

Long Term Plan 2024-34 Activity Plan

# Strategic Asset Management

- *Asset Management Improvement*

Adopted XX and XX June 2024

## Approvals

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|         |               |            |        |

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# 1. What this activity delivers

The Strategic Asset Management Team (SAM) support the delivery of asset management maturity improvements across the organisation in collaboration with the infrastructure owning business units e.g. Transport, Three Waters & Waste, Parks, Facilities, and Digital. Through this work, SAM builds the foundation for informed asset decisions with the business units responsible for managing the assets.

The SAM team provides a ‘support service’ to our customers, by developing and assisting in the delivery of a programme of work that improves our organisation’s asset management maturity. One of our main focus is to ensure that we have a comprehensive and accurate technical asset register available within a centralised Asset Management System (AMS) and programmes and processes are in place to ensure this is regularly and easily updated so the Council can make better-informed decisions on our assets, such as when to maintain, renew or replace our assets.

Over the course of this Long Term Plan (LTP) our activity intends to focus on addressing the significant issue within the Infrastructure Strategy (IS) - specifically “Understanding and maintaining the condition of our infrastructure” as having this data readily available and updated consistently across the organisation will ensure that informed decisions can be made about our assets during the development of the LTP.

This will also ensure that we improve Council’s asset management maturity as this is a key focus for Audit New Zealand, NZTA, the Auditor General and the Infrastructure Commission.

The SAM team will further develop the relationships with Senior Leaders and the Executive Leadership Team to ensure the development of these programmes of work is resourced efficiently and financially supported.

**This activity includes the following services:**



**Strategic Asset Management Improvement**

**The Strategic Asset Management Teams’ objectives**



## A snapshot of provision and use for 2022/23:

- ✓ Development of a new Strategic Asset Management Team.
- ✓ Review our current Asset Management practices across the organisation.
- ✓ Provide insight into current Asset Management practices across the organisation.
- ✓ Advise on the improvements required to deliver a consistent approach to Asset Management across the organisation.
- ✓ Work with Senior Leaders to emphasise the importance of Asset Management across the organisation.



## Where we came from

The previous Asset Management Unit was a centralised function that provided services to our internal Transport & Resource Recovery, Three Waters, Parks, Facilities, and Digital. The AMU was self-disestablished during the 2022 restructure. Over their tenure, the team delivered the 2016, 2018 and 2020 Asset Maturity Assessments (AMMA) and led many improvements to our asset management maturity across the organisation including the development of the AAIF framework for our Three Waters network.

## Where we are going

The Strategic Asset Management Team is a newly established team within the Strategic Policy Unit. The SAM Team provides a support service to the Asset Stewards that sit within each of the operational areas Transport & Resource Recovery, Three Waters, Parks, Facilities, and Digital. Our aim is to work across the organisation to develop Asset Management Improvement Programmes that deliver a consistent level of maturity across the organisation with a key focus on condition and performance data as this helps us evaluate remaining useful life which is an essential part of asset management planning. We will do this by building strong relationships, working collaboratively and championing effective asset management across the organisation.

- Deliver the 2023 Asset Management Maturity Assessment (Completed)
- Development of Asset Management Improvement programmes based on the AMMA assessment and the needs of the service units.
- Ensure that Asset Management Improvement Programmes are organisationally reinforced, effectively resourced and financially supported.
- Ensuring a centralised Asset Management System (AMS) is available across the organisation and provides consistent information.
- Develop and deliver consistent condition and performance assessment programmes organisational-wide.
- Champion effective asset management across the organisation.



## Our customers & stakeholders

**Who our key customers are:** Asset Stewards: These are the individuals tasked with the oversight of the assets being managed and expect our team to maximize the value of their investments, minimize risks, and provide regular updates on asset performance.

Executive Leadership Team: Rely on asset management insights to make strategic decisions, allocate resources effectively, and assess the overall performance and value of the assets.

External Service Providers: Contractors involved in the maintenance, repair, construction related to our assets.

**Who our key stakeholders are:** Executive Leadership Team: This includes other high-level decision-makers who set the overall strategic direction of the organisation.

Asset Stewards: These are the individuals tasked with the oversight of the assets being managed. Asset stewards are concerned with maximizing returns, minimizing risks, and ensuring the value of their investments.

Operations and Maintenance Teams: These teams are responsible for the day-to-day management, maintenance, and operation of the assets. They provide valuable insights and feedback on asset performance, maintenance requirements, and operational efficiencies.

Finance and Accounting: The finance and accounting team monitor the financial aspects of asset management. They are interested in budgeting, cost control, financial forecasting, and ensuring compliance with accounting standards.

Risk Management and Compliance: This unit focuses on identifying and mitigating risks associated with assets / asset management. They ensure compliance with regulatory requirements, internal policies, and industry standards.

The Community: Their feedback and satisfaction with the performance and reliability of assets can impact the organisation's reputation and business success.

External Service Providers: Contractors involved in the maintenance, repair and construction related to our assets.

Regulatory Authorities and Government Agencies: regulatory authorities and government agencies that have an interest in asset management practices. Compliance with regulations, permits, and environmental standards may be required.

**What we do:** The SAM Team provides a support service to the Asset Stewards that sit within each of the operational areas Transport & Resource Recovery, Three Waters, Parks, Facilities, and Digital

**What you think:** "We do not need to pursue perfection, but we can always strive for improvement."

**What you say:** "Without data you're just another person with an opinion"

## 2. Why we deliver this activity

We deliver this activity because assets underpin our ability to deliver a modern robust city infrastructure and services that our communities rely on.

The Local Government Act 2002 (LGA) sets out the requirement for the provision of efficient and effective infrastructure to meet the existing and foreseeable needs of the community. To meet this legislative requirement the Council needs to apply an organisation-wide approach to asset management.

Effective asset management enables the delivery of level of service in the most cost-effective manner to present and future communities.

Asset management is a business process that guides lifecycle management of assets. Lifecycle management includes the planning, acquisition, operation, maintenance, renewal, and disposal of assets.

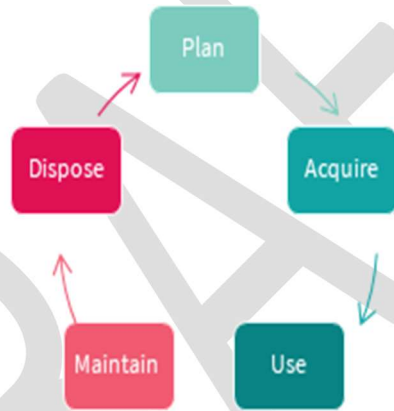






Figure 1: Asset life cycle stages







As an internal service provider, the work undertaken by the Strategic Asset Management Team supports asset management improvement activities for the business units within Council that are responsible for the community's asset base. This is achieved through a programme of improvements that focus on high value opportunities and gaps identified through regular asset management maturity assessments. The improvements provide confidence and trust that the assets are managed to deliver the best value over their extensive lifetimes.

