



Grants to Local Government – Governance Framework

Version 1.1 - February 2020



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1. Purpose

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

The framework is comprised of six parts, as follows:

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

These parts are outlined in more detail below.

2. Principles

This Framework is underpinned by five principles as outlined below:

- **Accountability** – being answerable for decisions made about a Local Government Grant Program
- **Transparency** – having clear roles and responsibilities for agencies involved in the design, administration and evaluation of Local Government Grant Programs
- **Integrity** – ensuring decisions made about Local Government Grant Programs are impartial, documented, defensible and lawful
- **Due diligence** – ensuring reasonable steps are taken to achieve value for money
- **Economy, efficiency and effectiveness** – ensuring Local Government Grant Programs support the delivery of Government policy, where funding is provided to grant recipients whose project meets the objectives of a program and improves the wellbeing of the community

3. Risk management

The assessment of and response to risks related to the Model is governed by the enterprise risk framework and processes for the Department of Local Government, Racing and Multicultural Affairs.



4. The Grants to Local Government Model

4.1 Vision

The vision of the Model is as follows:

‘A simple, adaptive, coordinated grants model providing value for the state, while being responsive to community priorities’

4.2 The Model

The Model is made up of eight components as outlined in **Figure 1** below:

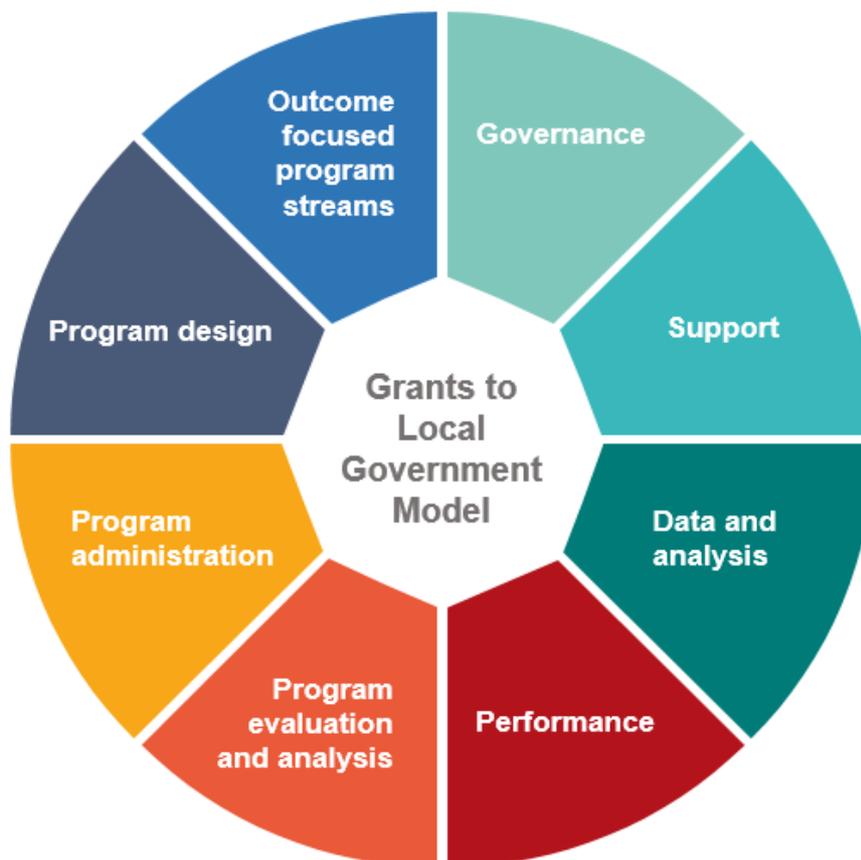


Figure 1 – Grants to Local Government Model and its components

A summary of each of these components is outlined in **sections 4.2.1 to 4.2.8** below.

4.2.1 Governance

The governance component outlines the governance arrangements for the Model and includes:

- principles which underpin the Model
- components which make up the Model



- the governance structure of the Model
- the roles and responsibilities of partners involved in the different components of the Model

4.2.2 Outcome-focused program streams

The program streams outline the outcome-focused groupings of Local Government Grant Programs (refer to **Figure 2**). The purpose of the program streams is to:

- group grant programs with like outcomes under one stream
- reduce overlap and duplication of grant programs
- reduce the number of State agencies administering grants, by assigning a single administering agency to each stream.

