



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL



# Asset Management Policy

Adopted: 23 April 2020

Review Date: 23 April 2022

*Together we Thrive! E ora ngātahi ana!*

# Asset Management Policy

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## DOCUMENT OVERVIEW

### Document Status

<u>Draft</u>	In Service	Under Review	Archived
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### Document Purpose

The purpose of this Policy is to support Council’s vision, goals and objectives through the management of physical assets. The Policy contains Principles, Policy Statements and outlines the framework for Asset Management at Council.

### Intended Audience

This Policy applies to all Council staff and contractors.

### Document Contributors

Contributor	Name and Title	Approval Date
Creator	Josh Lloyd – GM Community Infrastructure and Development	
Authoriser	Monique Davidson – Chief Executive	
Approver	Finance and Infrastructure Committee	

### Related References

Documents Informing Asset Management Strategy and Direction

- Group Business Plans
- Organisational Values
- Project THRIVE Documentation
- Infrastructure Strategy
- Long Term Plan 2018-21

## SCOPE

This policy applies to all permanent employees of Central Hawke’s Bay District Council and physical assets under their control. 3 Waters, Waste, Land Transport, Parks and Property assets in their management must all adhere to this Policy. This Policy does not apply to IT assets.

## POLICY

### Vision

Councils Vision is for "Central Hawke's Bay to be a proud and prosperous district made up of strong, connected people who respect and protect our environment and celebrate our beautiful part of New Zealand".

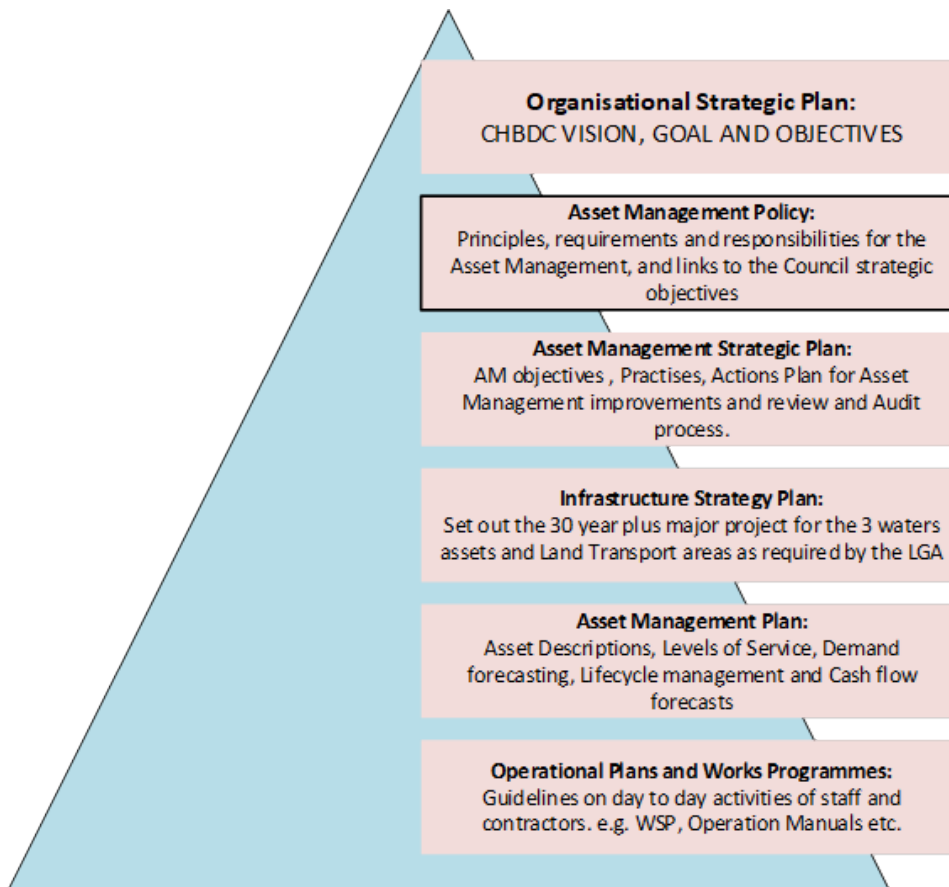
### Values

Council intends to deliver on its aspirational vision by adhering to a set of values produced through a consultative piece of work with the community know as Project THRIVE. The values are:

