Presentation will cover

• Health & Safety (ISO 45001).
• Business Plan 2019-2020 Q1 Delivery Tracker.
• Finance & Corporate Charges.
• Fleet.

ISO 45001

• International Health & Safety Standard agreed in 2018.
• ISO 45001 Replaces OH&S 18001 (UK Standard).
• Ubico achieved the international standard for Environmental management (ISO 14001) in 2016.

Why do we need ISO 45001?

12 fatal injuries to workers in 2017/18

Source: RIDDOR, 2012/13-2017/18. Accident kinds are shown that account for 10% or more of injuries.
Aims of ISO 45001

- Allow organisations to integrate Health & Safety into the processes and management of the business.
- Minimise risks and harm.
- Create the opportunity for continuous improvement.

ISO 45001 certifications

- Process to achieve certification
  - Two in-depth audits by an external assessor (February & April 2019) to:
    - Interview employees at all levels of the organisation, including Executive Directors.
    - Review Ubico’s health and safety management system, including a detailed review of documentation e.g. training records and risk assessments.
    - Inspect depots and facilities across the organisation.

ISO audit findings

- No major or minor non-conformities.
- No areas for concern.
- Overall the facilities provided for operational staff are of a good quality.
- Well-run organisation, albeit still paper based and some of the document systems are still young and require reviewing.
- Seven opportunities for improvement across depots:
  - Five in Swindon Road, Cheltenham
  - One in Gossington, Stroud
  - One in Downs Road, West Oxfordshire

ISO opportunities for Improvement

- Swindon Road, Cheltenham:
  - 3x OFIs identified at the vehicle wash bay.
  - Internal audits could improve consideration of the management system.
  - Management reviews should follow the ISO standard structure.

- Gossington, Stroud:
  - Compliance records could be stored in one central database.

- Downs Road, Witney:
  - Introduce cross hatching as warning around an electrical fuse box.
  - PAT testing of weighbridge, provision of an additional fire blanket.

ISO next steps

- Significant achievement for Ubico to achieve certification; all staff were involved in preparing for the audit.
- The hard work must continue in order to retain the accreditation, demonstrate ongoing improvements and prepare for annual audits.
Business Plan 2019-20
Q1 Delivery Tracker

People

<table>
<thead>
<tr>
<th>Q1 Action</th>
<th>Update</th>
<th>On track</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church and implement a new People Strategy for the company that addresses training, recruitment, retention and investment in staff.</td>
<td>Board approved People Strategy (subject to amendments), completing final amendments and planning resources in partnership with Publica</td>
<td>Yes</td>
</tr>
<tr>
<td>Increase the Ubico contribution to the corporate pension schemes to 4% to be in line with legislative changes.</td>
<td>Completed as part of partnership sum setting process.</td>
<td>Yes</td>
</tr>
<tr>
<td>Implement new contract costs of conduct, gifts and hospitality guide &amp; declaration of interests.</td>
<td>Completed and launched. 10 apprentice drivers are embarking on training.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Operations

<table>
<thead>
<tr>
<th>Q1 Action</th>
<th>Update</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Mobilise operation for the commissioning of Javelin Park Energy from Waste.</td>
<td>Javelin Park EfW delayed until June, preparations in place for operational mobilisation.</td>
<td>Yes</td>
</tr>
<tr>
<td>Implement changes to grounds maintenance (Tewkesbury BC).</td>
<td>Updated grounds maintenance schedule being implemented in TBC.</td>
<td>Yes</td>
</tr>
<tr>
<td>Work in partnership with TBC to implement changes to street services.</td>
<td>Review of street services underway in partnership with the commissioner.</td>
<td>Partial</td>
</tr>
<tr>
<td>Ensure specifications and contract sums are appropriate for the costs of the Ubico operation (FoDDC).</td>
<td>Receiving confirmation of variation and specification from FoDDC.</td>
<td>Partial</td>
</tr>
</tbody>
</table>

