

Agenda item:

[No.]

General Purposes Committee

On 11th March 2008

Report Title: **Restructure of the Highways Service**

Forward Plan reference number (if applicable):

Report of: **Niall Bolger, Director of Urban Environment**

Wards(s) affected N/A

Report for: Key Decision

1. Purpose

1.1 This report presents the proposals for the reshaping and re-branding of the Highways Service to the Sustainable Transport Service.

1.2 The report outlines how the restructure will address the following aims:

- To meet the Council aim of being one of the greenest boroughs in London.
- To address recruitment and retention issues for engineers.
- To provide greater flexibility in the use of engineering resource.
- To meet the statutory needs under the Traffic Management Act.
- To meet future savings targets and income targets for the service.
- To reflect proposed structural changes in the Urban Environment department.

1.3 The purpose of this paper is to seek authority to proceed with the restructure and implement the proposed changes.

2. Recommendations

2.1 It is recommended that Members endorse the proposed structure at appendix A and give approval to proceed to recruitment.

2.2 It is recommended that Members endorse the proposal to pay engineers a market supplement, to be reviewed on a periodic basis, in light of the hard to recruit issues.

Report Authorised by: **Niall Bolger Urban Environment Director**



Contact Officer: **Caroline Humphrey Business Improvement Manager Streetscene, 02084891174.**

3. Chief Financial Officer Comments

3.1 This report sets out the proposed restructure for the Highways Division. As part of the Council's budget setting process for 2008/9 to 2010/11, Highways are required to deliver savings of £450k phased £200k in 2008/09 and £250k in 2009/10. The cost of the new structure, how this will be funded including the achievement of the required savings and the risks attached to some of the funding sources is set out in the financial implications section of this report at para 7. It is indicated that the funding risk will be managed through the establishment of an engineering pool within the new structure which will provide the flexibility to keep staff numbers within the overall annual approved budget for Highways.

4. Head of Legal Services Comments

4.1 The Head of Legal Services has been consulted on the content of this report. The report indicates the statutory framework within which the recommendations are formed. The proposals concerning the form of the new structure and ensuing recruitment to that structure are ones covered by the general power of the authority to appoint staff to carry out its functions on reasonable terms and conditions. Any market supplement paid to Council staff should be reviewed on a regular basis in order to establish whether or not the payment of that supplement continues to be justified. At this point from the evidence provided in the report there would appear to be sufficient justification for the introduction of the market supplement as indicated.

5. Local Government (Access to Information) Act 1985

5.1 None

6. Strategic Implications

There are a number of challenges facing the Council and the Highways Service has a critical role in ensuring that these challenges are met. The restructure of the service reflects a number of strategic issues that are outlined below.

6.1 Greenest Borough and Climate Change

The Council's Greenest Borough strategy outlines six key priorities to deliver the vision. Whilst the Highways service will have a role to play across all of these, it will be leading the priority on sustainable travel.

To be able to support this role there needs to be greater alignment between transport policy and engineering operations, and more of a focus on delivering the green agenda. The proposed structure reflects this in the appointment of a Head of Sustainable Transport and a Sustainable Transport Policy Officer.

6.2 Traffic Management Act

The Traffic Management Act has placed additional duties on the Council requiring it to ensure expeditious movement of traffic through the borough. In order to deliver this changes need to be made to how permission to work is granted then subsequently monitored. It also requires that parity to be shown between monitoring of the Council's own work and that of utility companies.

Parity and transparency in the execution of duties is critical. This includes clear accountability in roles and the structure that are in no way compromised by conflicting responsibilities. The structure therefore includes the appointment of Traffic Manager and establishes a network management team.

6.3 Value for Money

Value for money requires the Council to clearly demonstrate that it is using its resources to maximise benefits to the borough. In particular there is a requirement to deliver £200,000 savings in 2008/09 from the Highways Service.

A major proportion of the monies received for Highway works is from external agencies such as Transport for London. This is subject to variation, although in the last few years we have been successful in increasing our allocation. In addition the capital allocated by the Council is subject to variation. As a result of this funding variation the types and number of schemes varies. To address this the proposed structure establishes an engineering pool so that resources can be allocated as required.

6.4 Asset Management

The Government requires us to have a clear understanding of the value of all the Council's highways assets and what impact any investment has on these assets. To exercise this duty effectively it is essential that all asset data is logged and maintained effectively and any changes to the asset are captured. The structure establishes clear accountability and responsibility for this asset management and places team working on various highways assets together to maximise joint working.

