

P O L I C Y O N

Partnerships with the Private Sector

Section 107 of the Local Government Act 2002 requires Hauraki District Council to state its policy on committing resources to partnerships between the Council and the private sector.

Section 107(2) defines 'partnership with the private sector' as 'any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business'.

Circumstances

Council will consider partnerships with the private sector where:

- They contribute to achieving strategic objectives as outlined in a long term strategic plan, an adopted long-term council community plan, or an Annual Plan;
- The private sector is unwilling to provide sufficient resources for the achievement of those outcomes without council support;
- The benefits to the district exceed the costs; and
- This policy refers to partnerships with private business – profit or non-profit. Section 107(2) makes it clear that neither partnerships between local authorities and/or Council controlled organisations, or contracts for the supply of goods or services are included.

Consultation Requirements

Hauraki District Council will consult on this "Policy on Partnerships with the Private Sector" as part of its annual and long term council community plan consultation processes.

This includes consultation on:

1. The circumstances under which the Council will enter into a partnership;
2. Any general conditions that must be met under partnership agreements;
3. The Council's approach to dealing with risk in any partnership it might enter into;
4. The procedure to be used to monitor the use of funds and other resources under the partnership agreement; and
5. The methods by which the Council will monitor how strategic objectives (community outcomes) were, or are being, achieved by the partnership [from 2006].

Given that this policy will be adopted only after community wide consultation, any further consultation on any partnership will only occur where a partnership proposal:

- Is assessed against the Significance Policy of Hauraki District Council and consultation is found to be necessary; or
- Is considered of such interest to the community that the Council resolves that public consultation will occur, irrespective of its compliance with this policy.

Any partnerships falling under the above two criteria should, where possible, be consulted on through the Annual Plan process.

Formation of a partnership with the private sector

Formation of a partnership that meets the conditions of this policy will be by ordinary Council resolution unless authority to form a partnership is delegated to a committee, subcommittee or Council officer, in which case the partnership must meet the conditions of this policy.

Formation of a partnership that does not meet the conditions of this policy will be by ordinary Council resolution only after appropriate and required consultation under the Annual Plan process and due consideration of the issues raised by that consultation.

Partnership Conditions

In considering a proposal the Hauraki District Council will require that:

1. The partnership proposal will contribute to the community's strategic objectives as set out in the Long-Term Council Community Plan; and
2. The benefit from the partnership exceeds the costs; and
3. The legal status of the private sector partner will be that of a private individual, business, or registered company; and
4. The partner be able to demonstrate that they are able to meet the terms of any agreement between the Council and themselves; and
5. That the partnership and its proposed business are lawful; and
6. That any necessary consents, licences or other approvals have been obtained; and
7. Any other matter the Council considers appropriate.

Risk Management and Assessment

On setting up a partnership, the potential risks to the Hauraki District Council will be outlined and where the risks are considered significant, in terms of probability and potential effect, a risk management strategy will be put in place

to appropriately minimise or provide cover for that risk to the satisfaction of Council.

Risk will be assessed by calculating the probability of an adverse outcome multiplied by the cost/impact of that adverse outcome while taking into account mitigating strategies and associated costs.

Risk factors that will be considered will be:

- Safety;
- Risk to the reputation of the Council and District;
- Financial risk;
- Risk to the capacity of the Council to carry out its activities, now and in the future;
- Risk to property;
- Protection of any intellectual property; and
- Any other potential loss.

Monitoring and Reporting

Monitoring and reporting requirements will be as appropriate to the significance of the proposal and the amount of resources allocated to the partnership.

Monitoring and reporting will include the following where applicable:

1. Quarterly financial reports;
2. Quarterly reports on outputs produced;
3. Annual financial reports;
4. Annual performance reports on the achievement of those community strategic objectives that are applicable and on any impacts on community well-being in terms of the social, economic, environmental and cultural dimensions; and
5. Report on specifically agreed outcomes and objectives.