

MURRAY RIVER COUNCIL
COUNCIL POLICY

**ASSET
MANAGEMENT
(BUILDINGS)
POLICY**

POL-311.V#1



murray river
council

1. INTRODUCTION

The purpose of this policy is to demonstrate that Council has a systematic and documented approach for reducing risks associated with the operation and maintenance of buildings. This is to ensure that Council's buildings are maintained at an agreed level that optimises service and safety in consideration with the resources available.

The progressive implementation of Asset Management Plans for various asset types is one of the objectives of Murray River Council ('Council').

2. OBJECTIVES

The objectives of the Policy are to:

- ▶ Apply the principles of identification, evaluation and treatment of risks to building maintenance.
- ▶ Implement a formal system of building inspections which record identified risks including defined hazards.
- ▶ Maintain a risk register for buildings through inspections and incorporated reports of building hazards received from the public and/or employees.
- ▶ Implement a method of prioritising the risks identified by the various sources.
- ▶ Establish reasonably practicable response times, in which to effect repairs or provide temporary warnings, for the risks identified based on resources available.
- ▶ Provide an objective, defensible and repeatable approach to the maintenance of Council's building assets.

3. SCOPE

This Policy applies to all Council owned or operated buildings.

4. POLICY STATEMENT

This policy demonstrates that Council has a systematic and documented approach for reducing risks associated with the maintenance of buildings and provides clear guidance when performing operational and maintenance activities on buildings.

INSPECTIONS – BUILDING HAZARD & RISK IDENTIFICATION

4.1 Purpose

Building inspections are undertaken to allow the systematic identification of risks on the building network.

An inspection program has been developed (Table 2), and the information gathered by this program shall be used as the main method of identifying all the known hazards and risks associated with the Council's building assets.

Inspections are a formalised assessment of building assets, looking for hazards that may require repair and maintenance.

There are three (3) major types of inspection:

- ▶ Formal (planned)
- ▶ Requests/Feedback received from Building Users
- ▶ Service Requests from Council Employees

Formal (planned):

The purpose of formal inspections is to identify:

- a) Those assets that have defects;
- b) The location of the defect;
- c) Action required to correct the defect; and
- d) Severity of defect and hence priority for action.

Requests/Feedback Received from Building Users:

Requests or feedback from building users are a valuable source of knowledge about the state of the building assets between inspections.

Each request/feedback is recorded and assigned to the responsible officer, who will then arrange an inspection of the request/feedback.

Service Requests from Council Employees:

Council's staff regularly use Council's building assets as part of their normal working environment. During this use, Council staff are encouraged to report defects encountered.

4.2 **Affordable Level of Service**

The elements required to be considered for every individual building are as follows:

- ▶ What level of service will be required in the short term, in the medium term and in the long term for the users of the facility? How often will it be used, and by how many and for what purpose/s?
- ▶ Are there other alternative means of providing the service? Can the building be owned/maintained by others? Can it be combined with other facilities at a different location? Can it be converted to meet the suitability requirements of the future?
- ▶ What are the long-term cash flow forecasts (income and cost) per building/asset class? How do they compare with the assets past cash flows? Can Council meet the aggregate cost in the short, medium and long term of the maintenance requirements, plus others with similar categories?

In summary, Council has a limited budget that it is required to spread over a range of assets in addition to building assets. Each time a new building asset is approved, this will impact on Council's ongoing maintenance budget.

Council will be required to inspect and rank all maintenance requirements and implement any action in accordance with the inspection/ranking procedures to ensure any adverse impacts on the annual building maintenance and repair allocation is minimised.

4.3 **Inspection Intervals**

No authority can deliver everything all the time. In fact, in line with good practice and affordable service delivery, it may not be practical or cost-effective to deliver the same level of service across Council's entire building asset portfolio.

Therefore, Council has documented a hierarchy that classifies the building asset portfolio into appropriate groups based on usage, profile and potential risk. The building asset hierarchy comprises of assets which provide a measure of the building's service provision to the community and documented in the table below.

In developing the building hierarchy/classification system, Council has established the building hierarchy using the following guiding principles:

- ▶ Profile of the building from a public perspective;
- ▶ Communal importance;
- ▶ Level of usage;
- ▶ Frequency of usage;
- ▶ Service criticality in terms of demand and risk; and
- ▶ Responsiveness and equity.

