



2023/24 Business Plan

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1. Business Overview

1.1. Introduction

Ubico delivers high quality front line environmental services for our shareholder councils, which support and improve our local communities to remain clean, green and pleasant places to live and work. The company has grown significantly in its first 10 years of operations, with our eighth local authority shareholder joining as a partner in 2021.

We set out a new five-year vision for the company in 2021, and in 2023/24, the third year of this vision, we will build on the successes already achieved. Particular areas of focus will be around our people, carbon reduction, digitisation and collaborative working.

Ubico's most valued resource is its committed, dedicated and experienced workforce and we must ensure we continue to attract and retain staff with the knowledge and skills required to deliver excellent quality services. Recently, external to Ubico, low unemployment rates, salary inflation and general inflation have created additional challenges to both staff retention and staff recruitment. A salary benchmarking exercise undertaken in 2022 will be revisited in 2023 as it is vital that we continue to evaluate and understand the scale of these challenges and the potential risk to quality service delivery and identify options to mitigate these risks if necessary. We will also look to develop further in the areas of staff attraction, retention and upskilling.

Climate and carbon reduction activity will continue to have a strong emphasis, where we will seek to further improve our carbon reduction activities and support our partners to achieve their carbon goals. Digitisation of our processes remains a pivotal activity, driving innovation and serving as a platform for further development in the future. Our size and geographical coverage places the company in a strong position to explore innovative collaborative and cross boundary opportunities to deliver greater value to our shareholders, and we will continue working with them to progress these opportunities. We will also continue to present proposals for business development and wider partnership working for shareholder consideration.

1.2. Our shareholders

Ubico is a wholly-owned local authority company with eight shareholders, Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Gloucestershire County Council, Stroud District Council, Tewkesbury Borough Council and West Oxfordshire District Council.



1.3. Quality and safety at our core

Health, safety and compliance remain our number one priority and we are committed to driving continuous improvement in these areas. This is demonstrated through our ongoing achievement of industry-recognised accreditations, including ISO 45001 and ISO 14001 for our Health and Safety Management and Environmental Management Systems respectively. We are committed to building a positive health and safety culture which is evident in all our activities and services, and is driven by our Safety, Health, Environment and Quality team and our health and safety performance is reviewed by our Board of Directors at every board meeting. Our internal compliance function is committed to providing assurance to all our stakeholders and is vital in the organisation's commitment to maintain high standards of compliance and to seek continuous improvement.

In 2023/24 we will remain committed to improving our health and safety performance, in particular around the area of vehicle accidents. We will continue to support our staff through the ongoing provision of health and wellbeing support and advice, which we have recently strengthened through the introduction of our employee engagement app. We will continue to investigate further opportunities provided by the app to improve employee support even further, building on the strong provision already in place.

Our internal training provision affords us the flexibility to deliver targeted health and safety training, which is specific to our activities and delivered at a time and pace to best support our teams. We will seek to further strengthen this offering through increased trainer hours, and effective support and administration of this important division.

1.4. Our core services



Refuse collections



Food waste collections



Garden waste collections



Recycling collections



Trade waste and recycling collections



Recycling centre management



Recycling and bulking transfer



Street cleansing



Building and public convenience cleaning



Grounds maintenance



Fleet management and maintenance



MOT and taxi testing

1.5. Our values

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

1.6. Governance and risk management

1.6.1. Governance

Good corporate governance and the continued professional development of the board of directors and the senior management team is fundamental to the effective operations of the company. In 2023/24 we will continue to ensure appropriate competency standards and qualifying criteria are applied to all directors and follow the spirit of the UK Corporate Governance Code. At all times, the company will remain open, transparent and accountable. The board and its members will operate as a cohesive team, with its priority at all times to further the aims, goals and values of the company, whilst always having risk and risk management at the forefront of discussions.

