

11.0 IMPROVEMENT PLAN AND MONITORING

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11.1 Improvement Plan

Improving the management of Taupo District Council's (TDC) property assets is a continual and ongoing process.

During the course of updating this plan, AM improvement tasks have been noted for follow-up over the next three years in conjunction with reviewing and improving this plan. This programme reflects the overall aim of improving asset management practices, which is to deliver the right level of service at the lowest long-term cost to TDC's customers. The highest improvement tasks all focus on meeting that goal by:

- Ensuring the right level of funding is being allocated to maintain the asset service potential.
- Implementing predictive modelling techniques that will allow consideration of alternative long term cost scenarios.
- Consulting with customers to ensure that their views are considered when selecting the best scenario.

The Water, Wastewater and Stormwater AMPs were independently peer reviewed in 2011 by Waugh consultants. A number of improvements were identified from this review to raise these AMPs from core to advanced, where appropriate. Some of these improvements have also been applied to the Property's AMP, although a higher priority has been placed on simply getting the Property's AMP to a core level.

11.2 Improvement Programme

Resources (cost and time) have yet to be approved and are only estimates at the time of updating AMP. These may need to be reviewed when task is in progress to judge if timeframe and cost is realistic.

Also to include in improvement plan:

- Improvements identified in Waugh report that haven't been included already
- Anything that isn't done in time to make it into this AMP
- Complete inventory for building assets and ensure funding allocation for maintenance and renewals

Items identified in Waugh Report 2011

Task ID	Area for improvement	Weak areas identified in audit of AMP ¹	Action/task description	Priority	Target date	Cost/resources		Status
						Hours	Progress/ comments	
	Executive Summary		Rewrite to include summary of AMP	1	2016	4		
1.0	Introduction							
1.5		Yes	Include a specific policy relating to sustainability and this be reflected in TDC's practices.	3	2016	2	Need to discuss with SLG as to whether this will be Corporate wide policy	Not commenced
1.6			Consider the establishment of terms of reference in the form of lease agreements, for long term building occupation and use, to identify ownership of responsibilities. (Ref Sec 1.7)	2	2016	40	Identify affected bldgs, consult with tenants, & and produce leases.	Not commenced
4.0	Asset Data							
4.1			Transfer Events and Civil Defence Storage buildings and Owen Delany Park G/stand.	5	2015	10	Change in SPM	Not commenced
4.2			Improve current inventory of Council's privately owned Land, (Refer Appendix 1) and provide links to current rating valuations & the Council's Intra-map for inclusion in this plan. Current inventory only records Taupo land, and needs to be extended to include all land privately owned by Council throughout the entire Taupo District area.	1	2016	80	Currently undertaken by the Council's Strategic Development Officer.	Project commenced 2011
4.3			Undertake specialist condition assessment surveys of mechanical building services and plant.	1	2016	20	Use Consultants	Not commenced

Task ID	Area for improvement	Weak areas identified in audit of AMP ¹	Action/task description	Priority	Target date	Cost/resources		Status
4.4			Revise all Property data on a three yearly cycle.	1	Ongoing	On-going		On-going
4.5			Facility Valuations tabulated in Section 4 needs revising. Currently using a mix of valuations from the SPM Assets program, and the Council's NCS rating valuations register.	2	2016	40	Liaise with Finance reps, and SPM Ltd	Not commenced
4.6			Assess and include the value of the renewable asset components for each of the properties as additional information to the currently provided market valuations.	2	2015	10	Assessments using SPM Assets program for each property	Not commenced
5.0	Level of Service							
5.1			Gauge customer opinion more thoroughly as part of increased consultation.	2	2016	100	Part of customer satisfaction survey.	Decision by SLG group not to undertake a LOS survey for the 2011 AMP. To be considered for the 2014 AMP.
5.2			Develop maintenance and performance quality standards for each class of asset & component	1	2016	100	Requires input from operational staff	Not commenced
5.3			Link quality service gap analysis outcomes to Levels of Service forecast statements for new projects.		2016	8		
7.0	Risk							
7.1		Yes	Consider the costing of risks for major, strategic and critical assets	1	2016	40+	To be developed at Corporate level	
8.0	Lifecycle							
8.1			Provide total historical expenditure in section for maintenance, renewals, & capex expenditure.	2	2018	40		Not commenced

