

MITCHELL SHIRE.
*Buildings Asset
Management Plan
– Plan D*

M I T C H E L L



S H I R E C O U N C I L

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BUILDINGS INFRASTRUCTURE ASSET MANAGEMENT PLAN

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Front Cover Photos: Top LH – Goulburn Park, Seymour – Sound Shell
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1. Executive Summary – Community Buildings & Facilities

1.1. Overview

Council is responsible for delivery of large and diverse number services from buildings either under its ownership or as an appointed committee of management.

This document (Part 'D' – Buildings) is an asset management planning tool. Specifically, it defines how Council intends to manage its assets to support the services provided to the community from Council's buildings & facilities. It outlines the standards for operation and sets out the processes for maintaining and improving Council's performance in delivering those services. Listed throughout the document are references to proposed service improvement activities.

The buildings and structures are held in Council's Asset Management System – Conquest. To determine the value of these buildings and structures Council undertakes an assessment through an independent valuer with respect to fair market value. It should be noted that fair market value is not representative of actual renewal costs.

Council currently has 285 buildings and structures on its asset register, with a fair market value of \$96,391,800 as at 30 June 2013. The services provided from these buildings can be seen in the table below.

Building Type	No.	Value
Buildings		
Amenities Blocks (Public)	25	\$4,600,714
Community & Senior Citizens	16	\$16,504,343
Council Administration	7	\$4,153,779
Council Operations Buildings	12	\$1,388,627
Community Halls	10	\$7,988,106
Commercial Heritage	2	\$1,263,518
Community Heritage Buildings	11	\$3,573,856
Kindergartens	11	\$3,394,841
Kiosk	1	\$16,558
Leisure Centres – Dry	2	\$6,590,007
Leisure Centres – Wet	2	\$22,731,950
Libraries	4	\$2,765,925
Maternal & Child Health	7	\$2,573,420
Residential House	1	\$161,675
Residential Unit Blocks	2	\$869,700
Social Club Rooms	4	\$1,701,118
Sporting Pavilions & Club	29	\$11,995,866
Visitors Centre	1	\$127,556
Subtotal	147	\$92,401,559
Structures		
Shade / Shelter & Other	21	\$139,793
Sheds & Outbuildings	76	\$3,087,115

Building Type	No.	Value
Open Space Structure	41	\$763,333
Subtotal	138	\$3,990,241
Grand Total:	285	\$96,391,800

Extracted from Councils Asset Management System, Conquest

The Council's Property Officer is currently working with the Community and Recreation Division and the Engineering Service Department to determine the tenanted status of each of the Council's buildings including leases, trusteeships and other agreements in place. This will provide for any required future changes in building status to be made directly to Council's building asset register.

1.2. Future Demand

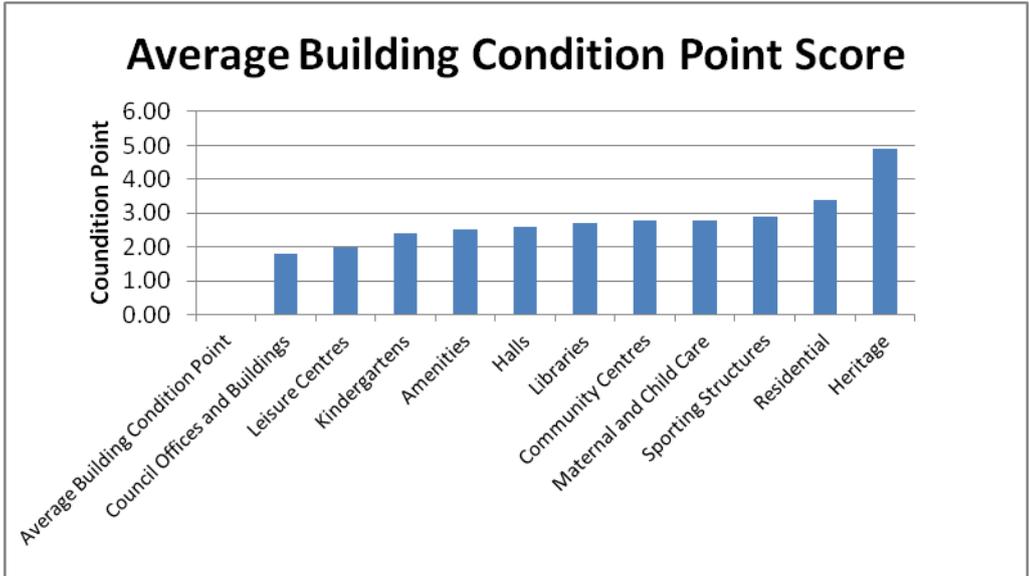
Council officers are assessing the current and future service demand and associated infrastructure to support these services. To this end independent qualified analysts have been engaged to undertake a breakdown of the requirements. An example is the "Integrated Community Services and Infrastructure Plan" (ICSIP), the report explores community requirements both short and long term (0-3 years and 3-7 years) across the shire and draws on forecast population growth to predict the service demand, timeframes and infrastructure requirements to support these services. The report was in draft form at the time of producing this asset management plan. The ICSIP will need to be analysed further prior to informing the "Building Infrastructure Asset Management Plan" (BIAMP).

1.3. Current Condition of Council's Buildings

Conditions of building assets are critical to renewal and maintenance value calculations. They determine the position within the assets lifecycle where the asset lay. The position within the assets lifecycle has two main impacts, one it determines the dollar value of depreciation and ultimately when renewal is to be applied. The second is the value in dollars of maintenance required, for example a building toward the end of its lifecycle will require greater maintenance funding than a newly constructed building. These calculations in turn feed into the Councils long term financial plan.

Council funded partial building condition inspections in the 2012/13 budget. The building attributes inspected were of a structural nature and covered the foundations, wall structures and roofing. During this process, Council also had all building defects data collated to formulate future Capital and Maintenance Works programs. This is the first of such funding allocation.

Fit outs and the internal components of buildings, were not assessed as a part of this process. Service levels are currently being developed by Council officers to develop a benchmark for these building components. Building fit outs can represent approximately 14% of the building's value.



The above graph shows the average condition score broken into service categories. The scale is rated as 1 relating to brand new and 10 complete failure.

1.4. Service Improvement Plan

During the development of this plan, several key issues were identified for which various improvement activities have been documented and listed in section 6.2 – Service Improvement Plan Activities.

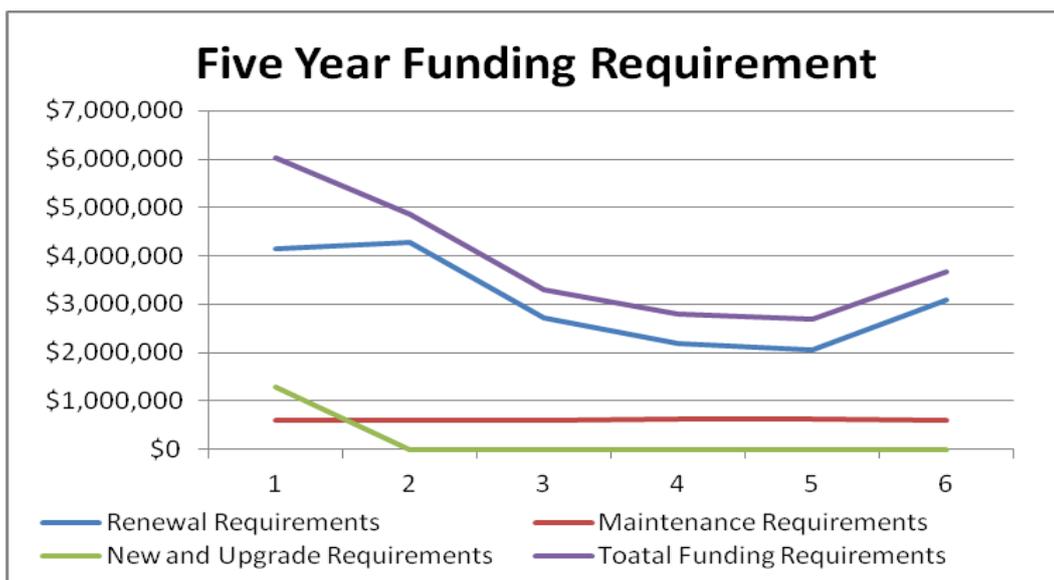
1.5. Financial Position

Council participates in the Municipal Association of Victoria’s STEP asset management improvement programme. As part of the STEP programme, a state wide infrastructure renewal modelling tool has been developed and is used to benchmark all Victorian Council’s infrastructure renewal performance and sustainability programmes. This is known as the Moloney Gap Model.

The following table shows the next 5 years of funding requirements for building renewal and maintenance expenditure as assessed in October 2013, using the STEP asset renewal modelling tool (Moloney Gap Model).

	2014	2015	2016	2017	2018	5 Year Average
Renewal Requirements:	\$2,466,267	\$2,159,782	\$1,331,280	\$2,309,887	\$1,239,020	\$1,901,247
Maintenance Requirements:	\$592,534	\$591,843	\$602,232	\$612,279	\$620,560	\$603,890
New & Upgrade Requirements:	\$1,298,916	TBA	TBA	TBA	TBA	\$259,783
Total All Funding Requirements:	\$4,357,717	\$2,751,625	\$1,933,512	\$2,922,166	\$1,859,580	\$2,764,920

Note : Maintenance figures were not available a the time of generating the above, the 2012/13 figures have been used.



