



Grants Strategy 2024-28

Eurobodalla
Shire Council

Acknowledgment of Country

Eurobodalla Shire Council recognises Aboriginal people as the original inhabitants and custodians of all land and water in the Eurobodalla and respects their enduring cultural and spiritual connection to it. Eurobodalla Shire Council acknowledges the Traditional Owners of the land in which we live. Council pays respect to Elders past, present and future.

How to contact us

- In person** Customer Service Centre
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- Phone** 02 4474 1000
For after-hours emergencies call 1800 755 760
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- Councillors** See contact details on our website

Eurobodalla Shire Council – Grants Strategy

2024-28

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Executive Summary

The Eurobodalla Shire Council Grants Strategy 2024-2028 (the Strategy) outlines the new strategic approach that Council will take to determine the suitability to advocate for, apply for, and administer grant funds.

Recommendations and actions within this Strategy align with Council's Finance Strategy 2024-2028 and its finance-led and delivery-focused approach.

Once these actions have been implemented, outcomes include:

- Enhanced oversight of Council's grant funded projects
- Alignment of Council's grant funded projects with Council's core business and the expectations of our community
- Improved governance for the administration of grant funding
- Reduced risk of seeking funding for projects that are unsuitable, unachievable or that place an ongoing financial burden on Council and ratepayers
- Greater awareness for staff of their obligations and responsibilities when seeking grant funds, no matter the size of the project or funding being sought
- A clearer understanding for the community of Council's current financial position and the impact large grant funded projects can have on the existing operating deficit and resourcing
- The NSW and Commonwealth Governments, our local Members of Parliament and the community are aware of Council's new approach to grant funding.

These outcomes are supported by 12 prioritised actions and deliverables to track achievement and to ensure the Strategy is implemented within a timely and realistic timeframe.

Action List

Action number	Priority	Action	What are we doing?	Consequence (what is it going to achieve)	Deliverable/Measure
1	High	Adoption of the Finance Strategy 2024-28	Development of a new Finance Strategy for 2024 through to 2028.	A strategic document with clear actions and recommendations that aims to achieve and maintain the financial resilience of the Council to minimise the impact of unknown events or events outside the control of the Council.	Adoption of the Finance Strategy 2024-28. Implementation of actions and recommendations.
2	High	Major Projects Governance	Implementation of a project management function.	Projects are managed effectively so that every objective and deliverable is completed on time and within budget while maintaining transparency and a high level of governance and minimise risk. Development of a package of shovel-ready projects that can be used in future advocacy.	Project Management function formalised in Council's structure. Package of shovel-ready projects developed.
3	High	Review all processes and procedures	Undertake a review of all processes and procedures relating to the administration of grant funds.	• Ensure all grant reporting due dates are included within the Grants Reporting Calendar • Review the use of the Grants Inbox to identify process improvements • Investigate opportunities for improved grants administration, including the use of the Grants Index database.	Review completed. Improvements implemented.

4	High	Community Grants Policy	Undertake a review of Council's Community Grants Policy.	A review of Council's Community Grants Policy (<i>Local Government Act 1993</i> - section 356), including annual budget, timeframes for applications, application process, funding guidelines, governance and acquittals. The aim of the review is to: - improve the application and grant acquittal process for community groups and not-for-profits seeking Council grant funding - improved grant administration and governance to the best possible value for ratepayer funds.	Review of Council's Community Grants Policy completed. Implementation of recommendations.
5	High	Community proposals	Undertake a review of Council's Community proposals process.	Councils receives regular proposals from the community to build new assets or infrastructure on public land. The process to review and assess these proposals should align with the Grants Strategy and adhere to the same assessment process.	Review of Council's Community proposals process completed. Changes implemented.
6	High	A category system for grants across Council	Introduction of a new category system for the administration of grant funded projects.	Category A - Large scale cross-organisational capital or operational projects - Eg. community facilities, tourism assets, open spaces, high cost / high risk. - Responsible officer – Grants Manager Category B - Projects exclusively delivered by the Infrastructure Services directorate - Eg. roads, footpaths, bridges, water, sewer, marine infrastructure, road safety.	New category system is endorsed by the Executive and implemented by relevant staff. The approval process is followed by all staff prior to a grant application being submitted.