Ubico's board of directors comprises three executive directors, four non-executive directors from local authority shareholders, and three independently appointed non-executive directors including an independent chair of the board. The independent non-executive directors will complete their first three-year term of appointment in February 2023, with all three seeking re-appointment to their roles, offering the board stability, continuity of knowledge and resilience.

The board is supported by two sub-committees, a Risk and Audit Committee and a Governance and Nominations Committee. These committees support the board in key governance areas, for example, better understanding of business risk, and ensuring the processes to mitigate risk are effective and there is compliance.

As a company, we regularly review our policies, procedures and governance arrangements to ensure they are fit for purpose, represent good practice and meet all relevant legislative and regulatory requirements, with key policies routinely scrutinised and signed off by the board of directors.

As the company grows, new criterion for reporting is met, and for the year 2021/22 the company was obliged, for the first time, to include carbon performance reporting in its Statement of Annual Accounts, and to produce and publish on its website a Modern Slavery and Human Trafficking Statement. The production of these reports, and the delivery of any associated activities required to meet prescribed standards, will continue, becoming routinely embedded in the company's governance processes.

An internal audit plan is completed annually with Audit Risk Assurance (ARA) continuing to deliver Ubico's audit services throughout 2023/24. A full annual audit plan is agreed by the board. The findings and the full audit reports are shared with the full board of directors for review and oversight, and progress against action plans arising from the audits is monitored by the risk and audit committee and reported to the board.

External audit of the company's accounts is determined by our shareholders at the Annual General Meeting.

1.6.2. Risk management

Risk management is a core principle of effective corporate governance and is also a key contributor to a sound internal control environment. Ubico continues to seek and adopt recognised best practice in the identification, evaluation and cost-effective control of risks and opportunities to ensure that these are managed at acceptable levels. Our strategic risk management objectives include board and senior management setting a 'tone from the top' on the level of risk we are prepared to accept - our 'risk appetite'. We maintain a strategic approach to risk management in order to make better informed decisions and use risk management to enable consistent appraisal of options and improved flexibility/agility in delivering change. We are committed to developing leadership capacity and skills to ensure understanding of the risks facing the company and how we manage them, and to integrate risk management into how we run Ubico business/services. Overall, we aim to develop a culture of well-measured risk taking throughout Ubico, including strategic, programme, partnership, project and operational risk.

1.7. 2022 Headline Performance

Pillar	Measure	2021 Goal	2021 Achievement	2022 Achievement	2026 Goal
People	Vacancy fill rate (advertisement closed to acceptance)	<1 month	84.08% fill rate Time to hire 2.4 months	85.02% fill rate Time to hire 1.9 months	<1 month
	Annual training budget utilisation	80% of annual training budget	80.08% (Apr to Dec)	100% (21/22)	100% of annual training budget
	Conformance to mandatory training to schedule	>90%	New starters >95%	New starters >95%	>95%
	Staff turnover	<14% attrition	9.62% (20/21)	13.4% (21/22)	<10% attrition
Operational Excellence	Service KPIs - Missed bins (per 100,000 collections)	<0.05 %	0.073%	0.0807%	<0.05 %
	Fleet compliance	Fleet Audit Scores >90%	92.37% average	92.76% average	Fleet Audit Scores >95%
	RIDDOR occurrence	<12 per year	6	11	<9 per year
	Deliver to set budget	Within 5% set budget	-6.4% (20/21)	-3.1% (21/22)	Within 3% set budget
Climate	Reduced carbon emissions	Benchmark in 2021/22	Carbon reduction strategy in place Baseline work in progress (consultant engaged to advise on methodology)	Emissions from activities from fuel consumption: CO2e 6,237t	Sophisticated measures in place across transport, buildings and key activities
Business Development	% Service coverage of core services to existing shareholders		82.61%	82.61%	95%