There are six program streams (**Figure 2**) with one Administration Agency per stream (**Figure 3**). The program streams are as follows:

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: <ul style="list-style-type: none"> • water supply • sewerage • waste infrastructure • waste management • energy • communications 	Roads and transport, such as: <ul style="list-style-type: none"> • road safety • road and transport infrastructure • active transport • aviation 	Resilience to natural hazards and disaster recovery, such as: <ul style="list-style-type: none"> • emergency and disaster management and recovery • climate change adaptation • flood mitigation infrastructure • disaster mitigation 	A lasting contribution to economic development or growth, such as: <ul style="list-style-type: none"> • economic development infrastructure¹ • catalyst infrastructure (including infrastructure that would otherwise fit in another stream) • tourism 	A benefit to natural resources, such as: <ul style="list-style-type: none"> • weed/pest management • stormwater management (water quality) 	Social health and wellbeing of the community, such as: <ul style="list-style-type: none"> • arts and culture • sport and recreation • libraries/ knowledge centres • community safety • health • education

Figure 2 - Outcome-focused program streams

¹ Note: Catalyst infrastructure is the construction of physical networks, or 'hard' infrastructure, which is necessary to unlock development, generate construction and create long-term employment e.g. new transport, water, waste water, stormwater and public realm infrastructure



The Administration Agency for each stream is as follows:

Stream	Security of essential services	Safe and efficient road and transport network	Resilient communities	Economic development and growth	Sustainable natural resource management	Community wellbeing
Administered by	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 program stream

4.2.3 Program design

Program design is undertaken by various State agencies (refer to **section 6.2.2** for roles and responsibilities).

The program design component of the Model is contained in the document - *Grants to Local Government – Grant Design, Administration and Evaluation Manual*.

This document:

- builds on the broad guidance about the design of grant programs contained in the *Financial Accountability Handbook– Volume 6 – Grant Management*
- provides detailed and specific guidance on how grant programs to Local Government are designed to support the Governments objectives and priorities, and Local Government needs.

4.2.4 Program administration

Program administration is undertaken by a limited number of State agencies, as shown in **Figure 3** (refer to **section 6.2.3** for roles and responsibilities).

The program administration component of the Model is contained in the document - *Grants to Local Government – Grant Design, Administration and Evaluation manual*.

This document:

- builds on the broad guidance about the administration of grant programs contained in the *Financial Accountability Handbook– Volume 6 – Grant Management*
- provides detailed and specific guidance on how agencies deliver and administer grant programs to Local Government.



4.2.5 Program evaluation and analysis

Program evaluation is undertaken by either the Policy Agency or Administration Agency, depending on the aspect of the program being evaluated (refer to **sections 6.2.2** and **6.2.3** for roles and responsibilities).

The program evaluation component of the Model is contained in the document - *Grants to Local Government – Grant Design, Administration and Evaluation Manual*.

This document:

- builds on the broad guidance about the evaluation and analysis of grant programs contained in the *Financial Accountability Handbook– Volume 6 – Grant Management*
- provides detailed and specific guidance on how agencies evaluate and analyse grant programs to Local Government.

4.2.6 Support

The support component of the Model involves developing a program of ongoing assistance for Local Governments in the areas of:

- grant lifecycle, grant programs and projects; e.g. project planning, whole of life planning and costs
- strategic and long-term asset planning and management to improve their capability and capacity.

4.2.7 Data and analysis

The data and analysis component of the Model involves initiating a program of work to collect, collate and analyse data, including financial data to assist with the identification of priorities and needs which in turn, can be used to inform and assist in the design of Local Government Grant Programs.

4.2.8 Performance

The performance component of the Model involves the creation of key performance indicators to measure the performance and implementation of the new model.



5. Governance structure

5.1 The Model's governance structure

The governance structure for the Model is comprised of two layers, represented in **Figure 4 – Grants to Local Government Model – Governance structure** below.

