Property Asset Management Plan 2021-2031

Executive summary

This Property Asset Management Plan (AMP) outlines the management of Bay of Plenty Regional Council's land and buildings that staff use to deliver Council's core services from.

In order to fulfil the Council Outcomes, Vision, Goals and Objectives outlined in the Strategic Environment, Bay of Plenty Regional Council (BOPRC) has adopted a systematic approach to the long-term management of its assets and services by preparing this AMP.

Bay of Plenty Regional Council is committed to appropriate best practice asset management, in order to achieve the following key objectives:

- Meet the service needs of property users.

- Demonstrate Council's commitment to minimising its impact on Climate Change through facility upgrades that include environmentally sustainable design features where possible.

- Ensure capital projects and maintenance activities achieve efficient results with optimal benefits.

- Demonstrate Council's approach to managing risk and meeting growth requirements.

- Comply with all statutory requirements.

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Part 1:
Introduction

1.1   The Bay of Plenty Region

1.1.1   The place

The Bay of Plenty is located on the east coast of the North Island of New Zealand. The region incorporates the full extent of the coastline from Cape Runaway in the east, to Waihi Beach in the west, and captures the coastal townships of Tauranga and Whakatāne. On the landward side, the region is mostly bounded by the watersheds of the catchments that flow into the Bay of Plenty; this includes the lakes in the Rotorua District. On the ocean side, the region includes 18 offshore islands including the volcanically active Whakaari (White Island), and the sea extending out to the 12-nautical-mile boundary.

The area of the region is 21,740 km^2, comprising 12,231 km^2 of land and 9,509 km^2 of coastal marine area as shown in Figure 1 below.
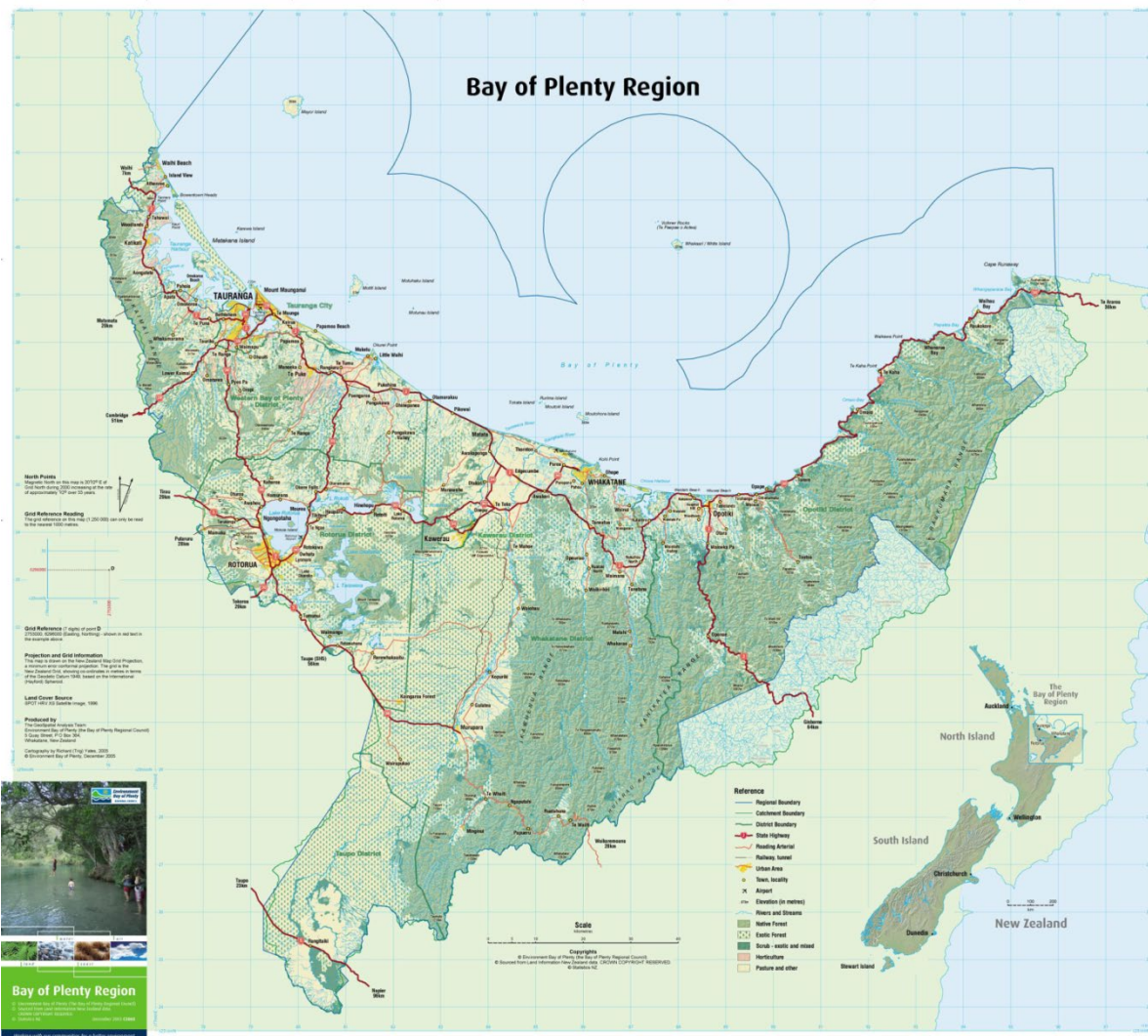
Figure 1   Map of the Bay of Plenty Region.

1.1.2 The natural environment

The Bay of Plenty Region has a number of prominent features and landmarks. The prominent features of the region include islands such as Matakana, Tuhua (Mayor) and an active volcano, Whakaari (White Island). Other distinctive landmarks in the region include the numerous lakes of the Rotorua District and the distinctive peaks of Mount Tarawera and Pūtauaki (Mount Edgecumbe), the Tauranga and Ōhiwa harbours and Mauao (Mount Maunganui).

The region is volcanically active with the Taupō Volcanic Zone crossing the area between Whakaari (White Island) and Lake Taupō. The two major features of this zone include a number of extensive geothermal areas (for example those found in Rotorua) and a number of earthquake fault lines that run parallel to each other within this zone.

Eight major rivers empty into the Bay - these are the Wairoa, Kaituna, Tarawera, Rangitāiki, Whakatāne, Waioeka, Motu and Raukokore rivers. In addition, there are five large estuaries - the Maketu, Little Waihi, Whakatāne, Waiotahi and Waioeka/Otara estuaries.

The region extends inland, generally to the ridge of the catchments that drain into the Bay of Plenty. The furthest point from the coast, is the top of the Rangitāiki River catchment which is 139 km from the sea.

1.1.3 Climate

The Bay of Plenty generally has one of the sunniest climates in New Zealand, especially in coastal areas, where dry spells have been traditionally quite common place. Because the Bay of Plenty is sheltered by high country to the west, south, and east, day to day variations of the weather are largely determined by the direction of the wind. While high country areas may receive rain with airstreams from any direction, most of the area receives a large part of its annual rainfall during periods of onshore north to northeast winds.

Airstreams from the north and northeast frequently have long trajectories over the warm ocean to the north of New Zealand and, as a result, the air flowing onto the Bay of Plenty under these conditions is very humid. As the whole region is exposed to the north, these airstreams often produce widespread and heavy rain, when the moist air is forced to ascend over the rising ground of the North Island. Such flows are normally associated with one of two types of situation. Firstly, when a cold front, oriented north-south, is approaching from the west, the northerly winds ahead of the front spread over the region, bringing widespread rain until the passage of the front, when there is usually a clearance. The second type occurs when depressions cross the northern half of the North Island. These lows often move only slowly east, and the north to northeast flows on the eastern side of the centre may bring prolonged rain to the region.

The local climate influences building design. Consideration for minimising summer heat gain needs to be made. In addition, the high winter/ low summer rainfall pattern needs to be taken into account in building design.

1.1.4 Economy and population

At the 2018 census, the region had a population of 320,800 with the largest urban area being Tauranga. A total of 58% of the population live in the urban areas of Tauranga City, Rotorua district, and Whakatāne.

The region's population is predicted to grow by 8% by 2023 and will make the Bay of Plenty region the second fastest growing region in New Zealand. In total the region's population is expected to increase to around 404,300 by 2043.

Results from the 2018 census indicate that the unemployment rate in the Bay is approximately 4.5% for people aged 15 years and over, compared with 4% for New Zealand.

Proportionally those working in the Bay earn slightly less than the national average and there are slightly more retirees in the region also.

1.2 Purpose of the Asset Management Plan

The purpose of this plan is to formally document the management philosophy that is applied to property assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the Long Term Plan (LTP).

This long term planning approach is considered necessary given the large capital and operating expenditure, the long lives of the assets and the lead times in planning for upgrades of new assets when required. The sequencing and timing of works are developed through discussions with key stakeholders and this plan is prepared in consultation with them.

The key purpose of this plan is to:

- Provide a document to convey the long-term strategy for the management of the property assets.

- Improve understanding of service level standards, options and costs to smooth peak funding demands, while improving customer satisfaction and organisational image.

- Manage the environmental, service delivery and financial risks of asset failure.

- Identify lifecycle (long term) costs to provide agreed level of service over the long term.

- Explain how the long term works programmes have been developed and how they will be funded.

- This AMP also aims to demonstrate that the service potential of property assets is being maintained.

1.2.1 Plan timeframe

This AMP covers a 10 year timeframe. It assumes that plant and equipment have a life of between 4–10 years, while building assets have a life between 40–100 years. The plan documents the strategies for required maintaining, rehabilitating and renewing components over the next 10 years. This AMP provides the detail underlying the LTP, and is also completed every three years.

1.2.2 Key planning assumptions and limitations of this plan

This AMP has been prepared based on the following assumptions:

- Currently available information and data.

- Existing levels of service.

- Financial forecasts for 10 years.

- Changes to various standards and technologies are not significant.

1.3 Relationship with other plans and documents

Bay of Plenty Regional Council has a number of key strategic documents in place that govern many of its activities. These relate to, and will assist, in working towards the achievement of the Council Outcomes. The relationship between this AMP and other documents is shown in Figure 2 below.
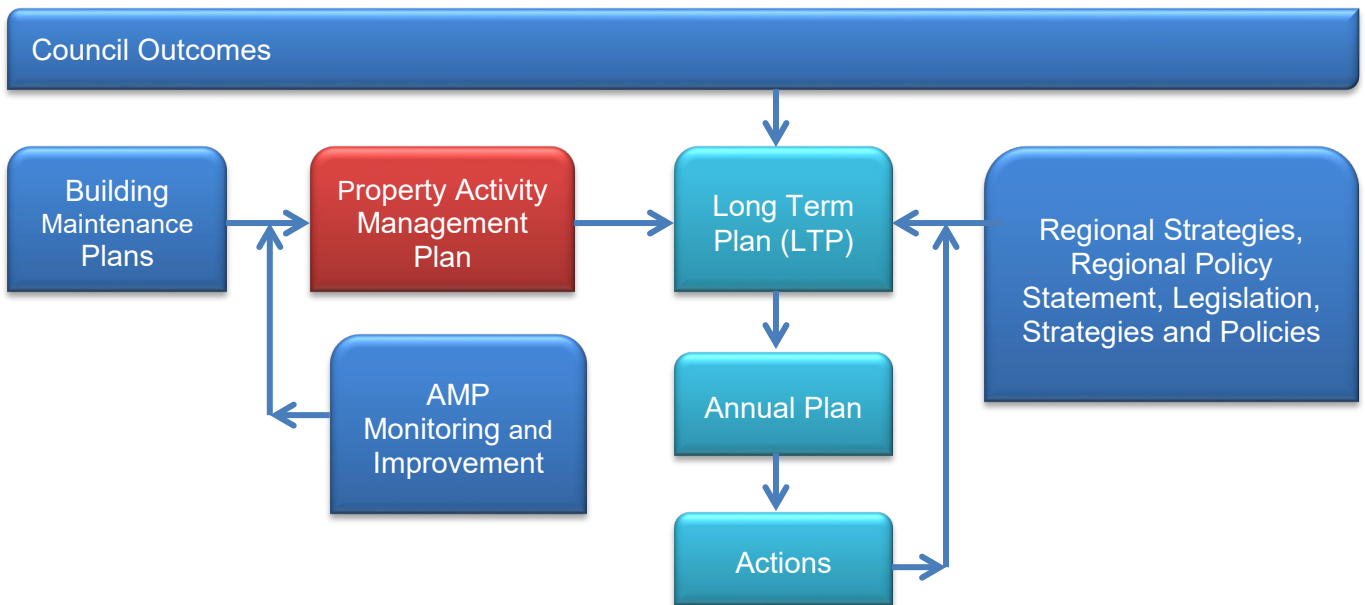
Figure 2   Integrated planning framework/linkages.

Table 1   Cyclic planning relationships with other plans, reports and documents.

Plans/documents	Description	Frequency
Long Term Plan (LTP)	The LTP sets out Council's Outcomes and service delivery programme over the next 10 years. The framework of this plan is in line with the requirements of the Local Government Act 2002 (LGA 2002).	Must be produced every three years.
Annual Plan	The works identified in the AMP are implemented as part of subsequent annual planning processes.	Must be produced in the intervening years between LTPs. The annual plan for the first year of every LTP is embedded in the LTP.
Annual Report	The Annual Report is the mechanism to report back to the community, showing Council's achievement against Annual Plan and LTP targets.	Must be produced every year to report progress.
Asset Management Plans	Levels of service, growth, risk, maintenance, renewal and development works and strategies are identified and budgeted for within this plan. The AMPs are implemented through Council's Long Term and Annual plans.	Should be reviewed and aligned every year prior to the Annual Plan process and a major update every three years prior to the LTP.
Contracts	The service levels, strategies and information requirements contained in AMPs are translated into contract specifications and reporting requirements.	Contract performance reviewed on a monthly basis.

Triennial Agreement	Sets out the agreement concerning communication and coordination with the other local authorities of the region.	Reviewed every three years with Local Authorities.
SmartGrowth Strategy	Promotes the integrated management of growth and development in the Western Bay of Plenty sub-region. Seeks to achieve long-term visions for maintaining and improving the natural and cultural environment, efficient infrastructure, enhanced lifestyles, providing for communities' social needs and a thriving economy. Implemented in collaboration with other authorities and agencies.	Produced on a 10 year cycle.