The above is a graphical representation of the Five year funding requirement
Note : Maintenance figures were not available at the time of generating the above, the 2012/13 figures have been used.

2. Introduction

The development of the BIAMP sets Council on a path of improvement and informs corporate strategy, service planning and planning framework.

This plan has been written with input from several key officers from across the Council. This group of officers is referred to as the Building Infrastructure Asset Management Plan Working Group and consists of the following members:

Title	Unit
Facility Management Coordinator	Engineering Services
Assets Coordinator	Engineering Services
Manager Engineering Services	Engineering Services
Building Services Coordinator	Statutory Planning and Building
Manager Finance	Corporate Services
Management Accounting Coordinator	Finance
Manager Community Services & Development	Community & Recreation
Manager Leisure & Culture	Community & Recreation

2.1. Purpose of the Asset & Service Management Plan

The intention of writing the BIAMP is primarily to document the current scope of services provided by Council's community buildings & facilities, outline the environment in which they operate and to set out a process to monitor, maintain and improve Council's performance in delivering services from these buildings. It will document the responsible department for the management of building and forecast the department's future service requirements.

2.2. Legislative Basis for the Plan

At the highest level, section 3E of the Local Government Act 1989 (LGA), states that the functions of a Council in relation to buildings and facilities include:

- a) Planning for and providing services and facilities for the local community;
- b) Providing and maintaining community infrastructure in the municipal district;

Underlying these functions amongst others, are the Best Value principles outlined in section 208B of the LGA:

- a) All services provided by a Council must meet the quality and cost standards required by section 208D;
- b) Subject to sections 3C (2) (b) and 3C (2) (e), all services provided by a Council must be responsive to the needs of its community;
- c) Each service provided by a Council must be accessible to those members of the community for whom the service is intended;
- d) A Council must achieve continuous improvement in the provision of services for its community;
- e) A Council must develop a program of regular consultation with its community in relation to the services it provides;
- f) A Council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

New buildings and associated works must also comply with all relevant and current legislative building requirements.

Council has also adopted a "Risk Management Framework" document, which provides guidance for day to day building maintenance and operation. The BIAMP will be a key instrument in this process to assist Council to comply with the required regulations, principles and standards.

2.3. Scope of the Plan

Generally, all habitable and non-habitable buildings and structures that Council has either a financial or community interest in should be managed under this plan. Assets covered include, but are not limited to:

- Municipal buildings & offices
- Buildings rented or leased out by Council
- Maternal & Child Health Centres
- Community Halls & facilities
- Senior Citizens Centres & accommodation
- Kindergartens & Child Care facilities
- Heritage buildings
- Libraries
- Sporting pavilions, Leisure Centres & Pools

- Shelter structures in recreation reserves, open space and kindergartens.

2.4. Asset Function

Mitchell Shire Council provides a diverse range of services from its building assets.

Service	Service Objective	No of Buildings
Leisure and Culture		
• Aquatics	Facilitate schools and Community groups with their Aquatic programs.	7
• Structured Sport	Facilitate the provision of a range of sporting facilities across the Shire. Ensure the community has access to a variety of different sporting opportunities and to cater for different levels of sporting competition and needs	29
• Structured Recreation	Provide open spaces that serve the needs of people of all ages, cultural backgrounds and abilities	61
• Library	Services offered by the Shire including: Introductory tours for classroom and community groups Housebound deliveries Free Wi-Fi Internet access Photocopying and printing from 30 cents per A4 page	4
• Heritage Education	Promote its heritage places to the Shire and wider community to ensure that enhanced appreciation of heritage with the Shire is achieved	
Community Development & Services		
Children Services		
• Preschool	Promote and support early childhood professional to use the practice principles for learning and development necessary for every child to learn and develop	8
• Maternal & Child Health	Services offered by the Shire including: Mother and baby health checks Developmental Assessments First mothers groups Advice, information and Health Professional contacts Immunisation Programs	7
• Social Development & Wellbeing	To build an active, vibrant, healthy and socially connected community	
• Playgroups	To encourage the development of skills which are important preparations for kindergarten and school: Babies are offered play experiences to stimulate their senses Toddlers practise their developing physical, intellectual and language skills Preschool children practise social skills	

Service	Service Objective	No of Buildings
<ul style="list-style-type: none"> Community Meeting Space 	Provide a range of services that cater to the community Provide places the community can utilise to conduct and attend courses Facilitate access to computers and the internet Provide places to meet for leisure activities and family services such as playgroups	10
<ul style="list-style-type: none"> Community Education 	Support local community groups and residents by running a series of free workshops. These workshops seek to build stronger and more sustainable practice for community groups and organisations.	
<ul style="list-style-type: none"> Community Housing 	Provide a range of services that cater to the community Provide places the community can utilise to conduct and attend courses Facilitate access to computers and the internet Provide places to meet for leisure activities and family services such as playgroups	9
<ul style="list-style-type: none"> Seniors Support 	Provide a range of services and facilities that cater to the senior community	
Engineering Services		
<ul style="list-style-type: none"> Public Toilets 	Provide sanitary facilities to the public	25
Operations		
<ul style="list-style-type: none"> Maintenance & Operations 	Provide sustainable solutions to the collection, disposal and resource recovery from waste generated within the community	
<ul style="list-style-type: none"> Waste Disposal 	Provide sustainable solutions to the collection, disposal and resource recovery from waste generated within the community	4
<ul style="list-style-type: none"> Recycling & Management 	Reduce the amount of waste going to landfill by promoting the concepts of reducing, reusing and recycling	4

2.5. Key Stakeholders

The BIAMP will more broadly inform people who are in receipt of one of the many services council has, specifically provided within a community building or facility. Councillors, staff, ratepayers and visitors using or managing the following services will be impacted by this plan:

Service	Facilities
Aged Services	Senior Citizens Centres & Senior Citizens Flats
Community Services	Town Halls, Mechanics Institutes and Community Centres
Child Services	Kindergartens & Maternal and Child Health Centres
Law & Order (Governance)	Municipal Offices
Leisure Services	Leisure Centres & Outdoor Pools
Libraries, Arts & Culture Services	Libraries, Town Halls & Heritage Buildings

Service	Facilities
Sport & Recreation	Open Space Structures, Sporting Pavilions & Club Rooms
Visitor Information	Tourist Information Centres

2.6. Building & Facilities Management Responsibilities

2.6.1. Council

Council has management responsibility for all those buildings outlined in its building register that reside upon Council owned land, or where Council is the committee of management on Crown Land. In order to share the responsibility and empower user groups, Council has delegated the management of some buildings. It has done this in one of two ways, through Funding and Service Agreements and Leases

2.6.1.1. Funding & Service Agreements (FASA)

The FASA were created to provide for local committees to assist Council with managing facilities without having encumbering business requirements.

A large percentage of Council's public recreation reserves and public halls incorporate committees under FASA's. These agreements are reviewed regularly. These committees operate as ambassadors in relation to the Council's assets delivering the agreed services to the community. The FASA for each committee, documents and defines the committee's core function, powers, duties and responsibilities.

The main reason a FASA is entered into is to give the local user groups control and management of the facility and to act as the developmental, planning, promotional and coordinating body. These committees are comprised of representatives from the local user groups. A Councillor sits on each committee and acts as a conduit between the user groups (committees) and Council.

The committees are responsible for creating and implementing policies, procedures, promotions, function bookings, insurance and to ensure administrative processes are undertaken to manage both the committee's and Council's risk exposure.

Council provides the committees with an annual maintenance grant. The purpose of this grant is to support the committees financially for their administrative and maintenance duties. The grant is calculated using a funding formula, based on a percentage rate of estimated maintenance, water, electricity costs as well as a proportion allocated toward reserve furniture, if applicable to the facility.

Funding and Service Agreement (FASA) Funding Formula

100% estimated maintenance costs (Under \$1,000)
+
50% water costs
+
20% electricity costs (as a contribution for security lighting)
+
100% public liability insurance for committee members
+
Other (reserve contributions such as special repairs, building maintenance, furniture under \$1,000)
+
Operations Grant (general operational expenses incurred by the Committee eg. stationery, audit fees)

The FASA specifically details maintenance levels for which the committee is responsible.

For any items identified as a high risk issue, or a one-off item valued at over \$1,000, the committees are required to provide details to the Council for consideration and inclusion in the current maintenance or capital works program. Recent experience shows that in some cases, committees are not meeting these obligations.

Council will need to undertake further work to monitor of the committees expenditures to be able to implement the FASAs in a more proactive manner, enabling the timely identification of building or infrastructure needs and costs.

2.6.1.2. Leases

Where there is a single or principle user group, Council allows a lease agreement to be created for the facility.

There are buildings where these leases are in place. These include the Seymour Football Club Rooms and Seymour Girl Guides Hall.

For these properties, Council has a fixed term lease agreement in place. The lease states that the user group is responsible for obtaining their own insurance, that they undertake all building maintenance and that they meet all operating costs. In most cases, Council levies a peppercorn lease payment. Major building works and capital upgrades and renewal are funded by Council.

