

ABERDEEN CITY COUNCIL

BUSINESS CASE

COMMITTEE Finance, Policy & Resources

DATE 6th May 2014

LEAD OFFICER Gordon McIntosh

AUTHOR OF BUSINESS CASE Tom Rogers

NAME(S) OF HR ADVISER(S) CONSULTED Bill Taylor

NAME(S) OF FINANCE PARTNER(S) CONSULTED Brian Downie

TITLE OF BUSINESS CASE Staff for Road Improvement Projects

REPORT NUMBER EPI/14/108

PURPOSE OF BUSINESS CASE

To obtain approval for the creation of additional posts to support the delivery of capital road improvement projects. This additional staffing resource will assist in addressing the substantially increased workload in delivering road improvement projects over the coming years and avoid the more expensive option of using agency and consultancy staff. The projects are funded from capital budgets and developer contributions and include the Third Don Crossing, A96 Park & Choose, South College Street, the Berryden Improvement and improvements to the A944 and Wellington Road.

RECOMMENDATION(S)

It is recommended that Committee approve the following:

Additional resource(s) / change to structure required	Job title(s)	No of jobs
Establishment of permanent job	Principal Resident Engineer	1
	Engineer	1
	Technical Officer	2
	Inspector of Works	3
Conversion of fixed term job to permanent status		
Creation of fixed term job	Engineer	1
	Inspector of Works	2
Extension of fixed term job		

Dis-establishment of permanent job		
Change to Job Title	Former:	
	Revised:	
*Redesign of existing job		

* for a redesign of an existing job there should be reference in the report to the impact of the redesign on the jobholder(s).

BUSINESS CASE

Please do not repeat any information contained in other sections of the report

- 1. With specific reference to anticipated outputs/outcomes, state how the recommendation(s) support corporate objectives e.g. Council's Policy Statement; Vision and Values; Local Government (Scotland) Act 2003; Community Plan; Transformation Programme etc.**

Over the past thirty years Aberdeen has seen sustained economic growth. This has created significant pressure on the existing road network leading to serious congestion at various locations. The current Structure and Local plans envisage further continued growth and have incorporated various road improvement projects to address some of these congestion issues. These projects are also supported by the regional and local transportation strategies. As a result of this the Council's Capital Plan has included a number of large road improvement projects to be delivered during the next five years. The recommendations of this business case will permit the employment of staff to allow these projects to be delivered.

- 2. State how the recommendation(s) support service objectives and plans and/or the achievement of a Statutory Performance Indicator.**

See Section 1.

- 3. A) Outline why the new work cannot be undertaken within existing staff resources e.g. by re-distributing resources or curtailing lower priority services.**

The Council at its meeting on 6th February 2014 gave approval for capital funding for the following road improvement projects:

Third Don Crossing
A96 Park and Choose/Dyce Drive Link Road
South College Street Improvement
Berryden Dualling
Union Street Pedestrianisation

The funding for these projects is spread over the full five year period of the capital plan and represents a sum in excess of £50M

In addition to this work, the Council is also due to receive developer contributions to the sum of several million pounds for the design and construction of road improvements on key strategic corridors such as Wellington Road and the A944.

The staff resource currently allocated to the progression of these projects is inadequate to deliver them within the required timescales. There is a limited number of staff within other parts of the Council with the required specialist experience/knowledge to do this work. However, these members of staff are already fully committed to other duties which cannot be curtailed since the work that they are carrying out is either of a high priority or comprises of statutory duties.

Based upon experience from other projects the predicted staff numbers required to carry out this work is:

	2014/15	2015/16	2016/17	2017/18	2018/19
Engineering Staff	13	14.5	15.75	15	11
Inspectors of Work	5	5.5	3	5	3

At present eight members of the Council's staff are working on the projects. Therefore, there is a current minimum shortfall of ten members of staff per annum up to 2017/18. A significant element of the shortfall in staff resources in the period 2014 to 2016 is the need to employ inspectors during project construction work. Given that there is a reduced need for inspectors in 2016/17, it is proposed that two of these inspectors will be employed on fixed term contracts. In 2014/15 and 2015/16 it is also intended that a specialist structural engineer either employed on a fixed term contract or sourced from a consultant engineer will be employed in the Third Don Crossing site office due to the significant amount of bridgeworks involved.