1.4   Overview of services covered

1.4.1   What we do

This Property AMP outlines the management of BOPRC's land and buildings that staff use to deliver Council's core services from.

In order to fulfil the Council Outcomes, Vision, Goals and Objectives outlined in the Strategic Environment (Section 3), BOPRC has adopted a systematic approach to the long term management of its assets and services by preparing this AMP.

Bay of Plenty Regional Council is committed to appropriate best practice asset management in order to achieve the following key objectives:

- Meet the service needs of property users.

- Ensure capital projects and maintenance activities achieve efficient results with optimal benefits.

- Demonstrate Council's approach to managing risk and meeting growth requirements.

- Demonstrating Council's commitment to minimise its impact on Climate Change through facility upgrades that include environmentally sustainable design features where possible.

- Comply with all statutory requirements.

1.4.2   Why we do it

The rationale for the existing ownership is as a result of the Local Government Act provisions whereby regional authorities are responsible for the provision and control of significant council assets. Property provides a supportive function for all of Council's activities in the LTP as a corporate overhead.

Council uses both property ownership and property leasing to achieve this function, to provide safe and comfortable offices for staff and customers. Its facilities also provide for essential equipment storage for the harbourmaster and environmental services purposes.

Property is part of the Corporate Services Group of Activities in the LTP for corporate wide assets. It is also represented in the LTP under specific activities that reflect the core nature of the equipment or plant.

Part 2:
Assets we own

2.1   Overview

Bay of Plenty Regional Council is responsible for the management of three property portfolios.

Offices – land and buildings used for Civic meetings, offices for staff to deliver Council's services from, and a physical place for Council customers and stakeholders to visit.

Depots – land and buildings used for the storage of equipment used for Council to carry out its environmental services and harbourmaster functions. Depots also provide a base office for some field workers.

Carparks – car parking is located near the main Council offices in Whakatāne.

The management of property assets involves:

• Capital works and restoration projects as required.

• Undertaking an ongoing programme of maintenance in accordance with the AMP.

• Design and investigation projects.

• Administering property leases for Council as both a landlord and a tenant.

• Reviewing the Property AMP every three years.

Property assets include:

Table 2   Property assets.

Sub portfolio	Description
Offices	2 properties owned (4 buildings, 2 of which are on a ground lease), 1 portable building, one leased in.
Depots	3 properties owned, 4 leased in.
Carparks	2 properties owned that form one carpark.

An overview of these assets based on the July 2020 valuations is provided below. Where possible the midpoint of the valuations has been used in the asset management plans – where not possible current book values have been used.

Table 3   Property valuation summary.

	Total property value
Offices	$32,880,000
Depots	$1,730,000
Carparks	$630,000
Total	**$35,240,000**

The region map below provides an overview of the District boundaries and the location of existing properties owned by Bay of Plenty Regional Council.
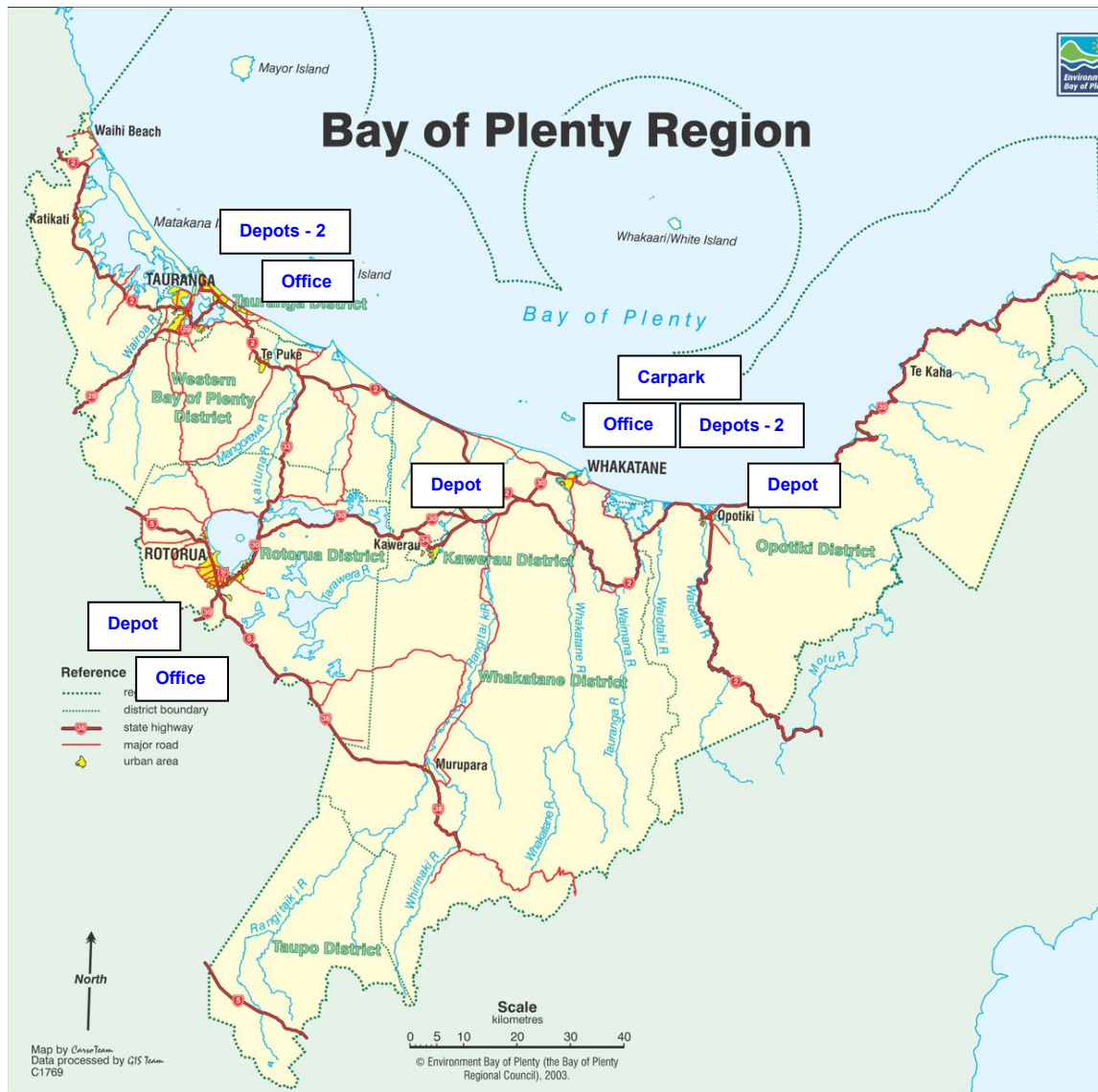
Figure 3   Overview map of property locations.

2.2   Asset Detailed Information

2.2.1   Offices

The purpose of Council's office buildings is to provide Civic meeting facilities, a physical place for Council customers and stakeholders to visit, and office accommodation for staff, who in turn, enable Council to meet its statutory requirements and deliver its services.

Building locations are influenced by proximity to a suitable labour force, key functional stakeholders, and customers.

Council has accommodation for around 500 people. The main offices are in Quay Street, Whakatāne, and Elizabeth Street in Tauranga. Staff occupy four and a half floors in Regional House with the remaining one and a half floors intended as future leased accommodation. Council also leases an office in Rotorua.

2.2.1.1.   Regional House - 1 Elizabeth Street, Tauranga

Image 1   Offices – 1 Elizabeth Street, Tauranga.

Asset condition and performance

1 Elizabeth Street is located in the Tauranga CBD, and is a multi-storey office complex consisting of two buildings. Although it is commonly known as Regional House, it is actually two separate buildings, joined by a covered passageway and lift. The six storey office block (known as Regional House) was built in 1986, and it has recently been fully upgraded to provide accommodation for all of Council's Tauranga staff. The refurbishment works included improvements to our customer interfaces and the replacement of core services which had come to the end of their lifecycle.

The new office accommodation includes a number of environmentally sustainable design features, which has resulted in a significant reduction in carbon emissions. A rain water harvesting system has been installed in Regional House, with the water collected being used in bathrooms to reduce consumption of mains potable water.

Regional House Environmental Sustainability Design Features:

- Thermally efficient glazing.

- Higher than minimum levels of thermal insulation.

- Low volatile organic compound materials.

- Energy efficient lighting systems.

- Mixed mode ventilation systems.

- Photovoltaic tiles.

- Rain water harvesting.

- Electric Vehicle chargers.

- 'Real time' monitoring and display.

The older building (known as Wallingford House) is located on the Eastern side of the site, adjacent to the waterfront and is thought to have been built in the early 1950s. Budget is available for a Group Emergency Coordination Centre (GECC), which is planned to be located in a new facility on the Wallingford House site. A GECC resilience review is currently underway to look at whether the planned option is still the best solution for the GECC.

Wallingford House is in the process of having a seismic assessment carried out on it, which is likely to deem the building as earthquake prone. If Council decides not to demolish Wallingford House and build a new GECC on the site, Council will need to upgrade the building to at least 67% IL2 NBS within 25 years of receiving an earthquake prone building notification from Tauranga City Council.

Wallingford House is currently only being used for storage of maritime vessels and equipment, and as a car parking facility. Use of the building is only transient, and the risk to people is therefore considered low.

Table 4   Regional House asset information

Asset	Fair Value
Regional House	$27,500,000

*Fair value as per 30 June 2020 valuation

Asset	Scheduled works	Schedule dates	Estimate cost (OPEX)
Regional House	• General monitoring and maintenance	Annual	$5,280,000
	• Cleaning of building façade	Quarterly	
	• HVAC Servicing	Quarterly	

2.2.1.2.   5- 11 Quay Street, Whakatāne

Image 2   Offices – 5-11 Quay Street, Whakatāne.

Asset condition and performance

The main office building at Quay Street has two wings. The west wing is 56 years old and the east wing is 25 years old. The west wing building had a major overhaul in 2002 and the ground floor was refurbished in 2017 to remove the interior partitioning. Capital expenditure is proposed in this Long Term Plan (AMP?) to further refurbish the west wing portion including the bathroom facilities, entry link, and upgrade the HVAC system.

The main octagonal shaped building and the east wing are currently being upgraded, with both the ground level and first floor of the eastern wing now complete, along with the first and second floor of the larger central octagon, the laboratory, the deck and the main entrance canopy. The ground floor of the middle octagon is due for completion in early 2021. Prior to the building works taking place, there were a large number of historical leaks which have now been repaired.

Additional funding has been proposed in this Long Term Plan to carry out remediation works to the external parapet and roof structure of the Whakatāne building, and complete a full repaint of the exterior.

Environmentally sustainable features have also been incorporated into the Whakatāne office building upgrade. These features include:

Quay Street Environmental Sustainability Design Features:

- Thermally efficient glazing.

- Higher than minimum levels of thermal insulation.

- Low volatile organic compound materials.

- Energy efficient lighting systems.

- Mixed mode ventilation systems.

- Photovoltaic tiles.

- Windmill.

- Electric Vehicle chargers.

- 'Real time' monitoring and display.

Image 3   Photovoltaic tiles at Offices – 5-11 Quay Street, Whakatāne.

Table 5   Whakatāne office asset information.

Asset	Fair Value
5-11 Quay Street	$5,380,000

**Fair value as per 30 June 2020 valuation*

Asset	Scheduled works	Schedule dates	Estimate cost
5-11 Quay Street	• General monitoring and maintenance	Annual	$5,557,000
	• HVAC servicing	Quarterly	
	• Maintenance of waterproofing membrane on deck and internal atrium roof.	Annual	

2.2.1.3.   7 Wilson Road North, Paengaroa

Image 4   Offices – 7 Wilson Road North, Paengaroa.

Asset condition and performance

The portable building located at 7 Wilson Road North is 12 years old, and is described as being in average condition. It was recently relocated to Paengaroa from the Toroa Depot in Whakatāne, to be used as a field office for staff working in and around the Kaituna area.

Prior to being relocated, the building was used as a temporary laboratory while the Whakatāne office was being upgraded, so the carpet flooring was removed and replaced with vinyl. Once the building has been sited, some additional works are needed as part of the fire compliance requirements. A separate septic system will also be installed and connected to the buildings bathroom and kitchen facilities. Funding is included in the Long Term Plan to complete the remaining building works, which also includes the construction of an entry ramp, rear entrance stairs and car parking.

Council also leases a single bay garage and workshop directly opposite the field office at the Wilson Road property. This is used to store plant equipment, tools, and vehicles belonging to the teams who undertake works in this part of the region.

Table 6   Paengaroa site asset information.

Asset	Fair Value
7 Wilson Road North – Portable building	Included in the 26 Toroa Road valuation

*Fair value as per 30 June 2020 valuation

Asset	Scheduled works	Schedule dates	Estimate cost
7 Wilson Road North – Portable building	• General monitoring and maintenance • HVAC servicing	Annual Quarterly	$720,000

2.2.2   Depots

Depots are used for Council day to day activities such as storage, vehicle parking, staff offices, and workshops. There are three Council owned depots in current use. One of the depots that Council owns has some surplus space within it that could be leased out.

Depots have a mix of activities and buildings on any single site, ranging from environmental services equipment storage, through to staff offices, vehicle parking and harbourmaster use. Council leases in part or all of four additional sites. There are leased depot facilities for environmental or harbourmaster purposes in Opotiki, Tauranga, and Rotorua.

2.2.2.1   26 Toroa Street, Whakatāne

Image 5   Depots – 26 Toroa Street, Whakatāne.

Asset condition and performance

This facility is used to store environmental services equipment and vehicles. The buildings provide a range of predominantly storage and workshop facilities that have been well maintained. There is also a vehicle wash down area, a wet laboratory, and Council's main IT server is located on site. Access is controlled through an electronic security system through the main automated gate.

Table 7   Toroa Street asset information.

Asset	Fair Value
26 Toroa Street	$1,150,000

*Fair value as per 30 June 2020 valuation

Asset	Scheduled works	Schedule dates	Estimate cost
26 Toroa Street	• General monitoring and maintenance • HVAC (server) maintenance • Wash down bay maintenance	Annual Quarterly Annual	$615,000

2.2.2.2. 37 Arawa Road, Whakatāne

Image 6   Depots – 37 Arawa Road, Whakatāne.

