaluation of Local Government Grant Programs.

The Framework outlines how Partners work collaboratively. The relevant section of the Framework should be read to understand who the Partners are, their role[5] and their 'high level' responsibilities.

2.2 Responsibilities

The responsibilities of Partners involved in the design, administration and evaluation of Local Government Grant Programs is outlined in the Responsibility Assessment Matrix (RAM) provided in **Attachment 2** – Responsibility Assessment Matrices.

The purpose of the RAM is to define the specific tasks Partners will need to undertake when designing, administering and/or evaluating Local Government Grant Programs. The RAM identifies four main responsibilities, as follows:

- **R**esponsible
- **A**ccountable
- **C**onsulted
- **I**nformed

For the Grants lifecycle, the RAM identifies:

- **Who is Responsible** – this is the entity/entities assigned to do the work

- **Who is Accountable** – this is the entity who makes the final decision and has ultimate ownership

- **Who is Consulted** – this is the entity/entities to be consulted before a decision or action is taken

- **Who is Informed** – this is the entity/entities to be informed that a decision or action has been undertaken

The RAM outlines the minimum requirements for each process in the Grants lifecycle.

The split of responsibilities between the Policy Agency and Administration Agency may be varied by the Grant Program Administration Agreement between the two agencies. Refer to **sections 3.7.2.1** and **4.2.1** for further information on agreements between agencies.

Additional Partners may need to be engaged, depending on the outcomes sought (e.g. stakeholders from other State agencies with technical knowledge about the outcomes sought by a program).

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[5] This part of the Manual does not describe the role of partners. To understand their role, refer to the Framework.

Reference to the responsibilities of Partners is included at the end of **Parts 3, 5** and **6.**

Part 3

Program design

3 Part 3 – Program design

3.1 Overview

This part of the Manual provides guidance on how Local Government Grant Programs are designed.

As outlined in **section 1.6.1**, this part of the Manual is structured to follow the Grants Management Framework comprising of four elements (Handbook elements), as follows:

- Program objectives
- Program planning
- Program development
- Program approval and initiation

In addition to these Handbook elements, the following 'Supplementary elements' (which are not contained in the Handbook) are included in this part to provide 'Local Government specific' guidance:

- Program types
- Program characteristics

The program design stage covers the development of grant programs, from setting the objectives to the approval of the grant program. Program design may be undertaken by any State agency.

Using this part of the Manual ensures there is internal consistency between the objectives, performance measures and assessment criteria of the Local Government Grant Program.

3.2 Program types

The Model provides for two types of grant programs:

- **Targeted** – with outcomes linked to one of the six streams described in **Attachment 3** – Outcome-Focused Program Streams. This will be the most common type of program, or

- **Flexible ongoing** – with outcomes across several of the streams, this will generally be achieved through a single program, providing the ability for councils to fund their local needs and priorities (i.e. any new programs seeking to achieve diverse outcomes should be consolidated).

3.3 Program characteristics

Key characteristics of program design include:

- Any State agency can develop grant programs (Policy Agencies)

- Early council and stakeholder involvement

- Consolidation of programs that fund similar outcomes, to reduce duplication and overlap

- Grants support or sustain: jobs; capability and capacity building; maintenance; and cultural responsiveness

- Allocation-based funding (where possible)

- Minimum 2-year project timeframes.

3.4 Program objectives

The Handbook outlines the importance of setting effective program objectives.

Grant programs should operate under clearly defined and documented objectives, which set out the principal aims and objectives the program is designed to achieve.

The objectives should be a concise, unambiguous, realistic statement of what a grant opportunity is intended to achieve.

3.4.1 Setting program objectives

As outlined in **section 3.2**, the Model is based on programs being either targeted or flexible where they either:

- support delivery of outcomes under one of the Outcome-focused program streams in **Figure 2** - Outcome-focused program streams – this is a targeted/focused program, or

- provide councils with the ability to deliver their local needs and priorities – this is a flexible program.

Typically, where a proposed grant program seeks outcomes that relate to multiple streams, the program should be consolidated with existing flexible program/s.

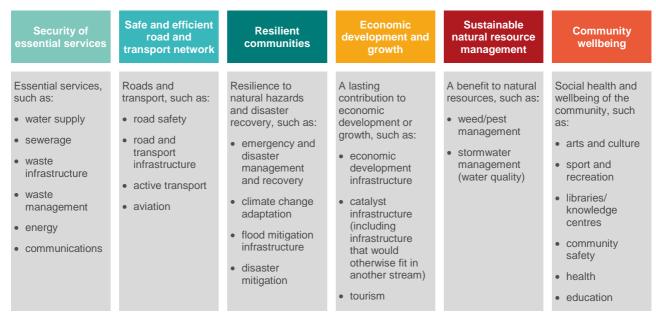| Security of essential services	Safe and efficient road and transport network	Resilient communities	Economic development and growth	Sustainable natural resource management	Community wellbeing
Essential services, such as: • water supply • sewerage • waste infrastructure • waste management • energy • communications	Roads and transport, such as: • road safety • road and transport infrastructure • active transport • aviation	Resilience to natural hazards and disaster recovery, such as: • emergency and disaster management and recovery • climate change adaptation • flood mitigation infrastructure • disaster mitigation	A lasting contribution to economic development or growth, such as: • economic development infrastructure • catalyst infrastructure (including infrastructure that would otherwise fit in another stream) • tourism	A benefit to natural resources, such as: • weed/pest management • stormwater management (water quality)	Social health and wellbeing of the community, such as: • arts and culture • sport and recreation • libraries/ knowledge centres • community safety • health • education

Figure 2 - Outcome-focused program streams

Local Government grant programs can support non-capital activities/initiatives related to the above outcomes, rather than only supporting new infrastructure or replacement of infrastructure. This can

extend the life of infrastructure and defer the need for more costly replacement infrastructure.

Whether an agency is seeking to implement a specific grant program or is developing its own grant program in furtherance of the achievement of the Government objectives, agencies must, as a first step in designing the program, develop 'program objectives'. These objectives form the basis for each grant program and must be developed in a way that ensures the grant program delivers benefits to recipients in an efficient, effective and economical manner.

Program objectives should:

- express *what the agency wants to achieve*

- be *focused on the end result or impact* the agency is contributing to, not on the means of achieving it

- *be consistent with the government's broad objectives* for the community - all agency objectives must link to one or more of the government's objectives, and where relevant, agency objectives should also link to government targets. Agency objectives should be at a level relevant to agencies and should link to (not replicate) the government's objectives for the community

- have a *strategic focus*, without being pitched at too high a level

- be *well aligned* with the agency's vision and purpose

- be *measurable*, or at least *able to be verified*

- not necessarily be entirely within an agency's control. Ideally an agency *should be able to influence* the achievement of the objective particularly where the perception of customers, stakeholders and the community is that the agency is accountable for the actual outcome

- be *informative* to a wide range of users, in particular, Parliament, Ministers, agency management and the general community (i.e. sufficient to inform and support decision-making by the user of the information)

- be *realistically achievable* over the term of the plan from the collective outputs generated from the delivery of the agency's services and through the influence Government is able to exert on customers, stakeholders, the broader community and the economy.