Value for money

<table>
<thead>
<tr>
<th>Q1 Action</th>
<th>Update</th>
<th>On track</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement an updated contract sum setting process for 2020/21 financial year.</td>
<td>Process planned and updated to be mobilised in partnership with shareholders and commissioners.</td>
<td>Yes</td>
</tr>
<tr>
<td>Embed the monthly production of management and performance information with corporate and commissioner needs.</td>
<td>Monthly management information reports compiled and circulated for each contract, harmonised and used to streamline the process.</td>
<td>Partial</td>
</tr>
<tr>
<td>Procurement of a new PPE clothing contract.</td>
<td>Evaluation completed and contract awarded. Planned implementation for July.</td>
<td>Yes</td>
</tr>
<tr>
<td>Provide finance and procurement training to staff.</td>
<td>Underway, procurement training delivered to managers and finance training being rolled out.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Highlights of key activity next quarter

- Developing an updated training package for supervisors and key operational staff.
- Restructure of fleet services to improve operational performance and compliance.
- Begin implementation of a new Fleet Management software system.
- Work with CDC and other commissioners on tender of a new in-cab system and back office software.
- Commercial waste paper presented to Board.
- Independent NED recruitment.

Finance update
In 2016/17 Ubico was expanding rapidly and did not have corporate resources to meet demands from shareholders for improved transparency and detailed finance and management information.

Shareholders expressed concerns that corporate capacity was not sufficient to manage expanded operation or compliance risks.

The corporate charge was too low to fund the resources necessary to meet operational and shareholder requirements.

Board agreed to allow an increase in corporate charge from 4.9% to up to 6% to fund additional staff.

Ubico corporate overhead is 5.8%.

This is benchmarked against 12-13% in the Private Sector (Source: Eunomia & WYG). This is comprised of 8-9% overhead with a 4% profit margin.

Ubico Corporate Support Costs 2019/20

- 25 posts funded by the corporate support charge, including the three Executive Directors.
- Posts cover senior management and functions of compliance, company and board secretariat, internal communications, finance, business analysis and management information.

Support services

- Total of £700K was spent on support services in 2018/19.
- £400K to provide HR and finance functions.
- 80% of support service cost is with Publica (HR, finance, payroll, IT, insurance, procurement, H&S advice).

Finance

- Ubico Financial Controller has now been in post for nine months. Finance team now appropriately resourced for a company of Ubico’s size.
- Financial Controller working in partnership with commissioners and finance officers to make improvements to monthly reporting and accuracy.
- Partnership sum setting will begin in July for 2020/21.
Ubico operates three vehicle maintenance workshops with 14 vehicle technicians and one apprentice.

- The company operates and manages the maintenance for a large and varied fleet consisting of 781 vehicles, plant and trailers including:
  - 171 Heavy Goods Vehicles up to 32,000kg GVW
  - 77 Light Commercial Vehicles 3,500kg or less
  - 44 Road registered plant
  - 433 Non road registered plant
  - 41 Trailers
  - 12 Cars
  - 3 Other non mobile plant

Ubico has 42 registered grey fleet drivers and vehicles.

- Vehicles which are owned by employees but used on company business.
- Ubico has a duty of care to ensure grey fleet is fit for purpose.
- Fleet team must ensure that every grey fleet vehicle has a valid MoT, is insured for appropriate business use and that the employee has a valid driving licence.
- Severe sanctions for non compliance including corporate manslaughter in extreme cases.

'Grey' fleet

- Priorities
  - Maintaining compliance and safety
  - Improving data, management information and telematics to:
    - Improve driver behaviour
    - Improve safety
    - Reduce fuel consumption
    - Drive efficiencies
    - Reduce costs and volatility
  - Reducing environmental impact

- Current work
  - Proposal presented to Board and commissioners to improve the process of specifying and procuring the vehicles to reduce hires and improve cost efficiencies.
  - Business cases developed to make investments in workshops to reduce costs and offer potential to deliver greater commercial income.
  - Depreciated vehicles being assessed for refurbishment for deployment in a hire fleet.
  - Improving the specifications and technology in vehicles.
  - Restructure of fleet services team to improve operational performance.

Priorities

Current work