Asset condition and performance

The Arawa Road property is located toward the outer limits of the urban area, and is understood to have been first developed in 1963. A series of Skyline garages were then added at the rear of the site in 1993. These buildings are described as being in average condition, and consist of two buildings, a newer building that includes garage and workshops of 81.5 m^2, and an older building of 171 m^2, which is an old depot building built for vehicle storage, office and general storage. The depot is used to store furniture and equipment.

The exterior of the building was repainted in 2018.

There is some surplus space within this depot which could be leased to an external contractor, however it has been vacant for the last three years due to a lack of demand for this type of commercial premises in Whakatāne.

Table 8   Arawa Road asset information.

Asset	Fair Value
37 Arawa Road	$250,000

*Fair value as per 30 June 2020 valuation

Asset	Scheduled works	Schedule dates	Estimate cost
37 Arawa Road	• General monitoring and maintenance	Annual	$123,000

2.2.2.3   2 Ngaio Place, Edgecumbe

Image 7   Depots – 2 Ngaio Place, Edgecumbe.

Asset condition and performance

Ngaio Place has staff offices, storage for vehicles, and storage for environmental services purposes. The building is 40 years old and in good condition, with the exterior being repainted in 2019. The kitchen was replaced in 2016 and bathroom hardware was replaced in 2019.

Adjacent to the office is the workshop, with two high roller doors providing access into a high stud workshop and storage space with an inspection pit.

Generally, the building has been well maintained in a sound and tidy condition consistent with age, construction, and use. The roof, spouting and barge boards require repainting and funding has been included in the future opex costs for this site.

Table 9   Edgecumbe asset information.

Asset	Fair Value
2 Ngaio Place	$330,000

*Fair value as per 30 June 2020 valuation

Asset	Scheduled works	Schedule dates	Estimate cost
2 Ngaio Place	• General monitoring and maintenance • HVAC maintenance	Annual Quarterly	$296,000

2.2.3 Carparks

The property portfolio contains two carparks which function as one carpark for Council vehicles, and to enable Councillors and visitors to park off road when visiting the main Council building on The Strand.

2.2.2.3.1 35-37 The Strand, Whakatāne

Image 8   Carpark – The Strand, Whakatāne.

Asset condition and performance

Carparks are located at Whakatāne and include:

- 35 The Strand: 17 carparks cobblestone, paving & stormwater.

- 37 The Strand: 15 carparks cobblestone, paving & stormwater, bike shed.

The two carparks are on separate titles but form one contiguous parking area. Pohutukawa trees, landscaping, drainage and channel, road marking and signage are also included.

Improvements were completed in 1999 and 2006, and more are scheduled for 2021 to improve fencing, facilitate better access to the Toroa depot, and to replace worn carpark surfaces. The plastic "gobi block" like plastic structure, which provides for areas of grass where vehicles can park, is breaking down. Otherwise the carparks are in average order.

Table 10   Whakatāne carpark asset information.

Asset	Fair Value
35-37 The Strand	$630,000

*Fair value as per 30 June 2020 valuation

Asset	Scheduled works	Schedule dates	Estimate cost
35-37 The Strand	• General monitoring and maintenance	Annual	$100,000

2.3   Condition assessments

It is critical that BOPRC has clear knowledge of the condition of their assets and how they are performing. Annual asset condition assessments are carried out to help form an understanding towards decisions regarding maintenance, replacement, and renewals.

2.4   Key issues and strategies

2.4.1   Accommodation Plan

In 2014, Council developed an Organisation Wide Accommodation Plan which sets out the workplace principles that can be applied to Council accommodation across the region.

The workplace principles include:

- Strong expression of brand and values in our physical environment.

- Flexibility of workspaces – multifunctional spaces, collaborative spaces, focused work areas, quiet areas.

- Parity – the same look and feel across all sites, consistent quality, best spots for shared spaces that everyone can enjoy.

- Support culture – increase connectivity between people, increase visibility of managers, reduce territorial behaviour, locate managers with their teams.

2.4.2   Property Strategy

On 10 March 2016 Council adopted its Property Strategy, which sets out the principles by which it assesses whether properties are suitable for Council's purposes.

In relation to Council accommodation, the set of principles to be applied to ensure that Council occupied facilities are suitable are as follows:

- We will continue to have three main service hubs across the region, being Whakatāne, Tauranga and Rotorua.

- Aim to consolidate staff into a single office site in each of these three locations.

- We will continue to have satellite sites (such as Ōpōtiki and Edgecumbe), in locations where it is necessary to have staff situated in order to meet the service delivery requirements of Council.

  - Aim for efficiency within a distributed organisation.

- Ensure the properties we occupy:

  - Are fit for purpose.

  - Are safe (meet earthquake standards and are constructed from safe and healthy materials).

- Consider the impact on the environment.
- Provide flexible, multi-purpose meeting rooms at each of the main offices.
- Decide on whether we lease or buy our accommodation on a case by case basis.
- Look at the individual merits of each property Council owns on a case by case basis, and if we decide to retain the property, ensure that the business case for doing so includes the full on-going costs of retention.
- We are open to the concept of co-location with other like-minded organisations.
- We will address co-location opportunities on a case by case basis as opportunities arise.

2.4.3 Climate Change Strategy

In 2016, BOPRC declared a climate emergency and in response, Council adopted the Climate Change Action Plan (CCAP) in 2018. An important part of this action plan is demonstrating environmental leadership by reducing Council's own carbon footprint. Our office buildings and the way we work contribute to our carbon footprint so, as part of the building refurbishment project, environmental sustainability has been incorporated into the design in an effort to reduce BOPRC's impact on the environment.

The design has optimised natural daylight through glass facades with thermal efficient glazing and higher than minimum levels of thermal insulation. For the interior fit-out, low volatile organic compound materials (allergen and environmentally friendly) were used in conjunction with energy efficient lighting systems responsive to daylight and occupancy, and mixed-mode ventilation systems to promote indoor air quality and energy efficiency. To support the buildings' mechanical services; photovoltaic tiles have been installed on the rooftops to convert sunlight into solar energy, low use water fixtures restrict all water usage, and rainwater harvesting has been provided to re-use rainwater for waste water. To prompt behavioural change, communal recycling bins are provided in all staff areas and worm farms are located at each site for organic waste. We have also included infrastructure for electric vehicles as we move towards a more sustainable fleet. In 2016/2017 energy expenditure was measured as a baseline. A KPI has been set to reduce our energy to 50% of the baseline year across our Tauranga and Whakatāne sites.

Specific design features of our owned sites are listed in Section 2.2.

2.5 Overview of issues and risk

The purpose of the administration buildings is to provide Civic meeting facilities, office accommodation for staff, and an interface for our customers. In addition, to attract and retain staff in a competitive labour market, the Bay of Plenty Regional Council aims to provide a safe, comfortable work environment.

Building locations are influenced by proximity to a suitable labour force, key functional stakeholders and customers.

The Bay of Plenty Regional Council has accommodation for approximately 500 staff. Offices are owned in Whakatāne and Tauranga, with further leased accommodation in Rotorua.

Table 11   Office buildings location.

Offices	Location	Description
1	Whakatāne	The main council office, comprises two linked buildings owned by Council but on a ground lease.
1	Tauranga	A multi-storey office complex owned by Council, located in the CBD.
1	Rotorua	One leased building on the corner of Fenton and Pukaki Streets

Asset risk

Section 6 of this AMP outlines risk management relating to property assets, which provides an overview of how risk is derived and managed. This sub section looks at detailed risk on a sub portfolio basis.

The Whakatāne and Tauranga sites also function as civil defence centres. Reflecting in recognition of the criticality of the buildings, they each have a back-up generator capability to power up critical areas of the buildings and phone system. Risks specific to offices are:

Table 12   Office key risk descriptions.

Risk description	Management option
Health and Safety - Physical harm to staff and visitors	All three offices where staff are accommodated are now in either new or fully upgraded condition, and therefore meet the latest code requirements. Regular servicing of heating and ventilation plant, safety signage, building security systems and patrols. Annual condition surveys to identify any necessary repair works. The seismic assessment of Wallingford House currently being undertaken is likely to deem it as an earthquake prone building. This building is being used for storage of maritime vessels and equipment, and as a car parking facility. Use of the building is only transient, the likelihood of a major earthquake occurring in Tauranga is rare, and the risk to people is therefore considered low.
Operational – unexpected building element, plant, equipment or mechanical failure preventing access to the building(s)	Back-up generators, responsive maintenance contract 24 hours, 365 days assistance available.
Financial - Un-planned building element failure results in expensive unbudgeted repairs	All three offices are now in either new or fully upgraded condition. Annual condition surveys and asset management planning to property assets are carried out to identify any repair or maintenance issues.
Capacity – Actual growth of staff varies to growth predictions (i.e. New legislative responsibilities requiring additional staff)	Implement flexible working models, explore lease opportunities, future capacity has been built into newly refurbished offices.

2.5.1 Whakatāne offices

Background

The Whakatāne office consists of two separate buildings, joined in 2002 to form one linked space. The land is owned by Whakatāne District Council and leased to BOPRC under a perpetual right of renewal.

Image 9   Whakatāne offices.

Key Issues

- While the interior of the building has been fully upgraded, the exterior of the building is in need of repairs and maintenance to avoid leaks and damage to the new interior space.

- The land is harbour leasehold, which prevents Council from having full control over the site, and poses a financial risk at rent review time.

- The West Wing end of the building is in need of upgrading, with HVAC, plumbing and inefficient space issues.

2.5.2 Tauranga offices

Image 10   Regional House (background) and Wallingford House (foreground).

Background

Council presently owns a multi-storey building called Regional House in the Tauranga CBD.

Key issues

- Securing tenants for the surplus space on the upper floors in a post-COVID-19 recession market.

- Implementing flexible working practices within the offices when the current office space reaches maximum capacity.

- The seismic assessment of Wallingford House currently being undertaken is likely to deem it as an earthquake prone building.

2.5.3 Rotorua offices

Background

The Rotorua leased office is one building located at 1187 Pukaki Street.

Key issues

- There is limited parking available on site, so additional car parking spaces have been leased within a nearby parking facility.

Image 11   Rotorua office.

2.6 Depots

Depots are used for Council day to day activities such as storage, vehicle parking, staff offices and workshops. There are three Council owned depots in current use and four leased sites. One of the depots that Council owns has some surplus space within it that could be leased out.

Depots have a mix of activities and buildings on any single site, ranging from environmental and maritime services equipment storage, through to staff offices, vehicle and vessel parking. Council leases in part or all of four additional sites.

Table 13   Depot locations.

Depots	Location	Description
2	Whakatāne	Council owned facilities are the main 26 Toroa Street depot which includes 4 buildings and another depot building at 35 Arawa Road
1	Tauranga	There is one depot leased at 19 Montgomery Road, Judea
1	Kaituna	There is a council owned facility on a leased site at 7 Wilson Road North, Paengaroa
1	Rotorua	One depot is leased in Scott Street for storage of land management maritime and environmental services equipment
1	Ōpōtiki	Council shares an office and depot site with Ōpōtiki District Council and Department of Conservation. The buildings are owned by Ōpōtiki District Council and leased by Bay of Plenty Regional Council
1	Edgecumbe	The Ngaio Street depot includes offices and general storage for vehicles equipment and chemicals. This facility is owned by Council

2.6.1   Key issues

Depots may have issues with their ongoing management:

- Noise and dust may interfere with the quiet enjoyment of neighbours, especially when close to residential areas.
- Traffic safety and access to sites may be restricted on major highways.
- Health and safety risks on site from storage of chemicals, heavy machinery and vehicles.
- Theft and vandalism.

Asset risk

Section 6 of this AMP outlines risk management relating to property assets, which provides an overview of how risk is derived and managed.

Table 14   Key risk descriptions.

Risk description	Management option
Chemical storage - the site is used to store chemicals that can be harmful if released into the environment	- Test sites to establish the level of risk - Plan to deal with the issue in the event of a chemical spill - Chemical wash facilities in place in case of a spill
Health and safety risks on site from heavy machinery and vehicles	- Signage and safety awareness, require the use of hi visibility clothing

2.6.2 Whakatāne depots

Background

The Bay of Plenty Regional Council owns two depot sites in Whakatāne. One is in active use by Council, while the other is used for storage of furniture and equipment that is not used on a day to day basis.

26 Toroa Street Depot comprises four buildings and a car parking area. The site has an electrified fence, and a Cardax Security system controls access through the electronic gate. Security is high as the site holds Council's computer server, its back-up generator, and stores chemicals. The site also has storage for environmental management equipment, a testing lab, a vehicle wash down area, and a toilet.

35 Arawa Road Depot is located at the southern extremity of the township and consists of two buildings, a newer building that includes garage and workshops of 81.5 m^2, and an older building of 171 m^2 which is an old depot building used for general storage of furniture and equipment that is not needed on a day to day basis.

Some of the buildings are vacant and could be leased out, however the market for this type of commercial tenancy in Whakatāne is limited, and attempts to lease it out to date have been unsuccessful.

Key issues

In addition to the ongoing management issues for depots in general, if the Arawa Road property was deemed surplus to Council's requirements it may have some restrictions on its saleability. Investigation should be done before such a decision is made, to check whether:

- The land may have been taken under the Public Works Act.
- The land is held for designated for reserves purposes, and designated as a depot under the District Plan.

2.6.3 Rotorua Depot

Background

Council leases a depot in Scott Street which is used for environmental management, maritime, and general storage.

Key issues

There are no other specific issues for this depot other than the ongoing management issues for depots in general.

2.6.4 Edgecumbe and Ōpōtiki Depots

Background

The Bay of Plenty Regional Council has responsibilities over a broad geographical area. To meet these needs it also has facilities in Edgecumbe and Ōpōtiki, which provide services across a largely rural community.

Key issues

There are no other specific issues for these depots other than the ongoing management issues for depots in general.

2.7 Carparks

The property portfolio contains two carparks which functions as a carpark for Council vehicles, and also enables Councillors and visitors to park off road when visiting the main Council building on The Strand, Whakatāne. A small bike shed is also provided, to provide sustainable transport options for staff.

The two carparks are on separate titles but form one contiguous parking area. Pohutukawa trees, landscaping, drainage and channel, road marking and signage are also included.

Key issues

• The plastic "gobi block" like plastic structure, which provides for areas of grass where vehicles can park, is breaking down. Otherwise the carparks are in average order.