The Australian National Audit Office has previously noted programs with multiple objectives can make it difficult to target resources and set administrative priorities, because of the uncertainty about the ultimate outcomes being sought[6].

When formulating the program objectives, the agency should consider the criteria by which it wishes to assess applications – the assessment criteria should closely link to the objectives. Ultimately, both the criteria and the objectives should be consistent with (and flow from) the government objective/s sought to be achieved.

Where new funding rounds of existing grant programs are proposed, agencies should review the grant program objectives of the previous funding round/s to ensure there is a level of consistency;

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[6] ANAO *Report number: 26 of 2009-2010*

and a refinement of, rather than completely new, objectives if engagement and timeframes are limited.

Where changes to the objectives are proposed, councils should be consulted to ensure they are aware of the changes prior to the release of grant program guidelines.

3.4.2 Common Local Government Grant Program elements

New Local Government Grant Programs should be designed to support or sustain one or more of the following:

- **Jobs** – programs support or sustain employment by councils, both through the construction stage and through projects that will provide a lasting employment opportunity. There is a direct link between number of jobs that are supported by the final demand for construction services. If employment is included as a specific objective of a program, or to be reported on, employment impact should be consistent with the Queensland Treasury's Guidelines for estimating Full-Time Equivalent (FTE) jobs directly supported by capital works.

- **Maintenance** – where possible, capital works programs should support councils to carry out maintenance or enhancements, rather than only supporting new infrastructure or replacement of infrastructure. Supporting maintenance work can extend the life of infrastructure and defer the need for more costly replacement infrastructure.

- **Capability and capacity building** – programs facilitate capability development initiatives to improve the capability and capacity of councils' staff. This could include training, promoting regional collaboration (in purchasing and resource sharing), forums and funding (e.g. for project management resources).

- **Cultural responsiveness** – in designing programs, agencies are cognisant of the diversity of the Queensland community that programs are intended to benefit. To ensure grant programs are responsive to the diversity of the people of Queensland, employees of agencies and councils are required to be aware of the *Multicultural Recognition Act 2016*, multicultural charter, multicultural policy and multicultural action plan.

These may be achieved as a product of the program or through specific program objectives. Not all elements will be achievable for all programs but should be considered for each new program.

3.5 Program planning

3.5.1 Relationship with other funding bodies

Early in the program design phase, it is important to determine whether the proposed grant program has a relationship with other existing, or developing, programs.

Grant programs should not overlap or seek outcomes already sought by other programs.

As part of program planning, consultation is to occur on the planned program and objectives with the Local Government Grants State Agency Working Group[7], the relevant Administration Agency and DLGRMA. This will provide an opportunity to determine relationships with other funding programs and practical insights from the Administration Agency. Refer to **section 4.1** to identify the relevant Administration Agency for proposed grant programs.

Consultation between agencies may identify opportunities to consolidate funding into a single program. Objectives, eligibility criteria and assessment criteria may need to be modified to enable this consolidation. Consolidation can occur with both existing programs and other planned programs. This will reduce the number of applications councils need to lodge and reduce administration costs for agencies.

As a part of any consolidation of programs, it is important to ensure modifications do not impact the achievement of measurable outcomes.

3.5.2 Risk identification and management

During the risk assessment of planned programs, agencies should keep in mind councils are generally lower-risk recipients, compared to private entities. Councils are bound by several Acts requiring them to operate in the public interest, ensure value for money and ensure probity, including:

- *Local Government Act 2009/City of Brisbane Act 2010;*
- *Public Sector Ethics Act 1994*;
- *Judicial Review Act 1991;* and
- anti-discrimination legislation.

Risk assessments should be undertaken as part of program planning, identifying mitigation measures to assist in reducing time spent resolving issues during the administration of the grant program.

3.5.3 Performance measures and monitoring strategies

Monitoring strategies for individual grants is discussed in **section 3.6.7.1**. Evaluation of grant programs is discussed in **Part 6.**

3.6 Program development

This Manual seeks to create greater consistency in Local Government Grant Programs.

Agencies should focus on the simplest process for potential applicants.

As with the program objectives, agencies should ensure consistency of program design for each new funding round under an existing grant program. Or, where there are changes, councils should be consulted prior to program approval.

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[7] The role of the Local Government Grants State Agency Working Group is to share knowledge and experiences between Policy and Administration Agencies to support the continuous improvement of Local Government Grant Programs. Further details about the Local Government Grants State Agency Working Group are outlined in the Framework.

3.6.1 Grant funding and selection options

The method used to provide grants can impact the attainment of program objectives, value for money, transparency and equity.

Depending on the program, there are different application types, selection processes and funding options available.

Applications	Selection processes	Funding options
•Is an application needed? •Is the program open, restricted or closed?	•What process will be used to select and appriase?	•How will the amount of funding be determined?

Common options include:

- No application – all councils (or eligible councils) are provided funding based on a formula, or a set funding amount.

- No application – one-off or ad hoc grant designed to meet a specific need, often due to urgency or other circumstances. Funding may be provided based on a formula, a set amount for each recipient or linked to the project cost.

- Application (open, restricted or closed) – with a non-competitive assessment. Funding may be provided based on a formula, a set amount for each grant or linked to the project cost.

- Application (open, restricted or closed) – with a competitive assessment. Funding may be provided based on a set amount for each grant or linked to the project cost.

These characteristics are explained in greater detail below.

With all options, including where no application is required, eligibility and assessment criteria should be documented as part of the program approval to show how the grants represent value for money.

A one-off or ad hoc grant generally does not involve a planned application or selection processes, but is instead designed to meet a specific need, often due to urgency or other circumstances. These grants are generally not available to a range of grantees or on an ongoing basis.

3.6.1.1 Applications

Options include:

- **No application**

- **Application:**

    - **Open** – open to all councils to apply;
    - **Restricted** – open to a select number of councils; or

– **Closed** – councils are invited to apply.

Consideration should be given to whether an application is needed from councils to meet the objectives of the grant program. If the objectives can be achieved by distributing the grant to eligible councils based on data and information already held by the State, or on that which can be obtained (without an application), there will be considerable savings to councils and State agencies.

If an application is needed, agencies are to consider whether the program is open, restricted or closed. Refer also to section 3.6.3 in relation to eligibility rules.

