

Recommended Levels of Service for Urban Elements Asset Management Plan

Tuesday, 9 August 2022
Council

Strategic Alignment - Strong Economies

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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)*.

This report presents the recommended asset management strategies and levels of service for Urban Elements which includes furniture, public art, playground equipment, shelters and structures. Recommendations have utilised predictive modelling software within our new Asset Management System, considered recent community engagement results, and considered the current condition of the Urban Elements assets.

A recommended asset management strategy is presented for each Urban Elements asset category, which would inform the development and updates to the Urban Elements Asset Management Plan and re-forecast the Long Term Financial Plan (LTFP).

The recommended levels of service allow for the continued provision of a safe, inviting and accessible urban furniture suite and recreational facilities, providing services in line with community expectations and ensure we manage our assets in a financially sustainable manner over the short, medium and long term. The estimated renewal requirements over the next 10 years are \$4.6m p.a. (annual average).

RECOMMENDATION

THAT COUNCIL

1. Notes the results of the community consultation undertaken to benchmark current user satisfaction for urban elements assets.
 2. Approves the development of the Urban Elements Asset Management Plan based on the planning principles and recommended management strategies presented within this report and Attachment A to Item 10.6 on the Agenda for the meeting of the Council held on 9 August 2022.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<p>Strategic Alignment – Strong Economies</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 Urban Elements Asset Management Plan and re-forecast the LTFP. 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	Asset Management Policy, Strategic Asset Management Plan and the Public Communication and Consultation Policy.
Consultation	In November 2021, an engagement process was undertaken with city residents and visitors to better understand and measure levels of satisfaction of users who utilise the services provided by our Urban Elements infrastructure. The results are presented within this report and inform the recommended levels of services/asset management strategies.
Resource	Not as a result of this report
Risk / Legal / Legislative	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> .
Opportunities	The review of Urban Elements levels of service provides an opportunity to ensure Urban Elements assets are meeting the community's current and future requirements.
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Implications for the future lifecycle management of our Urban Elements will be discussed in detail within the Urban Elements Asset Management Plan.
22/23 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Implications for the future lifecycle management of our Urban Elements will be discussed in detail within the Urban Elements Asset Management Plan.
Other Funding Sources	We will continue to assess and source external funding opportunities to offset costs, bring forward works, or provide for additional enhancements.

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) Urban Elements assets which include furniture, public art, playground equipment, shelters and structures. We have utilised predictive modelling software within our new Asset Management System, considered recent community engagement results, and considered the current condition of the Urban Elements assets.

Background

2. Our Urban Elements assets enable residents and visitors of the city to experience a safe, pleasant and inviting environment, through providing facilities for entertainment, events and relaxation. This suite of assets is valued at approximately \$96 million and has been developed over time through the activation of public spaces.
3. We are currently reviewing our Asset Management Plans, which is legislated in the Local Government Act 1999 (SA). A level of service review is one of the first steps in this process. Other asset classes will follow in subsequent reports.
4. Asset Management Plan timelines and the proposed approach for community engagement on Levels of Service were presented through a workshop with Council Members at The Committee on 19 October 2021 (Link 1 view [here](#)).
5. Background to concepts of 'Levels of Service' was presented to The Committee through the Business Plan and Budget Workshop on 22 February 2022 (Link 2 view [here](#)).

Strategic Context

6. This report discusses the levels of service for our existing assets. The adopted levels of service will be used to guide the asset planning within Asset Management Plans and inform required updates for the LTFFP.
7. New and upgraded infrastructure is driven by Council approved corporate strategies and incorporated into the Service Delivery Plan, where initiatives are endorsed annually through the Business Plan and Budget.
8. 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 expectation.
9. The levels of service and associated estimated costs in this report are for asset management planning purposes only. Any future budget considerations will be undertaken through the Asset Management Plan and the Business Plan and Budget process. Forecast costs are based on current asset unit rates, condition, and useful lives, all of which are reviewed periodically.

