

Adoption of the Buildings Asset Management Plan

Tuesday, 21 May 2024
Infrastructure and Public Works Committee

Strategic Alignment - Our Places

Program Contact:
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Public

Approving Officer:
Tom McCready, Director City Services

EXECUTIVE SUMMARY

The purpose of this report is to present the community feedback and consultation outcomes of the draft Buildings Asset Management Plan (AM Plan), in conjunction with feedback received from the Audit and Risk Committee (ARC) and seek Council adoption of a finalised Buildings AM Plan as required under the *Local Government Act 1999 (SA)*. Each of our six AM Plans will require Council adoption prior to 30 June 2024 to enable review by the Essential Services Commission of South Australia (ESCOSA) in 2024/25.

At its 27 February 2024 meeting, Council was presented the draft Buildings AM Plan and endorsed it to be released to community consultation for a six-week period between 4 March 2024 and 12 April 2024. Community consultation included a Your Say Adelaide engagement page in conjunction with two drop-in sessions that were held at the Hutt Street Library (27 March 2024) and the North Adelaide Library on Tynte Street (3 April 2024). The community was notified of the consultation through the Government Gazette and Public Notice in the Advertiser, as well as physical and electronic promotion including signage at community centres and social media campaigns.

Through the Your Say Adelaide engagement process, we received 1,156 visits to the landing page (for all six AM Plans), with 70 visitors who viewed the Buildings AM Plan feedback form. Two survey responses were received for the Buildings AM Plan, where one was supportive of the draft Building AM Plan and the other response was not relevant to the AM Plan. While community engagement response numbers were low, the feedback received did not result in any adjustments for the finalisation of the Buildings AM Plan. All consultation responses have been collated and summarised in **Attachment A**.

The draft Buildings AM Plan was also presented to the Audit and Risk Committee on 12 April 2024 for review and comment. Recommendations were made to provide additional granularity for the condition distribution of each building category as well as financially quantify the identified asset renewal backlog raised within the Plan. The finalised AM Plan now contains this information in Section 2 of the concise Buildings AM Plan Summary (**Attachment B**) and Section 1.2 of the Comprehensive Buildings AM Plan (**Attachment C**).

RECOMMENDATION

The following recommendation will be presented to Council on 28 May 2024 for consideration

THAT THE INFRASTRUCTURE AND PUBLIC WORKS COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL:

1. Receives the community feedback for the draft Buildings Asset Management Plan included in the Engagement Summary & Submissions Report provided in Attachment A to Item 7.2 on the Agenda for the meeting of the Infrastructure and Public Works Committee held on 21 May 2024.
2. Notes that the draft Buildings Asset Management Plan was presented to the Audit and Risk Committee on 12 April 2024 for review and comment, where recommendations were made to provide additional granularity for the condition distribution of each building category as well as financially quantify the asset renewal backlog identified within the Plan.

3. Notes that there were no changes made to the draft Buildings Asset Management Plan in response to the feedback received through community consultation and the advice received from the Audit and Risk Committee, other than minor editorial and formatting changes in response to Audit and Risk Committee feedback.
 4. Adopts the Buildings Asset Management Plan provided in Attachment B and C to Item 7.2 on the Agenda for the meeting of the Infrastructure and Public Works Committee held on 21 May 2024
 5. Notes that the adopted Buildings Asset Management Plan will be included into the 24/25 Business Plan and Budget and Long Term Financial Plan.
 6. Notes that the Buildings Asset Management Plan will be reviewed on an annual basis, where any material changes to financial forecasts will be considered through the Annual Business Plan and Budget process and incorporated as updates to the Long Term Financial Plan.
 7. Authorises the Acting Chief Executive Officer or delegate to make minor and technical amendments as required (including updates to adopted budgets in the Long Term Financial Plan), to the Buildings Asset Management Plan documents contained in Attachments B and C to Item 7.2 on the Agenda for the meeting of the Infrastructure and Public Works Committee held on 21 May 2024.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Places Manage our assets to meet the needs of the community.
Policy	Asset Management Policy Strategic AM Plan Public Communication and Consultation Policy
Consultation	Consultation on the draft Buildings AM Plan was open from Monday 4 March 2024 to Friday 12 April 2024. The results of the consultation feedback and analysis are provided within, and as an attachment to this report for Council’s consideration prior to adopting the Buildings AM Plan.
Resource	Not as a result of this report
Risk / Legal / Legislative	The review and update of AM 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> .
Opportunities	The Buildings AM Plan defines asset levels of service to ensure assets are meeting the community’s current and future requirements.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	2024/25 budgets will be set by Council through the Annual Business Plan and Budget Process (noting Asset Renewal Funding Ratio targets of between 90-110%). Asset renewal is generally funded through operational revenue, which includes rates, commercial revenue and grant allocations.
Life of Project, Service, Initiative or (Expectancy of) Asset	There are implications for the future lifecycle management of our Buildings portfolio, including operation, maintenance and renewal of assets. These are presented in detail within the Buildings AM Plan.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	As documented within AM Plan (no change).
Other Funding Sources	External funding opportunities will continually be pursued to offset costs, bring forward works, or provide for additional enhancements.