				- Responsible officer - Infrastructure Support Coordinator Category C - Unique grant funding opportunities for relevant areas of Council - Eg. Projects and programs for community care, creative arts, libraries, environmental services, waste services, low cost / low risk. - Responsible officer – relevant staff member with approval from their Divisional Manager, Corporate Manager or Director.	
7	High	Grants Intranet page	Provide consistent information, processes and procedures for all staff on the application and administration of grant funding.	A new intranet page to be developed that will host all relevant grant information, including: - an overview of the grants process, along with procedures for applying for grant funding - a process for executing grant funding deeds - grant application supporting documentation - a link to Council's ECM Grants Index database - links to tips and tricks for writing grants.	Grants intranet page designed and published. Communications to all staff. Training on the new processes and procedures for staff working with grants completed.
8	High	ECM Grants Index database	Finalisation of the ECM Grants Index database.	- Grants Index database to become the single point of information for all Council grant funded projects - All grant funded projects to be listed in the Index, this includes pending, approved/underway and completed projects	ECM Grants Index live. ECM Grants dashboard live.

				• Staff to receive training on how to use the Index • Grants dashboard to provide a high-level overview of Council's grant funded projects and will be included within regular reporting to ELT, Councillors and ARIC • Investigate further opportunities to improve Council's grant funded project database.	Further opportunities investigated. Training on the Grants Index and dashboard for staff working with grants completed.
9	High	Process for seeking grant funding	Implementation of a new process for seeking grant funding.	• Step by step guide on the process for seeking grant funding and the required approvals • Process will vary according to the Category (A, B or C)	New process for seeking grant funding implemented. Key staff informed of new process.
10	High	Execution of grant funding deeds	Implementation of a new process for execution of grant funding deeds.	• Step by step guide on the process for executing grant funding deeds • The process will be the same for all grant funding deeds, regardless the Category • All new grant funds will be adopted by Council via the Quarterly Budget Review Statement report.	New process for executing grant funding deeds implemented. Key staff informed of new process.
11	High	Inform Members of Parliament	Inform local Members of Parliament about Council's Grants Strategy 2024-28.	Through the Mayor, write to and/or meet with our local Members of Parliament: • Dr Michael Holland – Member for Bega • Fiona Phillips – Member for Gilmore	Acknowledgement by local Members of Parliament of our new approach to seeking grant funding and their support

				Kristy McBain – Member for Eden-Monaro Inform our local MPs of Council's new approach to grant funding through the Grants Strategy.	with the management of community expectations.
12	Medium	Advise the community	Inform the local community of Council's new approach to seeking grant funding.	Through the Mayor and General Manager's communication channels (Councillor Catch Ups, social media, Council News, Living In Eurobodalla) advise of Council's new approach to seeking grant funds for our projects and programs.	Manage community expectations regarding Council seeking grant funding for projects.

Background

The Australian and NSW Government invest a significant amount of grant funding for Council projects and programs on an annual basis. Council's average annual income from government grants over the last five financial years is more than \$71 million. Without this additional investment, many of our projects and programs, and the subsequent benefits to our community would not be possible.

The last five years have seen an extraordinary amount of government investment in the region. Commencing with government grant programs that supported projects to increase employment and economic activity, Council was successful in obtaining funding for projects such as the Moruya Airport Redevelopment stage 1, Eurobodalla Shellfish Hatchery, and the Bay Pavilions.

In the aftermath of the 2019/20 Black Summer Bushfires and subsequent nine natural disaster declared flood events, the Commonwealth and NSW governments provided more than \$55 million in recovery funding to Council for a variety of rebuild, betterment and economic recovery projects. Projects like Mogo Trails, the Coastal Headlands Walking Trail, Observation Point upgrade, works at our Waste Management Facilities and our extensive bridge rebuild program benefited from this recovery funding.

The grants sector is now undergoing significant change. The Australian Government has recently undertaken a review of federal grant programs and has advised that the community can expect changes to how grants are awarded and administered. Similarly, the NSW Government has also advised they are undertaking a review of their grant funding programs, particularly in relation to local government, not-for-profits and community groups.

Council has acknowledged that the way we approach grants must be done differently. To become more financially sustainable, we must become a finance-led and delivery-focused organisation. General Manager Warwick Winn stated in the 2023-24 Delivery Program – Operational Plan that:

“To begin to tackle our financial challenges, the 2023-24 operational plan includes preparation of a future finance strategy to return Council to a financially sustainable position. We will also commence a review of our services informed by community research from earlier this year. We will take a more deliberate approach to grant funding to support identified priority works and services, and our risk strategy will be updated.”

Considerations

Grant funding plays an important role in the delivery of Council's annual capital and operational plan. The following table provides a summary of grant funding income over the last five financial years.

Financial year	Consolidated Fund grant funding income (Operating + Capital grants – excluding developer contributions)	Percentage of total revenue (Including developer contributions)	Examples of major projects that were supported by grant funding
2019-20 Actual	\$34,061,000	21%	Bay Pavilions Moruya Airport redevelopment Observation Point Transport network (roads and bridges)
2020-21 Actual	\$69,351,000	37%	Bushfire recovery projects Bay Pavilions Moruya Airport redevelopment Eurobodalla Recreation and Open Space Strategy projects Southern Water Supply Storage
2021-22 Actual	\$82,939,000	42%	Bay Pavilions Southern Water Supply Storage Mogo Trails Coastal Headlands Walking Trail Eurobodalla Shellfish Hatchery Bodalla Sewer Treatment Plant
2022-23 Revised budget	\$78,767,520	44%	Southern Water Supply Storage Mogo Trails Coastal Headlands Walking Trail Maula Bay Beach Reserve Upgrade Surf Beach Emergency Services Precinct

2023-24 Budget	\$93,045,005	43%	Southern Water Supply Storage Moruya Housing Infrastructure project Mogo Trails Coastal Headlands Walking Trail Malua Bay Beach Reserve Upgrade Regional Collocated Emergency Services Precinct Moruya
Total	\$358,163,525	Average = 37%	

Ongoing and reoccurring grant funding

Councils across Australia access grant funding from the Australian and NSW Government generally in two forms – competitive and non-competitive. The non-competitive grants are commonly received on an annual recurring basis, or in the case of Disaster Recovery Funding Arrangements, in the direct aftermath of a natural disaster.

The 2024-28 Grants Strategy has a stronger focus on the competitive, ad-hoc and one-off grant opportunities. These competitive grants are where most of the organisational risk lies, and therefore requires a strong governance framework to mitigate these risks.

While the non-competitive grants come with their own conditions (eg. some can be used for operational purposes, some cannot), they should still be assessed on a merit basis and be treated with a similar level of rigour and assessment prior to any funding being accepted.

Some of the non-competitive grants Council receives includes:

- Financial Assistance Grants – Commonwealth Government via the NSW Government
- Roads to Recovery – Commonwealth Government
- Roads Safety Program – Commonwealth Government via the NSW Government
- Block grants – NSW Government
- Local Roads and Community Infrastructure Program – Commonwealth Government
- Disaster Recovery Funding Arrangements (DRFA) – Commonwealth Government.

Financial forecast

Many NSW councils are in financial trouble, with 17 applying for a special rate variation in 2023. Eurobodalla Council did not apply for a special variation in 2023, but - like many councils across the state - we are facing a serious, ongoing operating deficit in our general fund. The general fund delivers most Council's services to the community, apart from water, sewer and waste. For some years, Council's general fund has cost more on day-to-day basis than the revenue it collects.

Since the start of 2023, staff and councillors have managed to reduce the general fund operating deficit from \$14M to \$11M. This was achieved by reprioritising and staging our work plan and by using grant funds to support already programmed works and services.

Council is responsible for \$1.7 billion in assets, has an annual turnover of \$140 million, and employs over 600 people to deliver dozens of services to the community. The operational plan for 2023-24 estimates an operating deficit of \$8.8M in Council's general fund (including waste and environment).

Council is grateful for the significant amount of Commonwealth and NSW Government investment in our community via grants over recent years. This funding enabled Council and the community to repair, rebuild and recover faster than we would have been able to without it. The time has now come to look carefully at our approach to seeking grant funding.

“Last year in May (2023) we publicly outlined our financial situation, and that is, we are facing a serious and ongoing deficit in our general fund. Almost 12 months on, we’re ready to explain to the community the strategy we’ve developed and the actions we’ve taken already to step our way out of this. We are focused on core business and have managed to reduce the operating deficit by carefully reprioritising and staging our annual work plans. We’re also using grant funds to support already programmed works and services, rather than adding extra projects to our to-do list”

Warwick Winn, General Manager, Eurobodalla Shire Council – April 2024

The 2024-28 Grants Strategy will enable Council to become more strategic about the grants we pursue. Grants should pay for work already in our plans, not add more work on top. This is how we will use funds to cover projected expenses, and hopefully avoid service reductions or having to pursue special rate variations in the future.

The Way Forward

A new methodology for seeking and administering grant funding.

Significant changes are required to Council's process of advocating for, seeking and administering grant funds. These changes will ensure all future grant funded projects align with Council being a finance-led and delivery-focussed organisation.

The following eight questions should be addressed when seeking grant funding for Council projects or programs. A new approval process will be developed to ensure these questions are answered before a grant application is submitted, which will include the General Manager being required to approve all requests to submit a grant application.

1. Is the project or program already listed within the Operational Plan?

- Council's existing capital and operational program (our to-do list) is already at capacity. It is unsustainable to continue to add new projects or programs without existing work being delayed or rescheduled.
- Council must see grant funding as an opportunity to continue with our new "do less – do it better" mantra by nominating projects for grant funding from the Operational Plan.
- Projects within the Operational Plan for upgrades to existing assets, maintenance programs or replacement of assets will be prioritised for grant funding programs.
- If a project is not listed within the Operational Plan, but is identified as a priority, staff will need to identify existing works that will be pushed out or removed from the program.
- Seeking multiple grant funding sources for a single project should be avoided (eg Observation Point Viewing Platform had seven separate funding sources). This approach places significant burden on staff to administer and monitor these multiple grant funds. It also creates an unnecessary higher level of risk and complexity to our grant funded projects.
- Council should take a cautious approach when using a single large grant funding opportunity for multiple smaller projects (eg Stronger Country Communities Fund – round 5 - \$1,347,763 has been allocated to fund eight separate projects). Without adequate oversight of these multiple projects, the risk of scope creep, budget creep and a possible impact to resourcing can occur.

2. Does the project align with, or is referenced within, the Community Strategic Plan (CSP), an adopted Strategic Plan or Masterplan?

- Projects that are not an action or recommendation within the Community Strategic Plan (CSP), an adopted Strategic Plan or Masterplan will not be supported.
- The community and Councillors should be aware of the project and the benefits it will deliver. Generally, this would occur during the community engagement phase during the development of the adopted Strategic Plan or Masterplan.
- Projects that lack robust community and stakeholder engagement will not be supported.

3. Does the project have an existing budget allocated within the Operational Plan?

- Where possible and eligible, Council should be seeking grant funding that can supplement existing capital or operational budget for programmed works.
- Grants that can alleviate Council's operating deficit should be prioritised.

4. Is a financial co-contribution required by the grant funding guidelines?

- If a Council cash co-contribution is required, the co-contribution should be identified within the Operational Plan.
- If the co-contribution is being sourced from another grant, it should be confirmed within the grant funding guidelines that this is permissible.
- On most occasions, Commonwealth grant funding cannot be used as a co-contribution for another Commonwealth grant. This is also generally the case for NSW Government grant funding programs.

5. Who will undertake the works – Council staff? External contractors or consultants? A combination of both?

- If Council staff are to work on the project (administration, project management, design, environmental assessments, construction, financial acquittals), grants that enable Council staff salaries (including on-costs and overheads) should be prioritised.
- Staff seeking grant funding for projects that involve the use of Council staff must identify the impact this will have on current staff resourcing and workloads. New or additional work is to be avoided as the current works program is at capacity.
- Project management and project governance is integral to the success of the project and to reduce risks to Council. A Project Manager must be identified before a grant application is submitted.

- Over recent years external contractors and consultants have proven to be very expensive and difficult to engage due to existing commitments. This should be taken into consideration prior to grant funds being sought for a project.
- Using Council staff on grant funded projects, where workloads permit, can provide opportunities to up-skill and develop our teams along with bringing valuable local knowledge to projects.

6. Has an assessment been undertaken to review the risks, ongoing maintenance and depreciation costs?

- Staff seeking grant funds for projects should ensure that the following due diligence assessments have been undertaken or are in place prior to grant applications being submitted:
 - Project Plan / Project Management Guide (PMG)
 - Project Program / Gantt Chart
 - Risk Matrix
 - Quotes and/or estimates
 - Designs and approvals (REF, AHIP, DA, Crown Lands permit, review of Land Claims or Native Title Claims) are in place when possible
 - Identification of ongoing maintenance costs for the life of the asset
 - Assessment of the depreciation costs for the life of the asset.

7. Has the Finance team and the Grants Manager been consulted prior to the grant application being submitted?

- The Finance team must be involved in Council's grant funded projects and programs from their inception and must provide feedback and input prior to a grant application being submitted.
- The Grants Manager must review all grant submission proposals prior to a grant application being submitted. This is to ensure proposed projects meet eligibility requirements.
- On submission of an approved grant application, the application and supporting documentation must be provided to the Grants Manager so that a new entry can be added to the Grants Index database.

8. Does the Executive Leadership Team (ELT) need to be briefed on the project?

- In certain circumstances ELT may require a briefing where staff are seeking grant funding for a project. This is especially the case when:
 - a project is not listed within the Operational Plan
 - a non-budgeted Council cash contribution is required
 - additional, or an impact on, Council resources will be required to complete the project
 - high levels of depreciation or ongoing maintenance will be required
 - projects that are high-risk (environmental, land use, financial, reputational, political).

When the above eight questions are addressed clearly and adequately prior to a grant application being submitted, Council will ensure financial and operational risks are reduced, we are focused on our existing program of works, and that we will continue to deliver the best possible outcomes for the community.

Appendix

Confidential operational attachments

1. Funding Alert template
2. Request to submit a grant application template
3. Review of a Funding Deed template
4. Snapshot of the ECM Grants Index database and dashboard.

Eurobodalla Shire Council

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