

Policy on Partnerships with the Private Sector

Premise

Buller District Council recognises the value of forming partnerships with private sector entities when appropriate and the assistance that these partnerships can provide in enhancing community well being and achieving community outcomes.

Policy Objective

To enable Council's consideration of partnership arrangements with the private sector for the provision of infrastructure and services where such a partnership is likely to deliver better value for money or enhanced community well being based on cost, time and financial arrangements.

Legislative Requirement

In accordance with Section 102 (1) and Section 107 of the Local Government Act 2002 (Act) the Council has adopted and shall comply with this policy in relation to partnerships with the private sector.

Section 107 Policy on Partnerships With Private Sector

1. Policy adopted under Section 102 (4)(e) -

- (a) must state the local authority's policies in respect of the commitment of local authority resources to partnerships between the local authority and the private sector; and
- (b) must include -
 - (i) the circumstances (if any) in which the local authority will provide funding or other resources to any form of partnership with the private sector, whether by way of grant, loan, or investment, or by way of acting as a guarantor for any such partnership; and
 - (ii) what consultation the local authority will under-take in respect of any proposal to provide funding or other resources to any form of partnership with the private sector; and
 - (iii) what conditions, if any, the local authority will impose before providing funding or other resources to any form of partnership with the private sector; and
 - (iv) an outline of how risks associated with any such provision of funding or other resources are assessed and managed; and
 - (v) an outline of the procedures by which any such provision of funding or

other resources will be monitored and reported on to the local authority; and

- (vi) outline of how the local authority will assess, monitor, and report on the extent to which community outcomes are furthered by any provision of funding or other resources or a partnership with the private sector

2. In this section, partnership with the private sector means any arrangement or agreement that is entered into between 1 or more local authorities and 1 or more persons engaged in business; but does not include

- (a) any such arrangement or agreement to which the only parties are -
 - (i) local authorities; or
 - (ii) 1 or more local authorities and 1 or more Council organisations; or
- (b) a contract for the supply of any goods or services to, or on behalf of, a local authority.

Policy

Definition

For the sake of clarity this policy refers to partnerships with private business only. Contracts for the supply of goods and service to the local authority, as well as agreements with community organisations, charitable trusts and other community groups, government departments, not-for-profit-organisations, other local authorities and council controlled organisations are outside the parameters of this policy.

Scope

Without limiting the scope of Council's commitment and by way of example, commitment of Council resources to partnerships will generally be in the form of grant, loan, investment, or loan guarantee.

Funding or Other Resources

The circumstances, which Council will provide funding or other resources to any form of partnership with the private sector, will generally be the following:

- The core function or functions of the partnership are identified as satisfying a specific community need or a community need as identified in the Long Term Plan;
- The partnership is structured so as to efficiently and effectively deliver enhanced service levels;
- The partnership will be assessed against the public interest in terms of effectiveness, accountability, and transparency, together with the need to ensure equity for disadvantaged groups, public access, consumer law, and security and privacy rights.

Consultation

Council will not be required, but may elect, to consult with the community in respect of any proposal to provide funding or other resources to any form of partnership with the private sector unless the partnership or the services provided relate to a matter that is defined as significant in Council's policy on significance.

Conditions

Council may impose conditions before providing funding or other resources to any form of partnership with the private sector. These will generally include:

- An emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate;
- Risk allocation between the partners being clear and enforceable, with consequential financial security when loans or grants have been made to the partner;
- Outputs will be clearly specified including measurable performance standards;
- Council's responsibilities for the monitoring of outcomes will be clearly articulated;
- Mechanisms for delivering ongoing value for money will be included;
- All private sector parties will be fully accountable to Council for the delivery of the specified project and/or services;
- Clear processes for dispute resolution between Council and the partner will be included in any formal partnership agreements.

Risks

Any risks associated with any such provision of funding or other resources shall be assessed and managed in the following manner:

- There will be a process of risk identification between the parties to the partnership;
- Council may wish to transfer risk to whoever is best able to manage it taking into account public interest considerations;
- The part allocated risk shall have the freedom to choose how to handle and minimise any risk, but not in such a manner as to increase Council's or the community risk

Monitoring and Reporting on Progress

Monitoring and reporting on the progress of the partnership with regards to the objectives and attainment of required performance standards will be a requirement of the private sector partner. The frequency of reporting will vary but will in no case be less than once a year. Transparency and disclosure of the processes and outcomes will be key elements in the design and operation of partnership arrangements.

Assess, Monitor and Report

Council will assess, monitor, and require reports on the extent to which community outcomes are furthered under the partnership with the private sector. Progress on partnership arrangements will be monitored and reported in accordance with the Council's financial programme and reporting regime.