The current leases are not consistent across the facilities. It is recommended that as agreements expire they are subsequently placed on a common commercial lease. This will provide consistency and enable Council to better meet legislative requirements.

2.6.2. Council as a Committee of Management

For Council to be responsible for the management of a building residing on Crown land, it must enter into a committee of management agreement with the Department of Sustainability and Environment (DSE). Council has several such agreements. Eg: The Island (Lions Park)-Broadford, Apex Park-Kilmore and Greenhill Reserve (Football club)-Wallan to name but a few.

In contrast, some DSE committees of management exist directly with the user group where Council has no immediate interest. These include but are not limited to the Kilmore Cricket Club on Hunts Road-Kilmore, Upper Plenty Shack-Upper Plenty and the Wallan Mechanics Institute/free library-Wallan.

In some instances, buildings have been placed or erected upon Crown land that serves as a public highway or road reserve. Through the Road Management Act (2004) and arterial road operational demarcation guidelines, Council is the managing authority for all buildings on road reserves in the Shire with the exception of Freeways and licensed (unused) roads. The Broadford Museum precinct is one such example.

3. Levels of Service

3.1. Building Functional Hierarchy

To assist in the prioritisation of capital investment and maintenance works associated with Council's building and facilities, it is recommended that a functional hierarchy of Council's buildings be established.

3.2. Current Levels of Service

Levels of service are defined by performance standards that relate to stakeholder needs and expectations, as well as Council's vision, strategic goals and regulatory requirements. The Best Value section 208a of the LGA is a good example of the requirement to define levels of service.

The levels of service defined in this document provide the basis for developing asset management strategies. Specific service standards need to be established by Council management groups responsible for service delivery out of these buildings. It is important to validate these standards with feedback from the community in order to review appropriateness. This BIAMP defines what the current levels of service are. To inform future iterations of this plan, it is recommended that Council engage with the community to reassess service levels based on the community's input.

3.3. Customer Needs & Expectations

3.3.1. Community Input/Consultation

Considerable stakeholder consultation has been engaged in to inform the management of buildings and facilities as listed below. This feedback has been used in formulating Council's current levels of service.

- Annual DVC Local Government Community Satisfaction Surveys
- FASA agreements and Committees Responsibilities Review
- Officers experience and knowledge of customer expectations
- User Group meetings
- Feedback from Councillors
- Usage & booking records (where available)
- Annual Council Plan development process
- Recreation and Open Space Strategy
- Historical analysis of customer queries and complaints
- Targeted customer feedback surveys
- Annual Budget process

3.3.2. Community Service Level Expectation

3.3.2.1 Design Levels of Service

- Structure is sound construction.
- Is suitable for the service delivery purpose.
- Is accessible by all members of the community it is intended for.
- Offers a safe environment.
- Complies with current building regulations and standards.

3.3.2.2 Performance Levels of Service

- Low environmental impact.
- Contains required amenities for the service provision.
- All amenities are operational.
- Structure is of good appearance.
- Access is provided.

3.4. Technical Levels of Service – Design, Construction & Operational Standards

It is assumed that each building under Council's control complied with the various design and construction standards at the time of their erection. The challenge Council now faces is compliance with new and changing standards to existing buildings.

The only design and construction regulation that Council is actively applying retrospectively to its buildings are the Disability Act 2006, The Disability Discrimination Act (DDA) 1992 and the Essential Service Provisions of the Building Regulations (2006). Council currently has a programme of upgrading building access and toilet facilities in buildings built prior to the implementation of the DDA Act 1992, where this does not clash with heritage listings. Council is also conducting regular Essential Service inspections.

Operationally, the upgrades are being implemented by each service manager as budgets allow (or as per the budget allocation applied).

Council's goal is to build infrastructure that meets the needs of the community. New building construction must be of commercial standard and capable of withstanding the highest levels of community usage.

In summary, Council's current technical service requirements are:

- Maintain all buildings under Council's control to an as constructed standard (pending drafting of service levels).
- New buildings are ideally constructed to commercial quality
- New buildings and renovations are designed utilising Ecologically Sustainable Design principles, and references are made to Council's Sustainability Officer.
- Buildings to be compliant with DDA regulations.
- Buildings providing regulated services shall comply with legislated operational guidelines.

3.5. Maintenance Levels of Service

Councils are custodians of community infrastructure and have an obligation to ensure that it is well maintained. History shows, that as an industry, Local Government has not managed infrastructure well. The current drive to improve asset management practices across the industry is an attempt to address these past poor practices.

During the development of this plan it was found that insufficient funds were allocated to asset maintenance in past years. Maintenance funding within the current year (2012-13) is approaching more sustainable levels and should be maintained into the future.

To ensure these funds are utilised efficiently and service levels are maintained, enhancements to the building maintenance management system are recommended.

This includes:

- Building maintenance defect audits to be undertaken on a regular basis.
- Building maintenance service levels to be established and documented.
- Building maintenance requirements to be identified & prioritised in accordance with service levels.
- Building maintenance requests to be undertaken in accordance with agreed service levels.
- Appropriate maintenance costs are funded annually.

For appropriate maintenance to be carried out within available funding levels, a ranking system should be applied so that the most important works are completed first. By establishing functional and importance hierarchy for buildings and infrastructure a maintenance service level can be established.

3.6. Levels of Service Performance Standards

Levels of service must be simple, measurable, realistic and based upon agreed timeframes. Community levels of service are best measured in terms of Legislative Compliance, Safety, Accessibility, Stakeholder Satisfaction and Responsiveness. Technical levels of service performance are best measured in terms of Quality, Quantity, Condition, Capacity and Environmental standards.

Using the measures established in relation to community and technical levels of service as a basis, current performance standards have been set out in the following tables.

Community Levels of Service – Performance Standards (TO BE REVIEWED)				
Key Performance Indicators (KPI)	Levels of Service	KPI Measurement	Target Performance	Current Performance
Legislative Compliance	Compliance with relative legislation & regulations	1. Percentage of works completed annually as outlined in Disability Action Plan		Not Measured
		2. Percentage of Essential services targets achieved		Not Measured
Safety	Ensure all users, visitors, staff & contractors comply with health and safety laws	1. No. of incident reports, claims history and complaints		Measured By Risk And Compliance
Accessibility	Build & maintain accessible infrastructure	1. No. of targeted buildings in Council's Disability Action Plan		Not Measured
		2. No. of access related complaints		Not Measured
Stakeholder Satisfaction	Build & maintain infrastructure that meets the needs of the community	1. Performance in annual DPCD Customer Satisfaction Survey in the Appearance of Public Areas	52% (2011/12 Result)	54% (2012/13 Result)
	Appearance is satisfactory	2. Utilisation Figures		Not Measured
	Availability	Facilities are available for use		
	Comfort	Facilities are comfortable		
Responsiveness	Maintenance is carried out within agreed response times	1. No. of outstanding defects from approved programme.		Not Measured
		2. No. of reactive maintenance carried out within agreed response times.		Not Measured

Technical Levels of Service – Performance Standards (TO BE REVIEWED)				
Key Performance Indicators (KPI)	Levels of Service	KPI Measurement	Target Performance	Current Performance
Quality	New buildings are constructed to commercial quality	1. No. of design/ construction related complaints in 0-5 year old buildings		Not Measured
Quantity	Plan for new facilities as required and dispose of buildings surplus to needs	1. No. of building & facility specific “Needs Improvement” requesting new facilities that are \geq 5% of respondents		5 Areas (2005/06 Result)
Condition	Buildings are maintained in priority and renewed as planned	1. No. of outstanding defects in high priority facilities 2. Percentage of planned maintenance funding adopted in budget 3. No. of buildings above overall condition threshold (renewal back-log).		Not Measured Not Measured Not Measured
Capacity	Services and user groups have sufficient space available	1. No. of building & facility specific “Needs Improvement” requesting expanded/upgraded facilities that are \geq 5% of respondents		4 Areas (2012/13 Result)
Environment	Develop facilities in an environmentally sustainable manner	1. Percentage of Cities for Climate Protection targets achieved	Milestone 5	Milestone 4

4. Building & Facilities Lifecycle Management Plans

4.1. Asset Details

Cyclic programmes for the following works must be included in management plans (but not limited to):

- Gutter cleaning.
- Carpet cleaning and/or replacement.
- Mechanical heating and cooling servicing.
- Wooden floor polishing.
- Painting.
- Stadium floor recoating.
- Inspection of harness points & safe ladder access points.
- Solar systems.
- Zip style hot boiling & filtered cold water units.

Whenever works are intended for the Shire and heritage facilities, planning approval needs to be sought at the Council Planning level. Heritage Victoria authorisation needs to be obtained for structures with State heritage registration (see 4.3.4). Currently, Whitburgh Cottage, Kilmore is the only State heritage protected building in the Shire.

Renewal works will be based on planned condition assessments recommendations.

