





Activity Management Plan

Activity			
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Draft Adoption			07 / 11 / 2017
Council Adoption			

Changes to be Incorporated in Next Review

Number	Date of Change	Reason for Change
A	23 / 11 / 2017	Updated financials as requested by Finance
B	02 / 12 / 2017	Updated from peer reviewer comments to update any LGA partially compliant parts of the plan. <ul style="list-style-type: none"> • Developed the Executive Summary • Add map of assets • Level of Service Table displayed clearly • Describe depreciation approach clearly
C	25 / 05 / 2018	Updated following decisions made for the Long-term Plan <ul style="list-style-type: none"> • Changes to project costs, Library Refurbishment and Splash Palace Changeroom • Change of year for additional pool at Splash Palace, financial forecasts, graphs etc. • Note about SMAG Statement of Intent TBC • Note about SMAG demand • Demand issues and challenges table format change

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Executive Summary

The Building Asset Activity is one of the infrastructural services activities addressed in the Invercargill City Council Long Term Plan (LTP). The Invercargill City Council provides a range of services to its Community which help achieve its outcomes. Some of these services require specialist buildings that are not commercially viable developments, e.g. swimming pools and theatres. Council provides them as an essential part of providing the Service Activity, the Building Asset Team manage these buildings this allows the Service Activity Manager to focus on the service and not the asset requirements.

The Building Assets Activity own and manage the following community and publicly used facilities of Council for Invercargill residence and ratepayers: The portfolio has a fair value of \$78m (1 June 2017).

- Corporate Buildings
 - Civic Administration Building
 - Bluff Service Centre
- Community Facilities
 - Animal Services Facility
 - Civic Theatre
 - Library and Archive
 - Scottish Hall
 - Southland Aquatic Centre (Splash Palace)
 - Southland Museum and Art Gallery
- Housing Care
 - 215 Flats in 21 Complexes
- Public Toilets
 - Wachner Place Restroom
 - 8 Automated Public Toilets
- Other Infrastructure Buildings
 - Parking Building
 - Solid Waste Transfer Station (Consult)
 - Troopers Memorial
 - Bluff Senior Citizens Centre (Leased)



The table below demonstrates how the Building Assets Activity contributes to Councils Community Outcomes (Section 2.1.3).

Community Outcome	Council's Role	How the Activity contributes
Preserve its Character	The building blocks, including water, sanitation and roading, for a safe, friendly city is provided for all members of the community.	The buildings are safe to use, accessible for those with disabilities and well maintained.
	Invercargill is celebrated for preserving its heritage character.	Our heritage buildings are maintained well and keep their heritage status.
Embrace innovation and change.	Technology is utilised in both existing and new City services.	New innovations are investigated during the renewal process.

The principle objectives of the Building Assets Activity are to:

- Manage building assets in accordance with statutory and regulatory requirements;
- Progressively improve and integrate catchment of asset evidence for planning, delivery, operation, renewal and disposal of assets;
- Ensure activity is operated in a prudent manner;
- Renew assets in a financially prudent manner, ensure a lifecycle approach is taken for all decisions;
- Monitor and review levels of service to meet demand;
- Measure, advance and improve the asset management system to the maturity as set out in the Asset Management Policy (Appendix 2.01);
- Address resilience and manage of our assets in a sustainable and environmentally conscious manner.

Key Assumptions used to develop this plan (Section 2.4):

Assumption	Level of Uncertainty
Population The population will increase from 51,696 (2013, 54,700 – 2016 estimate) to 56,300 by 2028.	Moderate – risk that actual numbers will vary.
Ageing Population Those 65 years and older currently make up 16% (2016 estimate) will increase to approximately 22% of Invercargill's population by 2028.	Low – increasingly older population is reasonably certain.
Useful Life of Significant Assets Assets will reach the useful life indicated when supplied.	Moderate – asset lives based on estimates by Engineers and Registered Valuers.
Depreciation Council will fully fund renewal depreciation.	Low – asset depreciation rates will not change.
Asset Revaluation Council will use national standards in asset revaluation.	Moderate – value will remain somewhat constant over ten years.
Natural Disasters There will be no major catastrophes that impact on Invercargill or its economy.	High – It is certain the Alpine Fault will rupture in the future but uncertain as to when and the impact.
Technology Changes in technology will affect how Council carries out its activities. This will have a financial implication over the 10 year plan.	High – certainty of diversification in technology is ever-growing. Impact of changing technology cannot be quantified.
Education S.I.T will continue to promote Invercargill to international students.	Moderate – education systems that exist are likely to remain stable.

Levels of Service

The service levels (Section 3.3) agreed with Service Activity Managers is:

Level of Service	Customer Performance Measures	Customer Target
The building is safe to use, accessible for those with disabilities and well maintained.	Legislative Compliance	All commercial buildings have current Building Warrant of Fitness.
		Completion of Building Consents.
	Health and Safety	Decreasing number of injury accidents because of building hazard reported per year.
		Buildings are seismically designed above 67% NBS.
	Risk or Failure	Closure of Service Activity due to building failure.
	Asset can meet demand of the (Service) Activity	Building Opening Hours.
		Overcrowding or over provision of space is not an issue.
	Quality, Comfort and Performance	Public and user satisfaction with the building facility.
		Condition rating for building is agreed upon in with Service Activity Manager.
		Vandalism is repaired in a timely manner.
	Cost Efficiency	Rental and fees on buildings are sustainable and comparable or less than market rate.
Our heritage buildings are maintained well and keep their heritage status.	Retain current heritage classification	Civic Theatre – Class 1 Trooper Memorial - Class 1 Scottish Hall – Class 2

The service level agreed with the Community for public toilets is:

Level of Service	Customer Performance Measures	Customer Target
The building is safe to use, accessible for those with disabilities and well maintained.	Asset can meet demand of the Activity.	Building Opening Hours Public toilets are operational 95% of open hours

Issue and Challenges

Building Assets Key Issues and Challenges (Section 2.3)

- Large projects on the horizon, many of which are dependent on Councils strategic direction on the Art and Culture growth projects (this may have implications for the following assets: CAB, Library and Archive, Museum, Wachner Place Restrooms and Parking Building).
- Providing the Housing Care portfolio in a sustainable manner.
- Rising expectation of the public for us to provide a higher Level of Service.
- The full demand or cost to reach Asset Management Maturity desired is unknown.
- Many building structures have aged to half their useful life and require capital renewals. This will create an increased demand on the Building Assets Team.
- No documented resilience or contingency strategies or plans.

Risk

The key risks are full developed in the risk (section 6.2). Health and safety of workers and the public is the highest risk posed to the Building Assets Activity, there is no further known actions can be undertaken. Seismic vulnerability is rated medium risk to the activity; contingency planning and resilience will be part of the improvement programme for the activity.

Capital Renewal Programme

The age and condition of the portfolio is the most influential factor in the renewal programme. Many of Councils buildings are current half way through their useful life. The recommended renewal programme is detailed further in Section 7.6.3. The following is the list of major renewal projects:

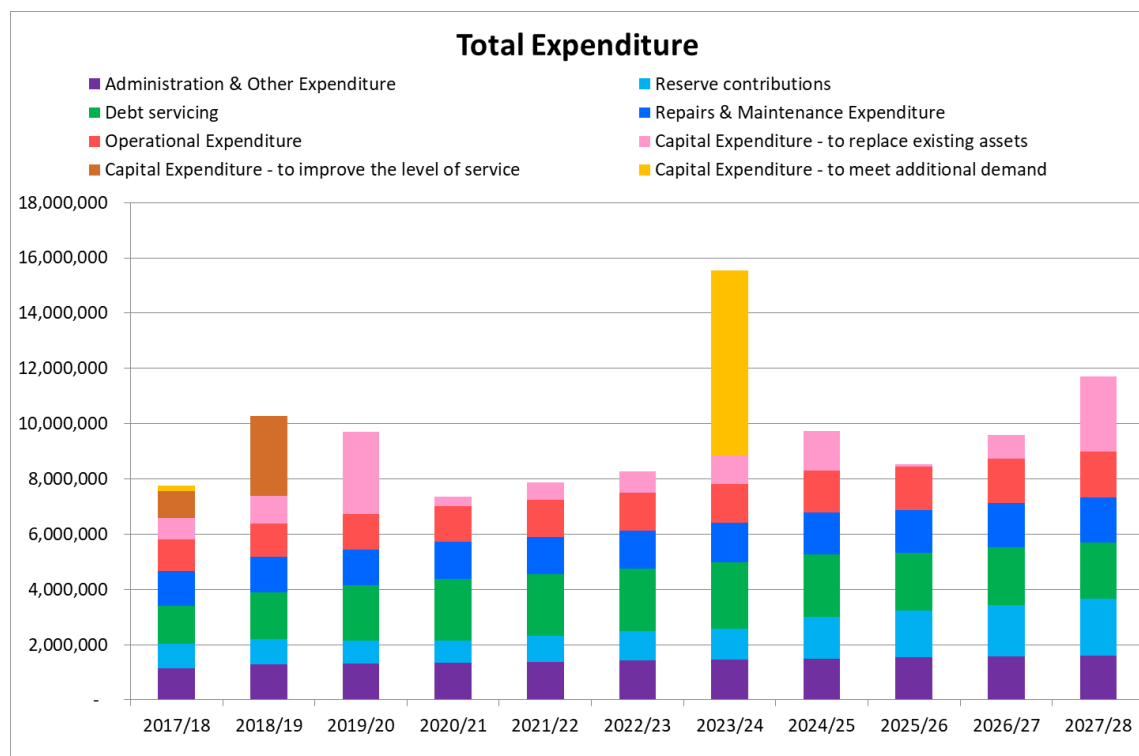
Year	Building	Project	Base	Base with inflation
2017	Scottish Hall	Major interior and exterior C/F	236,827	236,827
2017	Library and Archive	Interior Refurbishment and Escalators- C/F	1,706,900	1,706,900
2017	Civic Administration Building	Double Windows and Exterior Paint	1,875,000	1,875,000
2018	Civic Administration Building	Carpet	396,000	396,000
2018	Civic Administration Building	Roof	190,000	190,000
2019	Library and Archive	Archive Mechanical Services and Lift Renewal	301,000	301,000
2019	Splash Palace	Exterior repaint	379,000	379,000
2019	Splash Palace	Springboard and seating refurbishments	114,000	114,000
2019	Splash Palace	Upgrade and Renew Hydro slide	2,115,000	2,115,000
2020	Civic Theatre	Interior Renewals	1,386,000	1,416,492
2020	Splash Palace	UV Treatment	348,000	355,656
2020	Civic Administration Building	Interior Refurbishment	790,000	807,380
2021	Otarewa	Roof	110,000	114,893
2022	Library and Archive	Mechanical Services	309,000	329,846
2023	Library and Archive	Electrical Services	203,000	221,679
2023	Splash Palace	New bulkhead for 50m Pool (not required if new pool is installed)	351,000	383,297
2024	Bluff Service Centre	Exterior and Interior Refurbishment	124,300	138,859
2024	Elston Lea	Exterior Paint	102,500	114,506
2024	Splash Palace	Diesel Boiler	108,000	120,650

2024	Splash Palace	Interior re-paint	478,000	533,988
2025	Civic Theatre	Interior Renewals	863,500	987,794
2025	Library and Archive	Archive Exterior Re-paint and Minor Works	125,000	142,993
2025	Splash Palace	Exterior Cladding	146,000	167,015
2027	Splash Palace	Existing Changerooms Refurbishment	244,000	293,538
2027	Splash Palace	Poolside interior repaint	244,000	293,538
2028	Library and Archive	Archive Plant Renewals	768,000	948,870
2028	Library and Archive	Interior Refurbishments	105,000	129,728
2028	Civic Administration Building	HVAC	529,000	653,584
2028	Splash Palace	Woodchip Boiler	262,000	323,703
2028	Civic Administration Building	Carpet	419,000	517,678
2029	Library and Archive	End of Library Exterior Paint Contract	320,000	404,851
2030	Civic Theatre	Major Interior	5,565,000	7,209,592
2030	Scottish Hall	Roof	118,400	153,390
2030	Library and Archive	Roof	198,000	256,514
2030	Splash Palace	Roof	488,000	632,216
2031	Scottish Hall	Interior fit out	389,300	516,452
2031	Car Park	Electrical	151,500	200,982
2032	Elston Lea	Roof	150,000	203,768
2032	Library and Archive	Lift	418,000	567,834
2033	Elston Lea	Exterior Paint	102,500	142,583
2033	Civic Administration Building	Exterior Paint	529,000	735,870
2034	Car Park	Lift	197,500	281,328
2034	Civic Administration Building	Interior Refurbishment	794,000	1,131,008
2035	Civic Theatre	Interior and Exterior Renewals	417,500	608,978
2035	Library and Archive	Windows and Doors	214,000	312,147
2036	Splash Palace	Interior re-paint	244,000	364,448
2037	Civic Administration Building	HVAC	529,000	828,516
2037	Civic Administration Building	Carpet	419,000	656,235
2038	Splash Palace	Refurbish Foyer and Café	183,000	286,613
2038	Library and Archive	Archive Mechanical Plant	102,000	159,752
2040	Civic Theatre	Interior and Exterior Renewals	1,413,000	2,320,530
2040	Splash Palace	UV	384,000	630,632
2040	Library and Archive	Interior Refurbishments	102,000	167,512
2041	Scottish Hall	Major interior and exterior	125,800	211,556
2041	Elston Lea	Exterior Paint	102,500	172,373
2042	Civic Theatre	Appliance	130,000	223,866
2042	Scottish Hall	Services	427,800	736,692
2043	Splash Palace	Diesel Boiler	110,000	193,971
2048	Splash Palace	Interior re-paint	262,000	520,171
2048	Splash Palace	Woodchip Boiler	488,000	968,868

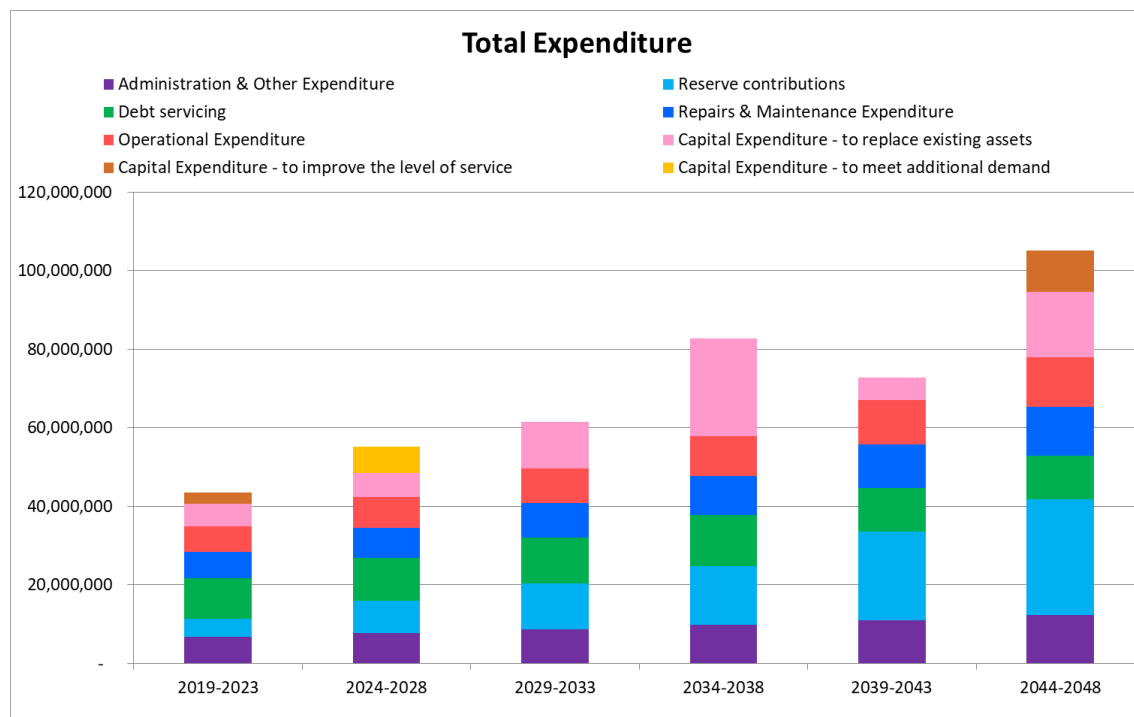
Any growth is usually driven by growth or decline in the Service Activity Section 7.6.4. The following list the list of major growth projects:

Year	Building	Project	Base	Base with inflation
2017	Splash Palace	Café, Foyer, Office and Changerooms	1,756,500	1,756,500
2018	Waikiwi Toilet	New Toilet Facility	125,000	125,000
2017	Civic Administration Building	Seismic Ties	430,000	430,000
2017	Civic Administration Building	HVAC	1,520,000	1,520,000
2018	Splash Palace	Carpark Extension	212,000	212,000
2018	Civic Administration Building	Lift to 5th	500,000	500,000
2020	Splash Palace	Extend Poolside Seating or Car Park, dependant on new pool	165,000	168,630
2024	Splash Palace	New 25sqm Pool and Building	6,000,000	6,702,600

The following graph show the 10 year projected expenditure for the property portfolio:



The following graph show the 30 year projected expenditure for the property portfolio:



Improvement Programme

We are constantly looking for methods to improve the activity; a full improvement plan is in Section 10. The immediate focuses on improvements are:

- Documenting the prioritisation of renewal and growth projects.
- Development of contingency plans alongside Service Activity Managers.
- Ensuring asset hierarchy is formalised and, condition, age and criticality is registered against assets in IPS.
- Investigating the cost to different levels of maturity.

1. Introduction

1.1 ABOUT THIS PLAN

The Building Asset Activity is one of the Infrastructural Services activities addressed in the Invercargill City Council Long Term Plan (LTP). This Building Asset Activity Management Plan (AMP) is, therefore, strongly linked to the overall strategic direction for the District. The LTP is the document and process that alerts the Community to the key issues and strategies contained in this document.

The purpose of this AMP is to outline Council's tactical planning response to the Building Assets Activity. The AMP outlines the long term management approach for the provision and maintenance of Building Assets for the Service Activities. Under Council's significance policy, some of the Building Assets are deemed to be strategic and therefore significant in ensuring Council's capacity to contribute towards Community Outcomes and the well-being of the Community.

The AMP demonstrates responsible management of the District's assets on behalf of customers and stakeholders, and assists with the achievement of strategic goals and statutory compliance. The AMP combines management, financial, engineering and technical practices to ensure that the level of service required by customers is provided, and is delivered in a sustainable and efficient manner.

This AMP is based on currently available information and the existing knowledge and judgement of Council staff.

A programme of Asset Management improvement is planned to improve the quality of decision making and to improve the knowledge of Council's assets and customer expectations. These future enhancements will enable Council to optimise life cycle asset management activities and provide a greater degree of confidence in financial forecasts.

The key outputs of the AMP are presented in the LTP, which is the subject of a public consultative process.

The Activity Management Plan has been prepared by the Building Assets Team within Invercargill City Council and independently peer reviewed by AECOM New Zealand Limited. The signature page at the front of the document provides a panel for sign-off to occur.

1.2 ACTIVITY OVERVIEW

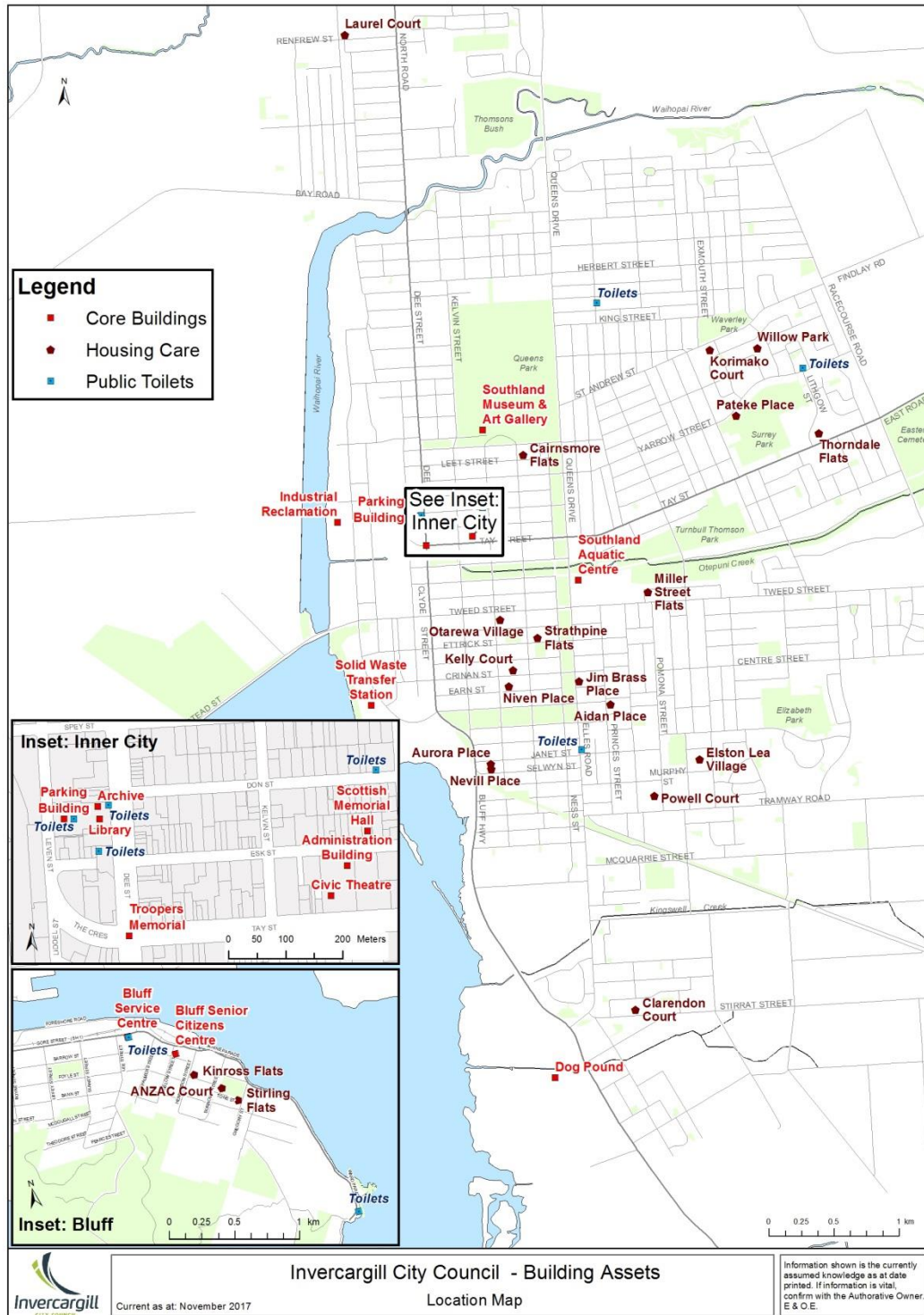
The Building Assets Activity own and manage the community and publicly used facilities of Council for Invercargill residence and ratepayers.

The Building Assets Activity exists to support the provision of facilities for Service Activities which contribute to the Community Outcomes. The Service Activities that the Buildings Assets team supports are:

- Invercargill City Council Corporate Services;
- Invercargill Venues and Events Management;
- Invercargill City Library and Archives;
- Housing Care;
- Car parking (Roding);

- Solid Waste;
- Aquatic Services;
- Southland Museum and Art Gallery;
- Public Toilets (Building Assets are the Asset and Service Manager);
- Animal Services.

The Building Assets Activity ensures that the buildings are designed, constructed, developed and maintained for their specific purpose throughout their life-cycle.



2. Strategic Context

2.1 ALIGNMENT WITH STRATEGIC GOALS

2.1.1 Community Outcomes

Council has developed its own Council-focused “Community Outcomes” for the Long-Term Plan that will fulfil the requirements of ‘Community Outcomes’ under the Local Government Act.

The Community Outcomes have been derived from Councils vision:

“To enhance our City and preserve its character while embracing innovation and change.”

Community Outcomes		
Enhance our City	Preserve its Character	Embrace Innovation and Change
We will know success when:		
Invercargill's population is over 1.2% of the New Zealand population.	Invercargill is celebrated for preserving its heritage character.	Invercargill's culture is embraced through Community projects.
New residents feel welcomed and embraced by Invercargill culture.	Ease of access throughout the City is maintained	The development of future industry is encouraged.
Healthy and active residents utilise space, including green space, throughout the City.	Our natural and existing points of difference are celebrated.	Technology is utilised in both existing and new City services.
Invercargill's economy continues to grow and diversify.	The building blocks, including water, sanitation and roading, for a safe, friendly city is provided for all members of the community.	Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.
Invercargill's business areas are bustling with people, activities and culture.	Strong, collaborative leadership of the City is demonstrated.	Invercargill has the ‘wow factor’ with the right facilities and events to enjoy.

2.1.2 Rationale for the Activity

The Invercargill City Council provides a range of services to its Community which help the Community to achieve its outcomes. Some of these services require specialist buildings that are not commercially viable developments, e.g. swimming pools and theatres. Therefore, the Council provides them as an essential part of providing the Service Activity; this allows the Service Activity Manager to focus on the service and not the asset requirements.

There are a number of different types of building managed by the Building Assets Activity that are grouped, referred to and are described in this Plan as:

Corporate Buildings

These are the buildings provided to the Finance and Corporate Directorate for use by the administration functions of the Invercargill City Council.

Community Facilities

These are the buildings provided for Community Services; these are generally specialist buildings which help the community achieve its social, economic and cultural sustainability outcomes.

Housing Care

These buildings contain flats which are provided as 'last resort' rental properties for elderly people of limited means.

Public Toilets

These facilities are provided for the public to have access to clean, safe, accessible toilets.

Other Infrastructure Buildings

These are buildings which the Building Assets team manage or consult on for other asset management groups within Council.

2.1.3 Activity Objectives

Community Outcome	Council's Role	How the Activity contributes
Preserve its Character	The building blocks, including water, sanitation and roading, for a safe, friendly city is provided for all members of the community.	The buildings are safe to use, accessible for those with disabilities and well maintained.
	Invercargill is celebrated for preserving its heritage character.	Our heritage buildings are maintained well and keep their heritage status.
Embrace innovation and change.	Technology is utilised in both existing and new City services.	New innovations are investigated during the renewal process.

The principle objectives of the Building Assets Activity are to:

- Manage building assets in accordance with statutory and regulatory requirements;
- Progressively improve and integrate catchment of asset evidence for planning, delivery, operation, renewal and disposal of assets;
- Ensure activity is operated in a prudent manner;
- Renew assets in a financially prudent manner, ensure a lifecycle approach is taken for all decisions;
- Monitor and review levels of service to meet demand;
- Measure, advance and improve the asset management system to the maturity as set out in the Asset Management Policy (Appendix 2.01);
- Address resilience and manage of our assets in a sustainable and environmentally conscious manner.

How this activity achieves the Community Outcomes above is further developed in Section 3.3 – Levels of Service.

The Building Assets Activity exists to support the provision of Activity Services that contribute to the achievement of the Community Outcomes which have been identified in Section 2.1.1.

It is important to emphasise the division of responsibility involved in these services, between Service Activity Management and Building Asset Management. These can be described as follows:

- The Service Activity Manager manages the activity and all aspects of day-to-day operation. The Service Activity Manager sets and manages budgets for operational costs such as staff and consumables.
- The Building Asset Manager provides, maintains and improves the building which is required to house the service. The Building Asset Manager sets and manages budgets for maintenance, renewal and new capital expenditures.
- Responsibilities for achievement of Levels of Service are similarly divided. These responsibilities are detailed in the Service Level Agreements (Appendix 4.02.1 to 4.02.8).
- The Level of Service provision detailed after this point in this Plan is the service delivered by the Building Asset Manager to the Service Activity Manager (except for Public Toilets).

The Levels of Service provided by Service Activity Managers are detailed in their Activity Management Plans or Statement of Intent for each Activity.

Asset	Plan
Civic Theatre and Scottish Hall	Invercargill Venue and Events Management Statement of Intent 2017
Library and Archive	Library and Archives Activity Management Plan 2017
Housing Care	Housing Care Activity Management Plan 2017
Car Park Building	Roading Activity Management Plan 2017
Solid Waste Transfer Station	Solid Waste Activity Management Plan 2017
Splash Palace	Aquatic Services Activity Management Plan 2017
Southland Museum and Art Gallery	* Southland Museum and Art Gallery Statement of Intent 2017

* The Southland Museum and Art Gallery are currently re-establishing the Statement of Intents for the 2018/19 year due to the unforeseen closure of the Museum Building

2.2 BUSINESS DRIVERS

2.2.1 Regulatory Framework

Council operates under many legislative frameworks, the Local Government Act 2002 and Health and Safety at Work Act 2015 are the most prevalent to Council core business.

The Local Government Act is the overarching framework that regulates what Council's scope is as well as their ability to conduct day-to-day business.

The Health and Safety at Work Act ensures that as an employer we are meeting all requirements to care for all workers in a safe manner at all times.

Both aspects of legislation are paramount to the day-to-day running of business and most departments within Council will operate under specific provisions of both Acts, alongside any other relevant legislation.

2.2.2 District Plan and Council Policies

Under provisions provided in the Local Government Act 2002, Council has the ability to create policies, bylaws and plans.

Council operates under a number of policies, some internal. These policies are reviewed regularly in line with legislative requirements.

Council currently operates under a number of bylaws, some that were created out of need to resolve nuisance and others that are requirements under the Local Government Act or were resolved to become a bylaw through Central Government.

2.2.2.1 District Plan

Council operates under a District Plan. This Plan is derived through the Resource Management Act 1991. It gives effect to national policy statements on a variety of environmental issues, and is about managing the use, development and protection of natural and physical resources in a way that enables the community to provide for their holistic wellbeing.

2.2.2.2 Asset Management Policy

This policy confirms the objective and responsibilities of asset management to appropriate levels of maturity at Invercargill City Council. It forms a statement of high level commitment to the asset management principles by which the organisation will operate.

2.2.2.3 Closed Circuit Television (CCTV) Policy

This policy defines the approach in the use of CCTV and maintenance of privacy.

2.2.2.4 Energy Policy

This policy is to define the approach to energy efficiency, energy conservation and use of non-renewable energy in all of its activities.

2.2.2.5 Electrical Safety Testing of Equipment within Building Assets Buildings

Organisations are required by legislation to provide a safe working environment for their employees. Electricity can create significant hazards especially when electrical equipment is not maintained to a satisfactory standard.

