

Public Document Pack



MAJOR CONTRACTS GOVERNANCE GROUP TUESDAY, 1 MARCH 2022

A MEETING of the MAJOR CONTRACTS GOVERNANCE GROUP will be held VIA MICROSOFT TEAMS on TUESDAY, 1 MARCH 2022 at 2.00 pm

J. J. WILKINSON,
Clerk to the Council,

23 February 2022

BUSINESS		
1.	Apologies for Absence	
2.	Order of Business	
3.	Declarations of Interest	
4.	Minute (Pages 3 - 6) Consider Minute of the Meeting of the Major Contracts Governance Group held on 23 November 2021. (Copy attached.)	2 mins
5.	CGI Contract Performance To follow.	60 mins
6.	SBc Contracts Trading Operation Update up to 31 December 2021 (Pages 7 - 12) Consider Report by Chief Officer Roads. (Copy attached.)	60 mins
7.	Any Other Items Previously Circulated	
8.	Any Other Items which the Chairman Decides are Urgent	
9.	Items Likely To Be Taken In Private Before proceeding with the private business, the following motion should be approved:- "That under Section 50A(4) of the Local Government (Scotland) Act 1973 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1 of Schedule 7A to the aforementioned Act."	2 mins

10.	Minute (Pages 13 - 14) Consider private section of the Minute of the Meeting of the Major Contracts Governance Group held on 23 November 2021. (Copy attached.)	2 mins
11.	CGI Contract Performance To follow.	20 mins
12.	SBc Contracts Trading Operation Update to 31 December 2021 (Pages 15 - 32) Consider Report by Chief Officer Roads. (Copy attached.)	20 mins

NOTES

1. **Timings given above are only indicative and not intended to inhibit Members' discussions.**
2. **Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.**

Membership of Committee:- Councillors S. Haslam (Chair), A. Anderson, G. Edgar, J. A. Fullarton, E. Thornton-Nicol and T. Weatherston

Please direct any enquiries to William Mohieddeen
Tel: 01835 826504; Email: william.mohieddeen@scotborders.gov.uk

**SCOTTISH BORDERS COUNCIL
MAJOR CONTRACTS GOVERNANCE GROUP**

MINUTE of Meeting of the MAJOR
CONTRACTS GOVERNANCE GROUP held
Via Microsoft Teams on Tuesday, 23
November 2021 at 10.00 am

Present:- Councillors M. Rowley (Chairman), A. Anderson, G. Edgar, J. Fullarton,
S. Haslam, E. Thornton-Nicol, T. Weatherston.

In Attendance:- Director Finance and Corporate Governance, Chief Officer Roads, Contracts
Manager, Chief Officer Audit and Risk, IT Client Manager, A. Dickie, K.
Hislop, G. Newman, C. O'Sullivan and J. Scully (CGI), Democratic Services
Team Leader (L. McGeoch), Democratic Services Officer (W. Mohieddeen).

1. **MINUTE**

There had been circulated copies of the Minute of the Meeting held on 14 September 2021.

DECISION

APPROVED the Minute for Signature by the Chairman

2. **CGI CONTRACT PERFORMANCE**

2.1 The Chair welcomed Alan Dickie, Kevin Hislop, Grant Newman, Jonathan Scully, and Craig O'Sullivan from CGI to the meeting. There had been circulated copies of a report that outlined key information of the third quarter performance of the CGI contract. This included information on contract governance, information on the transformation programme that was being delivered by CGI and key service delivery performance information. The contract between CGI and Scottish Borders Council was signed in 2016 and was subsequently amended and extended in 2020 which included a programme of IT transformation work.

2.2 With regards to Governance, meetings of the Executive Review Board and the Supplier Management Board did not occur during the third quarter period due to pressures of work. It was assured that these meetings would be rescheduled for quarter 4. Transformation projects had been 'RAG' assessed with three Transformation Projects being identified as 'red'; these projects were Bulk Print, Lync Telephony Upgrade and End User Device for curricular settings. Due to global shortages of available equipment, the project to refresh IT equipment in the Council Chamber and Committee Rooms had been placed at 'amber'. With regards to the project to increase bandwidth in the Council's wide area network, five schools were noted as complete and the four remaining schools were noted as progressing. 100% of priority 1, 2 and 3 applications of the 77 key applications that CGI managed on behalf of the Council had met their performance targets during September. With regards to Risks and Escalations, two risks identified as 'amber' which were carried forward from previous periods associated with Windows 2008 server support being withdrawn and the end of support for a number of end-of-life Windows 7 devices still operated by the Council had risk remediation plans identified. CGI employed 68 staff at the end of September 2021 and planning was underway for the recruitment of the 2022 graduate recruitment process following the successful employment of nine Borders

Graduates in 2021.

