

CAPITAL WORKS PLANNING & DEVELOPMENT - SUNSHINE COAST REGIONAL COUNCIL

Chris Campbell - Asset Management & Service Programming Manager,
Sunshine Coast Regional Council

Bryan O'Connor - Business Systems Manager, Sunshine Coast Regional Council

Abstract

The Sunshine Coast Council is the fourth largest Local Government Authority in Australia. It was formed from the forced amalgamation of Caloundra City, Maroochy and Noosa Councils in March 2008. This paper is about the development of a Capital Works framework and Program to bring three very different cultures, systems, priorities and needs together to develop a whole of organisational 5 Year Capital Works Program, in excess of \$771 million.

Council staff undertook a unique process by including the elected representatives in the development of the Capital Works framework and program from day 1. This paper takes you through the journey undertaken by both staff and Councillors in the development of the framework, systems, processes and projects.

The major steps and tasks involved in the development included:

- Conducting an initial workshop with the elected representatives and the Executive Leadership Team to determine the overall direction and level of “buy in” from Councillors;
- The establishment of cross organisational teams from all departments, consisting of senior staff and Councillors to develop a framework including programs, sub-programs, activities and whole of life costs;
- The development of weighted prioritisation models, based on a set of seven criteria for each sub program;
- The consolidation of three previous databases into one capital projects database;
- Cross organisational integration for the program to compliment – Councillor & community expectations, agreed levels of service, funding levels and delivery capabilities: and
- The development of a 5 Year Capital Works Program listing incorporating over 3,500 projects.

Key Words: Capital Works Program, Prioritisation Models, Decision Making Process, Whole of Life Costs.

Introduction

This paper maps how we addressed the merging of three very different cultures, systems, capital priorities and needs to develop a 5 Year Capital Works Program which meets the Sunshine Coast Regional Council's visions, aspirations and asset management requirements. The paper identifies the key steps taken from this particular approach, with the intention of assisting other Councils taking a similar path in developing a comprehensive 5 Year Capital Works Program.

Background of Sunshine Coast Regional Council

As a result of the Queensland Local Government amalgamations in March 2008, the Sunshine Coast Regional Council was formed out of the forced merger of Maroochy

Shire Council (population: 135,000), Caloundra City Council (population: 100,000) and Noosa Council (population: 60,000) to form the fourth largest Council in Australia, serving a population of almost 300,000 people, with an annual growth rate of around 2.5%. The new Council has an employee base of some 2,800 full time staff and an asset base of some \$4 billion.

The three previous Councils had very differing priorities and methods on how they planned, designed, developed and maintained their Capital Works Program. With the Council amalgamations in March 2008 there was very little time to develop a new framework for the new organisation by July 2008. It was therefore decided to develop the 2008/09 Capital Works Program from the previous three Councils' existing programs and roll them up into like Programs

and Sub Programs for reporting purposes. This gave the feeling and impression to Councillors and the community that the 2008/09 Capital Works Program had been bolted together to form one program with very little focus on what was the required Levels of Service and asset management needs regionally for the Sunshine Coast. Essentially there were three very different Capital Works Programs, with an investment of around \$200 million p.a., which had very little synergy from one region to the other. It was during the 2008/09 budget process that it was identified that a uniform, consistent and robust framework was required, to ensure one regional Capital Works Program, reflecting the Councils & the communities needs.

Framework Development

It was during the development of the 2008/09 Capital Works Program that a set of parameters on how we were going to develop the framework for the (2009/10 – 2013/14) 5 Year Capital Works Program eventuated. From the beginning the intention was to have Councillors and senior staff involved in developing the framework and the program. The feedback from Councillors and staff during combining the three previous Councils Capital Works Program into one combined program from the previous year (2008/09) was the starting point for the framework development, concerns and feedback from 2008/09 program development included:

- Councillors feeling they had very little knowledge of projects within their Divisions and regionally across the Sunshine Coast;
- Councillors not understanding how a project made it on to the Capital Works Program;
- Councillors did not feel that they had the confidence in what they were approving;
- There was a need to better demonstrate equity across programs and the organisation, to provide the required Levels of Service;
- Documented processes needed to be established for the long term program;
- Priority needed to be given to renewal projects over new projects;
- A long term financial model (LTFM) to compliment the program; and

- A centralised database to manage the projects and the overall program. Using these issues as a base to move forward staff developed a process for the consideration of Council.