Asset risk

Section 6 of this AMP outlines Risk management relating to property assets, which provides an overview of how risk is derived and managed.

Table 15   Key risk descriptions.

Risk description	Management option
Lack of security – resulting in costs due to theft, damage, insurance, closure, financial loss or threat to safety	• Design/ location/ landscaping • Maintenance contracts • Alarms installed in buildings
Pedestrians injured - vehicles do not see pedestrians or are travelling at speed	• Maintenance of landscaping • Clear signage

Part 3:
Strategic environment

3.1 Strategic overview

3.1.1 Purpose

Bay of Plenty Regional Council's work guides and supports the sustainable development of the Bay of Plenty. Council wants to make sure its region grows and develops in a way that keeps its values safe for future generations.

A major focus of its work involves looking after the environment. Council manages the effects of people's use of freshwater, land, air and coastal water. However, it also has a broader responsibility with others for the economic, social and cultural wellbeing of the regional community.

3.1.2 How property contributes to Council Outcomes

The LTP outlines the Council Outcomes. The provision of property contributes to all Council Outcomes by enabling Council to carry out its functions through the provision of appropriate, safe, quality accommodation, for Council staff to better serve the community.

3.2 Key partnerships and stakeholders

As mentioned previously, Council works with its partners to promote regional wellbeing. Some of Council's partnerships include:

External stakeholders

- The community – citizens and ratepayers.
- The region's territorial authorities.
- Iwi.
- Emergency service providers (Police, Ambulance, Fire, Civil Defence).
- Utility companies – power (generation, transmission, distribution), communication, gas.
- Other Government agencies (Audit NZ).
- Maintenance and service contractors.
- Professional service providers.

Internal stakeholders

- Councillors and management.
- Staff at all levels of the organisation.

3.3 Business drivers

Levels of Service, health and safety, statutory requirements, national standards, bylaw policies and strategies define the business drivers for the current operation of the property services. These are overviewed in the following section.

3.3.1 Delivery of property services

Levels of Service (LoS) standards define the levels to which Council provides services to the community. Some standards are defined by statutory requirements, others in conjunction with the community, and some with key stakeholders. These standards (or levels of service) provide a basis for determining whether assets need to be constructed, replaced, renewed or maintained. These

performance measures have been defined to enable Council's performance to be measured and reported against.

These are covered in detail in Section 5 of this AMP.

3.3.2 Health and safety

Council's health and safety policy is to "take all practicable and necessary steps to look after the safety, health, and wellbeing of yourself, your colleagues, visitors, suppliers, contractors, the public and the environment."

Every worker on a BOPRC site is required to share in the commitment to this policy:

- Every manager and supervisor is responsible for the health and safety of those workers working under their direction.
- Each worker is expected to play a vital and responsible role in maintaining a safe and healthy workplace through:
    - Ensuring their own and others safety at all times.
    - Consulting, coordinating and cooperating with other workers (including contractors) to ensure safe places of work.
    - Observing all health and safety risk controls.
    - Prompt reporting and taking action for any risk or safety event.

3.3.3 Statutory requirements

Statutory requirements impact on the way in which BOPRC operates to meet its obligations to its customers. Some of the key legislation relevant to Property is as follows:

Local Government Act 2002 (Amended 2010)

The Local Government Act 2002 (LGA) provides local authorities with a framework of powers to carry out democratic decision-making and action for, and on behalf of, its community. It also imposes accountability for prudent management and stewardship of community assets in the present and into the future. The Act requires councils to identify Council Outcomes and develop a comprehensive LTP. The LGA requires Council to identify its assets and how those assets will be managed. It is intended that this asset management plan will be a vehicle for developing and recording Council Outcomes in relation to property management, and will be a 'feeder plan' supporting LTP functions and forecasts, and asset information.

Resource Management Act (RMA) 1991 and Amendments

The RMA is New Zealand's primary legislation dealing with the management of natural and physical resources. It provides a national framework to manage land, air, water and soil resources, the coast, subdivision and the control of pollution, contaminants and hazardous substances.

The RMA has a single overarching purpose:

"To promote the sustainable management of natural and physical resources."

The RMA establishes a hierarchy of policy documents from national instruments to regional policy statements, and regional (and district) plans. This 'hierarchy' and requirement to ensure consistency between plans, is to promote sustainable management and ensure integrated management of natural and physical resources at a national, regional and local level.

Hazardous Substances and New Organisms (HSNO) Act 1996

The HSNO Act came into force in two stages. Provisions relating to new organisms took effect in July 1998. The provisions relating to hazardous substances came into force on 2 July 2001. The Act and regulations control the import, manufacture or use (including disposal) of manufactured

chemicals that have hazardous properties. Refer National Standards and the use of agrichemicals. Depot buildings may store chemicals and poisons controlled under this Act.

Civil Defence Emergency Management Act (CDEM) 2002

The CDEM Act 2002 came into force on 1 December 2002. The CDEM Act 2002 ensures that New Zealand has the resources to manage disasters.

Emergency Management focuses on 'the 4Rs':

- Reduction – identifying and analysing risks to human life and property.
- Readiness – developing capabilities before an emergency occurs.
- Response – taking action immediately before, during, or directly after an emergency.
- Recovery – initiating activities after impact, and extending them until the community's capacity for self-help is restored.

The Civil Defence Emergency Management Act 2002 requires:

- The local authorities in the region to form a Civil Defence and Emergency Management Group (CDEM Group).
- The Group to develop a Civil Defence Emergency Management Plan that identifies risks from hazards and puts readiness, response, and recovery procedures in place. The Plan is developed with public input to ensure hazards and risks are dealt with to a level accepted by the community.
- The Group to determine its Civil Defence headquarters – Council's four regional offices in Tauranga, Mount Maunganui, Rotorua and Whakatāne.

Health and Safety at Work Act 2015

The main purpose of this Act is to provide for a balanced framework to secure the health and safety of workers and workplaces by:

- Protecting workers and other persons against harm to their health, safety, and welfare by eliminating or minimising risks arising from work or from prescribed high-risk plant.
- Providing for fair and effective workplace representation, consultation, co-operation, and resolution of issues in relation to work health and safety.
- Encouraging unions and employer organisations to take a constructive role in promoting improvements in work health and safety practices, and assisting PCBUs and workers to achieve a healthier and safer working environment.
- Promoting the provision of advice, information, education, and training in relation to work health and safety.
- Securing compliance with the Act through effective and appropriate compliance and enforcement measures.
- Ensuring appropriate scrutiny and review of actions taken by persons performing functions or exercising powers under the Act.
- Providing a framework for continuous improvement and progressively higher standards of work health and safety.

Rating Powers Act 1988

The Local Government (Rating) Act 2002 replaced the Rating Powers Act 1988 with updated and streamlined rating powers. The intention is to ensure that the community has the opportunity to be well informed about what its money is being spent on, and to express its views when major decisions are being made.

The three main purposes of the Act are to:

- Provide local authorities with flexible powers to set, assess and collect rates.

- Ensure that rates reflect decisions made in a transparent and consultative manner.

- Provide for processes and information to ensure that ratepayers can identify and understand their liability for rates.

Building Act 2004

In New Zealand, the building of houses and other buildings is controlled by the Building Act 2004. It applies to the construction of new buildings as well as the alteration and demolition of existing buildings.

The Building Act 2004 has repealed the Building Act 1991 and introduces a number of changes to the law governing building work.

Health Act 1956

This Act establishes the Government structure required to enact and enforce health requirements, including the activities of Local Government.

Property Law Act 2007

The new Property Law Act 2007 repeals the Property Law Act 1952, the Contracts Enforcement Act 1956 and the Distress and Replevin Act 1908. The Act is aimed at improving the law around buying and selling property, mortgaging property, and entering into commercial leases in New Zealand.

Fire Services Act 1975

Fire Services Act 1975 Section 21B (Part 2 – Fire Safety) specifies the requirement of providing and maintaining evacuation schemes for buildings.

3.3.4 Specific requirements for asset management planning

The LGA has brought about some significant changes to the way councils operate, with a focus on community consultation and participation, and the promotion of social, economic, environmental and cultural wellbeing of communities in the present and in the future.

There is a strong emphasis for asset management planning on the following:

- **Demand** – In relation to estimated additional capacity and the associated costs and funding sources, including maintenance renewal and upgrades. Section 6 of this AMP covers this in more detail.

- **Levels of Service (LoS)** – Intended LoS performance targets and other measures by which actual levels of service provision may be meaningfully assessed, and the estimated costs of achieving and maintaining identified LoS, including sources of funding. Section 4 of this AMP covers this in more detail.

3.3.5 National standards

There are numerous building and trades related standards that have implications for building management.

Building codes, plumbing, electrical, glass installation, mechanical plant and equipment all have published guidelines or standards that set out acceptable practice.

3.3.6   Bylaws

A number of bylaws, policies and strategies have been developed at a regional level and these have been detailed in the following tables.

The bylaws that impact on Council's property directly largely pertain to Council-owned property which falls under Whakatāne District Council.

Table 16   Bylaws.

Bylaw	Status
Whakatāne District Council – Trade waste	Commenced 2008
Whakatāne District Council – Solid waste	Commenced 2008
Whakatāne District Council – Wastewater drainage	Commenced 2008
Whakatāne District Council – Water supply	Commenced 2008

3.3.7   Policies and strategies

Council must be aware of the following policies, strategies and guidelines in managing its assets:

Table 17   Policies, strategies and guidelines.

Policy name	Status
Statement of Significant Accounting Policies (LTP)	Current
Funding Impact Statement (including Rating Policy)	Current
Policy of Significance	Current
Liability Management Policy	Current
Revenue and Financing Policy	Current
Regional Policy Statement	Current

Part 4: Funding and expenditure

4.1 Funding

Property Assets contribute to all activities of the LTP. In Regional House there is a data room in the lower ground level and telecommunications equipment on the roof that are leased to Vodafone and Spark. Council is not currently receiving any other rental income from vacant space within Regional House on Levels 3 and 4.

4.2 Expenditure

Expenditure on Property Assets represents a significant Council investment as shown in Table 18 below.

Table 18   Expenditure Land and Buildings 2021/22

Total operating expenditure	$3,178,000
Total capital expenditure	$9,523,000

4.3 Significant negative effects of this activity

The purpose of identifying significant negative effects is to ensure that Council activities are conducted in accordance with the principles of sustainability. Property can have a negative effect on community wellbeing. The possible negative effects are outlined in the table below.

Table 19   Significant negative effects.

Significant negative effect	Cultural	Social	Economic	Environmental	Mitigation of negative effects	Addressed in
Land development and buildings can increase water runoff, and building wash or occupancy activities can lead to pollutants entering the water network	✓	✓	✓	✓	Vehicle wash bay has a "grey" water holding tank, non-chemical building wash programme, upgrades/ new buildings spec sustainable design (i.e. rainwater holding tanks, run off soakage areas)	Life Cycle Management Risk Management Project Design Procurement Specification
Health and safety risks associated with the operation, maintenance, or construction of buildings		✓	✓		Ensure compliance with legislation and Health and Safety Management Plans. Maintain an Incidents Register. Site safe passport a requirement for	Risk Management Project Management

Significant negative effect	Cultural	Social	Economic	Environmental	Mitigation of negative effects	Addressed in
					contractors/staff working at heights	
The cost of property may exceed the community's willingness to pay.		✓	✓		Consult with the community on all costs and options for Levels of Service through the LTP process	Levels of service Project and Financial Forecasts Risk Management Asset Management Plans
Buildings maintained or constructed of non sustainable materials	✓	✓	✓	✓	Material specification includes: low volatile paints, sustainably grown timber, recycling of waste materials and low energy lighting, heating and ventilation systems	Life Cycle Management Risk Management Project Specification Procurement Specification
Buildings are operated in a wasteful and inefficient manner		✓	✓	✓	Low energy lighting specified for building upgrades, low energy heating and ventilation solutions used, suitable waste minimisation practices, consideration of environmentally sustainable design features being incorporated in building upgrades	Life Cycle Management Risk Management Design Specification Procurement Specification
Environmental Impacts related to storage of chemicals etc. at depot sites			✓	✓	Ensure correct chemical stores and bunded areas are provided where necessary	Environmental Stewardship Risk Management
Potential risks due to presence of Asbestos in older buildings	✓	✓	✓	✓	Prior to any medication/demolition works, correctly identify any asbestos products and dispose of using appropriately certified contractors	Life Cycle Management Risk Management

The significant negative effects identified above can be managed and/or mitigated by effective risk management, options assessments, asset management and operational procedures.

4.4 Relationships with key service providers

Council maintains relationships with key service providers who contribute to the efficient operation of the portfolio. The roles and responsibilities of these providers are outlined in Table 20 Roles and responsibilities below.

Table 20   Roles and responsibilities.

Tasks	Site	Relationship
General maintenance	All sites	Internal
Condition assessment	All sites	Internal
Mechanical Services (air conditioning)	Whakatāne, Tauranga, and Rotorua offices	External Contractor
Internal painting	Whakatāne, Edgecumbe and Ōpōtiki, Tauranga and Rotorua	Internal and External Contractor
External painting	All owned sites	External Contractors
Cleaning (internal and external)	All sites	External Contractor
Security (building)	All sites	Internal and External Contractor
Security (fire)	All offices	Internal and External Contractor
Electrical	All sites	External Contractor
Building works	All sites	Internal and External Contractor
Grounds maintenance	All sites	Internal and External Contractor
Plumbing	Whakatāne, Edgecumbe and Ōpōtiki, Tauranga, Rotorua	Internal and External Contractor
Lift maintenance	Whakatāne and Tauranga only	External Contractor
Valuations	All sites	External Contractor
Lease	Rotorua Office – 1187 Pukaki Street	Lessor
Lease	Rotorua Depot – Scott Street	Lessor
Lease	Tauranga Depot – Port of Tauranga	Lessor
Lease	Tauranga Depot – Montgomery Road, Judea	Lessor

Tasks	Site	Relationship
Lease	Kaituna depot and field office	Lessor
Lease	Whakatāne ground lease	Lessor
Lease	Ōpōtiki Depot	Lessor
Lease	Data room and telecommunications, Regional House, Tauranga	Lessee

Part 5:
Levels of service

5.1 Overview

Asset management (AM) planning enables the relationship between levels of service and the cost of the service (the price/quality relationship) to be determined. This relationship is then evaluated in consultation with the community to determine the levels of service they are prepared to pay for.