## 2.1. Community Outcomes: How this activity contributes

| Community Outcomes   |   | Contribution* | Key contributions to achieving our community outcomes  |
|--|---|---------------|--|
|    | <b>A collaborative confident city</b><br>Our residents have the opportunity to actively participate in community and city life, have a strong sense of belonging and identity, and feel safe  | ★             | <b>Key statement of how this activity contributes to this outcome</b> <ul style="list-style-type: none"> <li>We provide advice and influence Council strategies and policies that support community wellbeing.</li> <li>We provide strategic support to other parts of the Council and form partnerships with other localised government agencies to maximise opportunities and advance our knowledge which provide better social outcomes for our community</li> </ul>  |
|    | <b>A green, liveable city</b><br>Our neighbourhoods and communities are accessible and well-connected, supporting our goals to reduce emissions, build climate resilience and protect and regenerate the environment, especially our biodiversity, water bodies and tree canopy | ★             | <b>Key statement of how this activity contributes to this outcome</b> <ul style="list-style-type: none"> <li>We provide advice and influence Council strategies and policies to protect and restore our natural environment and taonga, such as the Climate Resilience strategy.</li> <li>We provide strategic support to other parts of the Council and form partnerships with other localised government agencies to maximise opportunities and advance our knowledge and understanding of climate change, resilience and adaptation that will benefit our communities in future years</li> </ul>                              |
|    | <b>A cultural powerhouse city</b><br>Our diverse communities are supported to understand and protect their heritage, pursue their arts, cultural and sporting interests, and contribute to making our city a creative, cultural and events 'powerhouse'                         | ★             | <b>Key statement of how this activity contributes to this outcome</b> <ul style="list-style-type: none"> <li>We provide advice and influence Council strategies and policies that support culture, heritage and recreation.</li> </ul>   |
|   | <b>A thriving prosperous city</b><br>Our city is a great place for people, business and investment where we can all grow our potential, where enterprises are innovative and smart, and where together we raise productivity and reduce emissions                               | ★             | <b>Key statement of how this activity contributes to this outcome</b> <ul style="list-style-type: none"> <li>We provide advice and influence Council strategies and policies that support sustainable economic development in the district such as the Smart Christchurch, Economic Development and Financial Strategies and the Waste Management and Transport Plans.</li> <li>We provide strategic support to other parts of the Council and form partnerships with other localised government agencies to maximise opportunities and advance our knowledge which provides better social outcomes for our community</li> </ul> |
| <b>*Level of contribution – what this means</b>  |   |               |  |
| ★★★★ This activity is critical to the Council's contribution to achieving this community outcome – we measure our impact with specific levels of service                     |   |               |  |
| ★★★ This activity strongly supports the Council's contribution to achieving this community outcome – we measure our impact with specific levels of service for some elements |   |               |  |
| ★★ This activity supports the Council's contribution to achieving this community outcome – we measure our impact with specific levels of service if practicable              |   |               |  |
| ★ This activity may provide incidental support to achieving this community outcome – it's not cost-effective to measure our impact   |   |               |  |




## 2.2. Strategic Priorities - How this activity supports progress on our priorities


| Strategic Priorities   |  | Contribution* | How our strategic priorities influence the way we work  |
|--|--|---------------|---|
|    | Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility, and connection  | ★             | <ul style="list-style-type: none"> <li>Asset Management is sustainable service delivery: the ability to deliver services to the current community in a way that does not compromise the needs of future generations and ensures equity and safety.</li> </ul>   |
|    | Champion Christchurch and collaborate to build our role as a leading New Zealand city  | ★             | <ul style="list-style-type: none"> <li>Asset Management focuses on the performance of the asset and its ability to provide the required level of service to customers. This can be measured in terms of reliability, availability, capacity, and meeting customer demands and future needs in a growing city.</li> </ul>  |
|    | Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents.  | ★             | <ul style="list-style-type: none"> <li>Good Asset Management reduces the cost of maintenance and extends the life of our assets thus giving our community greater confidence in the work council delivers.</li> </ul>   |
|    | Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change while protecting our indigenous biodiversity, water bodies and tree canopy. | ★★★           | <ul style="list-style-type: none"> <li>Asset Management planning takes a long-term approach to the delivery of assets and is focused on understanding the probability of climate change and the impacts this has on our asset network.</li> <li>Asset Management can be a vehicle for implementing climate adaptation strategies, helping us prioritise investment, improve community resilience and improve resilience planning.</li> </ul>  |
|    | Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.  | ★★★★★         | <ul style="list-style-type: none"> <li>Ensure that our internal system and the Asset Management system deliver better, quality information about our assets so we can make better-informed decisions around the management of our assets. Placing a focus on this concern throughout this LTP will directly address the significant issues raised within the Infrastructure Strategy.</li> <li>Asset Management tracks the assets of the organisation by ensuring the assets are maximized to provide the best returns to stakeholders.</li> <li>Good Asset Management practice protects the organisation and the community from unexpected financial risks and liability while supporting health and safety in the community.</li> <li>Asset Management is a systematic process to cost-effectively procure, maintain, upgrade, and dispose of organisational assets. As a result, it enhances asset delivery potential and lowers costs.</li> </ul> |
|  | Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind.   | ★★            | <ul style="list-style-type: none"> <li>Asset Management provides a good foundation for effectively managing assets to meet the needs of future generations.</li> <li>Asset management and understanding the condition of our asset can provide an accurate prediction of future expenditure requirements through understanding remaining asset life and capital investment needs.</li> </ul>  |
| <b>*Levels of contribution – what this means</b>                                   |  |               |   |
| ★★★★★  | This activity is critical to achievement of this strategic priority – we measure our impact with actions and levels of service in the Strategic Priorities Action Plan   |               |   |
| ★★★★   | This activity strongly supports achievement of this strategic priority – we measure our impact with actions and levels of service in the Strategic Priorities Action Plan for important elements only            |               |   |
| ★★★  | This activity supports achievement of this strategic priority - we measure our impact with actions and levels of service in the Strategic Priorities Action Plan if practicable                                  |               |   |
| ★  | This activity may provide incidental support for the achievement of this strategic priority – it's not cost-effective to measure our impact  |               |   |