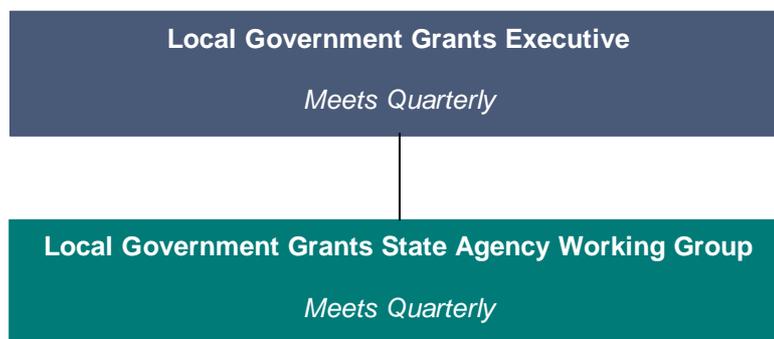


Figure 4 – Grants to Local Government Model – Governance structure

5.1.1 Local Government Grants Executive

The role of the Local Government Grants Executive is to oversee the on-going implementation of the Model and is comprised of the following members:

- Deputy Director-General – Department of Local Government, Racing and Multicultural Affairs (Chair)
- Deputy Director-General – Department of the Premier and Cabinet
- Deputy Director-General – Queensland Treasury
- Deputy Director-General – Department of Transport and Main Roads
- Deputy Director-General – Department of State Development, Manufacturing, Infrastructure and Planning
- General Manager – Queensland Reconstruction Authority
- Deputy Director-General – Department of Natural Resources, Mines and Energy
- Chief Executive Officer – Local Government Managers Australia
- President – Local Government Finance Professionals
- Chief Executive Officer – from a representative local government from each council segment (LGAQ segment classification).



The Grants Executive responsibilities are outlined in **Table 1 – Local Government Grants Executive Responsibilities** below:

Table 1 – Local Government Grants Executive Responsibilities

<i>Element</i>	<i>Responsibilities</i>
Governance	
Governance framework	<ul style="list-style-type: none"> Ensuring there is effective governance arrangements for the Model
Governance structure	<ul style="list-style-type: none"> Support the establishment of the working group (outlined in section 5.1.2) and any other group required to support the Model
Strategic direction	
Strategic direction	<ul style="list-style-type: none"> Provide strategic direction on Local Government Grant Programs
Performance	
Performance of the Model	<ul style="list-style-type: none"> Ensure the Model is being applied to new local government grant programs and, where appropriate, new funding rounds for existing grant programs. Endorse the Model's key performance indicators Monitor the performance of the Model against the key performance indicators
Evaluation of the Model	<ul style="list-style-type: none"> Review and report the outcomes of an annual evaluation of the Model to the Minister for Local Government including any recommended changes
Issue resolution	
Issues	<ul style="list-style-type: none"> Resolve issues arising from the Local Government Grants State Agency Working Group

5.1.2 Local Government Grants State Agency Working Group

The role of the working group is to share knowledge and experiences between Policy and Administration Agencies to support the continuous improvement of Local Government Grant Programs.

The working group is comprised of nominated representatives from the following agencies:

- Department of Local Government, Racing and Multicultural Affairs (Chair)
- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Aboriginal and Torres Strait Islander Partnerships
- Department of Environment and Science
- Department of Housing and Public Works
- Department of Natural Resources, Mines and Energy
- Department of State Development, Manufacturing, Infrastructure and Planning
- Department of Transport and Main Roads
- Queensland Reconstruction Authority.



The working group responsibilities are outlined in **Table 2 – Local Government State Agency Working Group** below:

Table 2 – Local Government Grants State Agency Working Group Responsibilities

<i>Element</i>	<i>Responsibilities</i>
<i>Strategic direction</i>	
Strategic direction	<ul style="list-style-type: none"> Provide advice to and support Local Government Grants Executive regarding strategic direction on Local Government Grant Programs
<i>Collaboration</i>	
Inter-agency collaboration	<ul style="list-style-type: none"> Promoting and facilitating inter-agency collaboration on the design, administration and evaluation of Local Government Grant Programs
<i>Grant program design</i>	
Design of grant programs	<ul style="list-style-type: none"> Identification of relationships with other funding bodies
<i>Grant program administration</i>	
Administration of grant programs	<ul style="list-style-type: none"> Share experiences of administering grant programs
<i>Grant program evaluation</i>	
Evaluation of grant programs	<ul style="list-style-type: none"> Share findings of evaluation activities
<i>Performance</i>	
Performance of the Model	<ul style="list-style-type: none"> Monitor and report to Local Government Grants Executive the performance of the Model against the key performance indicators Monitor and respond to customer insights / sentiments about the Model
Evaluation of the Model	<ul style="list-style-type: none"> Undertake and report the outcomes of an annual evaluation of the Model to the Local Government Grants Executive including any recommended changes



6. Roles and responsibilities

Working together in partnership with state agencies, the Department of Local Government, Racing and Multicultural Affairs will facilitate grant programs to:

- support government objectives and priorities
- assist councils in meeting the needs of their communities.

