

THE AYRSHIRE SHARED SERVICE JOINT COMMITTEE

1 APRIL 2016

AYRSHIRE ROADS ALLIANCE

ORGANISATIONAL REVIEW

Report by the Head of Roads – Ayrshire Roads Alliance

PURPOSE OF REPORT

1. The purpose of this Report is to advise the Joint Committee on the outcome of the review of the management structure within the Ayrshire Roads Alliance and to make recommendations for the future management arrangements for the service.

BACKGROUND

2. The organisational review takes place following the joint decision in June 2013 for the establishment of a shared roads service involving East Ayrshire and South Ayrshire Councils, to be known as the Ayrshire Roads Alliance. This fully integrated roads service will make savings of £8.634m over the first 10 years of the new service, with no detrimental impact on service levels or quality, while improving service resilience for residents and visitors to the area.
3. The organisational review was conducted in accordance with the guiding principles used by East Ayrshire Council, as lead authority, to challenge existing management arrangements and shape future strategic management structures agreed at the East Ayrshire Council Cabinet meeting of 26 January 2011 and the subsequently Council meeting on 10 February 2011, which agreed to a review of the Council's management arrangements over the course of 2011. For ease of reference, these guiding principles are enclosed at Appendix 1, and the review enclosed in Appendix 1A.
4. This report will advise of the completion of the review carried out within the Ayrshire Roads Alliance and to bring forward proposals for the future management of this service. It should be noted that this work reflects a review of the strategic management structure of the Ayrshire Roads Alliance, and not on the local service delivery.

RATIONALE FOR EXISTING STRUCTURE

5. The current organisational structure is aligned with the New Roads Service Delivery Model presented in the Detailed Business Case in June 2013.
6. The New Roads Service Delivery Model is split between Strategic Service Delivery and Local Service Delivery. The purpose of this approach is to separate out the core / recurring costs of delivering the service from the front line costs at a single Council level.

7. The functions of both the Strategic and the Local Service Delivery elements of the service are contained in Appendix 2; and they can be summarised as follows:
 - **Strategic Service Delivery** - Planning; strategies; statutory functions; inspections; asset management; and support services.
 - **Local Service Delivery** - construction; proactive, reactive and cyclic maintenance; enforcement; winter maintenance; and street lighting.
8. The resulting management structure that was agreed in June 2013 to take the shared service forward consisted of a Head of Roads; two functional Unit Managers; a Business Manager and a temporary Programme Manager.
9. In addition to their Roads duties, each of the two functional Unit Managers has assumed the role of lead officer for one of the two Ayrshire Councils, providing a key point of contact and acting as a conduit for all enquiries emanating from Council Members and Chief Officers.

TEST OF EXISTING STRUCTURE AGAINST THE GUIDING PRINCIPLES

10. A copy of the existing high level structure of the Ayrshire Roads Alliance is enclosed at Appendix 3. This has been tested against the guiding principles agreed by East Ayrshire Council in relation to the number of management tiers and spans of control, which, for ease of reference, are enclosed at Appendix 1. A summary of the key findings arising from this exercise are provided in Appendix 1A.

DRIVERS FOR CHANGE AND THE RATIONALE FOR THE PROPOSED NEW STRUCTURE

11. In addition to the opportunities for change highlighted by applying the guiding principles to the existing management structures as discussed in 'Test Of Existing Structure Against The Guiding Principles' above, there are a number of key drivers for change that have helped to inform the rationale for the proposed new structures arising from this review. These have been taken into consideration and have impacted upon the proposals for the future structure of the Ayrshire Roads Alliance.
12. A summary of these drivers is provided below:
 - Establish a management and supervision structure in the Ayrshire Roads Alliance that will support and sustain the successful delivery of changes and improvements being developed as part of the Change Programme.
 - Deliver a high quality, responsive and accessible customer service in accordance with the Ayrshire Roads Alliance's Customer Service Strategy.

- Establish job descriptions/roles that more accurately reflect the skills, competencies and technical knowledge required to provide effective operational and functional management and supervision of roads services, e.g. delivering service requirements at a strategic and local level.
- Service Delivery Managers operating at a more strategic and managerial level.
- Team Leaders providing on-shift, operational front line management, including a focus on monitoring of performance and productivity.
- Consistently adopted operational procedures across the Ayrshire Roads Alliance, taking into account the specific circumstances and challenges within the geographical area of the partner authorities.
- Effective management and supervisory arrangements for Support Services through the Business Improvement and Performance section.
- Sustained performance improvements across the fully integrated roads service.
- Improved resilience as a measure of our ability to successfully absorb future changes; to reshape ourselves; and a strategic capability to thrive.
- Instilling the full array of aptitudes, knowledge and values within our workforce and strategic partners to successfully deliver as 21st Century Public Servants [1] across a broader range of roles, and to engage with our customers.
- To work more collaboratively with our communities in terms of co-production and integration to deliver improved value [1].

TEST OF PROPOSED NEW STRUCTURE AGAINST THE GUIDING PRINCIPLES

13. The revised high level structure for the Ayrshire Roads Alliance is enclosed in Appendix 4, which has been tested against the guiding principles agreed by East Ayrshire Council in relation to the number of management tiers and spans of control. A summary of the key findings arising from this exercise are provided in Appendix 1A.
14. The Ayrshire Roads Alliance has conducted an Organisational Review which has given due consideration to the potential staffing structures in accordance with challenging the fundamental basis of both existing and proposed organisational structures, as detailed in paragraph 4 of this report.
15. An Options Appraisal was conducted on the following proposed options for the new Organisational Structure for the Ayrshire Roads Alliance:
 - Option 1 - Status Quo: Interim Ayrshire Roads Alliance organisational structure as at 1 April 2014.

- Option 2 - Delete all surplus strategic vacancies within Option 1.
- Option 3 - Create a new organisational structure for the Ayrshire Roads Alliance which deletes eleven surplus vacancies (as per Option 1) and includes the following new positions: Maintenance Team Manager, Business Manager, Parking Team Manager, and Contracts Manager. The proposed surplus existing vacancies to be deleted are itemised in Table 1 below and the detail contained in Appendix 6. The proposed new positions are itemised in Table 2 below and Appendix 7.

