

Partnership between the local authority and the private sector policy¹

Purpose

The objective of this policy is to enable the Council to enter into partnerships with the private sector where there is a potential benefit for the present and future well-being of the community in the Rangitikei District.

Preamble

This policy is intended as a guide Council's decision-making to enable the purpose of the policy but not to be the definitive description of the partnerships that Council will enter into. Rather, it is intended that each partnership proposal is considered on a case-by-case basis on its merits. Equally it is not intended to circumvent due process, so

- the decision to enter into a partnership with a "private sector" organisation will be subject to consideration under the Council's Significance and Engagement Policy, with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate;
- private sector participation will be subject to approved procurement processes, with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate; and
- the partnership reporting will be managed in the same fashion as all other Council activities and will meet the requirements of all other Local Government reporting.

Definitions

In terms of this policy, "private sector" means any company either privately or publicly owned or any other entity that engages in business for profit.

Community Trusts, Charitable Trusts, Not-for-profit Incorporated Societies and other not-for-profit community groups (clubs and associations), government departments, other local authorities and council controlled organisations are not regarded as private sector organisations for the purposes of this policy.

Scope of the Policy

The policy shall apply to:

- arrangements or agreements between the Council and a private sector organisation for provision of grants, loans, guarantees, or investments, and
- agreements between the Council and a private sector organisation for a venture with a joint objective.

but shall NOT apply to:

¹ 14/PPL/128

- any arrangement between the Council and a private sector organisation for the supply of goods and services that is covered by the Council's Procurement Policy; or
- any arrangement by the Council to sell a Council-owned property to a "private sector" organisation made in accordance with the Council's Disposal of Surplus Assets Policy; or
- borrowing by the Council and the investment of the Council's funds purely for financial gain which are made in accordance with the Liability Management and Investment Policies respectively; or
- Memorandums of Understanding or Heads of Agreement where the Council is not providing any funding or other significant resources to the other party.

Circumstances under which the Council may consider a partnership with the private sector

Council may consider a partnership with the private sector where Council believes a particular project is of significant community benefit (assessed against the Council's policies, plans, strategic goals and community outcomes) but where:

- Council may be unwilling or unable to bear all of the risk (usually, though not always defined in terms of financial risks) of a particular project itself; or
- Council may have legal restrictions on its power to participate fully in that project; or
- neither Council nor a private provider would otherwise provide the services or activity without the partnership; or
- there are identifiable advantages in the project or activity being undertaken as a public private sector partnership rather than by either of the parties separately.

In all cases, the benefits for the present and future well-being of the community in the District of such a partnership must exceed the costs. It is Council's ultimate discretion as to whether to enter into a partnership with the private sector.