

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	21 August 2018
Report by:	Executive Director (Community and Enterprise Resources) Executive Director (Finance and Corporate Resources)

Subject:	Proposed Adjustment to Structure of Roads and Transportation Services
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ seek approval for the proposed adjustment to the Roads and Transportation structure.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that a single Construction Unit be formed as proposed at Section 4 and illustrated at Appendix B;
- (2) that the proposed changes to the management structure be approved (Section 4);
- (3) that the addition of 2 FTE Engineering Officers within the Development Management Unit to be funded by Road Construction Consent income (Section 5) be approved;
- (4) that the 1 FTE Assistant Engineering Officer - Bridges to be funded via savings in the commissioning of external consultants (Section 5) be approved; and
- (5) that the additional 2 FTE Engineering Officer within the Traffic and Transportation Team to be funded via Roads Construction Consent income (Section 5) be approved.

3. Background

3.1. During 2016/17 it was considered that further improvements to the delivery of the Roads Improvement Programme (RIP) across the three Area Offices could be made in terms of: (1) consistent approach to the identification of resurfacing priorities and interventions required; (2) supervision of works on the ground and (3) procurement of the works. In turn it was considered appropriate to undertake a review of the Service which was led by the Chief Executive along with Executive Directors of Community and Enterprise and Finance and Corporate Resources, and supported through APSE. The review covered both strategic and operational issues and while being generally positive also recognised scope for improvement in specific areas.

3.2 In terms of context, the review recognised the significant efficiencies already delivered by the Service and positive performance in terms of improving road condition over successive years, reducing the number of third party claims and reducing the number of reported defects.

- 3.3 The review also noted the consequences of ongoing efficiency improvements in terms of reducing management and professional capacity more generally across many functions of local government. Against this background the review emphasises the importance of driving further improvements in productivity to maximise the value for money being achieved via available budgets. Consequently this report advocates the strengthening of capacity in critical service areas.
- 3.4 The review recommended that action be taken in a number of specific areas:-
1. Importance of a consistent approach to identification of resurfacing priorities and scheme preparation.
 2. Strengthening of quality management for site works and supervisory arrangements.
 3. Consistency of squad sizes and safe working practices.
 4. Procurement of coated roadstone
 5. Options in relation to specification and procurement arrangements for specialist plant (planers, paviors, excavators and gully vehicles).
 6. Strengthen control of developers building new roads.
- 3.5 The review also noted that with the Roads Investment Programme ending in the current year attention was required to future funding in order to safeguard road condition and protect investment already made.
- 3.6 Against this background, as well as strengthening capacity in key areas, it is recognised that the Service's contracting function, which currently operates as three separate business units, would benefit from a greater level of integration. In particular, by operating as a single business unit there is greater opportunity to plan and procure on a combined basis achieving economies of scale and building pools of professional expertise, while ensuring that working practices are implemented in a consistent manner. This would also potentially allow more work to be done in house, expanding apprenticeship opportunities and reducing reliance on external contractors, whether to address peaks in workload or areas of specialism.
- 3.7 The experience of the recent winter, with a number of significant, extended weather events, has also thrown focus on the extent to which Council resources become excessively stretched during such events in relation to compliance with the European Working Time Directive and Drivers Hours Regulations. This requires us to review resourcing levels across the depots and highlights the need for maximum flexibility to deploy resources to areas of greatest need.
- 3.8 Following on from the above, this report sets out how the issues identified in the review will be taken forward.

4. Proposed Construction Unit / Management Structure

- 4.1. It is proposed to consolidate the existing three Operational Teams into a single management structure to be based at the existing depot at Canderside, Larkhall. This is intended to:-
- Strengthen performance management arrangements to support operational practices ;
 - Develop a common quality management system for key activities;
 - Strengthen commercial expertise;
 - Strengthen procurement expertise and governance, building on existing knowledge and skills;

- Provide a consistent management approach;
- Maximise fleet utilisation, particularly specialist and more expensive plant items.
- Encourage further development of best practice and innovation.