Table 1 – Proposed Surplus Vacancies

Designation	Description	Proposed Savings
Team Leader – Design	Design (SD)	£49,462
Team Leader	Roads Maintenance (SD)	£49,462
Parking Mobility Officer	Traffic (SD)	£41,344
Technical Officer	Traffic (SD)	£41,344
Asst Road Safety Trg Off	Traffic (SD)	£4,688
Lighting Inspector	Street Lighting (SD)	£35,165
Engineering Officer	Roads Maintenance (SD)	£37,262
Engineering Officer	Roads Maintenance (SD)	£37,224
Supervisory Engineer	Safety (SD)	£50,984
Engineering Officer	Traffic (SD)	£35,165
Team Leader	Traffic (SD)	£54,933
Engineering Officer	Traffic (SD)	£37,224
	TOTAL	£474,259

Table 2 – Proposed New Positions

Designation	Description	Proposed Cost
Roads Maintenance Manager	Roads Maintenance (SD)	0
Business Manager	Business Improvement & Performance Section (SD)	£49,297
Contracts Manager	Roads Maintenance (SD)	£49,297
Parking Team Manager	Traffic (SD)	£49,297
	TOTAL	£147,891

16. The purpose of this exercise is to present a firm proposal and recommendation on the future staffing structure for the Ayrshire Roads Alliance to the Joint Committee for due consideration and scrutiny.

17. Following the Options Appraisal, it is considered that Option 3 is the preferred staffing structure as this will enable service resilience, service delivery, increased productivity and increased performance to be the Ayrshire Roads Alliance and not just Council focused. Option 3 has been tested against the guiding principles agreed by East Ayrshire Council in relation to eliminating duplication and driving standardisation, simplification and sharing, with additional detail provided in paragraphs 26 to 28; 35, and 40.
18. It is anticipated that the Ayrshire Roads Alliance will meet the 2015/16 savings targets outlined in the detailed business case of June 2013 and the Benefits Realisation Strategy and Plan presented to Joint Committee on 1 May 2015. It is anticipated that Option 3 will deliver net savings of £326,368 per annum once fully implemented. This would amount to £2,610,944 by the end of financial year 2023/24, subject to approval by Joint Committee to allow implementation on 1 April 2016. While a prudent approach was adopted in the calculation of net savings, it should be noted that the final grades for all new posts are predicated on the outcome of Job Evaluation. The outcome from this process could impact on the anticipated savings.
19. It is anticipated that Option 3 will deliver the savings target of £324,000 identified in paragraph 70 of the detailed business case of June 2013. It is also anticipated that Option 3 will also exceed the anticipated revenue saving for the Organisational Review presented in Table 4 of the aforementioned Benefits Realisation Strategy and Plan.
20. Subject to the approval of Option 3 by the Joint Committee, the proposed timetable for implementing the new organisational structure is detailed in Table 3 below.

Table 3– Indicative timetable to implement new organisational structure

Activity	Indicative Timescale
Consultation with staff, Support Services, and Trade Unions	March 2016
Consider proposals	March 2016
Final consultation with staff and Trade Unions	March 2016
Submit to JC for approval	1 April 2016

21. It will be necessary for the Ayrshire Roads Alliance to implement a number of key changes to bring the full benefits of Option 3 to fruition.
22. These changes are specifically designed to increase the efficiency and effectiveness of the Ayrshire Roads Alliance through establishing a structure

that will drive increased integration and standardisation to ensure that the Ayrshire Roads Alliance is positioned to place the customer at the heart of everything that we do, as detailed in the Ayrshire Roads Alliance Customer Service Strategy presented to Joint Committee on 1 May 2015.

23. The most pronounced change will be the formation of the Business Improvement and Performance Section. The proposed remit, objectives and rationale underpinning this strategic support section are described in paragraphs 27 to 33.
24. The proposed changes to the existing Network Section are described in paragraphs 34 to 38, and the proposed changes to the Operations Section are detailed in paragraphs 39 to 41.
25. It should be emphasised that all of the proposed changes with this Report will be funded from existing budgets while simultaneously delivering the proposed savings identified within paragraph 19.
26. The proposed changes to the existing interim structure are detailed in paragraphs 27 to 41 below. The high level organisational charts for the existing and proposed structures are attached in Appendix 3 and 4, respectively.

THE BUSINESS IMPROVEMENT AND PERFORMANCE SECTION

27. Option 3 proposes the creation of a Business Improvement and Performance Section to establish common ground for delivery of the shared roads service across the Ayrshire Roads Alliance:
 - Joining up Strategy and Plan production;
 - Establishing shared outcomes;
 - Planning activity and commissioning;
 - Monitoring success (performance management and benchmarking);
 - Research;
 - Consultation and Engagement;
 - Partnership working;
 - Workforce development and planning;
 - Co-ordination of grant applications and budget management of grant funding secured; and
 - Co-ordination of Asset Management on an Ayrshire Roads Alliance basis.
28. This Section is managed by the proposed post of Business Manager, as envisaged in the original Detailed Business Case of June 2013.

OBJECTIVES

29. The Business Improvement and Performance Section will work across the shared roads service to support and co-ordinate the identification of ways to:
- Eradicate duplication in service delivery and therefore improve cost effectiveness;
 - Promote a collaboration agenda across the shared roads service;
 - Develop and promote innovation and efficiency in the delivery of shared roads service;
 - Ensure effectiveness in planning services around the needs of residents;
 - Measuring improvements for the residents of East Ayrshire and South Ayrshire in relation to quality of roads services;
 - Enable plan co-ordination and support across the Ayrshire Roads Alliance that contribute to the shared service priorities and Single Outcome Agreements.
 - Co-ordinate the development of the Roads Asset Management Plan on a pan Ayrshire basis.

PERFORMANCE MANAGEMENT AND BENCHMARKING

30. The purpose of the Performance Management and Benchmarking remit is to work collaboratively to deliver tangible and sustained improvements within the shared roads service, and to manage the ongoing development and delivery of benchmarking frameworks.
31. Improved performance management is fundamental to supporting the new Ayrshire Roads Alliance structure to drive change and improvement within the shared roads service and to support improved outcomes, better performance, and more effective use of resources. This work forms a key element of this Section, and the prime purposes of this function will be to:
- Support shared roads service to collaborate on performance management and benchmarking activities.
 - Support shared roads service to develop benchmarking indicators across a range of service areas.
 - Manage the ongoing development, implementation and roll-out of benchmarking frameworks.
 - Support the analysis of performance data and the sharing of this within the Ayrshire Roads Alliance, and other Local Authorities.
 - Support the shared roads service in making better use of performance and benchmarking data in scrutiny, management decision making and improvement activities.

