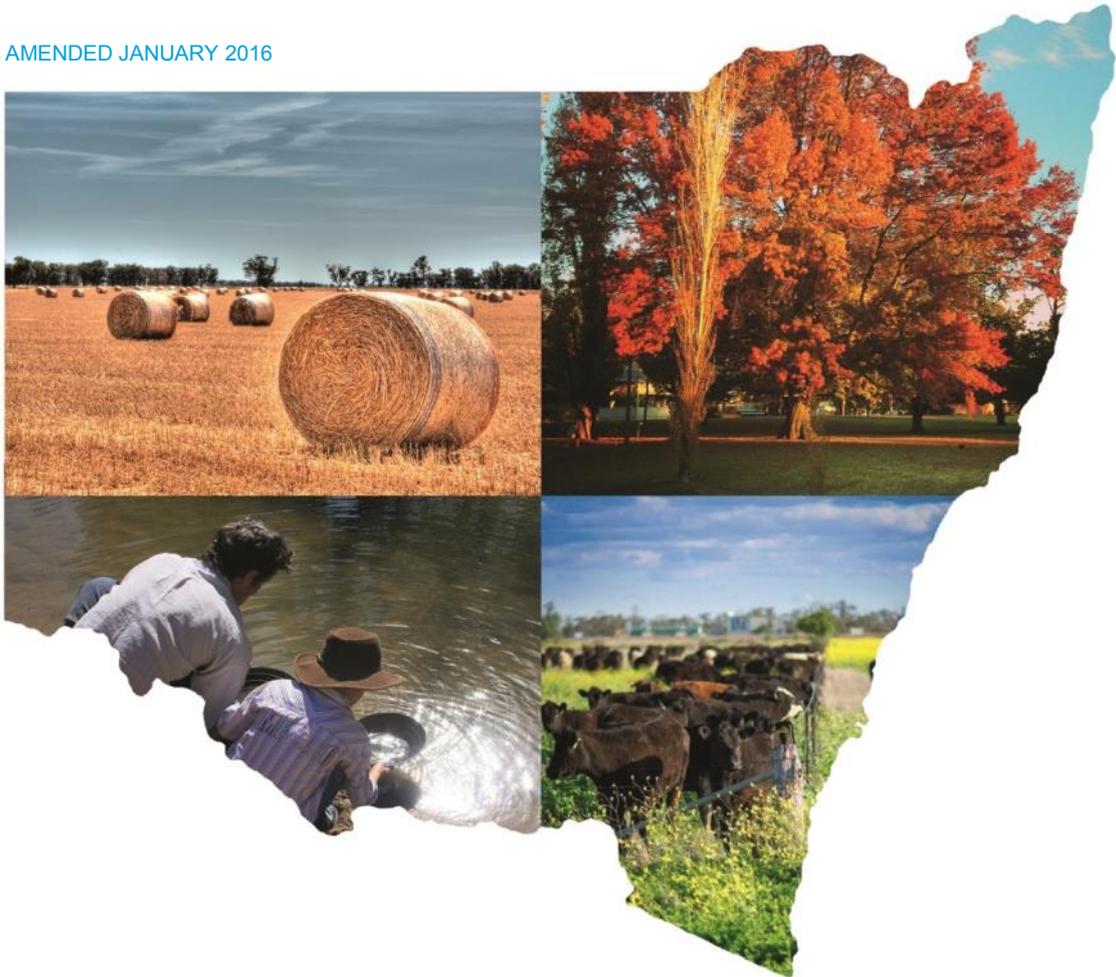


# Innovation Fund Guidelines

AMENDED JANUARY 2016





## Message from the Minister

The NSW Government is pleased to make available a \$4 million Innovation Fund to promote new solutions for small rural communities.

Small regional and rural communities in NSW face unique issues and challenges. The Innovation Fund recognises that one size does not fit all NSW councils.

To help these councils to better serve their communities, one-off grants are available for councils to develop new ideas and new ways of working.