4.2. General Asset Information

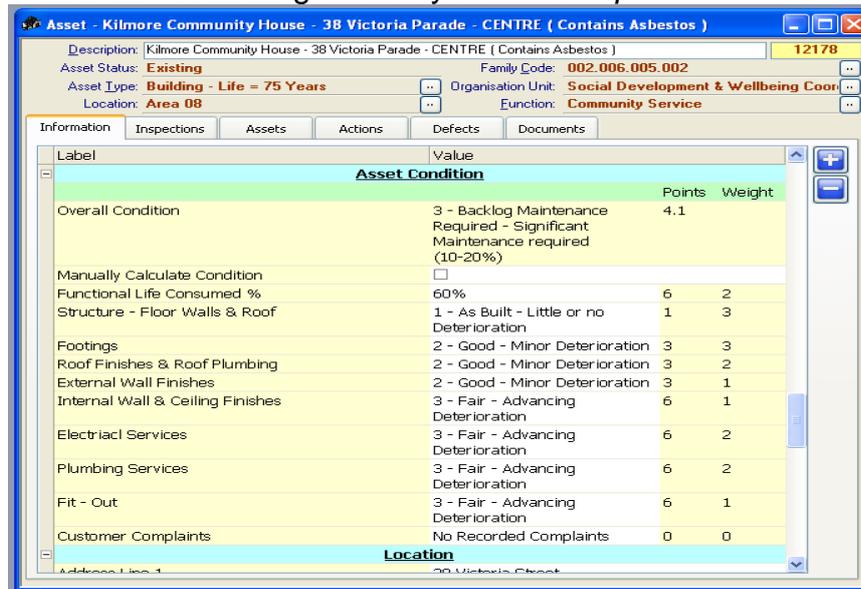
4.2.1. Asset Condition

During 2013, a suitably qualified building practitioner assessed the condition of the majority of Council facilities. This information is currently being collated and input to Council's Asset Management System.

The following table represents the criterion and weightings used to calculate the weighted overall building condition score (WOCS):

Element	Structure - Floor Walls & Roof	Footings	Roof Finishes & Roof Plumbing	External Wall Finishes	Fit-Out
Weighting	3	3	2	1	1

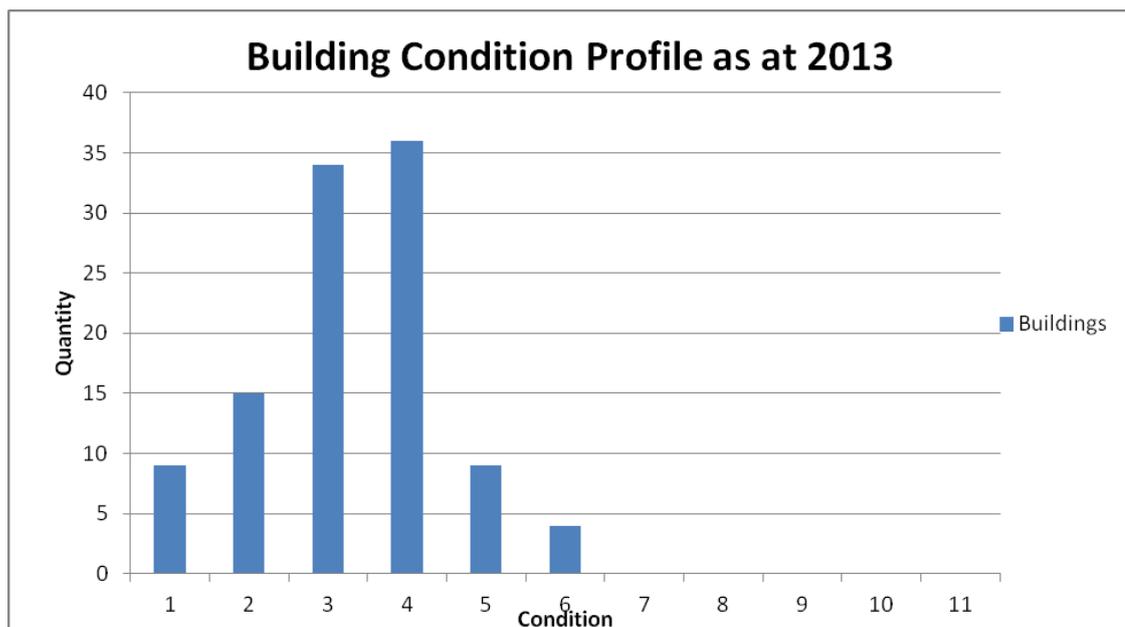
The following figure represents an actual condition assessment example from within the Asset Management System - Conquest.



4.2.2. Current Condition Profile

Council commissioned a condition assessment of Council’s buildings in 2012. The assessment was structural in nature and related to roof, footings and structure. This is the first external condition assessment of building structures and was funded from the 2012/13 budget.

The expected outcome of the condition assessment will be the establishment of the stage of the lifecycle that the building components are residing in and this will flow onto the renewal funding requirements, informing the Council’s future and long term financial plan.



Council has chosen to intervene and apply the renewal funding at condition point 8 on the building components. The condition assessment has

determined that the majority of Council buildings are at condition point 4 or below. On average it would be expected that buildings would deteriorate at 0.20 of one condition point per year given normal conditions.

One building aspect still to be assessed is the fit-out. In order to assess this, levels of service will need to be established. As an indication, building fit-outs can represent approximately 14% of the building market value, as set down by MAV. This funding will need to be taken into account in future budgeting.

The following table represents the various types, number, average age and market value of Council's current building stock.

Building Type	No.	Average Age	Value
Amenities Blocks	25	29	\$4,600,714
Community & Senior Citizens	16	36	\$16,504,343
Council Administration Buildings	7	13	\$4,153,779
Council Operations Buildings	12	18	\$1,388,627
Community Halls	10	31	\$7,988,106
Commercial Heritage Buildings	2	103	\$1,263,518
Community Heritage Buildings	11	107	\$3,573,856
Kindergartens	11	37	\$3,394,841
Kiosk	1	33	\$16,558
Leisure Centres – Dry	2	10	\$6,590,007
Leisure Centres – Wet	2	23	\$22,731,950
Libraries	4	44	\$2,765,925
Maternal & Child Health Centres	7	34	\$2,573,420
Open Space Structure	41	33	\$763,333
Residential House	1	31	\$161,675
Residential Unit Blocks	2	36	\$869,700
Shade / Shelter & Other	21	20	\$139,793
Sheds & Outbuildings	76	27	\$3,087,115
Social Club Rooms	4	31	\$1,701,118
Sporting Pavilions & Club Rooms	29	33	\$11,995,866
Visitors Centre	1	36	\$127,556
Totals:	285		\$96,391,800

Updated as at 25/07/2013

4.3. Asset Demand/Capacity/Performance

Population growth in the Shire has increased approximately 12% over the last 5 years. This growth places an additional demand for services, with most growth taking place in the townships of Kilmore and Wallan. The Bureau of Statistics projections for the next 5 years forecasts a population increase of 23% with most of the growth taking place in Wallan and Beveridge.

Elsewhere, community facility demand is holding steady due to over capacity, sufficient numbers of specialised facilities and low patronage.

Current predictions of growth (annual average of 4.25% per annum) will place increasing pressure in the short term (5-10 years) on facilities in Wallan and Beveridge and in the medium term (10-15 years), Kilmore.

It is the intention of this plan to recommend the development of a framework that will identify areas of demand with a view to strengthening corporate understanding and broaden the Council's knowledge base to accommodate this future demand. In future reviews of the plan, options for the consolidation, rationalisation and sharing of some facilities should be considered.

In recognition of resource constraints, Council and the increasing demands for some services, a strategy needs to be discussed to maximise the use of existing facilities and rationalise those that are under utilised.

4.3.1. Community Development & Service Facilities Demand/Capacity

The Community Development & Services unit is responsible for managing services that rely in some part on the provision of a Council building or facility as follows:

- Halls / Community Centres
- Senior Citizens Centres
- Kindergartens
- Maternal & Child Health facilities
- Aged Residential Accommodation

In July 2008, the Community Development Unit analysed current trends of building usage within its service divisions of Aged Services, Kindergartens, Maternal & Child Health, Youth Services and Social Development and Wellbeing. The trend indicated many building were under utilised. A follow up analyses of these occupancy rates should be undertaken in 2013/14.

Council officers are reliant on building inspections and audits, as well as written advice from the Building Committees to help guide priorities and identify key issues that need addressing in the Capital Works budgets.

Although the Shire is growing rapidly, usage analysis has determined that in the short term, increases in demand can be met from the majority of current facilities.

Council should consider placing calendars on the Council's website for the purpose of booking buildings and rooms to aid committee's in:

- a) Promoting Council's buildings
- b) To maximise facility usage.

This would assist in calculation of the building usage and help address under utilisation of some facilities.

Current corporate goals for Community facilities are:

Goal	Source
Enhance Council infrastructure to foster healthy and vibrant communities.	Council Plan 2013-2017
Continue to build strong partnerships with committees of management, health and community service providers.	Council Plan 2013-2017
Undertake service improvements to ensure programs and activities promote community connectedness and wellbeing.	Council Plan 2013-2017

4.3.2. Leisure & Culture Facilities Demand/Capacity

The Leisure & Culture Department manages leisure centres, indoor and outdoor pools, a number of open space structures and sporting pavilions and libraries.

As a key component of the demand planning process, Master Plans have been developed for most reserves located within the Shire. Master Plans detail and prioritise upgrade and renewal works required across the Shire and inform the Five Year Capital Works program submissions by the Leisure & Culture Department.

The Master Plans are developed in consultation with user groups, community members and Council officers, and when adopted by Council become key strategic plans for community facility usage within the Shire.