Table 1: Improvement Plan

Items identified in Waugh Report – November 2015

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources		Status
						Hours	Progress/ comments	
	General Items							
	Description of Assets	Yes	The asset information system appears to be well used and there is a good set of data. Improvements could be made in dealing with acquisitions and data quality assurance processes.	1	Ongoing	On-going	SPM Assets data quality in the Property section have been improved by appointing a specific Property Team staff member the accountability for the SPM data quality (Heather Holt)	Ongoing
	Levels of Service		The organisation's Strategic Directions, Community Outcomes, are not clearly linked, including achievement levels to date against the stated levels of service, and for service requests would improve the readers understanding.	1			Improved alignment with the latest AM Policy and the Infrastructure Strategy documents.	
	Managing Demand		Details of usage for large facilities would be helpful in assessing how well they meet demand. There is no discussion on the use (or otherwise) of development or financial contributions.	1				
	Risk Management		The risk section appears dated and is fairly generic. The risk register should be reviewed to be more specific to the activity and the approach to mitigation (e.g. insurance) discussed.	1			Record specific risk mitigation plans against all identified risks (e.g. Insurance, Volcanic eruptions)	
	Sustainability		The AMPs have very little commentary with regard to sustainability policies or other actions. Climate change issues and/or impacts are also weak in the AMPs. Further examination of sustainability issues should be considered across all AMPs.	1			Record specific sustainability issues and the processes in place to manage these areas.	
	Lifecycle Management		There is a lack of information about work management processes which would strengthen the discussion. Other issues to be addressed include ensuring assets vested or gifted are properly assessed, and that any deferred maintenance is identified. The Project Sheets are a demonstrated area of good practice.	1			Action to address: 1. A lack of information about work management processes 2. Ensuring assets vested or gifted are properly assessed 3. Any deferred maintenance is identified	

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources	Status
	Financial Forecasts		The key area for action is to include information on the approach to depreciation and the comparison of depreciation with renewal programmes.	1		Include information on the approach to depreciation and the comparison of depreciation with renewal programmes.	
	Assumptions		Assumptions are limited and not assessed	1		Assumptions, both Financial and Non-Financial have been added as new tables in the Introduction – Section 02 of each AMP.	Les
	Improvement Programme		The improvement programmes are fairly brief and do not align action items with the level of asset management practice targeted.	1		Improvement Programme information is being realigned for the new AMP's. 1. Past "Waugh Report" items will be listed and actions assigned. 2. New improvement initiatives which have been developed following the Asset Management workshops facilitated by Opus in May 2017, will also be documents and planned for.	Les
	General AMP Improvements		Changes to the Local Government Act in July 2014 have yet to be captured in the template, and this should be considered during the next revision of the AMPs.	1			
	General AMP Improvements		Clearer definition of the drivers of the Capital Projects (Level of Service, Growth, or Renewal) linking through the Plan would also assist in enhancing plan robustness.	1			Ongoing
	Sever Consequence Items						

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources	Status
4.3	4 – Risk Management		Legislation requirements for risk met - Score: 2 Activity specific legislative requirements are identified and risk management completed and implemented with compliance reporting programmed.			The risk register should be reviewed to be more specific to the activity and the approach to mitigation (e.g. insurance) discussed. Record specific risk mitigation plans against all identified risks (e.g. Insurance, Volcanic eruptions)	
6.2	6 - Financial Forecasts		Validate Depreciation or decline in Service Potential - Score: 0 The extent of annual depreciation shown for a minimum of 10 years and the funding for renewal requirements are detailed and compared			Include information on the approach to depreciation and the comparison of depreciation with renewal programmes. Need to show some financial graphs or chart to show the relationships and trends going forward.	
7.3	7 - Planning Assumptions and Confidence Level		Accuracy of asset inventory - Score: 1 Confidence level for all assets data known and documented with target level shown			Assumptions are to be documented Confidence level for all Property assets data will be indicated in the AMP (e.g as per the following examples)	Les
	Major Consequence Items						
1.3	1- Description of Assets		Remaining useful life - Score: 3 a. High level of confidence in the knowledge of remaining life of all assets including facilities assets and how this is known.			Construction and Design life of all asset components is recorded against all assets in SPM. Condition Assessment are also undertaken on a scheduled basis	Ongoing