3.6.1.2 Selection process

Consideration should be given to the selection process options, including:

- **Non-competitive** – applications are assessed individually against the Selection criteria[8], without reference to the comparative merits of other applications. Typically, all eligible applications are funded; or

- **Competitive** – applications assessed against Selection criteria and ranked based on relative merit

Where possible, a non-competitive selection process should be used. This allows councils to better plan their budgets (provides greater certainty of funding) and provides greater equity of distribution (e.g. smaller councils don't have the capacity to compete).

A competitive process may need to be adopted where the state does not have adequate information on how councils might achieve the program objectives.

3.6.1.3 Funding determination

Consideration should be given to how the amount of funding will be determined. These will most commonly be:

- **Allocation-based** – distribution of money based on a formula.

  Formulae should be determined having regard to the outcomes sought by the program.

  Formulae are to be sound and fair. State agencies need to consult with councils, stakeholder agencies and industry bodies prior to finalising methodologies.

  Funding formulae should be published (e.g. on the agency's website) and subject to regular review (e.g. every 2 years), again involving consultation with all relevant stakeholders.

- **Set funding amount** – fixed amount of funding for each council/project.

- **Linked to project cost** – each grant amount is determined based on the cost of the project put forward.

A grant may fund a full project or a portion (with the balance of the project funded by councils). The grant amount may need to be capped to allow for a distribution of funding across several suitable projects.

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[8] Selection criteria comprise eligibility rules and assessment criteria.

Where possible, allocation-based funding is to be adopted.

3.6.1.4   Funding co-contributions

Co-contributions refer to the provision of funds put towards a project by an applicant council, or other entity. Co-contributions creates a partnership between parties invested in delivering the project.

There is an expectation that councils contribute towards each project, where affordable based on the recipient council's capacity. For example, a lesser co-contribution requirement, or no co-contribution, could be adopted for councils with limited revenue generating capacity, such as Indigenous and/or Remote councils.

Requiring excessive co-contributions from councils with limited revenue generating capacity means councils may not apply for some projects, meaning the State may not be receiving applications for the best projects, having regard to the program objectives.

For multi-year projects, it is recommended the program allow councils to spread contributions over each financial year.

3.6.1.5   Two-stage application process

It may be appropriate to adopt a two-stage application process (generally, an initial expression of interest, then detailed assessment). This can reduce the amount of time, resources and money councils and departmental staff invest in the application stage. Councils only have to invest in developing business cases and detailed plans when they are successful in the expression of interest stage.

Agencies are to consider adopting a two-stage application process where:

- the program is likely to receive many applications, but funding will only be able to support a small number of grants

- the application process requires a significant amount of work (e.g. studies, detailed business cases) by councils, or

- the program is intended to provide grants for high cost projects (e.g. projects that are unlikely to be solely funded by a council), requiring additional consideration of project types and funding contributions by councils.

3.6.2   Program timeframe

Where possible, grant programs should provide multi-year funding, preferably 4 years aligned to State forward estimates. The commitment of 4-year funding allows for multiple rounds under the grant program.

Shorter terms should only be considered for very minor projects or where the project responds to an urgent need or impending legislative change.

In addition, the grant/project timeframe and application timeline are to be considered as part of the program development, to ensure grants can be effectively used by councils.

3.6.2.1 Grant/project period

Agencies should generally allow a minimum of 2 years for councils to complete projects. Where a 4-year funding commitment has been made, this allows for multiple rounds under the grant program.

As with the program timeframes, shorter grant/project periods should only be considered for very minor projects or where the project responds to an urgent need or impending legislative change.

Shorter periods may also be appropriate where the program includes ongoing allocation-based funding or set funding amounts (for example, an ongoing annual allocation of funding, where the funds are to be spent within the year and reviewed annually).

Program and project timeframes should be discussed with the Local Government Grants State Agency Working Group, and where relevant, local government and industry bodies.

3.6.2.2 Application timeline

Application timelines need to be considered to ensure maximum participation from councils, which will enable agencies to deliver on program objectives.

Enough time needs to be provided to councils to prepare and lodge applications and align with councils' budget cycles. It is recommended agencies align with the following application timelines:

Standard application:

Two-stage application:

The key principles to guide the timeline for grant programs include:

- **Enough time between release of program guidelines and close of applications** – ideally 4-5 months. Where a two-stage application process is adopted, a minimum of six weeks between the release of guidelines and the close of initial expression of interest

- **Approval of projects prior to councils' adopting their budgets** – where councils need to co-fund projects, allocate additional resources or provide a new service, this will need to form part of their budget. Generally budget submissions are locked-down by mid-March for

executive and council consideration.

- **Initial release of funds in July (start of the financial year)**.

- **Allowing certainty of the State application appraisal timeframes** – with a timeframe not exceeding 10 weeks.

Agencies are to ensure the program development is planned in a way to facilitate the above timeline/s and factors in stakeholder engagement and approval timeframes.

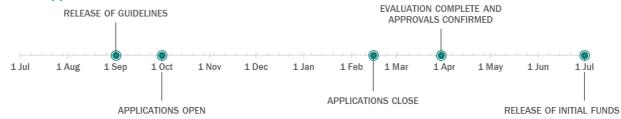Where a different timeline is proposed, this should be raised with the Local Government Grants State Agency Working Group and where relevant, local government and industry bodies, to ensure consistency with the above principles.

3.6.3 Program eligibility rules

Program eligibility rules are the mandatory criteria which must be met to qualify for a grant.

The program eligibility will outline:

- eligible councils (which councils can apply for a grant)
- eligible projects (what types of projects are funded)
- eligible project costs (the costs that funding may be applied to).

These rules should reflect the program aims, objectives and performance measures.

In determining eligible councils, agencies should consider encouraging councils to submit collaborative proposals. In such instances, the application should nominate a lead who will be the contracting party and will be responsible for contract management and delivery.

The eligibility rules should encourage projects identified in the councils' corporate plan, strategic plan, asset management plan or other planning documents.
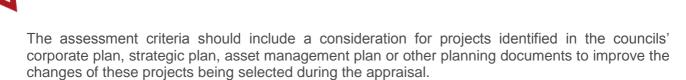
The eligibility rules should include projects that can be maintained by the council, without creating further unplanned pressure on maintenance or other revenue costs. Agencies should avoid, as standard practice, making projects that are already within councils' budgets ineligible for funding under a grant program. Projects being eligible only if not identified in budgets can divert funds and resources away from councils' planned priorities, particularly where a co-contribution is required.

Agencies will need to carefully consider how the project funding may be spent. The description of eligible project costs will need to be sufficiently detailed such that it is clear how a recipient may apply the funds. Avoid using inclusive definitions, as this leaves uncertainty about how broad the eligibility is. A separate definition for 'ineligible project costs' is not recommended.

3.6.4 Program assessment criteria

Assessment criteria are the specified principles or standards, against which applications will be appraised. These criteria are also used to assess the merits of proposals and, in the case of a grant program with a competitive selection process, to determine application rankings.

Assessment criteria is drafted to reflect the program aims, objectives and performance measures.

The assessment criteria should include a consideration for projects identified in the councils' corporate plan, strategic plan, asset management plan or other planning documents to improve the changes of these projects being selected during the appraisal.

For transparency, program guidelines are to also note any other factors that will be considered when assessing applications, including value for money, risk management, financial soundness, the council's experience in delivering infrastructure projects and whether the project could proceed without a grant or with partial funding.

3.6.5 Program costs

Direct and indirect costs will affect administration agencies and council grant applicants.

3.6.5.1 Administration Agencies

Where a grant program is to be administered by another agency, consideration is to be given to the likely cost and resource implications on that Administration Agency. The Policy Agency may need to provide funding to the Administration Agency to cover additional resourcing, to ensure efficient administration of the program.

This determination is be considered jointly between the Administration Agency and the Policy Agency prior to any commitment of funding by the Government and will need to consider the resources of both agencies and their respective responsibilities in the grant program development and delivery, the likely number of applications, the amount of information sought in the application, requirements of grant agreements, frequency of reporting, other concurrent programs and the capacity of the Administration Agency.

These matters should be raised with the Local Government Grants State Agency Working Group.

3.6.5.2 Councils grant applicants

Identification of the indirect cost implications on councils related to lodging grant applications and monitoring and acquitting projects should be undertaken.

If the cost incurred and time spent by councils applying for and reporting on grants is perceived to not reasonably correlate with the grant funding amount – then the benefit of the grant program could be considerably diminished and ultimately negatively impact on communities. This will also impact on the Government's ability to achieve policy objectives.

The amount of information sought in the applications and the requirements of grant agreements should be proportionate to the amount of funding and level of risk associated with the program.

3.6.6 Compliance with relevant legislation and policies

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

3.6.7 Accountability and reporting mechanisms

3.6.7.1 Council reporting

Adequate monitoring is needed, to ensure value for money is achieved. However, the reporting

requirements are designed to ensure obligations on recipient councils is appropriate. Having excessive reporting requirements also creates an administrative burden on councils and agencies who receive this reporting.

Monitoring and reporting are important to ensure conditions have been met and to show the extent to which the project is contributing to program objectives.

In developing a grant program, agencies are to consider a reporting/monitoring approach that will obtain the information needed, while ensuring the obligations and associated administrative activities are reasonable.

Reporting intervals should not be more frequent than three months (quarterly reporting), where councils are the only recipient of funding. Typically, monthly reporting is too frequent. Alternatively, milestone reporting could be adopted.

Agencies should also consider different reporting requirements for different councils, based on previous projects. Some councils may need less monitoring than others.

3.6.7.2   Roles between agencies

Where a grant program is to be administered by another agency, the Policy Agency and Administration Agency both have roles to play in achieving the aims and objectives of the grant program and are accountable for the way in which they fulfil their respective roles.

The roles and responsibilities of each agency in relation to accountability should be agreed prior to approval of the program.

Refer to **sections 3.7.2.1** and **4.2.1** for further information on agreements between agencies.

3.7 Program approval and initiation

3.7.1   Grant characteristics

Prior to program approval, all grant characteristics are developed and resolved. These will form part of the program guidelines referred to in **section 5.2.2**. This is particularly important where the grant program is to be administered by another agency. These characteristics are as follows:

- the aims and objectives of the grant program, as well as the measures for indicating that these have been achieved
- the eligibility criteria
- the funding amount and grant funding limits
- project timeframes – when successful projects need to commence and be completed by
- clear assessment criteria
- weighting of assessment criteria
- information about the approval process, including:
  – opening and closing dates for applications, likely decision dates and date of initial funding release
  – an outline of the assessment process
  – the appointments of the people who make final recommendations and approvals
  – a description of complaints processes
  – the accountability and reporting measures appropriate to the program

- governance arrangements (including roles and responsibilities of the State and grant recipients)

3.7.2 Prior to program approval

Where a grant program is administered by another agency, a handover will need to occur between the Policy Agency and Administration Agency. The Policy Agency will need to plan the handover prior to obtaining relevant approvals, to ensure an efficient transition.

Agencies are to:

- determine the terms of the Inter-agency Agreement between the agencies and the release schedule for the grant program (the execution of the agreement may need to wait until the program is approved),

- determine the administration costs associated with the program, and

- identify any training needs for the Administration Agency.

3.7.2.1 Terms of agreement between agencies and program release schedule

The administrative responsibilities and grant program release schedule must be agreed between the Policy Agency and Administration Agency. Refer to **section 3.6.2.2** Application timeline for determining release schedule.

The terms that will form the Inter-agency Agreement between the two agencies are decided prior to program approval (although execution may need to occur after the program is approved). A whole-of-Government example template[9] has been developed to simplify this process.

Arrangement between the Policy Agency and the Administration Agency are formalised through a 'Head Agreement for Inter-agency Local Government Grant Administration', which governs the relationship between the agencies, provides the general terms for this relationship and the framework for how agencies to enter into 'Grant Program Administration Agreements'. Head Agreements can cover a number of grant programs between the two agencies. If a Head Agreement has not been entered into between a Policy Agency and relevant Administration Agency, this will be required prior to program approval.

Grant Program Administration Agreements are required for each grant program.

As part of these agreements, agencies need to agree to an 'Administration Instruction Sheet', which includes the roles and responsibilities of Policy Agency and Administration Agency for the grant program.

The procedure for determining the terms of this agreement are:

1. the Policy Agency will give to the Administration Agency a draft 'Administration Instruction Sheet' setting out the terms upon which the Policy Agency proposes to enter a Grant Program Administration Agreement with the Administration Agency
2. the Administration Agency will provide any feedback on the proposed Administration Instruction Sheet to the Policy Agency

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[9] Inter-agency agreement example template available from the DLGRMA grants website

3. the Policy Agency will amend the Proposed Administration Instruction Sheet in response to the feedback from the Administration Agency
4. the agencies repeat the above steps until agreement on the terms is reached.

Refer to **section 4.2.1** on finalising agreements between agencies.

3.7.2.2 Administration resource

The resources required for administration of grant programs will need to be determined. This determination will need to be considered jointly between the Policy Agency and Administration Agency prior to program approval and will need to consider the resources of both agencies and their respective responsibilities in the grant program development and delivery.