This policy seeks to explain the process for the Inspection and Testing of Electrical Equipment and residual current devices (RCD's) owned and/or operated within building assets buildings, and falling within the scope of the AS/NZS 3760:2010 standard; In-service safety inspection and testing of electrical equipment.

2.2.3 Long Term Plan

The Local Government Act 2002, Schedule 10 requires the development of a ten-year Long-Term Plan. Activity Management Plans are the foundation to providing a robust basis for the long-term forecasts.

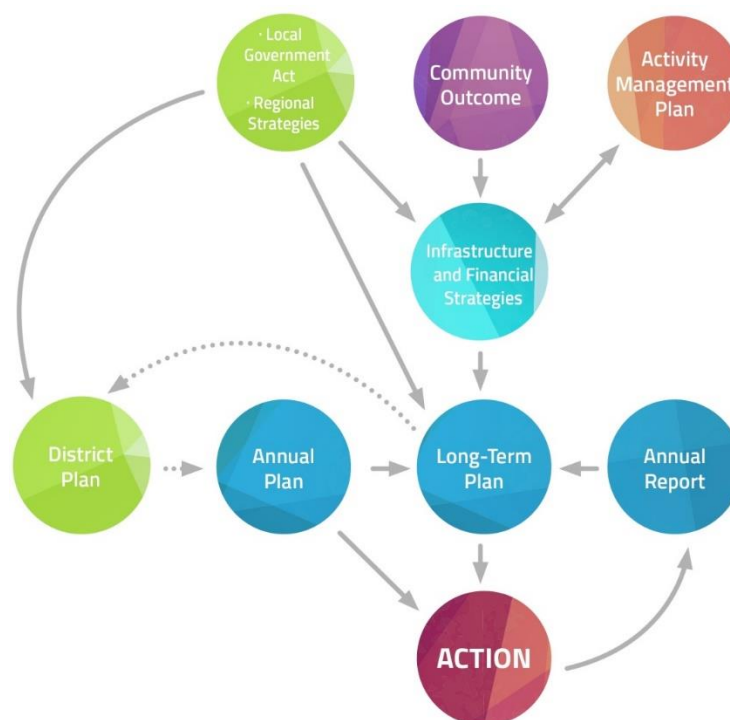
In 2014, an amendment to the Act inserted a statement that asset management planning should be a fundamental part of Council's prudent stewardship of community resources over the long term. This led to a requirement to produce a 30-year infrastructure strategy for core assets. The Infrastructure Strategy is required to address:

- Identification of strategic issues and options;
- Outline how infrastructure assets will be managed;
- Indicative capital and operating expenditure forecasts;
- Significant CAPEX decisions – cost options for each;
- Assumptions on lifecycle, demand, levels of service.

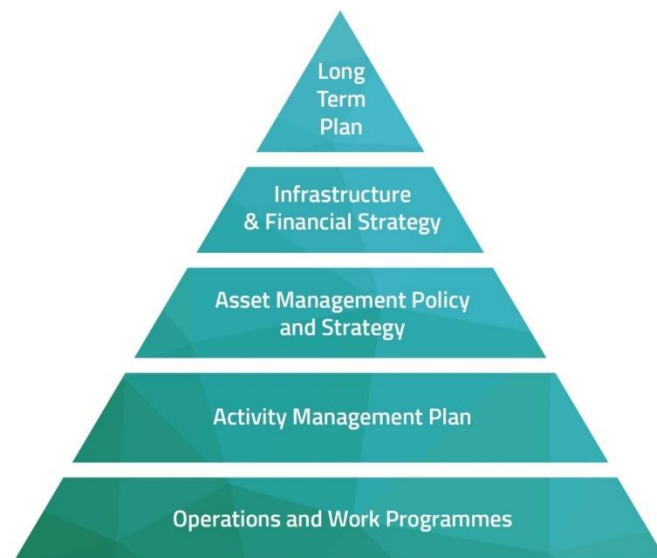
The Activity Management Plan records the current and desired Levels of Service and determines the Maintenance and Capital Works Programmes and their associated budgets required to make assets meet their desired Levels of Service.

- The Long-Term Plan confirms Maintenance and Capital Works Budgets that are approved by Council to meet Community outcomes.
- Activity Management Plan underpins the activities in the Long-Term Plan and is implemented through expenditure programmes in asset areas. Adoption of the budgets for these programmes is carried out through the Long-Term Plan process. Changes to budgets for programmes may occur during the consultation process and adoption of Long-Term Plan budgets.

Variations between this Plan and the most recently adopted Long Term Plan / Annual Plan are recorded in the "Table of Changes to be Incorporated in Next Review" at the beginning of the Plan. The consequences of any variations will be reflected in subsequent reviews of the Long-Term Plan / Annual Plan.



2.2.4 Asset Management System Framework



The Asset Management System is the set of people, processes, tools and other resources involved in the delivery of asset management.

The Asset Management Policy (Appendix 2.01) outlines the principles, requirements and responsibilities for asset management.

The Asset Management Strategy (Appendix 2.02) set the asset management objectives, practices and audit and review processes.

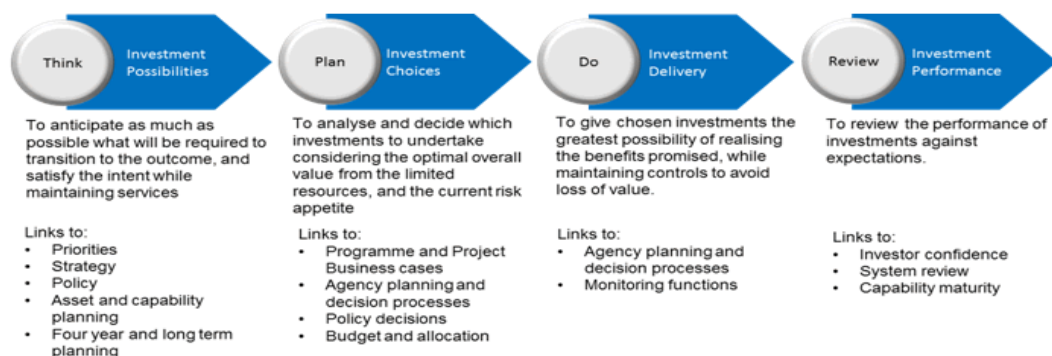
2.2.5 Better Business Case (BBC) Approach

The BBC approach has been approved by Treasury as a method to enable smart investment decisions for public value.

The Long-Term Plan working party has adopted this method to deliver the Activity Management Plans as the base documents for the 2018 Long Term Plan.

The BBC method is about managing change with strategic vision as the focus and a roadmap of how to get there.

The format of our Plan was developed with our Peer Reviewers at AECOM. Our expectation from developing our Activity Management Plans in this method will meet recognised best practice and form a better foundation in the plan phase of the investment lifecycle.



2.3 STRATEGIC ISSUES AND CHALLENGES

Corporate Strategic Issues and Challenges:

- Meeting our long-term renewal expectations for infrastructure.
- Encouraging growth projects whilst ensuring financial and operational sustainability for future generations.
- Ensuring Council works in a financially prudent manner that promotes the current and future interests of the community.
- The City's changing demographic profile and its ability and willingness to pay.
- Responding to the changing environment (both natural and technological) and retaining Invercargill's character including its built environment.

Building Assets

- Large projects on the horizon, many of which are dependent on Council's strategic direction on the Art and Culture growth projects (this may have implications for the following assets: CAB, Library and Archive, Museum, Wachner Place Restrooms and Parking Building).
- Rising expectation of the public for us to provide a higher Level of Service.
- The full demand or cost to reach Asset Management Maturity desired is unknown.
- Many building structures have aged to half their useful life and require capital renewals. This will create an increased demand on the Building Assets Team.
- No documented resilience or contingency strategies or plans.

2.4 KEY ASSUMPTIONS

The Long Term Plan Background and Assumptions 2018-28 document (appendix 1.01) lists the key assumptions which have been assumed are as follows.

Assumption	Level of Uncertainty	Area of Impact and potential Financial Impact
Population The population will increase from 51,696 (2013, 54,700 – 2016 estimate) to 56,300 by 2028.	Moderate – risk that actual numbers will vary.	Infrastructure and Housing. Significant increases in population may create a demand for infrastructure and services beyond existing capacity. Significant decrease in population would adversely impact on the community's ability to fund current levels of infrastructure and services.
Household Growth An average of 2.4 people per household will drop to 2.3 people per household in 2038, requiring 2,300 more homes from 2013.	Moderate – risk that actual numbers will vary.	Infrastructure and Housing. Significant increases in the number of households may create a demand for infrastructure and services beyond existing capacity.
Ageing Population Those 65 years and older currently make up 16% (2016 estimate) will increase to approximately 22% of Invercargill's population by 2028.	Low – increasingly older population is reasonably certain.	Council Services and Recreation Assets. An increase in the number of those people 65 years and older will increase the number of ratepayers on fixed incomes and may have an impact on the ability of the community to afford infrastructure and services.
Resource Consents Resource consents will be obtained with reasonable conditions and negligible impact on how Council provides its services.	Moderate – change is imminent but extent of which is unknown.	3 Waters Capital expenditure may be required if the conditions attached to resource consents require changes to how Council delivers its services.
Tourism and Visitor Numbers Tourism numbers will increase over the Long-Term Plan period.	Low – various city-wide endeavours to boost tourism.	Venture Southland, SMAG, Council Services and Recreation Assets. Significant increases in the number of tourists may create a demand for infrastructure and services beyond existing capacity. Significant decrease in the number of tourists would adversely impact on the commercial community's ability to fund current levels of infrastructure and services.
New Zealand Transport Agency That the NZTA Funding Assistance Rate will reduce by 1% each year of the life of the plan.	Moderate – technological advancements will occur.	Roading. Lower than anticipated subsidies can result in service delivery costs needing to be met by other means or a decrease in the level of service.
Commercial Property The CBD will remain in the Esk Street area and will become more vibrant.	Moderate – risk exists due to uncertainty of CBD future, but Council has recently adopted a Retail Strategy.	Infrastructure, Housing and Roading. Significant decrease in the number of commercial ratepayers would adversely impact on the commercial community's ability to fund current levels of infrastructure and services.

Assumption	Level of Uncertainty	Area of Impact and potential Financial Impact
Inflation Inflation will occur at the rates set by BERL as LGCI forecasts.	Moderate – inflation forecasts are not always accurate.	Cost change factors are based on information developed for Council's by Business and Economic Research Limited (BERL). Significant variations from these adjustments will be identified in future Annual Plans and Annual Reports.
Local Economy The local economy will grow and diversify.	Moderate – financial impact difficult to forecast.	Composition of local economy may diversify offering greater employment opportunities. Significant change to the economy, such as a large employer choosing to locate in the District, may require Council to review and change its current activities and levels of service. These demands will need to be quantified and an amendment to the Long-term Plan developed if the costs are significant.
Useful Life of Significant Assets Assets will reach the useful life indicated when supplied.	Moderate – asset lives based on estimates by Engineers and Registered Valuers.	A shorter useful life for assets would create a financial burden on the community.
Depreciation Council will fully fund renewal depreciation.	Low – asset depreciation rates will not change.	Changes in the valuation of Council assets may have a significant impact on the cost of fully funding depreciation.
Asset Revaluation Council will use national standards in asset revaluation.	Moderate – value will remain somewhat constant over ten years.	Changes in the valuation of Council assets may have a significant impact on the cost of fully funding depreciation.
Vested Assets Vested assets will have a negligible impact on Council's overall infrastructure and finances.	Low – financial effect of uncertainty.	Level of vested assets fluctuates yearly. Historical levels have not been material.
Financial – Existing Funding Renewal Council borrowing facility will be renewed (three-yearly) with the terms and conditions mirroring market trends.	Medium	Council's terms and conditions for its borrowing facility have mirrored market trends in recent times.
Financial – Expected Interest Rates on Borrowing Interest on future borrowing has been calculated at 4.75% for 2018/19, 5.00% for 2019/20, 5.50% for 2020/21 – 2022/23, 6.00% for 2023/24 – 2025-26 and then 6.50% for the remaining years. This is based on Council's current borrowing rates which are hedged for a number	Medium	Higher than expected interest rates on borrowing will require Council to consider collecting a greater amount in rates to cover the additional interest costs or reducing the amount borrowed (and level of service provided).

Assumption	Level of Uncertainty	Area of Impact and potential Financial Impact
of years into the future, as well as consideration of economic forecasts.		
Financial – Forecast on Return on Investments Return on cash investments is calculated on the borrowing rate less 2%. Dividends and subvention payments from Invercargill City Holdings Limited are assumed to be at 10% of the total rates requirement.	Medium	Lower than expected returns on investments will require Council to consider collecting a greater amount in rates, reduce spending or increase borrowings to cover any reduction in income.
Local Governance Amalgamation will not occur during the life of the Plan.	Low – continue shared services, although amalgamation is low risk.	Shared Services, Policy and Governance Boundary changes would require a review of the Long-term Plan with its associated community consultation.
Legislation There will be changes to legislation that have an impact on what and how Council provides services.	Moderate – difficult to know what central government will implement particularly if a change in government.	Services, Finances and Governance Significant legislative change can impose significant financial and service delivery costs on Council.
Natural Disasters There will be no major catastrophes that impact on Invercargill or its economy.	High – It is certain the Alpine Fault will rupture in the future but uncertain as to when and the impact.	Infrastructure, Services, Housing and Population A Civil Defence emergency in the District would impact financially on Council and the community. The financial risk to Council is reduced by maintaining insurance cover for emergency events.
Climate Change Climate change impacts will arise over the life of the Long-Term Plan and current trends will be allowed for when planning infrastructure and services.	Moderate – Long-Term trend of rising temperatures and more frequent intense weather events is reasonably certain, short to medium term impacts are less certain.	Water availability, coastal hazards (roading and infrastructure), services, air quality, agriculture, farming and biosecurity. The effect of Climate Change occurring more quickly than anticipated may require Council to review and change its current activities and levels of service. This could have a significant financial impact on the community.
Technology Changes in technology will affect how Council carries out its activities. This will have a financial implication over the 10 year plan.	High – certainty of diversification in technology is ever-growing. Impact of changing technology cannot be quantified.	Employment, Local Economy and Services (delivery) New technologies will likely have an increased financial cost in the short term.

Assumption	Level of Uncertainty	Area of Impact and potential Financial Impact
Education S.I.T will continue to promote Invercargill to international students.	Moderate – education systems that exist are likely to remain stable.	Infrastructure, Services, Population and Housing
World Economy The world economy will not have a significant negative effect on the Invercargill City District.	Moderate – future financial changes are unforeseeable.	Infrastructure and Tourism A major event in the World Economy could affect Tourism and the implications of lower / higher tourist numbers would occur.

Additional specific assumptions which are considered in the thinking of this plan include:

Assumption	Level of Uncertainty	Area of Impact
The Building Asset Team will remain in its current configuration.	High – There is a new CEO for the first year of this plan.	Portfolio and organisational structure could change for the Activity.
Each buildings current use and tenant will remain the same.	Moderate – One of the main issues and challenges of this activity.	CAB, Library and Archive, Museum, Wachner Place Restrooms and Parking Building.
Good communication between Service Activity Manager and Building Asset Team is maintained.	Low – Service Level Agreements are formed and communication is kept open, respectful and honest.	All buildings except public toilets.

As assumptions deal with matters of uncertainty and complexity, actual results will likely vary, but are based on the best information available. If actual future events differ from the assumptions, it will result in material variances to this Plan. The Long Term Plan Background and Assumptions 2018-28 document (appendix 1.01) identifies the risks that underlie those assumptions, the reason for that risk and an estimated potential impact is the assumption is not realised.

3. The Service We Provide

3.1 CUSTOMER PROFILE

3.1.1 Our Stakeholders and Community

The Building Asset Activity has interest to a large range of the community and infrastructure activities. The customers and stakeholders are listed below:

<i>External Stakeholders</i>	<i>Area of Interest</i>	<i>Engagement</i>	<i>Customer Needs and Expectation</i>
Audit New Zealand	Governance and operation	Audit	Clear documentation for the Activity.
Contractors, Consultants	Building maintenance and assessments	Liaise	Possibility to tender for work and a safe work environment.
Invercargill Community	Building comfort and performance	Liaise with Activity Manager	Building and facilities which are safe and fit for purpose, which does not have a negative impact.
Invercargill Ratepayers	Rates Impact	Consult through surveys and plans	
Iwi Groups	Environmental impact and sustainability		
SoRDS	Regional development	Liaise with Executive	Ease of doing business, we help to enable significant projects for the region.

<i>Internal Stakeholders</i>	<i>Area of Interest</i>	<i>Engagement</i>	<i>Expectation</i>
Activity Managers	Provide a building adequate for their activity	Liaise	Building environment supports their service activity.
Councillors, Directors	Governance and leadership	Report	Building and facilities which are safe and fit for purpose, which does not have a negative impact and are prudently managed.
Finance and Corporate	Financial assistance and direction	Liaise	Budgets are provided in a timely manner.
Information Technology	Technical support	Liaise	Server rooms are kept in safe operation.
Regulatory and Planning	Compliance	Liaise	Regulatory requirements are adhered to.

Staff	Building comfort and performance	Liaise	Building and facilities which are safe and fit for purpose.
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The 'customer' for the Building Asset Activity is the Service Activity Manager. The Service Activity Manager is responsible for communicating directly with their customers.

3.1.2 How We Engage our Communities

Building Assets liaise and support community engagement which Service Activity Managers that occupy our buildings undertake. Each Activity has their preferred methods to engage with their communities.

3.1.3 Community Research

In 2014, Council carried out a Customer Service Satisfaction Survey (Appendix 1.02), to provide information on ratepayers and residents' assessment of Councils services. In 2016 a second research project (Appendix 1.08) was undertaken to understand:

- What residents want from Council activities;
- How they perceive the value for money of those activities; and
- The level of service desired.

Although the 2016 project had a slightly different focus where possible the progressive results have been documented, from both the customer survey and research project, combined with expert knowledge of the service individual activity managers have to help establish a foundation of levels of service statements.

Customer requests for service are logged by customer service staff and attended to by the activity. This information is another platform which can be used to understand the community requirements.

The Customer Satisfaction Survey – Public Toilets (Appendix 1.02 Pgs. 97-102) found that the public toilets meet the need of 72% of the needs of all residents and 71% found the toilets to be clean and well maintained, however there was room for improvement from 56% of respondents regarding the number of toilets provided and 53% signposting for toilets.

3.1.4 Key Service Attributes Valued by Customers

3.1.4.1 Corporate and Community Facilities, Housing Care and Other Infrastructure

Key attributes for the Service Activities which operate in building assets are addressed and managed by the Service Activity Manager; these are addressed in their plans.

The Service Activity Managers see the following as the most important attributes:

- The ability to focus on running the activity and not have the concerns of managing the building.
- To ensure that the building conforms to design standards and legislated requirements.
- To look after the property maintenance, regulatory requirements, upgrades, renewals, and data to support a lifecycle approach to the management of the building.

- Reducing the risk of asset failure to the activity.
- Cost of the building overhead to the Activity are less than or equal to market rates.

3.1.4.2 Public Toilets

Our customers see the following as the most important attributes in customer surveys:

- Cleanliness of the facility.
- Well maintained.

3.2 SERVICE DRIVERS

3.2.1 Community Expectations

The community expectations on our buildings have not been specifically surveyed. These expectations are usually communicated to the Service Activity Manager in the first instance; there is an expectation that public properties will:

- Comply with relevant statutory codes.
- Have an efficient floor layout and are in a convenient location.
- Have sufficient parking available to customers.
- Be accessible to people with disabilities.
- Ensure that cost is not a barrier to use the facility.
- Be made safe from vandalism in a timely manner.
- Be in good condition are clean and well presented.
- Satisfy customer requirements with air temperature, lift wait times, etc.
- Have the capacity to cater for their requirements.
- Have opening hours which are convenient.

The expectations of the Building Asset are further developed in the Service Level Agreements (Appendix 4.02.1 to 4.02.8) for each Service Activity.

3.2.1.1 Public Toilets

In the 2016 research project 25% of 741 respondents thought that more money could be spent or a higher quality could be provided, 74% of those respondents said the same amount of money or same quality as currently provided. As well as the above expectations the public toilets are expected to:

- Available to the public 24 hours a day.
- There are an adequate number of public toilets in Invercargill and Bluff.
- Be well sign-posted.

3.2.2 Legislative Requirements

Legislation applicable to the Buildings Assets Activity is:

Legislation	Relevant Requirements	Impacts on Levels of Service
Resource Management Act 1991	Sustainability of natural and physical resources. Avoid, remedy or mitigate adverse effects on the environment.	Any projects comply with the Act and obtain resource consent.

Legislation	Relevant Requirements	Impacts on Levels of Service
	<p>Compliance with district and regional plans.</p> <p>Take into account the principles of the Treaty of Waitangi.</p> <p>Compliance with resource consents issued by the Southland Regional Council.</p>	
Building Act 2004	Compliance with building consents and warrant of fitness issued under the Act and relevant regulations and standards.	Processes required keeping buildings to the required standards and complying with the building code. This may end the duration of use if not permitted causing restriction of the activity.
Health and Safety at work Act 2015	Ensure the safety of the public and all workers (including contractors) when carrying out works.	Protocols required to ensure workers/public are safe on site to maintain standards of assets or penalties may occur.
Hazardous Substances and New Organisms Act 1996	Store hazardous substances in compliant facilities.	Protocols required to ensure workers/public are safe on site to maintain standards of assets or penalties may occur.
Public Bodies Contracts Act 1959	Requirements for entering into contracts and delegation of powers.	Council decisions and consultations with those affected may cause delay with activities taking place on Council land.
Fencing Act 1978	Responsibilities in relation to mutual boundary fences.	Consultation between owners for mutual consent of arranging and maintaining boundary fences.
Heritage New Zealand Pouhere Taonga Act 2014	Protection of sites and features which have been associated with human activity for more than 100 years.	Consultation with Iwi.
Historic Places Act 1993	Protect sites and buildings of historic and cultural significance.	Retain Heritage classification on building assets.
Health Act 1956	Provide 'sanitary services'.	Provide hygienic, safe and accessible toilet facilities in public places.
Public Records Act 2005	Store records in a secure facility with environmental control.	Archiving in the Library and CAB comply with requirements.

3.2.3 Industry Standards and Guidelines

Standards, Guidelines and place obligations on building owners which control building operations to certain levels of service to be provided. These requirements, where applicable, are incorporated into the Service Level Agreements (Appendix 4.02.1 to 4.02.8) technical Levels of Service are documented for each building.

Standard/Specification	Content/Purpose	Impacts on Levels of Service
International Infrastructure Management Manual 2015	Details best practice in Asset Management.	This manual details the best practice in the Asset Management System from governance to operations.
ISO 55000 – Asset Management Standards	Details best practice in Asset Management.	Building Assets do not intend to get approved as an ISO, but are intending to align to the standard.
New Zealand Asset Management Support (NAMS) Property Manual	Details best practice in property and buildings asset management.	This guideline sets precedence for developing service levels and performance measures for speciality buildings.
IPWEA Building Condition and Performance Assessment Guidelines – Buildings	Building Condition and Performance Assessment Guidelines.	This guideline will set a standard for developing condition and performance measure for buildings.
Urban Design Protocol – Ministry for the Environment	Implements the principles of the Protocol. Ensuring the design of buildings, places, spaces and networks are successful through quality urban design.	Public Consultation and Council decisions made around proposed designs of assets. This will set a standard for developing and maintenance and management for provision of levels of service.
Crime Prevention Through Environmental Design (CPTED) – National Guidelines under the Ministry for the Environment	Implements the CPTED (crime prevention through environmental design) principles. Safety design guidelines for developments. Provides guidelines to take account of safety issues for design and landscaping.	Public Consultation and Council decisions made around proposed designs of assets. This will set a standard for developing and maintenance and management for provision of levels of service.
NZS 4241:1999 New Zealand Standard Public Toilets	Provides design information and advice on the numbers, location, type and quality including features and fittings for public toilets in any location. Guidance on cleaning and sanitation is also provided.	Following procedures for installing and maintaining toilets and using certified equipment and contractors when obtaining new toilets on Council land.
NZS 3910:2013 – Capital Projects - Conditions of contract for building and	Requirements for entering into contracts and delegation of powers.	Framework for capital projects and engaging contracts when

Standard/Specification	Content/Purpose	Impacts on Levels of Service
civil engineering construction		undertaking capital projects.
NZS 4121:2001 – Design for access and mobility	Gives requirements for making buildings and facilities accessible to and useable by people with physical disabilities. Provides a means of compliance with the New Zealand Building Code.	Ensuring buildings comply with the standard, when doing renewals bring buildings up to or as close to the code as possible.
AS/NZS ISO 31000:2009 – Risk management – Principles and Guidelines	The standard provides organisations with guiding principles, a generic framework, and a process for managing risk.	This is a project for the 2018/19 year to evaluate and assess if we meet these standards.
Society of Local Government Management (SOLGM)	To promote and support professional management in local government, focusing on providing professional leadership.	Groups allow staff to connect with other council staff working in similar roles or with similar interests across the country.

3.3 LEVELS OF SERVICE

The Levels of Service for the Building Assets Activity and the Building Assets Management Plan are the sum of service levels from three considerations. These are:

- Community Levels of Service are the responsibility of the Service Activity Manager. These have been identified in their Activity Management Plan or Statement of Intent referred to in Section 2.1.3. These are also linked and documented in the Individual Service Level Agreement (Appendix 4.02.1 to 4.02.8).
- Customer Levels of Service are the responsibility of the Building Assets Activity Manager, these refer to the expectations of the Service Activity Manager.
- Technical Levels of Service refer to the specific measure to achieve the customer levels of service.

3.3.1 Community Levels of Service, Performance Measures and Targets

Level of Service	Customer Performance Measures	Customer Target
The building is safe to use, accessible for those with disabilities and well maintained.	Asset can meet demand of the Activity.	Building Opening Hours

Measure	2016/17 Target	2016/17 Result	2017/18 Target	2018/19 Target	2019/20 Target
Public toilets are operational. 95% of open hours, 24 hrs per day.	95%	95%	95%	95%	95%

3.3.2 Customer Levels of Service, Performance Measures and Targets

Current Service Levels and the related performance measures and targets for each group of assets are extracted from the Service Level Agreements, (Appendix 4.02.1 to 4.02.8).

The customer in these tables is the Service Activity Manager:

Level of Service	Customer Performance Measures	Customer Target
The building is safe to use, accessible for those with disabilities and well maintained.	Legislative Compliance	All commercial buildings have current Building Warrant of Fitness.
		Completion of Building Consents.
	Health and Safety	Decreasing number of injury accidents because of building hazard reported per year.
		Buildings are seismically designed above 67% NBS.
	Risk or Failure	Closure of Service Activity due to building failure.
	Asset can meet demand of the (Service) Activity	Building Opening Hours.
		Overcrowding or over provision of space is not an issue.
	Quality, Comfort and Performance	Public and user satisfaction with the building facility.
		Condition rating for building is agreed upon in with Service Activity Manager.
		Vandalism is repaired in a timely manner.
	Cost Efficiency	Rental and fees on buildings are sustainable and comparable or less than market rate.
Our heritage buildings are maintained well and keep their heritage status.	Retain current heritage classification	Civic Theatre – Class 1 Trooper Memorial - Class 1 Scottish Hall – Class 2

NB. New customer performance measures are marked in **bold** above.

3.3.3 Technical Levels of Service, Performance Measures and Targets

Level of Service	Technical Performance Measures	Technical Target
Legislative Compliance	All buildings have current Building Warrant of Fitness	Building warrant of fitness certificate issued before expiry (Commercial)
		Healthy Homes Warrant of Fitness Annually (Housing Care)
	Completion of Building Consents	0 Outstanding
	Fire Evacuation Plan	Visual check
Health and Safety	Decreasing number of injury accidents because of building hazard reported per year	0 Injuries
	Buildings are seismically designed above 67%NBS (except for CAB higher requirement as it is critical building)	Engineers Assessment
	Hazardous Substances and New Organism are stored safely	HSNO Location Inspection Certificate renewed annually
	Security and surveillance system requirements	As per Service Level Agreement
	PoolSAFE Certification (Southland Aquatic Centre)	Certification
Risk or Failure	Closure of Service Activity due to building failure	0 hours
	Emergency generator can withstand required demand	As per Service Level Agreement
	Building Inspections are undertaken	As per Service Level Agreement
Asset can meet demand of the (Service) Activity	Building Opening Hours	As per Service Level Agreement
		Building Availability during open hours
	Overcrowding or over provision of space is not an issue	Capacity as per Service Level Agreement
		Occupancy (Housing Care)
	Office space infrastructure	Min 1 No. power, comms and data outlets per work station
Quality, Comfort and Performance	Public and user satisfaction with the building facility	>75%
	Condition rating for building is agreed upon	Condition rating above as per Service Level Agreement

Level of Service	Technical Performance Measures	Technical Target
	with Service Activity Manager	
	Building fault response time to first attendance	Urgent – 1 day Non-urgent - 5 days
	Vandalism is repaired in a timely manner	Made safe within 1 day
	Office and public spaces temperature (and humidification Museum and Archive)	As per Service Level Agreement
Cost Efficiency	Rental and fees on buildings are sustainable and comparable or less than market rate	< Market Rate
	Proposed Renewal and New Capital Plan	Complete annually within budget
	Energy Consumption	< previous kWh/m ² /y

Measure	2016/17 Target	2016/17 Result	2017/18 Target	2018/19 Target	2019/20 Target
Building warrant of fitness certificate issued before expiry (Commercial)	Issued	TBC	Issued	Issued	Issued
Healthy Homes Warrant of Fitness Annually (Housing Care)	N/A	Not measured	Achieved	Achieved	Achieved
Number of injury accidents because of building hazard reported per year	0	19 Minor Injuries	0	0	0
Buildings are seismically designed above 67%NBS (except for CAB higher requirement as it is critical building)	All	Museum < 34% Scottish Hall 55%	Museum 2023 Scottish Hall – On Hold	Museum 2023 Scottish Hall – Decision	Museum 2023 Scottish Hall – Decision
HSNO Location Inspection Certificate renewed annually	Renewed	Achieved	Renewed	Renewed	Renewed
PoolSAFE Certification	Certified	Achieved	Certified	Certified	Certified
Closure of Service Activity due to building failure	N/A	0 hours	0 hours	0 hours	0 hours
Emergency generator can withstand required demand	Achieved	> Demand	Achieved	Achieved	Achieved
Building Inspections are undertaken	Monthly	Achieved	Achieved	Achieved	Achieved
Building Opening Hours and Availability	As per Service Level Agreement	Achieved	Achieved	Achieved	Achieved
Overcrowding or over provision of space is not an issue	N/A	Capacity as per Service Level Agreement	Achieved	Achieved	Achieved
	98.7%	Occupancy (Housing Care)	95%	95%	95%
Minimum of 1 No. power, comms and data outlets per work station	Achieved	Achieved	Achieved	Achieved	Achieved
Public and user satisfaction with the building facility	N/A	Not measured	> 75%	> 75%	> 75%
Condition rating above as per Service Level Agreement	N/A	Not measured	As per Service Level Agreement	As per Service Level Agreement	As per Service Level Agreement
Building fault response time to first attendance	N/A	Not measured	N/A	Urgent – 1 day Non-urgent - 5 days	Urgent – 1 day Non-urgent - 5 days

Vandalism is repaired in a timely manner	Made safe within 1 day	Achieved	Made safe within 1 day	Made safe within 1 day	Made safe within 1 day
Office and public spaces temperature (and humidification Museum and Archive)	As per Service Level Agreement	Not Achieved (Museum, Library and CAB)	As per Service Level Agreement	As per Service Level Agreement	As per Service Level Agreement
Rental and fees on buildings are sustainable and comparable or less than market rate	N/A	Not measured	< Market Rate	< Market Rate	< Market Rate
Proposed Renewal and New Capital Plan	Complete annually within budget	Not Achieved - See Annual Report	Complete annually within budget	Complete annually within budget	Complete annually within budget
Energy Consumption	< previous kWh/m ² /y	Not Achieved (169,671 above, heating inefficiencies)	< previous kWh/m ² /y	< previous kWh/m ² /y	< previous kWh/m ² /y

3.4 LEVELS OF SERVICE ISSUES AND CHALLENGES

Managers of the activity in our buildings do most of the engagement with the customer. It is therefore critical for the building assets team to maintain a good working relationship so that both teams are working in a unified direction.