## 2.3. Climate Resilience Goals: How this activity supports climate resilience goals


### Net zero emissions Christchurch

|  |   |
|--|---|
|  | <p>There are limited greenhouse gas emissions from this activity as it primarily involves delivering strategic asset management advice. Key sources of emissions are:</p> <ul style="list-style-type: none"> <li>• Electricity use in the office</li> <li>• Staff business travel</li> </ul>  |
|  | <p>We take the following actions to reduce greenhouse gas emissions:</p> <p>Operational/embedded greenhouse gas emissions</p> <ul style="list-style-type: none"> <li>• Provide asset management guidance to staff on ways to reduce the Council's emissions across assets and services</li> <li>• Avoid non-essential business travel by using online meeting options where possible and use the shared EV fleet for local travel</li> </ul> <p>Greenhouse gas emissions by users of Strategic Asset Management</p> <ul style="list-style-type: none"> <li>• There are no significant GHG emissions from others as a result of this activity</li> </ul> |

### We understand and are preparing for the ongoing impact of Climate change

|  |   |
|--|---|
|  | <p>Key climate risks for the Asset Management activity:</p> <ul style="list-style-type: none"> <li>• There are limited direct physical risks on the activity and no physical assets held by the activity.</li> <li>• Staff traveling to or for work may be affected by changes to climate, heat and outdoor air quality.</li> <li>• Staff wellbeing may be affected by continual exposure to information about climate change and work-related stress due to significant expectations for action on climate change from central and local government and communities.</li> <li>• Programme delivery may be affected by changes in climate change direction from central government.</li> <li>• Specific delivery risks and mitigations in relation to our climate resilience programme are outlined in the risk section?</li> </ul> |
|  | <p>Options to reduce the risks to the Asset Management activity, and the community, include:</p> <ul style="list-style-type: none"> <li>• Inclusion of key risks in the Council risk register with a plan to manage these</li> <li>• Use of Council wellbeing resources and tools</li> <li>• Development and implementation of a sized and deliverable climate resilience work programme focused on high impact actions</li> </ul>  |

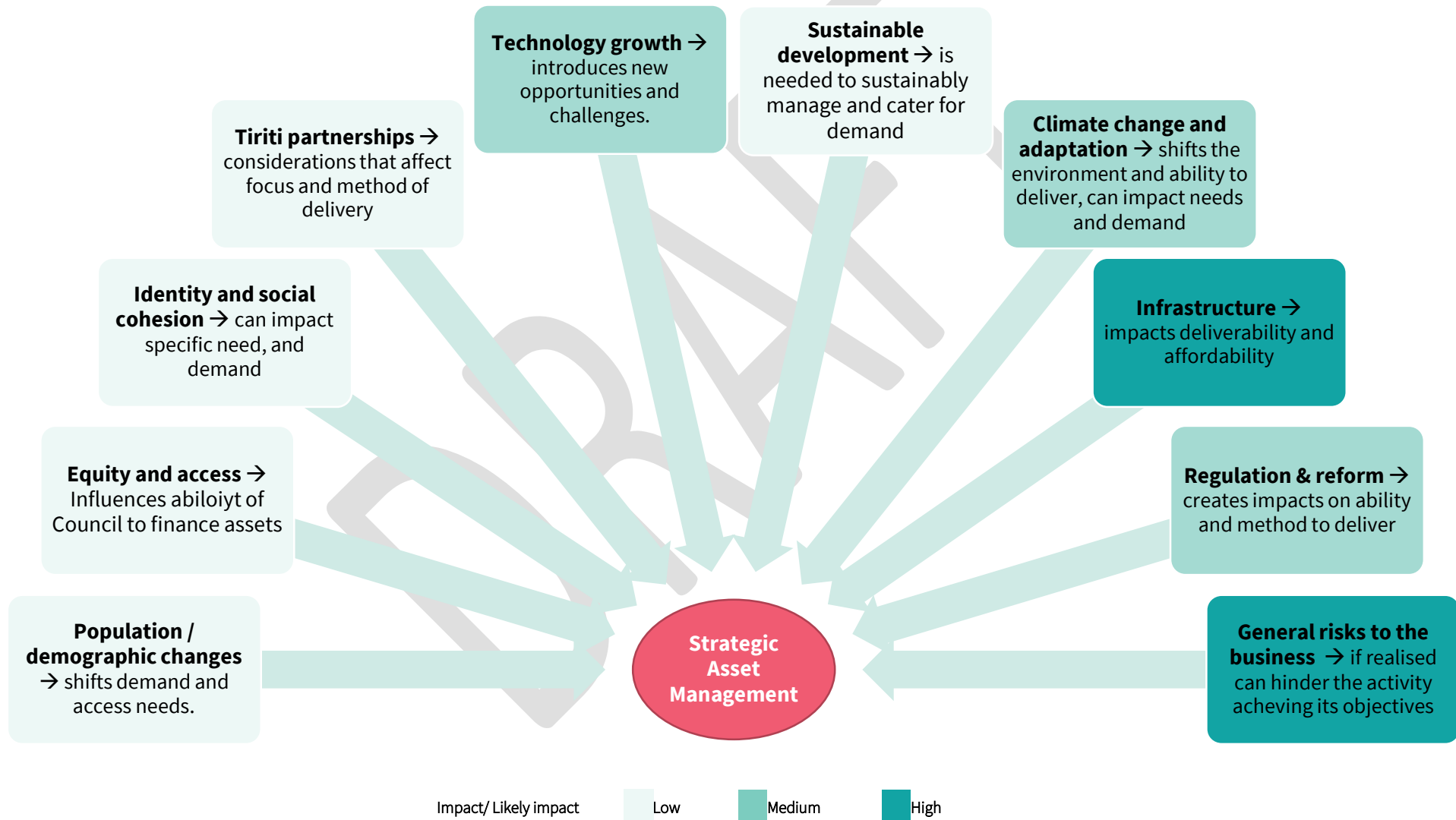
### We are guardians of our natural environment and taonga

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• The newly established climate resilience team will identify delivery pathways across Council for implementation of the Climate Resilience Strategy.</li> <li>• SAM will continue to actively engage with the Coastal Hazards Adaptation Planning Programme with the Ōtautahi Christchurch Risk Explorer tool??? (TBC)</li> <li>• Specific levels of service outline the support and advice the climate resilience team will provide towards achievement of emissions reductions targets – for Council to be net carbon neutral by 2030 and for Christchurch District to be carbon neutral by 2045.</li> </ul> |
|--|--|

### 3. How we are planning for future impacts

There are various factors influencing current and future demand for the Strategic Asset Management Activity and the ability to deliver them. These are listed below.