Current corporate goals for Recreation & Leisure facilities are:

Goal	Source
promote opportunities to support active and involved communities	Council Plan 2013-2017
Enhance Council infrastructure to foster healthy and vibrant communities.	Council Plan 2013-2017
Undertake service improvements to ensure programs and activities promote community connectedness and wellbeing.	Council Plan 2013-2017

It is important that Leisure Facilities are developed and maintained to a standard consistent with their high public usage. Current statistics indicate that approximately 130,000 people visit the Kilmore Leisure Centre and 90,000 people visit the Seymour Sports and Aquatic Centre each year. As well as maintaining a modern appearance to maintain aesthetic appeal and customer's expectations, it is also vital that the facilities are accessible to all.

4.3.3. Library Facilities Demand/Capacity

Currently Council operates library services from four sites of which one is a leased commercial premise.

Long term requirements of the Library Service will be the establishment of a new Library in Wallan as the current facility will not be of an adequate size to service the population of Wallan beyond 2020.

A recent commissioned Community and Services Infrastructure Plan suggests that the floor spaces in three of the four facilities are inadequate for requirement, this will need to be addressed in coming years.

4.3.4. Heritage Buildings Demand/Capacity

Council manages a total of nine heritage buildings, one of which is used for commercial enterprise, and one is register on the Victorian heritage listing. The remaining eight buildings can best be regarded as utilised for passive admiration.

Current corporate goals in for heritage buildings are:

Goal	Source
The purpose of this policy is to assist Councillors and Officers of the Mitchell Shire Council to provide for an appropriate level of recognition, and support for heritage places and items within the Shire. Such places and items may be managed or owned by public or private institutions or entities, or be present on private or public lands.	Mitchell Shire Heritage Policy

General community interest is high regarding conservation of our heritage buildings however with no offsetting income, they place significant financial burden on Council's maintenance and asset renewal budgets.

Council's current strategy for managing these buildings is through the encouragement of "friends-of" groups and committees of management. These groups often produce better outcomes than if Council was to manage the building in-house.

The establishment of the Heritage Advisory Committee assists Council in forming a strategic development and utilisation plan of heritage buildings and sites for the future.

4.3.5. Council Operations & Facilities Demand/Capacity

Due to a steady increase in the Shire's population and a subsequent need to increase Shire staff to meet the service needs of this growing community, Council needs to undertake a full assessment of their current accommodation.

The rapid growth in the south of the Shire is placing pressure on Council to provide an increased operational and customer service presence in Wallan and Kilmore. The establishment of the council depot alongside the transfer station in Wallan and the customer service centre located in Wallan library are responses to these issues.

4.3.6. Public Amenities Demand/Capacity

A public amenities building is defined as one that is readily accessible and open to the public during daylight hours. Of the thirty toilet facilities in the Shire, twenty five are considered to be public.

During 2005, a strategy for the maintenance and renewal of Council's current public amenities was developed. The strategy was endorsed by Council and identified the following issues:

- Several facilities need complete refurbishment.
- Four facilities require complete renewal.
- Most facilities need disability provisions or upgrades to comply with DDA requirements.

The following table represents an analysis of the number of public amenities by town and population with current growth projections. Toilet amenities exist inside various other Council managed buildings but are routinely closed outside of events or when not occupied.

Locality	No of Public Amenities	Population (2008)	Population (2013)	Forecast (2020)
Beveridge	1	548	1,171	4,394
Broadford	3	4,249	4,622	4,990
Kilmore	1	6,002	7,142	9,702
Pyalong	2	2,481	2,612	2,627
Seymour	8	6,566	6,486	6,655
Tallarook	1	291		
Tooborac	1	80 Est.		
Upper Plenty	1	100 Est.		
Wallan	2	7,552	9,874	16,733
Wandong	2	2,804	2,945	2,982
Waterford Park	1	200 Est.		
Rail Trail	2	-	-	-
Total:	25	30,873	34,852	48,083

Population stats – ABS 2013

As part of councils 2013/17 plan to “enhance Council infrastructure to foster healthy and vibrant communities” Council officers are reviewing and improving the Council's public amenities, strategies have been formulated in response to Council's objectives and are listed below:

KRA	Strategy
Investigate opportunities for the enhancement of existing facilities	1. Adopt standards for renewal which include minimum refurbishment guidelines (See Appendix B)

4.4. Building Asset Valuations

Council buildings were last re-valued in 2011/12 in conjunction with Council land. Valuations were undertaken by Council's external licensed valuer who used "Fair Value" as the method of valuation.

This is in accordance with AASB116 and Victorian Government Policy FRD103D Non-Current Physical Assets, issued by the department of Treasury and Finance in December 2004.

Fair Value is defined under clause 6.0 of AASB116, as follows:

"Fair Value means the amount of which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction."

Underlying this definition is the presumption that the entity is a going concern without any intention or need to liquidate or otherwise wind up its operations, or undertake a transaction on adverse terms. An asset's fair value is measured having regard to the highest and best use of the asset for which the market participants would be prepared to pay.

The valuation process involves firstly determining, is here a quoted market price in an active and liquid market available for the asset. If such does not exist, the next test is to establish if there are any current selling prices or recent transaction prices available for the same asset or assets of similar use, type and condition, generally referred to as comparable sales.

In the event of there being no comparable sales evidence, or market transaction, then the valuation approach requires the assessment of fair value of the land to which is added the depreciated replacement cost of the improvements. Depreciated Replacement Cost is defined as the current replacement costs of an asset less, where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefit of the asset.

* Source:- P.W. Newman Pty Ltd

Building revaluations are generally undertaken every two years at which time both the current value and remaining life of the building asset are assessed.

This process is in accordance with the Australian accounting standards and the aggregated figures are recorded in Council's annual report.

4.5. Asset Depreciation

Currently, depreciation is calculated using a condition based methodology.

Commencing in the 2005/06 valuation year, each building asset has been valued based on fair value and has had its remaining life reassessed. The

annual depreciation charge has then been calculated by the use of the formula:

$$\text{Annual Depreciation} = \text{Current Fair Value} / \text{Remaining Life}$$

The following table represents the value of Building assets at 01 July 2012:

Current Fair Value	Accumulated Depreciation	Written Down Value
\$ 94,957,318	\$ 46,574,773	\$ 48,382,545

Whilst depreciation recognises expired future economic benefit of the asset, for the purposes of asset renewal asset managers should use condition based depreciation assessing the remaining life of the asset using condition and economic information.

The asset management process uses condition based depreciation to determine the remaining useful life.

4.6. Building Insurance

Council's Risk and Compliance Unit coordinate the insurance of Council's buildings & facilities. Currently, Council's buildings are insured through Jardine Lloyd Thompson Australia Pty Ltd Municipal Asset Protection Plan (JMAPP), which services 78 Council and 15 Water Authority members.

Due to high insurance costs, officers are currently analysing the building register with a view to self insure a number of low risk or low value structures to reduce Council's annual premium.

4.7. Routine Maintenance Plan

4.7.1. Maintenance Strategy

The core approach to Facility Management should be the development of intervention levels based on service need and asset criticality.

These intervention levels would be specific to service outcomes and developed around asset hierarchy. These should be used to establish budgets and promote realistic response times to the users of each facility.

Once service levels have been established, preventative cyclic maintenance plans can be developed which will support the effective use of recurring expenditure allocations. Preventative maintenance encompasses actions such as painting, gutter clearance and floor re-surfacing.

The goal is to record all building defects in Council's Asset Management System and then generate actions from Conquest, to enable accurate maintenance planning and tracking. Defects and actions established in

Conquest at present for routine and cyclic maintenance are carried out by Council's building Maintenance staff.

Council retains a Facility Management coordinator, a team leader & two full time staff to undertake skilled labouring tasks. The maintenance team carry out approximately 30% of all maintenance works funded from within the annual operating budget. The other 70% of the defects recorded in Conquest and the subsequent actions are dealt with under Council's competitive procurement processes. Examples of these skills include:

- Commercial builders
- Engineers
- Architects
- Carpentry
- Electrical & Data
- Plumbing
- Painting
- Plastering
- Glaziers
- Concreting
- Hand Rails
- Floor coverings
- Window coverings
- Cabinet makers
- Handy persons,
- Furniture removalists
- Heritage advisors
- Hardware supplies
- Electrical supplies
- Plumbing supplies
- Locksmith
- Building access security (card swipe)
- Fencing
- Zip style hot & cold water units
- Gutter cleaning of all the buildings not included within our cleaning contract twice a year
- Mechanical services of all council operated facilities
- Sports stadium floors recoated
- Inspection of harness points & safe ladder access points
- Inspection of Back Flow devices
- Testing & Tagging
- Asbestos audits
- Solar systems.

Furthermore, it is planned to develop cyclic actions and cost forecasting prior to the next Asset Management Plan review.

4.7.2. Maintenance Standards

Generally, maintenance is classified into three service levels

- Urgent Unplanned Reactive Maintenance – Maintenance needs arising from unforeseen failure significantly impacting on service, safety or corporate function.
- Planned Proactive & Cyclic Maintenance – Maintenance items found through routine inspections and general operation considered to be of high priority or impact, but poses no immediate threat to service, safety or corporate function. (Includes routine items such as clogged gutters & flaking paint.)
- Deferred Maintenance – Maintenance which can be completed during future capital works, works not carried out because of very high costs or low priority due to minor impact on service delivery or safety.