It is therefore recommended that an additional seven permanent posts and three fixed term posts be created to address this increase in workload. The posts will be located in the Roads Projects Unit and will be fully funded from the Council's capital budget and developer contributions for road improvement projects.

4. Risk Management: What are the consequences of not proceeding with the recommendation(s)?

If the Council does not employ additional staff, the work that they would have carried out will have to be issued to external consultants. Failure to employ additional staff or issue work to consultants will mean that the road improvement projects in the capital plan cannot be delivered. Using consultants will cost more than the employment of additional Council staff. Additionally, the work performed by consultants will probably be carried out by staff based in offices in central Scotland or England rather than in Aberdeen.

5. Risk Assessment: What Health and Safety considerations have been taken into account?

The work to be carried out is similar to the work currently being carried out within the Roads Projects Unit. Therefore the considerations taken into account are those currently in place for the existing posts within the Roads Projects Unit.

6. Financial Implications:

Impact on current year's revenue/capital budget:

Job Title	JE Grade	Min Salary*	Max Salary*
Principal Resident Engineer (1 No.)	G15	38255	43739
Engineer (1 No.)	G13	29216	33427
Engineer (Fixed Term) (1 No.)	G13	29216	33427
Technical Officer (2 No.)	G13	29216	33427
Inspector of Works (3 No.)	G11	22384	25566
Inspector of Works (Fixed Term) (2 No.)	G11	22384	25566

*These figures are based on an appointment being made at the start of July 2014. Minimum and maximum salary costs also include agreed allowances and 29.7% on costs.

Net Cost	£0	Net Saving	£89,930 *
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* Based upon post as alternative to use of consultancy staff i.e. the post will save the Council £460,526 in consultancy costs.

Full year impact on revenue/capital budget:

Job Title	JE Grade	Min Salary*	Max Salary*
Principal Resident Engineer (1 No.)	G15	51007	58318
Engineer (1 No.)	G13	38954	44569

Engineer (Fixed Term) (1 No.)	G13	38954	44569
Technical Officer (2 No.)	G13	38954	44569
Inspector of Works (3 No.)	G11	29845	34088
Inspector of Works (Fixed Term) (2 No.)	G11	29845	34088

***Minimum and maximum salary costs include agreed allowances and 29.7% on costs (ie National Insurance and employer's pension contributions).**

Net Cost	£0	Net Saving	£119,907 *
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*Based upon post as alternative to use of consultancy staff i.e. the post will save the Council £614,040 in consultancy costs.

Source and amount of revenue/capital budget funding available:

Funding is available in the capital budget and from developer contributions to cover the salary, on costs and expenses.

Amount of external monies available within the current financial year:

N/A

Amount of external monies available in total:

N/A

7. **If the recommendation(s) relate to additional staffing, outline and justify the proposed contractual status of the new employee(s) i.e. 'permanent' or fixed term?**

See section 3

8. **If the recommendation(s) are funded on a time-limited basis from an external source, what is the likelihood of the project continuing beyond the term of funding?**

N/A

9. If the project is likely to continue beyond the term of funding, what steps are being considered in order to finance this extension?

N/A

10. In the case of fixed term contracts, state whether this contract is task or event related; outline the proposed exit strategy and detail how potential exit costs will be met.

The fixed term posts are required in connection with a peak in workload caused by the simultaneous construction of the Third Don Crossing and the A96 Park & Choose/Airport Link Road. The temporary posts will not be required on completion of these two projects in autumn 2015. Potential exit costs will be met from the capital budgets allocated to the two projects.

11. What accommodation and equipment considerations have been taken into account?

The majority of the posts will be located in site offices provided as part of works contracts. Those posts located in Marischal College are being based there to allow existing staff within Marischal College to be temporarily located on site to provide them with a development opportunity that will broaden their roads design and construction experience.

Accommodation and equipment requirements of this post are as per other posts within the Roads Projects Unit.

12. HR Comment(s)

No Comments

13. Legal, Finance or Trades Union Comment(s)

Unison: Had no comments.

GMB: Had no comments..

Unite: No response received.

Finance: Only minor changes required which have been incorporated into the report

Legal: Had no comments.

13. Report Author Details

Name, job title, email address and phone number

Tom Rogers

Team Leader (Roads Projects)

tomr@aberdeencity.gov.uk

01224 523484

Approved
authority

under

delegated

Remit to Finance Policy and Resources
Committee