- Trust – we create trust by acting with integrity
- Honesty – we do what is right even when no one is looking
- Respect – we have respect for each other, our community and our stakeholders
- Innovation – we find smarter ways to do things to produce improved and sustainable results
- Valuing People – we are one team, supporting each other to succeed
- Excellence – we deliver exceptional results

### Strategic Context

The Policy sits at a governance level and provides strategic direction to Council Officers on how asset management is to be delivered by Council.

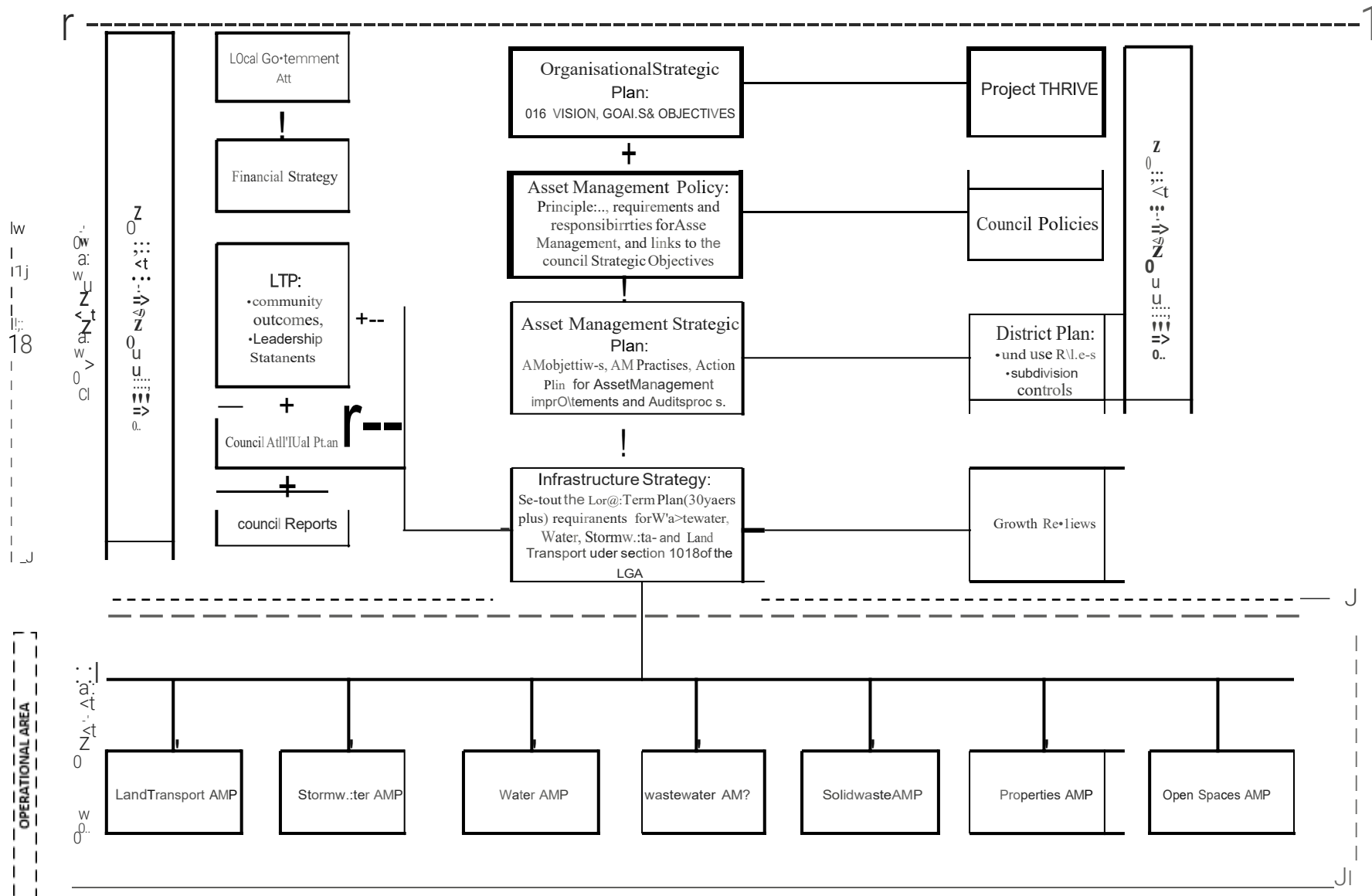


Key related policies, plans or strategies and their relationship to this Policy are described below.

Policy, Plan or Strategy	Relationship to 'the Policy'
Existing Asset Management Policy	The existing Asset Management Policy will be superseded by this document.
Infrastructure Strategy	Subordinate to the Policy and other documents and contains the 30yr strategy for managing key asset classes at a higher level of detail than individual asset management plans
Council Risk Framework	The Risk Framework prescribes in detail the risk approach used by Council. This approach will be used in asset management decision making – as outlined in this Policy.
Finance Strategy	Together with the Policy, and other documents area key feed into Councils Long Term Plan
Strategic Asset Management Plan	To be developed. Will be subordinate to the Policy and will contain Asset Management Objectives and strategic approach to managing assets
Asset Management Plans	Subordinate to the Policy and will highlight work to be performed on the assets, with suitable justification in line with the Policy intent, principles and policy statements.

### Asset Management System

The Policy is a primary component of Councils Asset Management System (AMS). The AMS is the encompassing framework that describes how Council carries out all aspects of asset management from decision making and planning through to on-the-ground lifecycle activities and operations on the assets. The AMS can be represented via a documentation hierarchy diagram which illustrates a line of sight from organisational goals and objectives through good asset management to realise intended value from assets. Councils AMS documentation hierarchy, with the Policy highlighted, is depicted below.



## Implementation of the Policy

The Policy is set by Governance and delivered operationally. Subordinate aspects of the Asset Management System must align with direction provided by the Policy and it is reasonable for Governance to expect to see these linkages. When Asset Management Plans are developed for example they must demonstrate alignment to the Principles contained within the Policy. When work is carried out on assets in the field, it must also demonstrate alignment to the Policy.