The building hierarchy/classification levels and a brief description can be seen in the following table:

Table 1. Building Hierarchy / Classification Level

Building Hierarchy	Building Function (Development & Frequency of Use)	Visibility / Importance	Minimum Facility Visitation Rate
Standard Level 4	High profile building which has substantial visitation and/or infrastructure for the provision of essential services, e.g. Council administration buildings, health services, schooling <ul style="list-style-type: none"> ▶ High frequency of usage on a continual daily basis ▶ High risk exposure for Council as a direct result of usage frequency, potential user groups, etc. 	High	Daily - Weekly
Standard Level 3	Buildings that are utilised regularly by the public and community e.g. public halls and public toilets; or Council buildings that have a specified usage, e.g. workshop and are utilised daily by staff <ul style="list-style-type: none"> ▶ Medium risk exposure for Council as a result of usage by public groups 	Medium-High	Weekly-Monthly
Standard Level 2	Public buildings that have limited use or buildings built for a specific purpose and have restricted access, e.g. Council depot sheds <ul style="list-style-type: none"> ▶ Low risk exposure due to sporadic frequency of use and public access restricted 	Medium-Low	Monthly
Standard Level 1	Buildings that have restricted access and have been constructed for a specific purpose, e.g. NSW Rural Fire Service sheds <ul style="list-style-type: none"> ▶ Low exposure for Council as public access is restricted and infrequent. 	Very Low	Nil

Buildings maintained by Council shall be inspected generally in accordance with the intervals listed in Table 2.

Table 2. Inspection Intervals

Building Category	Inspection Timeframe
Level 4	1 per year
Level 3	1 per 2 years
Level 2	1 per 3 years
Level 1	1 per 5 years

The classification of each Council building asset has been determined and stored within Council's corporate asset register. This schedule will be updated as additional assets are created. Classification of new building assets will be in accordance with the standards in this policy.

4.4 Inspection Staff

Inspections will be undertaken by appropriately trained personnel who understand building-related hazards and defects. Approved personnel include Building Inspector/Surveyor, Asset Inspector or other staff members approved by the Manager Strategic Assets or the Director of Operations and Major Projects.

All inspectors will be trained in the systems, hazard analysis, and recording methods which support this Procedure.

4.5. Inspection Process

Inspectors shall record risks/defects in the appropriate format.

Where works are required to remove the risk/defect a report will be generated and given to appropriate staff/contractors detailing the action required and the action date in accordance with the Council's procedures and intervention levels (Appendix 1).

The program shall be maintained and monitored to ensure risks/defects are actioned within specified timeframes.

CONTROL

Control of risk exposure requires control measures to be implemented. Some of the control measures used by Council to mitigate risk are as follows:

- ▶ Effecting repair of the damaged or substandard asset.
- ▶ Effecting temporary repairs and hence lowering the priority for future action.
- ▶ Erection of temporary barriers or barricades and lights around the area until it can be repaired.
- ▶ Planning and allocating resources for the long-term replacement of the building assets.

UNAVOIDABLE RISK

Where an identified risk is unable to be eliminated due to the lack of Council resources, a summary report is to be provided to the CEO detailing the risk and costs associated with eliminating the risk. A detailed risk rating assessment shall be undertaken which will assist Management to program and prioritise funds to undertake necessary works.

5. EVALUATION AND REVIEW

It is the responsibility of the Manager Strategic Assets, to monitor the adequacy of this Policy and recommend appropriate changes.

This Policy will be formally reviewed every four (4) years or as needed, whichever comes first.

6. LEGISLATION, ASSOCIATED DOCUMENTS AND DEFINITIONS

Legislation

- ▶ Local Government Act 1993 (NSW);

Associated Documents

- ▶ MRC Policy – Risk Management
- ▶ MRC Procedure – Risk Management
- ▶ MRC Policy – Asset Management Policy
- ▶ MRC Asset Management Strategy

Definitions:

Term	Definition
Buildings	shall be defined as lockable, enclosed structures with a roof and walls, and shall not include open structures, which fall within the miscellaneous asset class. Sheds with a floor area smaller than 10m ² also fall within the miscellaneous asset class.

7. DOCUMENT CONTROL

Version No.	Details	Dates	CM9 Reference	Resolution No.
1	Initial Issue	19 Jan 2021 to		110121

Council reserves the right to review, vary or revoke this policy at any time
This Policy is scheduled for review in before 2025

Disclaimer:

This document was formulated to be consistent with Murray River Council's legislative obligations and with the scope of Council's powers. This document should be read in conjunction with relevant legislation, guidelines and codes of practice. In the case of any discrepancies, the most recent legislation should prevail. This document does not constitute legal advice. Legal advice should be sought in relation to particular circumstances and liability will not be accepted for losses incurred as a result of reliance on this document.

APPENDIX 1

INSPECTION PROCEDURES & INTERVENTION LEVELS

1. Inspection Frequency

BUILDING CATEGORY	INSPECTION TIMEFRAME
Level 4	1 per year
Level 3	1 per 2 years
Level 2	1 per 3 years
Level 1	1 per 5 years

2. Procedure

The inspection of a building shall be undertaken by the staff member nominated by the Manager Strategic Assets at the frequency previously listed.

All buildings shall be inspected visually, both externally and internally, and photographs shall be taken to highlight any defects/concerns/required works noted during the inspection process. All defects shall be recorded via the appropriate medium.

