



REPORT TITLE: UBICO contract extension for waste, recycling, food waste, garden waste and street cleaning services (Shareholder Approval)

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| Dates between which decision will be taken | Earliest date: 15 February 2023 Latest date: 24 February 2023 |
| Cabinet Member | Cllr Lynden Stowe, Deputy Leader & Cabinet Member – Finance and Change |
| Key Decision | No |
| Purpose of Report | To agree a written resolution by UBICO to vary the contract between UBICO and Forest of Dean District Council to include waste, recycling, food waste, garden waste and street cleaning services. As a UBICO shareholder the Council is required to consider whether to agree any contractual variations relating to any UBICO partner. |
| Recommendations | It is recommended that the Deputy Leader and Cabinet Member for Finance and Change (as Gloucestershire County Council's UBICO shareholder representative) agrees to UBICO's proposed written resolution set out in the Appendix to: <ul style="list-style-type: none">• increase the services that it delivers to the Forest of Dean District Council to include the delivery of waste, recycling and street cleaning services; and• authorise Ubico's Executive Directors to agree all necessary documentation to implement this Resolution. |
| Reasons for Recommendations | To allow UBICO to extend the range of services it provides for Forest of Dean District Council. |
| Resource Implications | All the costs associated with preparing for service delivery and on going delivery of services will be met by Forest of Dean District Council. There are no financial implications for GCC. |
| Background Documents | UBICO Articles of Association <ul style="list-style-type: none">• https://glostext.gloucestershire.gov.uk/documents/s57684/Annex%20%20Articles%20of%20Association%20Engrossment.pdf. |
| Statutory Authority | Companies Act 2006 |

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| Divisional Councillor(s) | All Councillors |
| Officer | Any representations should be sent to: Name: Paul Blacker Tel. no: 01452 328999 Email: paul.blacker@gloucestershire.gov.uk By 5pm on 14th February |
| Timeline | The Deputy Leader & Cabinet Member – Finance and Change, as GCC's Shareholder representative, agrees the resolution by 26 th February 2023. Extended contract commences in August 2024. |

Background

1. Ubico's five-year vision and business plan clearly articulates that it will seek to do more for its partners and will seek to strengthen the core environmental services offering. As such Ubico have supported Forest of Dean District Council (FoDDC) in bringing forward information to support FODDC's decision about future provision of waste, recycling and street cleaning services.
2. On 21 December 2022 Forest of Dean District Council agreed to seek to extend their contract for services with Ubico to include waste, recycling and street cleaning from August 2024 and for a term of 10 years.
3. As FODDC is an established shareholder in Ubico this additional service will require a variation to the existing contract. The Ubico Articles of Association stipulate that all variations to the contracts of existing Ubico partners require the approval of all shareholders. The Deputy Leader & Cabinet Member – Finance and Change therefore needs to approve this contract variation in his role as GCC shareholder representative.
4. The value of the variation is estimated at £3.9 million per annum.
5. The Shareholder's agreement is, therefore, sought to vary Ubico's contract with Forest of Dean District Council to enable Ubico to deliver waste, recycling and street cleaning services from August 2024, and to authorise Ubico's Executive Directors to agree all necessary documentation including the contract specification to implement this decision. It is proposed to seek this agreement via a written resolution, to be issued in January 2023, with a deadline for authorisation of end of February 2023. This written resolution is attached in the Appendix.

Options

6. Options are to sign resolution or not sign resolution.

Risks

7. Financial – additional expenditure relating to these new services delivered for Forest of Dean could lead to financial exposure for a partner or partners. The mitigation is two-fold;
 - a. Funding for mobilisation and transformation have been budgeted with FODDC
 - b. Service costs are ring fenced to each partner with any additional cost or underspends passing directly back to the partner directly contracted.
8. Impact on delivery of services on behalf of Gloucestershire County Council – Ubico is currently resourced to provide services to each partner as laid out in the Ubico annual business plan and Service Level Agreements with each partner. Additional work associated with a new contract could potentially impact the service delivery for other partners including GCC. This risk is mitigated by careful work planning to ensure that additional resources needed are deployed appropriately and funded by the relevant partner. During the mobilisation period and early stages of the new contract Ubico will undertake active engagement with all with partners to ensure there is no impact on existing service delivery.

Financial implications

9. Ubico has estimated the annual revenue cost of delivering this service as £3.9 million. The Ubico costs are for operational service delivery only and do not represent the net whole service cost. As is common practice in most Ubico contracts, the council will directly receive all income from the service (i.e., garden waste subscriptions, recycling credits and material sales) and will also be responsible for the cost of processing recycling materials. All cost associated with this contract extension will be met by FoDDC.
10. There will be no financial implications for GCC.

Climate change implications

11. Minimising the impact of climate change is one of the 4 pillars in the Ubico 5 year vision. This document states that Ubico are committed to minimising its environmental impact and supporting our shareholders to meet their carbon neutral targets.

Equality implications

12. Ubico's services are delivered to all members of the community.
13. An Equalities Impact Assessment (EIA) has not been completed.

Data Protection Impact Assessment (DPIA) implications

14. All data associated with the delivery of these services are owned by UBICO. Therefore there are no direct data protection impacts for GCC.

Social value implications

15. Ubico is a "teckal" company with eight local authority partners / shareholders. The company aims to deliver high quality environmental services at cost so does not make a profit and has the provision of social value at its core.

Consultation feedback

16. Not applicable.

Officer recommendations

17. It is recommended that the written resolution to agree to increase the services that Ubico delivers to the Forest of Dean District Council to include the delivery of waste, recycling and street cleaning services is signed.

Performance management/follow-up

18. Not applicable.

Appendix: UBICO Resolution

Company number: 07824292

PRIVATE COMPANY LIMITED BY SHARES

Ubico Limited (the "Company")

Circulated on 30th January 2023 (the "Circulation Date")

ORDINARY RESOLUTION PASSED AS WRITTEN RESOLUTION

Pursuant to chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following Resolution is passed as an ordinary resolution (Resolution):

To **APPROVE**:

1. The Company to agree to increase the services that it delivers to the Forest of Dean District Council to include the delivery of waste, recycling and street cleaning services; and
2. The Company's Executive Directors to agree all necessary documentation to implement this Resolution.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, persons entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agree to the Resolution:

Signed for and on behalf of:

Cheltenham Borough

Council.....

Date:.....

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Signed for and on behalf of:

Cotswold District Council

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Date:.....

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Signed for and on behalf of:

Forest of Dean District Council

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Date:.....

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Signed for and on behalf of:

Gloucestershire County Council.....

Date:.....
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Signed for and on behalf of:

Stroud District Council.....

Date:.....
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Signed for and on behalf of:

Tewkesbury Borough Council.....

Date:.....
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Signed for and on behalf of:

West Oxfordshire District Council.....

Date:.....
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NOTES

- 1 If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:
 - **By hand:** delivering the signed copy to the registered office of the Company.
 - **Post:** returning the signed copy by post to the registered office of the Company.
 - **Email:** sending it as a pdf attachment to hayley.sims@onelegal.org.uk marked in the subject box "Private and Confidential Written Resolution".

If you do not agree to the Resolution, you do not need to do anything. You will not be deemed to agree if you fail to reply.

- 2 Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
- 3 The Resolution will lapse unless sufficient agreement has been received to pass it by the end of the period of 28 days beginning with the Circulation Date. If you agree to the Resolution, please ensure that your agreement reaches us on or before this date.
- 4 If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document. Please also include the name of the person on whose behalf you are signing where indicated in the signature box.