

Local Government Commitments to Asset Management under the BSCF-CS

1. Reporting On Continuous Improvement of Asset Management Practices

Reporting on continuous improvement of Asset Management practices over the duration of the Agreement, including reporting through the Ministry of Housing and Municipal Affairs (MHMA) Local Government Data Entry (LGDE) System.

Local Government Commitments:

- All Local Governments are required to submit annual asset management data through the LGDE System.
- All Local Governments will commit to a continuous improvement process with respect to asset management practices and asset management data quality.

Timelines: **Annually over the duration of the CCBF Agreement**

2. Development And Implementation of Long-Term Financial Plans

Long-Term Financial Plans (LTFP) are an essential governance practice that guides effective decision-making, supports sustainable service delivery, and facilitates intergenerational equity. Asset Management BC (AMBC) has developed a [LTFP Position Statement](#) that establishes principles, key strategies and policy & procedural recommendations.

A LTFP must include these practices;

- *Integrate with Asset Management Plans (AMPs) for core services - AMPs include;*
 - *Complete data on inventory, condition and replacement value, average annual asset consumption (replacement cost depreciation), asset live amortization*
 - *Established Intended Level of Service,*
 - *Understanding Risk & Criticality (including climate change)*
 - *Prioritization of renewals*
- *Adopt a Long View: Forecast 20–100 years to reflect the lifespan of major assets and at least one renewal cycle or a detailed 20+ year capital plan (at a class D).*
- *Establish Sustainable Annual Funding: Spread costs across generations by funding assets as they are consumed, incorporating intergenerational equity.*
- *Identify Funding Sources: Review/assess an effective revenue balance across taxation, fees, reserves, debt, and grants.*
- *Compare average annual asset consumption or replacement cost depreciation to actual funding*
- *Ensure Transparency and Communication: both within the organization, with elected officials, and with the community.*

Local Government Commitments:

- All Local Governments are required to complete LTFPs for core services*.

- Municipalities – LTFP for core services (where provided)
- Regional Districts – LTFP for core regional services (where provided)

Core Services – drinking water, wastewater, stormwater, roads/bridges, solid waste, parks and rec

Timelines: LTFPs completed by 2030

3. Ongoing Asset Management Education and Training

Ongoing asset management education and training is considered a critical component in supporting sustainable service delivery. Asset management education requirements and targets are established for all local governments, including elected officials, CAOs, CFOs and staff as follows;

- *Elected Officials – 75%*
- *CAOs/CFOs – 100%*
- *Local Government staff – continuous improvement*

In 2030, education/training targets will be reviewed, and commitments may be adjusted if targets not met.

Local Government Commitments:

- All Local Governments will commit in improving asset management awareness, education and training within their respective organizations, including education and training for elected officials, CAOs, CFOs and staff.
- All Local Governments are required to submit information on education/training, as requested through the BSCF-CS annual reporting.

Timelines: Report biennially starting in 2024

Note: *Asset Management BC provides both free and subsidized education and training for BC Local Governments, including;*

- [*Elected Officials & Senior Staff \(CAOs, CFOs\)*](#) (free)
- [*Leveraging Your Asset Data*](#) (free)
- [*Risk Management Essentials*](#) (free)
- [*Working with Level of Service*](#) (50% subsidy)
- [*How to Write a Long-Term Financial Plan*](#) (50% subsidy)

*All training is also an eligible cost under the BSCF-CS program. Other organizations, such as [*NAMS Canada*](#), [*GFOABC*](#) and [*Natural Assets Initiative*](#) also provide asset management training.*

4. Implementing Asset Management Performance Measurement

Performance measurement is required to demonstrate continuous improvement on an individual local government basis and at the provincial level. Currently, there are several existing and accepted financial indicators that have been widely adopted internationally. These include, but are not limited to;

- *Operating Surplus Ratio,*
- *Asset Sustainability Ratio, and*
- *Other KPIs to be determined.*

Local Government Commitments:

- All Local Governments are required to submit annual asset management data through the LGDE System. The LGDE system contains the data points required to calculate the financial indicators.
- All Local Governments are expected to understand why and how to calculate financial indicators as a tool to monitor long-term sustainable financial and service delivery.
- All Local Governments should be using the LGDE asset module data to monitor their overall progress in asset management practices.

Timelines: Annually over the duration of the Agreement, through completion of annual LGDE reporting.