DISCUSSION

1. The purpose of this report is to present the community feedback and consultation outcomes of the draft Buildings AM Plan, in conjunction with feedback received from the ARC and seek Council adoption of a finalised Buildings AM Plan as required under the *Local Government Act (SA) 1999* (the Act). Each of our six AM Plans will require Council adoption prior to 30 June 2024 to enable review by the ESCOSA.

Background

2. In June 2022, City of Adelaide undertook an engagement process with City residents and visitors to better understand and measure levels of satisfaction of users who utilise the services provided by our building portfolio. The engagement received feedback from 302 total respondents, which is considered a sound basis for informing the development of the Buildings AM Plan.
3. At its 26 September 2023 meeting Council received a report noting the results of the community consultation undertaken to benchmark current user satisfaction and approved the development of a draft Buildings AM Plan based on the planning principles and recommended management strategies (levels of service) presented within the report and its Attachments [\[Link 1\]](#).
4. At its 27 February 2024 meeting, Council received the draft Buildings AM Plan and endorsed it to be released to community consultation for a six-week period between 4 March 2024 and 12 April 2024 [\[Link 2\]](#).
5. At its 12 April 2024 meeting, the Audit and Risk Committee was presented the draft Building AM Plan for review and comment. Recommendations were made to provide additional granularity for the condition distribution of each building category as well as financially quantify the identified asset renewal backlog raised within the Plan [\[Link 3\]](#).

Consultation Process

6. Community consultation ran for a six-week period between 4 March 2024 and 12 April 2024.
7. This six-week period exceeded the minimum requirements (21 days) of Section 50 of the Act and aligned with the six-week consultation period recommended under Council's Community Consultation Policy.
8. Community consultation included a Your Say Adelaide engagement page in conjunction with two drop-in sessions that were held at the Hutt Street Library (27 March 2024) and the North Adelaide Library on Tynte Street (3 April 2024).
9. To ensure the community was informed and aware of their opportunities to provide feedback into this process, consultation included:
 - 9.1. Public notice in the South Australian Government Gazette on 29 February 2024.
 - 9.2. Public notice in The Advertiser newspaper on 4 March 2024.
 - 9.3. Physical promotion at libraries and community centres.
 - 9.4. Electronic promotion through social media platforms.
 - 9.5. Notification to registered Your Say Adelaide stakeholders (over 10,000 registered users) via the Your Say Adelaide email newsletter on 20 March 2024.
 - 9.6. Notifications to registered CoA newsletter subscribers.
10. Through the Your Say Adelaide engagement, we received 1,156 visits to the landing page (for all six AM Plans), with 70 visitors who viewed the Buildings AM Plan feedback form.
11. Two survey responses were received for the Buildings AM Plan, where one was supportive of the draft Building AM Plan and the other response was not relevant to the AM Plan. All consultation responses have been collated and summarised in **Attachment A**.
12. Survey participation was regularly monitored over the six-week engagement period, with additional electronic promotion deployed in attempt to encourage further participation.
13. While community engagement response numbers were low, the feedback received did not require any material adjustments to the Buildings AM Plan.

Audit and Risk Committee Advice

14. The draft Buildings AM Plan was presented to the ARC on 12 April 2024 for review and comment. Recommendations were made to provide additional granularity for the condition distribution of each building category as well as financially quantify the identified asset renewal backlog raised within the Plan [\[Link 3\]](#).

Finalised Buildings AM Plan

15. The feedback from community consultation and the ARC did not prompt any substantial changes to the draft Buildings AM Plan, other than minor editorial and formatting changes.
16. The finalised Buildings AM Plan is presented in **Attachment B** (Summary Buildings AM Plan) and **Attachment C** (Comprehensive Buildings AM Plan).

Next Steps

17. The 2024/25 Business Plan and Budget will be prepared in line with the requirements of the updated Buildings AM Plan, with the LTFP being updated through this process.
18. The remaining AM Plans (Park Lands and Open Space, Water Infrastructure, Public Lighting and Electrical Infrastructure) will be presented to Council for adoption by 30 June 2024.
19. Following adoption of all six AM Plans, in 2024/25 ESCOSA will assess City of Adelaide's long-term financial sustainability.
20. Following adoption of the 2024/25 Business Plan and Budget and updates to the LTFP, minor amendments will be made to the Buildings AM Plan, under the authorisation of the Acting Chief Executive Officer, to reflect changes to adopted budget allocations for the Buildings AM Plan (i.e. showing to what extent the AM Plan has been funded by Council).

DATA AND SUPPORTING INFORMATION

Link 1 - Council Meeting Minutes 26 September 2024

Link 2 - Council Meeting Minutes 27 February 2024

Link 3 - Audit and Risk Committee Meeting Agenda 12 April 2024

ATTACHMENTS

Attachment A - Buildings AM Plan Engagement Summary & Submissions Report

Attachment B - Buildings AM Plan (Summary)

Attachment C - Buildings AM Plan (Comprehensive)

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