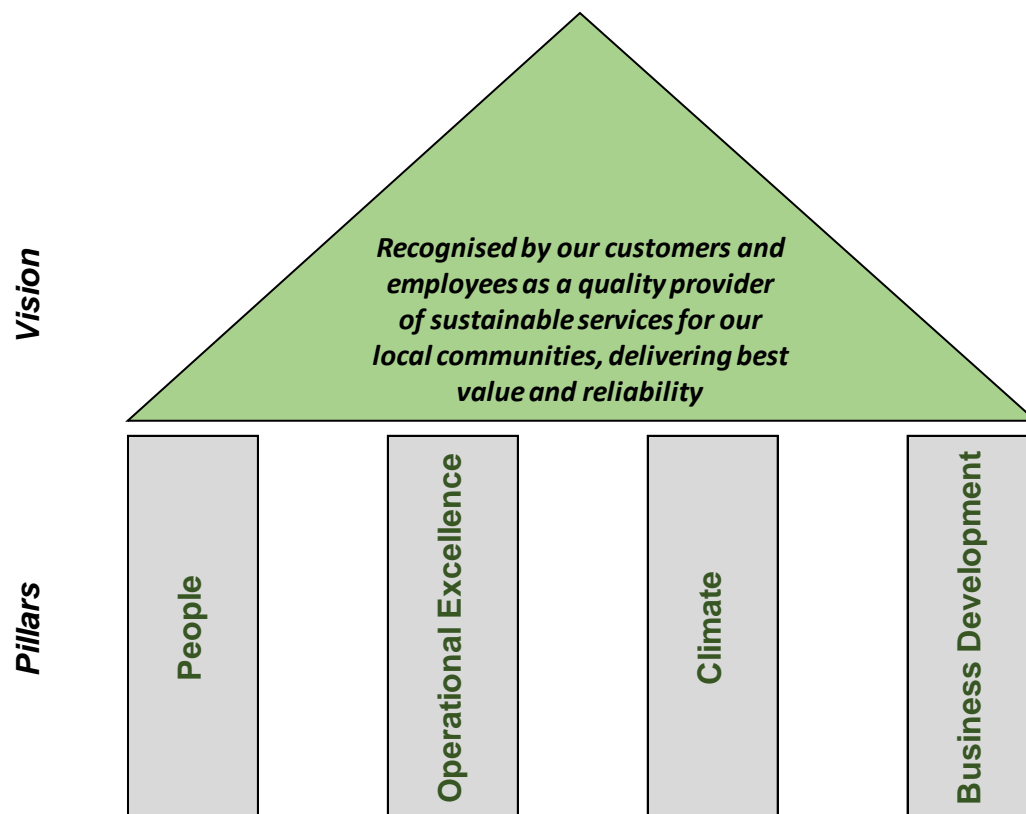
1.8. Our five-year vision (2021-2026)

Recognised by our customers and employees as a quality provider of sustainable services for our local communities, delivering best value and reliability

Through:

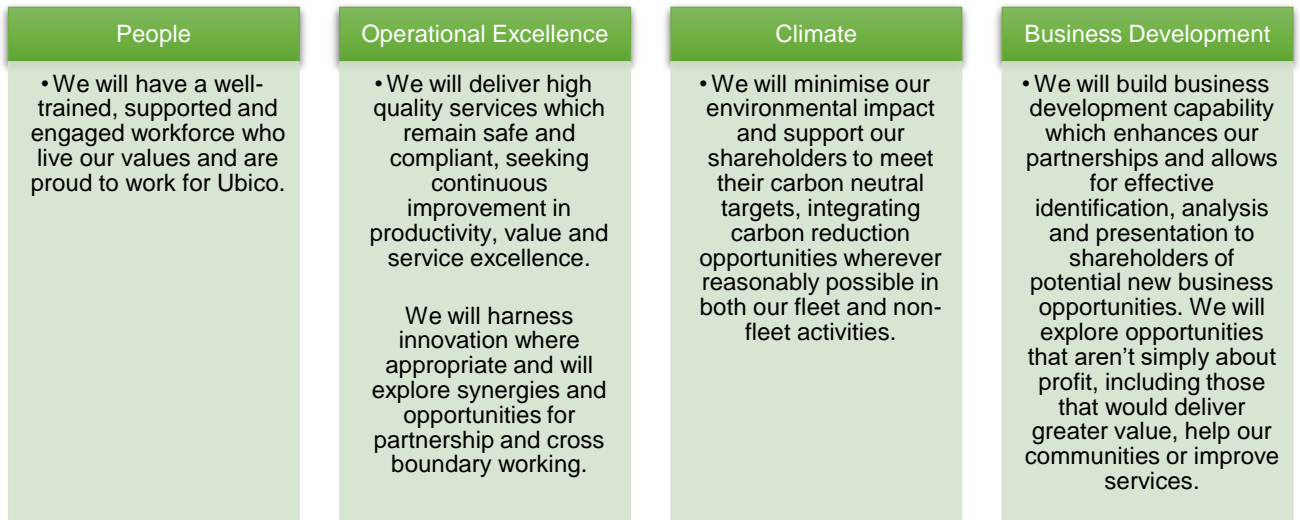
- Leveraging synergies and economies of scale
- Harnessing opportunities to deliver value back to our partners
- Using technology to drive operational efficiency
- Understanding our communities' needs
- Inspiring our workforce to be committed to providing value for money and carbon neutral services

1.9. Strategic Pillars of our vision



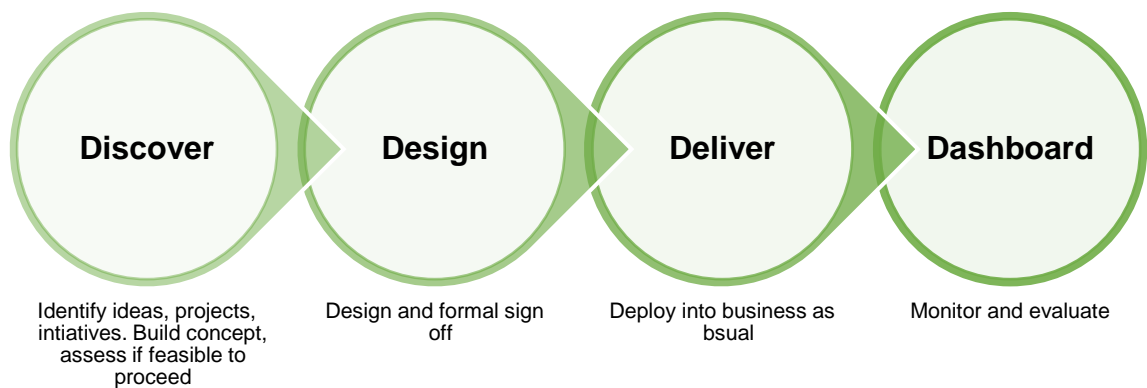
2. Business Plan 2023/24

Ubico's 2023/24 business plan is built around our four key pillars:



2.1. Project lifecycle

We have adopted a project lifecycle with four phases; Discover, Design, Deliver and Dashboard, and these can be seen alongside the activities outlined in this business plan. This aids in identifying the stage of each project or initiative and assists with long term planning and mapping, and resource management.