The potential consequences of not undertaking the required maintenance when it falls due include:

- Disruption to service provision
- Degradation of asset condition or performance
- A public health or safety risk
- Inconvenience to staff or the public
- A security, theft or vandalism risk
- Breach of regulations
- Increased maintenance costs by deferring work
- Property damage such as water or weathering
- Any other risk considered to be high in nature

Within each maintenance category, intervention service levels need to be formulated to ensure maintenance works are carried out in a consistent manner with regard to priority and repair methods.

4.7.3. Building Maintenance Service Agreement

Council employs a Facility Management Team, as the lynch pin for Council's maintenance activities and coordination of most of the building maintenance process as well as the supervising of a number of maintenance contracts. While there are minimal formal maintenance service agreements in place, Council is developing panels to conduct works in collaboration with Council's procurement area to be established in the 2013/2014 financial year.

Building maintenance works and contractors to be included under these maintenance service agreements include:

- | | | |
|-------------------------|---|-----------------------|
| ● Architects | ● Electricians | ● Data |
| ● Locksmith | ● Engineers | ● Carpenters |
| ● Glaziers | ● Floor coverings | ● Window coverings |
| ● Furniture removalists | ● Heritage advisors | ● Hardware supplies |
| ● Plumbing suppliers | ● Commercial builders | ● Mechanical services |
| ● Plumbers | ● Plasters | ● Cabinet makers |
| ● Electrical suppliers | ● Building access security (card swipe) | |

The current operational contracts in place are listed in the table below:

Works	Frequency	Annual Value
Cleaning services (Council Offices, Depots & Public Toilets)	Daily	\$270,000
Sanitary collection services	Weekly, fortnightly & monthly	\$12,240
Security & monitoring services	Nightly	\$42,000
Essential services	3 monthly	\$24,550

Note:

The table above does not cover all Council buildings. There are a number of duplicated hidden costs that are funded via the FASA's and committees. There is an opportunity for financial saving where Council consolidates contracts.

Minor maintenance (works valued at less than \$1,000) in buildings and facilities that are under a funded incorporated committee is generally undertaken by members of the committee. Larger, more costly works are usually referred to the annual capital works program.

4.7.4. Inspection Requirements

There are various building inspection requirements. The following table represents Council's inspection requirements and their current frequency.

Inspection Type	Frequency	Last undertaken	Next Due
Building Defects	Biennially	2012-13	2014-15
Building Condition	Biennially	2012-13	2014-15
Mechanical Services Condition	Biennially	2013-14	2014-15
Funded Incorporated Committee of Management Compliance	Annually	2012-13	2013-14
Essential services	3 monthly	2013	2014
Backflow devices	Annually	2013	2014
Test & Tag	Annually	2013	2014
Asbestos	Every 5 years	2011	2015

The results of the most recent building defect & condition audit have been used to prepare Council's building maintenance operating budgets and will be used to forecast Council's future renewal demand more accurately. It is

planned to re-inspect these facilities again in the 2014-15 financial year for detailed defect collection and prioritisation.

Due to operational regulations, regular compliance inspections are carried out by either Council officers, the service managers or governing bodies as determined legislation. The Department of Human Services, for example conducts annual inspections of Council's kindergartens to ensure the premises are maintained and safe, while funded incorporated committees require regular checks to ensure they are maintaining the facility.

Additionally, Council's Building Services Coordinator / (Municipal Building Surveyor) conducts regular Essential Services inspections. The maintenance requirements from these inspections are fed back to the maintenance supervisor for scheduling.

4.7.5. Inspection Recording & Reporting

All defect and condition inspections are now recorded electronically in Council's Asset Management System, *Conquest*. Presently, inspection records are collected in the field using a Tablet, iPad or PDA's. Details of the defect collected in the field include:

- Description of defect
- Element of building affected
- Risk level (Low to Extreme)
- Estimated cost of repairs
- Model, make or specification of the failed component
- Measurements (length, width etc.)
- Material types
- Reasons for failure
- Proposed treatment / repair method

These records are then uploaded electronically to Conquest. Once the defect records have been identified, they are prioritised using risk factors and professional judgement. Any defects requiring urgent attention are programmed for action according to the customer service charter tabled below in 4.7.7. All other potential works are programmed for future action in accordance with urgency.

Inspections conducted by the various trade contractors are entered manually. Details entered include the time and date of inspection, inspectors name & company and any defects requiring attention are recorded against each building.

4.7.6. Defect Intervention Levels and Response Times

Council does not have a formalised defect intervention policy in place. Staff members are currently operating a three tier system within the asset management system.

Tier 1 - Above Intervention Levels (Programme)

- Tier 2 - Nearing Intervention Levels (Monitor)
Tier 3 - No Action Required

Categorising maintenance requests into this system is undertaken through a basic risk assessment process by building maintenance staff. This process is not formalized, No procedure or policy is in place to maintain a uniform standard of inputting defect details.

Although requiring greater investigation once all the data has been entered into the asset management system, preliminary indications of the maintenance backlog within Council's building stock is:

Note these have not been costed in the asset management system

Asset Intervention Level	Backlog Cost
Above Intervention Levels (Programme)	\$379,440
Nearing Intervention Levels (Monitor)	\$344,784
Minor Defects	\$49,426
Total	\$773,650

It is proposed to review and update intervention levels in future Asset Management Plan reviews.

4.7.7. Risk Assessment & Prioritisation of Remedial Works

For urgent maintenance, there are four service levels which are categorised by risk analysis. The following table details the customer service charter for reactive maintenance works:

Reactive Maintenance Category	Actions	Target Performance
Emergency (Immediate risk to the safety of the community)	Make safe and organise temporary repairs	4 Hours
Urgent (Risk to the safety of the community)	Inspect, make safe and schedule repairs ASAP	COB Same Day
Standard Request (All other categories)	Inspect and evaluate urgency. Place on future programme.	Inspect within 3 days, complete within 5 Days from time of inspection.
Specified Request (As agreed to by citizen, officer or Councillor)	Inspect and place on future programme for works of a large nature which require detailed planning, i.e. engineering, building permit.	Within agreed time-frame.

4.8. Renewal/Replacement Plan

4.8.1. Renewal Strategy

Currently, the Moloney Gap Model is used to calculate building renewal and any previously underfunded requirement (The Funding Gap). The gap model has been endorsed by the MAV for the purposes of renewal modelling for all infrastructure assets across Victorian councils.

The renewal modelling is based on current building conditions and current financial replacement rates. Council has undertaken condition inspections on its building stocks in 2012/13. These inspections however have not taken into account the building fit outs (carpets, painting, kitchens etc.) as the service levels are yet to be documented. These building fit outs can represent up to 14% of the buildings fair value.

4.8.2. Renewal Standards

All building renewal works must comply with the current building codes and regulations and are expected to comply with Council's Technical levels of service objectives as previously outlined in section 3.3.

Council's Facility Management unit have developed refurbishment standards to bring all public amenities facilities up to the same consistent standard. These standards are outlined in Appendix B.

4.9. Asset Creation/Acquisition/Upgrading Plan

Each year, Council carries out a capital works planning process prior to commencing its overall budget process. Council determines the capital works program for the coming financial year based upon the objective rankings provided by each project advocate in the capital works business case form. In the process, a 'rolling' 5-year capital works program is developed.

The business case records details about each project including the scope, type of works, cost estimate, and strategic justification for the project. Projects are identified through the each unit's business planning process. Business case submissions are then prioritised for referral to budget. A scoring system as is being developed to align these projects with council priorities.

4.9.1. New Subdivisional Developments

The southern townships in the Shire (Kilmore, Wallan & Beveridge) are experiencing rapid residential development. These developments are being subdivided in separate stages by several smaller developers with only three exceptions: 'Mandalay' at Beveridge, Lockerbie at Beveridge & 'Hidden Valley' at Wallan. In general, most of the subdivision and consequential development that has taken place in recent times are based upon old planning permits.

This means that supporting community facilities are not planned to be created by current developers and the associated funding will have to be sourced by Council and developer contributions schemes. At present, the monies collected from previous development schemes will not provide sufficient funding to cater for the increase in demand for new and expanded facilities.

4.9.2. New or Upgrading of Council Buildings & Facilities

Three kindergartens have been identified in 2013/14 budget funding as requiring upgrades to accommodate the growing population.

Individual precinct Master Plans and service strategies in conjunction with the recently commissioned “Integrated Community Services and Infrastructure Plan” will serve to feed this process into future budgeting processes.

The following data represents current budget projections for new and upgraded facilities.

2013/14 budget has provision for:

Upgrade: \$778,916

New: \$34,000

4.10. Asset Disposal Plan

Council has several buildings that are considered to be under utilised, with a few actually remaining derelict for some years. The existence of these structures places pressure on Council’s resources. Where appropriate, buildings should be consolidated and rationalised when no longer required to provide council services.

A strategy for the development of a building asset disposal plan is to first identify those buildings that are surplus to Council requirements or no longer meeting the communities needs.

The functional hierarchy development plan outlined in Appendix A proposes to analyse several key factors of each facility under Council’s control. The resulting ranking score can be used to identify those facilities that are low in priority. Ultimately, the ranking system will highlight individual facilities. The actual disposal management plan yet to be developed would take into consideration the various options for re-use, sale, re-location or demolition.