- Support shared roads service to use performance and benchmarking data to drive forward change and inform approaches to new ways of working.
 - Support the Ayrshire Roads Alliance in developing its approach to data hosting and management.
 - Ensure that all activities undertaken within the function interface with and support the Ayrshire Roads Alliance and national programmes.
 - Ensure that knowledge and good practice sharing with respect to performance management and benchmarking are achieved.
 - Help identify challenges the shared roads service encounter with performance management and benchmarking activity and to develop appropriate solutions.
32. The concept the Business Improvement and Performance Section is based on the following:
- Delivering high quality, responsive and accessible customer service in accordance with the Ayrshire Roads Alliance's Customer Service Strategy.
 - To maximise synergies of related sections and services.
 - To create a 'think tank' to develop the strategic direction that the shared roads service should take.
 - Ensure the services are current and satisfy the future needs of the partner Local Authorities.
 - Enable economy of scale savings on resources, budget, and procurement.
 - To create a structure that enables and encourages 'joined up thinking'.
 - Centralised support resource for operations, allowing them to focus on service delivery.
 - More focus on medium and long term planning.
 - Provide Programme and Project management capability for delivery of new initiatives.
 - Performance management.
 - Production of reports and papers for CMT; DMT & grant funding applications for the shared roads service
33. This Section will operate as a single integrated unit with complex internal and external interconnections.

NETWORK SECTION

34. The Network Section is managed by the Network Manager, as outlined in the Detailed Business case of June 2013.
35. Option 3 proposes that the Network Manager will have the following direct reports:
- Parking Team Manager (New Post)
 - Design Team Manager (Existing Post)

- Traffic, Transportation, and Road Safety Team Manager (Existing Post)
36. Option 3 proposes the following changes to the Network Section:
- Creation of the new Parking Team Manager post, which is detailed below. The Parking Team Manager post will generate a net saving of £10,559 per annum due to the difference between Parking Team Manager Post and the existing vacancy of Traffic & Transportation Manager (South).
 - Consolidation of the Development Control duties from the former East Ayrshire and South Ayrshire teams managed by one Team Leader.
 - Moving the Asset and System Support Officer to the new Business Improvement and Performance Section.
 - Moving the Asset and Roadworks Team Leader to the new Asset Section within Operations.
37. To ensure continuity of service, succession planning and service resilience, three additional Apprentice Civil Engineering Technicians have already been appointed, with the posts appointed in Traffic and Transportation; Development Control; and the Environmental Team within the Design and Environmental Section. Each Apprentice Civil Engineering Technician post has been created with a Technician role for the apprentice to migrate into on successful completion of their course. This initiative will be financed on a 'spend to save' basis with the savings being generated from the loss of the corresponding Engineering Officers who will be retiring from their posts in the future. There will be a process of knowledge and skills transfer from the aforementioned Engineering Officer posts to the Apprentice Civil Engineering Technician to safeguard service level and quality.
38. The combined East Ayrshire and South Ayrshire parking service will be managed by the Parking Team Manager outlined in the Detailed Business Case of June 2013.

OPERATIONS SECTION

39. The Operations Section is managed by the Operations Manager, as outlined in the Detailed Business Case of June 2013. The Operations Manager will be responsible for managing the roads infrastructure asset through an agreed road maintenance strategy developed through the Ayrshire Roads Alliance Asset Management Strategy.
40. Option 3 proposes that the Operations Manager will be responsible for the following direct reports:
- Asset Section consists of the Harbour Master, and Asset and Roadworks Team Leader (Both Existing Posts)

- Principal Lighting Engineer (New Post)
- Maintenance Team Manager (New Post)

41. Option 3 proposes the following changes to the Operations Section:

- Moving the Asset and Roadworks Team Leader to the new Asset Section within Operations.
- Creation of the new Maintenance Team Manager post. The Maintenance Team Manager's primary function is to co-ordinate the day to day activities of the Contracts Manager; Routine Works Manager; and Programme Works Manager to deliver the annual Road Works Programme on time and on budget. It is proposed that the existing Roads Maintenance Manager post and the Roads Maintenance Team Leader Post will form the basis for the Routine Works Manager and Programme Works Manager roles within the new structure.
- Creation of the new Contracts Manager post. The primary function of this role is to lead and manage the resources within the Ayrshire Roads Alliance Depots in the delivery of routine works contracts and the annual programme works contracts for the Ayrshire Roads Alliance and other parties.
- Consolidation of the winter, routine, and cyclic works duties from the former East Ayrshire and South Ayrshire teams under one Routine Works Manager post to fulfil the duties within the annual Revenue budget.
- Consolidation of the Programme Works duties from the former East Ayrshire and South Ayrshire teams under one Programme Works Manager to fulfil the annual capital works programme and other significant works on time and within budget.
- The posts of Routine Works Manager and Programme Works Manager are essential for ensuring the technical aspects, including design, plant and equipment for the annual road works programmes to be delivered. The Contract Manager role will work in tandem with these roles to co-ordinate the depots and especially the labour to ensure that the annual road works programmes are delivered on time and within budget.
- Creation of the Lighting Manager role following the deletion of the Network and Street Lighting Manager role in East Ayrshire. This will alleviate the perception that there is a potential loss of professional leadership with the

deletion of the former role under a pre-Ayrshire Roads Alliance programme of efficiency savings.

FUTURE LOCATION OF STAFF

42. It should be noted that the Organisation Review only identifies the preferred future staffing structure and does not infer the future locations of the staff within the proposed structure. The future locations of staff within the adopted structure will be identified following the outcome from the Review of Property and Accommodation.
43. It is proposed that the organisational structure is reviewed within two years to take stock of the service requirements, business needs and age profile of the service. This will enable a considered view on balancing service requirements and business needs against current, imminent and prospective vacancies at that time, to determine which vacancies need to be filled and which vacancies can be added to future savings requirements.

REVIEW OF DEPOTS AND FLEET

44. As part of the Business Realisation Strategy Plan, the Organisational Review is presented for consideration. In accordance with this plan further reports on the review of depots and fleet will be submitted to future meetings of the Joint Committee.