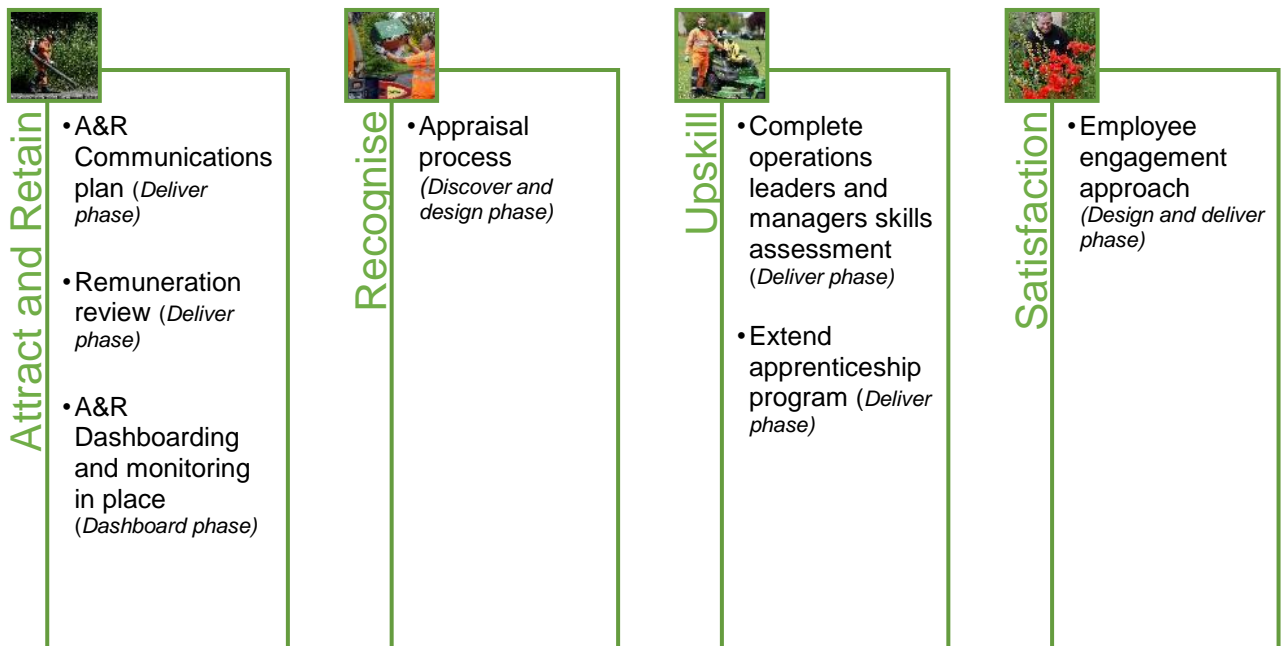


2.2. People Pillar

We will have a well-trained, supported and engaged workforce who live our values and are proud to work for Ubico.

2.2.1. 2023/24 Focus areas

There are four focus areas in our business plan for our People pillar for 2023/24 - Attract and Retain, Recognise, Upskill and Satisfaction.



2.2.2. 2023/24 Activity

It is imperative that Ubico remains an attractive employer, attracting and retaining staff with the right skills and experience, and ensuring they are valued, supported and recognised for the excellent work that they do. In 2023/24 we will have a strong focus on our people, building on and developing from key activities achieved in recent years.

Our Communications Strategy has a strong focus on improving our market presence and enhancing our reputation in order to attract strong candidates to apply for our vacancies, as well as significant activity around supporting and ensuring strong engagement with our existing employees. In 2023/24 we will continue to enter sector awards to promote the excellent work of the business; we will seek to improve the promotion of Ubico and its impact with our partner councils through their communication channels, and we will improve

communications awareness and knowledge in our management teams. We will continue to encourage sign up to our employee rewards app which offers numerous benefits for our staff, including discounts at many popular retailers, access to support around money and managing personal finances, an online health portal containing an online library of health and wellbeing information and access to our employee assistance programme. It is also an excellent platform for employee engagement and communication, and we will continue to share company updates and messages through the app as well as through our more traditional communication channels, and we will expand our use of the app to include employee engagement questionnaires and surveys.

In order to continue to deliver safe, compliant and relevant services for its shareholders, Ubico must offer a package that is competitive and attractive in the marketplace, both to retain current, loyal employees, as well as to attract new ones when required. In 2023/24 we will revisit the salary benchmarking exercise undertaken in 2022/23 to ensure Ubico remains competitive and attractive for both existing and new employees. We will reconcile the findings with our current terms and conditions to ensure early identification of any structural gaps which could risk the ongoing effectiveness of service provision.

In order to monitor the effectiveness of our activities around attraction and retention, we will introduce a dashboard of relevant KPIs, which will be reviewed regularly and lead to an action plan for ongoing or future focus areas.

A methodology will be proposed to the senior management team for a suitable new appraisal process for the company, which will then be trialled with a small sector of the workforce. Skills assessments will be completed for operations leaders and managers, and we will identify priority upskilling for individuals or specific roles.

In recent years, we have significantly strengthened our apprenticeships offering which has led to an increase in the number and variety of apprenticeships offered by the company. However, we do not consider that we have met our potential in this area and see this as a focus area for ongoing improvement. In 2023/24 we will improve our publicity around our apprenticeship opportunities, review our training offer to include apprenticeships as part of the reward and recognition package where appropriate, and further increase the range and number of apprenticeships we offer across the business.

2.2.3. People risks and mitigations

Area	Risk	Mitigation
Attract	We are unable to create packages that are competitive in the marketplace.	Continue to improve reward and recognition schemes, staff engagement and the support we provide. Assess market conditions and review with shareholders as required. Monitor interest in vacancies, vacancy fill rate, attrition rate.
Retain	We do not meet our potential in our apprenticeships offer.	Improve our publicity around apprenticeships, increase the range on offer.
Upskill	Inadequate capacity in in-house training team.	Increased trainer resource/hours available, effective support and administration put in place.
	No formal company-wide appraisal or development programme in place.	Ongoing development of the training function, skills assessments in place for priority roles, appraisal process designed.
Satisfaction	Employees are dissatisfied and leave the company.	Continuous improvement around staff support and engagement. Consider expansion of benefits offered both via our employee engagement app and outside it.

2.3. Operational Excellence Pillar

We will deliver high quality services which remain safe and compliant, seeking continuous improvement in productivity, value and service excellence. We will harness innovation where appropriate and will explore synergies and opportunities for partnership and cross boundary working.

2.3.1. 2023/24 Focus areas

There are two focus areas in our business plan for our Operational Excellence pillar for 2023/24 - Performance and Quality.



Performance

- Digital Transformation (In-Cab, Dashboarding, Operations Management) (*Deliver phase*)
- Fleet Management System Review (*Discover phase*)



Quality

- Ubico Communications Plan Implemented and Measured (*Deliver & dashboard*)
- Ubico 5 year financial plan (*Deliver phase*)
- Ubico Business Intelligence Dashboard (*Discover phase*)

2.3.2. 2023/24 Activity

The activities identified in our Operational Excellence pillar support Ubico in providing high quality, safe and compliant services, harnessing continuous improvement and innovation wherever possible.

2023/24 will see the ongoing program of digital transformation continue apace, with large workstreams dedicated to introducing an in-cab technology system which is standardised across the company, in line with the partner-agreed roadmap.

Our fleet management system, introduced to standardise internal fleet processes, maintain high compliance standards and improve reporting, is due for renewal or extension in 2024 and we will undertake work to define our fleet management needs ahead of any procurement decision.

We recognise that communication is central to the delivery of our services and priorities, and want to ensure that our priorities, objectives, values and ambitions are understood by our shareholders, communities, workforce, partners, and other stakeholders. To further underpin our progress, we must continue to effectively communicate and engage with our diverse range of external and internal stakeholders. In 2023/24 we will undertake a perception survey with our stakeholders to identify areas of strength and opportunities for continuous improvement. We will strengthen our external communications by appointing a board communications champion, and we will consider opportunities to speak at events and conferences.

We aim to provide strategic longer-term cost projections to all partners for their individual contracts. This will enable a better understanding of cost commitments when aligned to residency profiles, service level commitments and climate target aspirations, with a view to then combining our plans be able to create a company five-year financial plan to better support our strategic aims.