6.5 Area Based Working

There is a drive to deliver services to meet the needs of the local communities and for them to decide their priorities. This requires greater joined up working and understanding of the local priorities and then delivering these in a co-ordinated way.

Greater flexibility is reflected in the structure to be able to work with the communities and our partners in identifying these requirements and deliver them.

6.6 Recruitment and Retention of Highways Engineers

The Highways service finds it increasingly difficult to recruit permanent staff, in particular project engineers. The service has increasingly used agency and temporary staff and this has had a significant financial impact on the service, as pay rates are higher than budgeted salaries. The introduction of the Hays resourcing centre has meant a further uplift charge has been added.

In addition, using such staff presents considerable risks to business continuity as they are not contracted to us in the same way as permanent staff. There are examples of long serving agency staff leaving with only one week's notice, although some contract staff have been working in Highways for over two years.

There is also a lot of competition for engineers within London and key developments, such as the Olympics in 2012, are likely to further exacerbate the situation.

It is also the Council's view that permanently employed staff provide greater stability to the workforce. Salaries and increasing competition have been quoted as the main issues causing the difficulty to recruit permanent staff.

It is essential that Haringey is seen as an attractive place to work. Therefore the proposed structure facilitates access to a variety of works, opportunities for development and advancement. In addition recommendations are made for a suitably competitive remuneration package.

6.7 Urban Environment Restructure

The new Urban Environment restructure created a structure to meet the service requirements and responsibilities placed on the directorate including delivery of the Greenest Borough Strategy, a strong customer focus, and the linking together front-facing services. It agreed the creation of a Head of Sustainable Transport post, reporting to the new Assistant Director Frontline Services, who is responsible for an integrated transport and highways service. The restructure therefore builds on these proposals and this includes renaming the service to reflect this wider role.

7. Financial Implications

	2008/9	2009/10
Cost	£000	£000
Cost of the new structure	3000	3075
Funding		
Salaries base budget	2523	2336
Additional capitalised salaries	16	267
Estimated income from new permit scheme under TMA 2004	461	472
Total	3000	3075

7.1 The costing of the proposed structure is £3m to be funded by the elements identified in the table above. There are risks associated with the funding based on the level funding from TfL, the Council's capital funding and the ability to continue to generate approximately £1m from NRSWA as it has been in previous years. The risks can be mitigated through introducing vacancy factor or engaging officers as when needed. It is proposed that yearly review will be carried out in January each year on the number of staff required to ascertain the level of additional income required in order to achieve balanced budget.

8. Legal Implications

8.1 Legal comments have been provided by the Head of Legal Services at section 4.1.

9. Equalities Implications

9.1 An Equalities analysis of the current service is attached at appendix b. The recruitment process will be subject to the Council's recruitment policy.

10. Consultation

10.1 The consultation with staff was launched on 13th December 2007 at an event led by senior managers and an Human Resources representative. A report outlining the restructure was presented and circulated to staff at the event and via e-mail. The closing date for consultation was 11th January 2008 to take account of the Christmas period.

10.2 The proposed restructure was discussed at the quarterly liaison meeting with unions and the report circulated.

10.3 Ten comments and queries were received from staff and were responded to directly. In general the feedback has been positive about the restructure and queries raised were specific to individual's roles. No comments have been received from the trade unions.

11. Background

11.1 The Highways Service within Streetscene has been finding it increasingly difficult to recruit permanent staff, in particular the recruitment of project engineers. In addition there are a number of additional requirements and challenges that the Highways Service need to deliver on over the coming years. A review was initiated to understand the recruitment issues, make recommendations on how these should be addressed and develop a structure to deliver Council's future priorities.

12. Benchmarking

12.1 In developing the proposals benchmarking was undertaken with neighbouring and 'best practice' boroughs. Information on structures and issues they faced with recruitment were requested from all with salary information requested from neighbouring boroughs. The boroughs contacted were; Islington, Hackney, Enfield, Westminster, Camden and Hammersmith and Fulham.

12.2 In addition external factors were explored including interviews with existing agency staff to understand their employment drivers. Also the Institute of Civil Engineers were contacted as they currently work with other boroughs in London.