CONCLUSIONS

45. From the review of the current management and supervision structure within the Ayrshire Roads Alliance and the proposed option that will strengthen and improve the management of the shared roads service, it can be concluded that Option 3 satisfies the drivers for change identified in paragraph 17 of this report. This will provide the management and supervision structure which is required to support and sustain the successful delivery of changes and improvements being developed as part of this Change Programme.
46. It is anticipated that Option 3 will deliver net savings of £326,368 per annum once fully implemented. This amounts to £2,610,944 by the end of financial year 2023/24. Thus, it is anticipated that Option 3 will deliver the savings target of £324,000 identified in paragraph 70 of the detailed business case of June 2013.
47. Option 3 will also deliver high quality, responsive, and accessible customer service in accordance with the Ayrshire Roads Alliance's Customer Service Strategy; and forecast savings presented in the Benefits Realisation Strategy and Plan, that were both approved by Joint Committee on 1 May 2015.

48. Option 3 will enable the Ayrshire Roads Alliance to deliver improved resilience as a measure of our ability to successfully absorb future changes; to reshape ourselves; and a strategic capability to thrive. These will be pertinent qualities in the prevailing climate within the public sector.
49. In order for Option 3 to be successfully adopted the following communications and engagement is ongoing throughout the transition and bedding-in phase of the new structure:
- Regular communication with staff and Trade Unions throughout this process.
 - Trade Union consultation conducted through arranged meetings.
 - Consultation meetings organised for all staff affected.
 - Updates will be provided via regular staff briefings through line management structures and partnership meetings.
 - Email and dedicated team briefings will be used to cascade information to staff.

TRADE UNION CONSULTATION

50. The Trade Unions have been made aware of arrangements for the proposed review of the management structure as outlined within this report and a commitment has been given to further consultation on the implementation of the review programme and the detail of each service management review.

HUMAN RESOURCES IMPLICATIONS

51. It is anticipated that neither redundancies nor Voluntary Severance will be required to meet the savings target of £324,000 stated in this paper as all surplus posts are currently vacant. Any applications for voluntary early retirement will be considered by the Service. However, agreement will only be given when this at no cost to the service.

The Programme Manager post will cease at the end of financial year 2016/17, deleting this post from the existing structure.

EQUALITY IMPACT ASSESSMENT

52. An Equality Impact Assessment has been carried out on the guiding principles set out in Appendix 1 of this report, and it is considered that these principles are free from any potential discriminatory impact.

FINANCIAL AND LEGAL IMPLICATIONS

53. The proposals in relation to the review of management structures contained within this report are anticipated to result in net savings of £326,368 per annum once fully implemented, as detailed in Appendix 7, and summarised below.

Proposed Savings:	£474,259
Less cost of additional posts:	£147,891
Net Saving:	£326,368

54. There are no direct legal implications arising from this report. Any legal matters arising from the outcome of individual reviews will be highlighted within the relevant Joint Committee and Cabinet reports.

RISKS

55. The proposed review of management structures, as outlined within this report, will seek to minimise risk by continuing to ensure that the Council has in place effective management arrangements, with appropriate responsibilities assigned and clear lines of reporting in place. All of this will provide an assurance that the Council is making the most effective use of its resources and is focusing on the provision of front line service delivery.

POLICY AND COMMUNITY PLANNING IMPLICATIONS

56. The drive towards securing continuous improvement in delivering Council services is a fundamental requirement placed upon councils through the Local Government Scotland Act, 2003. Progress in relation to the matters covered in this report demonstrates a continued commitment by the Council to deliver on this requirement.
57. Staffing implications arising from the individual reviews will be dealt with in accordance with the Council's Workforce Planning Policies on Severance and Redeployment as agreed by East Ayrshire Cabinet on June 2010. It is anticipated that neither redundancies nor Voluntary Severance (VS) will be required to meet the savings target of £324,000 stated in this paper.

RECOMMENDATIONS

58. Joint Committee is asked to:

- (i) approve the proposed Ayrshire Roads Alliance management structure as outlined within this report;
- (ii) approves the firm proposal and recommendation to proceed on the basis of Option 3 as the new organisational structure for the Ayrshire Roads Alliance;
- (iii) approves the indicative timetable to implement the new organisational structure, as presented in Table 3 of this report;
- (iv) agrees that the organisational structure is reviewed two years after implementation to take stock of the service requirements, business needs and age profile of the service at that juncture; and
- (iv) otherwise, notes the contents of this report.

Stewart Turner
Head of Roads
22 March 2016

LIST OF APPENDICES

1. East Ayrshire Council Management Structures Review Guiding Principles
- 1A. Test of Existing and Proposed Structures against the Guiding Principles
2. Split between Strategic and Local Delivery
3. Option 1 - Existing Organisational Chart
4. Option 3 - Preferred Organisational Chart
5. Equality And Diversity Impact Assessment
6. List of surplus vacancies to be deleted
7. Detail of net saving proposal

BACKGROUND PAPERS

Agenda Item 5, Ayrshire Roads Alliance Customer Service Strategy, The Ayrshire Shared Services Joint Committee, 1 May 2015.

Agenda Item 7, Ayrshire Roads Alliance Customer Service Strategy, The Benefits Realisation Strategy and Plan, 1 May 2015.

[1] 21st Century Public Servant available
from: <http://21stcenturypublicservant.wordpress.com>

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EAST AYRSHIRE COUNCIL MANAGEMENT STRUCTURES REVIEW GUIDING PRINCIPLES
<p>These guiding principles are intended to inform an intensive change process, which over the next year seeks to streamline the Council's management structures by increasing spans of control and the number of direct reports at all levels of management.</p>
<p>The Council will organise itself in an efficient and effective way which ensures that proper arrangements are in place for the support, development, supervision and control of employees. Management and operational structures will eliminate duplication and drive standardisation, simplification and sharing.</p>
<p>The Council will have a clear and simple management structure with no more than 5 levels of management between the Chief Executive and professional/operational employees as set out below:-</p> <ul style="list-style-type: none"> ❖ Chief Executive; ❖ Executive Director; ❖ Head of Service (Strategic Managers); ❖ Service Manager (Service/Operational Managers); ❖ Team Leader (Service Delivery Managers).
<p>If a Service Manager considers that there should be a sixth level of management, they need to develop the rationale for any additional levels of management. This should take account of the number of employees in the Service, the nature of the work undertaken, the number of operational units, and the nature of the discrete operational units.</p>
<p>The review will cover service management and senior practitioner posts which have a mix of management and service delivery responsibilities down to Grade 7.</p>
<p>The aim will be to review management structures to deliver savings and achieve, where possible, management span of control ratios as set out below:-</p> <ul style="list-style-type: none"> ❖ Heads of Service should have at least 3 direct reports, the exception being those Heads of Service with responsibility for providing specialist professional and corporate advice to Council; ❖ Service/Operational Managers should have at least 5 direct reports; and ❖ Team Leaders (Service Delivery Managers) should have at least 7 direct reports.
<p>Shared services on an Ayrshire wide basis will be considered and highlighted as an alternative option where reporting arrangements are under populated and spans of control do not meet the above ratios. Spans of control that do not meet the above ratios will be by exception and like all staffing proposals, will require CMT approval prior to any recommendations being made to Joint Committee/Council.</p>
<p>Job outlines, roles and titles across the Council will be simplified and standardised to prevent overlap and become more generic, encouraging greater flexibility and responsiveness to customer needs.</p>
<p>To ensure consistency of management span of control, all future structural alterations will be tested against these guiding principles.</p>