3.4.1 Levels of Service Gaps and Possible Responses

Where there are shortfalls of the level of service targets and improvements are desired, improvements requested by Service Activity Managers are to support changes in demand on the Service Activity, (these are developed further in Section 4) or changes to service level of the Service Activity. Improvements requested by the Building Asset Manager are required so that the building can provide enhanced technical service levels for better management of the assets.

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2018 Uninflated
All	Record building fault response times.	<ul style="list-style-type: none">➤ Collect data from contractor to be put against work orders in IPS.➤ Allow access to IPS for contractor to submit their own data to IPS.	Response times are recorded	Unknown	Unknown
Corporate Buildings – Civic Admin	Seismic Capacity - The CAB is a critical building and will be required for business use after a significant seismic event.	<ul style="list-style-type: none">➤ Put a contingency plan in place for staff and system in the event that the building is inaccessible, this may need to	Parks Operations building on racecourse road become a temporary office site during an emergency	October 2019	Staff Time

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2018 Uninflated
		be for an extended period of time. ➤ Accept that building may be unable to be used after a seismic event ➤ Strengthen the building by tying the floor slab to the lift shaft, increasing the seismic capacity to 2,000 year return period, current capacity 500 year return.	Seismic Ties	Decision June 2018	\$430,000
	Office and public spaces temperature - Temperature consistency.	➤ Install double glazing ➤ Install HAVC system ➤ Remove more partitions	Install Double Glazing	Decision June 2018	See Below
			Install HVAC	2020	\$1,520,000
	Condition rating for building is agreed upon with Service Activity Manager. ➤ Exterior Appearance ➤ Windows	➤ Renew exterior	Exterior Renewal, install double glazing and paint exterior	2018	\$1,875,000
	Public and user satisfaction with the building facility - No lift to 5 th floor.	➤ Replace current lift with machineroom-less lift and install landing.	Upgrade lift to the 5 th Floor	2018	\$500,000
Community Facilities – Animal Care Facility	Public and user satisfaction with the building facility - Power cuts are a regular occurrence.	➤ Install UPS for computers to keep working ➤ Install back-up generator ➤ Do nothing	Do nothing	N/A	\$0
	Public and user satisfaction with the building facility - No	➤ Install hand wash station ➤ Install sanitiser dispenser	Install hand wash	2018	\$2,500

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2018 Uninflated
	way to wash hands as leaving kennel area.				
Library and Archive	Public and user satisfaction with the building facility - Surveillance System, the quality and coverage of the cameras is poor.	➤ Renew surveillance system	Renew surveillance system	Work in Progress to be completed Jan 2019	\$20,000
	The servers at the Library are now the back-up system for the Civic Administration Building, for resilience purposes.	➤ Install back-up generator for the server room.	Genset	2018	\$50,000
	Office and public spaces temperature - During periods of hot weather staff complain of temperature.	➤ Improve BMS ➤ Increase HVAC system ➤ Wait until walls are removed and see how the space will cope.	Improve BMS	2018	Included in Library Renewal Project
Civic Theatre and Scottish Hall	Condition rating for building is agreed upon with Service Activity Manager – Scottish Hall Interior Condition Poor, and a decision on the earthquake strengthening if required	➤ Interior refurbishment	Condition ratings added to Service Level Agreements	August 2018	TBC
Southland Aquatic Centre	PoolSAFE Certification (Southland Aquatic Centre)- Water quality has not quite reached its 100%.	➤ Install UV treatment	Install UV	June 2020	\$348,000

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2018 Uninflated
	Condition rating for building is agreed upon with Service Activity Manage ➤ Current slide is at the end of its useful life.	➤ Remove slide ➤ Replace slide with like for like ➤ Increase slide and make it a user pays attraction	Renew Slide	June 2019	\$2,892,752
	Overcrowding or over provision of space is not an issue ➤ Foyer is dated and due for renewal ➤ There is not enough office space for all staff ➤ Changing rooms are over-crowded especially which groups come to the facility ➤ Not enough accessible changing room space	➤ Reconfigure interior of building ➤ Extend office space ➤ Manage the times groups arrive ➤ Decrease the demand on the service ➤ Extend the changing rooms ➤ Increase accessible changing rooms from 2 to 4	Renew café, foyer and extend changerooms	Work in Progress to be completed Jan 2019	\$1,,000
	➤ Seating area during competitions is not sufficient ➤ Car park is full regularly ➤ Pool space is a problem especially club space	➤ Increase seating capacity ➤ Increase cost to watch competitions ➤ Extend car park ➤ Talk to IVEM about using some of their parking by the old toilet block ➤ Change charging regime potentially timing of use ➤ Increase pool space	New 25m x 25m x 2m deep pool	June 2024	\$6,000,000
	Public and user satisfaction with the building facility -	➤ Install synchronised clocks	Install clocks which are also synchronised with	June 2019	\$20,000

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2018 Uninflated
	Clocks are not all telling the same time, numerous customer complaints.	➤ Remain with status quo	alarm systems so that visual alarm is installed		
Southland Museum and Art Gallery	Condition rating for building is agreed upon with Service Activity Manage - Roof leaks.	<ul style="list-style-type: none"> ➤ Temporary patch up leaks ➤ Accept leaks build internal guttering ➤ Bandage roof with and paint with membrane ➤ Dispose of building and relocate 	Roof bandaged with paint system (Bandaging undertaken, painting with membrane still requires completion)	Started January 2018 (unknown completion date)	\$215,000 (Costs will have increased due to partial rework will be required)
	Public and user satisfaction with the building facility ➤ Building closed due to seismic capacity	<ul style="list-style-type: none"> ➤ Respond to gap in re-development <ul style="list-style-type: none"> ○ Strength building to above 67% ○ Dispose of building and relocate 	Southland Museum Redevelopment	2023	Dependant on Brief (\$2.5m in 2022 and \$7m in 2023 grant funding budgeted from ICC)
	Overcrowding and provision of space is an issue ➤ Storeroom is full and not fully catalogued ➤ More exhibition space required	<ul style="list-style-type: none"> ➤ Stop accepting bequeaths ➤ Remove art collection and hold only museum articles ➤ Catalogue the collection ➤ Extend current storage within building ➤ Include larger storage in Museum upgrade ➤ Build Regional Storage Facility ➤ Extend building ➤ Dispose of building and relocate 	Regional Storage Facility built by Southland regional Heritage Trust	2025	Dependant on Brief (\$9m in 2025 grant funding budgeted from ICC)

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2018 Uninflated
	Office and public spaces temperature and humidification - Humidification is compartmentalised and when it fails there is no back up system.	<ul style="list-style-type: none"> ➤ Put back up system on each humidifier ➤ Install centralised humidification in building upgrades ➤ Demolish building and relocate 	Southland Museum Redevelopment	2023	Dependant on Brief (\$2.5m in 2022 and \$7m in 2023 grant funding budgeted from ICC)
Housing Care	Public and user satisfaction with the building facility <ul style="list-style-type: none"> ➤ Fully Insulated ➤ Increased parking required by tenants ➤ Ultrafast broadband ➤ Decreasing number of injury accidents because of building hazard reported per year - All baths removed. 	<ul style="list-style-type: none"> ➤ Although the flats were retrospectively insulated as much as practical, there could be significant improve to comfort made by double glazing the flats. ➤ Install more parking facilities ➤ Dispose of complexes without enough parking and invest in new complexes ➤ Work with Chorus to install services when a tenant at complex requests broadband installation and it is available in that area ➤ Baths are converted into shower as when tenants request or when a tenant leaves a flat 	Install double glazing across all complexes	December 2019	\$800,000
			Install parking as grounds are being upgraded	Continuous	Dependant on complex
			Install broadband	As requested	\$0
			Remove bath, install shower	As untenanted	\$15,000/unit

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2018 Uninflated
	Condition rating for building is agreed upon with Service Activity Manager - Remove old Hoovermatic washing machines.	➤ Replace with new or tenant owned machine	No change in service level other than windows above, renew washing machines	As untenanted	\$3,000
Public Toilets	Vandalism is repaired in a timely manner - Don Street attracting vandalism and the toilet was attracting drunk and disorderly people to the area.	➤ Remove toilet ➤ Change opening times	Change opening times	Completed	\$0
	Public and user satisfaction with the building facility - Lack of Public Toilets on North Entrance to City.	➤ Investigate location for new toilet in Waikiwi area	Install toilet in Waikiwi	June 2018	\$120,000
Other Infrastructure – Parking Building	Overcrowding or over provision of space is not an issue - Kiosk no longer required.	➤ Do nothing ➤ Remove kiosk	Do Nothing	Remove if it becomes a danger	\$5,000

4. Demand for Our Services

4.1 DEMAND FORECAST

4.1.1 Factors Influencing Demand

Demand on the Building Assets Activity is driven mainly by the demand for the Service Activity within our building. Factors influencing demand on the Service Activity may require a response from the Building Asset Activity. Please refer to the Service Activities Plans or Statements of Intent for further information on demand for the service.

4.1.1.1 *Corporate Buildings*

Factors influencing demand generally includes:

- Office use trends, requires refurbishment, renewal, rationalisation of buildings.
- Level of staff, capacity of building.

4.1.1.2 *Community Facilities and Housing Care*

Factors influencing demand generally includes:

- Demographics, especially age of the population has a significant affect.
- Societal trends.
- Technological advances.
- Local economy.
- Tourism and visitor numbers (excl. Housing Care).
- Bequeaths and storage (SMAG and Archives).
- Changes to governance.

4.1.1.4 *Public Toilets*

Factors influencing demand in the Central Business District generally includes:

- Economic activity, which influences the number of people in retail shopping areas.
- Ageing population, as population ages there is an increased demand on public toileting facilities.

4.1.1.5 *Other Infrastructure Buildings*

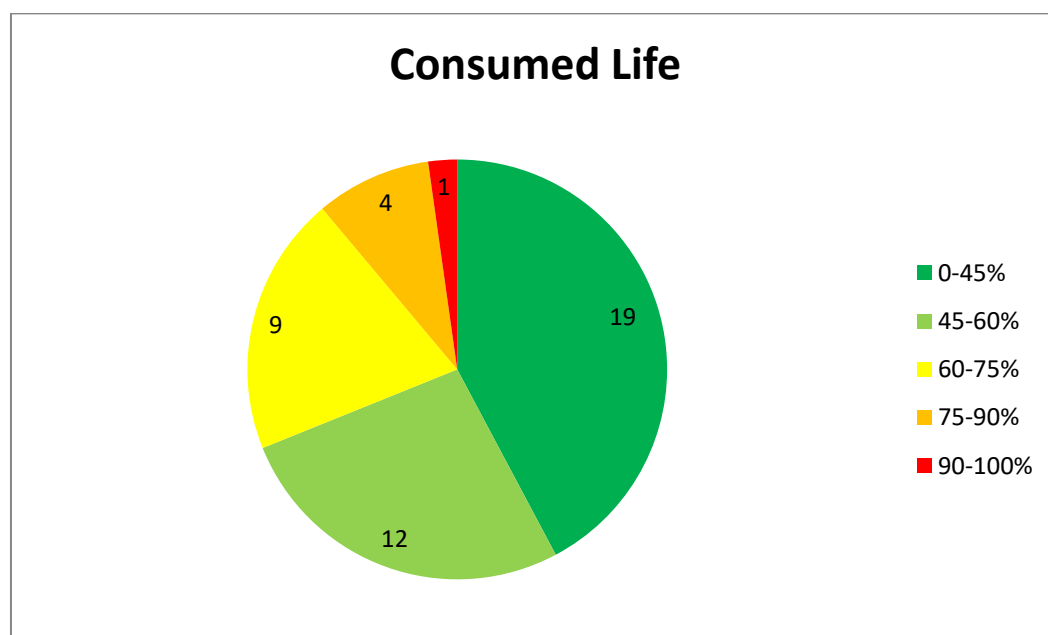
- Education on services provided.

4.1.2 Projected Growth or Decline in Demand for the Service

The significant assumptions are documented in the Long-Term Plan – Background and Assumptions 2018-2028 (Appendix 1.01) these assumptions were used as a basis for the projected demand in services, any further assumptions specific to this activity have been documented in Section 2.4 – Key Assumptions.

The majority of the Building Assets stock is aging and many of our buildings are half way or more through their useful lives, because of this there is a higher demand for capital renewal projects and potential (developing) growth projects to

be undertaken in the upcoming years, this will put an increased demand on the Building Assets Activity.



There has been an increase in requests from other building owners within Council and its CCO's on building asset management consultancy work.

4.1.2.2 Corporate Buildings

There is no current projected significant increase or decline to staff levels.

4.1.2.2 Community Facilities

Animal Care

The number of dog registrations has been increasing and it is unclear if this is a reflection on previously unregistered dogs becoming registered or an increase in overall dog population. It is assumed that the increase is from unregistered dogs becoming registered and there will be no changes in demand.

Library and Archive

There is an expectation that collections will have an increasing percentage provided in a digital format. This change in delivery will inevitably impact the processing and reduce the requirement for storage of Library collections. IT infrastructure needs to deliver technology upgrades will be required to keep Libraries and Archives Services relevant and efficient.

The Archive is registered as a National Archive, if other Local or Central Government agencies were to avail of this status it would require significantly more space.

Invercargill Venues and Events Management (IVEM)

There is a current societal trend to use income on experiences rather than on assets. This could slightly increase the demand on the arts and culture sector, the buildings have the capacity to manage this potential increase in demand.

Southland Aquatic Centre

Splash Palace was designed for 6.5 visits per head of population. This has increased to 7.75 visits, with the Invercargill and Southland population also incrementally increasing; this demand on the service is projected to continue for the foreseeable future.

Southland Museum and Art Gallery (SMAG)

The Museum closing in March 2018 has increased the level of demand on the Art and Culture sector of Invercargill and Southland District. The public are demanding this sector to be invested in as soon as practical. The Council has decided that they are will to fund a satellite Museum in the interim of the Museum and Art Centre developments.

There initiatives that have been identified in the Long-term Plan include:

- Living Dinosaurs – Enclosure for National Tuatara and Kakapo Species.
- Art Centre.
- Southland Museum Redevelopment.
- Regional Storage Facility.

4.1.2.3 Housing Care

In Invercargill the current demand exceeds supply. Invercargill City Council's Housing Care provision has always been a stand alone cost-neutral service. The cost of building new units would, on a full cost-recovery model, result in rents exceeding the affordability and current service levels provided in the Housing Care Activity.

4.1.2.4 Public Toilets

A retail strategy has recently been developed for the CBD. If the strategy achieves the outcomes document the CBD will have increased footfall which will increase the current demand on the public toilet facilities.

The Long-Term Plan – Background and Assumptions 2018-2028 (appendix 1.01) indicates the number of residents over the age of 65 will increase from 16% (2016 estimate) to 22% in 2028. There will be a marginal increase on demand for public toilets. This will not require any action.

4.1.2.5 Other Infrastructure Buildings

Parking Building

There is no projected increase or decline for this service.

Solid Waste Transfer Station

The waste assessment projected a steady increase in the tonnage of diverted materials in the short to medium term.

4.2 CHANGES IN SERVICE EXPECTATIONS

There have recently been more expectations on the Building Assets Activity to go through optimised decisions making processes in regards to the preferred renewal options. Investment Logic Mapping (ILM) and BBC are expected of any significant public spending.

There is a customer expectation on capital programmes to focus on sustainable operational costs to service activities; this usually requires a larger capital cost which is not always politically supported.

There have been no fundamental changes in what the activity is expected to deliver on operational, maintenance, renewal and capital building works on behalf of the Service Activity.

4.2.1 Corporate Buildings

The main change in service expectation is the desire for new modern open space office environment.

4.2.2 Community Facilities

Animal Care

There is an expectation that there will be more desexing of animals to be executed at the facility.

Library and Archive

The Library is expected to become more of a Community Living room. This could change the requirement from storage of library books to requirements for better IT infrastructure.

IVEM

There are no fundamental changes in service expectations.

Southland Aquatic Centre

There are no fundamental a change in service expectations. There is an increase in awareness of accessibility requirements.

Southland Museum and Art Gallery (SMAG)

There is an expectation that SMAG may not exist in its current framework, it may develop into two entities, one for Museum and the other for Arts. This would have a significant impact on the demand for each service and therefore, the buildings which house these services.

4.2.3 Housing Care

There is an increase in service expectations in regards to thermal efficiency and modern appearances.

4.2.4 Public Toilets

Exeloo toilets are not liked by some members of the public, however these have proved to be the most durable and reliable equipment to use for 24 hour service.

There have been two requests in recent year to install a public toilet in the Waikiwi area.

4.2.5 Other Infrastructure Buildings

Parking Building

There are no fundamental changes in service expectations.

Solid Waste Transfer Station

There are no fundamental changes in service expectations.

4.3 EXPECTED IMPLICATIONS FOR THE ACTIVITY

There greater investment of time or resources on the planning phase of capital projects.

4.4 FUTURE DEMAND ISSUES AND CHALLENGES

4.4.1 Possible Demand-related Responses

The impact of tactics to respond to changes in demand will be to assess all possible options including but not limited to:

- Capital expenditure projects to modify buildings to suit new needs.
- Capital renewal of antiquated equipment.
- Disposal of asset.
- Repurpose of existing asset.
- Acquisition of new asset.
- Non-asset solutions.

Although non-asset responses are considered through the optimised decision making process any possible non-asset related responses would in most instances become the responsibility of the Service Activity Manager to resolve.

Expectations are negotiated with all Service Activity Managers on an annual basis with regards to the programmes for growth and demand related works or capital renewals. These are documented in the Individual Service Level Agreements. As demand for the Building Asset Activity increase there may be a requirement for Service Activities projects to be prioritised to fit the Building Assets Activities availability.

Category	Issue or Challenge	Possible Asset Demand-related Responses	Possible Non-Asset Solutions	Managing Expectations
All	Capital programme increase in workload due to ageing of assets		➤ More staff on the building assets team to cope with work loads	➤ Negotiate timing of project with Service Managers so that projects are evenly distributed
	Increased focus on the planning phase of capital projects	<ul style="list-style-type: none"> ➤ Optimised decision making ➤ Better business case approach to larger capital projects 	<ul style="list-style-type: none"> ➤ More consulting services ➤ More staff 	<ul style="list-style-type: none"> ➤ Train staff in new processes ➤ Change job descriptions
	Asset Management for buildings is a relatively young and detailed discipline, the full demand or cost to reach Asset Management Maturity desired is unknown.			<ul style="list-style-type: none"> ➤ Ensure Asset Management Maturity goals are achievable ➤ Make sure the level of detail for asset components is not too detailed ➤ Talk to those in the building asset profession to understand the true cost of Asset Management is
Corporate Buildings – Civic Admin	Desire of tenant to be in a more modern open plan building	<ul style="list-style-type: none"> ➤ Complete interior renewal, remove partition walls (this would require new furniture etc.) ➤ Develop exit strategy with new office location 	<ul style="list-style-type: none"> ➤ Lease building from another entity ➤ Change working policy to so that more people work from home 	➤
Community Facilities – Animal Services Care Facility	More desexing happening at the facility	➤ Post-surgical pen	➤ Refer to veterinary clinic	➤ Education the public on being a responsible pet ownership

Category	Issue or Challenge	Possible Asset Demand-related Responses	Possible Non-Asset Solutions	Managing Expectations
Library and Archive	Library being more of a community hub, rather than a house for books	➤ Refurbishment project underway, this will allow for a more flexible space	➤ Digital capacity of the library may need to be considered on a regular basis.	➤
	Archive becomes registered repository for New Zealand	➤ Potential of more storage space extend the facility.	➤ Do not expand the facility, others can provide their own	➤ Memorandum of understanding would need to be drawn up
Southland Aquatic Centre	More elderly using the facility	➤ Increase number accessibility change rooms ➤ Make pool space more easily accessible ➤ Build more pool space ➤ More accessible car parks		➤ Manage demand with scheduling
	Societal trend in healthy living, increasing demand on pool space	➤ Build more pool space ➤ Build more changing rooms		➤ Encourage and advertise others in the health industry
	More staffing require to meet PoolSAFE standard	➤ Increase office space ➤ Increase staff room space		
Southland Museum and Art Gallery	Bequeaths keep coming in	➤ Need to expand storage space so that Southland history stays in the region.	➤ Refuse any new donations.	➤ Educate public on capacity of the service
	Tuatara and Kakapo enclosure	➤ Design space for the tuatara and kakapo ➤ Look for funding from DOC	➤ Do not accept kakapo ➤ Stop being custodians of the tuatara	
Housing Care	Southland housing strategy is implemented fully and the band in widened for applicants	➤ Get capital injection from Council to building more stock	➤ Move housing care service into a CCO which can become a CHP, more funding available to build more flats	➤

Category	Issue or Challenge	Possible Asset Demand-related Responses	Possible Non-Asset Solutions	Managing Expectations
			➤ Sell housing portfolio to CHP	
Public Toilets	Waikiwi residents requesting public toilet in their area	➤ Find a suitable location for an Exeloo and build	➤ Approach commercial businesses in the area to see if they would work with Council to provide public toilets	➤ Inform public of other options

5. Asset Profile

5.1 ASSET OVERVIEW

The management of services are separated from the management of the assets which are used to house and support the services. This helps to promote accountability, transparency and efficiency in the acquisition and management of buildings owned by Council. An exception to this strategy is the Public Toilets for which we are the service delivery and asset management.

Note: Building and land in this Asset Management Plan does not include the following similar assets which are detailed in other Activity or Asset Management Plans:

- Investment property – see the Investment Property Activity Management Plan.
- Public toilets or buildings on reserve land – see the Parks Asset Management Plan.

Detailed information about building assets is stored in Invercargill City Council systems:

- Maintenance management system - Infor Public Sector (v8.4).
- Document management system - Objective.
- Building Assets Property Portfolio 2017 (Appendix 4.01).
- In files in the Asset Managers Office.

5.2 ASSET DESCRIPTION

The building assets included in this Plan fall under the following categories. A full description for each property can be found in the Building Assets Property Portfolio 2017.

5.2.1 Corporate Buildings

These are the buildings that are provided to the Finance and Corporate Directorate for use to the Invercargill City Council for its administration purposes. These include:

- Civic Administration Building.
- Bluff Service Centre.

5.2.2 Community Facilities

These are the buildings that are provided for Community Services, these are generally specialist buildings which help the community achieve its social, economic and cultural sustainability outcomes. These buildings include:

- Animal Care Facility.
- Civic Theatre.
- Library and Archive.
- Scottish Hall.
- Southland Aquatic Centre.
- Southland Museum and Art Gallery (Consult/manage, owned by SMAG)

5.2.3 Housing Care

This category comprises of 21 complexes with 215 elderly housing units. These are provided to the community as affordable housing for citizens who meet Council's entry criteria.

5.2.4 Public Toilets

Public toilets are provided in the CBD and suburbs as public amenities. There are nine public toilet facilities provided by the building assets team. These are:

- Wachner Place Restrooms.
- Don Street Exeloo.
- Dee Street Exeloo.
- Leven Street/Car Park Exeloo.
- Windsor Street Exeloo.
- Glengarry Exeloo.
- South City Exeloo.
- Stirling Point Exeloo.
- Bluff Service Centre Exeloo.

5.2.5 Other Infrastructure Buildings

These are the buildings that are owned by Invercargill City Council and are either managed, consulted or leased by the Building Assets team. These included:

- | | |
|--------------------------------|---------|
| ➤ Leven Street Car Park | Managed |
| ➤ Troopers Memorial | Managed |
| ➤ Transfer Station | Consult |
| ➤ Industrial Reclamation | Consult |
| ➤ Bluff Senior Citizens Centre | Leased |

5.3 CRITICAL ASSETS

5.3.1 Asset Criticality Criteria

Please see Building Asset Criticality Criteria (Appendix 4.03). See Asset Details table below or Building Assets Property Portfolio for details on each property.

5.4 ASSET CONDITION

5.4.1 Summary of Current Asset Condition

Please see Building Asset Condition Criteria (Appendix 4.04). See Asset Details table below or Building Assets Property Portfolio for details on each property.

5.4.2 Condition Monitoring

The condition assessments above (except for the Civic Administration Building, Civic Theatre and SMAG) are based on the remaining useful life as assessed by Quotable Value, 1 July 2017.

We have engaged Opus to complete a full visual condition assessment on each building to get a more thorough componentised evaluation. The Civic Administration Building, Civic Theatre and SMAG as our most critical buildings were the first of our assets to be assessed in this manner. The full report is detailed in the Building Asset Property Portfolio document (appendix 4.01). We own the data which is available to us via ADT Opus' assessment management software.

The data from these assessments are planned to be transferred into our asset management software Infor Public Solutions (IPS), we need to finalise our asset hierarchy prior to transferring that data. These assessments will be carried out 3 yearly.

5.5 ASSET CAPACITY AND PERFORMANCE

5.5.1 Capacity and Utilisation

Capacity: Is the maximum number of people able to access the building without exceeding the fire loading.

Utilisation: If the overall rating exceeds 100% the asset is exceeding its design expectations and may require intervention or the measures are not correct. If the overall rating equals 100% it is meeting its design, if the rating is less than 100% the asset is used less than its possible design purpose. When the rating is 0% then the asset is not being used.

5.5.2 Performance

Design performance has been measured on the following qualities:

- Code of Compliance.
- Building Warrant of Fitness.
- Accessibility.
- Weather-tightness.
- Firefighting.
- Fire Alarm.
- Insulation.
- Heating.
- Potable Water.
- Security.

See Asset Details table below or Building Assets Property Portfolio for details on each property.

Financial performance has been measured in the following qualities:

- Cost to run building.
- Revenue.
- Capital Expenditure.
- Depreciation.
- Fair value – 30 June 2018
- Replacement Cost.
- Loss of Service Potential Reserve Balance.
- Financial Consumption.
- Funded Depreciation.

See Building Assets Property Portfolio for details on each property.