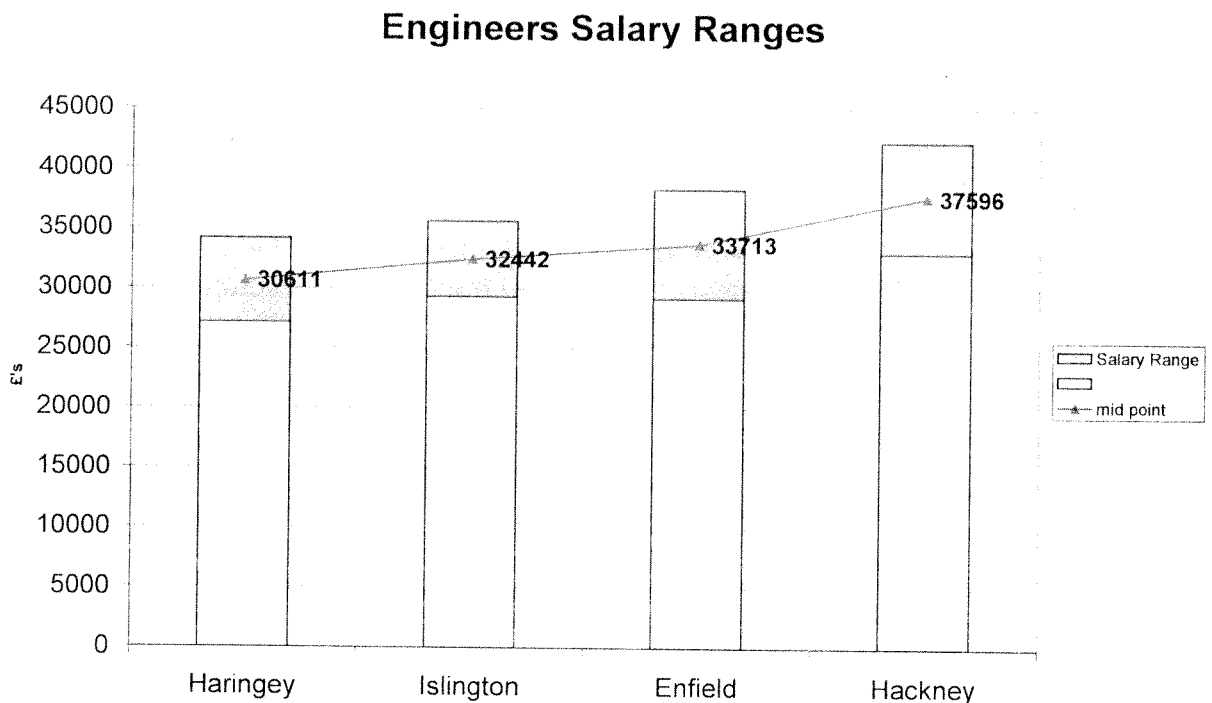
12.3 All the boroughs stated that they were having difficulties in recruiting engineers and they had either recently undertaken a review of salaries and structures or were in the process of doing so.

12.4 Those that had undertaken structure and remuneration reviews said that this had been successful in recruiting permanent staff. However they recognised it was an on-going issue and they would continue to review the situation.