APPENDIX 1A: TEST OF EXISTING & PROPOSED STRUCTURE AGAINST THE GUIDING PRINCIPLES

EXISTING STRUCTURE

1. A copy of the existing high level structure of the Ayrshire Roads Alliance is enclosed at Appendix 3. This has been tested against the guiding principles agreed by East Ayrshire Council in relation to the number of management tiers and spans of control, which, for ease of reference, are enclosed at Appendix 1. A summary of the key findings arising from this exercise is provided below.

3rd Tier Management – Head of Service (Strategic)

2. In respect of management span of control ratios, the Head of Roads (3rd tier management) has three direct reports under the existing structure, and thus complies with the aforementioned guiding principles.

4th Tier Management – Service Managers (Service/Operational)

3. In respect of management span of control ratios, the Service Managers (4th tier management) have between four and five direct reports under the existing structure, and thus broadly comply with the aforementioned guiding principles.

5th Tier Management – Service Delivery Managers

4. In respect of management span of control ratios, the Service Delivery Managers (5th tier management) have between three and five direct reports under the existing structure, and thus do not comply with the guiding principles of seven direct reports for this tier of management.

PROPOSED STRUCTURE

5. A copy of the proposed high level structure of the Ayrshire Roads Alliance is enclosed at Appendix 4. The proposed structure illustrates the full extent of staffing levels under the revenue budget: with additional capacity being funded through capital where there is a business case illustrating that this the deliverable, viable and achievable.
6. The proposed structure was tested against the guiding principles agreed by Council in relation to the number of management tiers and spans of control, which, for ease of reference, are enclosed at Appendix 1. A summary of the key findings arising from this exercise is provided below.

3rd Tier Management – Head of Service (Strategic)

7. In respect of management span of control ratios, the Head of Roads (3rd tier management) has three direct reports under the proposed structure, and thus complies with the aforementioned guiding principles. The three proposed direct reports are:

- Business Manager
 - Network Manager
 - Operations Manager
8. The rationale for creation of a Business Manager is to: promote a collaboration agenda across the Ayrshire Roads Alliance by working in co-operation with the Network Manager and Operations Manager; eradicate duplication in service delivery and therefore improve cost effectiveness across the Ayrshire Roads Alliance; develop and promote innovation and efficiency in the delivery of a fully integrated roads shared service; and ensure effectiveness in planning and design of services around the needs of residents. The detail supporting this role is contained in paragraphs 26 to 32 of this report.
 9. The rationale for the Network Manager is two-fold, namely:
 - (1) To act as the lead officer for East Ayrshire Council by providing a key point of contact and acting as a conduit for all enquiries emanating from Council Members and Chief Officers within the geographical area of East Ayrshire.
 - (2) To act at a strategic level across the geographical areas of East Ayrshire Council and South Ayrshire Council with respect to the Network remit, this consists of: Traffic and Transportation, Parking, Design, and Development Control.
 10. The rationale for the Operations Manager is two-fold, namely:
 - (1) To act as the lead officer for South Ayrshire Council by providing a key point of contact and acting as a conduit for all enquiries emanating from Council Members and Chief Officers within the geographical area of South Ayrshire.
 - (2) To act at a strategic level across the geographical areas of East Ayrshire Council and South Ayrshire Council with respect to the Operations remit, this consists of: Girvan Harbour, Street Lighting, Roads Maintenance Routine Works, and Roads Maintenance Programme Works.

4th Tier Management – Service Managers (Service/Operational)

11. In respect of management span of control ratios, the Service Managers (4th tier management detailed in the aforementioned section) have between three direct reports (namely the Operations Manager and Network Manager) and four direct reports (namely the Business Manager) under the proposed structure, and this does not conform with the aforementioned guiding principles.
12. This departure from this specific element of the guiding principles can be justified on the grounds that the proposed structure at this tier of management will eliminate duplication and drive standardisation,

simplification and sharing as a result of creating a shared service with the deleted posts detailed in Appendix 6 and Appendix 7 of this report.

13. This is in accordance with the savings outlined in paragraph 70 of the Detailed Business Case that was approved by East Ayrshire Council and South Ayrshire Council on 27 June 2013. The resulting savings of £326,368 per annum are detailed in paragraphs 18 and 19; Appendix 6 and Appendix 7 of this report.