#### 3.1. Issues impacting current and future activity demand and deliverability



## 3.2. The high impact issues and mitigations planned

The more prominent ones that in particular affect our Community Outcomes or Strategic Priorities are summarised on this page. For further details on issues, including the current status, future projections, likely impact and mitigations please see Appendix B.



### Infrastructure

**High impact issues:** Differing levels of Asset Management Maturity across the organisation.

This will **impact the strategic priorities** - This will limit our ability to effectively plan and finance infrastructure renewals across certain areas of the organisation.

**Mitigating actions** To mitigate this issue we will be delivering our 2023 Asset Management Maturity Assessment. The AMMA will produce a list of improvement projects to address these gaps.



### Business Risk

**High impact issues:** The lack of consistent asset condition and performance data available for our assets

This will **impact the strategic priorities** - Condition and performance data helps us evaluate remaining useful life and can assist in estimating the year of acquisition and establishing a renewal timeframe for an asset.

**Mitigating actions** Data standards across the organisation are currently being developed to ensure that the information we gather is consistent. Once the standards are in place it is the asset stewards' responsibility to develop data capture programmes to gather condition and performance data.


**Strategic Asset Management**

# 4. Our levels of service

Council’s Levels of Service (LoS) measures enable us to monitor and report against our outcomes and service performance. See Appendix A: Levels of Service Details for more detail.

## Services & Levels of Service measurements

- ➔ Strategic Asset Management have **0 Community (C) Levels of Service.** (These LOS community facing and will be published in our Statement of Service Provision)
- ➔ Strategic Asset Management also **4 Management (M) Levels of Service.** (These are LOS that are measured in the organisation to ensure service delivery)

| <div> Strategic Asset Management Improvement</div>                       |   |
|--|---|
| <b>Service contributes to:</b> <ul style="list-style-type: none"><li>• A collaborative and confident city</li><li>• A thriving prosperous city</li></ul> | <b>Levels of Service</b> <p>This service has 4 Management LoS.</p> <ul style="list-style-type: none"><li>• Increase CCC Asset Management Maturity to meet agreed appropriate maturity level for the organisation.</li><li>• Deliver consistent Asset Management Maturity to meet an agreed appropriate maturity level for the organisation.</li><li>• The annual Asset Management Improvement Programme is developed.</li><li>• Support the increase in the quality, completeness and accuracy of data across the organisation through monitoring and reporting</li></ul> |



## 5. How assets will be managed to deliver the services

This activity does not have assets.

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## 6. Capital expenditure and key capital projects

This activity does not have capital expenditure and key capital projects.

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# 7. Financial resources needed Resources needed

## 7.1. Resources needed

Indicative budgets are based on the 2023/24 Annual Plan projections for the balance of the current LTP. They are subject to year end capital carry forwards, and further refinement of inflation and other assumptions for the new LTP

| <b>Asset Management</b>                           |                     |              |              |              |              |              |              |              |
|---|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 000's   | Annual Plan 2023/24 | LTP 2024/25  | LTP 2025/26  | LTP 2026/27  | LTP 2027/28  | LTP 2028/29  | LTP 2029/30  | LTP 2030/31  |
| <b>Activity Costs Before Overheads by Service</b> |                     |              |              |              |              |              |              |              |
| Strategic Asset Management                        | 1,134               | 1,303        | 1,346        | 1,383        | 1,421        | 1,455        | 1,487        | 1,516        |
|   | <b>1,134</b>        | <b>1,303</b> | <b>1,346</b> | <b>1,383</b> | <b>1,421</b> | <b>1,455</b> | <b>1,487</b> | <b>1,516</b> |
| <b>Activity Costs by Cost Type</b>                |                     |              |              |              |              |              |              |              |
| Direct Operating Costs                            | 18                  | 19           | 20           | 20           | 21           | 22           | 22           | 22           |
| Direct Maintenance Costs                          |                     |              |              |              |              |              |              |              |
| Staff and Contract Personnel Costs                | 1,110               | 1,278        | 1,320        | 1,357        | 1,394        | 1,427        | 1,459        | 1,488        |
| Other Activity Costs                              | 5                   | 5            | 5            | 6            | 6            | 6            | 6            | 6            |
| Overheads, Indirect and Other Costs               | (1,134)             | (1,303)      | (1,346)      | (1,383)      | (1,421)      | (1,455)      | (1,487)      | (1,516)      |
| Depreciation                                      |                     |              |              |              |              |              |              |              |
| Debt Servicing and Interest                       |                     |              |              |              |              |              |              |              |
| <b>Total Activity Cost</b>                        | -                   | -            | -            | -            | -            | -            | -            | -            |
| <b>Funded By:</b>                                 |                     |              |              |              |              |              |              |              |
| Fees and Charges                                  |                     |              |              |              |              |              |              |              |
| Grants and Subsidies                              |                     |              |              |              |              |              |              |              |
| Cost Recoveries                                   |                     |              |              |              |              |              |              |              |
| Other Revenues                                    |                     |              |              |              |              |              |              |              |
| <b>Total Operational Revenue</b>                  | -                   | -            | -            | -            | -            | -            | -            | -            |
| <b>Net Cost of Service</b>                        | -                   | -            | -            | -            | -            | -            | -            | -            |
| <b>Funding Percentages</b>                        |                     |              |              |              |              |              |              |              |
| Rates   | 100%                | 100%         | 100%         | 100%         | 100%         | 100%         | 100%         | 100%         |
| Fees and Charges                                  | 0%                  | 0%           | 0%           | 0%           | 0%           | 0%           | 0%           | 0%           |
| Grants and Subsidies                              | 0%                  | 0%           | 0%           | 0%           | 0%           | 0%           | 0%           | 0%           |
| Cost Recoveries                                   | 0%                  | 0%           | 0%           | 0%           | 0%           | 0%           | 0%           | 0%           |
| Other Revenues                                    | 0%                  | 0%           | 0%           | 0%           | 0%           | 0%           | 0%           | 0%           |
| <b>Capital Expenditure</b>                        |                     |              |              |              |              |              |              |              |
|   | -                   | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Activity Capital</b>                     | -                   | -            | -            | -            | -            | -            | -            | -            |

## 7.2 Funding consideration and outcome

*Section 101 Local Government Act 2002 - Funding Consideration. The following tables are based on the financials from the previous page.*

Council funds the Strategic Asset Management activity predominately through the general rate. This means that most funding comes from ratepayers, mostly on the basis of capital value, with benefits mostly received in the same year as the expenditure is incurred.