It is good practice for the Policy to be highly visible and is therefore an expectation that this Policy is actively communicated within the organisation and used by asset managers during planning and operational delivery aspects of asset management.

## Asset Management Principles

At the core of this Policy are the following set of principles that seek to translate organisational intent into guidance and direction specific to how we manage our physical assets. The principles are logically grouped under each of Councils core values – providing line of sight from organisational to asset management intent.

Asset Management Principles - THRIVE
<b>Trust</b>
<ul style="list-style-type: none"> <li>▪ Acting unwaveringly ethically and transparently to gain the trust and confidence of our communities</li> <li>▪ Ensuring compliance with all applicable legislative and regulatory requirements and industry and internal standards</li> <li>▪ Acting responsibly with public funds and ensuring fit-for-purpose solutions are prioritised for all asset needs.</li> </ul>
<b>Honesty</b>
<ul style="list-style-type: none"> <li>▪ Council will utilise accepted industry benchmarks of asset management planning sophistication and will publish Asset Management Plans at maturity levels as set out by IIMM</li> <li>▪ Council will make publicly available information about its assets, their performance and our asset management practices</li> <li>▪ Acknowledging when things go wrong and acting quickly to remedy and prevent all issues caused by our assets.</li> </ul>
<b>Respect</b>
<ul style="list-style-type: none"> <li>▪ Ensuring that our people take personal responsibility for the safety of themselves, their colleagues, contractors and members of the public</li> <li>▪ Ensuring that our assets are safe, resilient and free from defects and do not impact adversely on the environment</li> <li>▪ Respecting the past and existing practices but focussing forward and empowering our staff and contractors to continuously question and improve.</li> </ul>
<b>Innovation</b>
<ul style="list-style-type: none"> <li>▪ Ensuring that our people are empowered to find ways to do things better and continually improve asset management at Council</li> <li>▪ Leveraging technology and systems to support our assets and asset management</li> <li>▪ Utilising modern and current practices to manage our assets in a way that is intergenerational.</li> </ul>
<b>Valuing People</b>
<ul style="list-style-type: none"> <li>▪ Recognising that our people are at the core of asset management and therefore developing the capability of people and teams</li> <li>▪ Fostering a positive and collaborative work environment for staff, community, iwi and contractors</li> <li>▪ Providing appropriate levels of resource to enable asset management objectives to be achieved.</li> </ul>
<b>Excellence</b>



