

Ubico today

- ❖ **Seven shareholding authorities**
- ❖ **Over 600 employees**
- ❖ **Over 500 vehicles**
- ❖ **Turnover in 2017/18 £29.8m**

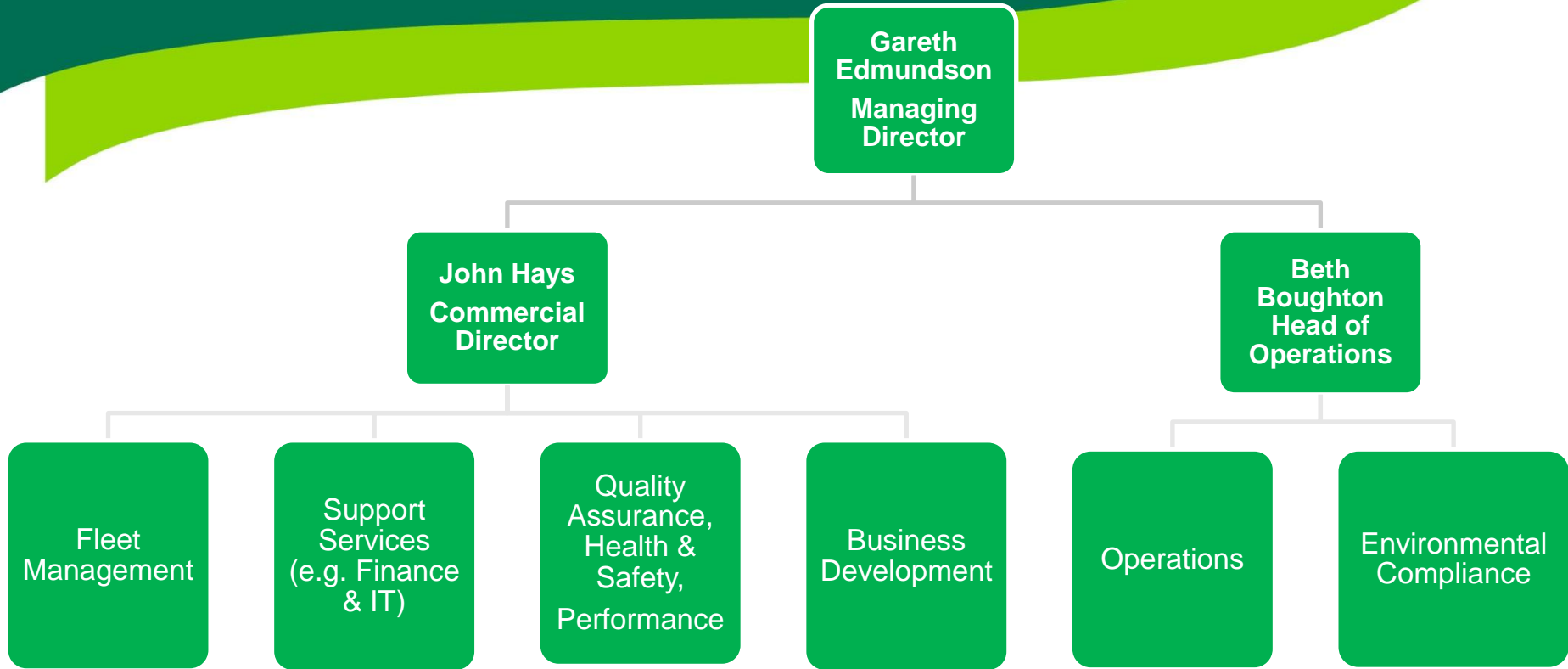


Ubico Model - Teckal

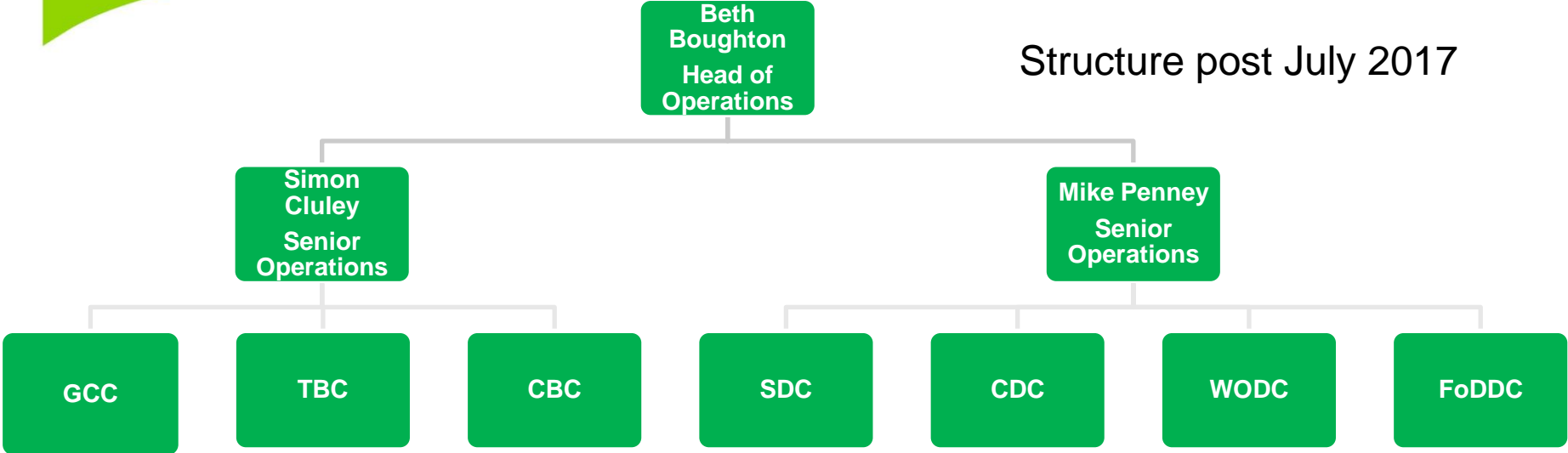
- ❖ *The authority controls the vehicle as if it were an internal department*
- ❖ *More than 80% of its activities are with its controlling authority*
- ❖ *There is no direct private share or ownership participation in the company*



Ubico headline structure



Building operational resilience



Our New Values

deliver quality
be safe
do the right thing
care for our environment
work together



2018-19 Business Plan Priorities

Key Themes:

- ❖ Consolidation of systems, processes and governance,
- ❖ Specific focus on improving financial reporting , monitoring
- ❖ Implementing actions and recommendations from a Board Effectiveness Review
- ❖ Improving risk management and scrutiny of risks
- ❖ Improved budget setting process
- ❖ Achieving International Standard for Health & Safety 45001
- ❖ Exploring potential for internal fleet hire
- ❖ Exploring potential for greater trade waste operation.