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources	Status
						<p>– 3 yearly at least.</p> <p>More critical assets may have a higher level Condition Assessments scheduled and the frequency shortened.</p>	
1.4	1- Description of Assets		<p>Asset Register Functionality - Score: 1</p> <p>b. Core data documents, processes (data integrity, QA reporting etc.) and requirements have been defined.</p>			<p>More processes or Standard Operating Procedures (SOPs) to be developed in tools like Promapp</p> <p>Property have a specific team member assigned responciability for the mangement and QA of all SPM data. This is already showing data improvements.</p>	Ongoing
1.4	1- Description of Assets		<p>Asset Register Functionality - Score: 3</p> <p>c. Physical inventory of all assets that are managed to the organisations data needs with sufficient information to complete asset valuation to required data confidence</p>			<p>SPM component costs are currently only shown in a standard format, as component costs. Additional data points to be added to include replacement labour, materials and services costs, so that a full project costs can be shown and forecasted.</p> <p>Also, Finance to provide the valuation figures for the Structures and Land for each property so the a full asset valuation figure for each Council property is available.</p>	Ongoing

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources	Status
1.4	1- Description of Assets		Asset Register Functionality - Score: 2 e. The aggregate/dis-aggregate process explained and how used in maintenance planning i.e. Work orders applied at asset component level but aggregated for AM reporting.			The "Work Request" process needs to be mapped – maybe in Promapp. All other routine or scheduled tasks can also be mapped. (e.g. condition assessment, BWOFs,etc.) Process reporting can then be undertaken to monitor effectiveness and LoS performance.	
2.1	2 - Levels of Service		Define LOS or Performance - Score: 0 c. Achievable (AM to show demonstrate how performance gaps will be actioned and funded)			Identified LoS performance gaps will be listed as improvement items on future project funding lists if not able to be actioned imedeiatly.	
2.2	2 - Levels of Service		Linkage to strategic/community outcomes - Score: 0 a. Levels of Service linked to Community outcomes via the LTP (This needs to be via diagram or similar and clearly indicate valid links)				
2.2	2 - Levels of Service		Linkage to strategic/community outcomes - Score: 0 d. The significant services should be in line with Councils Significance Policy				
2.4	2 - Levels of Service		Levels of consultation identified and agreed - Score: 0 c. Details of consultation for LoS shown and consistent with Councils requirements				
2.5	2 - Levels of Service		Service life of network stated - Score: 1 a. Intended service provision horizon is clearly stated				
2.6	2 - Levels of Service		LGA Section 10 compliance - Score: 3 a. The AMP demonstrates that the tests in LGA Section 10 have been addressed – service provision is efficient, effective, appropriate and cost effective. Compliance demonstrated by either reference in AMP or linkage to another document.				

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources	Status
3.2	3 - Managing Demand		Demand Management drivers documented – Score: 3 d. Processes are in place (and documented) to capture, update and report on utilisation. This in utilities will be network models for medium sized communities and larger or where higher levels of risk and growth requires this.				
3.2	3 - Managing Demand		Demand Management drivers documented – Score: 0 e. Service capacity modelling directly reflects growth and demand strategies to confirm and established position on future upgrades				
3.3	3 - Managing Demand		Demand Management drivers documented – Score: 3 c. Future predictions of development and asset creation are made based on analysis of all factors to reduce risk of under- or over-investment				
3.5	3 - Managing Demand		Basic optimisation for capital investments – Score: 2 a. Simple cost/benefit analysis for capital investment options				
4.1	4 - Risk Management		Identify critical Assets – Score: 0 b. Asset criticality shown in Asset register for individual assets			Document Criticality against assets in their SPM data	
4.3	4 - Risk Management		Legislation requirements for risk met – Score: 3 a. Lifelines and emergency management awareness to Civil Defence Management Act (Risk reduction, readiness, response and recovery status)				
4.3	4 - Risk Management		Legislation requirements for risk met – Score: 0 b. Health & Safety legislation identified, completed, implemented and compliance reporting demonstrated				
4.3	4 - Risk Management		Legislation requirements for risk met – Score: 0 e. Corporate insurance policy/requirements and updating of asset insurance costs				
4.4	4 - Risk Management		Identify associated risks and Risk Management strategies for critical assets– Score: 1 a. Procedures in place for rapid and structured response to emergency failures				
4.4	4 - Risk Management		Identify associated risks and Risk Management strategies for critical assets– Score: 0 c. Documented risk management strategies and mitigation considered and used where necessary				