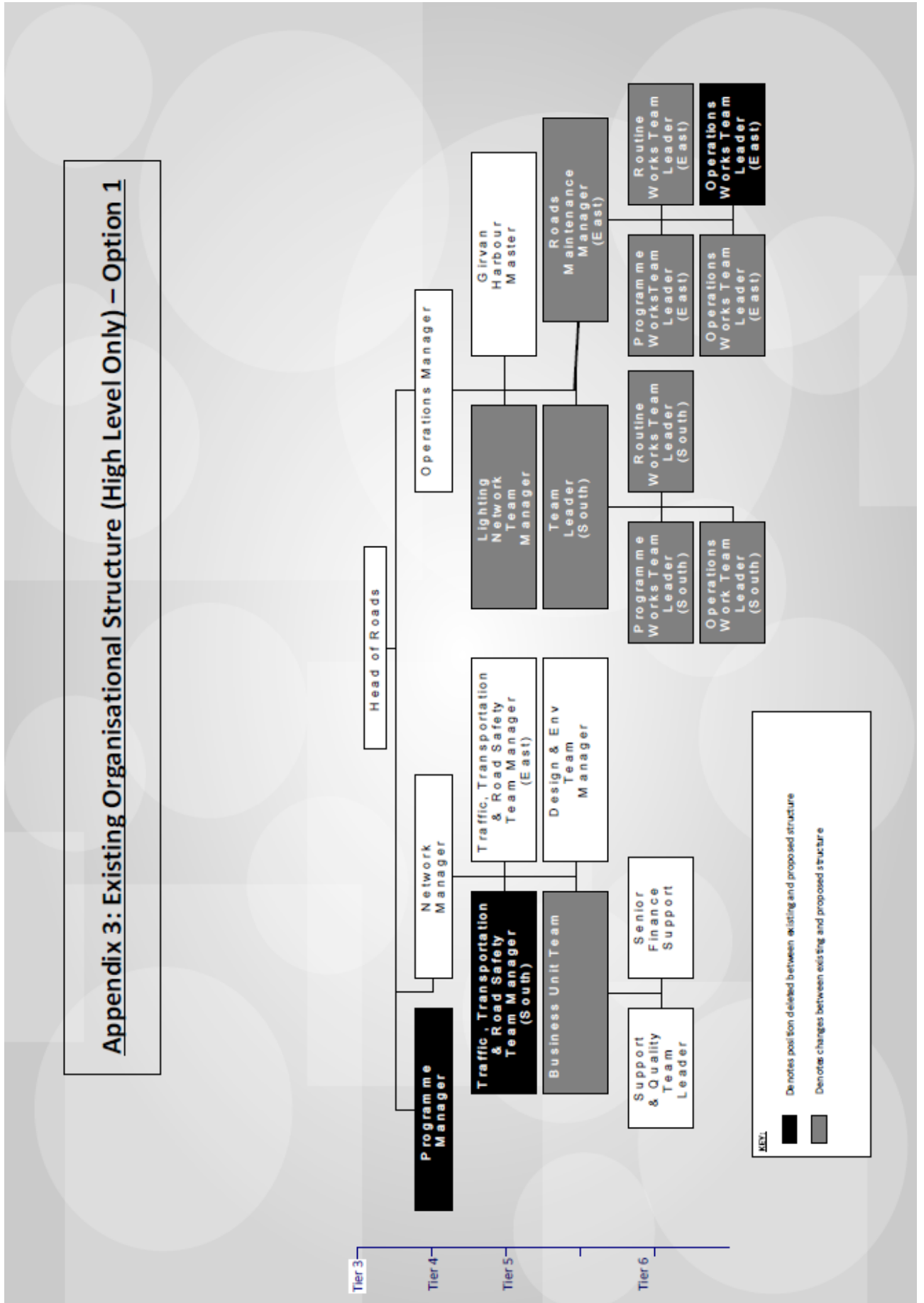
5th Tier Management – Service Delivery Managers

14. In respect of management span of control ratios, the Service Delivery Managers (5th tier management) have spans of control of between five and twenty-three reports under the proposed structure, and thus comply with the spirit and letter of the guiding principles of seven direct reports for this tier of management.
15. This is clearly an improvement on the position of the existing structure and is a direct result of the efficiency savings made in Tier 4 as part of the overarching strategy and *raison d'être* of the Ayrshire Roads Alliance to focus on front line delivery.