- Monitoring, measuring and reporting on asset and asset management performance
- Taking a risk-based approach to managing our assets
- Utilising data and information to inform decision making through agreed, transparent and rigorous decision-making processes.

## POLICY STATEMENT/S

The following statements apply to Asset Management practice at Council and must be adhered to. They, by design, give effect to the intent of the Policy and should be enacted in alignment with the Principles.

### Asset Management Plans (AMPs)

AMPs will be consistent with other Council strategies and planning documents. Inconsistencies will be highlighted where these are unavoidable. The AMPs should demonstrate the links between the Outcomes, Council's vision, District Plan, Growth Assumptions, and other key documents.

- The AMPs will be drafted by December in the year preceding the delivery of the Council Long Term Plan (3-yearly), after consultation with Council and, if appropriate, the community.
- AMPs will be maintained on an ongoing basis with changes to demand forecasts, levels of service, asset strategies and financial forecasts incorporated into the plan as an appendix as they occur.
- AMPs will be updated completely in the 3-yearly review if there is significant change.
- An improvement plan will be developed for each AMP with the overall coordination of the improvements being led by the Asset managers.

### Levels of Service and Performance Management

The levels of service set the performance goals for the documented Assets. They need to be clear, explicit, measurable and sensible to staff and the community.

- A performance management framework linking outcomes, goals, levels of service and Key Performance Indicators will be in place for all activities and approved by Council.
- The performance management framework will specify the frequency and type of reporting.
- The process for determining levels of service and performance targets will be transparent and documented and should incorporate:
  - (a) Customer/stakeholder expectations
  - (b) Strategic and corporate goals
  - (c) Compliance requirements.

### Demand Management

Demand forecasts will be included in AMPs. Assumptions will be clearly stated in regard to the basis for the forecasts, source data and confidence levels.

- Demand management initiatives will be stated in the AMPs, along with the rationale, cost and expected achievements.

### Risk Management

A risk management framework will be used to identify Council's strategic and asset risks. High or extreme risks will be analysed in more detail and mitigation actions identified and managed.

- Council will identify critical assets in the asset register and have a process for managing these assets and responding to their failure.

### Asset Operations and Maintenance

An operations and maintenance strategy and programme will be documented, including asset condition and performance monitoring programmes.

- Council will seek to identify the optimal balance of planned and unplanned maintenance in order to minimise whole-of-life costs.

### Asset Investment Decisions

Council will seek to identify the optimal balance of maintenance and renewal in order to minimise whole- of-life costs.

### Financial Management

Assets will be revalued generally in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). The methodology will generally be consistent with the NAMS Valuation and Depreciation Guidelines. Any deviations from the standards and the guidelines will be explicitly noted in the AMP.

- Financial forecasts in the AMP will be prepared at the level required for a minimum of ten years with underlying assumptions and confidence levels clearly stated.

### Asset Management Systems and Data

Asset registers will be maintained for all Council assets, to an appropriate level of detail and accuracy to achieve the level of maturity defined in this policy.

- Asset management systems will provide the functionality to automate the delivery of the requirements of this policy.
- The information in the asset management systems will reconcile with information in other Council systems.

### Asset Management Improvement Planning

AMPs will include an improvement plan that outlines the tasks, resources and deliverables required to achieve or maintain core-plus asset management levels as stated in this policy.