

STROUD DISTRICT COUNCIL

COUNCIL

THURSDAY, 25 APRIL 2024

Report Title	Ubico Five Year Vision and Business Plan 2024/25			
Purpose of Report	To provide an update on the Ubico Five Year Vision and Business Plan 2024/2025.			
Decision(s)	The Council RESOLVES to Note the Ubico Business Plan for 2024/2025.			
Consultation and Feedback	Officers and shareholders; Environment Committee in December 2023, All Group Leaders and Chair of Environment Committee.			
Report Author	Kathy O'Leary, Chief Executive Email: Kathy.oleary@stroud.gov.uk			
Options	The report is for information only.			
Background Papers	None.			
Appendices	Appendix 1 – Ubico Five Year Vision and Business Plan 2024-25			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1. Introduction / Background

- 1.1 Stroud District Council has a multi-service contract with Ubico to provide the collection of waste and recycling, street cleaning, grounds maintenance and building cleaning. Ubico is a Teckal company wholly owned by local authorities including Stroud District Council.
- 1.2 A Teckal company is a Local Authority Trading Company (LATC) formed to provide services back to the councils via a service contract, where a Teckal or in-house exemption enables the company to be established without the requirement for a procurement exercise in accordance with the Public Contracts Regulations 2015.
- 1.3 The annual business plan is produced by Ubico and taken to the Directors and Shareholders meetings in February / March of each year for agreement for the following financial year. It sits within the context of a five-year vision for the company agreed in 2021. Directors and Shareholders meet quarterly to progress the business plan and monthly meetings are held with officers to discuss operational performance. The Strategic Director of Communities sits as a director on the Ubico Board and the Chief Executive fulfils the shareholder function for the Council.
- 1.4 As the council's Ubico shareholder representative, the Chief Executive has authority sign written resolutions to approve the business plan and agree other matters. However, for openness and transparency these are brought to Council for Members to consider and note.

2. Business Plan 2024/25

- 2.1 In 2019, it was agreed that the Council's Environment Committee would have early sight of the draft business plan prior to its consideration by director and shareholder sign-off meetings, to allow for Members' comments to be considered prior to the plan being finalised and endorsed by shareholders.

- 2.2 At the Environment Committee on 7 December 2023, Ubico's Managing Director gave a presentation which included outlining the business plan themes for 2024/2025. Similar presentations were made to groups and committees at each Ubico council.
- 2.3 The proposals contained in the business plan are built around the four key pillars of People, Operational Excellence, Climate and Business Development and focus on the following themes:
- Leveraging synergies and economies of scale
 - Harnessing opportunities to deliver back to partners
 - Using technology to drive operational efficiency
 - Understanding our communities' need
 - Inspiring our workforce to be committed to providing value for money and carbon neutral services.
- 2.4 The year 2024/25 is the fourth year of delivering the five-year vision for Ubico agreed in 2021. The business plan for 2024/25 seeks to build on the successes already achieved. As a significant local employer, Ubico will continue to have a strong focus on its people this year and will continue to advance its work on climate initiatives, also working closely with partners to support them in delivering their ambitious climate targets.
- 2.5 Ubico has seen significant growth since it started delivering services in 2012 and in 2024/25, Ubico will grow again, extending the services it delivers for the Forest of Dean District Council to include waste, recycling and street cleaning services from August 2024. The mobilisation and delivery of these services will be a key focus in the first half of the year.
- 2.6 Subject to shareholder approval and funding being in place, foundational work on cross-boundary and cross-partner initiatives commenced in prior years will move to delivery phase this year, with the project to centralise fleet ownership and deliver savings to partners in future years being the first on the roadmap. Other partnership-wide opportunities will continue to be explored and presented to shareholders for their consideration, as will any potential external growth opportunities that could deliver greater value to all partners.
- 2.7 The draft version of the Business Plan for 2024/2025 was shared with the board of directors and shareholders in February and councils were asked for any further feedback.
- 2.8 The resulting final version of the business plan is attached here. It is intended to publish the plan in May 2024 once the shareholders have signed off the written resolution to approve it. As the council's Ubico shareholder representative, the Chief Executive will sign on behalf of Stroud District Council.
- 2.9 Ubico will submit individual business cases for approval as appropriate to support potential investment proposals within the 2024/2025 Business Plan, to develop areas of the business identified as having potential to deliver greater value for shareholders.

3. Remuneration of Ubico's Managing Director and Executive Directors

- 3.1 A report was brought to the Ubico Shareholders' AGM on 28 November 2023 to consider the remuneration arrangements for the Managing Director and the two Executive Directors, the Financial Director and Operations Director. These had not been reviewed since 2020. A significant pay differential between the Operations Director and Financial Director presented a risk to the business which the report sought to address.
- 3.2 Whilst the shareholders agreed that there should be pay parity between the two Executive Directors, they did not agree with the introduction of a 10% performance related pay bonus

scheme for the Executive Directors to mirror that already in place for the Managing Director. Subsequently the Managing Director's bonus scheme was revisited and replaced with a more competitive base salary in line with that of other senior officers of the shareholding councils, and it was agreed that career grades should be introduced for all future Executive Director appointments.

- 3.3 The Chief Executive, in her role as the council's Ubico shareholder representative, together with the other shareholders signed a written resolution to agree the revised remuneration arrangements in February 2024.

4. Conclusion

- 4.1 Members are recommended to note the Business Plan for the financial year 2024/2025 appended here, and the Chief Executive's intention to sign the written resolution to approve the Business Plan in her capacity as the council's Ubico shareholder representative.

5. Implications

5.1 Financial Implications

There are no direct financial implications arising from this report.

An annual contract sum is reviewed and agreed with Ubico as part of the budget setting process and considered by full Council each February.

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5.2 Legal Implications

There are no direct legal implications arising from the recommendations in this report.

Under paragraph C1.7 of the Scheme of Officer Delegations, the Chief Executive will need to make a formal decision to approve the business plan as the shareholder representative of SDC.

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5.3 Equality Implications

Ubico's Business Plan promotes equality of access to essential services.

5.4 Environmental Implications

The Business Plan supports the Council's environmental and climate change priorities.