- 4.2 It should be emphasised that while it is proposed that the Construction Unit be managed from Canderside Depot the current local depot structure is considered to remain appropriate and well suited to operational needs having an appropriate geographical distribution. It is therefore proposed that local depots are retained at their existing locations, Hawbank Road, East Kilbride; Carlisle Road, Lesmahagow and Carnwath as well as Canderside Depot, Larkhall.
- 4.3 Currently the Council rely significantly on utilising private contractors particularly to address peaks in workload and to deliver works which are of a relatively specialist nature. Such expenditure is typically in excess of £1m annually. While it is inevitable that utilising private contractors in this way will be part of a continuing service delivery model the intention is to focus on internally delivery where this is appropriate. In turn, there is an opportunity to expand the internal workforce to allow a proportion of this work to be undertaken in house and reduce the extent of the Council's reliance on external contractor's arrangements. This will also increase the Council's capacity to address the demands of a severe winter.
- 4.4 Such an approach, combined with the management of the workforce as a single unit, also offers the opportunity to develop in-house skills to deliver works which might currently be regarded as specialist in nature. Examples of this might be specialist surface treatments such as anti-skid surfacing or slurry sealing treatments.
- 4.5 These proposals also look to address existing variations in the strength of supervisory arrangements by adopting broadly consistent ratios of supervisors to chargehands and chargehands to operatives across the Service as illustrated below -

	Canderside		Hawbank		Lesmahagow		Carnwath		Totals	
	Curr	Prop	Curr	Prop	Curr	Prop	Curr	Prop	Curr	Prop
Supervisors	3	5	3	5	2	3	2	3	10	16
Chargehands	18	17	13	14	5	8	5	7	41	46
Supervisor/ Chargehand Ratio	1:6	1:3.4	1:4.3	1:2.8	1:2.5	1:2.7	1:2.5	1:2.3		
Operatives	48	49	44	43	27	24	21	19	140	135
Chargehand/ Operatives Ratio	1:2.7	1:2.9	1:3.4	1:3.1	1:5.4	1:3	1:4.2	1:2.7		

- 4.6 The above broadly seeks to deliver a supervisory ratio of 1:3.
- 4.7 It is also proposed to strengthen the pool of Team Leaders, increasing from three to five. This is designed to strengthen professional capacity in key areas including performance management, productivity and fleet utilisation and innovation.
- 4.8 The existing operational structure is provided at Appendix C and the proposed Construction Unit structure is provided at Appendix D.
- 4.9 These proposals are intended to address items 1 to 5 at paragraph 3.4.

- 4.10 On the basis that the establishment of a single Construction Unit is supported this has consequences for roles and responsibilities within the existing management structure. This arises because the existing responsibilities of existing Area Managers are effectively split between client and service provider functions. This also follows changes in recent times whereby the Development Management function has been centralised rather than delivered via three separate Area teams.
- 4.11 There is consequently an opportunity to rationalise the existing management structure
- 4.12 The proposed changes in relation to the overall Roads Management Team are identified at Appendices A and B. In addition more specific changes to the Area teams are identified at Appendices E and F.
- 4.13 These changes have a net effect of removing one manager post (grade 5)

5. Transportation Engineering Function

- 5.1 Within the Transportation Engineering function there are also particular pressures and opportunities which require to be addressed. These again, in part, offer the opportunity to retain more professional services in-house and address areas of workload where demand is increasing and where opportunities for external funding, particularly in relation to active travel, are also increasing. These are set out below.

Development Management Unit

- 5.2 With the development sector now showing signs of growth, particularly among major housebuilders it is essential that South Lanarkshire is seen as an attractive location in which to do business supported by a Council capable of effectively and efficiently processing development proposals.
- 5.3 With recent increase in such activity it is evident that the resources available within the Service to consider and respond to development activity have become severely stretched. This acceleration in activity is evident in the large housing growth represented by the Community Growth Areas in Hamilton, Larkhall and East Kilbride in particular. To address this it is proposed to supplement the resources of the existing Development Control team via the addition of two Engineering Officer posts. It is proposed that these posts be funded via income available from developers through the Roads Construction Consent (RCC) process.
- 5.4 This proposal also delivers additional capacity to strengthen management and supervision of house builders and other developers to ensure that new roads are built to the appropriate quality standards and will achieve the expected lifespan. This addresses item 6 at paragraph 3.4.

Bridge Inspection

- 5.5 National standards (Design Manual for Roads and Bridges) require the Council to undertake “general” (visual) inspections of all its bridges on a two year cycle and a “principal” (hands on) inspection of all bridges on a six year cycle.
- 5.6 Currently these inspections are undertaken utilising a mix of in-house staff and external resources. The cost of external resources is now in excess of £100k per annum.
- 5.7 It is considered that the addition of a post of Assistant Engineering Officer - Bridges to the existing structure would expand the Service’s capacity, effectively bringing work

“in-house”, with the costs of the post being funded via savings in current expenditure on external consultants.