5.6 ASSETS DETAILS

This table is a reflection of the buildings as measured on 30 June 2018, SMAG requires re-assessment

Asset	Address	Group	Description	Criticality	Age	Remaining Useful Life	Condition	Capacity	Design Performance	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Depreciation Cost (\$)
Civic Administration Building	101 Esk Street	Corporate Buildings	6 story office building	3	44	48	2	258	70	100	Hours/Year	4,958,000	10,913,280	194,158
Bluff Service Centre	94-98 Gore Street	Corporate Buildings	Service Centre, suburban library, bank and Lotto	2	67	28	2	60	100	30	Hours/Year	305,000	1,224,053	22,604
Civic Theatre	88 Tay Street	Community Facility	1000 seat opera style theatre	3	111	43	1	1538	89	16	Bookings/Year	16,506,000	21,419,922	417,452
Scottish Hall	112 Esk Street	Community Facility	Dance Hall	2	60	15	3	388	67	10	Bookings/Year	433,000	4,595,030	89,706
Invercargill City Library	50 Dee Street	Community Facility	Borrowing Library	2	28	47	3	415	67	37	Hours/Year	8,893,000	15,622,880	319,712
Archive	62 Dee Street	Community Facility	Records Storage	2	59	66	1	100	89	22	Hours/Year	2,604,000	3,076,920	62,967
Southland Aquatic Centre	58 Elles Road	Community Facility	Swimming Pool	2	20	20	2	1000	90	60	Hours/Year	19,344,000	28,536,158	1,011,007
Southland Museum and Art Gallery	108 Gala Street	Community Facility	Museum	2	75	33	3	500	80	35	Hours/Year	6,316,000	24,100,505	496,674
Dog Pound	11 Lake Street	Community Facility	Animal Care Facility	1	5	70	1	9	50	98	Hours/Year	722,000	760,073	13,472
Aiden Place	132 Princes Street	Housing Care	Pensioner Flats	1	35	40	3	9	50	100	Nights tenanted	549,000	997,150	31,333
Anzac Court	9 Tone Street	Housing Care	Pensioner Flats	1	26	49	2	10	67	100	Nights tenanted	254,000	740,740	23,276
Aurora Place	15-29 Janet Street	Housing Care	Pensioner Flats	1	64	11	4	8	67	98	Nights tenanted	462,000	1,054,130	33,123
Cairnsmore Flats	160 Leet Street	Housing Care	Pensioner Flats	1	36	39	3	14	50	98	Nights tenanted	771,000	1,310,540	41,180
Clarendon Court	60 Stirrat Street	Housing Care	Pensioner Flats	1	31	45	3	20	50	99	Nights tenanted	920,000	1,566,950	49,102
Elston Lea Village	50 Murphy Street	Housing Care	Pensioner Flats	1	59	16	4	73	67	98	Nights tenanted	1,704,000	5,132,270	161,267

Asset	Address	Group	Description	Criticality	Age	Remaining Useful Life	Condition	Capacity	Design Performance	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Depreciation Cost (\$)
Jim Brass Place	154 Elles Road	Housing Care	Pensioner Flats	1	25	50	1	4	50	98	Nights tenanted	325,000	569,800	17,904
Kelly Court	210 Crinan Street	Housing Care	Pensioner Flats	1	46	29	4	7	50	99	Nights tenanted	412,000	683,760	21,485
Kinross Flats	30 Henderson Street	Housing Care	Pensioner Flats	1	35	40	2	12	67	99	Nights tenanted	314,000	740,740	23,276
Korimako Court	12 Waverley Street	Housing Care	Pensioner Flats	1	38	37	3	11	67	98	Nights tenanted	643,000	1,310,540	41,180
Laurel Court	2 Maltby Street	Housing Care	Pensioner Flats	1	39	36	4	10	67	100	Nights tenanted	526,000	826,210	25,961
Miller Street	13-29 Miller Street	Housing Care	Pensioner Flats	1	67	8	4	4	67	100	Nights tenanted	197,000	484,330	15,219
Nevill Place	26 Selwyn Street	Housing Care	Pensioner Flats	1	42	33	4	8	67	100	Nights tenanted	1,092,000	1,623,930	51,207
Niven Place	104 Earn Street	Housing Care	Pensioner Flats	1	46	29	4	17	67	99	Nights tenanted	412,000	683,760	21,485
Otarewa Village	90 Conon Street	Housing Care	Pensioner Flats	1	28	47	2	32	67	99	Nights tenanted	1,580,000	2,507,120	78,779
Pateke Place	429 Yarrow Street	Housing Care	Pensioner Flats	1	42	33	4	8	67	99	Nights tenanted	487,000	797,720	25,066
Powell Court	295 Pomona Street	Housing Care	Pensioner Flats	1	29	46	3	9	67	96	Nights tenanted	384,000	655,270	20,590
Stirling Flats	25 Gregory Street	Housing Care	Pensioner Flats	1	32	43	2	12	67	99	Nights tenanted	285,000	740,740	23,276
Stratpine Flats	246 Ettrick Street	Housing Care	Pensioner Flats	1	46	29	4	7	67	100	Nights tenanted	412,000	683,760	21,485
Thorndale	3 Lithgow Street	Housing Care	Pensioner Flats	1	34	41	3	9	67	99	Nights tenanted	372,000	712,250	22,380
Willow Park	64 Adamson Crescent	Housing Care	Pensioner Flats	1	30	39	3	15	88	50	Nights tenanted	639,000	1,082,620	34,633
Wachner Place Restrooms	20 Dee Street	Public Toilet	Public toilet	1	20	41	2	20	100	89	Hours/Year	583,000	940,170	18,047
Don Street Exeloo	69 Don Street	Public Toilet	Public toilet	1	18	12	2	3	100	98	Hours/Year	80,000	200,000	6,667

Asset	Address	Group	Description	Criticality	Age	Remaining Useful Life	Condition	Capacity	Design Performance	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Depreciation Cost (\$)
Dee Street Exeloo	62 Dee Street	Public Toilet	Public toilet	1	10	20	1	3	100	62	Hours/Year	133,333	200,000	6,667
Car Park Exeloo	11 Leven Street	Public Toilet	Public toilet	1	1	29	1	3	86	98	Hours/Year	193,333	200,000	6,667
Windsor Exeloo	19 Windsor Street	Public Toilet	Public toilet	1	13	17	1	3	71	99	Hours/Year	113,333	200,000	6,667
Glengarry Exeloo and Dump Station	87 Glengarry Crescent	Public Toilet	Public toilet	1	8	22	1	3	71	98	Hours/Year	146,667	200,000	6,667
South City Exeloo	254 Elles Road	Public Toilet	Public toilet	1	7	23	1	3	71	98	Hours/Year	153,333	200,000	6,667
Stirling Point Exeloo	33-39 Ward Parade	Public Toilet	Public toilet	1	20	10	3	3	86	98	Hours/Year	66,667	200,000	6,667
Bluff Service Centre Exeloo	94-98 Gore Street	Public Toilet	Public toilet	1	20	10	3	3	86	100	Hours/Year	66,667	200,000	6,667
Parking Building	11 Leven Street	Other Infrastructure	8 deck, 281 space, parking building	1	33	41	4	88	100	40	Hours/Year	3,621,000	7,593,399	123,830
Solid Waste Transfer Station	303 Bond Street	Other Infrastructure	Covered collection pit, green waste pit, recycling shed	2	20	30	2		100		Hours/Year	1,852,000	2,746,640	57,208
Bluff Senior Citizens Centre	10 Onslow Street	Other Infrastructure	Community centre	1	47	34			75			286,000	597,680	22,604
Industrial Reclamation	121 Bond Street	Other Infrastructure	Workshop and office	1	47	3			50			291,000	4,653,638	
Troopers Memorial	2 Tay Street	Other Infrastructure	Boer War Memorial	1	110	40	4		100					
												80,407,333	153,284,678	3,685,981

5.6 SUMMARY OF ASSET TRENDS, ISSUES AND CHALLENGES

Issue and Challenge	Possible Responses
Many buildings	<ul style="list-style-type: none"> ➤ Have a good understanding of asset data, issues and challenges, be prepared for the information potentially required ➤ Strategic direction for Buildings Assets is confirmed by Council ➤ Use a better business case approach to develop any project of significant expenditure
Perception of value for money instead of lifecycle costs (projects tend to be developed in a piecemeal fashion)	<ul style="list-style-type: none"> ➤ Investigate projects from a lifecycle cost prospective instead of just capital cost ➤ Ensure reports tell the story with this in mind.
Asset hierarchy and data	<ul style="list-style-type: none"> ➤ Assess best fit for asset hierarchy
Civic Administration Building: <ul style="list-style-type: none"> ➤ Windows ➤ Exterior finish ➤ Lift age and doesn't reach the 5th ➤ Heating ➤ Earthquake Strengthening (if we remain the tenant) 	<ul style="list-style-type: none"> ➤ Renew windows and paint ➤ Replace lift <ul style="list-style-type: none"> ○ Like for like ○ Reach the 5th ➤ Replace heating <ul style="list-style-type: none"> ○ Like for like ○ HVAC System ➤ Seismically tie lift shaft to floors
Bluff Service Centre: <ul style="list-style-type: none"> ➤ Demolish of Hotel 	<ul style="list-style-type: none"> ➤ West wall will require waterproofing
Library <ul style="list-style-type: none"> ➤ Weather-tightness (minor roof leaks) ➤ Exterior Cladding 	<ul style="list-style-type: none"> ➤ Repair roof ➤ Renew cladding or accept liability to receive code of compliance
Scottish Hall <ul style="list-style-type: none"> ➤ Major renewal and capital maintenance required ➤ First floor closed to public 	<ul style="list-style-type: none"> ➤ Invest in building
Splash Palace <ul style="list-style-type: none"> ➤ Corrosive atmosphere ➤ Slide reception and foyer due for renewal 	<ul style="list-style-type: none"> ➤ Account of this in useful life calculations ➤ Renew areas
Museum <ul style="list-style-type: none"> ➤ Roof partial roof renewal ➤ Seismic Capacity 	<ul style="list-style-type: none"> ➤ Finish roof renewal ➤ Redevelop
Housing Care <ul style="list-style-type: none"> ➤ Aging stock (no capital for new stock) ➤ Cost to maintain increasing the portfolio ages 	<ul style="list-style-type: none"> ➤ Renew as required
Car Parking Building <ul style="list-style-type: none"> ➤ High maintenance costs 	<ul style="list-style-type: none"> ➤ Maintain as required
Trooper Memorial <ul style="list-style-type: none"> ➤ Condition 	<ul style="list-style-type: none"> ➤ Requires structural and exterior restoration

6. Sustainability, Risk and Resilience

6.1 SUSTAINABILITY

The Local Government Act requires Council to take into account the social, economic and cultural interests of people and communities, the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations by taking a sustainable development approach. Sustainability can be defined as:

Development which meets the needs of the present generation without compromising the future generation from meeting their own needs
(Brundtland Report, 1987).

Infrastructure assets ability to influence sustainability outcomes are highest during the planning and design phase. Asset type, location and design can significantly impact sustainability outcomes, for example, accessibility, urban form, land-use, heritage, health and wellbeing. Good planning and design can lead to improved economic and social benefits.

The operation of infrastructure has ongoing impacts - particularly as they relate to energy use and emissions, runoff, noise, light, ecological impacts, safety etc. Operation can provide ongoing employment and economic benefit.

The construction of infrastructure impacts on material use, energy, water, waste, etc. Construction can provide employment, with potential to target 'social' procurement.

6.1.1 Social and Cultural

The building assets provide our community services with the fabric to show equality, social cohesion and inclusiveness, free from any prejudice. We want to promote intergenerational equality, meeting the needs of the present generation without compromising the needs of future generations.

We provide the meeting places for our community to become empowered and enabled to express and celebrate our ever diversifying heritages, whilst recognising the particular cultural significance of Maori and Tangata Whenua of New Zealand.

6.1.2 Environmental

Buildings Assets seek to reduce consumption of resources and the effects of development on the environment. Relevant aspects of sustainable design will be incorporated into future building developments. Including but not exclusive to:

- Minimise materials and waste during construction.
- Sustainable materials used in construction.
- Electricity Supply and Consumption.
- Energy Audits.
- Use of Fossil Fuels.
- Climate Change Gases – Carbon footprint.
- Adopt Green Buildings Systems.
- Minimise water use and waste generation in buildings.
- Design for adaption and resilience to hazards including climate change.

The core buildings owned by the Invercargill City Council have not been designed for sustainability. Sustainability is a recent awareness which seeks to reduce consumption of resources and the effects of development on the environment. Relevant aspects of sustainable design will be incorporated into future building developments. The two most recent plant renewals (Museum and Library heating) have used heat-pumps for heating and cooling as an energy efficiency measure.

Electricity supplied to Council is managed by the Building Assets team. Electricity is supplied under a 3 year contract Non-half Hourly by Contact Energy and Time of Use by Trust Power. The current contract period runs to February 2020. Consumption data is collected for analysis by Energy Technical Services (ETS) and input to 'e-Bench', an analysis and reporting service.

A Level 2 Energy Audit, subsidised by EECA (Energy Efficiency and Conservation Authority) has been carried out on three core buildings. These are the Administration Building, Library and Splash Palace. The recommendations of the audit have been progressively implemented culminating in replacement of a chiller with a 4-pipe heat pump in the Library in 2010-11 financial year and approval to replace boilers at Splash Palace in 2011-12. These projects are incorporated in the relevant Service Level Agreements with Activity Managers.

6.1.3 Economic and Financial

Asset Management is a verb, its purpose is to provide the desired level of service in the most cost effective manner through the management of assets for present and future customers. We do this by:

- Taking a lifecycle approach to managing capital expenditure.
- Recognising the consumption of assets and appropriately funding it.
- Categorising capital versus operational expenditure.
- Allocating costs and preparing forecasts over the long-term (30 years or more).
- Reporting on financial performance.

6.1.4 Summary of Sustainability Challenges and Issues

The social and cultural challenges and issues for this activity are the responsibility of the Service Activity Manager to assess; the building assets team will work with them to identify any options which we can develop to allow the building to facilitate these.

Environmental issues are addressed mostly in the design phase of any project being undertaken. We are hoping to work with EECA (Energy Efficiency and Conservation Authority) in the future to undertake audits on our buildings prior to any major renewal.

To be more financially sustainable Council wants to move towards fully funding depreciation. This will steadily increase the renewal expenditure and capital reserve movements to match depreciation.

6.2 RISK

The Council recognises that it is obliged to manage effectively and regularly review its risks at a strategic, operational and project level. Council has done this by developing a Risk Management Framework and a range of risk management processes that apply across the organisation. Risk assessment is a major

consideration in planning and budgeting processes at all levels within Council. Risks must be considered and documented as part of the justification for undertaking our activities. Risk assessment and monitoring must form part of the management of operational activities. The Chief Executive and the Council encourage the taking of controlled risks to better improve the effectiveness and efficiency of the services and functions that the Council provides on behalf of the community, provided the resultant exposures are acceptable.

6.2.1 Risk Framework/Standard

Council has previously adopted a risk management process that is consistent with Australian/New Zealand Standard AS/NZ 4360 which defines risk assessment and management. The key risk criteria adopted for assessing the consequences of identified risks are:

- Community Health and Safety.
- Loss of Service – Extent/Duration.
- Service Delivery – Customer Impact.
- Invercargill City Council Financial Impact.
- Financial Community.
- Corporate Image and Reputation.
- Legal Compliance.

The Corporate Framework for assessing Risk is included in Appendix 1.09 – 2017 – AMP – Risk Framework

It should be noted that Council is undertaking an organisation wide review of risk management practices in the 2018/19 year, this may impact the future of how risk is assessed and managed. Results from this review will be included in Management Plans where necessary and risk assessments will be updated as required.

6.2.3 Critical Assets Decision-Making

This will be part of the review of risk management practices assessment in 2018/19.

6.2.4 Risk Identification and Assessment

Level of Service Indicator	Caused By	Consequence						Weighted Averaged Consequences Score	Likelihood	Risk Severity	Controls	
		Health and Safety (0.20)	Service Delivery – Customer Impact (0.15)	ICC Financial Impact (0.20)	Financial – Community (0.15)	Corporate Image and Reputation (0.10)	Legal Compliance (0.20)				Current Practice	Recommended Actions
Our heritage buildings are maintained well and keep their Heritage status	Heritage New Zealand Pouhere Taonga Act 2014: Civic Theatre – Heritage 1 Trooper Memorial – Heritage 1 Scottish Hall – Heritage 2	1	1	5	2	4	1	2.25	F	L	Knowledge of Act	Maintain awareness
Buildings are safe to use, accessible for those with disabilities and well maintained	Legislative Compliance: ➤ Fire ➤ Accessibility ➤ Hazardous Substances	4	1	3	3	4	3	3.00	E	L	Fire detection, alarm and fighting systems in buildings, evacuation plan, obtain HNSO Inspection certificates, obtain code of compliance after any building consent work is undertaken,	Carry out BWOFF and scheduled maintenance checks.
	Health and Safety	3	1	3	3	5	6	3.10	C	H	Maintain Hazard Register, eliminate hazards, undertake job safety assessments, security and surveillance systems, PoolSAFE certification,	Maintain practice
	Risk of failure ➤ Seismic event	5	5	5	4	3	1	3.85	E	M	Seismic investigation by Engineer.	Structural improvement, where required, develop contingency plans. Close buildings which are below 34% NBS

Level of Service Indicator	Caused By	Consequence						Weighted Averaged Consequences Score	Likelihood	Risk Severity	Controls	
		Health and Safety (0.20)	Service Delivery – Customer Impact (0.15)	ICC Financial Impact (0.20)	Financial – Community (0.15)	Corporate Image and Reputation (0.10)	Legal Compliance (0.20)				Current Practice	Recommended Actions
	Asset can meet demand of the Service Activity ➤ Increase demand in service ➤ Assets redundant before their end of life	1	5	2	2	3	1	2.15	D	L	Maintain good communication with Service Activity Managers, building opening hours suit demand, provision of office space infrastructure	Maintain practice
	Quality, comfort and performance ➤ Loss of power	1	4	1	1	1	1	1.45	C	L	Back-up generator where required, back up data off-site, maintain building to agreed condition rating, repair vandalism, maintain temperature and humidity at agreed levels	Start surveying public and users of facilities, obtain data on building fault response times,
	Cost Efficiency: ➤ Over capitalisation on current assets	1	5	1	2	2	1	1.85	D	L	Rents kept below or equal to market rates, plan renewal and capital, monitor energy consumption.	Discuss improvements with Valuer
Loss of investment opportunity	Expenditure on construction of fixed assets	1	4	1	1	3	1	1.65	C	L	Infrastructure and financial strategy correlate	Maintain practice
Unforeseen future costs of owning and maintaining building assets	Council property but which are not presently in Council ownership.	1	1	1	4	5	1	1.85	D	L	Maintain asset knowledge on buildings that may become Council burden	Recognition of the issues caused by the buildings, which have contributed to the demise of the Trust or CCO which owned them.
Public Toilets are available 24 hours per day	Maintenance failure	2	1	2	1	2	1	1.30	C	L	Reactive maintenance contractors available	Carry out scheduled maintenance checks

6.2.5 Summary of Key Risk Issues

Health and safety of workers and the public is the highest risk posed to the Building Assets Activity, there is no other known actions can be undertaken.

Seismic vulnerability is rated medium risk to the activity; contingency planning and resilience will be part of the improvement programme for the activity.

6.2.6 Possible Approaches to Risk Mitigation

Please see recommended actions in the table above.

A risk management approach alone is not sufficient and needs to be complemented by a resilience approach to events that fall outside of the realms of predictability and where failure may be inevitable.

6.3 RESILIENCE

The working definition of resilience to Invercargill City Council is the ability of the organisation to survive a crisis and thrive in a world of uncertainty. Resilience includes both planned risk management (Section 6.2) and adaptive capacity. In this context resilience refers to our capacity to adapt, rather than preparedness or recovery, which is the capacity of people, the community and systems to adapt in the face of unpredictable change the 'unknown unknowns'.

100 Resilient Cities* has four dimensions and three drivers within each:

- Health and Well-being
 - Meet basic needs
 - Support livelihoods and employment
 - Ensure public health services
- Economy and Society
 - Foster economic prosperity
 - Ensures social stability, security and justice
 - Promote cohesive and engaged communities
- Infrastructure and Environment
 - Provide reliable communication and mobility
 - Ensure continuity of critical services
 - Provide and enhance natural and man-made assets
- Leadership and Strategy
 - Promote leadership and effective management
 - Empower a broad range of stakeholders
 - Foster long-term and integrated planning

* <http://www.100resilientcities.org/resilience>

6.3.1 Business Continuity and Emergency Response Arrangements

Emergency Management Southland (EMS) is a shared service between Invercargill City Council, Southland District Council, Environment Southland and Gore District Council. It focuses on ensuring communities are prepared for emergencies and that they are able to respond to and recover from these when they do happen. Specific actions include public education and ensuring a pool of trained personnel. Having this combined organisation results in streamlined decision making, faster response times and cost savings.

The Director of Works and Services is the Council liaison with EMS in the event of an emergency, all Asset Managers are to meet in the Committee Rooms and Council Chambers and deliver services as required. If the Civic Administration Building is inaccessible Parks Operation Building at Racecourse Road would be provided as a “Plan B”. Although not officially requested, there is a hope we could approach PowerNet at Racecourse Road, as a Council Controlled Organisation, could provide office space to the Asset Managers if required as a “Plan C”.

6.3.2 Current and Desired Resilience Assessment

Resilience is a topic that we are learning about from events such as the Christchurch, Kaikoura and Wellington earthquakes; Invercargill City Council is seeking to make our organisation and infrastructure more resilient.

6.3.3 Summary of Resilience Issues and Challenges

Resilience, including business continuity is a relatively new focus of asset management. Resilience will be part of the review of risk management being undertaken in the 2018-19 financial year, working on contingency planning with service activity managers part of this will be thinking about what the ‘unknown unknowns’ are.

7. Managing Our Activities

7.1 RESPONDING TO ISSUES AND CHALLENGES

7.1.1 Alternative Investment Approaches

If Council was to use alternative investment approaches there is the potential to lose the professional knowledge associated with these properties to consultants. The cost to Council and the ratepayer would likely increase.

The alternatives are:

- Service Activity Managers manage, maintain, and research their own asset management.
- Outsource asset management to a consultant.
- Lease from Private Industry.
- Develop a public, private partnership (PPP) for Council assets.

Activity Managers Manage Assets

This would deliver a less effective outcome as the service activity managers do not have the same depth of knowledge on the assets or building practices. This method would require the Activity Manager to address all operational, maintenance, renewal and growth projects in-house.

Outsource Asset Managers

This could have a more effective outcome but at a much higher cost, it would require educating the consultant in the ongoing operational, maintenance, renewal and growth project requirements.

Lease from Private Industry

This would increase cash assets to Council but operationally cost more overtime. It would require the disposing of current assets, as Housing Care and Civic Theatre are strategic assets these would need to be reclassified before this could happen.

Develop Public Private Partnerships

This would reduce the requirement for large capital investment but increase the operational cost of any agreement moving forward. It method should be investigated for new assets.

7.1.2 Do-Minimum Programmes

A do-minimum programme would mean we would only be covering our legislated requirements; these are referred to in Section 3.2.2.

Corporate Buildings

Council is required to have public meetings and requires a space to meet with the ratepayers to conduct business, how this is provided is not legislated. Council could lease space to conduct this service, requiring less facility management but would increase the cost of the space.

Community Facilities

The Local Government Act 2002 states that good quality public services are provided. These spaces could also be leased from the private sector, they would

most likely come at a higher cost to Council or provide reduced space for the same service to maintain affordability to the community.

Housing Care

This Service is not a legislated requirement of Council; it is Council's choice if they wish to remain providing this service. Other Local Government bodies have sold their Housing portfolios to Community Housing Providers which are eligible for Central Government subsidies, a do-minimum is to dispose of these assets.

Public Toilets

The Exeloo toilets are self-cleaning and are manually cleaned daily; this could be reduced. The Wachner Place Restroom facility is staffed, the staff could be removed from this facility and have a cleaning contract put in place, this would mean more vandalism and significantly increase the maintenance cost to the service. The other option would be to install more Exeloo's in place of the restrooms.

Other Infrastructure Buildings

These buildings could be returned to their Service Activity Managers.

7.1.3 Programmes Evaluation

Council have recently adopted an Asset Management Policy (Appendix 2.01) and Strategy (Appendix 2.02). The latter outlines the Invercargill City Council's approach and actions in renewing assets in a prudent manner ensure good catchment of asset data to use as evidence for renewal planning.

7.2 OPERATIONS AND MAINTENANCE

7.2.1 Operation and Maintenance Strategy

All building warrant of fitness, auto doors, mechanical transport, and Heating Ventilation and Air Conditioning (HVAC) inspections required for commercial buildings are scheduled in Infor Public Services (IPS) Councils' Asset Management Information System (AMIS). This alerts staff when inspections are programmed so that an Independent Qualified Person (IQP) can be arranged to undertake these.

Corporate Buildings, Community Facilities (excluding Splash Palace), Other Infrastructure

The Building Assets Supervisor looks after the majority of the operational and maintenance requirements for our assets. This requires co-ordinating with the Service Activity Manager and contractors to have any repairs and maintenance undertaken.

Each building is visually inspected monthly for building warrant of fitness purposes; any reactive maintenance requirements are noted during these inspections and forwarded to contractors for action. Further scheduled maintenance, renewal and improvements are documented in the Service Level Agreements (Appendices 4.02.1 to 4.02.8). Any other repairs or maintenance is undertaken in run to failure manner.

Housing Care, Splash Palace

The Housing Care Property Maintenance Officer job tasks have recently been added to the Aquatic Facilities Maintenance Supervisors job description, who looks after the majority of the operational and maintenance requirements for both. Co-ordinating with the Housing Support Officer and Aquatic Facilities Manager

arranging staff (at Splash Palace) and contractors to have any repairs and maintenance undertaken.

Most of the maintenance at Splash Palace is undertaken in a scheduled maintenance manner. IPS is well used by the team at this facility.

Each flat is visually inspected annually and at the end of each tenancy by the Housing Support Officer. Any maintenance requirements are noted during these inspections provided to the Maintenance Officer who arranges contractors for repairs. Further maintenance, renewal and improvements are documented in the Service Level Agreements (Appendices 4.02.2 and 4.02.4). Any other repairs or maintenance are undertaken in a reactive maintenance manner.

Public Toilets

The Building Assets Planning and Administration Officer manage the public toilet operations and maintenance requirements. Other than building warrant of fitness requirements these are inspected on a monthly basis any maintenance requirements are dealt to in a reactive manner.

7.2.2 Operation and Maintenance Standards and Specifications

Many standards and regulations are applicable to building and plant construction and operation. These generally include:

Standard or Regulation	Application
Building Regulations 1992	
Hazardous Substances Regulations 1996	Classes 1 to 9
Electricity Regulations 2010	
Health and Safety at Work Act 2015	

7.2.3 Operation and Maintenance Options and Alternatives

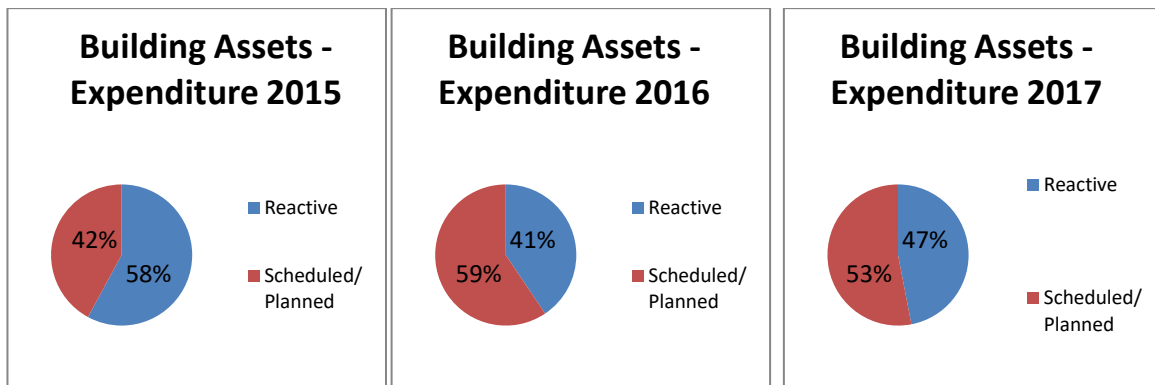
For building maintenance management most breakdown and scheduled maintenance work is carried out by small local contractors at their normal charge rates. There is potential to use maintenance contracts. This would reduce the flexibility to use a range of contractors and could diminish the number of contractors in the small pool available in Invercargill.

There are a number of approaches which could be used for maintenance. These include:

- Run to failure.
- Reactive maintenance.
- Scheduled maintenance

Any new assets will have projected lifecycle, operational and maintenance assessments undertaken.

The activity is progressively moving towards a more scheduled or proactive style of maintenance this is being enabled by use of IPS.



Run to failure

This maintenance method is considered low risk as it is used for low cost non-critical assets. As the asset condition deteriorates the likelihood of failure increases, this method can also decrease the overall life of the asset as proactive maintenance can increase the useful life of assets. To use this method for critical assets would be to high risk.

Reactive Maintenance

This maintenance method is considered low risk as it is used for easily visible, non-critical assets. As the asset condition deteriorates maintenance requirements to keep the asset going will become more regular and the cost of running the asset could exceed the value of the asset, this method requires monitoring. To use this method for critical assets would be to high risk.

Scheduled Maintenance

This maintenance method is generally used for critical assets or assets which require inspections under legislation. This method means that we understand the condition and maintenance requirements early and decreases the likelihood of failure, reducing the risk to Council. This method of maintenance generally keeps the asset running well into its useful life without major incident.

7.3 ASSET RENEWAL/REPLACEMENT

7.3.1 Renewal Strategy

The renewal strategy is available in the Asset Management Strategy (Appendix 2.02). Renewal plans and capital expenditure for each asset is documented in the Service Level Agreements (Appendices 4.02.1 to 4.02.8), they are based on information from condition assessments and projected maintenance programmes developed by external contractors. Each renewal is then discussed with the Activity Service Manager and assessed by the Building Asset team prior to execution to determine if the programming of the renewal needs to be brought forward or delayed depending on their professional opinion and the known performance of the asset.

Management of renewal projects are presently carried out in a variety of ways which are chosen to suit the circumstances of each project:

- Invercargill City Council staff, i.e. Assets Manager, Assets Supervisor or Assets Administrator, acting as project manager.
- Project Management consultants are employed for specific projects.
- Architects are employed to design and manage specific projects.

7.3.2 Renewal Criteria / Intervention Standards

Planned and reactive replacement works are prioritised in accordance with the following priority ranking table and then programmed or, in urgent cases, undertaken immediately.

Priority	Description
1 (High)	Asset failure has occurred and renewal is the most cost-effective treatment. Asset failure is imminent and failure is likely to have major impact on the environment, public health or property. Asset performance is non-compliant with community requirements.
2	Asset failure is imminent, but failure is likely to have only a minor impact on the environment, public health or property. Asset failure is imminent and proactive renovation is justified economically. Associated work scheduled for the current financial year. Asset renewal is justified on the basis of minimal life cycle costs and deferment would result in significant additional costs.
3 (Low)	Asset failure is imminent but failure is likely to have a negligible impact on the environment, public health or property. Asset renewal is justified on the basis of minimal life cycle costs but deferment would result in minimal additional costs.

Capital expenditure for renewal is used to replace components of buildings which have reached the end of their useful lives. The value of the components is added to the asset register of the building.

The renewal and replacement plan also includes expenditure for Periodic Maintenance of buildings. This includes work of a maintenance nature that is carried out at infrequent intervals such as painting of buildings. This work helps to preserve or extend the life of other building components, materials are consumed in the process but the value is not added to the asset register of the building.

7.3.3 Renewal Options and Alternatives

There are a number of approaches which could be used for renewals. These include:

- Asset Performance.
- Economic.
- Condition.
- Criticality.

Asset Performance

An asset is renewed when it fails to meet the required level of service. Non-performing assets are identified by the monitoring of asset reliability, capacity and efficiency during maintenance and operational activity. Indicators of non-performing assets include, repeated asset failure, ineffective or uneconomic operations. The replacement of the asset with a more effective component would have a short payback period in operating costs for example inefficient energy consumption.

Economic

Economic renewal is when it is more cost effective to renew the asset than to maintain or repair i.e. the annual cost of repairs exceeds the annualised cost of its renewal. Staff actively research the effectiveness of new technologies which may improve the overall performance of the assets.

Condition

Condition renewal usually used for assets, if the condition of the asset has increased the risk of failure has been increased to the point that the environmental, public health, financial and social impacts that are no longer acceptable to the community, operation of the building, service activity or Council functionality. Once the asset has reached a certain point in its useful life or it is independently assessed as below the agreed condition rating, it will be renewed.

Criticality

Criticality renewal is used for assets for which the impact or consequence of failure has increased to the point that the environmental, public health, financial and social impacts are no longer acceptable to the community, operation of the Building, Service Activity or Council functionality. Highly critical asset would also be renewed on a condition basis.

7.4 CAPITAL GROWTH PLAN

7.4.1 Asset Growth Strategy

Capital growth expenditure is documented in the Building Service Level Agreement for Buildings Assets. This is reviewed and agreed annually with the Service Delivery Manager for each building. The program differentiates between capital expenditure which is required to cater for growth and that which is required for change of service provision.

There are a number of growth projects planned for the Building Assets Activity. These are:

- Civic Administration Building
 - Extend lift to the 5th floor
 - Install full Heating, Ventilation and Air Conditioning (HVAC) system
 - If we remain in building, increase its seismic capacity
- Splash Palace:
 - Extend Changerooms
 - Extend Poolside Seating or Car Park dependant on project below
 - Additional 25m² x 2m deep pool with accessibility ramp
- Southland Museum and Art Gallery
 - Living Dinosaurs Experience (FS)
 - Museum Redevelopment
 - Regional Storage Facility
- Art Creative Invercargill (FS)
- Housing Care – Conservatories where and when requested
- Public Toilets – Facility in Waikiwi

Many of these projects are in their infancy with only the ones marked above having had their initial feasibility study (FS) completed. There is a full business case to follow.

These projects will be managed by exterior consultants with a Building Assets liaison appointed to each of the projects.

7.4.2 Capital Growth Selection Criteria

The strategy for development or growth is assessed and prioritised by Council.

Each growth or increase to service level project is required to fill in a one-page concept assessment case, the concept assessment case documents the problem the project is solving, the benefits, risks, estimated capital and operational costs and how it aligns with the Community Outcomes.

The understanding is, if the concept assessment case is accepted by Senior Leadership or Council (if significant), a feasibility study will be undertaken, if accepted a better business case will be required.

Invercargill City Council is developing a greater understanding of the business case approach developed by Treasury. This approach is used to make better informed investment decisions, better value for money and better outcomes for the community. More training for staff will be sought in this discipline.

7.4.3 Capital Growth Options and Alternatives

These will be worked through in the development of the better business case.

Project	Options and Alternatives
Civic Administration Building – Extend Lift to the 5 th floor	<ul style="list-style-type: none">➤ Do not extend the lift➤ Renew lift with like for like➤ Extend one lift to the 5th floor➤ Extend both lifts to the 5th floor
Civic Administration Building – HVAC System	<ul style="list-style-type: none">➤ Renew system with like for like system➤ Install full HVAC system
Civic Administration Building – Seismic Strengthening	<ul style="list-style-type: none">➤ Seismic tie lift shaft to floor slabs increasing seismic resilience➤ Accept risk that in a significant earthquake building will be inaccessible for a considerable length of time after a significant event (improve contingency plans)➤ Dispose of building / move out
Splash Palace – Extend Changerooms	<ul style="list-style-type: none">➤ Reduce the demand on the facility➤ Extend the changerooms
Splash Palace – New 25m ² x 2m deep pool	<ul style="list-style-type: none">➤ The option for this pool are limited, the facility is being used far more than it was initially designed for.➤ New pool is not located at the Splash Palace site.➤ Private industry or Southern DHB provide
Southland Museum and Art Gallery – Living Dinosaurs Experience	<ul style="list-style-type: none">➤ Build new enclosure for tuatara➤ Build new enclosure for tuatara and kakapō➤ No public enclosure for tuatara
Southland Museum and Art Gallery – Museum Re-development	<ul style="list-style-type: none">➤ Strengthen the current building, with storage facility offsite

Project	Options and Alternatives
	<ul style="list-style-type: none"> ➤ Re-develop Museum in different location including new storage facility ➤ Built storage facility on current site, renew current museum
Southland Museum and Art Gallery – Regional Storage Facility	<ul style="list-style-type: none"> ➤ Extend the Archive building, change its use to both Archive and Storage move collection to extended archive ➤ Package and store the collection in closed spaces within the pyramid prior to redevelopment and move collection out of then back into the re-development once ➤ Package and store the collection in a leased space then move collection back to redeveloped museum ➤ Package and store the collection in a leased space then move collection to new regional storage facility ➤ Build new standalone storage facility prior to redevelopment
Art Creative Invercargill	<ul style="list-style-type: none"> ➤ Remain with the status quo ➤ Develop space for current art galleries ➤ Develop creative space including art galleries
Housing Care	<ul style="list-style-type: none"> ➤ Provide conservatories for scooters ➤ Move tenant into a flat with existing conservatory
Public Toilets	<ul style="list-style-type: none"> ➤ Create new facility in Waikiwi area ➤ Discuss with private industry in area to provide supplied public toilet

7.5 DISPOSAL PLAN

7.5.1 Forecast Future Disposal of Assets

There are currently no known disposal plans for any of the assets managed by this Activity. This is dependent on the strategic direction of Council when considering the Art Centre, invigorating the CBD and whether to retain Housing Care as a Council activity.

7.5.2 Forecast of Income / Expenditure from Asset Disposal

Not applicable.

7.6 RECOMMENDED PROGRAMME

7.6.1 Evaluation of Options / Alternative Programmes

Although there are different options of how to provide buildings for Council it needs to be in the best interest of the Invercargill Community to move / re-house one of the services. Council providing their own buildings is the most financially viable option. Community Facility Buildings are specialist buildings which are usually only provided by local governments, another option would require private industry to

make a profit from the service (increasing costs) when Council can provide these for themselves. If Council were to develop a public private partnership an advantage would be a reduction in capital funding invested in the asset.

7.6.2 Recommended Operation/Maintenance Programmes

A contract maintenance option has not been fully investigated and maybe a more effective way to manage the portfolio. The Housing Care Vegetation contract is our only contracted work we have been very happy with the level of service this has provided for the activity.

The current mix of reactive, scheduled and run to failure maintenance works well for the Activity, this has allowed a balance between reactive maintenance and stretching assets to achieve the most value from them. The buildings could be managed on a reactive maintenance basis only, to meet health and safety and legislated requirements but the condition, comfort and financial performance would suffer if this approach was taken.

7.6.3 Recommended Renewal Programmes

The current mix of economic and condition based renewal has worked well for the Activity thus far, this may not be the case moving forward with a number of renewal based projects on the horizon, there may be a requirement to move toward a criticality approach as the demand on the team may require projects to be prioritised.

Year	Building	Project	Base	Base with inflation
2017	Scottish Hall	Major interior and exterior C/F	236,827	236,827
	Library and Archive	Interior Refurbishment and Escalators- C/F	1,400,000	1,400,000
	Splash Palace	Capital Renewal, multipurpose and toilets	46,000	46,000
	Civic Administration Building	Double Windows and Exterior Paint	1,875,000	1,875,000
2018	Civic Administration Building	Carpet	396,000	396,000
	Laurel	Roof – second half of complex	12,750	12,750
	Splash Palace	Leisure Pool features	42,000	42,000
	Splash Palace	Main Pool Paint	21,000	21,000
	Splash Palace	Bulkhead Renewal (disappeared?)	21,000	21,000
	Civic Administration Building	Roof	190,000	190,000
2019	Library and Archive	Archive Mechanical Services and Lift Renewal	301,000	301,000
	Clarendon	Roof	71,500	71,500
	Kinross	Exterior Paint	15,000	15,000
	Niven	Roof – second half of complex	40,900	40,900
	Powell	Exterior Paint	15,000	15,000
	Stirling	Exterior Paint	15,000	15,000
	Car Park	Sanitary Plumbing	7,800	7,800
	Splash Palace	Exterior repaint	379,000	379,000
	Splash Palace	Springboard and seating refurbishments	114,000	114,000
	Splash Palace	Upgrade and Renew Hydro slide	2,115,000	2,115,000
	Animal Care Facility	Underfloor kennel Heating	15,300	15,300
	Nevill Place	Roof - second half	40,900	40,900
2020	Civic Theatre	Interior Renewals	1,386,000	1,416,492
	Scottish Hall	Roof and drainage	32,850	33,573
	Library and Archive	Roof repairs	41,000	41,902
	Cairnsmore	Exterior Paint	30,000	30,660
	Kelly	Roof	40,000	40,880
	Splash Palace	UV Treatment	348,000	355,656
	Animal Care Facility	Upgrade of CCTV	5,100	5,212
	Otarewa	Exterior Paint	55,000	56,210
	Civic Administration Building	Interior Refurbishment	790,000	807,380
	Civic Administration Building	Server Room - Mechanical Plant	21,000	21,462
2021	Bluff Service Centre	Canopy	11,800	12,325
	Anzac	Exterior Paint	12,500	13,056

	Aurora	Remove Chimneys and Re-roof	40,000	41,779
	Korimako	Exterior Paint	25,000	26,112
	Niven	Exterior Paint	17,500	18,278
	Strathpine	Exterior Paint	20,000	20,890
	Kelly	Exterior Paint	17,500	18,278
	Cairnsmore	Roof	70,000	73,114
	Otarewa	Roof	110,000	114,893
2022	Civic Theatre	Stagehouse Carpet	9,500	10,141
	Bluff Service Centre	Mechanical Plant	18,400	19,641
	Library and Archive	Mechanical Services	309,000	329,846
	Aiden	Roof	40,000	42,699
	Aurora	Remove Chimneys and Re-roof	40,000	42,699
	Jim Brass	Exterior Paint	10,000	10,675
	Car Park	CCTV	23,250	24,819
	Car Park	Mechanical Services	23,250	24,819
	Car Park	Interior renewal, decks and stair	51,700	55,188
	Splash Palace	Non-slip around pools	69,000	73,655
2023	Library and Archive	Electrical Services	203,000	221,679
	Laurel	Exterior Paint	20,000	21,840
	Miller	Exterior Paint	10,000	10,920
	Powell	Roof	30,000	32,760
	Thorndale	Roof	30,000	32,760
	Willow	Exterior Paint	25,000	27,300
	Car Park	Exterior Wash-down	17,600	19,219
	Splash Palace	New bulkhead for 50m Pool (not required if new pool is installed)	351,000	383,297
	Animal Care Facility	Interior Refurbishment	30,600	31,961
	Car Park	Exterior Wash-down	17,900	19,997
2024	Bluff Service Centre	Exterior and Interior Refurbishment	124,300	138,859
	Clarendon	Exterior Paint	49,000	54,739
	Elston Lea	Exterior Paint	102,500	114,506
	Pateke	Roof	40,000	44,685
	Splash Palace	Diesel Boiler	108,000	120,650
	Splash Palace	Interior re-paint	478,000	533,988
	Animal Care Facility	Underfloor kennel Heating	15,300	17,092
	Civic Theatre	Interior Renewals	863,500	987,794
2025	Scottish Hall	Roof	7,400	8,465

	Library and Archive	Archive Exterior Re-paint and Minor Works	125,000	142,993
	Aiden	Exterior Paint	20,000	22,879
	Aurora	Exterior Paint	20,000	22,879
	Miller	Roof	20,000	22,879
	Pateke	Exterior Paint	20,000	22,879
	Thorndale	Exterior Paint	15,000	17,159
	Splash Palace	Exterior Cladding	146,000	167,015
2026	Bluff Service Centre	Roof	10,400	12,194
	Animal Care Facility	Plumbing	20,400	23,920
	Nevill Place	Exterior Paint	40,000	46,902
2027	Civic Theatre	Stagehouse windows	14,000	16,842
	Scottish Hall	Services	96,000	115,491
	Bluff Service Centre	Mechanical Plant	19,500	23,459
	Kinross	Exterior Paint	15,000	18,045
	Powell	Exterior Paint	15,000	18,045
	Stirling	Exterior Paint	15,000	18,045
	Car Park	Fire Services	35,400	42,587
	Splash Palace	Existing Changerooms Refurbishment	244,000	293,538
	Splash Palace	Poolside interior repaint	244,000	293,538
2028	Civic Theatre	Accessibility Renewals	30,500	37,683
	Library and Archive	Archive Plant Renewals	768,000	948,870
	Library and Archive	Interior Refurbishments	105,000	129,728
	Civic Administration Building	HVAC	529,000	653,584
	Splash Palace	Woodchip Boiler	262,000	323,703
	Animal Care Facility	Upgrade of CCTV	5,100	6,301
	Civic Administration Building	Carpet	419,000	517,678
	Cairnsmore	Exterior Paint	30,000	37,065
	Otarewa	Exterior Paint	55,000	67,953
2029	Kelly	Exterior Paint	17,500	22,140
	Strathpine	Exterior Paint	20,000	25,303
	Civic Theatre	Stagehouse Flooring	9,500	12,019
	Library and Archive	End of Library Exterior Paint Contract	320,000	404,851
	Anzac	Exterior Paint	12,500	15,815
	Korimako	Exterior Paint	25,000	31,629
	Niven	Exterior Paint	17,500	22,140
	Splash Palace	Scoreboard	24,000	30,364

	Animal Care Facility	Underfloor kennel heating	15,300	19,357
2030	Civic Theatre	Major Interior	5,565,000	7,209,592
	Scottish Hall	Roof	118,400	153,390
	Bluff Service Centre	Plumbing	19,500	25,263
	Bluff Service Centre	External Works	7,900	10,235
	Library and Archive	Roof	198,000	256,514
	Anzac	Roof	30,000	38,866
	Jim Brass	Exterior Paint	10,000	12,955
	Splash Palace	Roof	488,000	632,216
	Animal Care Facility	Roof	10,200	13,214
	Library and Archive	Mechanical Plant	13,000	16,842
	Civic Administration Building	Mechanical Plant	21,000	27,206
2031	Bluff Service Centre	Fire Services	29,900	39,666
	Scottish Hall	Interior fit out	389,300	516,452
	Laurel	Exterior Paint	20,000	26,532
	Miller	Exterior Paint	10,000	13,266
	Willow	Exterior Paint	25,000	33,165
	Car Park	Electrical	151,500	200,982
	Library and Archive	Fire Services	22,000	29,186
	Car Park	Exterior Wash-down	18,300	24,277
2032	Civic Theatre	Loading Bay Door	21,000	28,528
	Elston Lea	Roof	150,000	203,768
	Car Park	Stairwell paint	21,900	29,750
	Library and Archive	Lift	418,000	567,834
	Aiden	Exterior Paint	20,000	27,821
	Aurora	Exterior Paint	20,000	27,821
	Elston Lea	Exterior Paint	102,500	142,583
	Pateke	Exterior Paint	20,000	27,821
	Thorndale	Exterior Paint	15,000	20,866
	Animal Care Facility	Upgrade of CCTV	5,100	7,094
	Civic Administration Building	Exterior Paint	529,000	735,870
2034	Civic Theatre	Backstage Comms	14,000	19,475
	Bluff Service Centre	Windows and Doors	5,500	7,651
	Clarendon	Exterior Paint	49,000	69,798
	Kinross	Roof	30,000	42,733
	Car Park	Lift	197,500	281,328

	Animal Care Facility	Underfloor kennel heating	15,300	21,794
	Bluff Service Centre	External and Internal Walls	51,800	73,786
	Car Park	Interior refurbishments	32,900	46,864
	Civic Administration Building	Interior Refurbishment	794,000	1,131,008
	Civic Administration Building	Roof - paint	63,000	89,740
	Nevill Place	Exterior Paint	40,000	56,978
2035	Civic Theatre	Interior and Exterior Renewals	417,500	608,978
	Library and Archive	Roof and Mechanical Plant	59,000	86,059
	Kinross	Exterior Paint	15,000	21,879
	Powell	Exterior Paint	15,000	21,879
	Stirling	Exterior Paint	15,000	21,879
	Animal Care Facility	Interior Refurbishment	30,600	44,634
	Library and Archive	Windows and Doors	214,000	312,147
	Bluff Service Centre	Electrical	31,700	46,239
2036	Civic Theatre	Stagehouse Carpet	10,000	14,936
	Scottish Hall	Windows and Doors	11,840	17,685
	Splash Palace	Non-slip around pools	73,000	109,036
	Splash Palace	Interior re-paint	244,000	364,448
	Library and Archive	Plumbing	45,000	67,214
	Bluff Service Centre	Roof	53,600	80,059
	Cairnsmore	Exterior Paint	30,000	44,809
	Otarewa	Exterior Paint	55,000	82,150
2037	Civic Theatre	Roof	96,000	146,831
	Civic Administration Building	HVAC	529,000	828,516
	Civic Administration Building	Carpet	419,000	656,235
	Anzac	Exterior Paint	12,500	19,119
	Kelly	Exterior Paint	17,500	26,766
	Korimako	Exterior Paint	25,000	38,237
	Laurel	Roof	25,000	38,237
	Niven	Exterior Paint	17,500	26,766
	Strathpine	Exterior Paint	20,000	30,590
	Car Park	Special Services	27,400	41,908
	Bluff Service Centre	Mechanical Plant	19,500	29,825
2038	Civic Theatre	Lift and Toilets	30,500	47,769
	Jim Brass	Exterior Paint	10,000	15,662
	Splash Palace	Refurbish Foyer and Café	183,000	286,613

	Animal Care Facility	Upgrade of CCTV	5,100	7,988
	Car Park	Exterior Walls	18,300	28,661
	Animal Care Facility	Plumbing	20,400	31,950
	Library and Archive	Archive Mechanical Plant	102,000	159,752
2039	Civic Theatre	Loading Bay Door	21,000	33,679
	Jim Brass	Roof	20,000	32,076
	Laurel	Exterior Paint	20,000	32,076
	Miller	Exterior Paint	10,000	16,038
	Willow	Exterior Paint	25,000	40,095
	Bluff Service Centre	Interior Refurbishment	68,900	110,501
	Car Park	Mechanical Services	27,400	43,944
	Animal Care Facility	Underfloor kennel heating	15,300	24,538
2040	Civic Theatre	Interior and Exterior Renewals	1,413,000	2,320,530
	Scottish Hall	Roof and drainage	29,600	48,611
	Splash Palace	UV	384,000	630,632
	Library and Archive	Interior Refurbishments	102,000	167,512
	Civic Administration Building	Server Room - Mechanical Plant	21,000	34,488
	Bluff Service Centre	General	12,800	21,021
2041	Civic Theatre	Backstage Comms	14,000	23,544
	Scottish Hall	Major interior and exterior	125,800	211,556
	Aiden	Exterior Paint	20,000	33,634
	Aurora	Exterior Paint	20,000	33,634
	Elston Lea	Exterior Paint	102,500	172,373
	Korimako	Roof	30,000	50,451
	Pateke	Exterior Paint	20,000	33,634
	Thorndale	Exterior Paint	15,000	25,225
	Bluff Service Centre	Fire Services	6,400	10,763
2042	Civic Theatre	Appliance	130,000	223,866
	Scottish Hall	Services	427,800	736,692
	Library and Archive	Archive Fire and Electrical Services	30,000	50,451
	Stirling	Roof	30,000	51,661
	Nevill Place	Exterior Paint	40,000	68,882
	Car Park	Plumbing and Drainage	29,300	50,456
2043	Civic Theatre	Stagehouse Flooring	10,000	17,634
	Kinross	Exterior Paint	15,000	26,451
	Powell	Exterior Paint	15,000	26,451

	Stirling	Exterior Paint	15,000	26,451
	Splash Palace	Diesel Boiler	110,000	193,971
	Animal Care Facility	Upgrade of CCTV	5,100	8,993
2044	Clarendon	Exterior Paint	49,000	88,479
	Animal Care Facility	Underfloor kennel heating	15,300	27,627
	Bluff Service Centre	Exterior	57,300	105,950
	Civic Administration Building	Roof - paint	63,000	113,759
	Cairnsmore	Exterior Paint	30,000	54,171
	Otarewa	Exterior Paint	55,000	99,313
2045	Anzac	Exterior Paint	12,500	23,113
	Kelly	Exterior Paint	17,500	32,358
	Korimako	Exterior Paint	25,000	46,226
	Niven	Exterior Paint	17,500	32,358
	Strathpine	Exterior Paint	20,000	36,981
2046	Civic Theatre	Loading Bay Door	21,000	39,762
	Jim Brass	Exterior Paint	10,000	18,934
2047	Laurel	Exterior Paint	20,000	38,777
	Miller	Exterior Paint	10,000	19,389
	Willow	Exterior Paint	25,000	48,471
	Animal Care Facility	Interior Refurbishment	30,600	59,329
	Bluff Service Centre	Mechanical Plant	19,500	37,808
2048	Splash Palace	Interior re-paint	262,000	520,171
	Splash Palace	Woodchip Boiler	488,000	968,868
	Animal Care Facility	Upgrade of CCTV	5,100	10,125

7.6.4 Recommended Capital Development Programme

Year	Building	Project	Base	Base with inflation	Renewal Type
2017	Splash Palace	Café, Foyer, Office and Changerooms	1,400,000	1,400,000	Service Level
2017	Splash Palace	Increase Accessible Changerooms Space	50,000	50,000	Growth
2017	Civic Administration Building	Seismic Ties	430,000	430,000	Service Level
2017	Civic Administration Building	HVAC	1,520,000	1,520,000	Service Level
2018	Waikiwi Toilet	New Toilet Facility	125,000	125,000	Growth
2018	Otarewa	Carpark and conservatory	29,425	29,425	Service Level
2018	Splash Palace	Carpark Extension	212,000	212,000	Growth
2018	Splash Palace	Synchronised Clocks (disappeared?)	21,000	21,000	Growth
2018	Civic Administration Building	Lift to 5th	500,000	500,000	Service Level
2020	Splash Palace	Extend Poolside Seating or Car Park, dependant on new pool	165,000	168,630	Service Level
2024	Splash Palace	New 25sqm Pool and Building	6,000,000	6,702,600	Growth

7.7 HOW THE ACTIVITY WILL BE RESOURCED

7.7.1 Internal Resourcing

The building asset team consists of:

- Museum and Building Asset Manager,
- Building Asset Supervisor,
- Building Asset Planning and Administration,
- Facility Maintenance Supervisor – Splash Palace and Property Maintenance Officer – Housing Care (One full-time role).

Extra resources to carry out the work are obtained by using contractors to carry out maintenance and renewal work and by using consultants to design, document and tender larger renewal and improvement projects.

The role of the Building Assets Manager is to:

- Act as the owner of Invercargill City Council's core buildings which are "tenanted" by Activity Service Managers.
- Act as the Manager and owner of Invercargill City Council's public toilets activity.
- Act as the owner of miscellaneous buildings owned by the Invercargill City Council.
- Contract asset management services to Council Controlled Organisations and Trusts for their assets.

There are currently three property departments in Council, building assets, investment property and parks assets. There could be the opportunity to pool resources, knowledge and expertise into one property division of Council.

A Section 17A Review was not undertaken on this activity as reviews were undertaken by the Service Activities; please refer to their plans for more information.

7.7.2 Procurement Strategy

Major Contracts

The Infrastructure Procurement Procedure covers those activities involving the purchase of:

- New infrastructure and additions or improvements to existing infrastructure.
- Renewal of infrastructure assets.
- The maintenance and repair of existing infrastructure assets to restore their functionality to original levels.
- The operation of those assets in a way that optimises the benefits derived from them.

Typical examples include:

- New buildings.
- Additions or improvements to existing buildings.
- Renewal of plant and equipment.
- Maintenance and repair of infrastructure assets which are often routine in nature.

The following situations are specifically excluded from this policy as other policies and business processes need to be followed:

- Emergency procurement.
- Acquisition or disposal of property.
- Disposal of assets.

For all asset management works tendering is usually used for high cost procurements (value greater than \$50,000). The Council will use a tender process or selective tendering where appropriate. When tendering is required, the Council's preference is to run open tenders to maximise market competition.

Management of Maintenance Contracts

There are written contracts for:

- Vegetation Control around Housing Care flats.
- Cleaning and supervision of Wachner Place Restroom.
- Hygienic disposal of wastes from public toilets.
- Electricity supply.

Unplanned and planned maintenance work is carried out on an individual work order or purchase order basis using a variety of small contractors with appropriate trade skills, knowledge and experience as noted above.

8. Financial Management

8.1. OVERVIEW

The Building Asset Activity owns the building in which the service activity operates. An internal overhead (“rent”) is charged to the Service Activity for use of the building. This includes the cost of utilities, rates, insurance and maintenance which are not usually part of a lease agreement, these utility charges skew the perceived cost of the “rent”.

Expenditure Rationale

The following rationale has been used in this Activity Management Plan:

- Operational and maintenance expenditure are an expense cost and are funded by internal overheads in the year of expenditure.
- Capital expenditure renewals are funded from Loss of Service Potential (LOSP) reserves which are accumulated to fund depreciation
- Capital expenditure for new assets is funded by loans to provide inter-generational equity in the provision of community assets.

Some of the LOSP reserves are in negative value; these reserves are being balanced by other Council reserves. If there are insufficient funds in the reserve for renewals they are funded by a 20-year loan. Any loan funding increases the ‘rent’, by the cost to service the loan, plus any operational and depreciation costs which are required as a result of the project.

Any growth or increases to service level projects are funded by grants, loans or reserves held by the service activity. Any loans will be funded by a 20-year loan and the capital servicing cost added to “rent”.

8.2 FINANCIAL SUMMARY - WHAT THE ACTIVITY COSTS

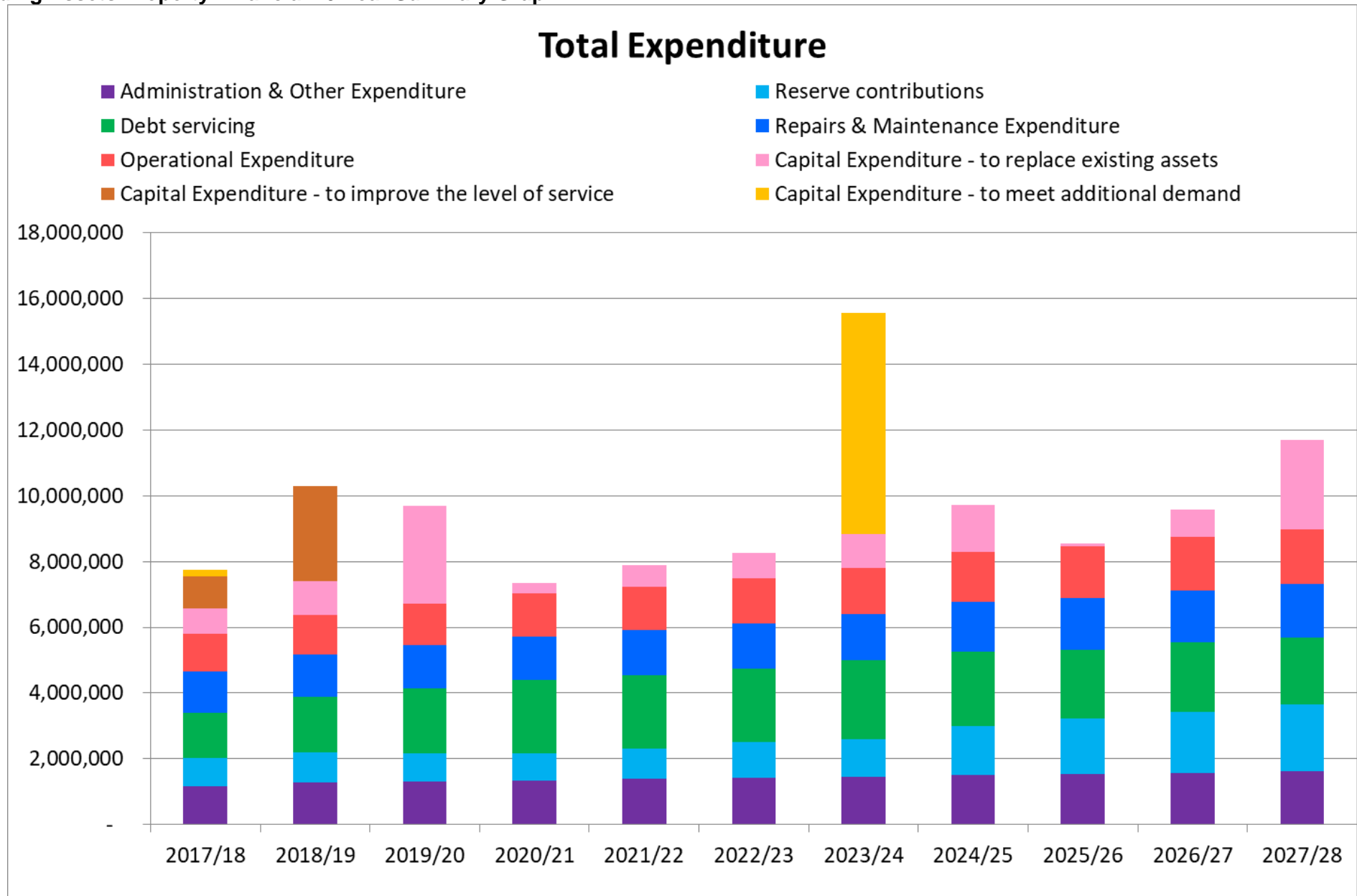
8.2.1 Council Funded Programmes

Please see appendices 4.05.1 and 4.05.2 for further details on individual asset budgets.