For example, delivering services in a different, more cost effective way or getting together with other councils to share resources or technology to lessen the tyranny of distance.

I encourage any creative and constructive ideas that can alleviate existing challenges and lead to better service delivery.

In addition to this \$4 million Innovation Fund, the Government is providing record investment in rural and regional areas through the Fit for the Future package:

- Up to \$15 million from the Stronger Communities Fund for new councils to help give a head start in providing important community services and infrastructure.
- Up to \$5 million to cover the upfront costs of new council mergers
- \$5.3 million to establish Joint Organisations
- Savings of up to \$600 million State-wide through access to cheaper borrowings

Together we can provide the services and infrastructure that our local communities need.

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## What is the Innovation Fund?

The Innovation Fund is a \$4 million grants program, established under the NSW Government's Fit for the Future reforms. The program aims to help small councils in regional NSW overcome some of the challenges they face in sustaining their communities and maintaining local services.

It will provide one-off grants to help them develop new ways of working and improve their performance to benefit their local communities.

The new ways of working might include developing more efficient processes, different ways of delivering services, sharing resources with other councils, or using technology to help overcome the challenge of distance.

The Innovation Fund is to be offered over two rounds.

## Who can apply for funding?

Local councils in regional NSW that have a population of less than 10,000 are eligible to apply for a grant.

Councils in the Far West region of NSW with a population less than 10,000 may also apply for an Innovation Fund grant.

Councils can apply individually, or as a group. When applying as a group, the grouping may include a larger council as a mentor, sponsor or partner. It is important that the primary beneficiary of the project is the eligible small council and its community.

Eligible councils that are unsuccessful in round one may reapply in round two.

**Councils that are part of a merger proposal process are not eligible to apply for a grant.** However, at the conclusion of the merger process these councils may apply in the second round of funding (if they meet the eligibility criteria in these guidelines).

## How much is available?

Up to \$2 million is available in each round and one-off grants can be applied for:

- Up to \$150,000 for individual councils
- Up to \$400,000 for projects involving more than one council (at least one of which must have a population of <10,000).

For each grant, a co-contribution of at least 30% is required from the council or council group.

This co-contribution can be either cash or in-kind contributions, such as labour, equipment, facilities, land/property or other resources.

The grants are mainly for implementation costs, but up to 20% can be allowed for project planning and administration.

Multiple council projects may be funded providing these do not exceed the funding limits.





## What will be funded?

The program aims to improve the long-term sustainability of small councils and ensure that their communities continue to receive quality services.

Applications are invited for projects that focus on:

- Improved governance
- Systems improvement
- Service delivery
- Innovative infrastructure
- Creative use of technology
- Performance improvement
- Capacity building and sharing innovation.

Examples of projects that may be suitable for funding include:

- Resource sharing between councils
- Shared administration
- Improved financial or governance systems
- Alternative service delivery models
- Service review projects
- Specialty service models
- Projects using new technologies to overcome the challenges of remote/rural communities
- Projects using innovative infrastructure building or maintenance techniques that are suited to rural/remote applications
- Projects aimed at capacity building within the organisation/s
- Projects that aim to share learning, skills or innovation across multiple councils
- Projects identified in your Council's Fit for the Future Action Plan that explore a new way of working
- Projects that build on existing innovations that are working well and/or can be extended to other councils. These will be considered on a case-by-case basis.

## Ineligible applications

Project applications that will generally not be considered under the program include:

- Promotional events
- Applications that seek retrospective funding for work undertaken prior to the grant application
- Staffing and project costs of a recurrent or ongoing nature
- Applications that are solely based on concept development, feasibility studies or planning (at least 80% of the total grant must be for implementation)
- Projects located wholly outside of NSW (cross-border projects will be assessed on a case-by-case basis according to the assessment criteria and other relevant factors).

