



Annual Report 2022 to 2023



Foreword from the chair of the board

Bill McCarthy

As I enter my second term as Chair, I am delighted to be able to report that the board has overseen another excellent year and that at the conclusion of the new board's first three-year term we have witnessed real success.

After the turbulence of the pandemic, we were able to return to "business as usual" but I would also like to congratulate the management team and all our colleagues on a job well done during this time. Despite the war in the East and its subsequent generation of cost increases that all of us have endured, the business has been able to demonstrate to our shareholders a continued commitment to achieving excellent value for money in delivering the same quality service for which we are renowned and justly proud. Our reputation for delivering excellent environmental services through the teckal model is resulting in a growing number of external enquiries about how we do it, as well as requests to provide expertise and advice on how to achieve service excellence together with efficient use of resources and the ever-evolving culture of quality.

Regretfully we said farewell to one of our local authority appointed non-executive directors, Mike Hammond, when he moved to a new role, but we were delighted to welcome his replacement, Keith Gerrard, who is already making a significant contribution to our thinking and establishing real authority in operational matters.

I would also like to pay tribute to the company for their execution of the significant addition to our portfolio of delivering services for our newest shareholder, Gloucester City Council, growing the business by around 20%. This was done with excellent project management and planning and an astute timetable. In addition, our shareholder, Forest of Dean District Council, made the decision to increase the services delivered for them by Ubico from August 2024, and we are proud that they have recognised the value for money our service provision will provide.

We conducted a rigorous board effectiveness review, delivered by an experienced external consultancy. Overall, we were found to be operating well and the development of our team has been outstanding. The report highlighted a few areas which informed the decision to streamline and make some changes. Simplifying our agenda, streamlining our decision making, and developing our communication with the shareholders are areas which we identified for improvement. During the course of this year a number of changes to the way we do things will be introduced and where necessary recommended to the shareholder group.

We approach the next three years with optimism and ambition. To have achieved the growth and maintained our standards, is down to the professionalism and leadership of the executive team and to the commitment to quality from everyone at Ubico. As a result Ubico's future is full of exciting possibilities for further growth, increased efficiencies and identification of laudatory improvements in the business.



Foreword from the managing director

Beth Boughton

I am delighted to present our annual report for 2022/23, another very successful year for Ubico in delivering efficient, effective, high-quality services whilst also driving continuous improvement and development.

In all our service delivery, health and safety is our key priority, and this is demonstrated in our ongoing accreditation to ISO 45001, the Alcumus Group Contractor Scheme, and the Contractors Health and Safety Scheme (CHAS). Our Safety, Health, Environment and Quality team (SHEQ) has grown this year to support the growing needs of the business, and in partnership with our internal compliance team supports us in driving continuous improvement in this vital area. New initiatives introduced this year to continue to develop and continuously improve our approach to health, safety and compliance include extending our mental health and wellbeing training and support, and the introduction of an annual, internal review of the effectiveness of our governance framework.

During this year we successfully integrated delivery of services for Gloucester City and we are delighted to announce that Forest of Dean District Council have decided to extend the services delivered for them by Ubico from 2024, to include waste and recycling collections and street cleaning services. Mobilisation work ahead of commencing service delivery will be a key focus for 2023.

Our people are the backbone of our company, dedicated to providing excellent services to the communities we serve and driving improvements, and I must extend a huge thank you to them for all their hard work and commitment throughout the year. Recognising and retaining our people, as well as attracting new staff where necessary, has been a key focus for the year. We have introduced a new employee engagement app, made improvements in the application process for new candidates, further developed our training and development programme and continued to support our staff in mental health and wellbeing.

Our successes were also recognised at local and national level as we were shortlisted as finalists for three awards throughout the year. We were incredibly proud to be the winner in the 'employee training and skills' category at the National Recycling Awards, for the great work delivered by our training team.

All of our shareholder partners have declared a climate emergency and to support these ambitions, we continued to reduce the carbon impact from our fleet activities through improved driving performance, best use of available technology, and using cleaner, greener vehicles in our service delivery.

We have also worked closely with our shareholder partners to explore opportunities to deliver greater value through efficiencies, wider partnership working and development opportunities. We continued to build on the modernisation and digitisation of our systems, with the most significant project being the wider implementation of Alloy 'in cab' software on several of our services, allowing real-time information to feed to and from our teams, the back office and partner councils' customer services teams.

This has been an exciting year and I remain very proud of our teams, who have impressed with their dedication to providing excellent services. I would like to take this opportunity to thank all my colleagues at Ubico who have worked hard to make this a successful year.



Introduction

Ubico is a local authority owned company operating across Gloucestershire and West Oxfordshire. We deliver high quality, front line environmental services and our purpose is to keep spaces and places clean and green for every resident, visitor, town, village and community. Working in close partnership with our shareholder councils, we strive to deliver a service that benefits both councils and communities, helping them achieve their individual objectives.

2022/23 was a year of expansion and innovation, and we saw significant growth of Ubico’s operational activities with the commencement of delivery of services for Gloucester City Council, seeing Ubico now delivering services on behalf of all councils in Gloucestershire.

Our shareholders



Our services

Household and commercial waste and recycling collections



Storage and processing of recyclable material



Recycling centre management



Street cleaning services



Grounds maintenance



Building and public convenience cleaning



Winter maintenance (gritting of pavement and car parks)



Fleet maintenance



Operational performance

Our collection accuracy was **99.93%**



With the addition of the Gloucester City service our number of collections increased by **20% to 43,338,417**



3,883 fly tipping requests responded to



90,207 tonnes of refuse collected



20,687 tonnes of food waste collected



37,069 tonnes of garden waste collected



52,252 tonnes of dry recycling collected



1,179 street cleansing requests responded to



Finance and governance

2022/23 was another productive year for Ubico's board, building on key governance processes and procedures. During the year, the board commissioned an independent board effectiveness review to check on progress since the last report in 2018 and to understand any further recommendations for continuous improvement. The report concluded that overall, significant positive change has been made and suggested opportunities for continuous improvement around further strengthening the board/ shareholder relationship, extending board member development opportunities and clarifying Non-Executive Director roles and responsibilities.



The company also committed to conducting an annual, internal review of the effectiveness of its governance framework, including our systems of internal control, to give an annual assurance statement. As part of this, our compliance team undertakes scheduled and risk-based reviews as required, to check compliance in key areas such as ISO standards, fleet compliance, Environment Agency permitting requirements and the Health & Safety at Work Act 1984. This is complemented by our annual internal audit plan, drawn up in consultation with the chair of the Risk and Audit Committee and in partnership with our internal auditors, which saw a focus in 2022/23 on cyber risk and cyber security, with an internal audit undertaken during the year that reported a level of acceptable assurance in relation to cyber security. An embedded reporting system for both internal and external audit issues ensures that managers, the Risk and Audit Committee and the board are fully briefed on key issues which may arise.

Turnover for 2022/23 was £49.9m, increasing significantly from £37.4m in 2021/22, in part due to the addition of Gloucester City Council as a shareholder, and the commencement of delivery of its services. Despite significant economic headwinds impacting supply chain and employment markets, Ubico's operational partnerships continued to perform well and we continue to work closely with shareholder council partners to identify and mitigate risks going forward.

A full version of our accounts for the year ending 31 March 2023 can be found at:


<https://www.ubico.co.uk/support/reports-and-accounts/>

Health and safety

Ubico operates in what is statistically one of the highest health and safety risk industry sectors in the UK. Employees throughout the organisation are made aware of this and health and safety activity is the highest priority throughout the company, particularly in operational areas. Health and safety support activities are delivered by Ubico’s Safety Health Environment and Quality (SHEQ) team. Following their establishment in 2021, we continued to integrate the SHEQ team, expanding the team during the year to meet the growing needs of the business.

Ubico’s corporate values, designed through positive engagement with our employees, set clear guidance and expectations for all. The value of ‘Be Safe’ is universally recognised by employees as being the most important behaviour that we must expect everyone to recognise and adopt. We continued to reinforce a positive health and safety culture by investing in the training of over 50 key staff in the IOSH Managing Safely qualification, and increased communication through a regular health and safety newsletter and drop-in sessions.

In 2022 we achieved re-accreditation to:



ISO45001 for our health and safety management system



The Contractors Health and Safety Scheme (CHAS)



The Alcumus Group Contractor Scheme



Defibrillators at household recycling centres

Every year more than seven million people globally suffer from a sudden cardiac arrest and only around 10% of those affected actually survive. Using a defibrillator can increase the chances of survival by up to 75%. In partnership with Gloucestershire County Council, as part of our commitment to the health and safety of our visitors and staff, we installed defibrillators at five household recycling centres sites so that we can respond quickly in the event of an emergency.

In partnership with the not for profit Public Hearts community campaign, one of our defibrillators at our site in Cheltenham has also been designated for public use, enabling any member of the public to have access to lifesaving equipment, 24 hours a day.

Fire safety

During the year, we undertook a significant review of our fire safety standards across the business, including a thorough fire safety review at all of our sites to ensure ongoing compliance and to identify any opportunities for improvement.

We delivered updated employee training and education in fire safety and our fire wardens and fire point controllers refreshed their training on the use of fire extinguishers and fire safety awareness. We also engaged with both Gloucestershire and Oxfordshire Fire and Rescue Services to create an ongoing working relationship, offering training to enable fire crews to gain knowledge of our sites, activities undertaken, equipment and vehicles. These were valuable exercises for both Ubico and the fire services and we intend to build on this relationship and undertake further training exercises in the future.



Compliance

Ubico's compliance team continued to support our operations and in 2022/23 conducted the following activities:

19



health, safety
and environmental
Internal Audits

15



fleet audits

2



risk based audits

Regular fleet management audits carried out by our compliance function resulted in an average score across the company of 91.91%, demonstrating high levels of operational compliance and providing a high level of assurance.

Risk Management

2021/22 saw the creation of a new risk management policy and strategy as part of Ubico's assurance governance. Through a planned and systematic approach to the identification, evaluation and control of risks, we were able to manage their impact (if any) and protect our business and its operations.

As part of this strategy, in 2022/23, we implemented and embedded several area-specific risk registers across the business and the overall strategic risk register saw continual improvements throughout the year to reflect the board's agreed risk appetite.

We also had a particular focus on process improvements around capturing and recording GDPR (General Data Protection Regulations) related activity resulting in a robust internal reporting mechanism to ensure compliance in this area. Freedom of information requests were responded to within the required timeframe and we encouraged staff to raise any instances of a GDPR 'near miss' to help reduce the risk of actual breaches. We also completed 15 GDPR impact assessments in key areas to ensure the highest level of compliance.



Operational excellence

Forest of Dean District Council extension to services

In December 2022, Forest of Dean District Council agreed to award the delivery of its kerbside waste collection and recycling and street cleansing services to Ubico from 2024. Ubico has worked closely with the council since it initially joined Ubico as a shareholder in 2015, currently delivering grounds maintenance services for the council. The additional service delivery will commence in August 2024 with mobilisation work beginning in 2023.

Mobilisation of Gloucester City Council service

In April 2022, Ubico took over the delivery of environmental services for Gloucester City Council and the transition of services into Ubico was extremely smooth, thanks to the hard work of all involved.

In the first year of service, the collection accuracy statistics consistently met the company target of 99.9%.

Working in partnership



Gloucester
City Council



Awards and recognition

In 2022, we entered a number of awards to demonstrate our commitment to delivering excellent services to our council shareholders and their communities as well as to our people, who are the backbone of our operation. We were shortlisted for three awards - the National Recycling Awards, Gloucestershire Live Business Awards and the APSE (Association for Public Service Excellence) Annual Service Awards.



Winner

National Recycling Awards

We were selected as winners in the 'employee training and skills' category for the great work delivered by our training team.

Finalist

Gloucestershire Live Business Awards

Ubico was a finalist in the 'Local Business Hero' category in the Gloucestershire Live Business Awards, in recognition of services delivered during the COVID-19 pandemic.



Finalist

APSE Annual Service Awards

In partnership with Gloucestershire County Council, Ubico was a finalist in the ‘Best Efficiency & Transformation Initiative’ category for the Association of Public Service annual service awards recognising the benefits and efficiencies realised of the booking system, introduced in 2020.

As well as being shortlisted for this award, in an independent survey commissioned by Gloucestershire County Council, the household recycling centres received a customer satisfaction score of over 90% in all areas including cleanliness, waiting and queuing times and interaction with staff. Separately, a resident survey undertaken by Cheltenham Borough Council received 83% satisfaction for the collection of household waste and recycling.



Awards for parks and green spaces

We were delighted that several parks which Ubico helps to maintain were presented with the prestigious Green Flag Award in 2022. The scheme recognises and rewards well-managed parks and green spaces, setting the benchmark standard for the management of green spaces across the United Kingdom and around the world. These parks and open spaces play a vital role in providing the community with a safe and green space to relax, exercise and meet with friends and family as well as drawing visitors to the area. The award is testament to the hard work and dedication of all the teams who have played their part in making these spaces a beautiful place to visit.

The parks receiving an award were:

Stratford Park in Stroud

Hatherley Park

Montpellier Gardens

Naunton Park

Pittville Park

Springfields Park

Winston Churchill Memorial Gardens in Cheltenham

Barnwood Park, Gloucester

Saintbridge Pond and arboretum, Gloucester

Stratford Park in Stroud also achieved gold status in the Heart of England in Bloom Awards.



People

Ubico are a significant local employer, particularly in Gloucestershire. We are committed to being 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. 2022 saw us continue to focus on the attraction and retention of our excellent people, making significant improvements to the employee experience at every level of their journey from application to training and development.

In the **top 100** employers in Gloucestershire

Over **800 staff**

77% living in Gloucestershire

11% living in Oxfordshire



To extend our reach into the recruitment market, we introduced a new website and enhanced our presence with social media initiatives developed and promoted to targeted audiences. Alongside this, we introduced a new automatic tracking system to streamline the recruitment process for both candidates and hiring managers.



We continued to support our staff in their health and wellbeing and our Safety, Health, Environment and Quality (SHEQ) team expanded, with health and wellbeing a key part of their portfolio. Mental health and training courses were offered to staff to help them manage their mental health as well as targeted training for line managers in how to identify and support their employees' mental health and wellbeing.

This was reinforced by the continued promotion of our employee assistance programme, and mental health first aiders who are available at each depot. At our Cheltenham and Gloucester sites we also refurbished our first aid rooms and introduced a safe and confidential space for employees to discuss mental health. Instances of stress and anxiety related absences in 2022/23 dropped by 5% compared to the previous year.



In April 2022, we launched Unity Rewards, our employee engagement app. The app offers many benefits to Ubico employees, including discounts at many popular retailers, access to support around money and managing personal finances, an online health portal containing a large library of health and wellbeing information, and access to our employee assistance programme. We also delivered face to face employee engagement drop-in sessions across all of our operational sites to collect feedback and discuss any issues.

We also modernised our inductions and training, recording a welcome video and making induction materials available online and virtually as well as in more traditional paper formats to allow flexibility in the mode of delivery.

Excellence in training and development

In 2020, we created our own training centre to bring training in-house wherever possible allowing us to expand our offering and develop our skillset, improving the accessibility and flexibility of course delivery for our people, and allowing targeted and specific training needs to be met.

In 2022/23 we:

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|---|---|---|--|
| <p>Delivered 258 training sessions</p>  | <p>Delivered 5,108 hours</p>  | <p>Welcomed 983 attendees</p>  | <p>Rolled out an extensive training programme to colleagues joining Ubico with the Gloucester City service</p> |
|---|---|---|--|

In December 2022, we were delighted to receive the MRW National Recycling Award in the ‘Employee Training and Skills’ category, in recognition of the work carried out by the training centre. Ubico were praised by the expert judging panel, who were drawn from across the recycling sector who stated that

“This organisation took ownership for tackling key industry issues and backed it with investment and the right people. The reduction in Riddor (reportable accidents) rate and the number of drivers who qualified through the new training centre clearly showed measurable success.”

Learning and development strategy

Our continued success rests on the knowledge, skills and expertise of our people, inclusive of all employees and each has a part to play in the successful delivery of our services. In 2022-2023 we created a learning and development strategy to support Ubico’s five-year vision and business plan with a focus on promoting longer-term development of our employees to supporting them to excel in what they do. The strategy identifies the need to put in place a structured approach to professional development, increasing access to quality and cost-effective learning opportunities, continually improving the learning experience for all our people and increasing the number and variety of training opportunities and apprenticeships offered. Developmental work for this strategy will continue over the next three years.

Climate

All of Ubico’s shareholder councils have declared a climate emergency and we are committed to supporting them in their ambitions to cut carbon emissions further.

In 2022/23 we achieved recertification to the ISO14001 standard in environmental management and throughout the year we worked on a number of initiatives to improve air quality, reduce our carbon footprint, and support our shareholder partners with their ambitions to become carbon neutral by 2030.

97% of our carbon emissions are attributable to our transport fleet with the remaining 3% associated with energy use in our buildings. Our carbon reduction strategy is heavily focussed on saving carbon within our fleet and over the past three years, Ubico has supported our shareholders to implement sustainable, environmentally friendly fuel solutions where possible, as well as adding technology to the fleet which supports improved carbon performance and enables ongoing monitoring.



Electric and hybrid vehicles

In 2022/23, our fleet team continued to support the purchase of several electric vehicles for our fleet after successfully trialling a battery electric 16 tonne truck mounted sweeper and a 3.5 tonne compact sweeper. At the end of 2022/23 we had 15 battery electric vehicles and one hybrid electric petrol vehicle.

We also trialled an all electric refuse collection vehicle (RCV) around Gloucester. This trial enabled Ubico to assess the suitability of the vehicle and its performance in real time. The vehicle was used for residential waste collection, over a three day period around the city. Data from the trial was used as part of our carbon reduction strategy to inform future decision making on the procurement of electric RCV’s and the suitability in response to Ubico’s operational requirements.



Use of alternative fuels

In October we introduced the use of certified hydrotreated vegetable oil (HVO) on 49 of our refuse and recycling collection vehicles delivering services in Cheltenham. Hydro-treated vegetable oil is better for the environment, emitting up to 90% less carbon and significantly less nitrogen oxide (NOx) and particulate matter (PM) when compared to fossil diesel. A bulk HVO tank was installed on site to guarantee swift refuelling and reduce journey distances.

The use of hydrotreated vegetable oil (HVO) now constitutes 5% of our total transport fuel consumption and has so far provided carbon savings of approximately 363 teCO₂e.



Use of telematics

To reduce our carbon footprint, our drivers are supported to drive our vehicles in an eco-friendly way. In 2020, Ubico instigated a pilot scheme on our Cotswolds service installing connected fleet management software, 'Ubiconnect' (delivered by CMS Supatrak) on 36 vehicles across the fleet.

The 'safe driving assistant' provides real-time in-cab feedback and coaching to drivers whilst they are on the road. This is supported by the driver liaison manager who closely analyses data provided by the software and uses this to help improve driver performance. This software has helped Ubico reduce costs, stay compliant, increase operational efficiency, and deliver savings in carbon and improved air quality in the areas where Ubico operates.

In April 2022, this software was installed on our Cheltenham fleet and during 2022/23 we made carbon savings of 60.78 tonnes of CO₂e on the Cheltenham and Cotswold services, with a combined fuel saving of 25,414 litres.

Fleet maintenance

Ubico regularly review fleet management schedules in line with the latest technologies and manufacturer specifications. Our tyre policy ensures tyre life is extended through a number of measures around improved tyre specifications, installation and management and saw 44.40 tonnes CO₂e saved in 2022/23 compared to before the policy's implementation.

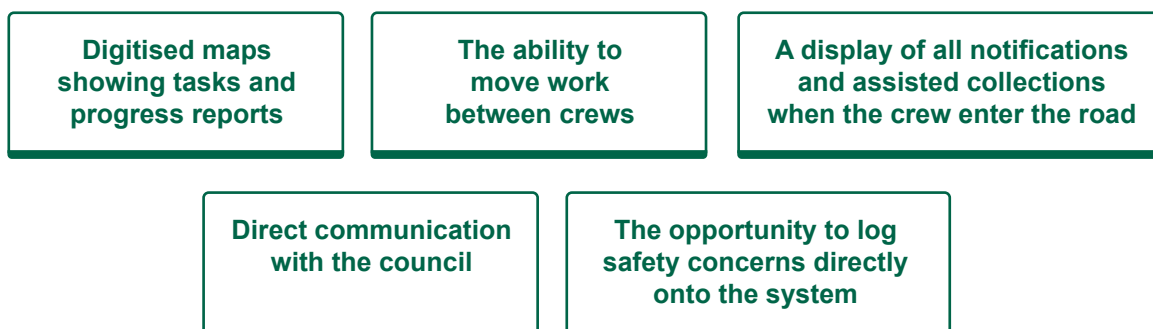
Transformation and efficiencies



2022 saw our digital transformation team working diligently on solutions to digitise and modernise ways of working to deliver cost and time savings to both Ubico and their shareholder council partners.

A significant project has been the roll out of a connected workforce technology, Alloy, that allows us to communicate directly with our teams via in cab systems, getting them the information they need in an effective and efficient manner and enabling a return flow of up to date information about crew progress and any issues which can be seen live by both Ubico and the relevant council.

This technology provides us with:



The software, an earlier version of which was already in use for our West Oxfordshire and Cotswold services, was launched on our Cheltenham and Gloucester City waste and recycling services during 2022/23.

With the implementation of the Alloy software and significant mobilisation projects such as the commencement of the Gloucester City service and the forthcoming mobilisation of the Forest of Dean service, our project team has expanded and there has been a focus on the implementation of a project stage gateway system, allowing us to efficiently manage projects through the entire life cycle, as well as a focus on the process structures and supporting strategy for key projects. On a more targeted level we have also looked at process optimisation for key operational processes to streamline operations and deliver efficiencies to our shareholder councils.

Our performance in relation to KPI's, budgets and service standards agreements is presented to and scrutinised by officers and members from our shareholder councils on a regular basis to ensure transparency and accountability, and our performance management team continue to provide sophisticated and insightful data to reinforce our accountability, highlight key trends and issues and inform future decision making. This has further been reinforced by the implementation of contract specific intranet systems at Gloucester and Cotswolds and for our Safety, Health, Environment and Quality (SHEQ) team, which makes it easier to access information and report and monitor key health and safety issues

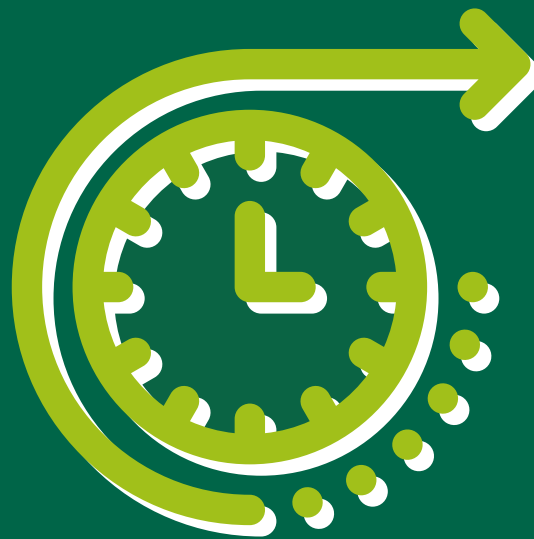
Looking to the future

Ubico's most valued resource is its committed, dedicated and experienced workforce and we will continue to focus on attracting and retaining people 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; therefore 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.

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 us 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.





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