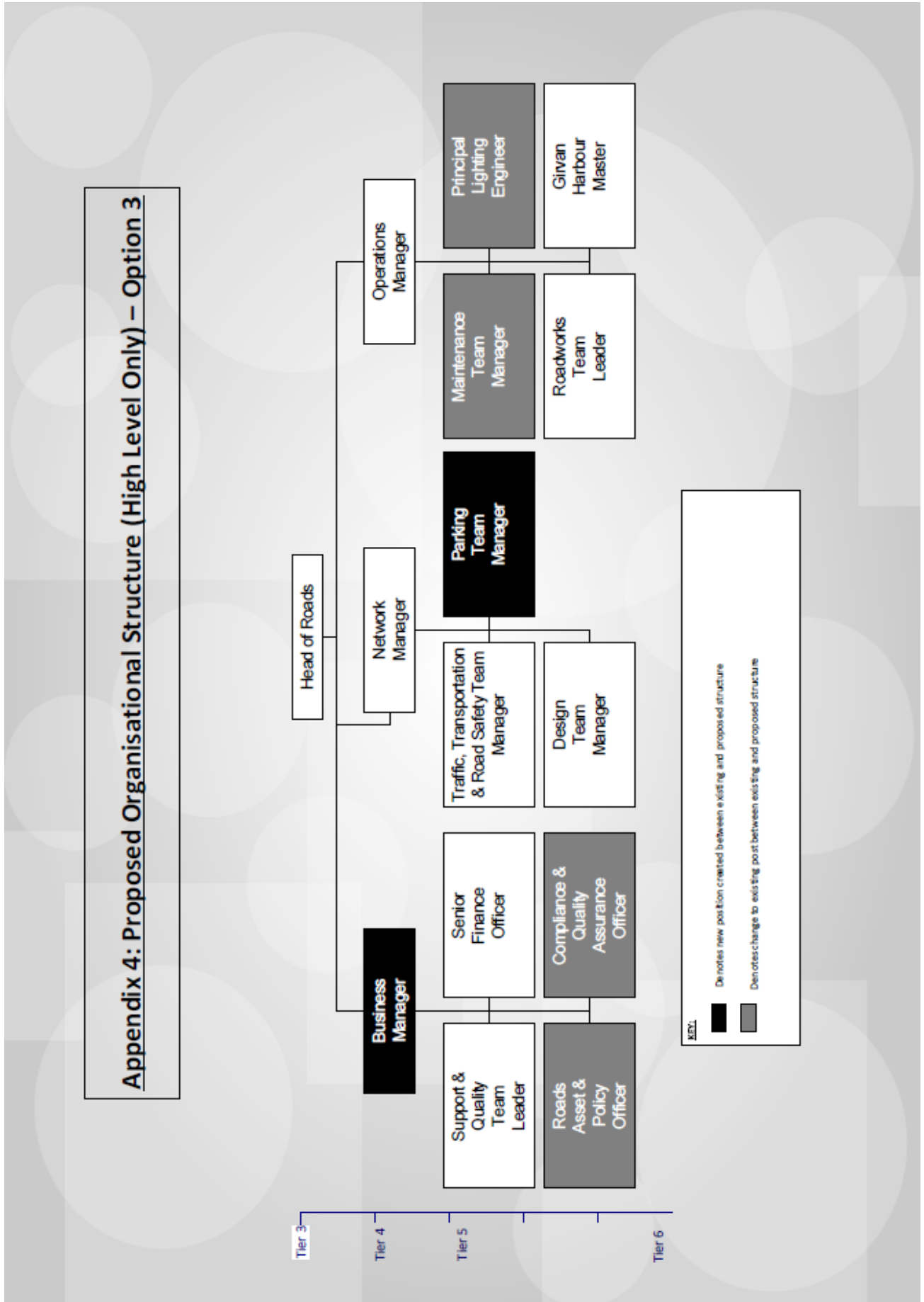
APPENDIX 2: SPLIT BETWEEN STRATEGIC AND LOCAL DELIVERY

Strategic Service Delivery	Local Service Delivery
<p>Transportation, Development Control and Road Safety Local Transport Strategy; Transportation Policy; Road Safety Plan; Travel Planning, Cycling Strategy; Planning Applications; Road Construction Consents; Development Planning, Council/Partner Liaison, Section 75 Agreements; Road Safety Schemes; Road Safety Audits; School Travel Plans; School Crossing Patrol; Road Safety Education.</p>	<p>Transportation, Development Control and Road Safety Maintenance of Bus Shelters; Split Cycle Offset Optimisation Technique (SCOOT) systems (an adaptive control system for controlled road crossings); Development Control; Bus Shelter Advertising; Shopmobility; Construction of Road Safety Schemes.</p>
<p>Asset, Traffic and Parking Asset Management Plan; Roads Improvement Plan; Infrastructure Surveys; Inventory Management; Scottish Roadworks Register; Issue of Permits; Performance Monitoring; Accident Investigation and Prevention; Traffic Orders; Traffic Counts; and Parking Strategy.</p>	<p>Asset, Traffic and Parking Maintenance of Traffic signals, traffic signs, Car Park Maintenance and Parking Enforcement.</p>
<p>Design and Environment Flood Risk Management Strategy; Flood Risk Management Plans; Watercourses; Flood Mitigation; Coastal Protection; Inspection of Piers & Harbours; Bridge Inspections and Maintenance; Structural Assessments; Technical Approval; Abnormal Load Routing; and Design of Major and Minor Road Schemes and Improvements.</p>	<p>Design and Environment Maintenance of Watercourses, Bridges, Retaining Walls, Piers and Harbours.</p>
<p>Operations Carriageway Inspections; Winter Service Planning; Programming of Proactive, Reactive and Cyclic Maintenance; Street Lighting Design and Management; and Festive Lighting.</p>	<p>Operations Proactive, Reactive, Cyclic Maintenance of Roads and Footways; Winter and Weather Emergency Service; Proactive and Reactive Maintenance of Streetlights; Electricity costs for streetlights.</p>
<p>Support Services HR, Finance, ICT, and Administrative Support.</p>	

APPENDIX 3: Existing Organisational Chart (High Level Only) – Option 1



APPENDIX 4- Preferred Organisational Chart (High Level Only) – Option 3



APPENDIX 5 – EQUALITY AND DIVERSITY IMPACT ASSESSMENT

Section One: Policy Details*

Name of Policy	Establishment of a new organisational structure for the Ayrshire Roads Alliance
Lead Officer (Name/Position)	Alasdair A. Sneddon, Programme Manager
Policy Development Team (Names/Positions)	Senior Management Team: Stewart Turner (Head of Roads); Kevin Braidwood (Operations Manager); & Kevan Aitken (Network Manager)
Critical friend (s)	Lorraine Finlayson, Strategic Management Officer, South Ayrshire Council

*Policy could include strategy, project or application: see guidance attached.

What are the main aims of the policy?	The key objective of the new organisational structure will be to eliminate duplication and drive standardisation, simplification and sharing at a time of reducing public sector budgets. The new organisational structure will provide resilience through the removal of duplication in particular service areas, the sharing of best practice, and the establishment of integrated systems and procedures. In keeping with the Key Objective No 2 in the Christie report the project aims, by joint working to achieve outcomes by delivering integrated services which help to secure improvements in the quality of life and the social and economic wellbeing of the people and communities of Scotland.”
What are the intended outcomes of the policy	<ul style="list-style-type: none"> • Generate net savings of £326,368 per annum through the removal of duplication in particular service areas. • Maintain service levels • Provide resilience • Remove duplication in particular service areas • Sharing of best practice, and • Establishment of integrated systems and procedures.

Section Two: What are the Likely Impacts of the Policy?

Will the policy impact upon the whole population of East Ayrshire & South Ayrshire or particular groups within the population (please specify)	The new organisational structure will impact on all employees within the Ayrshire Roads Alliance.
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Considering the following Protected Characteristics and themes, what likely impacts or issues does the policy have for the group or community.

List any likely positive and/or negative impacts

Protected Characteristics	Positive and/or Negative Impacts
Race: Issues relating to people of any racial group, ethnic or national origin, including gypsy travellers and migrant workers	The proposed new organisational structure will potentially benefit people of any racial group, ethnic or national origin, including gypsy travellers and migrant workers resident or visiting South and East Ayrshire.
Sex: Issues specific to women or men	The policy will benefit people of any sex, resident or visiting South and East Ayrshire, by providing better road and

	<p>transportation services.</p> <p>There are potential impacts for staff employed by both Councils. The number of staff currently employed by each Council is as follows: SAC - 74 and EAC – 141</p> <p>Within South Ayrshire the gender balance of staff is approximately 95% male and 5% female. In East Ayrshire the balance is 83% male and 17% female. Therefore the potential impacts on staff are likely to be greater for males. Following formation of the Ayrshire Roads Alliance on 1st April 2014, staff from South Ayrshire Council transferred to the employment of East Ayrshire Council under the Transfer of Undertaking (Protection of Employment) Regulations 2006 – TUPE.</p> <p>This resulted in all former South Ayrshire Council employees (regardless of gender) transferring on their existing terms and conditions and with their continuity of service preserved.</p> <p>East Ayrshire Council took over all rights and obligations arising from the contracts of employment of the transferred staff, with the exception of liability to criminal prosecution for events occurring prior to the transfer.</p> <p>The effect of TUPE is that East Ayrshire Council currently manage a single workforce on two different sets of terms and conditions. Should there be future demonstrable economic, technical or organisational reason entailing changes in the workforce (an "ETO reason"), there would be discussion with Trades Unions at that time.</p>
<p>Disability: Issues relating to disabled people</p>	<p>The proposed new organisational structure aims to facilitate improved road and transportation for all members of the Councils' communities including disabled people.</p> <p>Staff who have disabilities will continue to be supported on an individual basis as appropriate.</p>
<p>Age: Issues relating to a particular age group e.g. older people or children and young people</p>	<p>The proposed new organisational structure will benefit all regardless of age. There are no anticipated issues relating to age of staff.</p>
<p>Religion or Belief: issues relating to a person's religion or belief (including non-belief)</p>	<p>The proposed new organisational structure will benefit all regardless of religion or belief (including non-belief). There are no specific issues relating to staff religion or belief (including non-belief) and in line with existing Council policy requests for religious observance arrangements will be considered on an individual basis.</p>
<p>Sexual Orientation: Issues relating to a person's sexual orientation i.e. lesbian, gay , bi-sexual, heterosexual</p>	<p>There are no specific sexual orientation issues and the proposed new organisational structure will benefit all regardless of sexual orientation</p>
<p>Marriage and Civil Partnership: Issues relating to people who are married or are in a civil</p>	<p>The proposed new organisational structure will benefit all regardless of marital status</p>