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources	Status
			for critical assets				
5.1	5 - Lifecycle Decision Making		Lifecycle and Asset Management Practices – Score: 2 l. Deferred maintenance and renewals are identified and reason for deferral shown				
5.1	5 - Lifecycle Decision Making		Lifecycle and Asset Management Practices - Score: 2 – (Property Only) p. Developer created assets are well managed and controlled to ensure vested assets are to council standards				
5.1	5 - Lifecycle Decision Making		Lifecycle and Asset Management Practices – Score: 0 t. LGA Section 17A requirements for Delivery of Services review have been noted and compliance mechanism, timeframe documented. If review has been completed the results of the review, and delivery mechanisms clearly noted and referenced				
5.4	5 - Lifecycle Decision Making		Maintenance Outcomes, Strategies, Standards and Plan documented – Score: 2 a. Maintenance Outcomes, Strategies, Programmes, Standards and Plans are known and documented for critical assets and effects of critically are reflected in the maintenance plan				
6.1	6 - Financial Forecasts		AM reflected in 10 year Financial plan – Maintenance, Renewals, New Capital (LOS and demand) – Score: 0 f. Financial forecasts determined in the AM planning process are reflected in the LTP and Annual Plan				
7.1	7 - Planning Assumptions and Confidence Levels		List all assumptions and possible effects – Score: 2 b. Where any significant assumptions involve a high level of uncertainty - include an estimate of the potential effect on the financial estimates				
7.2	7 - Planning Assumptions and Confidence Levels		Confidence level on asset condition – Score: 2			Develop information as per Serve list	Les
7.3	7 - Planning Assumptions and Confidence Levels		Confidence level on asset performance – Score: 2 a. Confidence level known and documented with process for updating and target level shown				
7.4	7 - Planning Assumptions and Confidence Levels		Accuracy of asset inventory– Score: 1 a. Documented process exists for updating maintenance data and used on an on-going basis				
7.5	7 - Planning		Confidence level demand/growth forecasts –				

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources	Status
	Assumptions and Confidence Levels		Score: 2 a. Confidence level known and documented with process for updating (reliability of demand forecasts known to reduce risk of under or overinvestment in infrastructure)				
7.6	7 - Planning Assumptions and Confidence Levels		Confidence level on financial forecasts – Score: 3 a. Confidence level known and documented with process for updating. Linkages to Councils financial strategy demonstrated				
8.1	8 - Outline Improvement Programmes		8.1 - Identify improvements to AM processes & techniques – Score: 3 a. Improvement program that details the requirements to achieve the appropriate practice i.e. Improvements aligned with estimated appropriate AM level				
8.1	8 - Outline Improvement Programmes		Identify improvements to AM processes & techniques – Score: 3 d. Current and desired AM practices are detailed				
8.3	8 - Outline Improvement Programmes		Identify resources required (human & financial) – Score: 1 a. AM improvement program approved by Council/management				
9.1	9 - Council Commitment		AM Plan adopted by Council including improvement programme – Score:2 c. Council has on-going training to grow AM culture and overall understanding				
9.1	9 - Council Commitment		AM Plan adopted by Council including improvement programme – Score:3 e. AM improvements programme adopted and appropriately funded (Note this is in AM area not general improvements)				
9.2	9 - Council Commitment		Council has defined the Appropriate AM Practice it has/is adopting programme – Score:0 a. AM Policy adopted by Council				
9.2	9 - Council Commitment		Council has defined the Appropriate AM Practice it has/is adopting programme – Score:0 b. AM policy aligned with AM improvement plan				
10.2	10 – Sustainability		Compliance with LGA 2002 – Score: 0 a. Is sustainable development discussed				
11.1	11 - Planning by Qualified Persons		AM Planning should be undertaken by a suitably qualified person – Score: 3 b. Targets and reporting for Energy and Resource consumption shown				
12.1	12 - AMP Format		Purpose of the plan – Score: 2			Create a table for both	