- **Operating expenditure:** All operational costs for the Strategic Asset Management activity are allocated out to the external activities by way of Corporate Overhead. For explanation of how each external activity funds Corporate Overhead please refer to section 7.2 of those Activity Plans.
- **Capital expenditure:** The Strategic Asset management activity does not have any capital related expenditure.

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More information on the Council's Finance and Funding Policies can be found in the [Financial Strategy](#) and the [Revenue and Financing Policy](#)

## 8. Possible significant negative impacts on wellbeing



**This activity does not expect any significant negative effects on social, economic, environmental or cultural wellbeing of the local community, now or in the future.**

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# Appendices

## A. Appendix A: Levels of Service detail

### A.1. Continuous Improvement Review (S17A) – Recommendations for change

No Continuous Improvement Reviews (S17A) have been identified for this Activity.

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## A.2. Levels of Service: Performance measures in detail

| LOS number                             | C/ M | Performance Measures Levels of Service (LOS)  | Historic Performance Trends   | Benchmarks  | Future Performance Targets   |   |  |   | Method of Measurement   | Community Outcome                  |
|--|------|---|---|---|--|---|--|---|---|------------------------------------|
|  |      |   |   |   | Year 1<br>2024/25  | Year 2<br>2025/26   | Year 3<br>2026/27  | Year 10<br>2033/34  |   |                                    |
| Strategic Asset Management Improvement |      |   |   |   |  |   |  |   |   |                                    |
| 13.12.28                               | M    | Increase CCC Asset Management Maturity to meet agreed appropriate maturity level for the organisation.          | 2023: Level of Maturity Observed<br><b>Transport:</b> Intermediate<br><b>Three Waters:</b> Core / Intermediate<br><b>Digital:</b> Intermediate<br><b>Parks:</b> Basic<br><b>Facilities:</b> Basic<br><b>Recreation, Sport and Events:</b> Basic<br><b>Resource Recovery:</b> Basic<br>2020: 78 points<br>2018: 73 points<br>2016: 69 points | IIMM Framework Asset Management Maturity Assessment (AMMA) Tool |  |   | Conduct assessment   | Conduct assessment every three years  | This is conducted every three years by an external assessor.  | A collaborative and confident city |
| 13.12.29                               | M    | Deliver consistent Asset Management Maturity to meet an agreed appropriate maturity level for the organisation. | 2023: Level of Maturity Observed<br><b>Transport:</b> Intermediate<br><b>Three Waters:</b> Core / Intermediate<br><b>Digital:</b> Intermediate<br><b>Parks:</b> Basic<br><b>Facilities:</b> Basic<br><b>Recreation, Sport and Events:</b> Basic   | IIMM Framework Asset Management Maturity Assessment (AMMA) Tool | Have an agreed level of asset management maturity developed for the organisation | Delivery the asset management improvement programme to increase AM maturity to meet the required maturity level agreed upon by the organisation for each business unit. | Review agreed maturity level every three years after the AMMA is completed to align with organisational requirements/ expectations | Delivery the asset management improvement programme to increase AM maturity to meet the required maturity level agreed upon by the organisation for each business unit. | Develop a clear direction on the level of maturity the organisation is committed to achieving and ensure this is communicated with asset managers across the organisation | A collaborative and confident city |

| LOS number | C/M | Performance Measures Levels of Service (LOS)  | Historic Performance Trends   | Benchmarks  | Future Performance Targets  |   |   |   | Method of Measurement   | Community Outcome                  |
|------------|-----|---|---|---|---|---|---|---|---|------------------------------------|
|            |     |   |   |   | Year 1<br>2024/25   | Year 2<br>2025/26   | Year 3<br>2026/27   | Year 10<br>2033/34  |   |                                    |
|            |     |   | <b>Resource Recovery:</b><br>Basic<br>2020: 78 points<br>2018: 73 points<br>2016: 69 points |   |   |   |   |   |   |                                    |
| 13.12.20   | M   | The Asset Management Improvement Programme is developed.  | 2023: TBC   | Improvements to asset maturity are identified in each AMMA assessment | <b>The Asset Management Improvement Programme is implemented</b>  | <b>The Asset Management Improvement Programme is implemented</b>  | The Asset Management Improvement Programme is developed and implemented   | The Asset Management Improvement Programme is implemented   | The AM Improvement Programme is approved and monitored by the Strategic Asset Management Team and provide Programme updates through to ELT                | A collaborative and confident city |
| NEW        | M   | Support the increase in the quality, completeness and accuracy of data across the organisation through monitoring and reporting | New with LTP 2024   |   | Dashboards are developed for each business unit across the organisation to identify improvements to data quality, accuracy and completeness | Dashboards are maintained and enhanced for each business unit across the organisation to identify improvements to data quality, accuracy and completeness | Dashboards are maintained and enhanced for each business unit across the organisation to identify improvements to data quality, accuracy and completeness | Dashboards are maintained and enhanced for each business unit across the organisation to identify improvements to data quality, accuracy and completeness | Dashboards are maintained and enhanced for each business unit across the organisation to identify improvements to data quality, accuracy and completeness | A collaborative and confident city |



## A.3. Levels of Service changes from Long-term Plan 2021-31, and why

### Deletions

| Activity / Level of Service   | Change from 2021-31 LTP                    | Reason/Rationale  | Options for Consultation  |
|---|--|---|---|
| 13.12.31 Increase CCC Asset Management Maturity to meet agreed appropriate maturity level for the organisation. | This LOS has been removed as a requirement | 13.12.31 Regular updates on the progress of the Asset Improvement programme will be presented to ELT.   | 13.12.31 This is an internal activity and does not require consultation |
| 13.12.30 Percentage of internal customers satisfied with the Asset Management service provided                  | This LOS has been removed as a requirement | 13.12.30 The new Strategic Asset Management team provides advice on asset management across the organisation and no longer assists in the physical delivery of projects. Team provides a dashboard to asset managers to allow them to monitor performance | 13.12.30 This is an internal activity and does not require consultation |