Councillor Workshop

A workshop was held in late October 2008 with all Councillors and members of the Executive Leadership Team. The workshop was a half day exercise where Staff presented the key stages in developing the framework and the process for the population of a 5 Year Capital Works Program. Councillors provided the feedback on the issues they had in regards to what their expectations are of a Capital Works Program and how they wanted a program which reflected Councils vision of:

“Australia’s most sustainable region - vibrant, green, diverse”

The key outcomes for progressing the development of the program from the Councillor Workshop were:

- Councils approval to develop a whole of Council 5 Year Capital Works Program;
 - 3 year fixed – 80/20 rule in 2nd & 3rd years; and
 - 2 year indicative.
- Formation of a Capital Works Planning & Development Coordination Team (CPDCT) to deliver framework and program, including Councillor and Senior staff representation;
- Formation of 14 Capital Works Development Working Groups (CWDWG), based on program type, eg (Parks, Transportation, Stormwater, Buildings);
- Cross organisational teams, two Councillors per group based on their portfolio responsibilities;
- Councils key overall direction, initiatives and themes to drive program development;
- Identification of the Planning & Development Process and timeframes;
- Defining the guidelines for Capital Works Framework;
 - Program / Sub Programs;
 - Whole of Life Costs; and
 - Prioritisation Models

- Defining Project Types, Origins & Sources, eg (Councillor / Customer requests, Asset Management Plans, Strategic/Master Plans); and
- Demonstrating the proposed Capital Works Database.

From the workshop there were a number of key commitments identified by Councillors and the Executive Leadership Team, including:

- The Mayor, Councillors, CEO & Executive Leadership Team gave their full support to the process and development of a 5 year Capital Works Program;
- Councillors wanted to be involved from day 1 including the development of the framework and the program;
- Councillors were aware of the short timeframe to develop framework and the workloads required;
- Councillors were willing to be flexible with meeting times & dates – expectation on staff to also be flexible in meeting time frames; and
- Mayor encouraged all Councillors to be involved as short term pain will give longer term benefits.

Staff Workshop

A staff workshop was held in the first week of November 2008. This involved bringing 80 Branch / Program Managers and Team Leaders together from across the organisation, many for the first time since the amalgamation of the three previous Councils. The outcomes of the Councillor workshop were presented to staff, membership of the cross organisational CWDWG were identified and Team Leaders appointed.

A project brief detailing timelines and tasks were agreed to.

Capital Works Framework

The Capital Works Framework was approved by Council in March 2009, this brought to an end five months of development. The framework included;

- 15 Programs / 73 Sub Programs;
 - Buildings & Facilities;
 - Community Facilities; and
 - Corporate Buildings.
 - Parks, Gardens & Reserves;
 - Cemeteries;
 - Sports Facilities;

- Recreational Parks; and
- Tracks & Trails.
- Transportation;
 - Bridges;
 - Gravel Road Network;
 - Local Pathways;
 - Strategic Pathways;
 - Streetscapes / Placemaking Corridors;
 - On Road Cycle Network; and
 - Public Transport Infrastructure.

• Prioritisation Models

42 prioritisation models were created. The models were used to assess projects across the region in a consistent and equitable manner. The projects were then included in the 5 year program based on their score. Each prioritisation model had seven criteria and various weightings. The seven criteria used to assess a project for inclusion in the program, were;

- Community / Social benefit;
- Corporate Alignment;
- Risk Assessment;
- Financial Considerations;
- Environmental Impacts;
- Economic Benefits; and
- Demand.

• Sub Program Statements

Each sub program had a statement which included;

- Objective Statement;
- Assets/Services (inclusion & exclusion);
- Asset Focus (renewal / new / upgrade);
- Asset Details (quantity & quality of asset base);
- 5 year average funding; and
- Alternative funding opportunities.

• Whole of Life Costs

Each new / upgrade project to be assigned a whole of life cost over the asset life. This was mainly used as an educational tool for Councillors and will be refined as we move forward.

Program Development

With the framework finalised and approved in March 2009, Council now had the foundations to move forward with scoping, scoring and prioritising projects for inclusion in the Capital Works Program.