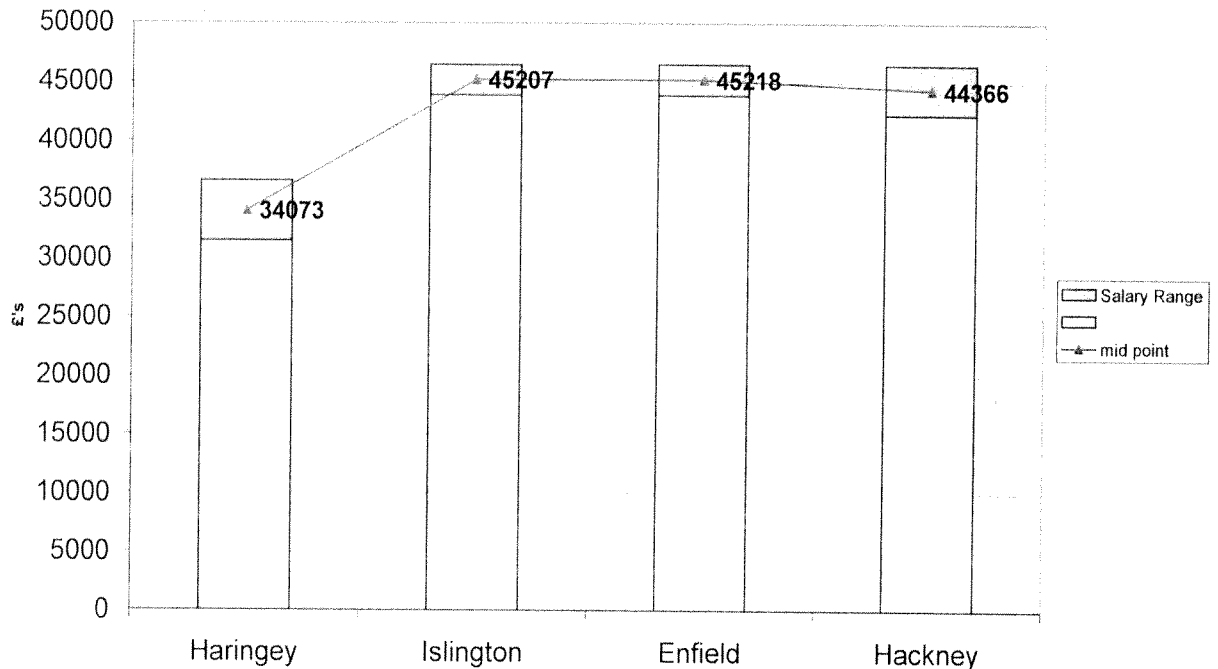
13. Salary Findings

13.1 A key part of the benchmarking was to understand the remuneration variations.

13.2 The charts below show that there is a considerable variation in engineers and team manager roles. Engineers within Haringey are paid between 8% and 9% less than neighbouring boroughs and team leaders / managers are paid between 19% and 25% less.



Team Leaders Salary Ranges



13.3 In reviewing the remuneration packages, the current salaries that agency engineers received were taken into consideration to determine what would be an acceptable level of pay. Many were receiving salaries that were commensurate with comparable salaries being received elsewhere. In addition there was a clear distinction between engineers and senior engineers to take account of complexity and experience.

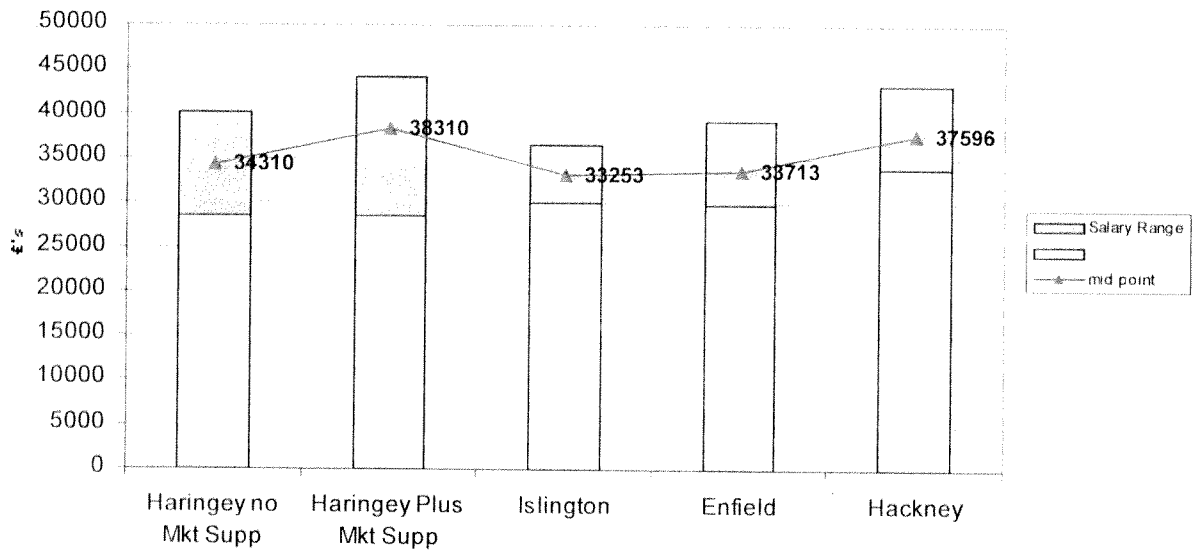
13.4 Also private sector engineers salaries / hourly market rates were reviewed. Research showed the following rates:

Engineer	£36.5k / £19p/h
Traffic Engineer	£42k / £22p/h
Senior traffic Engineer	£48k / £22 – 25p/h

13.5 It is therefore proposed that the salaries of both engineers and team leaders be increased to reflect the market rates. There will also be the creation of a senior engineer post.