- 2.3 Office 365 and Bulk Print projects may be merged into a subsequent document centre project as a number of synergies had been identified. Corporate SIP Implementation Project had been moved to a 'red' status. Members discussed that the project had proven to be problematic and had been dependent on BT undertaking infrastructure work. Nick Byers, IT Manager, had been in regular contact with BT whom had on a number of occasions moved back the deadline. Members enquired whether the status of the project could be escalated at a higher level and stated that obtaining a full understanding of costs once estimates and a date for project completion was received would be a worthwhile undertaking. Members insisted on a high-level discussion with BT/Openreach with the option of inviting key people to the Group if possible. Members enquired why the MacBook's; Corporate Comms & Planning project was 'on hold' at the request of Scottish Borders Council. The Director Finance and Corporate Governance advised he would follow-up to ascertain why.
- 2.4 CGI confirmed that Service Delivery Performance had been rated 'green' across all performance indicators. With regards to service improvement, a happy signal tool had been introduced to obtain users view of satisfaction which has produced successful results. Facebook response rates had moved from 2-3% to 9% in October 2021. Members discussed the change in metric to calculate user satisfaction which had reported that satisfied user metric was slightly underperforming. The nature of the feedback toolset had captured higher user feedback highlighting lower satisfaction ratings. The pilot for collecting user satisfaction had been extended to a 12-month period. Responding to questions from members regarding costs of upgrades, Mr Scully advised that continual development was necessary to counter vulnerabilities. Mr O'Sullivan further advised that when new hardware would be purchased, there would be a guarantee that they would be compatible with latest Microsoft operating systems. Mr Robertson advised that Scottish Borders Council paid Microsoft approximately £700,000 for Windows 10 software which was regarded as essential for day-to-day operations and that there was an element of protection for additional software costs as well as costs associated for new hardware. Councillor Thornton-Nicol enquired how Badge-Making and Door Entry was reported within 100% service operation after a note had been circulated that Scottish Borders Council staff badge-making had not been functional. CGI had committed clarifying badge-making for members. In response to a question from Councillor Anderson, Mr Scully advised that access to Mosaic comes from Pulsant. There were challenges on tests performed on firewalls and some remedial action had been taken. Mosaic was working at 100% since firewall work had been completed. Councillor Rowley enquired how priorities had been set, how they were reviewed and if information on upgrading and downgrading priorities could be included in the next presentation. Mr Robertson enquired why the impact of SIP delivery was amber and impact of risk assessed as 'to be confirmed' rather than 'high'. Mr Scully advised that could be reassessed. The CGI Tweedbank Office was due to be completed in December 2021 with the fit-out and completed and office in use by March 2022. It was advised that the building would allow CGI to have a foundation to capture school-leavers in recruitment before leaving the region. Mr Dickie advised that the office would have a blended working approach between home and office-working, noting that if all employees attended the office then the office would fail on its net zero target. It was noted that the timing of the formal opening of the CGI offices would inform whether Councillors would be able to attend as it may be within the "pre-election period". However, Councillors would welcome the opportunity to visit.

DECISION

AGREED:

- (a) **that the report and associated slide deck had been reviewed and clarification was sought from Officers or CGI Representatives on any identified issues; and,**

(b) that the information provided that detailed the performance of the CGI over Quarter 3 2021 was satisfactory subject to the inclusion of the additional information requested.

3. **ITEMS LIKELY TO BE TAKEN IN PRIVATE DECISION**

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 6 and 8 of Part I of Schedule 7A to the Act.

4. **MINUTE**

Members considered the Private Section of the Minute of the Meeting held on 14 September 2021.

5. **CGI MAJOR CONTRACT REVIEW**

Members considered the Report by Director Finance and Corporate Governance.

6. **SBC CONTRACT TRADING OPERATION UPDATE TO 30 SEPTEMBER 2021**

Members considered the Report by Chief Officer Roads.