Traffic/Transportation Team

- 5.8 An assessment of the workload and the capacity of the team has identified that an 84% increase in enquiries was experienced during 2017/18 relative to the previous year. Given that such enquiries account for some 35% of the team’s workload this represents a significant increase in the overall workload. Workload pressures have been compounded by other priority work also with initiatives such as the development of a Park and Ride Strategy and City Deal projects adding to the workload. Significant workload pressures have consequently been evident within the Traffic and Transportation Team. This has been apparent in elements of work taking longer than desirable to be completed and response timescales becoming extended.
- 5.9 While some elements of the current workload are short term in nature the substantial increase in routine enquiries has been consistent and sustained. Given the prevailing workload pressures it is therefore proposed to add a post of Engineering Officer to the establishment to assist with this increased workload.
- 5.10 It is proposed that this post is also funded via Road Construction Consent income. This is considered to be an appropriate use of this income given that many of the day to day traffic pressures on the road network arise as a consequence of the impact of new developments.
- 5.11 In addition it is also considered there is scope to develop a more ambitious approach to Active Travel. Nationally the Active Travel Budget has doubled from £40m to £80m in the current year. At present while the Council will typically invest some £0.320m per annum in active travel projects, particularly in relation to cycling, the level of activity is constrained by internal capacity both to prepare bids and to deliver projects. Consequently it is proposed that an additional post of Engineering Officer is created with the primary purpose of accelerating progress on active travel. Again it is proposed this post is funded via RCC income.

6. Employee Implications

6.1

Post title	Number of posts			Grade / SCP	Hourly Rate	Annual salary	Net costs (including on-costs 30.3%)
	Existing	New	Difference				
Roads Area/Maintenance Manager	4	2	-2	Grade 5 Level 1 – 8 / 96 - 108	£26.84 - £32.11	£48,980 - £58,597	(£127,642 - £152,704)
Roads Manager (Construction)	0	1	1	Grade 5 Level 1 – 8 / 96 - 108	£26.84 - £32.1148,	£48,980 - £58,597	£63,821 - £76,352
Roads Team Leader (35hrs)	3	5	2	Grade 4 Level 2 -5 / 80 - 88	£21.16 - £23.23	£38,614 - £43,523	£100,630 - £113,422
Roads Chargehand (37hrs)	41	46	5	Grade 2 Level 2/ 37 - 40	£11.23 - £11.72	£21,664 - £22,609	£141,141 - £147,298
Roads Supervisor (43hrs)	10	16	6	Grade 2 Level 3 / 44 - 48	£12.43 - £13.19	£27,868 - £29,572	£217,872 - £231,194
Roads Operative (37hrs)	140	135	-5	Grade 1 Level 1 – Grade 2 Level 1 / 20 - 35	£8.74 - £10.91	£16,861 - £21,047	(£109,849 - £137,121)
Engineering Officer	12	16	4	Grade 3 Level 2 – 4 / 61 - 74	£15.98 - £19.35	£29,161 - £35,311	£151,987 - £184,041
Assistant Engineering Officer	0	1	1	Grade 2 Level 3 – 4 / 44 - 57	£12.43 - £15.04	£22,684 - £27,446	£29,557 - £35,763

(Bridges)							

These posts have been evaluated using the Council's grading scheme.

7. Financial Implications

- 7.1 The additional staffing costs of the proposed Construction Unit have an estimated annual cost of £0.314m and are detailed as follows:

Post title	Number of posts	Net costs (including on-costs 30.3%)
Roads Area/Maintenance Manager	(2)	(£116,871)
Roads Manager (Construction)	1	£76,352
Roads Team Leader (35hrs)	2	£113,422
Roads Chargehand (37hrs)	5	£147,298
Roads Supervisor (43hrs)	6	£231,194
Roads Operative (37hrs)	(5)	(£137,121) mid point
Total	7	£314,274

These additional costs will be funded from existing budgets within Roads Contracting Services as a result of less works being carried out by external contractors.

- 7.2 The proposed additional engineering officer posts (4) within the Development Management Unit and the Traffic & Transportation Team have estimated annual costs of £0.184m and will be funded from Roads Construction Consent income from developers.
- 7.3 Estimated annual costs of £0.036m for an additional bridges assistant engineering officer will be funded from the existing revenue budget for the Bridges Unit as a result of reduced costs for external contractors.

8. Other Implications

- 8.1 There are no significant risks associated with this report, nor any environmental implications. There are no implications for sustainability in terms of the information contained within this report.

9. Equality Impact Arrangements and Consultation Arrangements

- 9.1. The trade unions have been consulted in the development of this report.
- 9.2. This report does not introduce a new policy, function or strategy and, therefore, no impact assessment is required.

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6 August 2018

Link(s) to Council Values/ Ambition/Objectives

- Improve the road network, influence improvements in public transport and encourage active travel.

- Achieve results through leadership, good governance and organisational effectiveness.
- Make communities safer, stronger and sustainable.
- Support the local economy by providing the right conditions for inclusive growth.

Previous References

None

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact: -

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