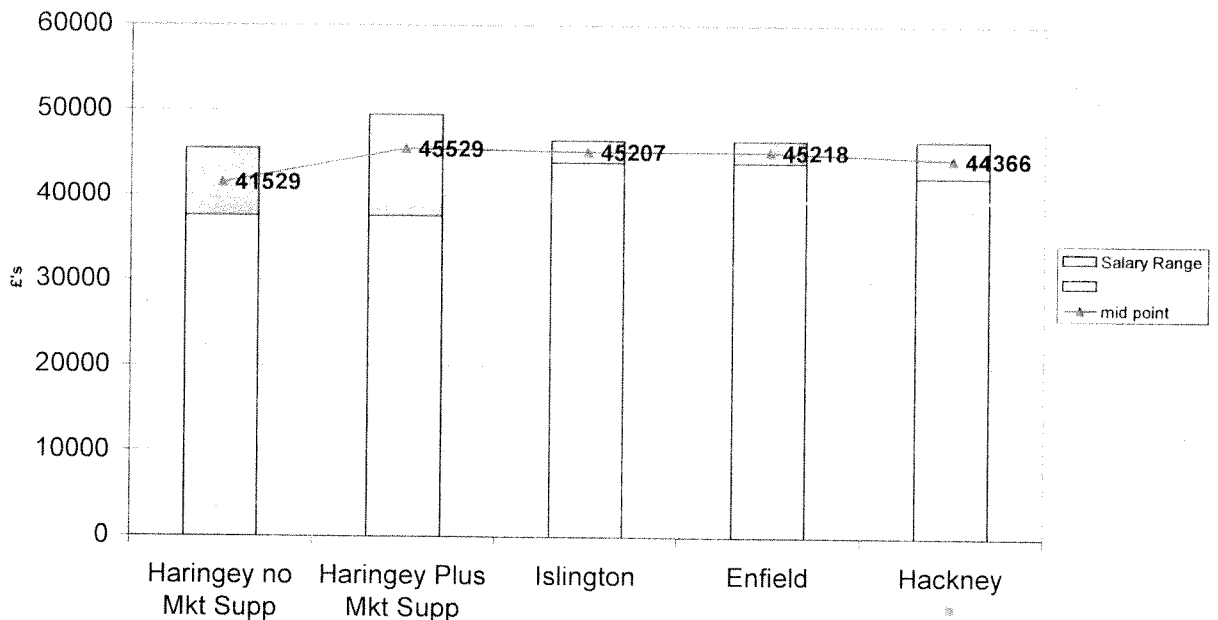
13.6 The new job descriptions have been evaluated and gradings in the new structure are appropriate to the skills, responsibilities and level of decision making. However the evaluation results are still below market rates. Therefore it is proposed that a market supplement is applied to these posts. To provide a competitive edge it has been determined that a figure of £4000 would be appropriate. The charts below show the impact of the job re-evaluation with and without the market supplement.

Engineers Salary Ranges



To note neighbouring boroughs salaries have had 2.5% increase added in line with recent pay rise.

Team Leaders Salary Ranges



13.7 The market supplement will aid recruitment and retention. It also means that we are in a position to offer agency engineers a remuneration package that is competitive with temporary roles. In addition if the market position changes this gives the Council the opportunity to review the market supplement accordingly.

13.8 As there may be variations in the market place the supplement should be reviewed on a regular basis. Examples of when the review should be undertaken include market changes and after the Olympics in 2012.

14. Proposed Structure

It is proposed that the structure is reshaped into three main areas: Asset Management, Traffic Management and Projects and Policy. A copy of the proposed structure chart can be found at appendix A.

The main responsibilities of the three areas are as follows;

14.1 Asset Management

The aim of this team is to ensure the effective management and maintenance of all the highways assets including street lighting, highways planned and reactive maintenance, drainage, inspection and development schemes. It will also be responsible for developing and managing all contracts within the service.

14.2 Transport Policy and Projects

The aim of this team is to develop and implement the council's strategic approach to transport and highways policy. Aligning the policy and engineering projects will allow better integration of work to deliver strategic objectives for example the greenest borough strategy.

This team will develop a programme to deliver policies and projects on areas such as traffic management & road safety, in consultation with residents and members, and in line with government and London-wide policies. The development and delivery of road safety and school travel plans will be led by this team.

In addition this team will be responsible for ensuring that all capital programmes are delivered through the effective management of the engineering pool.

