



Policy

R 1 Partnerships With The Private Sector

Adopted	Meeting	Extra Ordinary Council Meeting	Date	2 August 2008	Review Date	
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Background	The Local Government Act 2002 says that Council is able to work in partnership with the private sector where this is the best way to achieve Council objectives.
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Purpose	To ensure there are checks and balances in place so that Council is not exposing public funds, assets or resources to any unnecessary risk.
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Policy Statement	<p>1 CONDITIONS</p> <p>Council will consider partnerships with the private sector where:</p> <ul style="list-style-type: none"> i. They contribute to achieving strategic objectives as outlined in the Long-Term Strategic Plan, an adopted Long-Term Council Community Plan, or an Annual Plan; ii. The private sector is unwilling to provide sufficient resources for the achievement of those outcomes without council support; and iii. The benefits to the district exceed the costs. <p>This policy refers to partnerships with private business only. Partnerships 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.</p> <p>2 CONSULTATION REQUIREMENTS</p> <p>The Opotiki 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:</p> <ul style="list-style-type: none"> i. The circumstances under which the Council will enter into a partnership; ii. Any general conditions that must be met under partnership agreements; iii. The Council’s approach to dealing with risk in any partnership it might enter into; iv. The procedure to be used to monitor the use of funds and other resources under the partnership agreement; and v. The methods by which the Council will monitor how strategic objectives (community outcomes) were, or are being, achieved by the partnership. <p>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:</p> <ul style="list-style-type: none"> vi. Falls outside of the conditions, acceptable risks, agreed resources and outcomes monitoring procedures set out within this policy; or vii. Results in a negative and material change to the projected budgets, performance measures, outcomes or other objectives set out in the Councils’ Long-Term Council Community Plan, or Annual Plan; or viii. Is considered of such interest to the community that the Council resolves that public consultation will occur, irrespective of its compliance with this policy. <p>Any partnerships falling under above three criteria should, where possible, be consulted on through the Annual Plan process.</p> <p>3 FORMATION OF A PARTNERSHIP WITH THE PRIVATE SECTOR</p>
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	<p>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.</p> <p>4 PARTNERSHIP CONDITIONS</p> <p>In considering an application the Opotiki District Council will require that:</p> <ol style="list-style-type: none"> i. The partnership proposal will contribute to the community's strategic objectives as set out in the Long-Term Strategic Plan; ii. The benefit from the partnership exceeds the costs; iii. The legal status of the private sector partner will be that of a private individual, business, or registered company; iv. The partner be able to demonstrate that they are able to meet the terms of any agreement between the Council and themselves; v. That the partnership and its proposed business are lawful; vi. That any necessary consents, licences or other approvals have been obtained; vii. Any other matter the Council considers appropriate. <p>5 RISK MANAGEMENT AND ASSESSMENT</p> <p>On setting up a partnership, the potential risks to the Opotiki 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.</p> <p>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.</p> <p>Risk factors that will be considered will be:</p> <ul style="list-style-type: none"> ▪ Safety; ▪ Risk to the reputation of the Council and Opotiki 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. <p>6 MONITORING & REPORTING</p> <p>Monitoring and reporting will include the following where applicable:</p> <ol style="list-style-type: none"> i. Quarterly financial reports; ii. Quarterly reports on outputs produced; iii. Audited Annual financial reports; iv. Annual performance reports on the achievement of those community strategic objectives that are applicable and on any impacts on community wellbeing in terms of the social, economic, environmental and cultural dimensions; and v. Report on specifically agreed outcomes and objectives. <p>Monitoring and reporting requirements will be as appropriate to the significance of the proposal and the amount of resources allocated to the partnership.</p>
Delegations	<p>The following position holders have delegated authority from Council using the policy principles above.</p> <p>Finance Manager</p> <p>All operational matters within their job description.</p>
References	