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources	Status
			a. Determination on who will read the plan and what they need to know			AMP's	
	General Asset Management Process Improvements						
1	Property Assets Condition Assessment Process Improvements.		Outcomes of Data Collection / Condition Assessments				
			Condition Assessment Tablet training				
			Increase frequency of some Condition Assessments for some critical assets				
			Investigation other options for Building Condition Assessment applications				
			Can 3D Scanning images be used to provide improved information?				
2	SPM Application Improvements.		Improved training on the current SPM application				
			Mobile data collection and download/data input training				
			Data Quality rules required and improvement plan developed.				
			Investigate an interface SPM and GIS or similar apps				
			Ask SPM to provide additional costs input data tabs (Project labour, Material and Services)				
			Investigate improved SPM reporting functions, or use of specialist apps (Cognos etc.)				
			Improve SPM standard data reports				
3	Service Request Process Improvements		Document a clear process for actioning defects (service requests). Make improvements if required The process is in place but needs enforcement.				
4	Define team asset management responsibilities		Clearly define team member/roles Asset Management responsibilities.				
5	Team Project and		Asset Management				

Task ID	Area for improvement	Weak areas identified in audit of AMP	Action/task description	Priority	Target date	Cost/resources		Status
	Asset Management skills/capabilities.		Ongoing mentoring/guidance as the next AMP is developed 2018 onwards Participation in Asset Management forums / conferences					
			Project Management New Project Management process and support system improvements is being planned shortly Specific TDC PM process training is required for all staff undertaking PM roles.					
6	TDC Infrastructure Strategy – Facilities Inputs		Actively participate in the TDC AM Strategic Planning processes Property and Parks/Reserves departments are now being incorporated into the Infrastructure Strategy document					
7	Property / Parks Service Level Targets		Create a set of SMART Service Level Targets e.g. Timely Service, Availability, Compliance etc.					
	Manage Waugh report recommendations		As per Section 11 of AMPs. Improvements have been identified from the Waugh report					Les

11.2.1 COMPLETED IMPROVEMENT PLAN TASKS

Following is a list of Improvement Plan Tasks that have been completed since the development of the 2012 Asset Management Plan.

- Incorporation of comments from Waugh Report
- Asset data is much more complete than in the 2012 plan but is still not entirely reliable. This is a process of continuous improvement.
- Improved relevance and readability of AMP content.
- Improved forecasting of asset demand.
- Improved access to useful financial and project information.
- Inclusion for non-building assets ie CBD CCTV

11.3 Monitoring & Review Procedures

The framework for the 3-yearly review of the AMP in terms of the breadth of considerations is illustrated in the following figure.

