

POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR

1. In accordance with Section 107 of the Local Government Act 2002 (Act) (see over page), Waitakere City Council has adopted and shall comply with this policy in relation to the partnerships with the private sector.
2. The Council recognises the value of forming partnerships with private sector entities and the assistance that these partnerships can provide in enhancing development, community well-being and contributing towards achieving community outcomes.
3. The Council will consider partnership arrangements with the private sector for the provision of infrastructure and/or services where such a partnership is likely to deliver on Council's strategic direction and the Long Term Council Community Plan with better value for money or enhanced community wellbeing based on cost, time, customer service, alignment with community desires and financial arrangements.
4. Without limiting the scope of Council commitment and by way of example, commitment of Council resources to partnerships will generally be in the form of grant, loan, investment, or guarantee. The resources committed may be financial, or they may be non-financial including but not limited to staff time, human capital, intellectual property, accommodation, office equipment or other Council assets.
5. The circumstances in which the Council will provide funding or other resources to any form of partnership with the private sector will generally be some or all of the following:
 - (i) the core function or functions of the partnership are identified as satisfying a community need
 - (ii) the partnership is structured so as to efficiently and effectively deliver enhanced service levels
 - (iii) the partnership will be assessed against the public interest in terms of effectiveness, accountability and transparency, together with a consideration of equity for disadvantaged groups, public access, consumer law, and security and privacy rights.
6. The circumstances where a Private Sector Partnership may be considered is where:
 - Council is unwilling or unable to bear all of the risk (in a broader sense, not limited to financial risk) of a particular project or service
 - The particular project or service will deliver significant community benefit, the achievement of the Long Term Council Community Plan objectives or the achievement of community outcomes but the delivery of that project or services is outside the scope of the Council's core activities
 - The particular project or service are of such a scale that they would not otherwise be able to be provided by the Council without entering into a partnership with the private sector
 - Benefits will be achieved as a consequence of the private sector partnership, which benefits are greater than any costs of the partnership to the community.
7. The 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 related to a matter that is determined "significant" in terms of Council's policy on significance, in which case Council will consider the level and nature of consultation required to comply with that policy.
8. Council may impose conditions before providing funding or other resources to any form of partnership with the private sector and these will generally include:
 - (i) an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate
 - (ii) risk allocation between the partners being clear and enforceable, with consequential financial outcomes and an agreed exit/termination strategy
 - (iii) clearly specified outputs including measurable performance standards
 - (iv) responsibilities for the monitoring of outcomes to remain with the Council
 - (v) Mechanisms for delivering ongoing value for money
 - (vi) All private sector parties being fully accountable to Council for the delivery of their agreed contribution to the partnership.
9. Risks Assessment and Management
 - (i) A comprehensive risk assessment will be carried out before a partnership proposal is promoted or entered into
 - (ii) Where the partnership proposal is "significant" the subsequent public consultation procedure may identify further risks and/or assist the Council's understanding of the community's perception of risk
 - (iii) Appropriate risk management mechanisms will be incorporated into partnership agreements
 - (iv) A partnership agreement will require regular reporting to the Council reporting sufficient to enable the Council to determine the partnership's overall process and success in achieving predetermined and specified objectives.

10. Monitoring and Reporting

- (i) A partnership agreement will incorporate performance objectives and a report on progress in achieving those objectives will be required on a regular (not less than annual) basis
- (ii) Specific reporting requirements will be appropriate to the significance of the partnership
- (iii) Reports on partnership performance will be provided to the Council and or/ incorporated in the Council's Annual Report and/or in the Council's triennial report on the achievement of community outcomes, as appropriate.

11. The application of clauses 8 to 10 of this policy will be to a level of detail and certainty, as determined by Council, commensurate with the resources committed by Council to the partnership and the likely costs and benefits of further detail and certainty.

- (ii) what consultation the local authority will undertake 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) an 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.

LOCAL GOVERNMENT ACT 2002**S107 Policy on partnerships with private sector**

1. A 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

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.