The staff member undertaking the inspections, shall provide a report at the completion of the inspection of each building, which shall list the following:

- ▶ The findings of the inspection, including all defects/required works;
- ▶ The risk rating for the defects/required works to enable the intervention levels to be determined;
- ▶ The recommended rectification works, estimated cost and method of rectification.

The inspection report shall be forwarded onto the relevant staff member to allow the required works to be implemented, or if necessary, incorporated into Council's Community Strategic Plan, Long Term Financial Plan and Annual Budget.

The inspection report, on completion, shall be updated in the appropriate medium and stored in accordance with the relevant Records Policy.

3. Defects (inspected for, but not limited to):

Roof	<ul style="list-style-type: none"> • Iron <ul style="list-style-type: none"> - Leaks - Loose tin - Rust • Tile <ul style="list-style-type: none"> - Leaks - Loose tiles - Pointing along ridges • Stormwater Management <ul style="list-style-type: none"> - Gutters (condition/attachment/rust/connection at ground level) - Down pipes - Damaged eaves
Internal Walls	<ul style="list-style-type: none"> • Cracking • Wearing • Paint condition
External Walls	<ul style="list-style-type: none"> • Cracking • General Condition • Pest intrusion
Floor (where possible)	<ul style="list-style-type: none"> • Subsidence • Cracking • Pest intrusion
Floor Covering	<ul style="list-style-type: none"> • Carpet <ul style="list-style-type: none"> - Raise/drop (trip hazards) - Rip/tear - Wear/fraying • Tiles <ul style="list-style-type: none"> - Loose/missing tiles - Cracked tiles • Vinyl <ul style="list-style-type: none"> - General condition
Window/Door	<ul style="list-style-type: none"> • Leaks • Cracks • Fixing to frame • Locks/latches (external) • Warping of external doors
Electrical/Mechanical	<ul style="list-style-type: none"> • Lighting (number/type/condition/fixing to ceiling) • Air conditioning (number/type/etc) • Heaters (number/type/etc) • Hot water system, including trays

4. Intervention Levels

Identified defects are to be rectified/made safe in accordance with the below table.

The rating is determined from the **Defect Score** calculated below.

Rating	Control Procedure	Intervention Period
LOW	Consideration should be given whether action should be taken	As Resources Permit
MEDIUM	Program into Maintenance works	Same year if resources permit, Next year if not
HIGH	Make safe (as soon as practicable) Temporary or permanent repairs	Within 1-2 months As resources permit
VERY HIGH	Make Safe / Close (as soon as possible) Repair or replace	Within 24 hours 5 days
EXTREME	Make Safe / Close (as soon as possible) Repair or replace	Immediately Within 24 hours

4.1 Calculation of Defect Score

The defect score is calculated based on the Buildings Classification and the associated position score, location score, location weighting and physical score allocated as detailed below.

4.2 Location Score

Building Classification	Description	Location Score	Inspection Frequency
LEVEL 1	Buildings with restricted access and have a specific use e.g. Rural Fire Sheds	1	5 years
LEVEL 2	Public Buildings with limited use. Buildings built for specific purpose with limited use e.g. Depot Sheds	3	3 years
LEVEL 3	Buildings utilised by the community e.g. Public halls, public toilets. Specific use buildings utilised by staff, e.g. workshop.	4	2 year
LEVEL 4	High profile building, substantial visitation & infrastructure. Allows provision of essential services e.g. Admin Buildings, Health Services, Schooling	5	1 year

4.3 Physical Score

Physical Description	Physical Score
Low Profile Building - Little Visitation	1
Public Building - Limited Visitation	2
Public Building - Medium Visitation	3
High Profile Building - Medium Visitation	4
High Profile Building - Substantial Visitation	5

4.4 Safety / Liability Risk Score

Safety Risk Description	Risk Score
No Injury	1
First Aid Treatment	2
Medical Treatment	3
Injury or disability	4
Death	5

4.5 Defect Score Calculation

Defect Score = (Location Score x Location Weighting) + Physical Score + Safety/Liability Risk Score + Position Score

Note: Location Weighting and Position Score offer additional assessment detail and weighting value to the defect score calculation. These fields will be further refined once detailed assessment data becomes available. The default value for location weighting currently set at 2 and position score currently set at 1.

4.4 Buildings Risk Rating (from Defect Score above)

Defect Score	Priority	Response Time (Days)
5	LOW	720
6	MEDIUM	360
7	MEDIUM	360
8	MEDIUM	360
9	MEDIUM	360
10	MEDIUM	360
11	HIGH	60
12	HIGH	60
13	HIGH	60
14	HIGH	60
15	HIGH	60
16	VERY HIGH	5
17	VERY HIGH	5
18	VERY HIGH	5
19	VERY HIGH	5
20	VERY HIGH	5
21	EXTREME	1