5. Financial & Resource Management

5.1. Current Financial Position

5.1.1. Current Buildings & Facilities Funding

The following data illustrates current funding levels for Council buildings and facilities in the areas of Maintenance, Renewal, Upgrade and New.

Maintenance \$687,840
 New \$34,000
 Renewal \$486,000
 Upgrade \$778,916

Total \$1,986,756

5.2. Funding Capacity

The following budgeted cash flow statement extracted from the budget report 2013/14 outlines Council's recent Capital and Operating expenditure budgets when compared with income statements.

Cash Flows from operating activities	Budget 2013/14 \$'000
Rates & Charges	\$30,619
Statutory fees and fines	\$436
User Fees and Fines	\$6,374
Grants	\$18,139
Contributions	\$300
Reimbursements	\$266
Interest	\$220
Rent	\$200
Net GST refund	\$1,000
Payments	\$(23,270)
Employee costs	\$(16,404)
Supplier payments (inc GST)	\$(1,621)
Other payments	
Net cash provided by operating activities	\$16,259

Historically, many recreation building projects have been funded through Sport and Recreation Victoria's (SRV) Small Town Development Programme Grant. Projects may include elements of building upgrade and renewal. The funding arrangements are usually a 2:1 arrangement where SRV may fund up to two-thirds of the project costs.

5.3. Staffing Resources

The list below represents the various roles involved with managing Council's building based services:

Position	Responsibilities
Community Development Coordinator	Mechanics Institutes, Senior Citizens Centres, Community Service Buildings, Aged Accommodation and Youth Centres
Children's Services Coordinator	Kindergartens
Maternal & Child Health Coordinator	Maternal & Child Health Centres
Manager Leisure and Culture	Heritage Buildings
Recreation Services Coordinator	Halls & Buildings on Reserves
Manager Leisure Services	Leisure Centres, Outdoor Pools
Libraries Coordinator	Libraries
Manager Operations	Depot Facilities
Facility Management Coordinator	Public Amenities
Chief Executive Officer	Municipal Offices
Manager Finance	Leased Buildings
Building Services Coordinator / (Municipal Building Surveyor)	Essential Services Regulations Compliance
Facility Management Coordinator	Maintenance Coordination
Building Maintenance Team Leader	Maintenance Delivery
Building Maintenance Workers (X2)	Maintenance Delivery
Local Laws coordinator	Pound and Animal Control Facilities

5.4. Funding Strategy

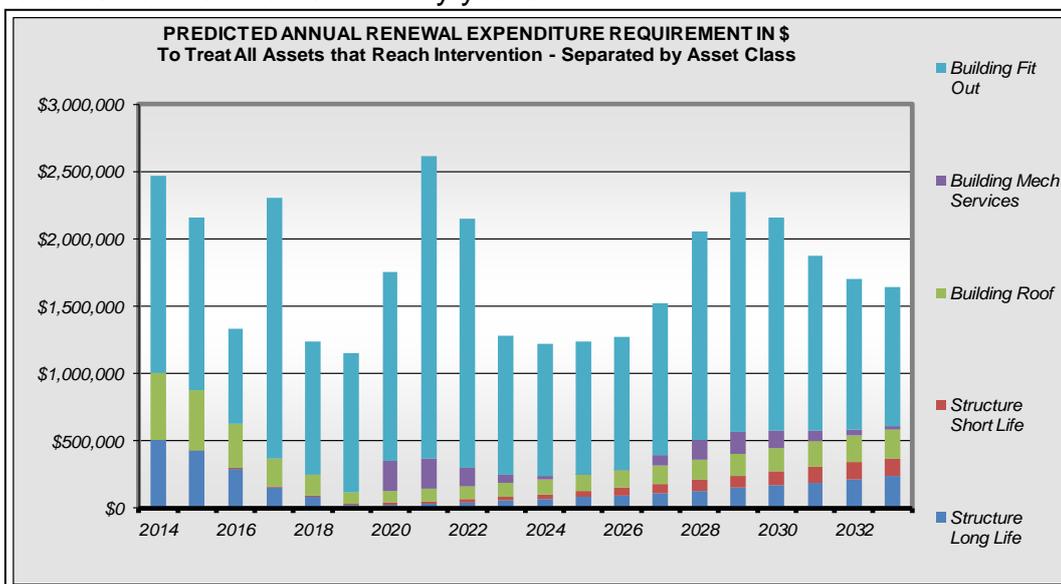
5.4.1. Recommended Renewal & Maintenance Funding

The following table shows the outputs from the renewal modelling process as conducted in December 2012. It should be noted that the data used in the modelling process is based on current building condition data.

	2013	2014	2015	2016	2017	5 Year Average
Total Renewal Requirements	\$2,466,267	\$2,159,782	\$1,331,280	\$2,309,887	\$1,239,020	\$1,901,247
Total Maintenance Requirements	\$592,534	\$591,843	\$602,232	\$612,279	\$620,560	\$603,890

Note : Maintenance figures were not available at the time of generating the above, the 2012/13 figures have been used.

The following graph illustrates the outputs from the renewal modelling process in terms of individual building component renewal requirements as forecasted over the next twenty years.



Break down of Building Component Renewal Requirements by Year Modelled 2012

5.4.2. Renewal Funding Gap

Based upon historical expenditure patterns for building renewal, Council is encountering a renewal funding gap. As better data become available and confidence in the modelling output increases, the gap can be reported with greater confidence.

Based on current budgeted expenditure, the five year average renewal gap has been calculated as outlined in the table below:

	2014-18 \$'000	2019-23 \$'000	2024-28 \$'000	2029-33 \$'000	20234-38 \$'000	2039-43 \$'000	2034-48 \$'000
Average Annual Renewal Expenditure Required	\$1,901	\$1,792	\$1,464	\$1,945	\$2,181	\$2,163	\$2,489
Average Annual Renewal Funding	\$642	\$642	\$642	\$642	\$642	\$642	\$642
Annual Renewal Funding Gap	\$1,259	\$1,150	\$822	\$1,303	\$1,539	\$1,521	\$1,847

5.4.3. Maintenance Funding Gap

Council has recently increased its building maintenance budget to \$370,000. This is nearing sustainable levels for building maintenance and should be continued for a number of years.

The table below shows that there is, based on current modelling, an over funding situation.

	2013-17 \$'000	2018-22 \$'000	2023-21 \$'000	2024-28 \$'000	2029-33 \$'000	2032-36 \$'000	2037-41 \$'000
Average Annual Maintenance Expenditure Required	\$3,019	\$3,196	\$3,223	\$3,224	\$3,219	\$3,199	\$3,201
Average Annual Maintenance Funding	\$3,450	\$3,450	\$3,450	\$3,450	\$3,450	\$3,450	\$3,450
Annual Maintenance Funding Gap	\$431	\$254	\$227	\$226	\$231	\$251	\$249

Note : Maintenance figures were not available a the time of generating the above, the 2012/13 figures have been used.

However, as previously indicated in this report, there is a substantial building maintenance backlog which needs to be addressed.

Asset Intervention Level	Backlog Cost
Above Intervention Levels (Programme)	\$340,640
Nearing Intervention Levels (Monitor)	\$225,974
Minor works	\$48,056
Capital Maintenance Works	\$361,830
Total	\$976,500

Council needs to consider funding in future budgets to reduce this backlog. Once the backlog has been reduced, building maintenance funds can be redirected to ongoing sustainable asset maintenance activities.

As further data becomes available and confidence in the modelling outputs increases, the backlog and gap can be reported with greater confidence.

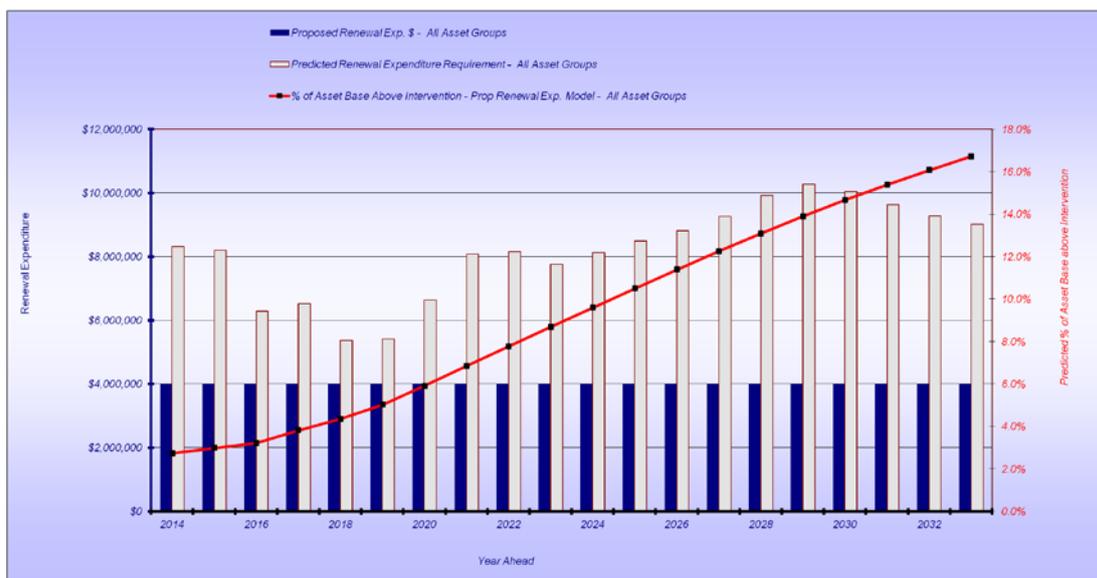
5.5. Prioritising New Work

Council's Asset Management Policy sets down the need to prioritise the funding of asset maintenance and renewal above building new.