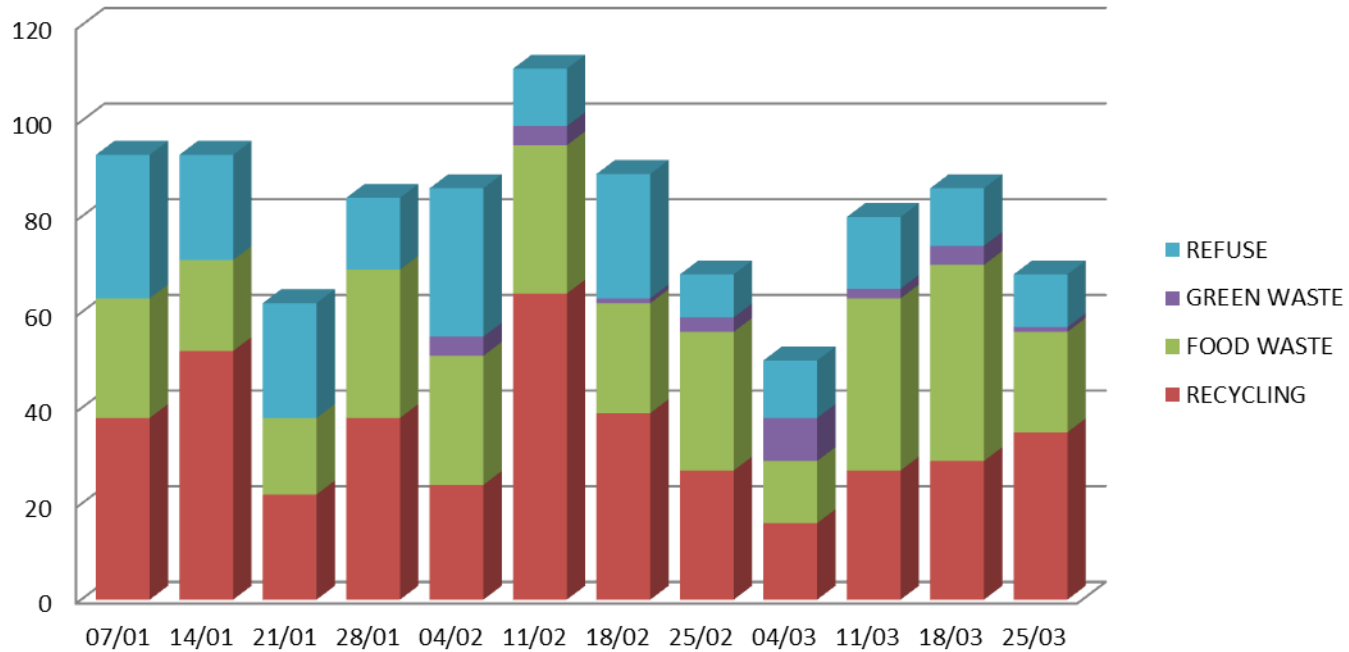
SDC Recap

- ❖ **Re-designed SDC service mobilised in November 2016**
- ❖ **Volumes of recycling, particularly food waste were far higher than predicted**
- ❖ **Adjustments were made to rounds to mitigate increase in collections costs to remove vehicles, particularly on recycling**
This resulted in the service taking slightly longer to reach BAU.



KPI: Missed Collections

Weekly missed collection Stroud DC 2018 Jan-March



Achievements

- ❖ **Street Cleansing service nominated for an APSE award for efficiency.**
- ❖ **The performance and resilience of the operational service in repeated episodes of adverse weather**
- ❖ **Transfer station being used as an example of best practice across Ubico**
- ❖ **More staff being trained in important qualifications for compliance**
- ❖ **Improvements in health and safety processes and procedures**



Operational Areas to develop

- ❖ **Current re-balancing of rounds to give more capacity to recycling collections**
- ❖ **Demand for containers out-stripping delivery capacity built in to the model**
- ❖ **Better coordination and joined up working on grounds maintenance between Ubico and other agencies**
- ❖ **Continuous improvement in health and safety & compliance**



2017/18 Actuals

- ❖ 17/18 budget as £5,451m. This was £400K of costs more than originally modelled primarily due to volumes of food waste.

However, this has been offset by more income:

- ❖ £195K additional JWP Incentive payments than originally modelled (£200K Modelled vs £395K Actual)
- ❖ £114K of additional recycling credit income (£549K vs £663K Actual)
- ❖ Total £309K additional income but this does not entirely balance off the additional collection costs.



Key Cost Pressure – Fleet

- ❖ SDC owns approximately 15 vehicles that Ubico operates that are end of life and are due for replacement. This created £110K of additional expenditure on maintenance and hire vehicles in 2017/18 which Ubico could not absorb on behalf of SDC.
- ❖ A plan is now in place and Ubico are supporting SDC to:
 - ❖ Embed a cyclical fleet replacement programme to improve efficiency
 - ❖ Replace the old fleet to remove the existing cost pressures



2018/19 & Beyond Cost Pressures

- ❖ **SDC resident demand for containers**
- ❖ **Local Government Pay award (which Ubico follows) will add another 2% minimum to costs next year**
- ❖ **YOY housing growth will eventually require a vehicle and round to be added**
- ❖ **National driver shortage. At present SDC remains unaffected but this could change**
- ❖ **Inflation and increasing fuel costs**



Partnership Working

- ❖ **Ubico is committed to working with SDC to find further efficiencies and savings.**
- ❖ **Measures to replace fleet and change operational schedules will reduce cost pressures and deliver efficiencies.**
- ❖ **However, more efficiencies are needed if SDC are to meet their MTFS target and Ubico is actively working with the SDC commissioner to develop more options to ensure that financial stability is achieved.**