MEMBER

Councillor Haslam left the meeting during consideration of the above item.

The meeting concluded at 12.50pm

This page is intentionally left blank



SBc CONTRACTS TRADING OPERATION UPDATE UP TO 31st DECEMBER 2021

Report by Chief Officer Roads

MAJOR CONTRACTS GOVERNANCE GROUP

1 March 2022

1 PURPOSE AND SUMMARY

1.1 This report provides an update on the activity of SBc Contracts for the year to 31st December 2021. This report is to be considered in public prior to a further second paper to Members in private that considers sensitive commercial trading activity that SBc Contracts undertakes.

2 STATUS OF REPORT

2.1 This part of the report is to be considered in public.

3 RECOMMENDATIONS

3.1 I recommend that the Major Contracts Governance Group:

(a) Notes the report.

(b) Considers the remainder of the report under private business.

4 THIRD QUARTER WORKLOAD AND ISSUES

4.1 Works Update

SBC Contracts delivers infrastructure improvements across the Council's roads and built estate. The work undertaken is funded by the Council's Capital budget, these include:

- Road Surface Treatment including surface dressing and patching
- Civil Engineering Works
- Internal Building works to SBC Estate
- Bond Coat Application
- Traffic Management
- Sign Manufacture

In addition, SBC Contracts carries out road maintenance and civil engineering projects for third parties throughout South East Scotland.

4.2 The 3rd quarter performance has been buoyant. We were active at 18 sites with 12 contracts either completed or substantially complete to meet contract programme deadline dates. This included:

- Additional public realm improvement works at the Great Tapestry of Scotland (GToS);
- Coldstream Cemetery works began;
- Lauder Industrial Estate, Industrial unit contract commenced;
- Chirnside Bridge Refurbishment works commenced; and
- The Eddleston to Peebles Cycleway began.

4.3 Our Operational Management Team was impacted by ill health that resulted in some periods of absence. The remaining Managers and Supervisors covered the gaps to minimise impacts on delivery or commercial disruption. We have successfully filled the Assistant Surfacing Manager's position with an internal candidate joining from another area of the Roads and Infrastructure Service. We are recruiting into the vacant Quantity Surveyor and Estimator's posts having received interest from internal and external candidates. We are also progressing with the recruitment of two Traffic Management Operative positions.

4.4 Our workload programme to date for 2022 is positive, however, we continue to work hard at securing further projects to enable us to maintain this positive position and achieve our targets.

4.5 We have continued to support other Council initiatives including the improvement to the Council's play park estate and are progressing the decommissioning programme which goes alongside the investment. We have also been working on the trial of reduced speed limits in the Borders and are now undertaking work to make these permanent as agreed at Council in December 2021.

4.6 Good progress has been made with our specialised Road Surfacing programme. Major overlays were delivered at:

- Waverley Road, Melrose;

- Highcross Avenue, Melrose;
- A703 Craighburn; and
- C109 Hoprig Road Cockburnspath and Todlaw Road, Duns.

Patching works were delivered at:

- Maxton;
- Oxton; and
- Dunsdale Road

Screed works were completed at:

- West Loch; and
- Lemington.

Externally we completed a second scheme for the development at Coopersknowe and 2 minor surfacing schemes at Skirling and the Focus Centre at Galashiels.

- 4.7 To supplement our resources we continued to use Sub-Contractors in the delivery of our surfacing programme. The options for this remain quite limited in the Scottish Borders but we have managed to engage with two locally based suppliers in the last quarter.
- 4.8 The SBC Traffic Management teams continue to support the road surfacing operations with road closures or convoy systems that maintain traffic flows whilst allowing the works to be delivered safely. We also undertake some external trading, which helps contribute to our overall performance.
- 4.9 The fleet of Bond coat vehicles also achieved targets with their busy schedule, they also support the road surfacing operations whilst continuing to generate income from private contracts during the quarter.

5. MISCELLANEOUS

- 5.1 Members have previously enquired as to the use of plastics in road construction. A briefing is appended below;-

Members Briefing : Use of Waste Plastics in Road Construction Material

The idea of using waste plastics in road construction material is an emerging technology that has gathered significant media attention and understandably caught the public's attention. The reality however is that recycled plastic forms a small percentage of the mix and it is still quite early days for the process.