The partners and their role and responsibilities are outlined in **sections 6.1 - Partners** and **6.2 – Role and responsibilities of partners** below.

6.1 Partners

The partners involved in the design and administration of grant programs to Local Government are outlined below:

- Department of Local Government, Racing and Multicultural Affairs
- Agencies who design grant programs (Policy Agency)
- Agencies who administer grant programs (Administration Agency) as outlined in **section 4.2.2 – Program streams**
- Local Government
- Industry bodies

6.2 Role and responsibilities of partners

6.2.1 Department of Local Government, Racing and Multicultural Affairs

6.2.1.1 Role

The role of the Department of Local Government, Racing and Multicultural Affairs is to be the custodian of the Model and support agencies in the design, administration and evaluation of Local Government Grant Programs.

6.2.1.2 Responsibilities

The responsibilities of the Department of Local Government, Racing and Multicultural Affairs are outlined in **Table 4 – Department of Local Government, Racing and Multicultural Affairs Responsibilities** below:

Table 4 – Department of Local Government, Racing and Multicultural Affairs Responsibilities

<i>Element</i>	<i>Responsibilities</i>
Governance	
Governance framework	<ul style="list-style-type: none"> • Create and update (when required) the governance framework document
Governance structure	<ul style="list-style-type: none"> • Create and update (when required) the governance structure • Establish (including terms of reference) and chair the: <ul style="list-style-type: none"> ◦ Local Government Grants Executive



Element	Responsibilities
	<ul style="list-style-type: none"> ○ Local Government Grants State Agency Working Group
Program streams	
Program streams	<ul style="list-style-type: none"> • Create and maintain the outcome-focused program streams • Communicate to agencies and Local Government the purpose of the program streams
Grant program design, administration and evaluation guidance	
Financial Accountability Handbook – Volume 6 – Grant Management	<ul style="list-style-type: none"> • Promote the use of the broad management and operational processes contained in the <i>Financial Accountability Handbook</i> to assist with the design, administration and evaluation of grant programs
Grants to Local Government – Grant Design, Administration and Evaluation Manual	<ul style="list-style-type: none"> • Create and update (when required) the <i>Grants to Local Government – Grant Design, Administration and Evaluation Manual</i> to provide specific guidance to assist with the design, administration and evaluation of grant programs • Promote and support the use of the <i>Grants to Local Government – Grant Design, Administration and Evaluation Manual</i>
Inter-agency agreement	
Inter-agency agreement	<ul style="list-style-type: none"> • Create and update (when required) the Inter-agency agreement document between a Policy Agency and Administration Agency
Head funding agreement	
Head funding agreement	<ul style="list-style-type: none"> • Create, update and execute the Head funding agreement document between the State Government and each Local Government <p>Note – An Administration Agency may rely on the Head funding agreement executed by the Department of Local Government, Racing and Multicultural Affairs on behalf of the State Government or execute a separate Head funding agreement.</p>
Templates	
Program Guidelines	<ul style="list-style-type: none"> • Create and update (when required)
EOI and Application Forms	<ul style="list-style-type: none"> • Create and update (when required)
Acquittal	<ul style="list-style-type: none"> • Create and update (when required)
Reporting	<ul style="list-style-type: none"> • Create and update (when required)
Variation	<ul style="list-style-type: none"> • Create and update (when required)
Other templates	<ul style="list-style-type: none"> • Create and update (when required) <p>Note: - The creation and updating of templates is undertaken in consultation with agencies through the Local Government State Agency Working Group.</p>
Grants management system (IT system)	
Grant management system (IT system)	<ul style="list-style-type: none"> • Create and maintain a grants management system (IT system)



<i>Element</i>	<i>Responsibilities</i>
	Note – The grants management system created and maintained by the Department of Local Government, Racing and Multicultural Affairs is available for Administration Agencies to use should they require a grant management system. It is not a requirement for Administration Agencies to use this system.
Local government grants landing page	
Landing page	<ul style="list-style-type: none"> • Create and maintain an online Local Government grants landing page • Promote available Local Government Grant Programs • Provide general information about Local Government grants
Support	
Grant application support	<ul style="list-style-type: none"> • Provide Local Governments with support services to assist with applying for and ‘putting together’ grant applications
Local government planning and preparation	<ul style="list-style-type: none"> • Provide Local Governments with support services to: <ul style="list-style-type: none"> ○ assist with the planning and preparation for the delivery of funded projects ○ understand and comply with grant funding agreement requirements (e.g. reporting, milestone deliverables etc.)
Local Government education and training program/s	<ul style="list-style-type: none"> • Develop and implement an on-going education and training program/s for agencies and local government in the areas of: <ul style="list-style-type: none"> ○ drafting grant program objectives (agencies) ○ managing grants (agencies) ○ strategic asset planning (local government) ○ long-term asset management (local government) • Set the learning objectives for the on-going education and training program/s
Data and analysis	
Local government data and analysis	<ul style="list-style-type: none"> • Share knowledge of Local Governments with policy agencies to assist with the design of grant programs
Identification of local government needs and priorities	<ul style="list-style-type: none"> • Create and review a process to identify the needs and priorities of Local Governments to assist in the design of grant programs
Local Government performance	<ul style="list-style-type: none"> • Collect, collate and analyse financial data to assist in the design of grant programs
Performance	
Model key performance indicators	<ul style="list-style-type: none"> • Create, review and update the Model key performance indicators
Evaluation of the Model	<ul style="list-style-type: none"> • Create, review and updated parameters for an annual evaluation of the Model including any recommended changes



6.2.2 Policy agencies

6.2.2.1 Role

The role of Policy Agencies is to develop the policy outcomes for grant programs that contribute to the achievement of government objectives.

6.2.2.2 Responsibilities

The responsibilities of Policy Agencies are outlined in **Table 5 – Policy Agencies Responsibilities** below:

Table 5 – Policy Agencies Responsibilities

<i>Element</i>	<i>Responsibilities</i>
Governance	
Local Government Grants State Agency Working Group	<ul style="list-style-type: none"> Participate in the Local Government Grants State Agency Working Group
Inter-agency agreement	
Inter-agency agreement	<ul style="list-style-type: none"> Prior to program approval and initiation determine the terms of the agreement with the Administration Agency Following program approval and initiation, adopt and execute the Inter-agency agreement with the relevant Administration Agency (where the Administration Agency is different to the Policy Agency)
Grant program design	
Program types	<ul style="list-style-type: none"> Identify the program type
Program objectives	<ul style="list-style-type: none"> Develop program objectives
Program planning	<ul style="list-style-type: none"> Identify relationships with other funding bodies Identify risk and risk management strategies Identify performance measures and monitoring strategies
Program development	<ul style="list-style-type: none"> Develop grant program characteristics (e.g. aims, timeframes, assessment criteria) Develop program eligibility rules Identify direct program costs (funds paid to grant recipients) Identify in-direct program costs (costs involved in administering grant programs) Identify legal and administrative obligations Develop appropriate accountability and reporting mechanisms Develop grant monitoring requirements
Program approval and initiation	<ul style="list-style-type: none"> Seek relevant approvals to establish grant program (in collaboration with Administration Agency)



<i>Element</i>	<i>Responsibilities</i>
	<ul style="list-style-type: none"> Promote grant program Establish an effective appeals process
Grant program administration	
Grant appraisal	<ul style="list-style-type: none"> Appraise / assess grant applications (in collaboration with Administration Agency) Document decisions (in collaboration with Administration Agency)
Grant program evaluation	
Program evaluation and analysis	<ul style="list-style-type: none"> Establish an evaluation team Decide on frequency of grant program evaluation Evaluate grant program and how it met grant program objectives (in collaboration with Administration Agency) Report on findings of evaluation (in collaboration with Administration Agency)
Grant program engagement	
Engagement	<ul style="list-style-type: none"> Engage councils and industry bodies in relevant elements of grant lifecycle (program design, administration and evaluation)

6.2.3 Administration agencies

6.2.3.1 Role

The role of an Administration Agency is to administer grant programs on behalf of Policy Agencies as outlined in **section 4.2.2- Program streams**.

6.2.3.2 Responsibilities

The responsibilities of the Policy Agencies are outlined in **Table 6 – Administration Agencies Responsibilities** below:

Table 6 – Administration Agencies Responsibilities

<i>Element</i>	<i>Responsibilities</i>
Governance	
Local Government Grants State Agency Working Group	<ul style="list-style-type: none"> Participation in the Local Government Grants State Agency Working Group
Inter-agency agreement	
Inter-agency agreement	<ul style="list-style-type: none"> Prior to program approval and initiation determine the terms of the agreement with the Policy Agency Following program approval and initiation, execute the Inter-agency agreement



<i>Element</i>	<i>Responsibilities</i>
Head funding agreement	
Head funding agreement	<ul style="list-style-type: none"> Execute the Head funding agreement between the Administration Agency and each Local Government <p>Note -This responsibility only applies when an Administration Agency nominates to execute a separate Head Funding Agreement instead of the single Head Funding Agreement between the State Government and Local Governments executed by the Department of Local Government, Racing and Multicultural Affairs on behalf of the State Government.</p>
Grant program administration	
Grant application	<ul style="list-style-type: none"> Prepare grant application forms Prepare grant program guidelines
Grant appraisal	<ul style="list-style-type: none"> Appraise / assess grant applications Document decisions Notifying applicants of decisions Publication of decisions
Grant funding and payment	<ul style="list-style-type: none"> Identify appropriate funding method Prepare grant funding agreement Payment of grant funding Assess grant variations (when requested) Recover funds (when required)
Grant monitoring and acquittals	<ul style="list-style-type: none"> Appoint a monitoring team Develop a grant monitoring strategy Financial acquittals and performance monitoring
Grant program evaluation	
Program evaluation and analysis	<ul style="list-style-type: none"> Establish an evaluation team Decide on frequency of grant program evaluation Evaluate grant program and how it met grant program objectives (in collaboration with Policy Agency) Report on findings of evaluation (in collaboration with Policy Agency)
Grant program engagement	
Engagement	<ul style="list-style-type: none"> Engage councils and industry bodies in relevant elements of grant lifecycle (program design, administration and evaluation)



6.2.4 Local government

6.2.4.1 Role

The role of Local Government is to identify their needs and priorities through the process developed by the Department of Local Government, Racing and Multicultural Affairs - to assist with the design of grant programs

6.2.4.2 Responsibilities

The responsibilities of the Local Government are outlined in **Table 7 – Local Government Responsibilities** below:

Table 7 – Local Government

<i>Element</i>	<i>Responsibilities</i>
Governance	
Local Government Grants Executive	<ul style="list-style-type: none"> Participation in the Local Government Grants Executive
Model	<ul style="list-style-type: none"> Provide advice and feedback on the Model
Grant program engagement	
Local Government Grant Programs	<ul style="list-style-type: none"> Provide advice and feedback on relevant elements of grant lifecycle (program design, administration and evaluation) for Local Government Grant Programs

6.2.5 Industry bodies

6.2.5.1 Role

The role of industry bodies is to provide advice and feedback on the Model and Local Government Grant Programs.

6.2.5.2 Responsibilities

The responsibilities of the Industry Bodies are outlined in **Table 8 – Industry Bodies Responsibilities** below:

Table 8 – Industry Bodies

<i>Element</i>	<i>Responsibilities</i>
Governance	
Local Government Grants Executive	<ul style="list-style-type: none"> Participation in the Local Government Grants Executive
Model	<ul style="list-style-type: none"> Provide advice and feedback on the Model
Engagement	
Local Government Grant Programs	<ul style="list-style-type: none"> Provide advice and feedback on relevant elements of grant lifecycle



<i>Element</i>	<i>Responsibilities</i>
	(program design, administration and evaluation) for Local Government Grant Programs



7. Supporting documents

The other documents which make up and support the Model are as follows:

- Financial Accountability Handbook – Volume 6 – Grants Management
- Grants to Local Government – Grant Design, Administration and Evaluation Manual
- Grants to Local Government – Templates



8. Glossary

Term	Meaning
Administration Agency	The state entity who administers a Local Government Grant Program.
Governance Framework	The <i>Grants to Local Government – Governance framework</i> .
Local Government Grant Program/s	See the <i>Grants to Local Government – Design, Administration and Evaluation Manual</i> .
Policy Agency	The state entity responsible for the achievement of objectives consistent with Government policy, through a Local Government Grant Program.

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