Council should prioritise its upgrade, expansion and new capital investment based on the strategic intent as outlined in the Council Plan and other adopted Strategies and Plans

5.6. Funding Performance Measures

Performance measures need to be determined to measure Council's success in the area of financial sustainability. Key performance indicators have been developed to gauge if Council is funding the appropriate amount for renewal as well as maintenance demand.



Source: Moloney Gap Model 2013

6. Management Issues

6.1. Management Responsibilities

Generally, no one manager is responsible for Council’s buildings and facilities. Council currently operates on a decentralised model where each service manager is responsible for operating each facility under their control.

Maintenance is managed through Council’s Manager Engineering Services. This provides a central point of contact and accountability for repair standards and response times.

The asset management process also resides under the control of the Engineering Services Manager. This Unit has the responsibility to undertake strategic asset management and develop asset renewal submissions to Council based on asset management plans such as this. By centralising the strategic overview, Council will achieve efficiencies in the allocation of its resources for renewal and maintenance.

6.2. Service Improvement Plan Activities

Project	Time frame	Funding Required	Resource
Investigate and confirm building ownership and management/lease details to feed into Councils Asset Register.	1/12/2014	TBA	Property officer
Formulate standard lease agreements for Council properties and implement.	1/12/2014	TBA	Property officer
Document and adopt the current levels of service for each Council building.	30/09/2013	TBA	Manager Community & Development Manager Leisure & Culture
Undertake a building strategic needs	30/06/2014	TBA	Asset Management

analysis including the development of appropriate strategies to improve utilisation, upgrade existing facilities, develop new buildings and/or rationalise those no longer needed.			Working Group
Develop cyclic maintenance plans and contracts.	01/12/2013	TBA	Facility Management coordinator
Develop maintenance intervention levels.	01/12/2013	TBA	Facility Management coordinator
Develop disposal criteria and management plan.	30/06/2014	TBA	Asset Management Working Group
Building audits at regular intervals, prioritisation of maintenance works based on agreed levels of service, matching responses times to service level agreements and performance monitoring.	30/06/2014	TBA	Asset management working Group
Measurement of building utilisation	30/06/2014	TBA	Manager Community & Development Manager Leisure & Culture
Policy, documenting the precise building requirements of active reserves in developing areas including population catchment requirements.	30/06/2014	TBA	Manager Community & Development Manager Leisure & Culture
Policy, documenting the precise building requirements of Senior Citizens in developing areas including population catchment requirements.	30/06/2014	TBA	Manager Community & Development
Policy, documenting the precise building requirements of Maternal and Child Health care centres in developing areas including population catchment requirements.	30/06/2014	TBA	Manager Community & Development
Policy, documenting the precise building requirements of Kindergarten centres in developing areas including population catchment requirements.	30/06/2014	TBA	Manager Community & Development
Policy, documenting the precise requirements of Kindergarten centres in developing areas including population catchment requirements.	30/06/2014	TBA	Manager Leisure & Culture
Policy, documenting the precise requirements of Libraries in developing areas including population catchment requirements.	30/06/2014	TBA	Manager Leisure & Culture
Policy, documenting the precise requirements of Leisure centres in developing areas including population catchment requirements.	30/06/2014	TBA	Manager Leisure & Culture
Maintenance intervention levels to be defined and documented.	30/06/2014	TBA	Asset Management Working Group
Appointed committees to have a methodology set up for feedback of capital requirements within the Council's budgeting process	30/06/2014	TBA	Manager Community & Development Manager Leisure & Culture

7. Council References

- Infrastructure Asset Management Plan – Part 'A'.
- Council Plan 2013-2017.
- Moloney Gap / MAV Infrastructure Renewal Modeller, October 2013.
- Integrated Community and Services and Infrastructure Plan 2013.

8. Standards, Manuals & Guidelines

International Infrastructure Management Manual, 2011

9. Appendices

Appendix A: Proposed Building Functional Hierarchy Development Framework

Appendix B: Public Amenities Refurbishment Guidelines

APPENDIX A - PROPOSED BUILDING FUNCTIONAL HIERARCHY DEVELOPMENT FRAMEWORK

Building Functional Hierarchies

The intention of a building functional hierarchy is to provide an order of importance to determine resource allocation when conflicting needs arises. In addition, buildings and facilities that remain low in priority, over time can be assessed as to whether continued ownership is providing value to the community.

In the absence of an adopted functional hierarchy, Council's buildings & facilities can be individually ranked using a framework to create a priority rating. Ranking criteria are based upon risk analysis, patronage, condition, regulation compliance and the importance of the asset to the community.

The proposed Facilities Rating Framework is a "first cut" and has been divided into 3 ratings of High (Score 300+), (Medium (Score 200 – 300) and Low (Score 100 – 200). The scoring system will take into consideration the following key factors and a weighting factor based on importance.

Facilities Rating Framework				
Key Factor in Order of Importance	Score (S)	Weighting (W) 100%	Ranking Score S x W	Rating
1. Importance of Facility to Community		30		
2. Risk – Safety and Function		30		
3. Condition of Asset		20		
4. Patronage – age & demographic		10		
5. Compliance to Regulations		10		

Facilities Key Factors Scoring Tables

In order to provide the tools of assessment, the following tables have been provided to guide an evaluation of the facilities score in each of the key factors that influence the overall Facility Rating.

Key Driver – Importance to the Community	Score
1. Only Provision of access to a multi-purpose or essential community facility	4
2. Important social and cultural in demographic sense	3
3. Require individuality due to culture & social impact	2
4. Other accessible alternatives to essential or multi-use facilities	1

Key Driver – Risk, Safety & Functionality	Score
1. No risk, safety or functional issues	4
2. Requires resources to meet frequent breach of safety, compliance regulations and or use	3
3. Functionality issues – just meets LOS community requires	2
4. High safety and/or poor functionality issues	1

Key Driver – Condition of the Facility	Score
1. As new condition. No visible signs of wear and tear or defects	4
2. Good condition with some signs of wear and tear commensurate with the age and use of the building	3
3. Evidence of minor isolated failure in an element which will reduce future life	2
4. Evidence of multiple failures and the inability of the element to continue to satisfactorily service the original intended purpose	1

Key Driver – Patronage	Score
1. High community use and support	4
2. Meets the needs and age group of the community	3
3. Meets the age group but not the needs of the community in the vicinity	2
4. Low community support and use	1

Key Driver – Compliance with Regulations & Statutory Requirements <i>TO BE REVIEWED</i>	Score
1. Meets all regulations and statutory requirements	4
2. Requires minor building modification to meet all regulations and statutory requirements	3
3. Requires major building modification to meet all regulations and statutory requirements	2
4. Difficulty in compliance to all regulations and statutory requirements	1

Examples

Below are examples of priority ratings performed on three different buildings.

Kilmore Leisure Centre Priority Rating				
Key Factor in Order of Importance	Score (S)	Weighting (W) 100%	Ranking Score S x W	Rating
1. Importance of Facility to Community	4	30	120	HIGH
2. Risk – Safety and Function	4	30	120	
3. Condition of Asset	3	20	60	
4. Patronage – age & demographic	4	10	40	
5. Compliance to Regulations	3	10	30	
			370	

Seymour Chittick Park Band Hall Priority Rating				
Key Factor in Order of Importance	Score (S)	Weighting (W) 100%	Ranking Score S x W	Rating
1. Importance of Facility to Community	1	30	30	MEDIUM
2. Risk – Safety and Function	4	30	120	
3. Condition of Asset	3	20	60	
4. Patronage – age & demographic	2	10	20	
5. Compliance to Regulations	4	10	40	
			270	

Kilmore Apex Park Miniature Railway Workshop Priority Rating				
Key Factor in Order of Importance	Score (S)	Weighting (W) 100%	Ranking Score S x W	Rating
1. Importance of Facility to Community	1	30	30	LOW
2. Risk – Safety and Function	1	30	30	
3. Condition of Asset	2	20	40	
4. Patronage – age & demographic	1	10	10	
5. Compliance to Regulations	2	10	20	
			130	

It is intended to adopt a functional hierarchy development framework ^{IP9} and use to rate all structures in the short term. This hierarchy would then be inputted into Council's asset register for use in future maintenance and service planning.

APPENDIX B – PROPOSED PUBLIC AMENITIES REFURBISHMENT GUIDELINES to reflect the MSC Public Toilet Design Guidelines & Policy

- Stainless steel bowls and cisterns - Dual flush cisterns where possible
- Vandal type Design - internal solid timber doors, lighting, external steel gates where building is being locked & vandal resistant materials considered where possible.
- Stainless steel basins - 7 second delay lever action automatic shut off taps
- Disabled access where possible
- External steel gates where building is being locked