Building Assets Property Financial 10 Year Summary

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
Internal Revenue	5,788,433	6,353,975	6,590,250	6,938,910	7,220,170	7,469,326	7,780,395	8,281,448	8,428,387	8,708,414	8,943,196
Fees & Charges Revenue	5,700	5,700	5,825	5,954	6,085	6,224	6,368	6,520	6,683	6,857	7,042
Grants & Subsidies Revenue	0	618,500	0	0	0	0	3,351,392	0	0	0	0
Rates Revenue	0	0	0	0	0	0	0	0	0	0	0
Financial Revenue	148,000	0	0	0	0	0	0	0	0	0	0
Total Revenue	5,942,133	6,978,175	6,596,076	6,944,864	7,226,255	7,475,551	11,138,154	8,287,969	8,435,070	8,715,271	8,950,238
Internal Expenditure	433,166	557,740	570,097	582,742	596,055	609,682	623,709	638,923	654,955	671,569	689,881
Staff Expenditure	0	0	0	0	0	0	0	0	0	0	0
Administration Expenditure	724,713	734,479	750,638	767,152	784,029	817,004	835,795	855,854	877,250	900,059	924,360
Financial Expenditure	595,504	714,959	875,029	1,015,372	946,916	885,045	1,002,782	1,044,754	997,853	1,009,661	971,611
Grants & Subsidies Expenditure	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance Expenditure	1,265,997	1,271,905	1,296,821	1,325,351	1,354,509	1,385,662	1,417,533	1,510,684	1,560,176	1,588,711	1,631,606
Operational Expenditure	1,145,733	1,209,040	1,278,052	1,306,169	1,334,905	1,365,608	1,397,017	1,533,448	1,571,784	1,612,651	1,656,192
Depreciation Expenditure	1,727,894	3,712,016	3,852,803	3,937,562	4,024,186	4,118,160	4,221,438	4,828,725	4,949,442	5,078,127	5,215,238
Total Expenditure	5,893,007	8,200,139	8,623,440	8,934,347	9,040,599	9,181,160	9,498,273	10,412,387	10,611,461	10,860,777	11,088,888
Operating Surplus / (Deficit)	49,126	(1,221,964)	(2,027,364)	(1,989,483)	(1,814,344)	(1,705,610)	1,639,881	(2,124,418)	(2,176,390)	(2,145,506)	(2,138,650)
Capital Expenditure - to meet additional demand	212,000	0	0	0	0	0	6,702,784	0	0	0	0
Capital Expenditure - to improve the level of service	961,800	2,892,752	0	0	0	0	0	0	0	0	0
Capital Expenditure - to replace existing assets	777,000	1,015,400	2,972,845	338,726	639,624	783,193	1,044,517	1,414,942	83,016	839,592	2,722,566
Capital Expenditure	1,950,800	3,908,152	2,972,845	338,726	639,624	783,193	7,747,301	1,414,942	83,016	839,592	2,722,566
Proceeds from Asset Disposal	0	0	0	0	0	0	0	0	0	0	0
Debt movements	(808,817)	(1,735,603)	(1,462,005)	1,216,466	1,284,292	977,984	(2,174,400)	573,202	1,093,383	1,108,232	106,696
Reserve movements	635,038	317,503	314,599	392,886	285,926	651,373	288,418	716,163	1,596,652	984,797	247,326
Cash Back Depreciation	(1,727,894)	(3,712,016)	(3,852,803)	(3,937,562)	(4,024,186)	(4,118,160)	(4,221,438)	(4,828,725)	(4,949,442)	(5,078,127)	(5,215,238)
Rates Required	0	0	0	(0)	0	(0)	(0)	(0)	0	0	(0)

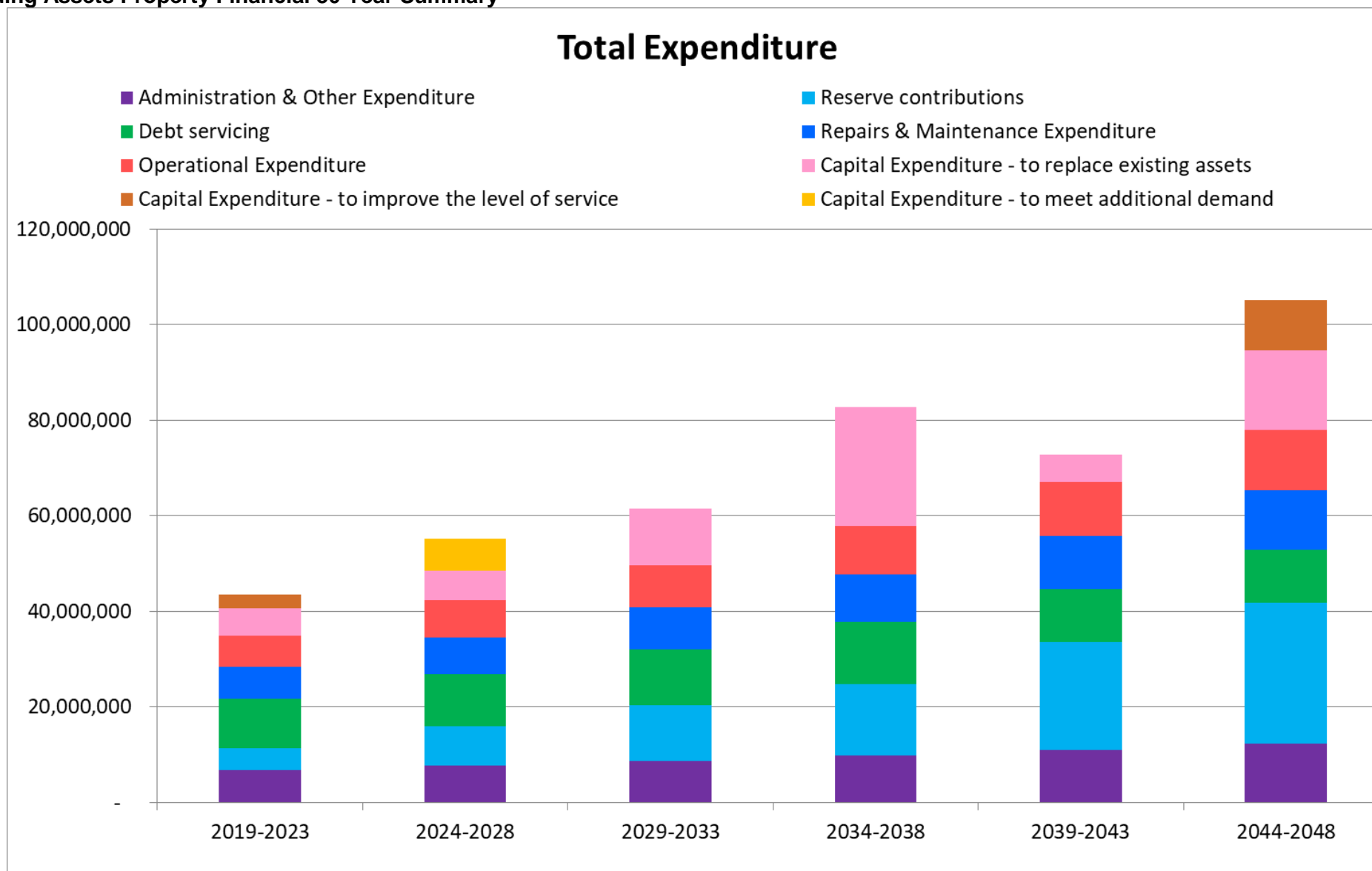
Building Assets Property Financial 10 Year Summary Graph



Building Assets Property Financial 30 Year Summary

	2019-2023	2024-2028	2029-2033	2034-2038	2039-2043	2044-2048
	LTP	LTP	LTP	LTP	LTP	LTP
Internal Revenue	34,572,633	42,141,839	49,544,217	57,610,937	66,785,348	77,537,743
Fees & Charges Revenue	29,788	33,471	37,830	42,593	47,955	53,993
Grants & Subsidies Revenue	618,500	3,351,392	0	4,588,455	0	0
Rates Revenue	0	0	0	0	0	0
Financial Revenue	0	0	0	0	0	0
Total Revenue	35,220,921	45,526,703	49,582,046	62,241,984	66,833,303	77,591,735
Internal Expenditure	2,916,316	3,279,038	3,674,664	4,137,304	4,658,201	5,244,660
Staff Expenditure	0	0	0	0	0	0
Administration Expenditure	3,853,301	4,393,317	4,965,413	5,590,558	6,294,408	7,086,874
Financial Expenditure	4,437,321	5,026,661	5,519,478	5,046,483	5,164,452	4,957,535
Grants & Subsidies Expenditure	0	0	0	0	0	0
Repairs & Maintenance Expenditure	6,634,248	7,708,709	8,764,545	9,868,000	11,110,380	12,509,176
Operational Expenditure	6,493,773	7,771,092	8,896,617	10,162,563	11,277,802	12,697,676
Depreciation Expenditure	19,644,726	24,292,969	28,014,855	31,541,953	35,513,120	39,984,266
Total Expenditure	43,979,685	52,471,786	59,835,571	66,346,861	74,018,364	82,480,187
Operating Surplus / (Deficit)	(8,758,765)	(6,945,084)	(10,253,525)	(4,104,877)	(7,185,061)	(4,888,452)
Capital Expenditure - to meet additional demand	0	6,702,784	0	0	0	0
Capital Expenditure - to improve the level of service	2,892,752	0	0	0	0	10,413,758
Capital Expenditure - to replace existing assets	5,749,787	6,104,632	11,683,194	24,935,649	5,811,987	16,620,064
Capital Expenditure	8,642,539	12,807,416	11,683,194	24,935,649	5,811,987	27,033,822
Proceeds from Asset Disposal	0	0	0	0	0	0
Debt movements	281,134	707,113	(1,071,595)	(3,033,968)	6,057,142	(4,241,406)
Reserve movements	1,962,288	3,833,356	7,149,730	5,535,395	16,458,929	12,303,400
Cash Back Depreciation	(19,644,726)	(24,292,969)	(28,014,855)	(31,541,953)	(35,513,120)	(39,984,266)
Rates Required	(0)	(0)	(0)	(0)	0	2

Building Assets Property Financial 30 Year Summary

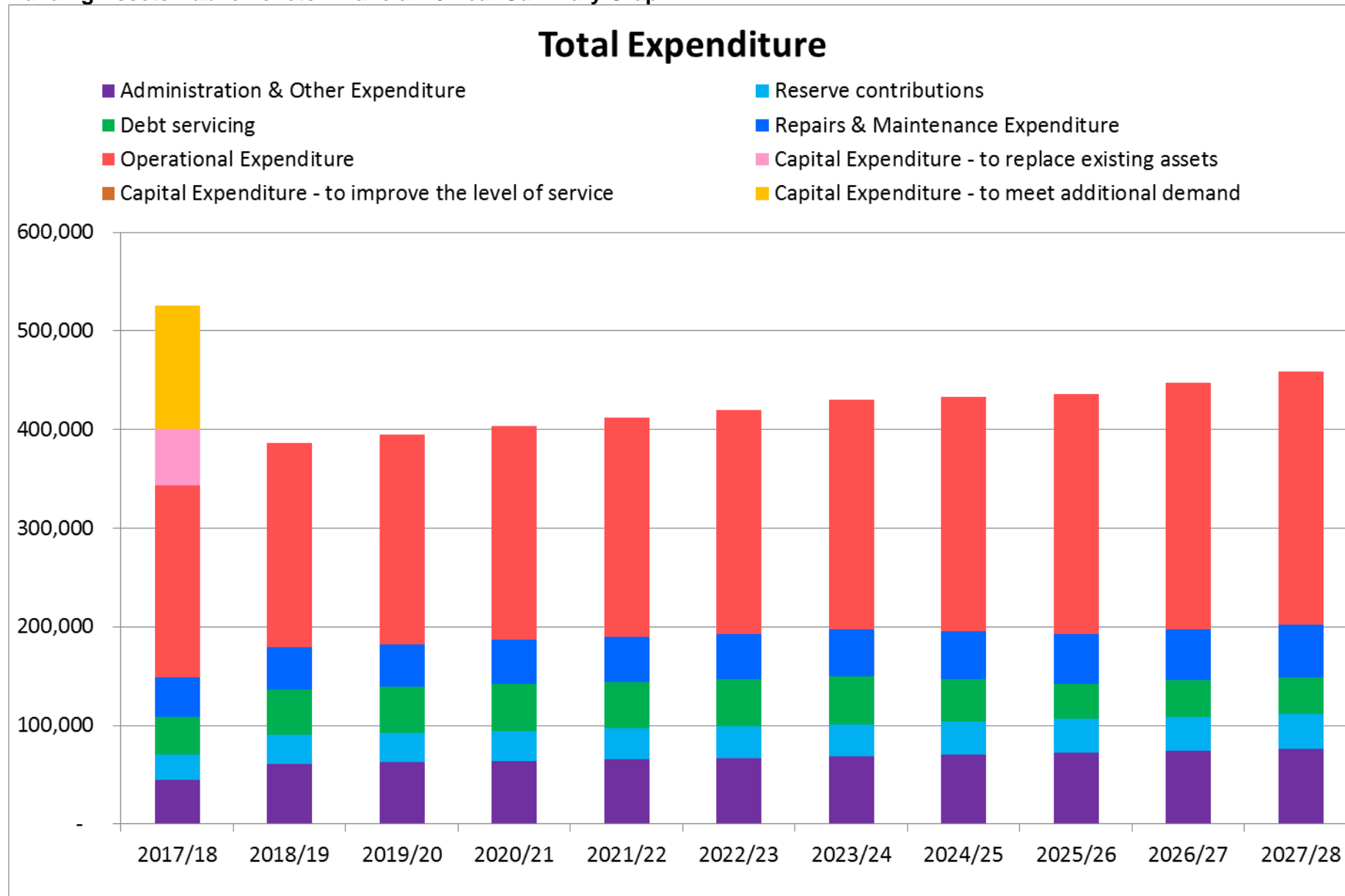


Building Assets Public Toilets Financial 10 Year Summary

Business Unit 516000 - Works and Services - Toilets

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
Internal Revenue	0	0	0	0	0	0	0	0	0	0	0
Fees & Charges Revenue	375	400	409	418	427	437	447	458	469	481	494
Grants & Subsidies Revenue	0	0	0	0	0	0	0	0	0	0	0
Rates Revenue	0	0	0	0	0	0	0	0	0	0	0
Financial Revenue	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	375	400	409	418	427	437	447	458	469	481	494
Internal Expenditure	35,035	50,526	51,647	52,795	54,013	55,246	56,517	57,901	59,356	60,851	62,515
Staff Expenditure	0	0	0	0	0	0	0	0	0	0	0
Administration Expenditure	9,312	10,936	11,177	11,422	11,674	11,942	12,217	12,510	12,823	13,156	13,512
Financial Expenditure	16,197	19,501	19,201	19,613	18,042	16,385	15,991	13,992	12,504	11,965	10,301
Grants & Subsidies Expenditure	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance Expenditure	40,930	42,615	43,553	44,511	45,490	46,536	47,607	48,749	49,968	51,267	52,651
Operational Expenditure	194,317	207,960	212,535	217,211	221,990	227,095	232,318	237,894	243,841	250,181	256,936
Depreciation Expenditure	24,452	27,865	28,478	29,105	29,745	30,429	31,129	31,876	32,673	33,522	34,427
Total Expenditure	320,243	359,403	366,590	374,657	380,953	387,633	395,779	402,923	411,165	420,943	430,342
Operating Surplus / (Deficit)	(319,868)	(359,003)	(366,181)	(374,239)	(380,526)	(387,197)	(395,332)	(402,465)	(410,696)	(420,461)	(429,848)
Capital Expenditure - to meet additional demand	125,000	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - to replace existing assets	56,875	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	181,875	0	0	0	0	0	0	0	0	0	0
Proceeds from Asset Disposal	0	0	0	0	0	0	0	0	0	0	0
Debt movements	(103,928)	26,164	27,093	27,921	29,479	31,122	32,702	28,743	23,702	25,188	26,851
Reserve movements	(30,225)	29,150	29,791	30,447	31,117	31,832	32,564	33,346	34,180	35,068	36,015
Cash Back Depreciation	(24,452)	(27,865)	(28,478)	(29,105)	(29,745)	(30,429)	(31,129)	(31,876)	(32,673)	(33,522)	(34,427)
Rates Required	343,138	386,452	394,588	403,502	411,377	419,722	429,470	432,678	435,904	447,195	458,286

Building Assets Public Toilets Financial 10 Year Summary Graph



8.2.2 Programme Implications

In April, the Museum was closed due to the risk to the staff and public after a peer review on the seismic assessment. This increased the priority of the Museum re-development and it was brought forward and due to financial pressure the additional pool at Splash Palace to be moved back. The following changes were made to the recommended programme:

Planned Year	Actual Year	Building	Project	Uninflated Base	Renewal Type
2028	2023	Museum	Re-development – Grant	9,500,000	Renewal
2022	2024	Splash Palace	New 25sqm Pool and Building	6,000,000	Growth
2025	2025	Regional Storage Facility	New Facility – Grant	9,000,000	Growth

8.3 FINANCIAL POLICIES

The Local Government Act 2002 requires Council to manage its finances prudently and in a manner which promotes the current and future needs of the community. Council must ensure that every year projected operating revenues are set at a level sufficient to meet the years projected operating expenses.

The Revenue and Financing Policy states Council's policy on the funding of its operating and capital expenditure and the sources of those funds.

Council for each activity must give consideration to who benefits from the activity and the appropriate level of private versus public benefit when funding the activity. Public benefit is gained from having access to activities provided by Council. Private benefit is gained from receiving goods or services provided by Council, i.e. Building consent for work carried out by private residents.

8.4 HOW WE PAY FOR THE ACTIVITY

The following Sources of funding are used by Council:

- General Rate
- Targeted Rate
- Fees and Charges
- Other Sources of funding
- Loans and Reserves

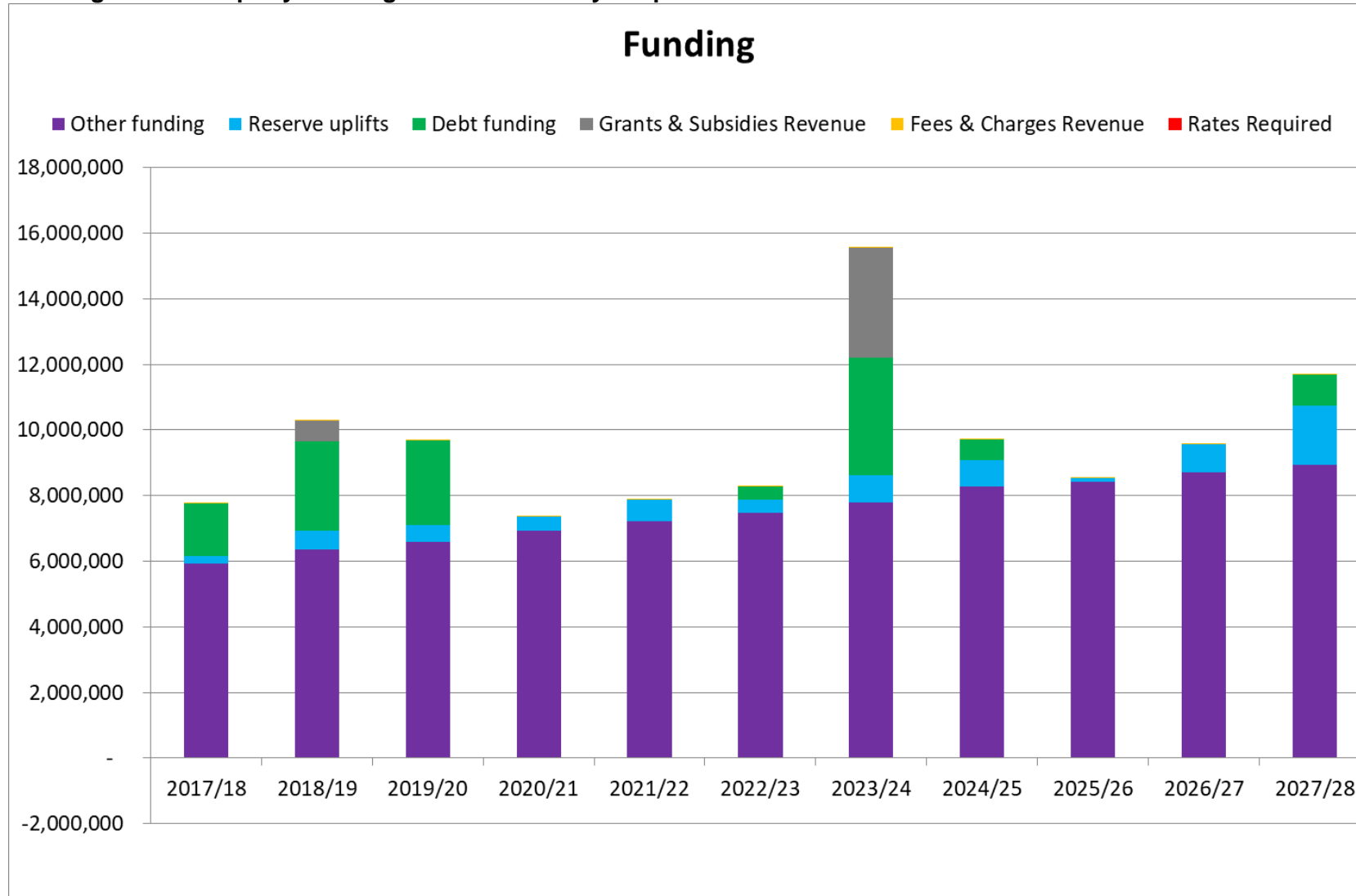
<i>Who Benefits</i>	<i>Funding Sources and Proportions</i>	<i>Demand Generators</i>
<i>Public/Private:</i> The Service activity benefits from the Building Assets activity, it is their budget which determines the split between who benefits.	<i>Other Sources of funding:</i> Internal Charges	Demand on the Service Activity puts demand on the Building Assets Activity.

The following funding strategy is used for funding of building assets:

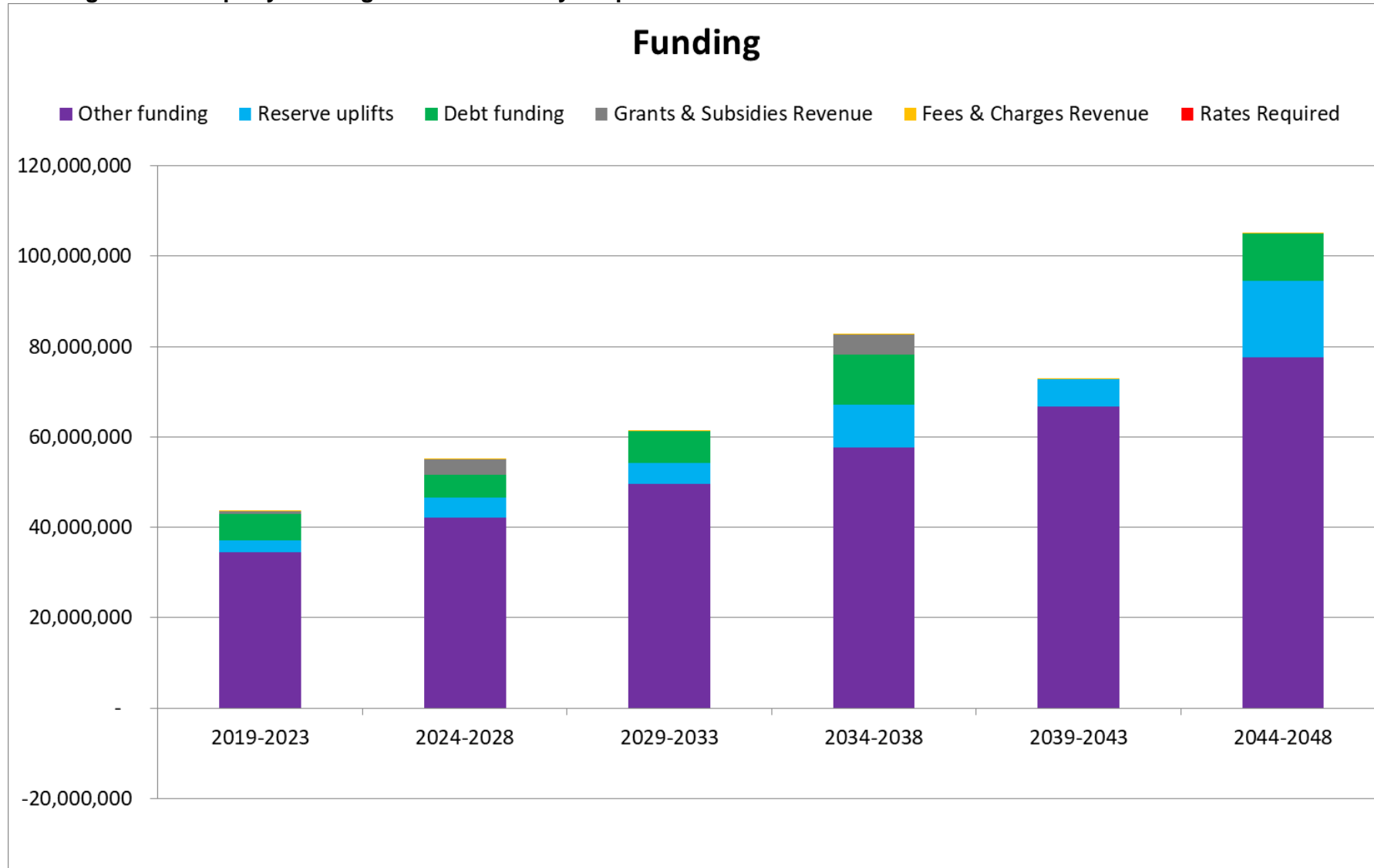
- Operational expenditure - funded by rates either directly for Public Toilets or through an Inter-Directorate Services ("internal rent") charges to the Service Activity tenanted the building.

- Maintenance expenditure - funded by rates either directly for Public Toilets or through an Inter-Directorate charge to the Service Activity tenanted building.
- Capital and periodic maintenance renewal - funded by building Financial Reserve funds where adequate reserves are available. Otherwise they are funded by new loans.
- New capital expenditure - funded by new loans or grants from Community funding organisations. Capital servicing (principal and interest cost) is funded by rates either directly for Public Toilets or through an Inter-Directorate charge to the Service Activity tenanted building.
- Depreciation funding has been recognised since 1996 and initial funding has been accumulated in Building LOSP Financial Reserve Funds to fund future capital and maintenance renewals.

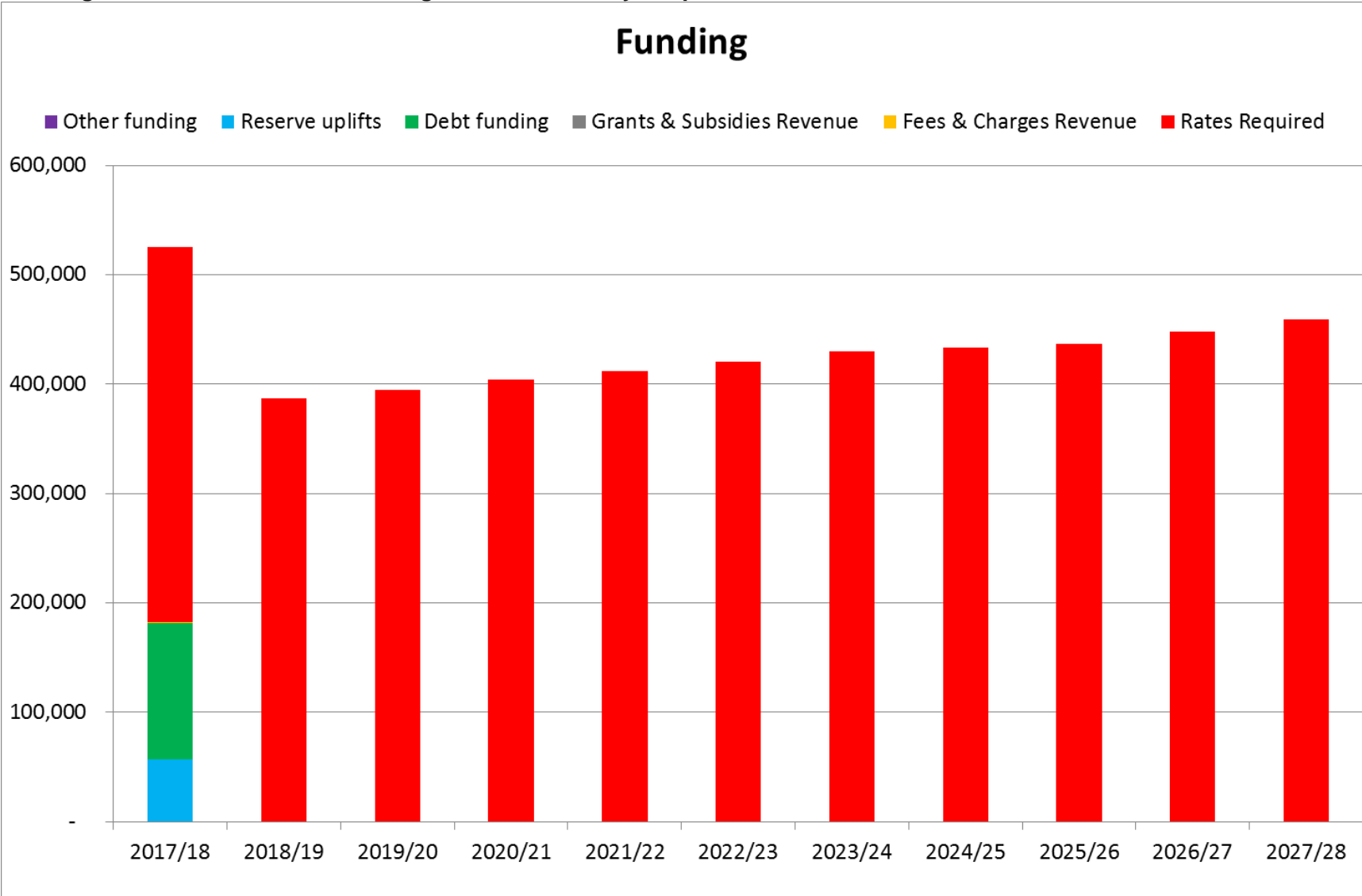
Building Assets Property Funding 10 Year Summary Graph



Building Assets Property Funding 30 Year Summary Graph



Building Assets Public Toilets Funding 10 Year Summary Graph



8.5 ASSET VALUATION FORECASTS

8.5.1 Asset Fair and Land Valuations

The value of the assets has been considered by Rural Value on a Fair Value basis in accordance with PBE IPSAS17 under a highest and best use scenario. "Fair Value" is the price that would be received to sell or paid to transfer a liability in an orderly transaction between market participants at the 1 July 2017.

The valuations in Core Buildings are carried out to component level. Components of building assets are the same for depreciation, these are:

- Structure – substructure, frame, walls, upper floors, roof, windows and doors.
- Roof – roof structure, linings and materials.
- Services - Electrical (switchboards, cabling, sockets, lights).
- Services - Plumbing and Drainage, (domestic hot and cold water, sewage, stormwater, soil drainage).
- Internal Fit-out – stairs, wall ceiling and floor finishes, internal doors and decoration.
- Plant – heating, ventilation and air condition – does not include heat source i.e. Boiler.
- External Works/Other Improvements – parking, layout, fencing and any other improvement on the land outside the exterior face of the building – excludes planting.

Economic and residual lives have been defined for all major buildings.

Please see table below for a summary of Fair Value and Replacement Costs. The full report is filed in Objective (Object ID A1970301).