Community Consultation

10. In November 2021, CoA 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 Urban Elements infrastructure.
11. The insights from the Survey are intended to be used to identify where current levels of service are not meeting the community's expectation. This will enable recommendations to be made to Council regarding future resourcing requirements for specific services.
12. The engagement process was primarily undertaken through questionnaire surveys (113 total respondents), where information was collected online using the YourSay platform (61 respondents), as well as through on street intercepts at various locations across the City (52 respondents). Additional information and feedback relating to CoA's assets was also collected through the 2021 Resident Survey (318 comments) and engagement with the Disability Access and Inclusion Panel (44 comments).
13. To ensure that data was collected to enable a clear line of sight for decision making purposes, the questionnaire was structured to differentiate responses associated with various asset categories as well as differentiate responses relating to the City's Streets and the Park Lands.
14. A summary of this feedback is presented in **Attachment A**.

Renewal Intervention Levels

15. Renewal intervention levels for each asset category have been established considering feedback from community consultation, risk management principles, detailed assessments, and the objective of minimising whole of life costs. A summary of this approach is presented in **Attachment A**.

Predictive Scenario Modelling

16. Our Asset Management System's predictive modelling software has been used to inform recommended levels of service for each asset category through evidence-based decision making.
17. Evidence based decision making enables optimised capital renewal expenditure and service level outcomes.
18. This has allowed us to predict the deterioration of our assets over the short, medium and long term, as well as model multiple scenarios to evaluate and assess the relationship between levels of service, cost and risk.
19. Scenario models were developed for varying levels of investment for each of the asset categories. Scenarios included the current LTFP, no investment, as well as unconstrained funding (refer **Attachment A**).

Public Art

20. Our public art assets are valued at \$38.3m with 648 artworks pieces under care and control of the City of Adelaide. These assets encompass monuments, statues, landscape features, memorial fountains and plaques.
21. The overall condition of the public art portfolio is currently considered to be in a good (condition 2) to fair (condition 3) (**Attachment A**).
22. Due to the unique design and ongoing management requirements, it is recommended to assess and refurbish Public Art assets periodically rather than replace them.

Playground Equipment

23. Our playground assets are valued at approximately \$3.7m and are made up of 22 playgrounds and fitness areas.
24. The overall condition of the playground assets is currently considered to be in a good condition (**Attachment A**). Ongoing investment will be required to sustainably manage the playground assets as they age.

Furniture, Shelters and Structures

25. Our furniture, shelters and structures are valued at \$51.3m.
26. The overall condition of these assets are considered to be in good to fair condition (refer **Attachment A**). Ongoing investment will be required to sustainably manage the assets as they age.
27. Similar to Public Art, heritage listed structures (eg Elder Park Rotunda), are recommended to be assessed and refurbished periodically.

Summary & Next Steps

28. The recommended levels of service allow for the continued provision of a safe and accessible Urban Elements asset portfolio, 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. The estimated renewal and refurbishment requirements over the next 10 years is \$4.6m p.a. (annual average). This is approximately \$1.2m higher (35%) than the current LTFP allocation for Urban Elements assets (**Attachment A**). This increase is attributed to:
 - 32.1. Additional asset renewal requirements that need to be addressed in this planning period
 - 32.2. Increase in asset replacement costs
 - 32.3. Increase in the quantity of assets we manage since last Asset Management Plans were created
29. It is anticipated that existing maintenance and operational budgets will be sufficient if the recommended strategies are adopted.
30. Pending Council endorsement of the recommendations within this report, the next steps will involve integrating the planning principles and recommended management strategies into the Urban Elements Asset Management Plan.
31. A draft Urban Elements Asset Management Plan will return to Council in December 2022, requiring an approval to progress into the final stage of community consultation.

32. Asset Management Plans will be updated annually to account for any material changes in costs or outcomes.

DATA AND SUPPORTING INFORMATION

Link 1 – Levels of Service Committee Workshop 19 October 2021

Link 2 – Business Plan and Budget Workshop 22 February 2022

ATTACHMENTS

Attachment A – Urban Elements Levels of Service

- END OF REPORT -