

# Recommended Levels of Service for Buildings Asset Management Plan

Strategic Alignment - Dynamic City Culture

Public

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Infrastructure and Public Works Committee

**Program Contact:**

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**Approving Officer:**

Tom McCready, Director, City Services

## EXECUTIVE SUMMARY

The City of Adelaide (CoA) is the custodian of assets which provide the community with services that are essential to their quality of life. Asset Management is a key business function for all councils to manage their infrastructure portfolio responsibly and effectively. We coordinate infrastructure-related objectives through our Asset Management Plans, per legislation Section 122 of the *Local Government Act 1999 (SA)*.

The Buildings Asset Management Plan will forecast the cost and timing of maintenance and renewal requirements to ensure we manage our assets to the agreed level of service, while managing any associated risks. It is critical to note that asset renewal funding on its own limits the ability to increase the quality of our existing assets. Upgrade funding is often required in conjunction with renewal funding to ensure our assets provide services in line with community expectations and our strategic objectives. While our Asset Management Plans will not identify financial forecasts associated with upgrade/new projects, integrated planning will ensure required renewal scheduling is aligned (where feasible) with key upgrade/new initiatives associated with our Strategic Plan objectives or Council Decisions. Such opportunities will be workshopped with Council on an annual basis through the Business Plan and Budget process.

This report presents the recommended asset management strategies and levels of service for the City of Adelaide's Building portfolio and has been informed by a community consultation process. A recommended asset management strategy is presented for each building category, which will inform the development and updates to the Buildings Asset Management Plan and associated re-forecasting of the Long-Term Financial Plan (LTFP).

The recommended levels of service allow for the continued provision of safe and well-maintained buildings, providing services in line with community expectations to ensure we manage our assets in a financially sustainable manner over the short, medium and long term.

It is anticipated that additional upgrade/new funding will be required in conjunction with renewal funding, to ensure our public toilets and Park Lands sporting clubs meet the growing needs of our community. Such upgrade/new initiatives will be guided by the Public Toilet Strategy (currently under development), the Community Buildings in the Park Lands Policy (currently under development) as well as identified capital related opportunities to increase revenue for our commercial generating assets.

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## RECOMMENDATION

THAT THE INFRASTRUCTURE AND PUBLIC WORKS COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

1. Notes the results of the community consultation undertaken to benchmark current user satisfaction for building assets.
  2. Approves the development of the Buildings Asset Management Plan (AMP) based on the planning principles, consultation feedback and recommended management strategies presented within this report.
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## IMPLICATIONS AND FINANCIALS

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| City of Adelaide<br>2020-2024<br>Strategic Plan                        | <p><b>Strategic Alignment – Dynamic City Culture</b></p> <p>The approval of the planning principles and recommended asset management strategies presented within this report will inform the development and updates to the Buildings Asset Management Plan (Amp) and inform the Long-Term Financial Plan.</p> <p>These Strategic Management plans support the delivery of our strategic objectives, ensuring we continue to create a beautiful, diverse city that celebrates its natural, cultural, and built heritage.</p>   |
| Policy   | <p>Asset Management Policy</p> <p>Strategic Asset Management Plan</p> <p>Public Communication and Consultation Policy</p>  |
| Consultation   | <p>In September 2022, an engagement process was undertaken with City residents, visitors and City of Adelaide staff to better understand and measure levels of satisfaction of users who utilise the services provided by our building assets. Additional consultation was also undertaken in August 2023 with internal staff responsible for operating and managing specific building facilities. The results are presented within this report and inform the recommended levels of services/asset management strategies.</p> |
| Resource   | Not as a result of this report   |
| Risk / Legal /<br>Legislative  | <p>The review and update of Asset Management Plans, including levels of service, is required every four years or within two years of a general Council election pursuant to section 122 of the <i>Local Government Act 1999 (SA)</i>.</p>  |
| Opportunities  | <p>The review of building asset levels of service provides an opportunity to ensure building assets are meeting the community's current and future requirements.</p>   |
| 23/24 Budget<br>Allocation   | Not as a result of this report   |
| Proposed 24/25<br>Budget Allocation                                    | Not as a result of this report   |
| Life of Project,<br>Service, Initiative<br>or (Expectancy of)<br>Asset | <p>Currently under assessment, to understand the future lifecycle management strategies and funding required for our building portfolio, including operation, maintenance and renewal of assets. The review and findings will be presented and discussed in detail within the Buildings Asset Management Plan.</p>   |
| 23/24 Budget<br>Reconsideration<br>(if applicable)                     | Not as a result of this report   |
| Ongoing Costs<br>(eg maintenance<br>cost)                              | <p>To be determined. The review and findings will be presented and discussed in detail within the Buildings Asset Management Plan.</p>   |
| Other Funding<br>Sources   | <p>Once Asset Management Plans and the re-forecast Long Term Financial Plan are endorsed by Council, external funding opportunities will continually be pursued to offset costs, bring forward works, or provide for additional enhancements.</p>  |

# DISCUSSION

1. The purpose of this report is to present the recommended asset management strategies and levels of service for the City of Adelaide's (CoA) building portfolio, which has been informed by a community engagement process undertaken in September 2022.

## Background

2. Our building portfolio is made up of 238 individual assets and is valued at approximately \$532 million. These assets are vital to the health and wellbeing of our community and provide services for recreational activities through facilities including libraries, community centres, sporting clubs and public toilets. Our building portfolio also includes assets which provide accommodation for the civic, administrative and operational functions as well as a number of commercial (income generating) assets.
3. With Council's strategic objectives to create a beautiful and diverse city that is welcoming, inclusive and accessible to all, it is critical to ensure that our building portfolio continues to be appropriately managed, ensuring we provide appropriate services and benefits for both current and future generations.
4. We are currently reviewing our Asset Management Plan for buildings, which is legislated in the *Local Government Act 1999 (SA)*. A level of service review is one of the first steps in this process.
5. An overview into the concepts of 'Levels of Service' was presented to Council through a Business Plan and Budget Workshop on 24 January 2023, as well as to the Infrastructure and Public Works Committee on 18 July 2023.