Building	Address	Structure		Roof		Electrical		Plumbing		Interior Fit Out		Plant		Building Fair Value	Replacemen t Cost	Other Improve ments	Land	Property Value						
		Fair Value	Component Life	Fair Value	Component Life	Fair Value	Component Life	Fair Value	Component Life	Fair Value	Component Life	Fair Value	Component Life											
Corporate Buildings																								
Civic Administration	101 Esk Street	75	48	2,891,598	40	13	45,728	45	32	377,987	45	32	283,490	35	22	982,686	30	17	376,510	4,958,000	10,913,280	-	1,820,000	6,778,000
Bluff Service Centre	98 Gore Street, Bluff	75	28	124,140	40	28	28,439	45	28	31,891	45	14	9,917	35	23	61,611	30	18	45,002	301,000	1,224,053	4,000	65,000	370,000
Community Facilities																								
Animal Care Facility	11 Lake Street	75	70	535,591	40	35	43,809	45	40	30,811	45	40	41,081	20	15	34,662	30	25	16,047	702,000	760,073	20,000	-	722,000
Civic Theatre - Stagehouse	88 Tay Street	75	63	3,582,710	40	28	130,438	45	33	1,138,749	45	33	151,833	35	23	1,904,816	30	28	1,159,453	8,068,000	9,309,082	-	-	8,068,000
Civic Theatre - Auditorium		75	43	2,146,393	40	28	162,434	45	33	317,648	45	33	56,723	35	23	1,524,887	30	18	556,915	4,765,000	5,874,120	120,000	-	4,885,000
Civic Theatre - Front of House		75	43	1,782,855	40	5	68,044	45	33	523,942	45	33	299,396	35	23	885,355	30	5	113,407	3,673,000	6,236,720	-	-	3,673,000
Library	50 Dee Street	75	47	6,577,732	40	12	268,883	45	17	616,992	45	17	383,739	35	7	398,345	30	5	647,310	8,893,000	15,622,880	-	2,090,000	10,983,000
Archive	62 Dee Street	75	65	1,495,347	40	30	110,498	45	35	208,809	45	35	129,869	35	25	233,857	30	20	425,621	2,604,000	3,076,920	-	-	2,604,000
Scottish Hall	112 Esk Street	75	15	174,175	40	33	93,308	45	5	10,233	45	5	9,694	35	5	58,858	30	5	6,732	353,000	4,595,030	80,000	740,000	1,173,000
Splash Palace - Main Pool	56 Elles Road	50	29	7,786,833	40	19	500,168	35	15	564,100	35	15	902,560	20	5	394,870	15	5	2,281,470	12,430,000	24,859,838	650,000	1,520,000	14,600,000
Splash Palace - Learners Pool		50	38	1,630,379	40	28	117,778	35	23	138,208	35	23	221,133	20	8	100,952	15	5	364,550	2,573,000	3,676,320		-	2,573,000
Southland Museum and Art Gallery	108 Gala Street	60	33	3,709,973	40	13	657,677	45	18	337,270	45	18	67,454	35	8	1,156,355	30	5	337,270	6,266,000	24,100,505	50,000	-	6,316,000
Housing Care																								
Cairnsmore Flats	160 Leet Street	75	39	476,609	40	5	18,705	45	9	20,950	45	9	27,684	15	5	187,052	30		-	731,000	1,310,540	40,000	280,000	1,051,000
Pateke Place	429 Yarrow Street	75	33	289,754	40	5	13,439	45	5	8,362	45	5	11,050	15	5	134,394	30		-	457,000	797,720	30,000	101,000	588,000
Willow Park	64 Adamson Crescent	75	39	397,066	40	5	15,583	45	9	17,453	45	9	23,063	15	5	155,834	30		-	609,000	1,082,620	30,000	104,000	743,000
Korimako Court	12 Waverley Street	75	37	398,388	40	5	16,480	45	7	14,356	45	7	18,971	15	5	164,805	30		-	613,000	1,310,540	30,000	100,000	743,000
Thorndale Flats	3 Lithgow Street	75	41	229,055	40	6	10,261	45	11	11,705	45	11	15,468	15	5	85,511	30		-	352,000	712,250	20,000	59,000	431,000
Elston Lea Village	50 Murphy Street	75	16	750,522	40	5	71,797	45	5	44,674	45	5	59,033	15	5	717,974	30		-	1,644,000	5,132,270	60,000	179,000	1,883,000
Kelly Court	210 Crinan Street	75	29	236,599	40	5	12,488	45	5	7,770	45	5	10,268	15	5	124,876	30		-	392,000	683,760	20,000	51,000	463,000
Strathpine Flats	246 Ettrick Street	75	29	236,599	40	5	12,488	45	5	7,770	45	5	10,268	15	5	124,876	30		-	392,000	683,760	20,000	51,000	463,000
Niven Place	104 Earn Street	75	29	236,599	40	5	12,488	45	5	7,770	45	5	10,268	15	5	124,876	30		-	392,000	683,760	20,000	51,000	463,000
Claredon Court	60 Stirrat Street	75	45	572,143	40	10	38,921	45	15	36,327	45	15	48,003	15	5	194,606	30		-	890,000	1,566,950	30,000	79,000	999,000
Otarewa Village	90 Conon Street	75	47	978,413	40	12	76,472	45	17	67,408	45	17	89,075	15	5	318,632	30		-	1,530,000	2,507,120	50,000	136,000	1,716,000
Laurel Court	2 Maltby Street	75	36	318,545	40	5	13,544	45	6	10,113	45	6	13,363	15	5	135,436	30		-	491,000	826,210	35,000	135,000	661,000
Kinross Flats	30 Henderson Street	75	40	164,106	40	35	43,957	45	10	7,815	45	10	10,326	15	5	62,796	30		-	289,000	740,740	25,000	47,000	361,000
Anzac Court	9 Tone Street	75	49	134,509	40	35	29,412	45	19	9,935	45	19	13,128	15	5	42,017	30		-	229,000	740,740	25,000	46,000	300,000
Stirling Flats	25 Gregory Street, Bluff	75	43	149,528	40	35	37,258	45	13	8,611	45	13	11,378	15	5	53,225	30		-	260,000	740,740	25,000	76,000	361,000
Powell Court	295 Pomona Street	75	46	233,371	40	11	17,084	45	16	15,461	45	16	20,431	15	5	77,652	30		-	364,000	655,270	20,000	62,000	446,000
Nevill Place	26 Selwyn Street	75	33	676,515	40	5	31,378	45	5	19,524	45	5	25,800	15	5	313,783	30		-	1,067,000	1,623,930	25,000	73,000	1,165,000
Aurora Place	15 Janet Street	75	11	161,810	40	5	22,515	45	5	14,010	45	5	18,513	15	5	225,153	30		-	442,000	1,054,130	20,000	73,000	535,000

Building	Address	Structure			Roof			Electrical			Plumbing			Interior Fit Out			Plant			Building Fair Value	Replacemen t Cost	Other Improve ments	Land	Property Value
		Fair Value	Remain Useful Life	Component Life	Fair Value	Remain Useful Life	Component Life	Fair Value	Remain Useful Life	Component Life	Fair Value	Remain Useful Life	Component Life	Fair Value	Remain Useful Life	Component Life	Fair Value	Remain Useful Life	Component Life					
Miller Street	13 Miller Street	75	8	55,310	40	5	10,582	45	5	6,585	45	5	8,701	15	5	105,822	30		-	187,000	484,330	10,000	58,000	255,000
Jim Brass Place	154 Elles Road	75	50	182,645	40	35	39,138	45	20	13,916	45	20	18,389	15	5	55,912	30		-	310,000	569,800	15,000	36,000	361,000
Aiden Place	132 Princes Street	75	40	345,421	40	5	13,218	45	10	16,449	45	10	21,736	15	5	132,177	30		-	529,000	997,150	20,000	60,000	609,000
Public Toilets																								
Wachner Place Toilets	20 Dee Street	60	41	396,481	40	21	27,120	45	26	26,648	45	26	106,593	35	16	21,084	30	11	5,073	583,000	940,170	-	-	583,000
Don Street	67 Don Street																30	9	60,000	60,000	200,000			
Dee Street	62 Dee Street																30	19	126,663	n/a	200,000			
Car Park	11 Leven Street																30	27	135,000	n/a	150,000			
Windsor	19 Windsor Street																30	16	106,662	106,662	200,000			
Glengarry	87 Glengarry Cres																30	21	140,000	140,000	200,000			
South City	254 Elles Road																30	22	146,664	146,664	200,000			
Stirling Point	39 Ward Parade																30	9	60,000	60,000	200,000			
Other Infrastructure Buildings																								
Car park	11 Leven Street	75	41	3,336,622	40	6	-	45	11	84,346	45	11	46,859	35	5	108,445	30	5	44,729	3,621,000	7,593,399	-	-	3,621,000
Waste Transfer Station - Building	303 Bond Street	50	30	1,045,564	40	20	173,575	45	25	25,377	45	25	-	35	15	-	30	10	49,484	1,294,000	2,157,100	120,000	1,320,000	2,614,000
Waste Transfer Station - Office		75	55	55,619	40	20	5,755	45	25	4,348	45	25	3,261	35	15	6,018	30	10	-	75,000	112,943		-	75,000
Waste Transfer Station - Workshop		50	30	45,161	40	20	2,960	45	25	940	45	25	940			-			-	50,000	83,842		-	50,000
Waste Transfer Station - Shop		50	41	254,878	40	31	18,946	45	36	5,588	45	36	5,588			-			-	285,000	347,985		-	285,000
Waste Transfer Station - Kiosk		60	37	28,000			-			-			-			-			-	28,000	44,770			28,000
Bluff Senior Citizens	10 Onslow Street	75	34	176,458	40	5	6,319	45	5	4,574	45	5	4,333	35	5	26,307	30	5	3,009	221,000	597,680	5,000	60,000	286,000
Total																				73,913,000	147,031,037	1,619,000	9,472,000	84,884,000

8.5.2 Rating Valuations

The Rating Valuation is the value calculated for properties within the city boundary which are used for sharing of city rates. The Rating Valuation includes separate items for land and capital improvements.

Property within the city boundary is valued every 3 years by an accredited Valuer who is employed by the Environmental and Planning Department of the Invercargill City Council to carry out this task.

The most recent rating valuations were carried out in July 2017 and were released in October 2017. The 2017 values are shown in the table below.

Building Assets Property Funding 30 Year Summary Graph

Activity / Building Asset	Valuation Number	Rating Valuation 2017 Land \$	Rating Valuation 2017 Improvements \$	RV 2017 Total \$
Corporate Buildings				
CAB	30150.45600D	1,750,000	1,450,000	3,200,000
BSC	30380.23801	57,000	423,000	480,000
Community Facilities				
Animal Care Facility				
Civic Theatre	30150.45600.C	800,000	6,200,000	7,000,000
Library	30150.07000.C	935,000	10,640,000	11,575,000
Archive	30150.07000.A	-	-	-
Scottish Memorial Hall	30150.47500	350,000	490,000	840,000
Southland Aquatic Centre	30120.17402	670,000	11,430,000	12,100,000
Southland Museum	30050.56400	370,000	5,880,000	6,250,000
Housing Care				
Miller Street	30120.13300	37,000	278,000	315,000
Aurora Place	30250.18800	59,000	491,000	550,000
Neville Place	30250.18801	59,000	1,021,000	1,080,000
Elston Lea Village	30230.40601	200,000	3,340,000	3,540,000
Niven Place	30170.67300	33,000	457,000	490,000
Strathpine Flats	30170.59200	33,000	457,000	490,000
Kelly Court	30170.64300	33,000	457,000	490,000
Pateke Place	30090.36301	88,000	307,000	395,000
Laurel Court	29970.20700	147,000	473,000	620,000
Korimako Place	30090.53301	61,000	589,000	650,000

Activity / Building Asset	Valuation Number	Rating Valuation 2017 Land \$	Rating Valuation 2017 Improvements \$	RV 2017 Total \$
Cairnsmore Flats	30140.05400	280,000	520,000	800,000
Aidan Place	30180.28600	42,000	508,000	550,000
Kinross Flats	30380.58700	26,000	299,000	325,000
Thorndale Flats	30070.53500	33,000	412,000	445,000
Stirling Flats	30380.67201	54,000	296,000	350,000
Clarendon Court	30240.16202	38,000	1,072,000	1,110,000
Willow Park	30090.65601	136,000	394,000	530,000
Powell Court	30230.13200	55,000	455,000	510,000
Otarewa Village	30170.49001	69,000	1,591,000	1,660,000
	30170.49002	700	2,300	3,000
ANZAC Court	30380.66300	33,000	332,000	365,000
Jim Brass Place	30180.12201	30,000	365,000	395,000
Other Infrastructure Buildings				
Parking Building	30150.07000D	415,000	3,810,000	4,225,000
Solid waste Transfer Station				
Monument of the Trooper				
Bluff Senior Citizens Centre	30380.26202	98,000	67,000	165,000
Industrial Reclamation 121 Bond Street	30150.11615	530,000	10,000	540,000
141 Bond Street	30150.11600	1,530,000	370,000	1,900,000
Total		9,051,700	54,886,300	63,938,000

8.5.3 Insurance Valuations

The Insurance Valuation is the value calculated for building assets which is used for protection of the Council from future loss. The Insurance Valuation includes separate items for reinstatement, demolition and inflation effects to give a total insured value.

Property within the city boundary is valued every two years by an Investment Property staff in conjunction with the Council's insurance broker.

Insurance Valuations have been updated in July 2017. The new values are shown in below.

Activity / Building Asset	Replacement Value \$	Replacement Inflation \$	Indemnity Value \$	Indemnity Inflation \$	Demolition \$	Insured Value Total \$
Corporate Buildings						
Civic Administration Building	16,000,000	2,560,000	6,790,000	272,000	1,250,000	19,180,000
Bluff Service Centre	1,270,000	150,000	640,000	25,600	80,000	1,500,000
Community Facilities						
Animal Care Facility	780,000	50,000	720,000	29,000	60,000	890,000
Civic Theatre	32,500,000	4,550,000	24,200,000	847,000	920,000	37,970,000
Library	16,400,000	2,620,000	9,340,000	374,000	980,000	20,000,000
Archive	2,870,000	320,000	2,430,000	97,000	240,000	3,430,000
Scottish Memorial Hall	4,000,000	560,000	1,440,000	58,000	210,000	4,770,000
Southland Aquatic Centre	28,000,000	4,480,000	14,390,000	576,000	730,000	33,120,000
Southland Museum and Art Gallery	25,200,000	3,780,000	9,626,000	385,000	670,000	29,650,000
Housing Care						
Miller Street	500,000	40,000	142,000	5,700	27,000	567,000
Aurora Place	1,050,000	83,000	300,000	10,500	51,000	1,184,000
Neville Place	1,720,000	151,000	794,000	27,800	69,000	1,940,000
Elston Lea Village	5,440,000	690,000	2,230,000	89,200	233,000	6,363,000
Niven Place	700,000	56,000	284,000	11,400	33,000	789,000
Strathpine Flats	700,000	56,000	284,000	11,400	33,000	789,000
Kelly Court	700,000	56,000	284,000	11,400	33,000	789,000
Pateke Place	850,000	77,000	382,000	15,300	39,000	966,000
Laurel Court	890,000	80,000	435,000	17,400	41,000	1,011,000
Korimako Place	1,120,000	101,000	560,000	22,400	51,000	1,272,000
Cairnsmore Flats	1,370,000	123,000	729,000	29,200	64,000	1,557,000
Aidan Place	1,030,000	93,000	562,000	22,500	49,000	1,172,000
Kinross Flats	830,000	75,000	402,000	16,100	41,000	946,000

Activity / Building Asset	Replacement Value \$	Replacement Inflation \$	Indemnity Value \$	Indemnity Inflation \$	Demolition \$	Insured Value Total \$
Thorndale Flats690	740,000	67,000	408,000	16,300	34,000	841,000
Stirling Flats	840,000	76,000	443,000	17,700	41,000	957,000
Clarendon Court	1,690,000	169,000	1,005,000	40,200	76,000	1,935,000
Willow Park	1,130,000	102,000	684,000	27,400	52,000	1,284,000
Powell Court	690,000	62,000	428,000	17,100	32,000	784,000
Otarewa Village	2,650,000	292,000	1,677,000	67,100	106,000	3,048,000
ANZAC Court	820,000	74,000	507,000	20,300	41,000	935,000
Jim Brass Place	510,000	46,000	342,000	13,700	31,000	587,000
Public Toilets						
Wachner Place Restroom	990,000	80,000	740,000	30,000	47,000	1,117,000
Bluff Exeloo #1	170,000	14,000	34,000	1,000	1,700	185,700
Bluff Exeloo #2	180,000	14,000	37,000	1,000	1,000	195,000
Don Street Exeloo	170,000	14,000	34,000	1,000	1,700	161,700
Windsor Exeloo	170,000	14,000	59,000	2,400	2,000	186,000
Dee Street South Exeloo	148,000	12,000	96,000	3,800	1,700	161,700
Glengarry Exeloo	170,000	14,000	101,000	4,000	2,000	186,000
South City Exeloo	170,000	14,000	110,000	4,400	1,700	185,700
Leven Street Exeloo	137,000	11,000	130,000	5,200	1,700	149,700
Other Infrastructure Buildings						
Parking Building	7,600,000	1,060,000	3,740,000	150,000	1,070,000	9,730,000
Waste Transfer Station	3,250,000	390,000	2,050,000	82,000	250,000	3,890,000
Monument of the Trooper (Fixed Asset)						
Bluff Senior Citizens Centre	620,000	56,000	278,000	11,100	40,000	716,000
Industrial Reclamation - 141 Bond Street						

8.5.4 30-year Depreciation Forecast

Depreciation for buildings has been calculated for this Activity Management Plan using a different approach to previous plans. This new approach uses the fair value of the building and remaining useful life of each component rather than an average expected life which was derived from accounting standards.

“Fair value” which is used in this calculation is established by the valuation process provided by Rural Value in Section 8.4.1. This valuation process provided values at a component level which has allowed a more sophisticated approach to be considered.

Fair Value is the current market of the component.

Components of building assets are:

- Structure – substructure, frame, walls, upper floors, windows and doors.
- Roof – roof structure, linings and materials.
- Services - Electrical (switchboards, cabling, sockets, lights).
- Services - Plumbing and Drainage, (domestic hot and cold water, sewage, stormwater, soil drainage).
- Internal Fit-out – stairs, wall ceiling and floor finishes, internal doors and decoration.
- Plant – heating, ventilation and air condition – does not include heat source i.e. Boiler.
- External Works/Other Improvements – parking, layout, fencing and any other improvement on the land outside the exterior face of the building – excludes planting.

Historically buildings have had depreciation calculated at 2%, which provided an asset life of 50 years. This was an average life of components and although some elements may have shorter lives, say a roof, others would have a longer life and an average approach was taken. This new approach takes the current fair value and when divided by the remaining useful life provides the consumption or depreciation value. Taking this at component level as above, means the impacts of low remaining lives are taken into account in the assessment of calculated depreciation.

The graphs below demonstrate a 10 and 30 year window of programmed capital renewal costs plus loss of service potential reserve contributions measured against depreciation (shown as the orange line).

What has been recognised is that the current allocation of renewal funding (previously the depreciation) is less than the new calculation.

The gap is the projected amount where future decisions will need to be made if there continues to be a viable and financially acceptable solution for funding, particularly in the case of Housing Care. This gap could be bridged by loans or third party funders to meet future costs. The Civic Theatre as a Heritage 1 building will need over the next period to have more detailed assessment of funding models and be treated differently because of the expectation that the building will remain at similar deliver and service levels for long periods.

What has been identified by the condition ratings undertaken, is that there is some certainty and a level of accuracy over demand projections (for works needed to keep the buildings a similar level but older) for the next 10 and 30 years and the funding levels currently in the LTP period are sufficient to meet the demands. The

information also supports that there is not unseen financial demand just beyond 30 years but should recognise that the current calculated depreciation is well in excess of the current available funding leaving a gap.

The long term expectation for buildings and in particular Housing Care needs to be strategically considered as the funding approach indicates that the delivery of the service may in the long term need capital injection otherwise the service will not be viable. Buildings will get old and need replacement or become redundant compared to standards and the fair value would slip causing high depreciation demands. Some of the existing buildings are well through their lives and no significant reserves are held so renewal costs can only be funded through loan or third parties. This gap would need funding.

The essential services benchmark is a measure used by Central Government to demonstrate how Council's renewal expenditure (across all areas) measures up against calculated depreciation.

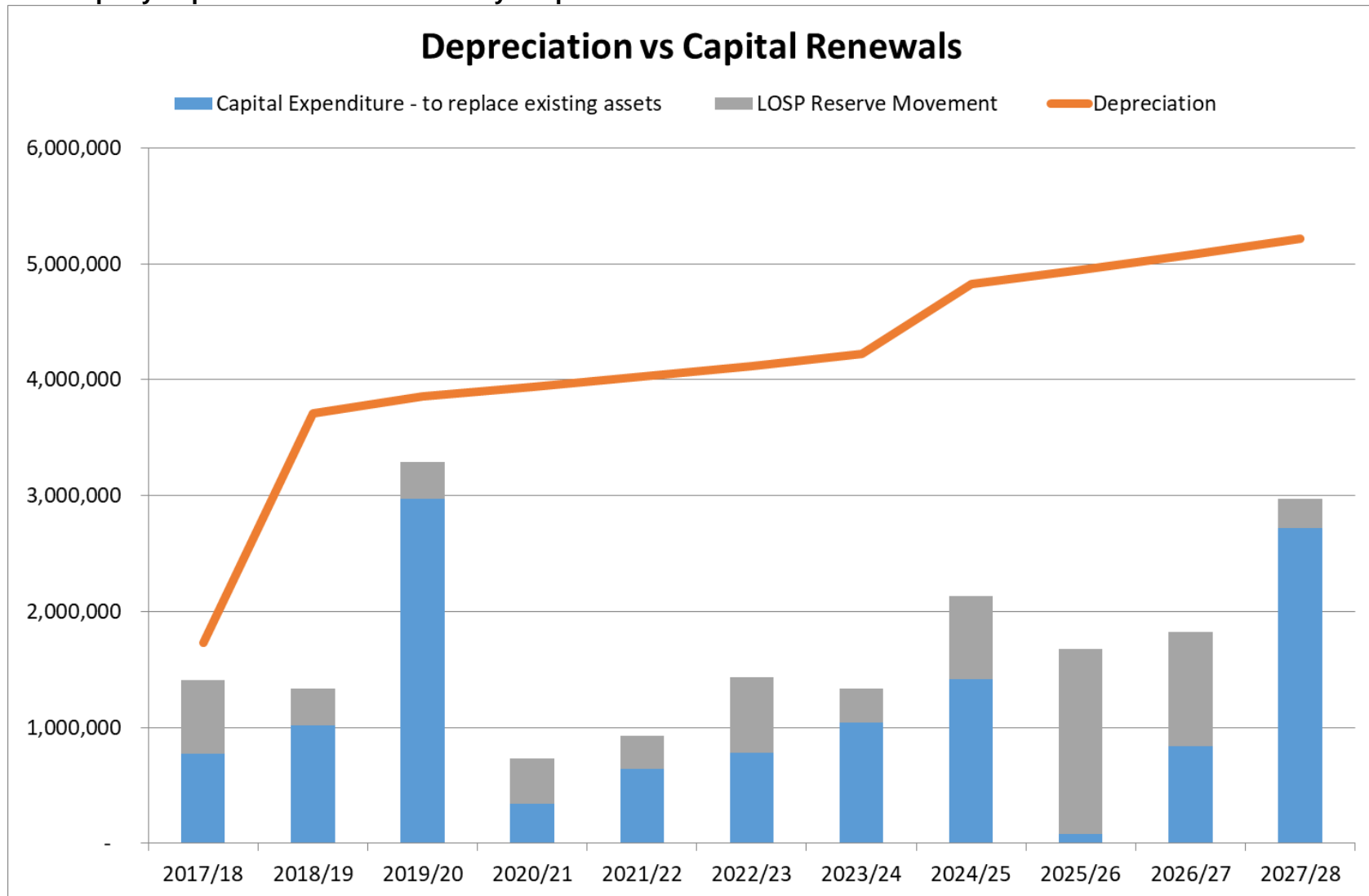
Council is transitioning within areas such as piped networks to renewing its assets measured against consumption (assessed depreciation) known as funding depreciation. Future work and better understanding within buildings will be developed and communicated.

Any proposed new assets added to the portfolio will need to consider whole of life costs and how depreciation is considered and funded in their financial forecasts.

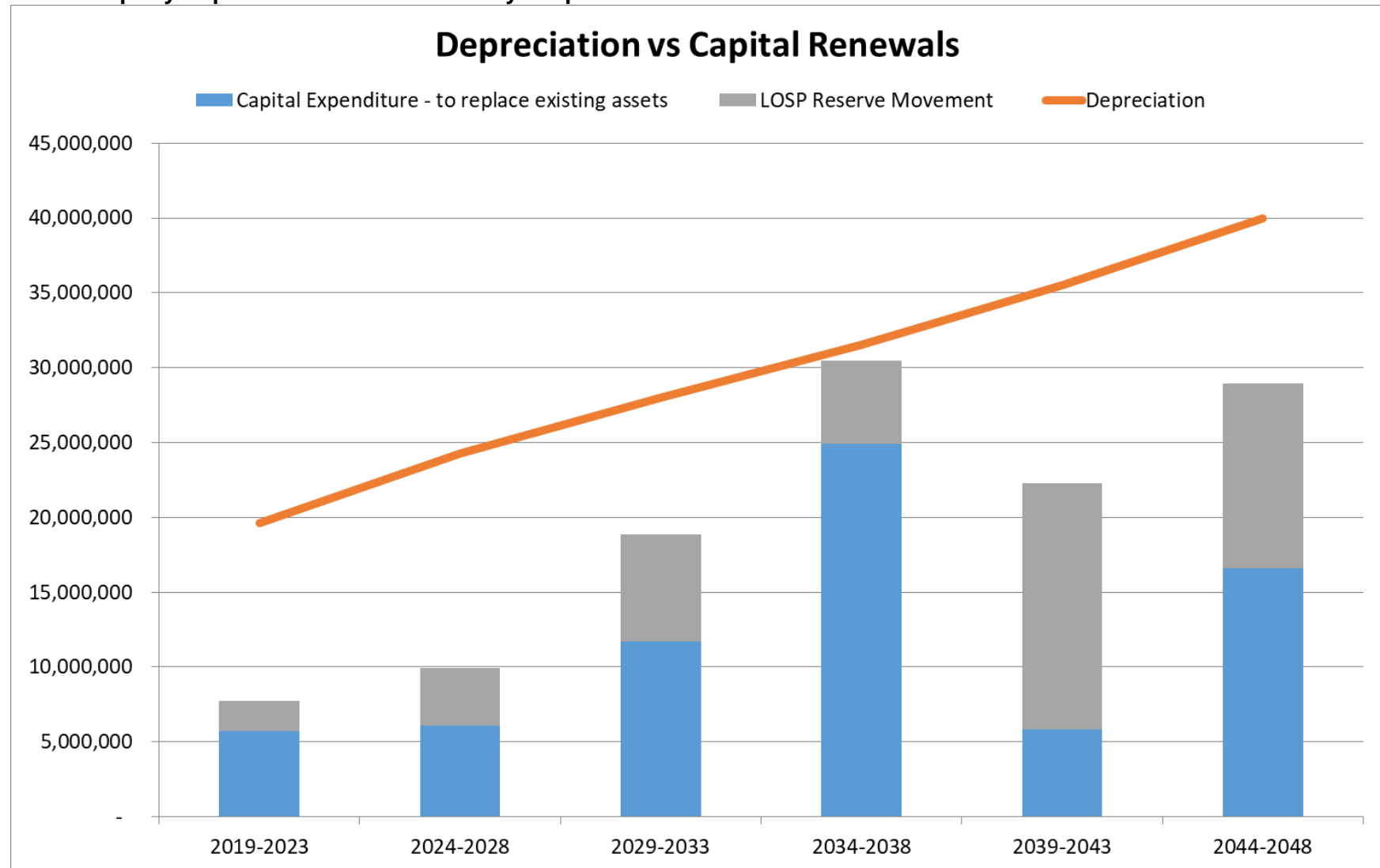
Building Assets Deprecation Table (Uninflated)

	Structure	Roof	Electrical	Plumbing	Interior Fit-out	Plant	Site Improvement	Depreciation
Corporate Buildings								
Civic Administration Building	60,723	3,521	11,717	8,788	44,221	22,214		151,185
Bluff Service Centre	4,469	1,148	704	1,024	2,649	2,520	599	13,073
Community Facilities								
Animal Care Facility	7,498	1,270	770	1,027	2,322	642		13,530
Civic Theatre	147,696	24,152	59,410	15,239	185,548	95,609		527,654
Library and Archive	160,563	25,964	42,458	26,407	66,318	150,743		472,452
Scottish Hall	11,670	2,799	2,047	1,939	11,772	1,346	2,400	33,972
South Aquatic Centre	307,502	30,749	43,738	69,980	91,593	529,204	54,309	1,126,716
Southland Museum and Art Gallery	Southland Museum and Art Galleries responsibility to depreciation its building							
Housing Care	230,719	70,792	44,059	58,221	707,482			1,111,273
Public Toilets						27,865		27,865
Other Infrastructure								
Parking Building	80,079		7,675	4,264	21,689	8,946		122,653
Solid Waste Transfer Station	43,868	9,721	1,383	324	403	4,948		60,648
Bluff Senior Citizens Building	5,117	1,264	915	867	5,261	602		14,026

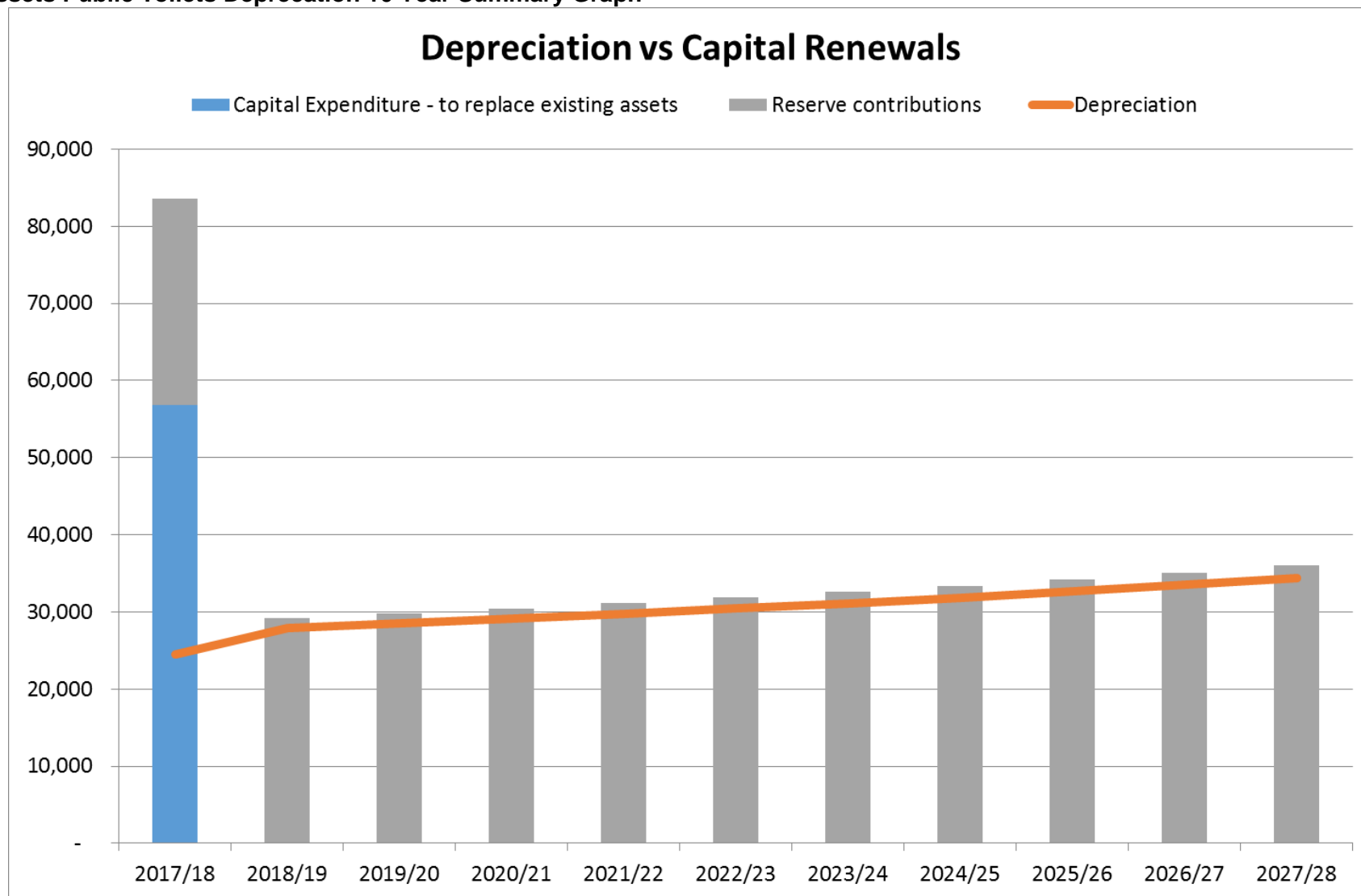
Building Assets Property Depreciation 10 Year Summary Graph



Building Assets Property Deprecation 30 Year Summary Graph



Building Assets Public Toilets Deprecation 10 Year Summary Graph



8.6 CONFIDENCE LEVELS IN PROGRAMMES

Building Assets have a confidence level B in the programme, meaning that they are within an accuracy of $\pm 10\%$. Our data accuracy was assessed by AECOM, the findings are in the Report on Asset Data Confidence (Appendix 1.11). Condition assessments are currently undertaken to a detailed level and these provide us with sound data for projected renewal programmes.