As agreed by Council in the initial Councillor forum held in October 2008 staff would:

- Develop a whole of region & whole of Council 5 Year Capital Works Program;
 - 3 year fixed – 80/20 rule in 2nd & 3rd years; and
 - 2 year likely – 4th & 5th years;
- Provide flexibility to move projects from years 2 & 3 into year 1 as required;
- Include whole of life costs for new projects;
- Include any approved / recurrent external funding sources;
- Include project reference sources;
- Include accurate & realistic project scope and costs;
- Provide lifecycle information for all projects (new, renewal, upgrade etc);
- Provide all 12 Council Divisions with an annual allocation of:
 - \$100,000 for local parks;
 - \$100,000 for local pathways; and
 - \$125,000 for minor emergent capital & operational works.

The intent of the 5 Year Capital Works Program was to provide a document which gave, Councillors, staff & the community a clear understanding on Councils commitment to providing the appropriate levels of service to the community, other advantages of the multi-year program, include:

- Full investigation into projects prior to committing, half baked projects with little possibility of delivering excluded from program;
- Opportunity to consult & seek community input, prior to design & construction;
- Full planning, design & required permits in one year followed by construction in following year (minimise carry overs);
- Staging of projects to ensure delivery;
- Smoothing of expenditure across financial years by providing a realistic & deliverable program;
- Opportunity to seek funding & partnerships with other levels of government & the community;
- Better cost driven outcomes through innovative procurement initiatives;
- Early contract establishment; and
- Continuity & certainty of work for both internal & external staff.

The numerous databases, spreadsheets, plans & strategies from the three previous

Councils had around 8,000 projects which needed to be scoped, scored & prioritised for potential inclusion in the 5 Year Capital Works Program.

Scoring Workshops

All 8,000 projects were scored and prioritised within sub programs and in line with the funding constraints imposed by the Long Term Financial Model. This resulted in some 3,500 projects being included in the 5 Year Capital Works Program.

The following principles were used when undertaking the scoring workshops;

- Staff from all departments included in scoring workshops;
- Projects scored regionally across the entire region;
- Projects scored using the agreed criteria within sub programs;
- Projects ranked within program based on their score (priority); and
- No Councillor involvement in scoring workshops.

Councillor Workshops by Division

At the completion of the scoring workshops all Councillors were presented with a draft 5 Year Capital Works Program for their division. This allowed staff and Councillors to openly discuss individual projects on a one on one basis, without the pressure of all Councillors being involved and allowed staff to;

- Source additional Councillor requests;
- Scope, cost & score Councillor requests;
- Accommodate requests in the program where possible; and
- Provide feedback to Councillors on outcomes of requests prior to going to full Council for approval.

Capital Works Program - Adoption

The 5 year Capital Works Program was adopted and endorsed on the 18th June 2009, the program included 3,500 projects at a value of over \$771m.

Conclusion

The approval and endorsement of a 5 Year Capital Works Program is a big leap for Australia's fourth largest Council. The endorsement from Council will allow Councillors and staff to get on with the tasks

that matter, i.e. the continued provision of Council services to the community.

While the program is not perfect at this stage the program will become more robust as we continue to refine over the life of the program, through the determination of agreed levels of service and implementation of an asset management improvement strategy.

Biography

Chris Campbell – Asset Management & Service Programming Manager with the Sunshine Coast Regional. Chris has worked in numerous asset management & capital planning roles throughout the old Noosa Shire & Caloundra City over the past six years; prior to this Chris held numerous roles with Main Roads QLD and Queensland Transport. Chris has University qualifications in Surveying, GIS and Engineering and is currently undertaking an MBA through the University of Southern QLD.

Bryan O'Connor – Business Systems Manager with the Sunshine Coast Regional Council. Bryan spent the first 15 years of his working life in Airport operations at Canberra Airport before making a “seachange” and starting work in Local Government with Bega Valley Shire Council in S.E. NSW 10 years ago. Bryan has held a number of engineering positions at different Councils in that time including Yass Valley Council, Maroochy Council and Noosa Council. Bryan has an Advanced Diploma in Engineering and has recently completed a Post Graduate Certificate in Physical Asset Management. Bryan is currently working his way through completing an MBA.