



Activity Management Policy Review

20 June 2017

What we'll discuss today

- Proposed changes to the AM Policy
- Explanation of levels of activity management
- Target activity management levels



What has changed in AMP Policy?

- Reference to Council and industry documents and processes
- Removed sections which refer to Council processes and guidelines (covered elsewhere)
- Re-ordered section 6.3 Policy Statements
- Re-inserted roles of elected members and staff

What has changed in AMP Policy?

- Added in reference to Infrastructure Strategy
- Added in definition of maturity level
- Increased target level of activity management:
 - Transportation – from Intermediate to Advanced
 - Property – from Core to Intermediate
 - Solid Waste - from Core to Intermediate

Target AM Level Considerations

- Costs and benefits to Council
- Legislative and other mandated requirements
- The size, condition and complexity of the assets
- The risks associated with failures
- The skills and resources available
- Customer expectations

Target AM Level Considerations

Activity	Overall Activity Management Target Practice Level
Transport	Advanced
3 Waters and Solid Waste	Intermediate
Parks, Property, Libraries	Intermediate

Activity Management Policy

Policy Owner:	General Manager Service Delivery
Date approved:	XX Month June 2017
Next review date:	April June 2020
Document number:	XX1714850
Engagement required:	Internal

I Introduction

- 1.1 Waikato District Council manages activities and assets on behalf of the ratepayers of the Waikato District to a value of \$1.6 billion. The assets are part of the District's physical infrastructure and are essential to the delivery of services to meet the community's needs and for Waikato District Council to achieve the levels of service outlined in the Long Term Plan (LTP).

Asset and activity management is important for a number of reasons:

- a) ~~Our~~ Our community relies on the delivery of these essential public services.
- b) ~~These~~ These public services represent a significant investment by the community, built up over the last 100 years and more.

Council has an obligation to manage its assets and services effectively and this policy sets out Council's approach to activity management planning.

1.2 Strategic direction

Determining what assets and services are required (both existing and new) to deliver on strategic priorities of Council is central to activity management ~~practice~~ planning. Direction on future demand and levels of service are taken from Council's strategic framework. Strategic input is also provided through relevant strategic planning documents for various activities and Council adopted activity based action plans and strategies.

This policy assists in the delivery of Council's strategic vision:

'To create a District that prides itself on economic excellence, local participation and sustainable communities'.

~~In 'Our Plan' Council commits to understand and develop core assets to meet communities' needs.~~

4.2 Purpose

4.2.1 The objectives of the Activity Management Policy are to:

- a) Outline the target level of asset activity management practice appropriate for each activity ~~for Council to achieve best asset management practice and meet statutory obligations.~~

- b) To provide for a consistent approach to **asset** activity management planning within Council and to ensure plans reflect the strategic direction of Council.
- c) Demonstrate to the community that Council recognises the critical importance of managing the District's assets and activities in an efficient and cost effective manner in order to deliver levels of service appropriate to current and future generations.
- d) To confirm a coordinated process for each activity that links its contribution to Community Outcomes with goals, specific levels of service, strategies and actions.

53 Definitions

AssetActivity Management: the provision of agreed level of service in the most cost effective manner through the management of assets and services for present and future customers.

Activity Management Plan (AMP): a plan developed for the management of one or more services that combines multi-disciplinary management techniques (including technical and financial) over the life cycle of the assets involved in providing the service, in the most cost effective manner to provide a specific level of service.

Maturity Level: the asset management maturity level considers the capabilities of an organisation for an asset/activity management planning practice area.

64 Application

6-14.1 This policy applies to all activity management planning carried out by Waikato District Council

75 Significance

7-15.1 Activity management planning is carried out for significant activities as defined by Council's Significance and Engagement Policy.

86 Policy statements

8-16.1 Council will manage the District assets and deliver associated activities in a cost effective, sustainable, well planned and coordinated manner to provide agreed levels of service in alignment with Council's **Long Term Plan and** financial strategy.

6.2 Council will use Activity Management Plans (AMPs) as the means to fulfil its statutory obligations for compliance with the Local Government Act 2002, Resource Management Act 1991, Building Act 2004, Land Transport Management Act 2003, and Health Act 1956.

8-26.3 Waikato District Council will adhere to the following principles in its activity management planning:

- a) Allocate appropriate resources to ensure activity management planning can be undertaken and assets are maintained and renewed so that "life cycle" costs are optimised (existing and new assets);