## How to apply

To make an application:

- Check that your council meets the eligibility criteria
- Check that your project meets the guidelines
- Develop your proposal and have it endorsed by your council/s (Resolution/s must be attached to your application)
- Complete the on-line application form on the Fit for the Future website: [www.fitforthefuture.nsw.gov.au](http://www.fitforthefuture.nsw.gov.au) (you will need your log-in for secure council portal)
- Attach the supporting information in PDF format (see the application form for details).

Your council or council group may submit more than one application as long as the grants sought do not exceed the funding limits. Also, eligible councils that are unsuccessful in round one may re-apply in round two.

NB: Where a group submission is planned, only one application is required. One of the group should be nominated as the lead council to apply on members' behalf.

## When do applications close?

Applications for round one **close 1 April 2016**. Details of Round 2 will be announced later in 2016.

## Assessing the application

Applications will be assessed by an expert panel consisting of representatives from the Office of Local Government, LGNSW and an independent.

The panel will use the Key Assessment Criteria (page 6) when considering each application. Your council will be advised in writing of the outcome of its application.



# Key assessment criteria

All applications received by the due date will be considered on a case-by-case basis against the criteria listed below.

## Community benefit

- Does the project proposal contribute toward achieving community priorities - as identified in the council's Fit for the Future improvement plan, community strategic plan or by other consultative means?
- Has consultation occurred on the project?
- Are there clear community benefits from the project?
- Are there regional benefits from the project?
- In the case of a group proposal, is an eligible small council and its community the primary beneficiary of the project.

## Innovation and learning

- Does the project propose the use of new and more efficient processes, technology and ways of working?
- Does the proposal demonstrate a repeatable new approach that could be applied more widely?
- How will learning from the project outcome be shared?

## Value for money

- Does the proposal represent value-for-money?
- Has Council demonstrated commitment to co-contribute at least 30% of the total costs of the project (financially or in-kind)?
- Have project costs and resources been accurately/adequately identified and have quotations been attached to the online application form?

## Sustainable improvements

- Will the proposal have a positive impact on Council's future performance against the Fit for the Future criteria?
- Does the proposal demonstrate how it will maintain or improve service quality and promote the long-term sustainability of the services/ infrastructure delivered by the council?

## Capability and capacity

- Does the applicant have the experience, capability and capacity to carry out the proposal?
- Has the Council been assessed as Fit for the Future?
- Has Council demonstrated sound project planning and methodology including identification of tasks, timeframe and budget?
- Is the council able to manage all aspects of the project? What reliance is there on third parties?

## Risk management

- Have the potential risks associated with implementing the project been identified and appropriate risk minimisation/management strategies been articulated?

## Agreed collaboration

- Does the application include a copy of the resolution(s) of all participating councils and, if relevant, the written agreement of other partners, sponsors?
- Has a lead council been nominated to sponsor and manage the project?

## Receiving a grant

Within 30 days of notification, successful councils will be required to sign a performance-based agreement for their Innovation Fund Grant.

The funding agreement will include details of:

- How funds will be dispersed depending on the size of the grant (eg. staged payment details linked to project performance and reporting)
- Timeframes for expenditure of grant money
- Project performance and reporting requirements related to project activities
- Procedures for considering requests to vary the approved project
- Appropriate public acknowledgement of the NSW Government's support for the project
- Agreements in relation to Office of Local Government use, duplication or replication of relevant aspects of the project to assist other councils in NSW
- Other responsibilities of the grant recipients.

## Contacts

Your council's Relationship Manager (Office of Local Government One Stop Shop) is available to answer any questions about the Innovation Fund.

Contact details for your Relationship Manager, along with further information and the Innovation Fund online application form, are available on the Fit for the Future website at [www.fitforthefuture.nsw.gov.au](http://www.fitforthefuture.nsw.gov.au).

Alternatively, you can email the One Stop Shop at [OneStopShop@fitforthefuture.nsw.gov.au](mailto:OneStopShop@fitforthefuture.nsw.gov.au) or call the Office of Local Government on (02) 4428 4100 and ask to speak with your council's Relationship Manager.