We will continue to develop the measurement of our progress against our strategic goals and recognise the need for sound business intelligence to be able to react and adapt to change and give a higher assurance of success. We will develop the measures and metrics required to create a business intelligence dashboard for our management teams together with a roadmap for the creation of the means to collect, record and report on those metrics.

2.3.3. Operational Excellence risks and mitigations

Area	Risk	Mitigation
Performance	Digitisation projects do not meet plan.	Program structure enables progress monitoring at appropriate levels, allowing early identification and escalation of risks, and intervention to mitigate. Detailed project plan in place, required resource in place and fully funded, with appropriate skills to deliver to requirements.
Quality	Inflationary cost pressures.	Continue to highlight potential areas of cost pressure as early as possible in both budget setting processes and monthly forecasting reports. Ensure partners are aware that Ubico do not hold contingency funding.
	Information gaps, concerns over data security and/or the cost of data collection devalue planning and information reporting initiatives	Risk that the cost of collecting the data required to provide data insights is prohibitive or the data is not directly available may undermine the drive for insight to drive value. The mitigation is to have clarity of data needs, combined with pragmatism over the means to collect data and the appropriate skills in place to build requirements 'right first time' in a secure manner. We will look to leverage partner capabilities but to date we are having to build a capability within which takes time and has more risk of failure.

2.3.4. Procurement Activity 2023/24

In 2023/24 we will complete procurement activity to allow contract award as follows:

Further to procurement activity undertaken in 22/23, contracts will be awarded for the supply of:

- PPE and uniform
- Static compactor service and maintenance
- Occupational Health
- Pest Control
- Cleaning and grounds products
- Site fire and security contracts

Award contract extensions or undertake new procurement activity and award a contract for the supply of:

- Weed Control Operations (covering Cheltenham & Cotswold)
- Vehicle Telematics
- Employee Rewards and Engagement App
- Waste management route modelling software
- Insurance Services
- Confidential waste disposal services

Undertake new procurement activity and award a contract for the supply of:

- Mobile Phones
- Fleet Maintenance - Downs Road
- Fleet Tyres
- Insurance Brokerage Services
- Workshop Overalls Cleaning
- Fleet Framework - Liquid Fuels - Diesel
- Liquid Fuel - Supply of HVO
- Textile Recycling
- Learning Management System (activity deferred from 22/23)

2.4. Climate Pillar

We will minimise our environmental impact and support our shareholders to meet their carbon neutral targets, integrating carbon reduction opportunities wherever reasonably possible in both our fleet and non-fleet activities.

2.4.1. 2023/24 Focus areas

There are two focus areas in our business plan for our Climate pillar for 2023/24 - Our Environmental Impact, and Supporting Partners with their Impact



Our Environmental Impact

- Measure our energy use (*Design and deliver phase*)
- Design carbon dashboard (*Design phase*)
- CI Programme Q1-4 (*Discover and Design phase*)



Supporting Partners with their Impact

- Work with partners to capture and evaluate climate opportunities (*Discover and design phase*)
- Design process for capturing partner climate opportunities (*Discover and design phase*)

2.4.2. 2023/24 Activity

Ubico's carbon strategy recognises two strands of activity:

- Ubico owned carbon reduction activities that are within the gift of the company to deliver.
- Shareholder sponsored activity which requires approval and funding from our shareholders.

Building on work undertaken in 2022/23, we will continue to measure our emissions, and design a carbon dashboard for ongoing measurement and monitoring of our carbon performance. This dashboard will be a key input into identifying new carbon projects.

In 2023/24 we will continue to work in close partnership with our shareholder partners to deliver carbon reduction and climate beneficial initiatives. We will seek to increase Ubico’s involvement with both individual climate officers and wider partnership climate forums and will design a process to capture and evaluate partnership climate opportunities. In some of our depots and offices, we face the challenge of not having access to information around our specific energy usage, and we will work with our council landlords to overcome this issue and get accurate reporting in place. We will seek to understand any requirements or opportunities within the buildings that we occupy, and we will produce individual options strategies for partners on fleet CO₂ / CO₂e reduction.