### New

| Activity / Level of Service   | Change from 2021-31 LTP | Reason/Rationale  | Options for Consultation                                       |
|---|-------------------------|---|--|
| LOS 13.12.32<br>Support the increase in the quality, completeness and accuracy of data across the organisation through monitoring and reporting | New Level of Service    | We are looking to support by monitoring and reporting the progress that is made across the organisation with the capture of asset information which is key to the development of the long-term plan and annual plan process | This is an internal activity and does not require consultation |

### Amendments

| Activity / Level of Service   | Change from 2021-31 LTP   | Reason/Rationale   | Options for Consultation  |
|---|---|--|---|
| LOS 13.12. 28 Increase CCC Asset Management Maturity to meet agreed appropriate maturity level for the organisation | The target has changes from being done every two years to being conducted every three years by an external assessor | The ICR is a three yearly assessment of the performance of investment intensive agencies in managing investments and assets that are critical to the delivery of NZ government services. | This is an Internal activity that does not require consultation |



|  |  |  |   |
|--|--|--|---|
| 13.12.29 Deliver consistent Asset Management Maturity to meet an agreed maturity level for the organisation. | <p>From</p> <p>Target LTP 2021:<br/>5 Metric Point increase in Council average AM maturity score per assessment</p> <p>To: Have an agreed level of asset management maturity developed for the organisation</p>  | <p>Our focus will be reviewing the current gaps in maturity across the individual business units and delivering a programme of work that bridges this gap to ensure the level of maturity meets a consistent level across the organisation</p> | This is an Internal activity that does not require consultation |
| 13.12.20 The Asset Management Improvement Programme is delivered   | <p>Target Change:<br/>From: a target of 80%</p> <p>To: Notable increase in asset maturity is identified during the AMMA assessment</p> <p>Method of Measurement change<br/>From MoM in LTP 2021<br/>The AM Improvement Programme is approved and monitored by the Strategic Asset Management Team in collaboration with the Heads of Service of each area and progress on the improvement programme is reported each quarter to the Executive Leadership Team. Programme milestones are achieved.</p> <p>To LTP 2024:<br/>The AM Improvement Programme is approved and monitored by the Strategic Asset Management Team and provide Programme updates through to ELT</p> | <p>Updating the Future Performance Targets to a comment rather than a percentage</p> <p>Updating the Method of Measurement to align with current practice</p>  | This is an Internal activity that does not require consultation |

## B. Appendix B: Possible issues impacting the Activity & the mitigations planned

### B.1. Changing customer needs

#### Population / demographic changes (low impact)

| Issue/driver  | Present Position   | → Projection  | Impact on services  | Mitigating plans/actions   |
|---|--|---|---|--|
| Population growth and impact on current assets and new assets that will be required to support growth | Changes will have a minimal direct impact on activities covered in this plan | <ul style="list-style-type: none"><li>Increased population will increase the demand for services and assets</li></ul> | <ul style="list-style-type: none"><li>Increased demand for information from internal teams seeking advice on asset management</li></ul> | <ul style="list-style-type: none"><li>Provide advice and support the teams across the organisation</li></ul> |

#### Equity and access (low impact)

**This Activity has identified no equity and access issues impacting the Activity.**

#### Identity and social cohesion (low impact)

**This Activity has identified no identity and social cohesion issues impacting the Activity.**

### B.2. Tiriti Partnerships (low impact)

**This Activity has identified no Tiriti Partnerships issues impacting the Activity.**

### B.3. Technological growth (medium impact)

| Issue/driver  | Present Position | → Projection   | Impact on services   | Mitigating plans  |
|---|------------------|--|--|---|
| Changing technology and advancement of new technologies |                  | <ul style="list-style-type: none"> <li>Artificial Intelligence (AI) could provide solutions to increase the way we manage and utilise data allowing more strategic data driven decisions to be made to help streamline the investment lifecycle</li> </ul> | <ul style="list-style-type: none"> <li>New technology is expected to have a low direct impact on the activity.</li> <li>Any advancement in technology that supports better decision making would be welcomed.</li> </ul> | <ul style="list-style-type: none"> <li>Continue to review progress in technological advancements</li> </ul>   |
| Digital security and cyber attacks                      |                  | <ul style="list-style-type: none"> <li>Increasing threat of cyber security attacks on the organisation</li> </ul>  | <ul style="list-style-type: none"> <li>Data breach that disrupts operations and damages information that is used to make decisions</li> </ul>  | <ul style="list-style-type: none"> <li>Continue to report phishing emails to IT so we can continue to monitor situation across the organisation.</li> <li>Continue to follow organisational direction and training that prevent the risk of a cyber attack</li> </ul> |

### B.4. Resilience and environmental considerations

#### Climate change & adaptation (medium impact)

| Issue/driver  | Present Position   | → Projection  | Impact on services  | Mitigating plans   |
|---|--|---|---|--|
| Climate change, increasing adverse weather conditions | We are starting to consider the effects; some assessments have been made on these issues | <ul style="list-style-type: none"> <li>Climate change will increasingly impact assets causing accelerated deterioration and underperformance.</li> <li>Increased risk of asset failure resulting in the need for increased and on-going investment</li> </ul> | <ul style="list-style-type: none"> <li>Increasing demand for advice on asset management best practice and future planning for assets considering the impacts and ensuring organisationally we can meet the cost of these challenges.</li> </ul> | <ul style="list-style-type: none"> <li>Continue to increase our knowledge base and engage with government agencies to better understand the impacts of a changing environment.</li> <li>Provide best practice advice on climate resilience to support organisational response</li> </ul> |

|  |  |  |   |  |
|--|--|--|---|--|
| Climate change, increasing risk of natural disasters | We are starting to consider the effects; some assessments have been made on these issues | <ul style="list-style-type: none"> <li>Increased demand for more accurate data on critical assets during significant events that can be used in the response to restore critical services/infrastructure.</li> </ul> | <ul style="list-style-type: none"> <li>Increased pressure to ensure the provision of accurate, complete and easy-to-access data is available within our asset management information system (AMIS)</li> </ul> | <ul style="list-style-type: none"> <li>Continue to provide industry best practice advice across the organisation.</li> <li>Continue to increase our knowledge base and review the way natural disasters are managed across the country and take learning from other local authorities and government agencies</li> </ul> |
|--|--|--|---|--|

