

Partnership with Private Sector POLICY

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Responsibility	Deputy Chief Executive	
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Next review date	2018	
Review frequency	As part of Long Term Plan Process	
Approval authority	Council	
Consultation required	Not specified by the LGA 2002	
Record number	352069	
Associated documents	Long Term Plan	

Policy Objectives

This Policy identifies the circumstances and commitment of Council's resources to partnerships between Council and the private sector.

Principles

South Waikato District Council may consider partnerships with the private sector when:

- The activity/service furthers an objective or outcome in the Long Term Plan.
- The activity/service identified will benefit the community, can be accurately defined, and is capable of output measurement.
- The outcomes for the community are assessed as beyond those that could be generated by Council alone.
- The activity/service is risk averse, and has a high probability of cost effectiveness and quality customer service.
- An arrangement will not create a partial private sector monopoly within the South Waikato.
- The private sector can bring skills and expertise to the activity/service not otherwise available to Council.
- The size of the activity/service warrants the cost in terms of time and money in entering into a partnership.

Council will take the above points into consideration when reviewing a potential partnership with a private sector person or organisation, irrespective of whether Council involvement is by way of grant, guarantee, loan, or shareholding.

Definitions

Private Sector: Non-government organisations with the intention of making a profit.

Policy Statement

Consultation

Where Council is considering any partnerships with the private sector, it will undertake appropriate consultation with the community using the special consultative procedure unless it is a clearly stated outcome in the Long Term Plan or the Significance and Engagement Policy does not require the need for a special consultative procedure.

Where possible, this consultation will be undertaken through the statutory planning process in terms of Sections 78 and 79 of the Local Government Act 2002.

Conditions and Criteria

Any Public / Private Sector Partnership will be subject to the following conditions before Council will agree to the provision of funding or other resources:

- Proposed private participation will be subject to competitive tendering processes, if appropriate, with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate.
- Any proposed 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.
- The conduct of the South Waikato District Council should always be such that confidence in the probity of the partnership model and the way it is implemented is able to be maintained at all times.
- Outputs will be clearly specified including measurable performance standards.
- Payments, where applicable, will only be made upon delivery of the specified services to the required standards; or in a progress payment situation, where work has been inspected and confirmed to be satisfactory.
- A private sector partner will be fully accountable to South Waikato District Council through appropriate structures for the delivery of the specified project and/or services.
- Risk allocation between the partners being clear and enforceable, with consequential financial outcomes.
- South Waikato District Council's and other partners' responsibilities for the monitoring of outcomes will be clearly articulated.
- Mechanisms for delivering ongoing value for money will be included.

Risk Identification Allocation and Management

The following policy statement outlines how Council will assess and manage any risks associated with a partnership arrangement.

Policy

Council will assess and manage the risks associated with a public private sector partnership by:

- Implementing a risk transfer regime where risk will be transferred to whoever is best able to manage it, taking into account public interest considerations.

- Ensuring whoever is allocated risk must have the freedom to choose how to handle and minimise it, with materiality being considered.
- Ensuring, where South Waikato District Council is not the only user of an asset, demand (or volume/usage) risk may also be transferred.
- Council will continually assess and monitor public / private sector partnerships to ensure that funding and other resources are being used effectively and to ensure that desired community outcomes are furthered by the arrangement.

Monitoring and Reporting

Council will monitor and report on a public private sector partnership as follows:

- Transparency and disclosure of the processes and outcomes will be key elements in the design and operation of partnership contracts.
- Progress on partnership contracts will be monitored and reported in accordance with South Waikato District Council's financial and performance reporting regime.
- Council outcomes will be assessed and monitored as required under the Local Government Act 2002 reporting requirements.
- Regular reports are provided to Council on specifically agreed outcomes and objectives.
- Regular meetings are held between Council and the private sector partner.

Relevant Delegations

Nil

References and Relevant Legislation

Local Government Act 2002

Annotations

Res No	Date	Subject/Description
265/03	10/07/03	Policy adopted.
235/04	24/06/04	Policy amended/confirmed as part of LTCCP process
347/06	10/07/06	Policy amended/confirmed as part of LTCCP process
358/07	28/06/07	Policy amended/confirmed as amendment to LTCCP
134/09	28/05/09	Policy amended/confirmed as part of LTCCP process
236/12	28/06/12	Policy amended/confirmed as part of Long Term Plan 2012-22 process
165/15	18/06/15	Policy amended/confirmed as part of Long Term Plan 2015-25 process