8.7 RELIABILITY OF FINANCIAL FORECASTS

8.7.1 Maintenance and Renewal Forecasts

As mentioned above we have a confidence in our programme of $\pm 10\%$, if we were to make an error which impacted our budgets negatively in any one year we would first reduce the contribution the LSOP reserve. If it was for a large renewal project and there were insufficient funds in the LSOP reserve, this would require either a reduction in the scope of the project, the timeline to be increased or would require us to lean on Councils good financial credit rating and loan fund the difference.

Any operational efficiencies that are achieved are first used to pay any negative reserves, if there is none then it is used to pay any loaned debt on the asset, if there is neither then an extra contribution would be made to the LSOP reserve.

8.7.2 Development Forecasts

Development forecasts are either quantity surveyed or calculated from QV Cost Builder which is the tool used by quantity surveyors to calculate the cost of new developments. There is usually a contingency built into the projected costs of any growth projects, this increases the confidence we have in the forecast financial programmes.

8.8 SUMMARY OF PROGRAMME ASSUMPTIONS

The following assumptions are particular to Building Assets, these are a continuation from the assumption documented in Section 2.4.

Assumption	Likelihood	Area of Impact	Financial Implication
The Building Asset Team will remain in its current configuration.	High – There will be a new CEO in the first year of this plan.	Portfolio and organisational structure could change dramatically for the Activity.	No significant implication
Capital programmes are achievable and not delayed further.	High – Project timelines tend to be the first factor to creep.	Projects are delayed and carry forward of spending is required.	This would affect the timing of loan drawdowns but not have a significant effect on the overall programme
Each buildings current use and tenant will remain the same.	Moderate – One of the main issues and challenges of this activity.	CAB, Library and Archive, Museum, Wachner Place Restrooms and Parking Building.	If the building was untenanted by Council the ownership of the building would like be internally transferred to

Assumption	Likelihood	Area of Impact	Financial Implication
			Investment Property or sold
Business as usual until the strategic direction on the Art Centre or any new developments is confirmed by from Council.	Moderate – One of the main issues and challenges of this activity.	CAB, Library and Archive, Museum, Wachner Place Restrooms and Parking Building.	Re-development projects for the CBD will have a feasibility assessments undertaken, as these are Council lead projects the consideration of the financial impact on any building assets will be taken into consideration.
Valuations moving forward are consistent.	High – Use the same Valuer if possible.	Budgets requirements.	Requirements for renewals would increase this could impact the

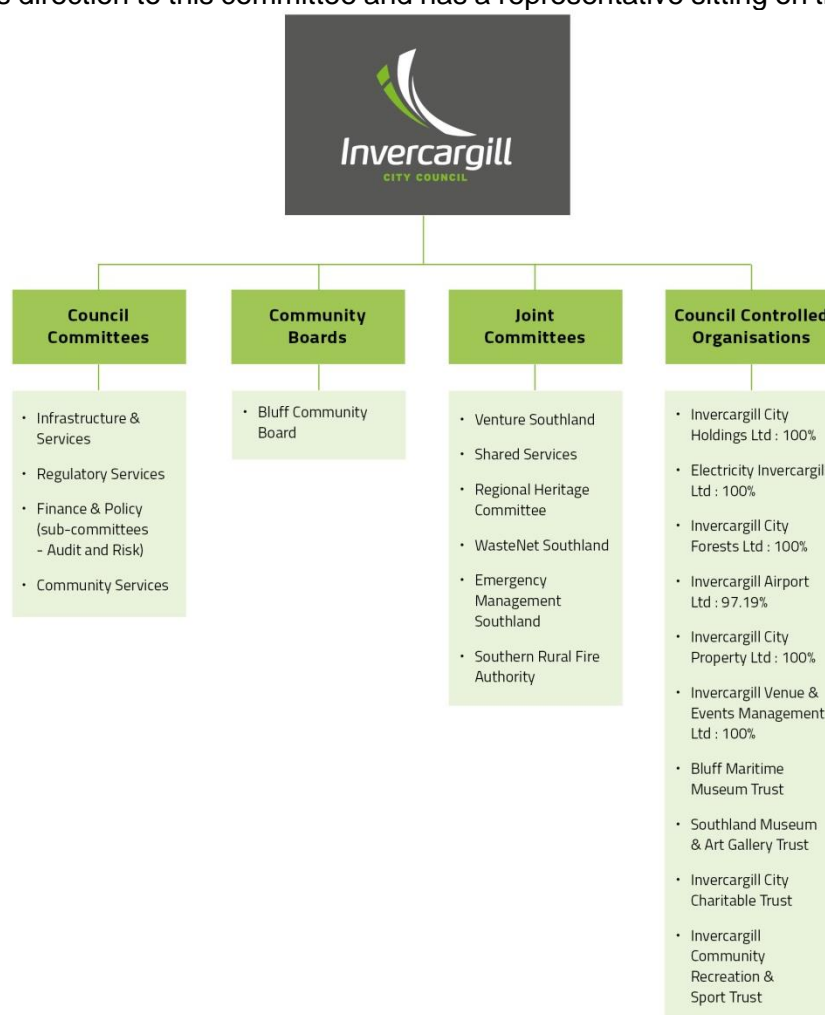
9. Delivering and Monitoring the Programme

9.1 PROGRAMME GOVERNANCE AND REPORTING

Council operates on a six-weekly cycle with four committees meeting before a full Council meeting. These committees accept and receive reports from their relevant Directorate and Management Staff are at these meetings to answer any questions that arise.

This reporting process ensures accountability to Councillors and allows for transparency to the public. Further to the four directorate committees, there are smaller sub-committees such as Audit that meets to discuss issues relating to the Annual Report, Annual Plan, Long Term Plan processes and any other audit related issues.

The Bluff Community Board is established as a committee who reports to Council on behalf of the Bluff area and deals with any issues relating to their area. Council provides direction to this committee and has a representative sitting on this board.



Councillors are elected on a triennial basis through local government elections with the community voting for 12 Councillors and a Mayor. The Chief Executive role is reviewed every five years. In addition to this, Council undertakes a Representation Review every six years to ensure that the community is aware and accepting of the current Council structure.

Council develops their Long-Term Plan every three years in line with their obligations under the Local Government Act 2002, every year following this Council will adopt an Annual Plan which will make any amendments to the existing Long-Term Plan and allows for members of the community to submit on this process.

Further, Council will provide an Annual Report, which is a full year financial snapshot of Council's activities for that financial year. This is also compared to the financial projections in Council's Long-Term Plan.

9.2 STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

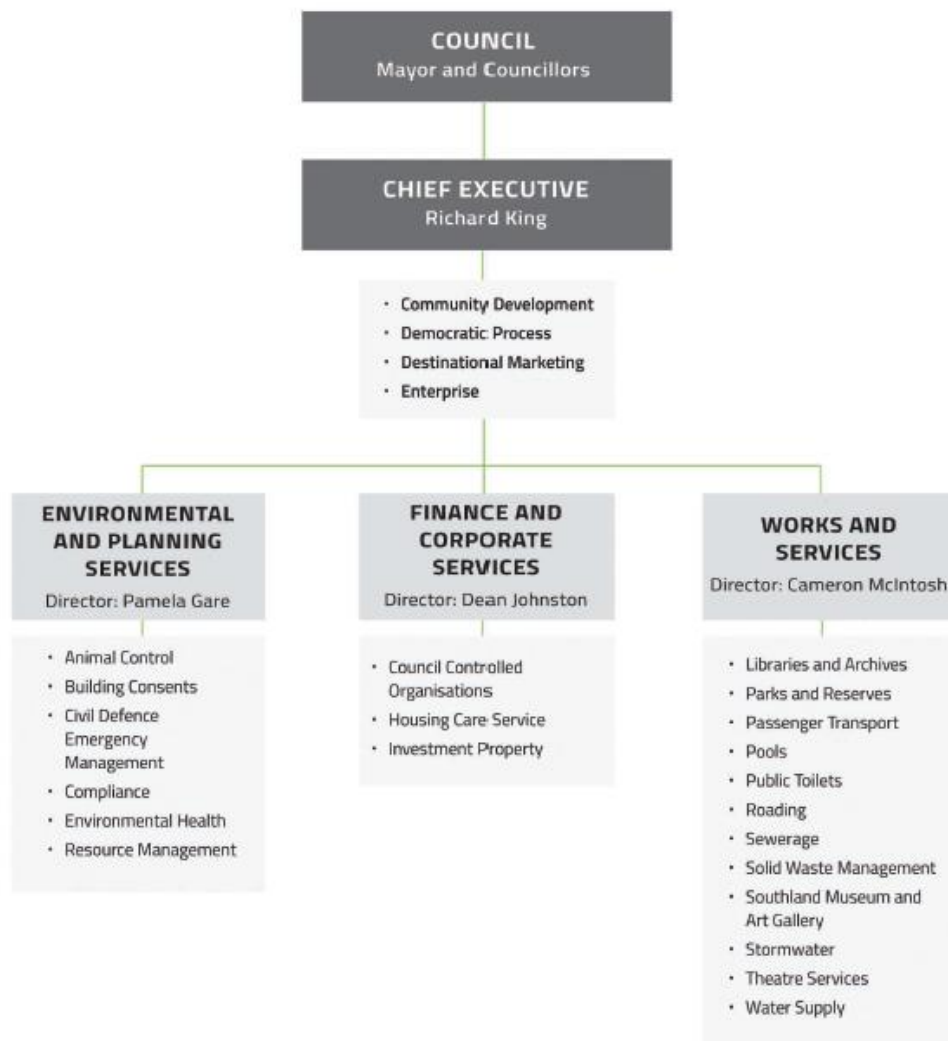
Council currently utilises a myriad of methods to engage in consultation with members of the community. The Local Government Act 2002 states specific methods of consultation to be utilised by Council for certain processes, Council adds to this through innovative and community-tailored engagement techniques.

The following are examples of current Council consultation methods:

- Imagine Invercargill is a new engagement website where members of the public can submit ideas on how to improve Council services.
- Consult South is a website that highlights any current or up and coming consultation items.
- Regular use of the Consultation Caravan where members of the public can pop in to ask questions of elected members and staff.
- Public Forums at Council and Committee meetings.
- Public requests to be heard as a specific Agenda item.
- Regular features in the newspapers and rates newsletters which inform ratepayers of issues.
- The City Focus Radio show that highlights current topics that the Council is addressing.
- The Mayor holds appointments with residents who wish to raise issues of concern.
- Community Engagement processes when Council is considering making a significant decision.
- Formal consultation through the Special Consultative Procedure for issues such as the Long-Term Plan and some Bylaws.
- Facebook page where individuals can ask questions and express opinion to Councillors and staff.

9.3 BUSINESS PROCESSES

The management structure of the Invercargill City Council is as follows:



Council staff operates under a Delegations Register (Appendix 1.10) that is adopted by Council; this Register lists every department with specific delegations that are required under legislation or Council policies so that staff members are able to carry out their specific job requirements.

The Building Assets Manager has a financial delegation authorisation limit of \$50,000. Any financial requests above the value are required to be approved by the Director of Works and Services, CEO or Council.

Building asset maintenance work is managed using the Infor Public Sector (described in more detail in Section 9.4). This application has features which provide for:

- Listing of assets in a hierarchical structure e.g. complex, building, facility, equipment. It provides for asset information to be stored e.g. make, age, capacity, location, maintenance schedules, maintenance history, sub-components, condition assessment, etc.
- Management of reactive maintenance work using Work Orders which record work done, cost, contractors employed, types of failure, etc.

- Scheduling of Routine and Periodic maintenance work using work orders as above.
- Inspections of assets and recording of condition, faults, etc.
- Recording of Customer complaints and management of corrective work.

9.4 INFORMATION SYSTEMS AND DATA

Geographical Information Systems (GIS)

Provides mapping and spatial analysis tools for Council to graphically determine and understand where Council facilities or assets are located. This includes geocoding our data, putting it on a map, and symbolizing it in ways that can help visualize and understand the data. The software display how places are related which help make more informed decisions about the best locations and paths for infrastructure and planning. Utilising these attributes we can use the software to help make predictions and better understand our environment.

Infor Pathway

Delivers a comprehensive offering of fully integrated functionality for managing council related business processes including:

- *Customer Service and People Management* - central name/address register and customer request management;
- *Land and Property Management* - administration tools to assist with land and property management;
- *Revenue Management* - capabilities such as rates accounting, property valuations, debtors and water billing;
- *Regulatory Management* - a comprehensive range of workflow-driven modules to ensure that local and national regulatory legislation for consents processing, parking and animals, and health and liquor licensing are complied with;
- *Internet-enabled customer self-service* - ePathway enables Council customers to conduct local government e-commerce online.

Infor Public Sector (IPS)

IPS is a centralised Asset Management Information System (AMIS) that allows for the effective management of infrastructure assets. IPS provides tools to improve asset efficiency, conduct planned and unplanned maintenance, manage work costs, provide asset inspection scheduling, and assists in optimising assets life cycles. Asset needs analysis in IPS can be used to determine and recommend which maintenance and renew programmes are likely to be needed, to assist with long term maintenance and budgeting plans.

Microsoft AX Dynamics

This programme is the main accounting software; this system records all accounting entries, inventory entries, account payable entries and fixed asset data. Fixed assets held within the infrastructure area are revalued every three years and data from the revaluation is held with the AX dynamic system. The system then generates depreciation figures that are used for reporting purposes and also for the funding of depreciation in relation to Councils capital renewal programmes. During the period between revaluations assets are capitalised into the AX Dynamics system as purchased. The AX system also provides the council reconciliation control environment, maintaining such control as GST and FBT

obligations, bank reconciliations, as well of all other balance sheet reconciliations of Council.

MYOB PayGlobal

Provides a workforce management with the payroll and human resources management software provides the analytical, planning and operational tools to monitor staff activities and performance. There is a self-service platform (Ernie) where employees and managers access leave, personal info, payslips, and timesheet data online. Allowing employee attendance, management and tracking.

Objective

Delivers an Electronic Document and Records Management (EDRMS) service across all of Council providing information management processes and business process automation with robust security, version control and audit management to ensure Council complies with recordkeeping standards; this reduces the risk associated with managing information in multiple locations.

Opal 3

This programme is utilised by all departments who monitor their levels of service for activity; this programme requires specific data to be entered six weekly or monthly (as required). Third tier managers enter this data, with the Director or Manager to approve this entry. The data required is updated in line with the Long-Term Plan.

TM1 Cognos

This is the financial reporting and budgeting system for Council. Information is taken from the AX dynamics system and downloaded into the TM1 system, allowing Council to report on actual performance against budget. Council budgets for both the Long Term Plan and Annual Plan are completed within the TM1 Cognos system.

9.5 PROGRAMME PERFORMANCE MONITORING AND REVIEW

9.5.1 Monitoring Approach

Council operates on a six-weekly cycle with meetings for the four committees of Council that look into each department at Council and are provided with extensive monitoring and reporting of levels of services for activities and assets that come out of that department, alongside monthly financial accounts for each department. The Committee will question these reports with Managers present to answer any questions that arise from the reports.

The information for these reports is entered into various software systems as detailed in Section 9.4. This monitors the performance both fiscal, and service based against targets and budgets from Council's Long-Term Plan. Targets can be key performance indicators, internally driven targets or provided from a Ministry that oversees that area, i.e. Department of Internal Affairs. At a full Council meeting these reports are then received.

9.5.2 Frequency of Review

Every financial year Council prepares an Annual Report that is the key document in ensuring the expenditure for the year was efficient and is pertinent in ensuring accountability to the community and ratepayers.

The Annual Report does not just show the current financial status, but also shows the levels of service for all Council activities and assets measured against the yearly targets set in the Long-Term Plan. As noted in 9.1, these are measured and reported six weekly in the Council meetings. The Annual Report is a holistic overview of their performance.

10. Continuous Improvement

10.1 CURRENT ACTIVITY MANAGEMENT PRACTICE

The current practice for buildings assets is shifting from managing asset to managing the activity as a whole, where managing the assets is part of the process. For this to be achieved an awareness is required of where our current practices are, the directorate undertook asset management maturity self-assessments. The Buildings Self-Assessed Asset Management Maturity (appendix 4.06) our current maturity is core, our final target is to be advanced, but as per the Asset Management Policy (appendix 2.01) our goal is to achieve intermediate by 2020. There are many opportunities for improvement in the management of the Building Assets activity and knowing the gaps in our activity help us to achieve these.

Please refer to the Asset Management Strategy (appendix 2.02) for our current actions to achieve our asset management objectives.

10.2 IMPROVEMENT PROGRAMME

Objective	Approach	Action	Measure	Timeline	Responsible
Council infrastructure assets are managed in accordance with statutory and regulatory requirements	Work all Statutory and Legislative requirements and ensure these are covered by the set levels of service	Develop lifecycle Activity Management Plans	Activity Management Plan is not 30-year plan but a lifecycle plan	November 2020	Building Asset Manager
	Monitor that we are achieving the required and legislated levels of service	Report data to Service Activity Managers from AMIS	Service Level Manager is receiving an annual report prior to service level agreements so that they are better informed going into the agreement.	June 2018	Building Assets Planning and Administration
		Integrate AMIS and Opal 3	Service Levels can be reported on from RAMM or IPS	Unknown	Asset Management System Project Manager
Progressively improve and integrate catchment of asset evidence for planning, delivery, operation, renewal and disposal of assets	Collect and maintain accurate and detailed information for all assets using an Asset Management Information System (IPS and RAMM)	Process for data collection and storage is developed, including establishing asset hierarchy to record condition data.	Condition data from Opus is recorded against individual assets in IPS	August 2018	Building Assets Planning and Administration
	Hold condition and performance information to support decision making				
	Assets are assessed using a common criticality framework	Develop one common criticality framework for all activities.	Criticality data is recorded against all high critical assets in IPS and RAMM	August 2018	Asset Management Team
	Asset criticality, risk and resilience are considered in decision making and prioritisation	Review of Risk Management Framework	New risk management framework is adopted by Council	June 2019	Corporate Planning and Asset Management Team
	Use predictive modelling to develop and implement	Develop Advanced Asset Management (AAM) Model in IPS	AAM is used to plan for renewals	June 2020	Asset Management System Project Manager

Objective	Approach	Action	Measure	Timeline	Responsible
	preventative maintenance and efficient renewal programmes	Seamless integration of asset and financial data	Interface AMISs with Council financial system.	Unknown	Director of Works and Services
The activity is operated in a prudent manner	Regularly review the operational aspects of the infrastructural services to ensure that they are being delivered effectively, efficiently and to best practice	Develop method to record fault response times (this may require contractor access to AMIS)	Response times are recorded and reported on	Unknown	Building Assets Manager
	Operational and Maintenance services (in house and outsourced) are procured in such a manner that value for money is attained through a competitive market contract	Develop a procurement strategy	Building Assets have developed their own procurement strategy	December 2018	Building Assets Manager
Assets are renewed in a financially prudent manner	Renewals are carried out based on optimised decision making, major expenditure decisions are prioritised in order from the highest benefit cost ratio and non-asset solutions are considered	Procedures are used for optimised decision making(ODM), cost benefit analysis (BCA) and Lifecycle Cost Analysis (LCA)	New projects and large renews are reported to the Executive and Committee Meetings in a better business case format	March 2018	Asset Management Team
			Better business case training is undertaken	March 2018	
			Capital projects prioritisation is documented	June 2018	Building Assets Planning and Administration
	The quantity and impact of deferred renewals (if any) is tracked	Deferred renewals are monitored and reported against in regards to risk, cost and impact.	Agenda reporting at end of financial year	Ongoing	Building Assets Manager
	Transparent financial processes are used within building assets	Individualise the loss of service potential reserves.	Assets have clear reserves.	March 2019	Building Asset Planning and Administration r and Finance Team
		Market rental on buildings assets are assessed	All commercial properties have their rental assessed		
Monitor and review levels of service to meet demand	Monitor requests for service to determine user expectations and/or needs, to consider how	Develop an Education Strategy to increase the understanding of asset management with Staff,	Education strategy is in place, used and understood.	December 2018	Building Assets Planning and Administration

Objective	Approach	Action	Measure	Timeline	Responsible
	they align with current levels of service	Council and Customers with appropriate and factual information.			
	Use satisfaction surveys and/or specific focus groups as a means of determining the needs and expectations of the community	Use surveys to identify customer expectations and delivery gaps	1000 responses to survey	August 2018	Building Assets Planning and Administration
Measure, advance and improve the asset management system to the maturity as set out in the Asset Management Policy	Development of Asset Management Plans to maturity levels as outlined within the Asset Management Policy	Develop a process for implementing regular Asset Management Maturity Assessments to monitor progress	Process is in place	July 2018	Building Assets Planning and Administration
		Understand the cost of moving to the maturity level that the activity is committed to.	Cost and requirements documented	September 2018	Building Asset Manager
	Staff responsibilities for Asset Management activities be included in the Asset Management Plans and also reflected in individual job descriptions	Report annually in individual performance reviews to the Director of Works and Services against the Improvement Plan documented in Asset Management Plans.	Improvement plans are link to job description and performance reviews.	April 2018	Director of Works and Services
	Report annually to the Director of Works and Services against the Improvement Plan documented in Asset Management Plans.				
	Risk Register is actively maintained and projects are evaluated on their reduction of identified risks	Assess that the Corporate Risk Framework is applicable to our activities.	New risk management framework is adopted by Council	June 2019	Corporate Planning and Asset Management Team
Management of our assets is undertaken in a sustainable and environmentally conscious manner	Look to provide sustainable outcomes throughout asset processes	Understand how sustainability can be consistently applied to Asset Management Plans.	Integrate sustainability into the new risk management framework is adopted by Council	June 2019	Corporate Planning and Asset Management Team

Objective	Approach	Action	Measure	Timeline	Responsible
		Work with EECA to develop better sustainability processes	Implemented improvements recommended in energy audits	June 2019	Building Assets Supervisor
		Consider the most sustainable method to renew Housing Care	Housing Care strategic direction is understood and agreed with Council	Unknown	Director of Works and Services, Building Assets and Housing Care team.
		Depreciation is fully funded	Depreciation is fully funded	Unknown	Director of Works and Services, Building Assets team.
	Develop resilience for the activity	Develop contingency plans with Activity Service Managers for their activity	Documented contingency plans for all buildings.	October 2019	Service Activity Managers and Building Assets Team

The long term expectation for buildings and in particular Housing Care needs to be strategically considered as the funding approach indicates that the delivery of the service may in the long term need capital injection otherwise the service will not be viable

10.3 IMPROVEMENTS FROM PREVIOUS ACTIVITY MANAGEMENT PLAN

The following improvements have been made to the activity since the 2014 AMP:

- AMP has been developed following Treasury's Better Business Case (BBC) approach.
- Developed an Asset Management Policy and Strategy.
- Used external consultants Opus to provide us with full condition assessments with projected maintenance and renewal timing and costings.

10.4 MONITORING AND REVIEW

Improvement plans will be integrated into staff job descriptions this will put emphasis on improvements to be developed within the Activity. These will be discussed at individual performance reviews.

Plans will be reviewed annually for the annual plan, this will also be another opportunity to review the improvement programmes.

11. Glossary

- Activity Management Plan (AMP)
- Asset Management Information System (AMIS)
- Better Business Case (BBC)
- Central Business District (CBD)
- Civic Administration Building (CAB)
- Community Housing Provider (CHP)
- Council Controlled Organisation (CCO)
- Crime Prevention Through Environmental Design (CPTED)
- Energy Efficiency and Conservation Authority (EECA)
- Energy Technical Services (ETS) and input to 'e-Bench', an analysis and reporting service
- Green building - is the practice of increasing the efficiency with which buildings use resources — energy, water, and materials — while reducing building impacts on human health and the environment, through better siting, design, construction, operation, maintenance, and removal — the complete building life cycle
- Heating Ventilation and Air Conditioning (HVAC)
- Independent Qualified Person (IQP)
- Infor Public Service (IPS)
- Information Technology (IT)
- Invercargill Venues and Events Management (IVEM)
- Investment Logic Mapping (ILM)
- IPWEA
- Long-term Plan (LTP)
- Loss of Service Potential Reserves (LOSP)
- New Zealand Asset Management Support (NAMS)
- Society of Local Government Management (SOLGM)
- Southland Aquatic Centre (Splash Palace)
- Southland Museum and Art Gallery (SMAG)
- Southland Regional Development Strategy (SoRDS)

Expenditure Definitions

The following definitions have been used in this Asset Management Plan:

- Operational expenditure – expenditure that has no effect on asset condition but is necessary to keep assets utilised appropriately i.e. power, insurance, rates, overhead costs.
- Maintenance expenditure – ongoing day-to-day work required to keep assets operating to required service levels i.e. repairs and unplanned maintenance, scheduled maintenance.
- Periodic Maintenance expenditure – maintenance renewal works that can be expected within a 10 year period but at intervals exceeding annually to protect and extend lives of components of assets e.g. redecoration, exterior painting.
- Capital renewal – works that restore or replace an existing asset towards its original size, condition or capacity (i.e. separately identifiable components e.g. lifts, HVAC plant, roof cladding, the value of which will be 'capitalised' i.e. added to the Asset Register, and depreciated).

- New Capital expenditure – works to create a new asset or to upgrade or improve an existing asset beyond its original capacity or performance in response to changes in usage, customer expectations or anticipated future need (i.e. separately identifiable projects, the value of which will be ‘capitalised’ i.e. added to the Asset Register, and depreciated).
- Disposal cost – Any costs associated with the disposal of a decommissioned asset.

12. Appendices

The Appendices for all of Council's Activity Management Plans are kept separate. The list below highlights the appendices that relate to this Activity Management Plan and where to find them in the Corporate Appendices Register.

Number	Type	Title
1.01	Corporate	Long Term Plan – Background and Assumptions 2018-2028
1.02	Corporate	Community and Regulatory Services: 2014 Residents' Survey
1.03	Corporate	2013 Service Level Survey: Parks, Reserves and Cemeteries Report
1.04	Corporate	2013 Service Level Survey: Roading Report
1.05	Corporate	2013 Service Level Survey: Solid Waste Report
1.06	Corporate	2013 Service Level Survey: Stormwater and Sewerage Report
1.07	Corporate	2013 Service Level Survey: Water Supply Report
1.08	Corporate	Levels of Service Research Report 2016
1.09	Corporate	Corporate Risk Framework / Standard
1.10	Corporate	Delegation Register September 2016
1.11	Corporate	Asset Data Confidence Report
2.01	Policies and Strategies	Asset Management Policy
2.02	Policies and Strategies	Asset Management Strategy
4.01	Building Assets	Building Assets Portfolio 2017 (Work in Progress 12-10-2017)
4.02.1	Building Assets	Service Level Agreement Animal Care Facility
4.02.2	Building Assets	Service Level Agreement Aquatic Services
4.02.3	Building Assets	Service Level Agreement Corporate
4.02.4	Building Assets	Service Level Agreement Housing Care
4.02.5	Building Assets	Service Level Agreement Invercargill Venues and Events Management
4.02.6	Building Assets	Service Level Agreement Library and Archive
4.02.7	Building Assets	Service Level Agreement Museum
4.02.8	Building Assets	Service Level Agreement Roading 2016-17 (A1864141)
4.03	Building Assets	Building Asset Criticality Criteria (12-10-2017)
4.04	Building Assets	Building Asset Condition Criteria (12-10-2017)
4.05.1	Building Assets	LTP Property Financials and Graphs
4.05.2	Building Assets	LTP Public Toilets Financials and Graphs
4.06	Building Assets	Building Self-Assessment Asset Management Maturity