14.3 Traffic Management

The aim of this team is to ensure that the Council meets the requirements of the Traffic Management Act 2004, in particular the Network Management duty. This will involve the co-ordination of all street works within the borough through the new permit scheme. A team dedicated to the execution of the Traffic Management Act will ensure that the Council fulfils its duty effectively and can clearly demonstrate parity and transparency.

This team will also lead technology development and maintenance, ensuring that the system used for supporting the service is maintained and developed to meet the needs of the service.

15. Other Factors

The proposed structure also addresses other issues.

- Further career progression opportunities have been created through the development of the Senior Engineer roles and the Engineering Projects Manager roles.
- Graduate Engineer posts have been created to ensure engineering skills can be developed (It is proposed recruitment is every two years for these posts).
- All direct reports to the service head will be required to act as deputy as required, there is no specific deputy head of sustainable transport.

16. Recruitment Process

There are no redundancies involved in this restructure and enough jobs for all staff and many opportunities for agency staff if they wish to apply.

The following recruitment process will be followed;

- Where individuals' roles have not materially changed and in accordance with the Council's procedures it is proposed to match individuals to posts.
- Where a match is not clear and more than one individual may be matched to the role this has been identified as an open ring fenced role. This is the case with the technical support roles.
- Existing agency staff will have an opportunity to apply for the posts as advertised.
- There is an option to apply an open ring fence on roles where a long term agency workers have been covering the post on the basis that they are difficult to recruit to.
- All other roles will be subject to open recruiting; this means initially through the redeployment pool then advertised in accordance with the Council procedures. This includes all roles that are covered by individuals currently employed on a temporary contract.
- A suitable recruitment campaign will be developed to ensure the right candidates are attracted.

17. Conclusion

17.1 The Highways service has been affected in its ability to deliver key programmes because of the increasing issues in recruiting the engineering expertise that is required. The issues that the service is experiencing are a market wide phenomenon and not particular to Haringey Council.

17.2 The proposed restructure will ensure that the service is using staff resources effectively and aligning them to key duties and priorities for the Council. The proposed remuneration will enable us to attract and retain the calibre of staff required to ensure the successful delivery of the Council's agenda and reduce reliance on agency staff.

18. Use of Appendices / Tables / Photographs

18.1 Appendix A Proposed Structure.

18.2 Appendix B Service Equalities Analysis.

18.3 Appendix C Existing Structure.



Haringey Equalities Impact Assessment - Organisational Change

Racial Group Analysis

Grade Group	Asian		Black		Mixed		Other		BME sub total		White		Not declared		TOTAL
	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	
Sc1-5	1	6%	4	24%	3	18%	3	18%	11	65%	6	35%	0	0%	17
Sc6-SO2	0	0%	7	41%	0	0%	5	29%	12	71%	5	29%	0	0%	17
PO1-3	3	27%	4	36%	0	0%	2	18%	9	82%	2	18%	0	0%	11
PO4-7	1	50%	1	50%	0	0%	0	0%	2	100%	0	0%	0	0%	2
PO8+	0	0%	1	33%	0	0%	1	33%	2	67%	1	33%	0	0%	3
TOTAL	5	10%	17	34%	3	6%	11	22%	36	72%	14	28%	0	0%	50

Gender Analysis

Grade Group	Female			Male			TOTAL
	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	STAFF	
Sc1-5	8	47%	9	53%	17	17	
Sc6-SO2	10	59%	7	41%	17	17	
PO1-3	3	27%	8	73%	11	11	
PO4-7	0	0%	2	100%	2	2	
PO8+	0	0%	3	100%	3	3	
TOTAL	21	42%	29	58%	50	50	

Age Analysis

Grade Group	16-24		25-34		35-44		45-54		55-64		65+		TOTAL
	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	
Sc1-5	0	0%	1	6%	1	6%	4	24%	5	29%	6	35%	17
Sc6-SO2	2	12%	6	35%	7	41%	2	12%	0	0%	0	0%	17
PO1-3	1	9%	1	9%	4	36%	2	18%	2	18%	1	9%	11
PO4-7	0	0%	0	0%	0	0%	2	100%	0	0%	0	0%	2
PO8+	0	0%	0	0%	1	33%	2	67%	0	0%	0	0%	3
TOTAL	3	6%	8	16%	13	26%	12	24%	7	14%	7	14%	50

Disabled analysis

Grade Group	Male		Female		Total
	Disabled staff	% of Staff	Disabled staff	% of Staff	
Sc1-5	1	2%	1	2%	2
TOTAL	1	2%	1	2%	2

To note 13 were undclared

Highways