### Sustainable development (low impact)

| Issue/driver      | Present Position  | → Projection  | Impact on services   | Mitigating plans   |
|-------------------|---|---|--|--|
| Resilience & risk | Resilience and Risk are built into all Council's current processes  | <ul style="list-style-type: none"> <li>Climate change will create the need for more robust information to be available on the criticality and vulnerability of assets across the city</li> </ul>                    | <ul style="list-style-type: none"> <li>Increased pressure to ensure the provision of the correct data is available and easy-to-access data is available within our asset management information system (AMIS)</li> </ul> | <ul style="list-style-type: none"> <li>Continue to provide industry best practice advice across the organisation.</li> <li>Continue to collaborate across the organisation to ensure that the information we collect meets the needs of the council.</li> </ul>  |
| Natural hazards   | Natural Hazard (significant events) response and recovery are coordinated through our emergency management activity | <ul style="list-style-type: none"> <li>Increased demand for more accurate data on critical assets during significant events that can be used in the response to restore critical services/infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>Increased pressure to ensure the provision of accurate, complete and easy-to-access data is available within our asset management information system (AMIS)</li> </ul>            | <ul style="list-style-type: none"> <li>Continue to provide industry best practice advice across the organisation.</li> <li>Continue to increase our knowledge base and review the way natural disasters are managed across the country and take learnings from other local authorities and government agencies.</li> </ul> |

## B.5. Infrastructure (high impact)

| Issue/driver  | Present Position  | → Projection   | Impact on services   | Mitigating plans  |
|---|---|--|--|---|
| Under investment in the maintenance of our infrastructure | <ul style="list-style-type: none"> <li>We continue to sweat assets and limit our rates increases</li> </ul> | <ul style="list-style-type: none"> <li>Increases the probability of failure of the asset.</li> <li>Increased health and safety risks in the public domain that may impact for the community.</li> <li>physical assets may deteriorate. This impacts their performance and overall output with the need to repair an asset to restore it to its optimal working condition.</li> <li>Increase the risk to infrastructure in the long-term as maintenance is deferred which results in increased costs and an inability to provide regular maintenance to prolong the life of assets increases the probability of failure of the asset.</li> <li>Increased operational expenditure</li> </ul> | <ul style="list-style-type: none"> <li>We will not be able to access quality data to inform strategic decisions on assets.</li> <li>May be unable to provide sound advice to support quality decision making.</li> <li>Increased demand for a supported centralised asset management information system (AMIS) that delivers accurate up to date data</li> </ul> | <ul style="list-style-type: none"> <li>Develop programmes of work to review and inspect assets so we have a better understanding of the condition and performance of our assets.</li> <li>Reduce levels of service to offset the lack of operational funding available.</li> <li>Seek out private investment for assets to help pay for ongoing costs of maintenance.</li> <li>Ensure whole-of-life maintenance costs are identified and the required OPEX is factored into future budgets before asset investment decisions are made.</li> </ul> |
| Ageing/deteriorating Infrastructure                       | We continue to sweat assets and limit our rate increases  | <ul style="list-style-type: none"> <li>Increases the probability of failure of the asset resulting in the inability to perform as required and meet the needs of the public.</li> <li>Assets will not have the capacity to cope with significant events and will become unreliable</li> </ul>  | <ul style="list-style-type: none"> <li>Increased demand for a supported centralised asset management information system (AMIS) that delivers accurate data</li> </ul>  | <ul style="list-style-type: none"> <li>Develop programmes of work to review and inspect assets so we have a better understanding of the condition and performance of our assets.</li> <li>Dispose of assets or gift assets to the community to decrease costs of ongoing maintenance so these funds can be redirected to manage</li> </ul>  |



|  |  |   |   |  |
|--|--|---|---|--|
|  |  |   |   | assets of high community importance. <ul style="list-style-type: none"> <li>• Seek out private investment for assets to help pay for ongoing costs of maintenance.</li> </ul>  |
| The capacity and capability to deliver infrastructure capital programs and improve asset management practices as part of whole-of-life best practice | <ul style="list-style-type: none"> <li>• High staff turnover and organisational fragmented structure for asset management leading to inconsistent asset management maturity across the organisation</li> </ul> | <ul style="list-style-type: none"> <li>• Unable to deal with growth pressures and environmental expectations.</li> <li>• Increased operational expenditure.</li> <li>• Increased pressures on internal resources</li> <li>• Reputational risk to the council and council employees</li> </ul> | <ul style="list-style-type: none"> <li>• Inability to attract and retain skilled and qualified staff.</li> <li>• We will not be able to access quality data to inform strategic decisions on assets.</li> <li>• May be unable to provide sound advice to support quality decision making.</li> <li>•</li> </ul> | <ul style="list-style-type: none"> <li>• Focus on education, training, and skills development within the organisation to increase knowledge and skills.</li> <li>• Delivery of the Asset Management Maturity Assessment (AMMA) will be identifying areas for improvement, develop a roadmap for enhancing asset management capabilities, optimizing asset performance, and maximizing return on investment.</li> <li>• Investment in Building Information Modelling (BIM) as this reduces errors, saves time and costs, and enhances communication, planning and decision-making throughout the entire lifecycle of an asset.</li> </ul> |

## B.6. Regulations & reform (low impact)

**This Activity has identified no regulation and reform issues impacting the Activity.**

## B.7. Identified Business Unit Risks

Business risks that could impact this activity have been considered. A summary of risks currently assessed as most relevant to the activity are listed below. Risks are recorded and periodically reported to the Executive Leadership Team and the Audit and Risk Management Committee.

| Strategic priorities risk is associated with  | Risk Description   | Assessed Risk Level |            |                     | Controls / Mitigations   | Residual Risk Rating |
|---|--|---------------------|------------|---------------------|--|----------------------|
|   | Risk Title<br>There is a risk that/of  | Impact              | Likelihood | Inherent Risk Level | Inherent   | Residual             |
| <ul style="list-style-type: none"> <li>Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.</li> </ul> | <b>Inability to Deliver An Appropriate and Compliant Asset Management Practice</b><br><br>There is a risk of: <ul style="list-style-type: none"> <li>Insufficient Operating Budget to support AM practices.</li> <li>Staff, with organisational knowledge/expertise, seeking opportunities elsewhere</li> <li>A lack of financial support and resources to effectively deliver asset management</li> </ul> | Moderate / Major    | Likely     | 7                   | <ul style="list-style-type: none"> <li>Allocation of operational funding for asset management be considered during LTP.</li> <li>A review of how asset management is delivered across the organisation to ensure we are providing a more secure and supportive environment for AM professionals.</li> <li>Ensure clear expectations are set to ensure all units across the organisation are following asset management best practices.</li> <li>Accountability for non-conformance for not following good asset management practices across the organisation.</li> </ul> | Medium / High        |
| <ul style="list-style-type: none"> <li>Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing</li> </ul>   | <b>Poor Asset Management Decision-making Data Quality</b><br><br>There is a risk of: <ul style="list-style-type: none"> <li>Incomplete asset registers/asset history information.</li> <li>A Lack of defined ownership and responsibility</li> <li>Poor asset information management practices</li> </ul>  | Moderate            | Likely     | 9                   | <ul style="list-style-type: none"> <li>The SAM team are working with the asset stewards across the organisation to agree on the data standards once agreed data collection in some areas can proceed.</li> <li>Identifying the gaps in the maturity of the organisation will highlight the areas that require the most support and better-defined roles, and</li> </ul>  | Medium               |