partnership.	
Gender Reassignment: Issues relating to people who have proposed, started or completed a process to change his or her sex.	The proposed new organisational structure will benefit all, including transgender people.
Pregnancy and Maternity: Issues relating to the condition of being pregnant or expecting a baby and the period after the birth.	The proposed new organisational structure will benefit all members of the communities regardless of the condition of being pregnant or expecting a baby and the period after the birth. As mentioned above, if the proposed new organisational structure is agreed, existing rights would transfer with staff including Maternity, Adoption and Paternity.
Multiple / Cross Cutting Equality Issues Issues relating to multiple protected characteristics.	Potential multiple issues of Gender and Pregnancy and Maternity, however protection of rights would be in place.
Equality and Diversity Themes	
Health Issues and impacts affecting people's health	There are potential benefits to health and wellbeing which are highlighted within the Detailed Business Case e.g. Road safety.
Human Rights: Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections.	Both Councils comply with the legislation relating to Human Rights for both their communities and employees.
Rurality Impacts relating to living and working in a rural community	The proposed new organisational structure will benefit both rural and urban communities.
Deprivation Issues relating to poverty and social exclusion, and the disadvantage that results from it.	Improving access and employability (and therefore economic development) are likely to be positively impacted by the proposed new organisational structure .

Section Three: Evidence Used in Developing the Policy

Involvement and Consultation In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? <i>Who</i> did you involve, <i>when</i> and <i>how</i> ?	<p>Employees have been informed of the details of the developing proposals, and Trades Unions have attended consultation meetings.</p> <p>Should Members of the Councils decide to proceed with the new organisational structure for the Ayrshire Roads Alliance, arrangements will be made to inform and consult with the Trade Unions in relation to the transition to the new structure.</p>
Data and Research In assessing the impact set out above what evidence has been collected from research or other data. Please specify <i>what</i> research was carried out or data collected, <i>when</i> and <i>how</i> this was done.	<ul style="list-style-type: none"> • Councils' Single Outcome Agreements. • Council / Corporate Plans (where appropriate). • The National Roads Maintenance Review - Phase 2 Report, October 2011. • Maintaining Scotland's Roads follow up report - Audit Scotland 2011. • Improving Public Sector Efficiency - the Auditor General for Scotland and the Accounts Commission - February 2010. • The Christie Commission on the Future Delivery of Public Services - 2011. • Maintaining Scotland's Roads, An Audit Update on

	Councils' Progress - Audit Scotland May 2013.
Partners data and research In assessing the impact set out above what evidence has been provided by partners. Please specify partners	Guidance on shared services from the Scottish Government, CIPFA and IDEA has informed the development of the new organisational structure.
Gaps and Uncertainties Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?	None

Section Four: Detailed Action Plan to address identified gaps in:

- a) evidence and**
- b) to mitigate negative impacts**

No	Action	Lead Officer(s)	Timescale
1	To mitigate potential negative impacts for staff, the transition to the new organisational structure will take effect from 1 st April 2016 and it is anticipated that staff will migrate to the new structure on their existing terms and conditions and with their continuity of service preserved.	Head of Human Resources, East Ayrshire Council	1 April 2016

Section Five - Performance monitoring and reporting

Considering the policy as a whole, including its equality and diversity implications:

When is the policy intended to come into effect?	1 April 2016
When will the policy be reviewed?	The Joint Committee will keep the proposed new service under review.
Where will oversight of policy be carried out	Cabinet

APPENDIX 6 – LIST OF SURPLUS VACANCIES TO BE DELETED

Designation	Description	Post No.	Grade	FTE
Team Leader - Design	Design (SD)	P07422	G12	1
Team Leader	Roads Maintenance (SD)	P07416	G12	1
Parking Mobility Officer	Traffic (SD)	P07507	G10	1
Technical Officer	Traffic (SD)	P07407	G10	1
Lighting Inspector	Street Lighting (SD)	P08151	ARA(S) 8	1
Engineering Officer	Roads Maintenance (SD)	-	G9	1
Engineering Officer	Roads Maintenance (SD)	-	G9	1
Supervisory Engineer	Safety (SD)	P08132	ARA(S) 12	1
Engineering Officer	Traffic (SD)	P08146	ARA(S) 8	1
Team Leader	Traffic (SD)	P08130	ARA(S) 13	1
Engineering Officer	Traffic (SD)	-	G9	1
				11

G12 – represents an East Ayrshire Council grade

ARA(S) – represents an existing South Ayrshire Council post

APPENDIX 7 – DETAIL OF NET SAVING PROPOSAL

Designation	Description	Proposed Savings
Team Leader - Design	Design (SD)	£49,462
Team Leader	Roads Maintenance (SD)	£49,462
Parking Mobility Officer	Traffic (SD)	£41,344
Technical Officer	Traffic (SD)	£41,344
Asst Road Safety Trg Off	Traffic (SD)	£4,688
Lighting Inspector	Street Lighting (SD)	£35,165
Engineering Officer	Roads Maintenance (SD)	£37,262
Engineering Officer	Roads Maintenance (SD)	£37,224
Supervisory Engineer	Safety (SD)	£50,984
Engineering Officer	Traffic (SD)	£35,165
Team Leader	Traffic (SD)	£54,933
Engineering Officer	Traffic (SD)	£37,224
Business Manager	Business Improvement & Performance Section (SD)	-£49,297
Contracts Manager	Roads Maintenance (SD)	-£49,297
Parking Team Manager	Traffic (SD)	-£49,297
TOTAL		£326,368

Notes:

- (1) The above is the annual saving after the structure is fully implemented.
- (2) There will be further "in-year" savings as Modern Apprentices progress towards Technician Posts.
- (3) Assumes additional Modern Apprentices will not be taken on as initial MA's progress.
- (4) All posts costed at mid-point in scale.