Defined Levels of Service (LoS) can then be used to:

- Inform customers of the proposed LoS.

- Develop AM strategies to deliver LoS.

- Measure performance against defined LoS.

- Identify the costs and benefits of services offered.

- Enable customers to assess customer values as accessibility, quality, safety, and sustainability.

In this context LoS define the quality of delivery for a particular activity or service, against which service performance can be measured.

This section of the AMP covers the following:

Local Government Act 2002 Requirements - Details the legislation behind the process, including clause references and requirements.

Linking Levels of Service to Council Outcomes and Relationship with Asset Management Planning - Explains the links between this plan, LoS and Council Outcomes.

Property Levels of Service - Provides details of the process of establishing LoS for the Property activity.

Understanding Community Priorities - Details how the community will assist in determining LoS and indicate their willingness to pay for those services.

Property Values and Outcomes - Details customer values, activity Strategic Outcomes and how these relate to customer and technical LoS. This is presented as a table to ensure each value is addressed, outcomes identified, and relevant levels of service established for future consultation.

5.2 Local Government Act 2002/2010 requirements

5.2.1 Overview

The LGA provides for local authorities to determine its role in promoting the social, economic, environmental, and cultural wellbeing of their communities. It provides a framework and powers for local authorities to decide how they will undertake activities.

The LGA requires service levels to be developed with the community in mind, to ensure that there is a community perspective applied to the development of traditionally technical service levels.

Schedule 10 of the LGA outlines the general requirements for the development of service levels. These requirements are:

- Statement of intended LoS provision for the Activity including performance measures.

- Performance measures and targets that will enable the community to assess the LoS for major aspects of the service that have not already been set as standard measures.

- A summary of any material changes to the cost of providing the service and the associated reasons for the change.

5.2.2 Decision making and reporting

The LGA also sets out how LoS should be reported and consulted on. Schedule 10 outlines how Council needs to report on the LTP levels of service in the Annual Report. The key requirements are:

- Compares LoS achieved against targets.

- Specifies whether intended changes have been achieved.

- Provide reasons for any significant variance between actual and expected service provision.

5.3 Levels of service relationship to asset management planning

One of the basic cornerstones of sound asset management is:

To provide the levels of service that the current and future community want and are prepared to pay for.

Levels of service therefore provide the platform for all decisions relating to AM (as illustrated in Figure 4). Before developing detailed AM strategies, Council needs to agree the LoS with the community with consideration given to the following:

- Required planned outcomes.

- Minimum legislative requirements.

- Technical constraints.
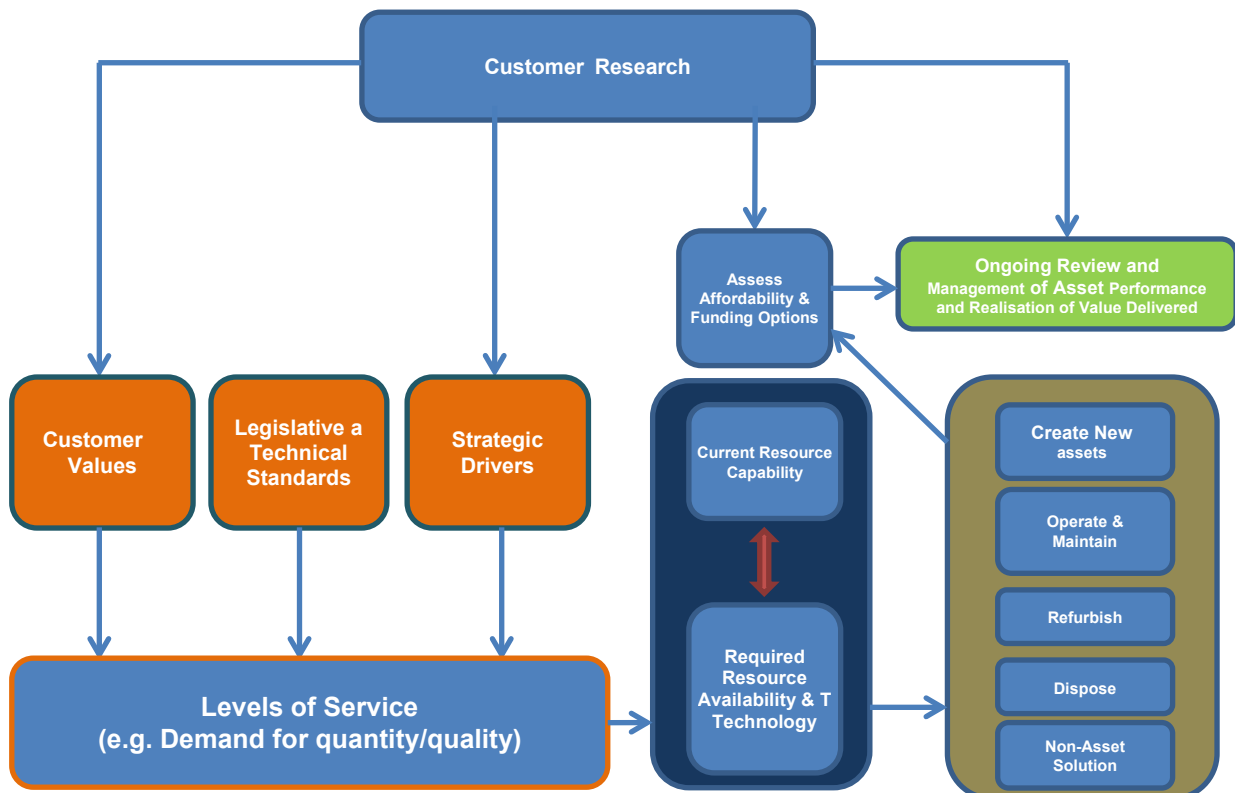
Figure 4   LoS relationship to asset management planning.

5.4 Linking levels of service to council outcomes

5.4.1 Council outcomes

As outlined in the Strategic Environment section, Council's Property activity enables Council's other activities to contribute to these four outcomes.

Figure 5   Community Outcomes

5.4.2 Levels of service delivery process

Council has key service provider relationships for Property Services:

- Contractors
- Key Users
- Various Consultants
- Lessees and Lessors

This is detailed in the Business Overview Section.

5.4.3 Levels of service development process

As part of the LTP development process, Council carried out a review of levels of service. The outcome of the review defined a set of high level LoS statements and measures that will be included in the LTP.

5.4.4 Establishing customer value

Customer values provide the cornerstone to the development of LoS from both a customer and technical point of view.

The customer values considered to be important for the Property activity are as follows:

- Accessibility
- Quality
- Affordability
- Safety
- Community Engagement
- Customer Interface (Responsiveness)

5.4.5 Activity strategic outcomes

Council Outcomes have been updated as part of the Long Term Plan 2021-2031. Further work has been undertaken to develop activity Strategic Outcomes for the Property activity. The activity Outcomes developed with the LoS represented in the AMP are described as follows, and aligned with the customer values as suggested in the National Asset Management Support (NAMS) Creating Customer Value from Community Assets Manual 2007.

Table 21   Customer values and activity strategic outcomes.

Customer value (NAMS)	Activity strategic outcomes
Accessibility	Council occupied buildings are **accessible** and support **disabled access** requirements
Affordability / Quality / Safety	Council owned and occupied buildings are **maintained** and provide a **good, safe environment** for council staff and customers to work/interact in
Community engagement	The community and key stakeholders are adequately **consulted** and informed in all **significant** decisions
Customer interface (Responsiveness)	All customers are treated in a **fair, respectful and responsive** manner Council leased buildings are properly managed with **clearly defined** lease terms and conditions

5.4.6 Identify and linking customer and technical levels of service

It is critical that from Council Outcomes right down to operational contracts, the linkages are made clear. The table below describes how this has been achieved and provides a roadmap to assist with the understanding of the LoS tables that will be developed.

The following tables are based on the NZ NAMS "Developing Levels of Service and Performance Measures" Manual. It should be noted that these tables act as a template for developing levels of service. Accordingly, these need to be developed and refined further, then presented in an appropriate way for further community consultation.

Table 22   How to read this table.

Community outcome	Activity strategic outcomes (levels of service)	Customer value	Customer performance measure			Technical performance measure					Performance measure procedure
			Measure	Current target	Proposed target	Factors of influence	Performance measure	Current target	Current performance	Proposed target	
Regional Leadership through action, coordination, support, and facilitation.	Council occupied buildings are accessible and support disabled access requirements.	Accessibility	All customers have access to council buildings.	100%	As per current	Parking	Provided in compliance with the TA District Plan and consent requirements	100% of the time	100%	100% of the time	Building consent and annual compliance certificate
						Disabled access facilities	Provided in compliance with the Building Act and consent	100% of the time	100%	100% of the time	Building consent and annual compliance certificate
Community outcomes drawn from the LTP 2021-2031.	*Activity outcomes (levels of service) defines in a clear statement, the outcomes expected to ensure the relevant customer value for.*	*Customer value details the general benefit of the service (from NAMS developing levels of service and performance measures manual).*	*Customer Performance Measure is a statement of how the customer receives the service. This is backed up by one or more technical LoS, and a practical means of measurement. Where the future target is a planned improvement from the current.*			*Technical Performance Measures states how a particular activity or service area is measured. Each technical performance measure is linked to a customer performance measure, in many cases providing a more detailed version or measure. Where the future target is a planned improvement.*					*Performance Measure Procedure details the practical means of being able to measure the Technical and Customer Performance measures.*

5.5 Property levels of service, performance measures and reporting

Table 23   Property levels of service.

Community outcome	Activity strategic outcomes (levels of service)	Customer value	Customer performance measure			Technical performance measure					Performance measure procedure
			Measure	Current target	Proposed target	Factors of influence	Performance measure	Current target	Current performance	Proposed target	
A healthy environment Freshwater for life Safe and resilient communities A vibrant region	Council occupied buildings are accessible and support disabled access requirements	Accessibility	All customers have access to Council buildings	100%	As per current	Buildings are fit for purpose and user requirements are reviewed	Adequate accommodation to enable Council to carry out its functions and activities	Adequate accommodation at appropriate locations	Adequate	Maintain adequate accommodation with growth	Annual review as part of Annual Plan process, and 3 yearly review as part of LTP process
						Disabled access	Provided in accordance with national standards including entry, toilet and other facilities.	100% of the time	100%	100% of the time	Annual building compliance certificate
						Parking	Provided in compliance with the TA District Plan and consent requirements	100% of the time	100%	100% of the time	Annual review of parking requirements Yearly condition assessment of car parks by Property Team
						Signs	In place for all Council buildings	100%	100%	100%	Annual review Job Tracker system Yearly condition assessment of signage by Property Team
	Council owned and occupied buildings are maintained and provide a good, safe environment for council staff and customers to work/interact in.	Affordability	Total cost of property management	Maintained +10% of budget as agreed in Annual Plan	As per current	As for customer measure					Part of Annual Plan process
		Quality	The council owned and occupied buildings are of a good standard	90% of staff rate the property services as good or above	As for current	Statutory compliance	All buildings are compliant with all Statutory and regulatory requirements, in addition to all Council policies, procedures and standards.	100% compliance	100%	100% of the time	Annual review building compliance certificate Annual review resource / building consent
						Assets (by replacement cost value)	In a moderate, good or very good condition	85%	80%	90%	3 yearly AMP
						Buildings – internal and external cleaning	Cleaned in compliance with relevant cleaning contracts	Undertake quality assurance checks as per frequency defined in contract	100%	100% of the time	Annual review contract records Annual review agreement records Annual review staff performance measures
						Grounds/Facilities – maintenance	Maintained in accordance with relevant maintenance agreements	Undertake quality assurance checks as per frequency defined in agreement		100% of the time	
						General repairs and specified maintenance	Actioned as per Annual Plan	Maintain +10% of budget as	Maintained +10% of budget as	As for current	Annual Plan

Community outcome	Activity strategic outcomes (levels of service)	Customer value	Customer performance measure			Technical performance measure					Performance measure procedure
			Measure	Current target	Proposed target	Factors of influence	Performance measure	Current target	Current performance	Proposed target	
								agreed in Annual Plan	agreed in Annual Plan		
	The community and key stakeholders are adequately consulted and informed in all significant decisions	Community Engagement	Community Consultation will take place as per Annual Plan and Long Term Plan process	100%	As for current	See Customer measure					Annual Plan Long Term Plan Submissions as part of Long Term Plan process
	All Customers are treated in a fair, respectful and responsive manner	Customer Interface/ Responsive-ness	Meet the terms of the lease	100%	As for current	Breaches of the lease	Number of breaches	zero	zero	zero	Annual review records, correspondence and records maintained Annual review lease agreements
		Safety	As per measure listed in Quality			Maintenance requests with Health and Safety implications	Isolation, elimination or mitigation within 24 hours	100% compliant	100%	100% of the time	Annual review Job Tracker Annual review Health and Safety records
						Health and Safety regulations compliance	Compliance with building code regulations, health and Safety guidelines, council policies, standards and procedure	100% compliant	100%	100% of the time	Annual review Building Compliance certificate Annual review Building / Resource consents Annual review Health and Safety records
						Maintain a health and safety system to record and investigate incidents	100% of reported incidents recorded and investigated	100% compliant	100%	100% of the time	Annual review Health and Safety records Report accidents to Health and Safety Committee (as per meeting frequency) Poisons and chemicals stored in accordance with the HASNO Approved Code of Practice
						Compliance with security patrol /response contracts		100% compliant	100%	100% of the time	Monthly reports from security company
	Leased buildings (commercial and community) levels of service										
	Council leased buildings properly managed with clearly defined lease terms and conditions	Customer Interface	Valid signed lease agreements in place	100%	As for current	Lease agreements	Clearly communicated to lessee	100% of the time	100%	100% of the time	Annual review records, correspondence and records maintained Annual review Lease agreements
						Inspections to assess tenants compliance with lease and rentals	Reviewed annually in accordance with lease agreement	100% compliant	100%	100% of the time	

Part 6:
Growth and demand

6.1 Property overview

This section describes the strategy that BOPRC will adopt for growth and demand related to the property activity. Council owns and operates eight properties with 12 buildings across the four portfolio classifications. These include:

- The Quay Street building in Whakatāne
- Regional House in Tauranga
- A field office in Kaituna
- Two carparks
- Three depot sites

Council also leases one office and four depots in order to provide core services cover throughout the region. Leased premises are located in Tauranga, Rotorua, and Ōpōtiki.