## Strategic Context

6. The Buildings Asset Management Plan will forecast the cost and timing of maintenance and renewal requirements to ensure we manage our assets to the agreed level of service, while managing any associated risks.
7. The primary objective of asset renewal is to intervene at the optimal time to minimise whole of life asset costs (increased capital costs, growing maintenance costs) and asset risk, to ensure services continue to be provided in line with our community's expectations.
8. Asset renewal funding on its own limits the ability to raise the quality of our existing assets. Upgrade funding is often required in conjunction with renewal funding to ensure our assets provide services in line with community expectations and our strategic objectives.
9. While the Asset Management Plans will not identify financial forecasts associated with upgrade/new projects, they will ensure required renewal scheduling is aligned (where applicable) with key upgrade/new initiatives associated with our Strategic Plan objectives or Council Decisions through integrated planning. Such opportunities will be workshopped with Council on an annual basis through the Business Plan and Budget process.
10. This report discusses the recommended levels of service for our existing assets. The adopted levels of service will be used to guide the asset renewal planning within the Building's Asset Management Plans and inform required updates for the LTFP.

## Community Engagement

11. A community engagement process was undertaken in 2022 with City residents and visitors as well as internal staff to better understand and measure levels of customer satisfaction from those who utilise the services provided by our building assets. Additional consultation was also undertaken with key internal staff responsible for managing and operating specific building facilities including Libraries and Community Centres, Town Hall, UPark, Park Lands Community Sports Buildings and Leased Buildings to better understand feedback they receive from customers on a day-to-day basis.
12. The insights from the survey are intended to be used to identify where current levels of service are not meeting the community's expectations. This will enable recommendations to be made to Council regarding future resourcing requirements for specific services and activities.
13. The engagement process was primarily undertaken through questionnaire surveys, where information was collected online using the 'YourSay' platform, as well as through on street intercepts at various locations across the city.

14. The overall feedback generally confirmed appropriate levels of customer satisfaction for all building types, with the exception of Park Lands Community Buildings, North Adelaide Golf Course Club House, Public Toilets and our Horticulture Nursery and Hubs in the Park Lands. It is evident that there is a gap between current service provisions and the expectations of the users for these building groups.
15. Generally, as a portfolio, our Park Lands Community Buildings were not considered fit-for-purpose, based on feedback received directly from clubs. A number of assets will need to be upgraded to meet evolving community needs and ensure facilities appropriately cater for the emergence of new sports and increasing female and junior participation. It is anticipated that the development of a Community Buildings in the Park Lands Policy in conjunction with functionality being a key consideration through renewal planning (with provision of supporting upgrade funding) will incrementally bridge the gap between customer expectations and service provisions over time.
16. The North Adelaide Golf Course Club House was not considered fit-for-purpose based on feedback received directly from club members. There is a lack of female facilities within the building and improvements are required for changing rooms and toilet facilities.
17. Responses received relating to Public Toilets facilities indicated that there was a perceived lack of facilities across the city and within the Park Lands and there was a requirement for further investment in public conveniences.
18. It is anticipated that the completion of a public toilet strategy (currently under development in 2023/24) and the subsequent initiation, funding and delivery of this strategy in line with upgraded public toilet projects will incrementally bridge the gap between customer expectations and service provisions over time.
19. A comprehensive summary of the community engagement is presented in Link 1 view [here](#).

#### **Renewal Intervention Levels**

20. Renewal intervention levels have been established considering feedback from community engagement, risk management principles, engineering assessments and the objective of minimising whole of life costs.
21. Condition based renewal intervention levels aim to ensure that structural and services building components are replaced or rehabilitated prior to deteriorating into a poor condition, with fit-out and fittings being replaced when they reach an average condition to ensure buildings do not appear dated or tired. Our heritage assets have an alternate rehabilitation strategy to ensure they are managed in accordance with their Conservation Management Plans. A summary of the condition-based renewal intervention criteria is presented in Link 2 view [here](#).
22. It is recommended that asset functionality is also considered in our renewal planning for Park Lands Sporting Clubs, North Adelaide Golf Course Club House, Public Toilets as well as our Horticulture Nursery and supporting Park Lands Hubs. A key challenge will be ensuring that the supporting upgrade/new funding requirements are incorporated into the LTFP and Business Plan and Budget.

#### **Summary & Next Steps**

23. The recommended levels of service allow for the continued provision of safe and well-maintained buildings, providing services in line with community expectations and ensuring we manage our assets in a financially sustainable manner over the short, medium and long term.
  24. Ongoing operations and maintenance requirements of our assets will continue to be reviewed on a year-by-year basis and incorporated into future revisions of the Asset Management Plan.
  25. Pending Council endorsement of the recommendations within this report, the next steps will involve integrating the planning principles and recommended management strategies into the Buildings Asset Management Plan.
  26. A draft Buildings Asset Management Plan (AMP) will be submitted to Council in January 2024, requiring approval to progress into the final stage of community consultation (6-week period, scheduled from February 2024).
  27. This will be followed by a final report to Council in April 2024 for consideration and adoption of the Buildings Asset Management Plan.
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## DATA AND SUPPORTING INFORMATION

**Link 1** – Community Engagement Summary

**Link 2** – Renewal Intervention Levels

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## ATTACHMENTS

Nil

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