- a) ~~b)~~ Develop ~~affordable and financially sustainable~~ AMPs that are to ~~industry an~~ appropriate standard ~~appropriate~~ for the activity, assets and associated risks being managed;
- b) ~~c)~~ Ensure AMPs reflect the strategy and priorities of Council and ~~will be used to drive day to day management of assets and the associated services are integrated with other relevant planning documents~~;
- c) ~~Manage the infrastructure assets in a planned, systematic and sustainable manner;~~
- d) Involve and consult with the community, Iwi and key stakeholders on determining the desired levels of service via the LTP or other means;
- e) Ensure asset information is accurate and up to date, allowing for appropriate activity planning, both in the short and long term, and for informed decision making to occur;
- f) ~~Allocate appropriate resources to ensure asset management practices can be undertaken and the timely maintenance and renewal of those assets so that 'life cycle' costs are optimised (existing and new assets);~~
- g) ~~a) — Ensure a framework for the annual assessment of the fair value of infrastructure asset against their carrying value;~~
- h) ~~Assess annually which classes of infrastructure assets will be re-valued. Infrastructure assets will be re-valued at least once every three years.~~
- i) ~~Ensure that the roles and responsibilities of all asset users are well defined and understood;~~
- j) ~~Ensure that AMPs are integrated with other relevant planning documents;~~
- k) ~~f)~~ Recognise the risks associated with the delivery of agreed levels of service and manage them appropriately;
- l) ~~g)~~ Recognise the implications of changes in demand for services and actively manage this demand wherever practical;
- m) ~~h)~~ Develop and implement a framework for the evaluation and prioritisation of capital projects; and
- n) ~~i)~~ Consider whole-of-life costs before initiating any major works and significant renewal of assets, or before introducing new Council activities through business case and asset management processes.
- i) Ensure a framework for the annual assessment of the fair value of infrastructure asset against their carrying value.
- k) Assess annually which classes of infrastructure assets will be re-valued. Infrastructure assets will be re-valued at least once every three years.

7 Policy Guidelines

7.1 Roles

Elected members and Council staff are the custodians of Council assets on behalf of the community.

Elected members:

- are required to make decisions for the overall benefit of the Waikato District ensuring that activity management decisions meet the current and future needs of communities for good-quality local infrastructure and local public services, in a way that is most cost effective for households and businesses;

- will ensure that activity management decisions provide for good quality local infrastructure and local public services that are –
 - (a) efficient;
 - (b) effective; and
 - (c) appropriate to present and anticipated future circumstances;
- are accountable to third parties including residents and ratepayers, the Auditor General and other entities for exercising good stewardship over substantial assets; and
- will provide governance oversight (noting the formal legal and administrative responsibility for handling day-day affairs is vested in a Chief Executive) for activity management planning. Governance oversight will include considering and approving baseline AMPs as inputs into long-term strategic planning processes including the LTP and 30 Year Infrastructure Strategy.

Council staff are responsible to Council for:

- ensuring legal obligations are met;
- providing technical and professional advice to Councillors to enable well informed decisions to be made with regard to management of assets and the associated activities;
- ensuring the assets are maintained, and the activities are planned for in a manner that allows it to deliver the desired level of service in the most cost effective manner for current and future generations;
- ensuring that assets are planned, created, replaced and disposed of/discontinued in accordance with Council priorities for activities as determined by the relevant Long Term Plan and 30 Year Infrastructure Strategy; and
- ensuring that practical systems are in place to collect data necessary to inform future planning.

97.2 Maturity Level of Activity Management Planning

The table below sets out the minimum level of planning appropriate to each Council AMP.

Activity	Minimum Level*¹
Transportation	Advanced
Water Supply	Intermediate
Wastewater	Intermediate
Stormwater	Intermediate
Solid Waste	Core
Parks and Reserves (including Open Spaces, Harbour Assets)	Intermediate
Property and Facilities (including Aquatic Centres, Cemeteries, Camping Grounds, Community Centres & Halls, Corporate and General Property, Elder Housing, Libraries and Public Toilets)	Core

AMPs may contain subsections to align with activities in the LTP.

¹ Levels of planning as identified in the International Infrastructure Management Manual (2015 edition)

The activity management planning function is made up of a range of practice areas as outlined in the table below. For each activity, the level of maturity (International Infrastructure Management Manual, NAMS, 2015) considered appropriate as a target for each practice area is set out below. The AMPs will include Improvement Plans which outline actions to close any gaps between the current practice and target practice level.

Activity Management Practice Area	Target Practice Level		
	Transportation	3 Waters and Solid Waste	Parks, Property, Libraries
<i>Understanding Requirements</i>			
AM Policy and Strategy	Intermediate	Intermediate	Intermediate
Levels of Service and Performance Management	Intermediate	Intermediate	Intermediate
Demand Forecasting	Intermediate	Intermediate	Intermediate
Asset Register Data	Advanced	Intermediate	Core
Asset Condition Assessment	Advanced	Intermediate	Core
Risk Management	Intermediate	Intermediate	Core
<i>Lifecycle Planning</i>			
Decision Making	Advanced	Intermediate	Intermediate
Operational Planning and Reporting	Intermediate	Intermediate	Core
Maintenance Planning	Intermediate	Intermediate	Core
Capital Investment Strategies	Advanced	Advanced	Intermediate
Financial and Funding Strategies	Advanced	Intermediate	Intermediate
<i>Asset Management Enablers</i>			
Asset Management Teams	Intermediate	Intermediate	Intermediate
Activity Management Plans	Advanced	Intermediate	Intermediate
Information Systems	Intermediate	Intermediate	Core
Service Delivery Models	Advanced	Intermediate	Intermediate
Quality Management	Core	Core	Core
Improvement Planning	Intermediate	Intermediate	Intermediate

The overall Activity Management Practice Target for each activity is summarised below.

Activity	Overall Activity Management Target Practice Level
Transport	Advanced
3 Waters and Solid Waste	Intermediate
Parks, Property, Libraries	Intermediate

10.8 Policy review

8.1 This policy shall be reviewed at three yearly intervals or as otherwise required by the General Manager Service Delivery ~~or Chief Executive.~~

10.1