| Strategic priorities risk is associated with    | Risk Description   | Assessed Risk Level |            |                     | Controls / Mitigations   | Residual Risk Rating |
|---|--|---------------------|------------|---------------------|--|----------------------|
|   | Risk Title<br>There is a risk that/of  | Impact              | Likelihood | Inherent Risk Level | Inherent   | Residual             |
| the issues that are important to our residents. | <ul style="list-style-type: none"> <li>Lack of/poor quality asset condition and performance information</li> <li>Inappropriate (non-enterprise) system use across the organisation.</li> <li>Inaccurate asset valuations and insurance value</li> <li>Increased operational maintenance costs</li> </ul> |                     |            |                     | <p>responsibilities. This will then need to be addressed through the heads of service for each unit.</p> <ul style="list-style-type: none"> <li>Ensure that roles and responsibilities are clearly articulated in position descriptions and that teams are aware of the accountability associated with asset management.</li> <li>Develop reporting dashboards that provide progress updates and track improvements made to the gathering of up-to-date condition and performance data and ensure these are tabled at regular Executive Leadership Team meetings.</li> <li>The SAP Improvement Programme will address non-enterprise systems being used as this will become the one source of truth for the organisation.</li> <li>Seek an agreement on a centralised mobility solution for the organisation that is fully endorsed, supported and funded.</li> <li>The SAP Improvement Programme will deliver a system that has the ability to deliver a robust reporting structure that will assist in gathering information for asset valuations and insurance as well as reporting on</li> </ul> |                      |

| Strategic priorities risk is associated with   | Risk Description  | Assessed Risk Level |               |                     | Controls / Mitigations  | Residual Risk Rating |
|--|---|---------------------|---------------|---------------------|---|----------------------|
|  | Risk Title<br>There is a risk that/of   | Impact              | Likelihood    | Inherent Risk Level | Inherent  | Residual             |
|  |   |                     |               |                     | routine maintenance and trend reporting to identify areas of improvement. <ul style="list-style-type: none"> <li>A review of how data is collected and where data is stored is currently underway across the organisation.</li> </ul>   |                      |
| <ul style="list-style-type: none"> <li><b>Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.</b></li> <li><b>Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing</b></li> </ul> | <b>Staff wellbeing</b><br><br>If the level of organisational demands continues to be highly ambiguous and reactive, then staff will feel pressured and have unreasonable workloads.<br><br>There is a risk of: <ul style="list-style-type: none"> <li>Staff burnout and related health issues</li> <li>Absenteeism and productivity impacts</li> <li>Increased recruitment costs if retention impacted</li> </ul> | Moderate            | Highly Likely | 7                   | <ul style="list-style-type: none"> <li>Increased leadership engagement with teams on wellbeing</li> <li>Increased EAP, People and Culture connections</li> <li>Wellbeing activities embedded into day-to-day working culture.</li> <li>Development of a unit programme of work to prioritise activities and manage individual workloads.</li> </ul> | Medium               |

| Strategic priorities risk is associated with   | Risk Description  | Assessed Risk Level |            |                     | Controls / Mitigations  | Residual Risk Rating |
|--|---|---------------------|------------|---------------------|---|----------------------|
|  | Risk Title<br>There is a risk that/of   | Impact              | Likelihood | Inherent Risk Level | Inherent  | Residual             |
| the issues that are important to our residents.  |   |                     |            |                     |   |                      |
| <ul style="list-style-type: none"> <li>Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.</li> <li>Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are</li> </ul> | <p><b>Recruitment and retention of skilled staff</b></p> <p>If Council and the activity have a high level of staff turnover, then there is less skilled and experienced staff to deliver the activities.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> <li>Staff wellbeing negatively impacted by workload changes.</li> <li>Level of service achievement is impacted.</li> <li>Increased cost of external resourcing to achieve schedule requirements</li> </ul> | Moderate            | Likely     | 6                   | <ul style="list-style-type: none"> <li>Increased staff wellbeing programmes</li> <li>Work with staff on personal development opportunities including internal secondments.</li> <li>Use exit interviews to identify opportunities for improvement.</li> <li>Development of leadership opportunities and training</li> </ul> | Low                  |

| Strategic priorities risk is associated with  | Risk Description  | Assessed Risk Level |               |                     | Controls / Mitigations   | Residual Risk Rating |
|---|---|---------------------|---------------|---------------------|--|----------------------|
|   | Risk Title<br>There is a risk that/of   | Impact              | Likelihood    | Inherent Risk Level | Inherent   | Residual             |
| important to our residents.   |   |                     |               |                     |  |                      |
| <ul style="list-style-type: none"> <li>Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.</li> </ul> | <p><b>Asset Management Policy advice and performance</b></p> <p>If Asset Management advice is not understood and taken into consideration across the organisation, then Elected Members and Community expectations of Council Assets will not be met.</p> <p>There is a risk of;</p> <ul style="list-style-type: none"> <li>Clear asset management priorities will not be embedded at the needed operational level to see the required changes.</li> <li>Decision-making is not informed by evidence-based advice.</li> <li>The necessary investment into asset management will not occur.</li> <li>Council asset management will not align with national legislation or best practice</li> </ul> | Major               | Highly Likely | 8                   | <ul style="list-style-type: none"> <li>Develop a comprehensive communication plan to ensure that Asset Management advice is effectively communicated to all relevant stakeholders, including elected members, staff, and the community.</li> <li>Use clear and concise language to explain Asset Management principles, objectives, and benefits. Avoid jargon and technical terms that may hinder understanding.</li> <li>Foster a collaborative culture by creating forums, workshops, or focus groups where stakeholders can exchange ideas, share experiences, and contribute to Asset Management discussions.</li> <li>Provide training programs and resources to enhance the knowledge and skills of staff members and elected members regarding Asset Management principles, processes, and decision-making frameworks</li> </ul> | High                 |