The growth and demand section focuses on the assets that deliver property services to customers, stakeholders and BOPRC employees.

The key drivers that influence growth and demand are assessed in detail in the following section.

6.2 Introduction

Planning for future growth and demand is imperative to provide an economically sustained pathway to meet the needs of the region. The provision of the property activity and its management is considered an important element to enable Council to service its communities effectively.

Growth and demand planning allows for the identification and quantification of areas within the region that are likely to experience significant pressures, that may impact upon the demand for services.

6.3 Growth versus demand

Although growth and demand are considered together in this section, it is worth noting that they do have different implications regarding the on-going function and delivery of the activity.

Growth, in relation to the property activity, is mainly driven by changes to Council's services. Changes to Council's services is caused by new statutory requirements from Central Government, evolving economic climate changing the way natural resources are used, the impacts of Climate Change, and demand from the community. These changes create a demand for customer service.

Demand for facilities/services can also be influenced by changes in service needs and wants (for example health and safety through ergonomic workstations; environmental considerations such as power and water conservation).

6.4 Overview of key demand drivers

This section describes Council's strategy for growth and demand related to the property activity.

The growth and demand drivers that are discussed as part of this section include:

- Demographic considerations.
- Long term planning.

- Physical environment.

- Legislation/political considerations.

- Access to facilities by customers, key stakeholders and staff.

6.5 Demographic considerations

The following section investigates some demographics of the Bay of Plenty region, in order to gain an understanding of the potential needs of the community and where facilities may be required in future as growth occurs in different areas.

6.5.1 Demographic overview

A summary of the demographic projections for the Bay of plenty region can be found on page 18 of the draft Strategic Asset Management Plan.

6.5.2 Impact on the property activity

The key impacts on the property activity due to changes in population densities and changes in residential and commercial building across the district includes:

- Increased population will directly link to increased provision of Council services and therefore more staff and plant may need to be housed in the future.

- Cost of maintaining and operating additional sites will increase.

6.5.3 External management strategies

The main management strategies that can be used include:

- The demand for Council office space can be modified through the balancing use of externally contracted resource, or internal staff provision.

- Open planned offices, hot desking, and working from home options can also reduce the need for additional office space.

6.6 Long term planning

6.6.1 Council's property

Background

The purpose of Council's administration buildings is to enable Council to meet its community and environmental service requirements and to provide customer contact centres across the region. Council uses a mix of owned and leased building spaces across the region to achieve its services requirements. Office buildings are the highest valued property assets at $33 million.

Current requirements

Council has accommodation for around 500 people. The Whakatāne office is located at Quay Street, the Tauranga office is located on Elizabeth Street, and additional spaces are leased in Rotorua, Ōpōtiki and Edgecumbe. The main office locations are shown in the following table.

Table 24   Office buildings location.

Offices	Location	Description
1	Whakatāne	The main Council office, comprises two linked buildings owned by Council but on a ground lease.
1	Tauranga	A multi storey office complex owned by Council located in the CBD
1	Rotorua	One leased building on the corner of Fenton and Pukaki Streets

The land of the Whakatāne office is owned by Whakatāne District Council and leased to BOPRC under a perpetual right of renewal. Council owned properties are located in Tauranga, Whakatāne and Edgecumbe. Rotorua and Ōpōtiki have leased facilities.

6.6.2   Impact on the property activity

The main impacts on the property activity based around long term planning include:

- Council's offices will be located in populated areas to provide easy access for the community to Council services.

- Dependent upon future reviews, Council will need to rationalise space to meet the growth and demand for its services set out in the LTP.

6.6.3   Internal management strategies

- Have a clear understanding of space requirements.

- Ensure that office accommodation is provided in line with the Government Workplace Standards and Guidelines for Office Space.

- Ensure that office options are clearly defined and provision is made for these in the LTP.

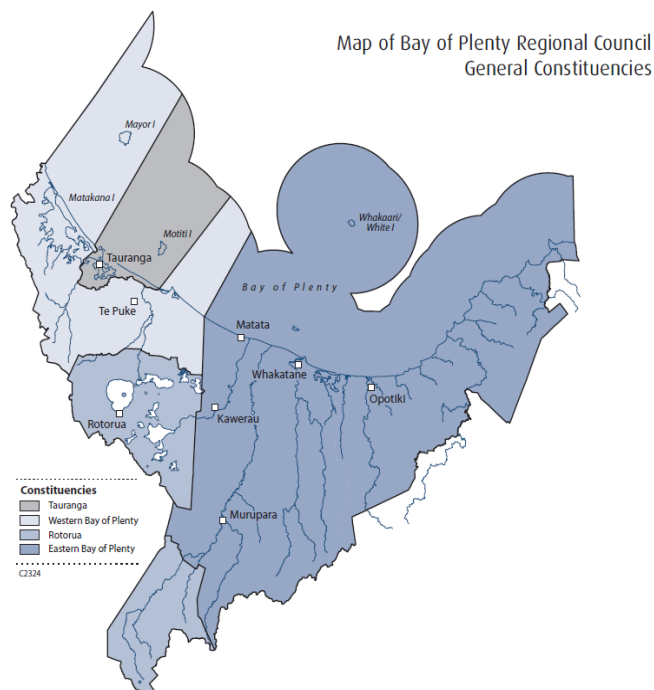- Determine the ongoing operations and maintenance costs for offices and account for these in the LTP.

Figure 6   Map of Council's general constituency boundaries.

The general constituency map is drawn on the basis of equal representation and illustrates clearly that Tauranga constituency is geographically smaller but of much higher density than other parts of the region.

6.7 Physical environment

This demand driver is essentially generated by the staff and community that use Council's facilities. Council's Whakatāne and Tauranga offices have recently been upgraded to modernise them and make them more operationally efficient. Council has aligned its office accommodation with the Government Workplace Standards.

The community looks to Council to lead the way in environmental sustainability. The building upgrade work includes a number of environmentally sustainable design features including the use of low impact/low VOC materials, energy efficient systems, photovoltaic and wind energy generation, rain water harvesting, low use water fixtures and fittings, and high performance glazing.

Staff attraction, retention and wellbeing can also be linked to the physical environment in which they work. Therefore it is important to include considerations of the expectations and desires of staff and facility users into any new builds or renovations that are required as a result of the strategic review.

In addition, more flexible hours of working and access to systems off site are key to retaining staff.

The need for depot sites are driven by geographic location, legislative requirements, Climate Change and Council's business approach to provide services in house or through external contracts. It is also driven by the customers' expectations toward environmental events such as responsiveness to pollution, and damage from extreme weather or earthquakes.

The potential impacts and the management strategies are discussed below.

6.7.1 Impacts on Council's property activity

The main impacts can be categorised as:

- Expectations regarding environmental impact and sustainability will potentially generate higher capital costs in the short term for appropriate design and construction; however lower operational cost should be achieved in the long term.

- Building locations are influenced by proximity to a suitable labour force, key functional stakeholders and customers.

- Monitor and manage staff expectations, understand requirements through staff surveys.

- Communicate clearly with staff and involve key spokespersons in the decision making around potential options

- To attract and retain staff in a competitive labour market Council should provide a safe comfortable work environment.

- Monitoring work practices and developing a work policy/HR policy that allows for more flexible working conditions.

6.7.2 Management strategies

The following management strategies are being used to manage growth and demand on office facilities:

- Technological systems such as electronic filing to reduce storage space, and mobile devices to reduce the amount of time field staff need to spend in the office.

- The requirement for desk space can be minimised by using hot desks for mobile workers rather than allocating them an individual desk.

- Appropriate depot locations from a geographic and population perspective.

- Investigate the option of sharing work spaces with other organisations to save on costs, assist with flexible work policies and minimize the pressure on existing facilities.

6.8 Legislation/political considerations

There are a number of key regulations or legislation that impact on the activity, its management, renewal, repairs, upgrades and impacts. The key legislative Acts are discussed in more detail in the Strategic Environment section.

6.8.1 Impacts on property activity

Legislative change can significantly affect Council's ability to meet minimum levels of service that have been agreed with the community. Legislative changes may have an impact on property assets if additional services are to be delivered which require extra staffing levels, and therefore extra office accommodation.

Council needs to be able to identify growth and demand needs over a long period of time. This requires robust knowledge of the facilities, past performance, and future growth strategies and policies.

Potential changes in legislation or a political focus could have the following impacts:

- The makeup of Council's existing and planned buildings and properties are to service Council's current activities. Should the nature of this service provision change there are likely impacts around Council's space and functionality requirements. For example, if a staff capabilities and capacity needs to reflect the changes to the focus of an activity.

- A change in governance in the area.

- Jointly funded positions, for example, sharing staff with a district council.

- Changes to Civil Defence requirements, for example, increased level of service from the space currently provided.

6.8.2 Management strategies

This includes performance and governance through the implementation and continuous improvement of this AMP. Council can implement the following:

- Ensure an adequate level of understanding of the legislation is obtained by key staff, potentially nominate a key staff resource to monitor likely changes in legislation or governance and identify the potential impacts.

- Carry out reviews of policy changes to establish what the impacts may be (if any).

- Development of a Consultation Strategy around different options.

- A reasonable amount of work will be required to set up processes to record this information in a way that can be used to predict utilisation of existing facilities, to adequately address requirements of the relevant legislation.

Part 7:
Lifecycle management

7.1 Introduction

This Lifecycle Management (LCM) section provides the broad strategies and work programmes required to achieve the goals and objectives set out in Section 3 and 4 of this plan.

This section covers the following property portfolio classifications:

- Offices
- Depots
- Carparks

7.2 Property asset overview

The Bay of Plenty Regional Council owns and operates eight properties with 14 buildings across the three portfolio classifications. Council owns administration buildings in Whakatāne and Tauranga, two carparks and three depot sites which support the day-to-day operations of Council.

Council also leases an office and four depots in order to provide core services cover throughout the region. Leased premises are located in Tauranga, Rotorua and Ōpōtiki.

The lifecycle management section focuses on the assets that deliver property services to customers and stakeholders.

7.3 Capital works plan

A significant amount of corporate expenditure was invested in property assets in the upgrade of the Whakatāne and Tauranga offices sites, and the fit out of the new Rotorua office between 2016 and 2020. Funding is proposed in this Long Term Plan to complete the upgrade of Regional House and to build a Group Emergency Coordination Centre.

The capital work plan totals over $19.4 million over the next 10 years.

7.4 Property income and expenditure

7.4.1 Operational, renewal, capital and disposal plans

Operations and maintenance plan

Reactive

Renewal plan

Renewal work is planned and budgeted for at Long Term Plan and Annual Plan time.

The required level of renewal (including replacement or rehabilitation) will depend on:

- The age profile
- The condition profile
- The level of on-going maintenance
- The economic lives of the materials used
- Financial and customer risks

Renewals will be reviewed annually, with any deferred work re-prioritised alongside new renewal projects and a revised programme established.

Reactive maintenance is provided by independent contractors and covers:

- Electrical maintenance

- Plumbing and drainage maintenance

- Carpentry repairs

- General maintenance

- Office fit out

- Heating and ventilation repairs

Preventative/Proactive

Contracts are in place to manage on a regular or cyclical basis:

- Building warrant of fitness checks

- Lift maintenance and inspections

- Cleaning services

- Security services

- Mowing and Landscaping services

- Exterior building wash

- Heating and ventilation servicing

- Annual engineering inspections for the canopy sail at the Whakatāne office

Part 8:
Projects and financial forecasts

8.1 Overview

To undertake a sustainable, long-term approach to asset management, it is essential to prepare long-term financial forecasts. This allows a long term view of how the asset will be managed, how much this will cost and when additional funding may be required to meet expected service levels. These financial forecasts are a culmination of the previously discussed aspects of the AMP such as:

- Community Engagement
- Levels of Service
- Demand Management
- Lifecycle Management
- Asset Lives
- Condition Ratings
- Asset Valuation

The above forms the basis of the long-term operations, maintenance and capital requirements.

8.2 Expenditure

Expenditure on infrastructure assets can be categorised into some key areas, which are discussed below:

Operations and maintenance

Operations and Maintenance expenditure is that required for the day-to-day operation of the assets whilst maintaining the current levels of service. Examples of these types of expenditure are:

- Overheads
- Minor replacements

Maintenance costs are generally subdivided into three groups; these are described in Table 25.

Table 25   Maintenance.

Maintenance	General meaning
Routine	Day to day maintenance which is required on an ongoing basis and is budgeted for
Planned (proactive)	Non day-to-day maintenance which is identified in advance and is incorporated into a maintenance budget for a certain time period
Reactive	Maintenance that is unexpected and necessary to attend to immediately to continue operation of the service

Replacement (renewals)

Renewal expenditure includes rehabilitation and replacement of assets to restore an asset to its original level of service, i.e. capacity or the required condition. Renewals expenditure forecasts cover the cost of asset renewal through its whole lifecycle through to disposal of the asset.

Capital works (new works)

Capital works (new works) involves the creation of new assets, or works, which upgrade or improve an existing asset beyond its current capacity or performance in response to changes in usage or customer expectations.

Disposals

Asset Disposal is the retirement or sale of assets whether surplus or superseded by new or improved systems. Assets may become surplus to requirements due to obsolescence, underutilisation, changes in policy etc.

8.3 Asset management assumptions

The following Property Asset Management assumptions have been made in preparing the 10-year expenditure forecasts:

- Asset information is as complete as possible at 1 July 2020.

- Only Council owned property assets have been valued.

- The determination of asset replacement value, depreciated value, and renewal projections are based on the valuation data as at 1 July 2020.

- All projected expenditure is stated in dollar values as at 1 July 2020. With no allowance made for inflation.

- Operational costs are largely based on historical expenditure.

- Maintenance and operations allocations are largely based on maintaining current LoS.

- Confidence in the data used to produce the 10-year forecasts for this AMP has been assessed at mid-level.

- Council staff have developed this programme. No formal consultation has been undertaken with the public.

- It is assumed that regulations relating to property assets will remain essentially the same over the planning period (i.e. 10 years to June 2031).

