

# PARTNERSHIPS POLICY

Presented to Council 22 DECEMBER 2008

## POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR

### INTRODUCTION

Franklin District Council (Council) recognises the value of forming partnerships with private sector entities when appropriate and the assistance that these partnerships can provide in enhancing community wellbeing and achieving community outcomes.

### POLICY OBJECTIVE

To enable Council to form 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 wellbeing 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.

Once adopted, this policy may only be amended through a Special Consultative Procedure.

### POLICY STATEMENT

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 under which Council will provide funding or other resources to any form of partnership with the private sector will generally be as follows:

- 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 Council Community Plan;
- the partnership is structured 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, 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 outcomes. Council may require the partner to provide guarantees or other forms of 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 the 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 the risk, taking into account public interest considerations.
- The party 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's 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 have been 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.

## ACCOUNTABILITY AND REVIEW

### Implementation

- All staff are accountable for implementing the policy and ensuring that every person or organisation contracted to or acting on behalf of Council adheres to this policy.
- Council is responsible for the application of the policy.

## REVIEW AND MONITORING

- Council is responsible for the review of the policy as part of preparing each Long Term Council Community Plan.
- The Group Manager Strategic is responsible for monitoring the effects of the policy, and for reporting to Council as required.