As part of establishing new grant programs, Administration Agencies will need to provide evidence to Policy Agencies about the resources required to administer a grant program.

3.7.2.3 Identify training needs

A key feature of successful administration is having well trained appraisers familiar with the aims and objectives of the grant program[10]. The Administration Agency is likely to need additional training to administer the program and liaise with councils.

Training should aim to provide a general understanding of the program and basic technical aspects. Many technical queries from councils will still need to be referred to the Policy Agency for response.

The Policy Agency and Administration Agency should define the target audience for training, determine all of the tasks that will need to be undertaken and the skills and knowledge needed to carry out those tasks.

It is recommended the Policy Agency and Administration Agency agree on the training objectives prior to program approval.

3.7.3 Program approval

The Handbook outlines program approval requirements including Executive Council, budget processes and any enabling legislation.

Prior to program approval agencies are to:
- complete the tasks outlined in the program design section of this Manual
- seek confirmation from the Local Government Grants Executive (Grants Executive) that the new grant program or where appropriate, the new round of an existing grant program, has applied the Model.

3.7.4 Program promotion

3.7.4.1 Grants website

Grant information (including program guidelines) are to be made available on:

- the consolidated Queensland Government website (as at May 2019, Queensland

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[10] Best Practice Guide for the Administration of Grants, Department of Treasury and Finance, Tasmania, December 2013

Government Grants Finder (https://www.grants.services.qld.gov.au/), and

- the DLGRMA Grants to Local Government Web Landing Page.

However, there may be exceptions, such as where a specific policy reason to not publicise the grant or grants are provided on a one-off or ad hoc basis.

These links allow councils to easily search and access all relevant Queensland Government grants to Local Government.

This does not limit agencies from publishing and promoting grants through other channels, such as their own webpage.

3.7.5 Appeals process

For grant programs targeting Local Government, State Agencies existing complaints process is generally appropriate for dealing with appeals, rather than creating an additional appeals process.

Details about complaints are to be included in the Program Guidelines[11].

3.8 Responsibilities

The responsibilities of Partners in relation to program design are outlined in the RAM in **Attachment 2** – Responsibility Assessment Matrices.

3.9 Checklist for Part 3 - Program design

The following checklist provides the key program design considerations for agencies. Where a response to a question is 'no', the matter should be discussed with the Local Government Grants State Agency Working Group.

Checklist – Program design		Yes	No
1	Are the program objectives targeted/focused to support delivery of outcomes under one of the program streams OR flexible to provide councils with the ability to deliver their local needs and priorities?		
2	Are the aims and objectives of the program concise, unambiguous and realistic?		
3	Will the program outcomes support: jobs; maintenance; capability and capacity building; and cultural responsiveness?		
4	Has the Administration Agency for the program been identified and consulted?		
5	For new rounds of funding for existing programs, are the program objectives consistent with the previous round?		

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[11] Refer to the Program Guidelines example template available from the DLGRMA grants website

Checklist – Program design		Yes	No
6	Are the program objectives, either: • able to be achieved by consolidating with an existing program, OR • seeking a unique outcome?		
7	Has a risk assessment been undertaken?		
8	Have performance measures been established?		
9	Can the program be achieved with allocation-based funding?		
10	Does the application timeline provide for: • Release of program guidelines in September • Application close date at least 4-5 months after the release of guidelines • State appraisal timeframe not exceeding 10 weeks • Project decisions by mid-March, and • Initial release of funding in July?		
11	Does the program allow a minimum of two years for councils to complete projects?		
12	Are the eligibility criteria clear and easily understood?		
13	For new rounds of funding for existing programs, are the eligibility criteria consistent with the previous round?		
14	Will the assessment criteria obtain information that will allow for the appraisal of applications relative to the program objectives and value for money?		
15	Have all assessment considerations been outlined, to ensure decisions are consistent and transparent?		
16	For new rounds of funding for existing programs, are the assessment criteria consistent with the previous round?		
17	For programs to be administered by a different agency (Administration Agency), have the likely administration costs and resource implications been considered and agreed jointly with the Administration Agency?		
18	Is the periodic reporting interval no more frequent than three months, or based on milestones?		
19	Have all grant characteristics been determined?		

Checklist – Program design		Yes	No
20	For programs to be administered by a different agency (Administration Agency), have the roles and responsibilities of each agency been determined?		
21	For programs to be administered by a different agency (Administration Agency), have the terms of the Inter-Agency Agreement between the agencies been determined?		
22	For programs to be administered by a different agency (Administration Agency), have the training needs of the Administration Agency been identified?		
23	Prior to program approval: • have the tasks outlined in the program design section of this Manual been completed, and • has confirmation been received from the Grants Executive the new Model has been applied to the new grant program or where appropriate, the new round of an existing grant program?		
24	Following program approval, has the grant program information been made available on • Grants Finder, and • the DLGRMA Grants to Local Government Web Landing Page?		
25	Have the relevant councils and stakeholders been engaged throughout program design?		

Part 4

Relationship between a Policy Agency and an Administration Agency

4 Part 4 – Relationship between a Policy Agency and Administration Agency

4.1 Overview

This part of the Manual applies where the Administration Agency for the grant program is not the agency which designed the grant program (Policy Agency).

The role of Policy Agencies and Administration Agencies is outlined in the Framework.

Where grant programs fund outcomes outlined below in **Figure 3** - Administration Agency for each outcome-focused program stream, the administration of the grant program/s is undertaken by the identified Administration Agency:
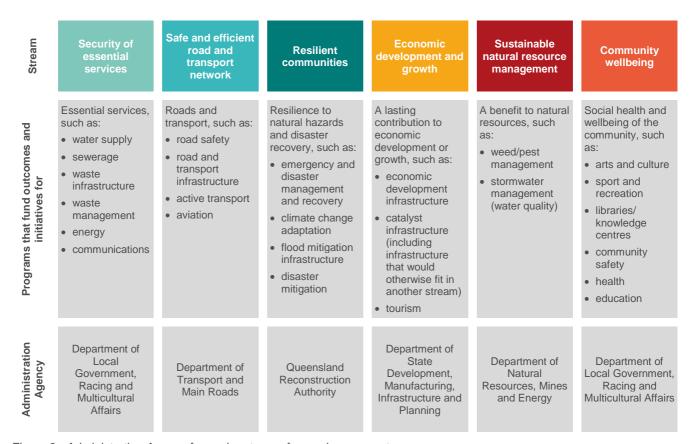
Stream	Security of essential services	Safe and efficient road and transport network	Resilient communities	Economic development and growth	Sustainable natural resource management	Community wellbeing
Programs that fund outcomes and initiatives for	Essential services, such as: • water supply • sewerage • waste infrastructure • waste management • energy • communications	Roads and transport, such as: • road safety • road and transport infrastructure • active transport • aviation	Resilience to natural hazards and disaster recovery, such as: • emergency and disaster management and recovery • climate change adaptation • flood mitigation infrastructure • disaster mitigation	A lasting contribution to economic development or growth, such as: • economic development infrastructure • catalyst infrastructure (including infrastructure that would otherwise fit in another stream) • tourism	A benefit to natural resources, such as: • weed/pest management • stormwater management (water quality)	Social health and wellbeing of the community, such as: • arts and culture • sport and recreation • libraries/ knowledge centres • community safety • health • education
Administration Agency	Department of Local Government, Racing and Multicultural Affairs	Department of Transport and Main Roads	Queensland Reconstruction Authority	Department of State Development, Manufacturing, Infrastructure and Planning	Department of Natural Resources, Mines and Energy	Department of Local Government, Racing and Multicultural Affairs