2.4.3. Climate risks and mitigations

Area	Risk	Mitigation
Our Environmental Impact	Emissions from fleet remain high due to ageing fleet or fuels chosen.	Alternative fuel vehicle options identified on fleet replacement programmes; replacement strategy agreed with partners.
	Inability for Ubico to access energy usage details for the buildings it occupies.	Close partnership working with our council landlords to ensure Ubico’s energy usage can be separately identified and is available for Ubico to report on.
Supporting Partners with their Impact	Ubico is not consulted on decisions which could impact carbon emissions, or the success of our carbon reduction initiatives.	Ubico invited to attend key meetings, both with individual partners and in wider partnership forums to ensure our input or impact on our activities is considered.

2.5. Business Development Pillar

We will build business development capability which enhances our partnerships and allows for effective identification, analysis and presentation to shareholders of potential new business opportunities. We will explore opportunities that aren't simply about profit, including those that would deliver greater value, help our communities or improve services.

2.5.1. 2023/24 Focus areas

There are two focus areas in our business plan for our Business Development pillar for 2023/24 - Innovation and Evolution, and Build.



Innovation & Evolution

- Cross boundary phase 1 (*Deliver phase*)
- More for Partners (*Discover & deliver phase*)
- Service innovation (*Deliver phase*)



Build

- Expansion of services for existing partner(s) (*Discover phase*)
- Embed board and shareholder review process for strategic proposals (*Deliver phase*)

2.5.2. 2023/24 Activity

Further to presentations to partners in 2022/23 to understand appetite and direction around cross boundary and collaborative working proposals, we will design a roadmap for this activity, identifying key strands of work, outlining any additional resource requirements, and highlighting priority activity. We will also continue to support partners with any service (re)design or innovation projects and will continue to support the Environmental Services Innovation Programme (ESIP) in partnership with the three partners involved in that programme.

We will continue our work begun in 2022/23 exploring opportunities for delivering services to shareholder partners which build on our existing capabilities. The feasibility exercise begun

last year evaluating the options and benefits of Ubico extending its activities beyond recycle handling and bulking and into the downstream haulage or reprocessing activity will be concluded and presented to shareholders for consideration. We will continue to work with partners to evaluate high level options for strategic depot locations across our operational areas to inform partner decision making, where necessary.

Ubico delivers operational environmental services, and our vision sees us delivering as many of our core services as possible for our current shareholder partners. From 2024 we will be expanding the services we deliver for Forest of Dean District Council to include waste, recycling and street cleaning services and will begin the mobilisation for this change in 2023/24. We will also continue to evaluate any other opportunities to extend the range of services provided to each of our partners, within our core service portfolio.

An area we aim to develop in the coming year is the progression of strategic ideas and projects which arise outside those identified in the business plan, for which we require shareholder authorisation. To address this, we will embed a new process where projects will have clear information requirements and approval flows with board and the shareholders to simplify and accelerate decision making and delivery.

2.5.3. Business Development risks and mitigations

Area	Risk	Mitigation
Innovation & Evolution	Cross boundary or collaborative working proposals are not endorsed by all partners.	Proposals adjusted to reflect the opportunity should only some partners wish to proceed. Suitable governance arrangements put in place at outset to ensure risk (or benefit) is allotted fairly.
	Expectation of delivery beyond that which can be achieved with available capacity.	Roadmap drawn up and agreed, highlighting priority activity and any additional resource requirements. Additional round routing capacity necessary for service redesign projects included in 23/24 budgets.
Build	Leadership capacity to manage an expanding portfolio.	Focus on core environmental services where we are skilled and experienced.
	Expectation of delivering strategic proposals without requisite skills or capacity.	Detailed shareholder consultation and full understanding of shareholder risk appetite and commitment ahead of commencement of any project.