8.4 Summary financial forecast – all properties

The table below contains the Property financial estimates, which incorporates the projected income and funding sources to fund operational expenditure for the next 10 years (2021-2031).

Table 26   Property financial estimates 2021 – 2031 (uninflated).

Operating Statement	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
OPERATING REVENUE										
Fees and Charges	88	88	88	88	88	88	88	88	88	88
Total Operating Revenue	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**
OPERATING EXPENDITURE										
Direct cost by property										
37 The Strand Carpark (Building)	10	10	10	10	10	10	10	10	10	10
Arawa Rd Building - 35 Arawa Rd, Whakatane	12	11	11	12	12	13	13	14	14	14
Edgecumbe Depot - 2 Ngaio Place	28	28	29	29	30	30	31	31	31	31
Opotiki Depot - 70 Bridge Street, Whakatane	27	27	27	27	27	27	27	27	27	27
Port of Tauranga Depot	23	23	23	23	23	23	23	23	23	23
Whakatāne Office 5-11 Quay Street Whakatāne	477	714	501	514	527	540	553	566	578	590
Regional House Elizabeth Street Tauranga	461	476	491	506	521	536	551	566	581	596
26 Toroa St, Whakatane	59	60	61	61	62	62	63	63	63	63
Rotorua Depot 9 Scott Street, Rotorua	93	95	98	100	103	106	109	110	112	114
Wallingford House	31	36	41	46	51	56	61	66	71	76
Depot Tauranga CBD/Judea area	80	82	84	86	88	90	92	94	96	98
Rotorua Office	233	313	313	313	333	333	333	353	353	353
Kaituna Depot	63	65	67	69	71	73	75	77	79	81
Total Direct Costs	**1,594**	**1,938**	**1,753**	**1,794**	**1,855**	**1,897**	**1,939**	**1,998**	**2,036**	**2,074**
Indirect Costs										
General Expenses	31	31	31	31	30	30	30	30	30	30
Interest	783	920	973	1,040	1,078	1,055	1,031	1,003	975	947
Depreciation	770	946	971	1,024	1,067	1,068	1,071	1,063	948	951
Total Operating Expenditure	**3,178**	**3,835**	**3,728**	**3,889**	**4,055**	**4,052**	**4,072**	**4,096**	**3,990**	**4,003**
Corporate Costs and Transfers	(3,090)	(3,747)	(3,639)	(3,801)	(3,967)	(3,963)	(3,983)	(4,007)	(3,902)	(3,915)
Net Operating Costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

8.5 Maintenance planning

8.5.1 Operations and maintenance

Maintenance strategies cover the policies that will determine how the property assets will be operated and maintained on a day-to-day basis to consistently achieve the optimum use of the asset. The work categories are defined as follows:

Routine (General) maintenance

Routine maintenance is the regular ongoing day-to-day work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again. This work falls into two broad categories as follows:

Planned (Proactive)

Proactive inspection and maintenance works planned to prevent asset failure.

Reactive

Reactive action to correct asset malfunctions and failures on an as required basis.

A key element of asset management planning is determining the most cost-effective blend of planned and unplanned maintenance as illustrated in Figure 7.
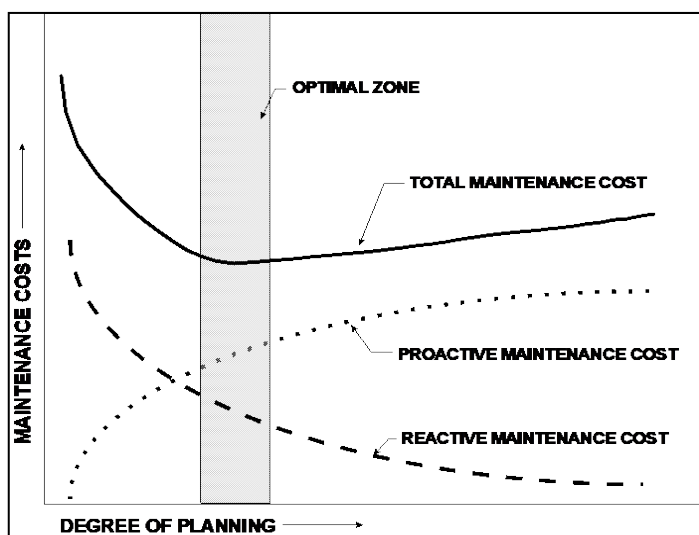
Figure 7   Balancing proactive and reactive maintenance.

The short-term maintenance strategy is intended to maintain the current levels of service standards. The long-term maintenance strategy will be modified to reflect the following factors:

- Risk of failure -The risk associated with failure of critical assets.

- Levels of service - Changes in the current or agreed level of service.

- Economic efficiency -Asset condition assessment.

- Extend the life of the asset component -Asset improvements and development programme.

- Legislative compliance – e.g. requirements of LGA 2002, DWSNZ.

8.5.2 Operations and maintenance programme

Maintenance works are undertaken by the Property Maintenance Coordinator, the Property Officer and Assistant and maintenance contractors, and managed by the Customer Contact Manager.

Maintenance work is a mix of proactive and reactive works.

Calls from customers/stakeholders generally come through to Property staff or via Property Hub, and these are dealt with as they occur. The completion of these requests for service are recorded through the Property Hub system.

With significant upgrade works now largely complete at the Tauranga and Whakatāne sites, maintenance costs are expected to reduce. as the replacement assets and systems will be more efficient and reliable.

Operations and maintenance forecasts

Anticipated work needs and costs over the next 10 years to ensure delivery of the defined levels of service, include:

- Expected operational work.

- The nature, incidence and cost of unplanned maintenance (responsive) currently undertaken.

- Planned inspections and preventative maintenance.

- Expected planned maintenance work requirements.

- Managing assets to desired levels of service.

8.6 Capital and renewal planning

8.6.1 Renewal works

Renewal expenditure is work that restores an existing asset to its original level of service, i.e. capacity or the required condition. These broadly fit into the following work categories as follows:

Rehabilitation: Involves the repair of an existing asset, or asset component. Rehabilitation doesn't provide for a planned increase in the operating capacity or design loading. It is intended to enable the assets to continue to be operated to meet levels of service.

Replacement: Doesn't provide for a planned increase to the operating capacity or design loading. Some minor increase in capacity may result from the process of replacement, but a substantial improvement is needed before asset development is considered to have occurred.

8.6.2 Renewal strategy

Renewal strategies provide for the progressive replacement or rehabilitation of individual assets that have reached the end of their useful life. This is managed at a rate that maintains the standard and value of the assets as a whole. This programme must be maintained at adequate levels to maintain current levels of service and the overall quality of assets.

Asset performance

Assets are renewed where it fails to meet the required level of service. The monitoring of asset reliability, capacity and efficiency during planned maintenance inspections and operational activity identifies non-performing assets. Indicators of non-performing assets include:

- Structural failure.

- Repeated asset failure (breaks, faults).

- Ineffective and/or uneconomic operation.

- Unsafe conditions for the public.

Economics

When it is no longer economic to continue repairing the asset (i.e. the annual cost of repairs exceeds the annualised cost of its renewal). An economic consideration is the co-ordination of renewal works with other planned works such as road reconstruction. Council actively researches the effectiveness of new technology, which may reduce the direct and social costs of repair works.

Risk

The risk of failure and associated environmental, public health, financial or social impact justifies proactive action (e.g. probable extent of flooding damage, health and safety risk). Where such assets are identified (critical assets), proactive inspection is undertaken appropriate to the risk of failure.

Life Cycle

The current lifecycle expectations for the Property assets and the annual depreciation rates 40 – 100 years for buildings and 4-10 for plant items.

Replacement (Renewal) works summary

While many of the smaller replacement (renewal) items are undertaken within maintenance, all major works are programmed as replacement items and are managed in a similar way to new capital works.

Bay of Plenty Regional Council will consider the financial and customer risks of having sufficient funds to deal with renewal demands, consideration of detailed assessments, implementing proactive renewals and recognising the increasing maintenance and operational requirements.

8.6.3 New works

New works are the creation of new assets or works, which upgrade or improve an existing asset beyond its existing capacity or performance in response to changes in usage or customer expectations. Council recognises that asset development and asset renewal can occur simultaneously.

8.6.4 Selection criteria

Council carries out a prioritisation process of all necessary renewal or development works. The priority list is used to assign funds when preparing the financial plans. It is important that the process be regularly reviewed and the cost estimates reviewed at detailed design stage and/or purchase.

8.7 Capital and renewal forecasts – all properties

The tables below contains the Property renewal and capital expenditure for the next 10 years (2021-2031):

Table 27   Property capital and renewal projects 2021-2031 (uninflated).

Capital and Renewals	2021/2022 $	2022/2023 $	2023/2024 $'	2024/2025 $	2025/2026 $	2026/2027 $	2027/2028 $	2028/2029 $	2029/2030 $	2030/2031 $
5-11 Quay Street Capital and renewals										
Upgrade facilities	2,000,000	1,500,000	-	-	-	-	-	-	-	-
Furniture replacement	-	5,000	5,000	5,000	5,000	5.000	5.000	5.000	5.000	5,000
Land purchase	3,000,000	-	-	-	-	-	-	-	-	-
Regional House, Capital and renewals										
Upgrade facilities	980,000	700,000	5,000	5,005,000	5,000	5,000	5,000	5,000	5,000	5,000
Furniture replacement	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Elizabeth Street/ Waterfront Development	1,500,000	200,000	-	-	-	-	-	-	-	-
Group Emergency Centre	2,000,000	600,000	-	-	-	-	-	-	-	-
Rotorua office – Capital and renewals										
Upgrade facilities	-	-	50,000	-	-	-	-	-	-	-
Furniture replacement	3,000	3,000	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000
2 Ngaio Place - Capital and renewals										
Upgrade facilities	-	200,000	-	-	-	-	-	-	-	-
Kaituna field office										
Upgrade facilities	-	-	-	-	-	-	-	-	-	-
Tauranga – Potential transport hub										
Tauriko site	-	-	2,000,000	-	-	-	-	-	-	-
Total										
Total	**9,523,000**	**2,533,000**	**2,081,00**	**5,033,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**

8.8   Disposals

As part of the whole life cycle management of assets, it is vital to consider the costs of asset disposal in the long-term financial forecasts for an asset. The cost of asset disposal is expected to be incorporated within the capital cost of new works, or asset renewals.

Disposal is the retirement or sale of assets whether surplus or superseded by new or improved systems. Assets may become surplus to requirements for any of the following reasons:

- Under utilisation.

- Obsolescence.

- Provision exceeds required level of service.

- Assets replaced before its predicted economic life.

- Uneconomic to upgrade or operate.

- Policy changes.

- Service provided by other means (e.g. private sector involvement).

- Potential risk of ownership (financial, environmental, legal, social).

The Bay of Plenty Regional Council is not planning to dispose any assets in the foreseeable future.

8.9   Asset valuation

8.9.1   Introduction

Statutory financial reporting requires Council to revalue its fixed assets at least every five years. An asset valuation is to be used for asset management (calculating long-term asset renewal projections), identifying loss of service potential (depreciation) and for financial reporting purposes.

8.9.2   Accounting standards

New Zealand International Financial Reporting Standard (NZIAS16) applies to all property assets considered in the scope of this valuation for the general purpose of financial reports.

8.9.3   Industry guidelines

Properties have been valued on a fair value basis by registered property valuers. Fair value is deemed to be depreciated replacement cost as explained in NZIAS 16.

Investment property is re valued on an annual basis and is not depreciated as the other Council properties are. The Long Term Plan states:

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet present or future service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost, including transaction costs. After initial recognition, BOPRC measures all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the income statement. The strategic properties meet this definition.

8.9.4 Valuation process and methodology

The last valuations were undertaken for Council as at 30 June 2020.

Asset Register

Council's Property assets are now managed in the Technology One financial system.

The information is considered as accurate and complete for the purpose of the valuation.

Asset Assumptions (Valuation Assumptions)

The assumptions that have been used in the valuation of Council's Property assets are as follows:

- Depreciation is by the straight-line method.

- Asset Base Life or Total Useful Life have been used as detailed in Table 28

- The valuations are provided in NZIV standard valuation report format.

- Asset information is as complete as possible at July 2020.

Base lives of assets used in this valuation are as follows:

Table 28   Current infrastructural asset base lives.

Item	Base lives (years)
Building	40-100
Plant and equipment	4-10
Land	Not depreciated

8.10 Policies

Council's philosophy to managing investments is to optimise returns in the long term while balancing risk and return considerations. Council recognises that as a responsible public authority any investments it makes should be made prudently and the associated risks and returns should be balanced and the risks managed.

Assumptions

- That Council maintains an ongoing positive relationship with its stakeholders and the regional community.

- That Councillors and staff continue to work together as a team to achieve Council's objectives.

Property investments

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, Council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of Council. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. Council generally follows a similar assessment criteria in relation to, new property investments. All income, including rentals and ground rent from property investments, is included in the revenue account.

The average cost of borrowing is 2% on existing debt. The cost of borrowing of 2% per annum has been applied on new borrowings for the full 10 years - i.e. no allowance has been made for movements in interest rates whenever loans are refinanced.

Depreciation rates for assets are based on their useful life.

8.11 Risk to significant forecasting assumptions

The table below outlines the risks to significant forecasting assumptions. Should these assumptions prove to be incorrect there could be a significant effect on the level of rates to be collected from the community. If this were to occur, Council would re-evaluate the works programmes to determine if the expenditure is appropriate and rates altered accordingly or whether the scope of the proposed works could be scaled down.

In managing its investments generally, Council always seeks to protect its investment and manage its risk. Accordingly, Council has determined that it is "risk averse" and will apply the "prudent person" principle for the management of risk and return on its investments. When investing cash, Council seeks to minimise its risk by investing only in institutions with a high degree of security or credit rating and by limiting maximum exposure in certain cases.

Council recognises the risks that are involved in holding investments and minimises its risk exposure by using professional fund managers for its significant investment holdings. Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.

The Finance Department sets interest rate risk management strategy by monitoring the interest rate markets on a regular basis and after taking appropriate advice, evaluates the outlook and determines the interest rate profile to adopt for investments. Because Council generally only owns property which it utilises for its own purposes, its property interests carry low risk from an investment perspective. The risk of significant diminution in the value of property is taken into account in assessing the benefits of continued ownership in Table 29.

