

Chairperson and Committee Members
REGULATORY MANAGEMENT COMMITTEE

8 SEPTEMBER 2011

Meeting Status: **Public**

Purpose of Report: For Decision

DRAFT ASSET MANAGEMENT PLANS

PURPOSE OF REPORT

- 1 This report seeks the Committee's endorsement and recommendation to Council for adoption, as official drafts, of the Part B: Water Supply Asset Management Plan, and Part B: Swimming Pools Asset Management Plan, [**Attachments 1 and 2**].

SIGNIFICANCE OF DECISION

- 2 Matters in this report do not trigger the Council's Significance Policy.

BACKGROUND

- 3 The Council has already adopted the common Part A to all the asset management plans (AMPs) and Part B: Property AMP.
- 4 The AMPs being considered today were the subject of briefings in July and August. They have been edited in the light of the Council's input at those briefings. They are:
 - o Part B: Water Supply Asset Management Plan (Water AMP);
 - o Part B: Swimming Pools Asset Management Plan (Pools AMP).
- 5 The Water Supply AMP has also been reviewed by the Council's auditors. Their comments were of a minor nature and have been addressed.
- 6 The remaining six AMPs will be considered by the Council in October. Together, these Plans record how the Council will deliver most of the Community Outcomes contained in the Long Term Plan (LTP). They cover the period 2012 to 2032.

- 13 As noted in the Improvement Plans of each AMP, projects are being put in place at both asset and group levels to ensure achievement of the desired level of planning will be possible for the 2015/35 Plans.

Planning term and financial forecasts

- 14 In line with a previous request from Councillors regarding the term of the LTP, the financial forecasts in these AMPs cover a term of 20 years. In fact, asset management planning typically covers a period of 50 – 80 years taking into account the full lives of the various assets. Naturally, the further out the planning horizon, the less certainty as to conditions and circumstances the asset managers can have, hence the need for a rolling review of the AMPs every three years. The financial forecasts presented in the AMPs are very detailed for the first 3 years (i.e until the next review), thorough for the following seven years (as required by legislation) and indicative only for the second decade.
- 15 The financial forecasts included in the Plans are expressed in 2011 dollars at this point. Budgets in the final versions will be indexed as part of the overall indexing of Council budgets undertaken by Finance.

Official draft status

- 16 As inputs to the LTP, these plans and their associated budgets cannot be finalised until the Council has completed its deliberations on the LTP in June 2012. As a result, the recommendation in this paper is that you recommend that the Council assign “official draft” status to them at this point.
- 17 The expenditure budgets and primary levels of service will feed through to the LTP deliberations where the Council will have the opportunity to consider them once again in the context of all other Council spending. Any changes made will be incorporated into the drafts and the final versions returned to the Council for adoption in August 2012.

Financial Considerations

- 18 As discussed in paragraph 17, the budgets associated with these draft AMPs will be subject to decision as part of the LTP process.

Legal Considerations

- 19 The requirements relating to asset management plans are contained in the Local Government Act 2002, Schedule 10, Part 1. These requirements are well understood and the standards laid down in the International Infrastructure Management Manual (IIMM) meet them. The Council’s AMPs are consistent with the IIMM standards.

Delegation

- 20 The Committee has the authority to make a recommendation to the Council.

Consultation

The AMPs are available to the public from this point. The primary levels of service and the financial forecasts will be consulted on formally as part of the LTP consultation in 2012.

Policy Implications

21 There are no policy implications of these decisions.

Tāngata Whenua Considerations

22 Iwi and Treaty of Waitangi considerations will be addressed as part of the LTP process.

Publicity Considerations

23 No publicity is considered necessary.

RECOMMENDATIONS

24 That the Committee recommends to Council the adoption as official draft of Part B: Water Supply Asset Management Plan (Attachment 1).

25 That the Committee recommends to Council the adoption as official draft of Part B: Swimming Pools Asset Management Plan (Attachment 2).

26 That the Committee notes that the draft asset management plans will be subject to revision as a result of decisions made in relation to the Long Term Plan in June 2012.

Report prepared by:

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ATTACHMENTS: 1 Draft Part B: Water Supply Asset Management Plan
2. Draft Part B: Swimming Pools Asset Management Plan