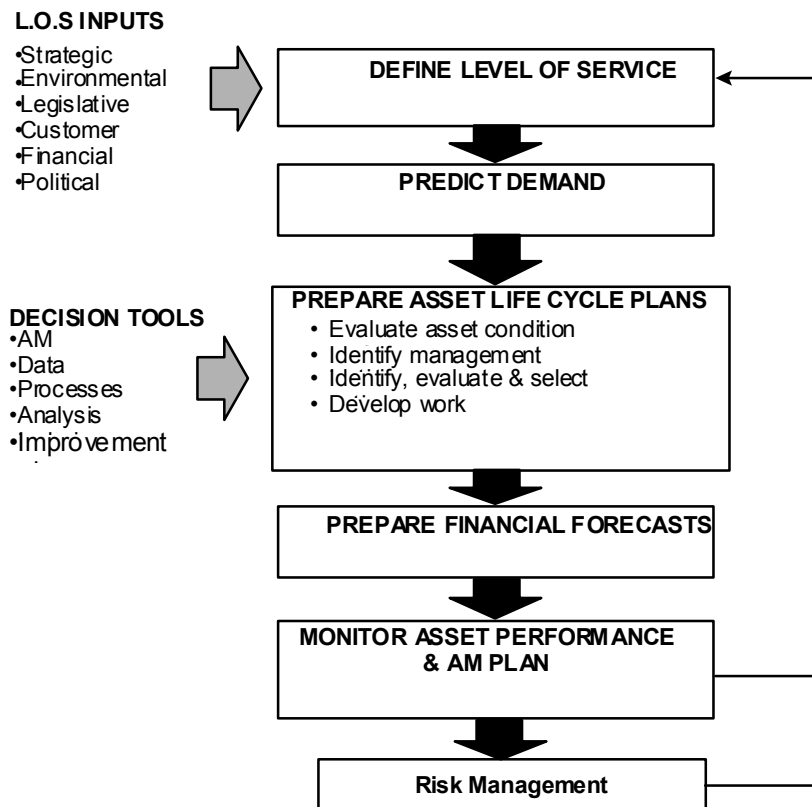
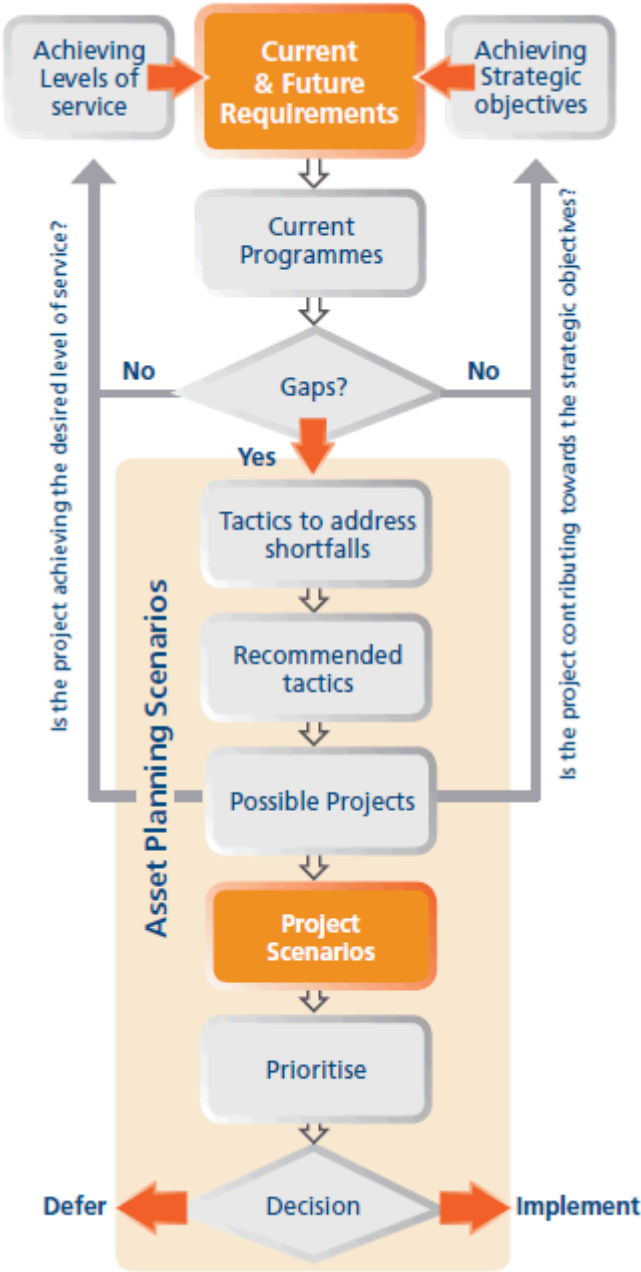


Figure 1: Asset Management Plan Review Procedure



Decision Making Framework