Table 29   Financial risks.

Risk	Risk level	Likely financial effect	Consequence/ mitigation strategy
That Central Government could require different representation obligations of Council.	Mid	Mid	Monitor
That significant changes in the make-up of Council could alter our ability to achieve our current long-term objectives.	Mid	Mid	Respond to situation

Part 9:
Business processes

9.1   Overview

This section covers the key Business Processes in place to assist BOPRC in delivering Asset Management and services.

Specific detail is provided on the following aspects:

Bay of Plenty Regional Council Business Continuity Plan - this details Council's ability to function and respond during a disaster or other significant event to assist with ongoing operation of key functions.

Civil Defence Emergency Management (CDEM) - The CDEM Group works together to reduce the potential effects of hazard events and to promote community and council readiness (preparedness).

Lifelines - Lifelines groups are typically voluntary groups of utilities working together to improve the resilience of infrastructure to hazards, often operating under the auspices of the Regional Council.

Plan Review and Monitoring – provides guidance on the long-term sustainability of this document.

Advanced AMP and OAG Criteria – Tables are provided that indicated the requirements that need to be addressed to achieve Advanced AMP status. This can be used as a guide for future asset management improvement in combination with the improvement plan.

9.2   Bay of Plenty Regional Council Business Continuity Plan

In the interests of sound business continuance planning, BOPRC has a Business Continuity Plan to effectively react and respond to any crisis in a manner that ensures that its activities, provision of services and staff wellbeing are not unduly affected.

This Plan has been prepared to ensure the viability of BOPRC's essential services in the event of an emergency or other event that significantly affects Council's ability to deliver effective services to stakeholders. In line with the plan, areas within the Whakatāne office have been allocated which have separate power generation and telephone links to ensure that minimum ongoing operations and communication can be maintained.

The building upgrade work in Tauranga included backup generator capability.

The key areas covered by the continuity plan include:

- Information Services Section Emergency Management Response.

- Databases, Internet and Emergency Management Response.

- GIS and Emergency Management Response.

- Human Resources Section Emergency Management Response.

- Property Section Emergency Management Response.

- Customer Services and Records Section Emergency Management Response.

- Governance Services Section Emergency Management Response.

- IT Operations Section Emergency Management Response.

9.3   Civil Defence Emergency Management

9.3.1   Why is a plan needed?

The Bay of Plenty has a wide range of hazards, including flooding, earthquakes, volcanic eruption, fire and a range of technological hazards. These hazards can cause disruption and death in communities and we need to be ready to meet the challenges that hazard events create.

It has been recognised for some years that emergency management needs to improve its ability to manage these hazards, respond to and recover from disasters, and to better coordinate limited emergency management resources. There is also an unrealistic level of expectation of what can be done for communities in a time of disaster. Communities need to be aware of the hazards and the potential consequences of these so that they are able to appropriately prepare for, respond to, and recover from a hazard event.

The Civil Defence Emergency Management Group Plan provides the basis for civil defence and emergency management (CDEM) in the Bay of Plenty. It has been prepared by the CDEM Group. This Group is made up of the following Bay of Plenty local authorities:

- Bay of Plenty Regional Council
- Kawerau District Council
- Ōpōtiki District Council
- Rotorua District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Tauranga City Council

The Plan is a requirement of the Civil Defence Emergency Management Act (CDEM Act) 2002. The Act requires that each CDEM Group has a plan to ensure that hazard management within the region occurs in an integrated and coordinated way. The plan must be consistent with the provisions of the CDEM ACT 2002.

The Bay of Plenty CDEM Group will, by implementing the principles of emergency management, endeavour to develop a safe and sustainable environment where the public and infrastructure are best able to coexist with natural and technological hazards.

The purpose of this Plan

The purpose of this Plan is to provide a framework for civil defence and emergency management decisions to be made across the Bay of Plenty. The Plan also creates a commitment to the implementation of tasks and actions. It is expected that local authority long-term council community plans and the funding programmes of other agencies and groups will include financial or resource provision to enable the implementation of this Plan Development and Review

The CDEM Plan was developed by drawing from a number of information sources. Guidelines on producing group plans published by the Ministry of Civil Defence and Emergency Management (MCDEM) were used as the basis for developing this Plan. These guidelines ensure a degree of consistency on a national basis.

Hazard management will continue to be refined through the development of Standard Operating Procedures (SOPs) and detailed response to individual hazards. The Group Plan will be regularly evaluated to ensure that it remains relevant and up-to-date. Minor changes will be made to the Plan as required. More significant changes will require consultation or will be aligned with the process of reviewing the Plan. Group plans must be reviewed at least every five years (2010).

This Plan remains current for five years from the date of approval by the CDEM Group (CDEM Act 2002, Section 53). However, annual reporting on the performance of the Group against the stated actions and targets within the Plan will allow for an ongoing review process to occur. On the basis of this ongoing review specific amendments may be made prior to the Plan's expiry.

Two years after the adoption of the Plan, a formal review will be undertaken to assess its implementation. This review may recommend changes to the Plan.

The CDEM Act sets out a public process by which amendments can be made to the plan (CDEM Act 2002 Sections 56 and 57). Other than those amendments deemed to be minor, any amendments to the Plan are required to be publicly notified. This is to allow any party who is affected to lodge submissions setting out their concerns and have these considered by the CDEM Group.

Profile of the Bay of Plenty CDEM group area

Jurisdictional Boundary

Local authority boundaries are used to define the areas that CDEM Group plan cover. For the Bay of Plenty the following local authorities are part of the Plan:

- Bay of Plenty Regional Council
- Ōpōtiki District Council
- Rotorua District Council
- Kawerau District Council
- Western Bay of Plenty District Council
- Whakatāne District Council
- Tauranga City Council

Bay of Plenty Regional Council has a number of systems in place in case of a civil defence emergency or other emergency/failure. Some of these are as follows:

The main Whakatāne building and Regional House, Tauranga can both be utilised as a civil defence headquarters.

The capital work planned in Tauranga includes Wallingford House being upgraded to an Importance Level 4 Category building to accommodate Council's Group Emergency Coordination Centre. The IL4 rating means that this facility will be able to operate independently of mains services and systems (power, communication, waste water and potable water).

Back-up generators are in place in the Tauranga and Whakatāne building to provide minimum services such as phone lines to assist in emergency situations and also to maintain contact during a general power outage.

The main IT server for the Council (held in 26 Toroa Street) has a back-up generator and has security measures such as alarms and specialist fire protection to minimise risks to the server.

Depots house specialist clean up equipment for marine and land chemical spills etc.

Depots are strategically located in Whakatāne, Tauranga and Rotorua.

9.3.2 Lifelines

Bay of Plenty Regional Council participates in a regional lifelines group. While there is no Property representative in the group, staff are kept advised by members of that group.

Lifelines are the essential 'utility' services, which support the life of the community. These services include water, wastewater, stormwater, power, gas, telecommunications and transportation networks. Lifelines groups are typically voluntary groups of utilities working together to improve the resilience of infrastructure to hazards, often operating under the auspices of the Regional Council. There is a Council representative from the Civil Defence Management Group who also sits within the lifelines group.
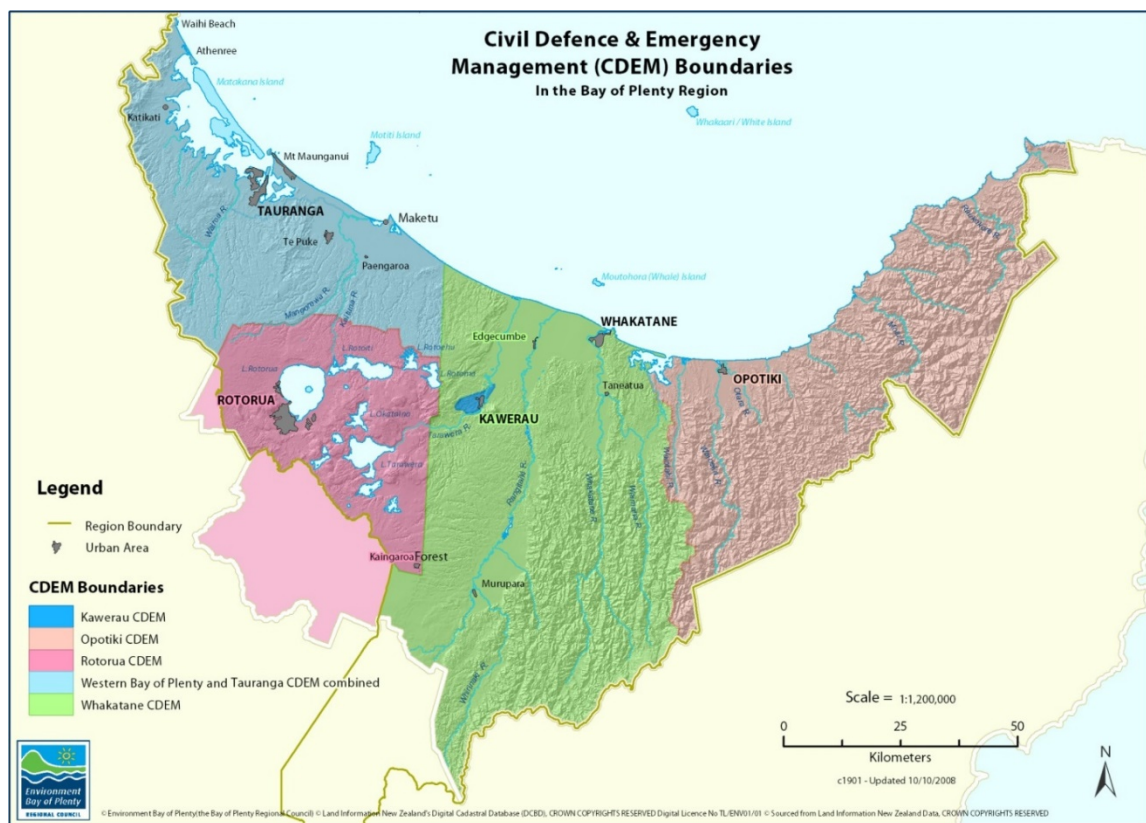

Figure 8   Bay of Plenty CDEM Group area.

9.4 Asset Management Plan review and monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the Committee/Council.

- Review and formally adopt LoS to comply with community outcomes (options vs costs).

- Revise AMP annually to incorporate and document changes to works programmes, outcome of service level reviews and new knowledge resulting from the AMP improvement programme.

- Quality assurance audits of Asset Management information to ensure the integrity and cost effectiveness of data collected.

- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of Asset Management processes, systems and data and external audits will be undertaken to measure Asset Management performance against 'best practice'.

Part 10:
Acronyms

Acronym	Term
AM	Asset Management
AMIP	Asset Management Improvement Programme
AMIS	Asset Management Information System
AMP	Asset Management Plan
AS/NZ	Australia and New Zealand Standards
BRE	Business Risk Exposure
CDEM	Civil Defence Emergency Management
CEO	Chief Executive Officer
DRC	Depreciated Replacement Cost
CDEM	Civil Defence Emergency Management
GIS	Geographic Information System
GRC	Gross Replacement Cost
H&S	Health and Safety
IIMM	International Infrastructure Management Manual
IT	Information Technology
KPI	Key Performance Indicator
LCM	Life Cycle Management
LGA 2002	Local Government Act 2002
LoS	Levels of Service
LTCCP	Long Term Council Community Plan
MCA	Multiple Criteria Analysis
NAMS	National Asset Management Steering (Group)
NPV	Net Present Value
NRB	National Research Bureau
NZIAS16	New Zealand International Accounting Standard 16
NZIV	New Zealand Institute of Valuers
OAG	Office of the Auditor General
ODM	Optimised Decision Making
ORDM	Optimised Renewal Decision Making
O&M	Operations and Maintenance
OSH	Occupational Safety and Health
QA	Quality Assurance
QBL	Quadruple Bottom Line (reporting)
RMA	Resource Management Act 1991
SNZ HB	Standards New Zealand Handbook (Risk)
TYP	Ten Year Plan

Part 11:
Glossary

Term	Definition
Annual Plan	The Annual Plan provides a statement of the direction of Council and ensures consistency and coordination in both making policies and decisions concerning the use of Council resources. It is a reference document for monitoring and measuring performance for the community as well as the Council itself.
Asset Management (AM)	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management System (AMS)	A system (usually computerised) for collecting, analysing and reporting data on the utilisation, performance, lifecycle management and funding of existing assets.
Asset Register	A record of asset information considered worthy of separate identification including inventory, historical, financial, condition, construction, technical and financial information about each.
Asset Renewal	Major work, which restores an existing asset to its original capacity or the required condition (stopbank top-up etc.)
Auditor General	The Auditor General of the New Zealand Audit Office.
Capital Expenditure (CAPEX)	Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential. CAPEX increases the value of an asset.
Community Outcomes	Outcomes developed with the community, which outline the community's vision.
Components	Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.
Condition Monitoring	Continuous or periodic inspection, assessment, measurement and interpretation of resulting data, to indicate the condition of a specific component so as to determine the need for some preventative or remedial action.
Condition Rating Survey	Survey carried out to assess the condition of assets.
Critical Assets	Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.
Current Replacement Cost	The cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset.
Deferred Maintenance	The shortfall in rehabilitation work required to maintain the service potential of an asset.
Depreciated Replacement Cost	The replacement cost of an asset spread over the expected lifetime of the asset.
Depreciation	The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted for the by historical cost (or re-valued amount) of the asset less its residual value over its useful life.
Disposal	Activities necessary to dispose of decommissioned assets.
Emergency Work	The restoration work required to restore an asset damaged by a sudden and unexpected event.
Finance 1	Financial management and information system.

Term	Definition
Geographic Information System (GIS)	Software which provides a means of spatially viewing, searching, manipulating, and analysing an electronic database.
Life Cycle Management	A process of managing an asset from initial construction through to disposal.
Optimised Renewal Decision Making	An optimisation process for considering and prioritising all options to rectify performance failures of assets. The process encompasses NPV analysis and risk assessment.
Remaining Useful Life (RUL)	Remaining Useful Life of an asset or asset component. (Generally Useful or Effective life less age).
Stakeholder	A person or organisation who has a legitimate interest in an activity e.g. community, Iwi, etc.
Sustainability	The process of meeting the needs of the present community without compromising the ability of future generations to meet their own needs.