Figure 3 - Administration Agency for each outcome-focused program stream

4.2 Inter-agency agreement

4.2.1 Terms of agreement

How arrangements between the Policy Agency and the Administration Agency are formalised is discussed in **section 3.7.2.1**.

The terms that will form part of the Grant Program Administration Agreement between the Policy Agency and Administration Agency are to be agreed prior to program approval, based on the whole-

of-Government example template[12].

A Grant Program Administration Agreement is formed if the Policy Agency and the Administrating Agency each accept and execute an Administration Instruction Sheet for the grant program.

The Administration Instruction Sheet is to be executed by the relevant delegates as part of the handover between agencies.

4.3 Training

Administration Agency staff are adequately trained before the release of the program guidelines.

Following on from the identification of training needs (refer to **section 3.7.2.2**), training should be designed/developed and delivered. A suggested approach includes:

- organise the training objectives into suitable modules
- develop the module content and plan training methods – note that many Administration Agencies have regional staff who may not be able to attend face-to-face training
- use realistic examples and information in exercises
- field-test the training materials
- deliver training and seek feedback on content and methods.

4.4 Key contacts

To ensure effective administration, the Policy Agency is to provide dedicated contacts to the Administration Agency to answer any technical queries that arise during the program administration phase.

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[12] Inter-Agency Agreement example template available from the DLGRMA grants website

Part 5

Program administration

5 Part 5 – Program administration

5.1 Overview

This part of the Manual provides guidance on how Local Government Grant Programs are administered.

As outlined in **section 1.6.1**, this part of the Manual is structured to follow the Handbook 'Grants Management Framework' comprising of four elements, as follows:

- Grant application
- Grant application appraisal
- Grant funding and payment
- Grant monitoring and acquittals

There are no 'Supplementary elements' included in this part.

Overall, a well-managed grant program results in the selection of those projects that best represent value for money to achieve the program's objectives. This process is transparent to ensure equity.

Many of the decisions impacting on program administration have already been determined in the program design phase. For example, the application timeline, eligibility rules, selection process and funding method.

5.2 Grant application

This section applies where an application process is included for the grant program (refer to **section 3.6.1**).

The timeframe between the release of program guidelines and the closing date for applications is ideally 4-5 months (refer to **section 3.6.1.2**, an alternative timeline may have been determined appropriate during the program design phase).

5.2.1 Application forms

A key feature of the Model is reducing the number of agencies and systems councils interact with for grants.

Further, ensuring consistency for council applicants by standardising forms and the type of information needed in applications. The application form (fields to be completed) is based on the example template[13]. Refer to **section 3.6.5.2** regarding the amount of information sought.

The lodgement of grant applications is managed through the Administration Agencies' grant management system (IT system).

Where the program is administered on behalf of another agency, the application and supporting forms must inform the applicant of the intention to share information with another agency in accordance with the privacy legislation. This is to ensure there is informed consent to share

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[13] Application form example template is available from the DLGRMA website https://www.dlgrma.qld.gov.au/

information between agencies.

5.2.2 Program guidelines

The grant characteristics, which will form the program guidelines, are developed and resolved prior to program approval (refer to **section 3.7.1**).

The program guidelines are the single reference source for policy guidance and other documentation to ensure consistent and efficient grants administration.

The Administration Agency must be satisfied the guidelines make it clear to councils what information they need to include in an application and allow the agency to assess grant applications and, for competitive selection processes, rank/prioritise on their merit.

The whole-of-Government example template[14] should be used to promote consistency.

5.3 Grant application appraisal

5.3.1 Application appraisal process

5.3.1.1 Timeframe

A fixed timeframe to appraise applications is recommended. This appraisal timeframe ensures there is no longer than 10 weeks between the closing date of applications and the communication of decisions to applicants. The appraisal timeframe should factor in the timing to obtain relevant approvals. Refer also to **section 3.6.2.1**.

5.3.1.2 Stakeholder input

Stakeholder input into the appraisal process is recommended, including technical input where needed.

Where a grant program is administered on behalf of another agency, the Policy Agency is involved in the appraisal process.

5.3.1.3 Appraisal

Appraisal forms include provision to record the reasons for recommendations and decisions. Only relevant factors are considered in making recommendations and decisions. All applications should be appraised in the same manner against the same criteria.

The appraisal should reflect the merits of each project in terms of the program guidelines, including assessment against the eligibility criteria and assessment criteria. Appraisals should focus on the project outcomes, not just the quality of the application.

For non-competitive grants, appraisers should identify if proposals meet the criteria.

For competitive grant programs, appraisers should score and rank (prioritise) proposals on relative merit and priority.

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[14] Program guidelines example template is available from the DLGRMA website. https://www.dlgrma.qld.gov.au/

The appraisal should also:

- ensure project planning assumptions are realistic
- consider whether projects could proceed without a grant, and
- consider whether the project could proceed with a lesser amount of funding.

Where the Minister (or delegate) uses discretion to approve grants not recommended by agencies, a record of the reasons why the decisions were made should be kept.

5.3.2 Communication of decisions

Communication of decisions back to councils is done by mid-March, where a project would require co-funding, additional resources or result in council offering a new service in the following financial year (refer to **section 3.6.2.1**, an alternative timeline may have been determined appropriate during the program design phase). This will provide time for council staff to put forward a budget submission for consideration by the council. Late communication of decisions may compromise the ability of councils to commit to the project and impact the State's ability to achieve program objectives.

The communication of decisions to councils should include feedback on the application. Feedback should be tailored to the application, rather than generic. This allows councils to improve future applications or identify more appropriate projects for future funding rounds.

5.3.3 Publication

Publishing grants awarded on a publicly accessible website is recommended.