- Laboratory tests have shown positive results when a small amount (5-10% by weight) of plastic is incorporated in bituminous mixes (asphalt), resulting in improved pavement stability, strength, and durability. **For clarity the percentage of plastic to the overall asphalt mix is only 0.3%.**
- International field experience using plastics in actual road construction is quite limited and much of it is from countries that enjoy a very different climate to Scotland.
- Roads constructed using waste plastics have shown good longevity and pavement performance to date, however the first roads constructed using this technology are only about ten years old, so long-term outcomes are still not clear and will not be for several years.
- It should also be noted that the use of waste plastics does have an environmental impact in terms of micro plastics being found in nature (food and water supplies) which this could contribute to.

MacRebur is currently the only UK based company that is marketing the use of waste plastic within asphalt for road construction and surfacing. MacRebur products have been laid on Council roads in England and private roads in Scotland since August 2016.

Council officers have had meetings with MacRebur and attended presentations on the subject. Prior to lockdown a wider meeting was arranged by the Roads Collaboration Programme to bring together representatives from SCOTS, Transport Scotland (TS) and Macrebur, to discuss the emergence of plastic/polymer additives to bituminous surfacing materials.

At the meeting SCOTS and Transport Scotland both confirmed that all Scottish Roads Authorities were committed to encouraging new ideas, innovation and reducing the resource-impact of road maintenance/construction work. They also emphasised the need to subject all new materials to robust and consistent challenge and the expectation of rigour to testing regimes to provide evidence to prove performance claims and expectations.

From previous work and discussion around the products currently being marketed by Macrebur, road authorities highlighted the following initial questions/issues:

- Compliance with UK/EU standards and certification
- Robustness of testing and in-situ trialling, plus lab testing vs site testing
- Evidence for claims of improved durability and cost-saving
- Absorption of plastic into bitumen and effects on overall asphalt
- Media campaign claims which are not (yet) substantiated by facts, causing difficulties to road professionals as they try to provide evidence-based advocacy to communities and elected members.
- SEPA compliance and status of recycled material (now and when removed in the future).

While MacRebur were able to provide some answers to these questions it is perhaps not unreasonable to state that the technology is still to be fully embraced by the industry.

The current Council position is that, while we remain very interested in the use of plastics/polymers in road construction and the potential benefits they can bring, it is not considered to be beneficial to trial the process in the Scottish Borders at this time. Officers will however keep a watching brief and should circumstances change that position can be revisited.

It is also worth noting however that on some recent resurfacing schemes we have employed polymer modified SMA which incorporates plastic fibres in the mix to enhance durability.

6 IMPLICATIONS

6.1 Financial

There are no financial implication associated with the public section of this report.

6.2 Risk and Mitigations

There are risks and mitigations associated with the financial performance of SBc Contracts and these are discussed in the report taken in private

6.3 Integrated Impact Assessment

An Integrated Impact assessment has been undertaken and there are no identified impacts, as a result of this report or the matters it refers to, identified at this time.

6.4 Sustainable Development Goals

Whilst not directly impacted by the recommendations in this report, SBc Contracts through its trading and project delivery employs where ever possible local suppliers and trades which in turn supports aspects of the UN Sustainable Development Goals. In addition, through use of local materials it reduces its impact on the environment because of the reduced miles the materials have to travel.

6.5 Climate Change

There are no significant carbon management implications arising from this Report.

6.6 Rural Proofing

There are no significant rural proofing implications arising from this Report.

6.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

6.8 Changes to Scheme of Administration or Scheme of Delegation

No changes are required because of this Report.

7 CONSULTATION

7.1 The Director (Finance & Corporate Governance), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and any comments have been incorporated into the final report.

Approved by

Jason Hedley
Chief Officer Roads

Signature

Author(s)

Name	Designation and Contact Number
Jason Hedley	Chief Officer Roads
Mark Douglas	Commercial Manager
Peter McNulty	Works Manager

Background Papers: N/A

Previous Minute Reference: [insert last Minute reference (if any)]

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jason Hedley can also give information on other language translations as well as providing additional copies.

Contact us at Jason Hedley, Assets and Infrastructure, Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 824000, Ext.8037, email: Jhedley@scotborders.gov.uk

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank