

# Local Authority Project Funding

## Funding Guidelines - 2023-24 onwards

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### Purpose

Local Authority Project Funding (LAPF) is funding provided to regional councils to support priority projects in individual communities recommended by a local authority through a community consultation process.

### Objectives

The objectives of the program are to:

- Support the timely delivery of priority projects recommended by a community through their local authority.
- Assist in building improved communities by providing funding assistance for community priority projects that facilitates community activity.
- Promote community engagement and involvement in and representation to regional councils through local authorities.
- Promote the development of local authority capacity to represent, govern and engage with their communities and positively influence the business of council.

### Funding Pool

LAPF funding is allocated by the Department for each local authority based on a pre-set formula. Funding is allocated only to those local authorities published in the guidelines made by the Minister for Local Government under Part 5.1 of the *Local Government Act 2019*.

The level of LAPF offered annually for each local authority will be fixed for the term of the council.

### Local Authority Project Recommendations and Approvals

As part of the budget development process, regional councils must work with individual local authorities to develop a list of projects that are identified and prioritised through a community engagement process.

The list of recommended projects should ensure projects can be delivered within the time frame allowed to retain and fully expend LAPF funds. Projects must be completed within two years, or in the case of approved major projects, four years.

Details of projects to be delivered with the LAPF are to be published in the council's annual budget with each local authority's budget.

**Tip:** While prioritising projects councils should consider timelines and potential delays, such as availability of trades and materials or negotiation of leases with the relevant land council, and prioritise projects accordingly. For example, if a project will take more than a year to deliver because of the need to obtain permits and leases, work should commence on securing those permits and leases but another project that can be delivered within a shorter timeline should be prioritised for completion with available funding.

The local authority must pass a resolution for each project the LAPF will be used for. If the priority of projects changes during the financial year, the local authority must also pass a resolution at a local authority meeting. A copy of the minutes must then be formally considered by the regional council at its next council meeting for consideration and ratification.

The council should ensure projects are considered and approved as expeditiously as possible. Feedback should be provided to the local authority and the community as soon as projects are approved.

If a local authority project is not approved, the local authority is to be advised of the reasons for this decision by council.

**Tip:** Council may consider holding a special meeting if there is a long delay before the next ordinary council meeting and there are a number of local authority projects to consider.

## Delegation of LAPF decision making to local authorities

A regional council may delegate powers to individual local authorities including the authority to allocate and approve projects the LAPF funding is to be used for. The minutes of the local authority meeting is to form part of the council's meeting agenda papers for noting and implementation. The council CEO must action the local authority's decision as soon as practical.

## Major Projects

A major project is where a regional council intends to deliver a project combining more than two years' LAPF funding into a single project. The major project must be completed within four years of receipt of the original year's LAPF funding.

The council must submit a project plan on the required template to the Department of the Chief Minister and Cabinet for approval of all local authority projects that seek to combine funding in this way.

**NOTE:** Regardless of whether a council has delegated decision making to its local authority, all major project plans must only be submitted by the regional council (not the local authority) for approval. If a project is not commenced by the planned date or there are delays caused by the council then the full value of funds may be required to be repaid.

Specific details of the project must be published in the regional council's annual budget for the relevant local authority. The major project's progress is to be submitted as part of the annual grant acquittal process.

## Joint projects/pooled funds

LAPF funds can be pooled with funds from Council or another entity for a particular project. The LAPF can either be used as a payment contribution to an external agency or entity; or an external agency or entity may provide funds to the regional council to pool with the LAPF.

In these cases, the council should document an agreement which clearly details the financial contributions, roles and responsibilities of each of the parties to ensure the successful delivery of the project. Factors such as risk considerations before, during and after completion of the project must be taken into consideration if funds are to be pooled with other entities (see also Risk Management below).

Where funds are provided by an external agency to the regional council to pool with the LAPF, the management of all funds must comply with all legislative requirements applicable to the council including the *Local Government Act 2019* and related *Local Government General Regulations 2021*.

## Pre-conditions

If the proposed project relies on pre-conditions (such as the acquisition of a section 19 lease under the *Aboriginal Land Rights (Northern Territory) Act 1976*), then the project should make provision for consultations or pre-conditions in the planning stage and as far as possible factor these requirements into the timelines to ensure LAPF funds are fully spent within the allowable time limit.

## Risk Management

Where funds are to be used for a purpose outside the council's sole control, or on an asset or land that is not owned or controlled by council, the council must consider the liability and insurance requirements associated with that project.

For example:

- Where an asset or land is not owned or controlled by council then agreement of the owner should be secured if possible. If this is not secured then Council should weigh up the risks against consequences for other council or LA work or outcomes in the community if the project is not advanced.

Where funding is pooled and a project is to be delivered in partnership with another organisation, a risk management plan should be in place to mitigate risks and clarify responsibilities including:

- Project Lead or Coordination Committee and Project Manager
- Appropriate insurance and any underwriting arrangements
- Who will maintain records, verify invoices, make payments
- Compliance with regulatory requirements
- Certification, acquittal and reporting
- Evaluation.

All risks associated with the project are to be managed by the council. The Department of the Chief Minister and Cabinet will not be held responsible for any liability or ongoing costs arising out of the use of these funds.

## What can LAPF be used for?

Without limiting the scope of projects the LAPF can be used for, provided below are examples of acceptable use of the funding. The list below is not exhaustive and if clarification is required then advice should be sought from the Local Government Unit of the Department of the Chief Minister and Cabinet.

- Repairs and maintenance of community assets controlled or owned by the council. For example park fencing, solar lighting, road repairs and ablution facilities.
- Acquisition of plant and equipment directly related to local government service delivery. For example trailers, graders, garden maintenance equipment such as brush cutters, lawn mowers and pressure cleaners, rubbish bin enclosures/stands.
- Upgrade/enhancement of community facilities. For example sporting venues, upgrade of community ovals, basketball courts and playgrounds, shade structures, picnic areas, seating and park furniture, tree planting and irrigation; upgrade of women's or men's sheds /shelters.
- Festivals or other events – to be conducted only within the Local Authority area LAPF has been provided for.
- Community based programs – including music, art or dance; uniforms for sporting events; or preservation of culture or traditions.

## What LAPF shouldn't be used for?

- Purchase of motor vehicles, with the exception of graders, and fuel expenses
- Payment of recurrent staff salaries or entitlements; or recurrent operating costs of council
- Cash prizes or sponsorships
- Meeting costs and associated payments to local authority members
- Travel costs or any form of allowances
- Purposes that are not related to local government services and that should be addressed by an NT or federal government agency.
- Administration and/or project management fees are not to be levied on this grant funding.

## Council employee costs

Council employee costs directly related to the delivery of a specific approved LAPF project, such as constructing a playground, or producing flyers and organising a community event, are permitted to be expensed against the LAPF. However ongoing employee costs or employees costs not directly related to the delivery of a specific LAPF project are not permitted to be costed to the LAPF.

## Process for Grant Payment

At the beginning of each financial year regional councils will receive a letter of offer and acceptance documentation from the Department of the Chief Minister and Cabinet detailing the LAPF allocation being offered to each individual local authority.

LAPF will only be paid following an assessment of the grant acquittal and confirmation that funds have been used as per the terms and conditions of the grant, and the LAPF grant acceptance form is signed and returned to the Department of the Chief Minister and Cabinet.

Where a grant acquittal does not appear to meet the terms and conditions of the grant, then payment of that particular local authority's funding may be withheld until all queries have been resolved.

## Reports to the Local Authority

At each local authority meeting, a report is to be submitted by the council detailing the total amount of funding available and spent on each local authority project under this program in that financial year.

## Funds Management

- The LAPF must be fully expended within two years, or in the case of major projects within four years, of receipt of funding.
- All approved projects are required to be procured in accordance with the *Local Government Act 2019* and, as far as practical under the NT Government's Buy Local Plan.
- A funding acquittal for the year ended 30 June for each local authority must be submitted in the required format on or before 31 August in each year. Failure to provide the financial reports by 31 August will result in delays in paying further funds.
- Failure to expend the grant within the time limit, major delays, or lack of significant progress may result in the Department of the Chief Minister and Cabinet withholding a LAPF payment for a local authority or seeking repayment of funds.
- Requests to carry-over unspent funds after the allowed time limit are to be submitted via email to: [lg.grants@nt.gov.au](mailto:lg.grants@nt.gov.au). All requests will be considered on a case by case basis and approval is not automatic.
- The Department of the Chief Minister and Cabinet reserves the right to withhold future LAPF funds if the regional council has not completed the project within the agreed time limit; or may request all unspent funds to be repaid if there is little or no progress on the major project.
- The Department of the Chief Minister and Cabinet reserves the right to request the full value of the grant to be returned if the council disposes of an asset acquired with this funding within four years of the payment of the grant.

For further information please contact [lg.grants@nt.gov.au](mailto:lg.grants@nt.gov.au)