5.4 Grant funding and payment

5.4.1 Funding options

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

5.4.2 Grant agreement

Agencies use the whole-of-Government Project Funding Schedule example template[15] to promote consistency for stakeholders. The Project Funding Schedule is intended to operate under a Head Funding Agreement between the State and each council. If a council has not entered a Head Funding Agreement with the State, it will be required to do so[16].

The Project Funding Schedule is intended to include specific details about the approved project.

Once executed, the Project Funding Schedule and certain parts of the Head Funding Agreement will constitute the Project Funding Agreement with a successful applicant for a Project.

5.4.3 Grant payments

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[15] Project Funding Schedule example template is available from the DLGRMA website. https://www.dlgrma.qld.gov.au/
[16] DLGRMA will enter into a Head Funding Agreement with each council on behalf of the State. State agencies can rely on this Head Funding Agreement or enter into their own Head Funding Agreement.

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

5.4.4 Grant variations

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

5.4.5 Recovery of funds

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

5.5 Grant monitoring and acquittal

5.5.1 Monitoring team

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

5.5.2 Grant monitoring strategy

Monitoring and reporting are important to ensure conditions have been met and to show the extent to which the project is contributing to program objectives.

It is recommended the monitoring and reporting be considered in the program design phase. Refer to **section 3.6.7.1** for additional guidance on monitoring and reporting.

5.5.3 Financial acquittal and performance monitoring

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

5.6 Responsibilities

The responsibilities of Partners in relation to program administration are outlined in the RAM in **Attachment 2** – Responsibility Assessment Matrices.

5.7 Checklist for Part 5 - Program administration

The following checklist provides the key program design considerations for agencies. Where a response to a question is 'no', the matter should be discussed with the Local Government Grants State Agency Working Group.

		Yes	No
1	Is the application form based on the Application form example template?		

		Yes	No
2	Are the program guidelines consistent with the characteristics developed by the Policy Agency prior to program approval?		
3	Are the program guidelines based on the Program Guidelines example template?		
4	Do the program guidelines make it clear what information councils need to include in an application and allow the State to assess grant applications?		
5	Can the appraisal be undertaken in less than 10 weeks?		
6	Does the appraisal involve relevant stakeholders?		
7	Have the appraisals been undertaken in a consistent manner considering only relevant factors?		
8	Have the appraisals and reasons for recommendations and decisions been documented appropriately?		
9	Have the decisions been communicated back to councils for all applications?		
10	Have grants been published?		
11	Is the grant agreement based on the Project Funding Schedule example template (which will operate under the Head Funding Agreement between the State and each council)?		
12	Is grant monitoring and reporting undertaken consistent with the characteristics developed by the Policy Agency prior to program approval?		

Part 6

Program evaluation and analysis

6 Part 6 – Program evaluation and analysis

6.1 Overview

The evaluation and analysis of Local Government Grant Programs is integral to the Grants to Local Government Model.

Evaluation and analysis should be valued to strengthen the quality and improve the outcomes of future programs.

Evaluation may begin at any point in the grant lifecycle and requires agencies to collect information throughout the grant lifecycle.

This part of the Manual does not provide any additional and/or Local Government specific guidance on this element of the Grants Management Framework (as outlined in **sections 6.2.1** to **6.2.4** below). The Handbook provides detailed guidance on this topic. Agencies will need to follow the evaluation and analysis requirements of the Handbook for all grants to Local Government.

While there is no additional guidance provided for in this part of the Manual, a section outlining the responsibilities of Partners has been included and should be considered.

6.2 Program evaluation and analysis

6.2.1 Evaluation team

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

6.2.2 Evaluation frequency

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

6.2.3 Evaluation of process

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

6.2.4 Reporting on evaluation findings

No additional and/or Local Government specific guidance on this topic is provided. Refer to the Handbook for guidance.

6.3 Responsibilities

The responsibilities of partners in relation to program evaluation and analysis are outlined in the RAM in **Attachment 2** – Responsibility Assessment Matrices. Note: where the Policy Agency for the grant program is not the Administration Agency, the evaluation and analysis may be split – with the achievement of the delivery of program objectives managed by the Policy Agency and the success of the administration of the program managed by the Administration Agency.

Part 7

Glossary

7 Part 7 – Glossary

This part of the Manual provides a list of abbreviations and terms that assist readers to interpret the Manual.

Where a term is not defined, it has the meaning provided in the Handbook.

7.1 Abbreviations

Abbreviation	Meaning
DILGP	(former) Department of Infrastructure, Local Government and Planning
DLGRMA	Department of Local Government, Racing and Multicultural Affairs
RAM	Responsibility Assessment Matrices (located in Attachment 2)
RACI	For the RAM – Responsible, Accountable, Consulted, Informed
LGAQ	Local Government Association of Queensland

7.2 Terms

Term	Meaning
Administration Agency	See the Grants to Local Government – Governance Framework.
Grant lifecycle	The lifecycle of a Local Government Grant Program and includes: (a) the design of a Local Government Grant Program (b) the administration of a Local Government Grant Program (c) the evaluation and analysis of a Local Government Grant Program.
Grants Management Framework	The Grants Management Framework outlined in the Queensland Treasury's Financial Accountability Handbook – Volume 6 – Grants Management.
Grant Program Administration Agreement	A Grant Program Administration Agreement is formed if the Policy Agency and the Administrating Agency each accept and execute an Administration Instruction Sheet for the grant program.
Handbook elements	The processes outlined in the Grants Management Framework. Example – program objectives, program planning, program development etc.
Inter-Agency Agreement	Head Agreement for Inter-agency Local Government Grant Administration, which governs the relationship between the agencies, provides the general terms for this relationship and the framework for how agencies to enter into Grant Program Administration Agreements.

Local Government Grant Program	A grant program where Local Governments are intended to be the only recipient of grants.
Local Government Grants State Agency Working Group	The Local Government Grants State Agency Working Group outlined in the Framework. **Note: The role of the Local Government Grants State Agency Working Group is to share knowledge and experiences between Policy and Administration Agencies to support the continuous improvement of Local Government Grant Programs.**
Partners	See the Grants to Local Government – Governance Framework.
Policy Agency	See the Grants to Local Government – Governance Framework.
Selection criteria	For a program guideline, the eligibility rules and assessment criteria.
Supplementary elements	The processes which are supplementary to the processes outlined in the Grants Management Framework providing 'Local Government specific' guidance which are: (a) not contained in the Handbook, and (b) included only in the Manual.
The Framework	Means the Grants to Local Government – Governance Framework.
The Handbook	The Queensland Treasury's Financial Accountability Handbook.
The Manual	The Grants to Local Government – Design, Administration and Evaluation Manual. **Note: This may also be referred to as 'this Manual' throughout the document.**

Part 8

Attachments

8 Part 8 – Attachments

The Manual references the following attachments:

- **Attachment 1** – Grants to Local Government Policy Position

- **Attachment 2** – Responsibility Assessment Matrices

- **Attachment 3** – Grants to Local Government Outcome-Focused Program Streams

These attachments are available in pages below.

8.1 Attachment 1 – Grants to Local Government Policy Position

Grants to Local Government

Queensland Government Policy Position

The Government works closely with 77 Local Governments across Queensland and provides significant support through its grant programs. Working in partnership with the Local Government Association of Queensland (LGAQ), the current grant administration system has been reviewed.

The Government has agreed that it will reform its existing grants framework to move to a grants system that is simpler, clearer, more customer-focused, and supports State priorities and responds to Council needs. The new model will be underpinned with improved Council capability and capacity and improved accountability for achieving outcomes.

The new model will work towards:

1) A simplified grants system with consolidated grant programs administered by a smaller number of lead agencies.

2) More strategic, customer-focused grants programs.

3) Grant programs supporting State priorities and objectives and responding to Council strategies and needs, grouped under outcome focussed program streams, such as those recommended by the review:

   - Security of essential services

   - Safe and efficient road and transport network

   - Resilient communities

   - Sustainable natural resource management

   - Community well-being

   - Jobs and economic growth.

4) For suitable grant programs a longer term (4-year rolling timeframe) aligned to State forward estimates (reviewed annually) to provide greater certainty to councils in recognition of their budget cycles.

5) A move towards allocation-based funding aligned to the outcome-focused program streams for suitable grants.

6) Implementation of systems to drive consistency of administration and reporting.

7) Capability and capacity building for Councils to drive more strategic and long-term planning, asset planning and asset management.

8) Transparent and simplified funding criteria supported by improved monitoring and reporting of outcomes.

The Government will now undertake the detailed implementation planning needed to make this new model a reality. This work will be undertaken by the Department of Local Government, Racing and Multicultural Affairs in partnership with the key stakeholders including the LGAQ, the Local Government Managers Association and the Local Government Finance Professionals.

8.2 Attachment 2 – Responsibility Assessment Matrices

Responsibility Assessment Matrix 1 – Part 3 – Program design

Legend	Policy Agency	Administration Agency	DLGRMA	Queensland Treasury	Local Government State Agency Working Group	Local Government and Industry Bodies
R Who is Responsible – The entity who is assigned to do the work						
A Who is Accountable – The entity who makes the final decision and has the ultimate ownership						
C Who is Consulted – The entity who must be consulted before a decision or action is taken						
I Who is Informed – The entity who must be informed that a decision or action has been undertaken						
Program design						
Program types						
Identify grant program type	R	A	C			
Program characteristics						
Understand key characteristics of program design	R	A	C	C		C
Program objectives						
Develop program objectives	R	A	C	C	C	C
Program planning						
Identify relationships with other funding bodies	R	A	C	C	C	C
Identify risk and risk management strategies	R	A				
Identify performance measures and monitoring strategies	R	A		C		C
Program development						
Develop program characteristics	R	A	C	C	C	C
Develop program eligibility rules	R	A	C	C	C	C
Identify direct program costs (funds paid to grant recipients)	R	A			C	C
Identify in-direct program costs (cost involved in administering grant programs)	R	A	C		C	
Identify legal and administrative obligations	R	A	C			
Develop appropriate accountability and reporting mechanisms	R	A	C	C		C
Develop grant monitoring requirements	R	A	C			
Program approval and initiation						
Seek relevant approvals to establish grant program	R	A	R	C	C	
Promotion of grant program	R	A	C	R	I	I
Establish an effective appeals process	R	A	C	I		

Note: Column assignments —
- Identify direct program costs: C under Queensland Treasury and C under Local Government State Agency Working Group.
- Identify in-direct program costs: C under Administration Agency and C under Queensland Treasury.

Responsibility Assessment Matrix 2 – For Part 5 – Program administration

	Policy Agency	Administration Agency	DLGRMA	Queensland Treasury	Local Government State Agency Working Group
Legend **R** Who is Responsible – The entity who is assigned to do the work **A** Who is Accountable – The entity who makes the final decision and has the ultimate ownership **C** Who is Consulted – The entity who must be consulted before a decision or action is taken **I** Who is Informed – The entity who must be informed that a decision or action has been undertaken					
Program administration					
Grant application					
Prepare grant application forms		R	A		
Prepare grant program guidelines	C	R	A	C		C
Grant application appraisal					
Appraise / assess grant applications	R	R	A	C	
Document decisions	C	R	A	C	
Notify applicants of decisions		R	A	I	
Publication of decisions	C	R	A	I	
Grant funding and payment					
Identify appropriate funding method	C	R	A	C	
Prepare grant funding agreement		R	A		
Payment of grant funding	I	R	A		
Assessment of grant variations (when requested by grant recipient)	C	R	A		
Recovery of funds (when required)	C	R	A		
Grant monitoring and acquittals					
Appoint a monitoring team	C	R	A	C	
Develop a grant monitoring strategy	C	R	A	C	
Financial acquittal and performance monitoring	C	R	A	C	

Responsibility Assessment Matrix 3 – For Part 6 – Program evaluation and analysis

Legend		Policy Agency	Administration Agency	DLGRMA	Queensland Treasury	Local Government State Agency Working Group
R — Who is Responsible – The entity who is assigned to do the work						
A — Who is Accountable – The entity who makes the final decision and has the ultimate ownership						
C — Who is Consulted – The entity who must be consulted before a decision or action is taken						
I — Who is Informed – The entity who must be informed that a decision or action has been undertaken						
Program evaluation and analysis						
Program evaluation and analysis						
Establish evaluation team		R	R	A	C	
Decide on frequency of grant program evaluation		R	R	A	I	
Evaluate the grant program and how it meets grant program objectives		R	R	A	I	I
Report on evaluation findings		R	R	A	I	I

8.3 Attachment 3 – Outcome-Focused Program Streams

Security of essential services	Safe and efficient road and transport network	Resilient communities	Economic development and growth	Sustainable natural resource management	Community wellbeing
Essential services, such as: • Water supply • sewerage • waste infrastructure • waste management • energy • communications	Roads and transport, such as: • road safety • road and transport infrastructure • active transport • aviation	Resilience to natural hazards and disaster recovery, such as: • emergency and disaster management and recovery • climate change adaptation • flood mitigation infrastructure • disaster mitigation	A lasting contribution to economic development or growth, such as: • economic development infrastructure • catalyst infrastructure (including infrastructure that would otherwise fit in another stream) • tourism	A benefit to natural resources, such as: • weed/pest management • stormwater management (water quality)	Social health and wellbeing of the community, such as: • arts and culture • sport and recreation • libraries/knowledge centres • community safety • health • education