



2022/23 Business Plan

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1. Business Overview

1.1. Who we are

Ubico is a local authority owned company operating across Gloucestershire and West Oxfordshire. We deliver high quality, front line environmental services which support and improve our local communities to remain clean, green and pleasant places to live and work.

In 2022 Ubico will celebrate its tenth anniversary. The company has grown quickly in this time, achieving significant successes whilst facing the challenge of swift expansion, learning and developing and building to the company it is today, delivering reliable, efficient services to our shareholder partners. Our resilient and effective response to the coronavirus pandemic has cemented our reputation as a successful provider of environmental services, and we would like to thank all our shareholders for their support over this challenging time.

We are delighted to be continuing our relationships with our existing shareholder partners into the future, with all our partnership agreements having been extended or renewed beyond 2022. We also welcome Gloucester City as our eighth shareholder and will start delivering services for them from April 2022. We look forward to building the sound relationship that has begun during the preparation work for mobilisation of these services.

Our shareholding authorities continue to face the challenge of delivering high quality services against a backdrop of stretched finances, and this is exacerbated by the financial challenges brought about by the coronavirus pandemic. In 2022/23 we will continue to work closely with our shareholder partners to support them in meeting these challenges, exploring opportunities to deliver greater value through efficiencies, wider partnership working and development opportunities. All of our shareholder partners have declared a climate emergency and we are committing to supporting them in reducing carbon emissions. We will continue 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.

In 2022/23 we move into the second year of the delivery of our five year vision, delivered through four strategic pillars, People, Operational Excellence, Climate and Business Development. The year will see a key area of focus around our People pillar. Building on our strong foundations to improve our offering to our staff, be it through strong engagement, support, training or technology, is fundamental to the successful delivery of our other

strategic pillars. We will seek to drive improvements in these areas in order that we can continue to deliver successful, efficient services. As a company who relies on the availability of professional drivers, we must also look to mitigate the risks from the national shortage wherever possible. We will continue to deploy our driver shortage mitigation strategy to ensure that we retain our excellent driving staff, and also remain attractive to potential new candidates.

1.2. 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.

In 2021 our health and safety support function was brought entirely in-house, consolidating the team and offering greater flexibility to adapt our provision to changing needs. Our internal compliance team, now in its third full year, also expanded its capability to include internal auditing for our ISO accreditations. This not only delivers financial efficiencies, but improves the company's internal expertise, our resilience and the support offered to our colleagues

1.3. Our shareholders



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. Our approach to risk

Risk management is one of the key principles 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. Risk management within Ubico is about managing our threats and opportunities and striving to create an environment of 'no surprises'. By managing our threats effectively, we will be in a stronger position to deliver our business objectives. By managing our opportunities, we will be in a better position to demonstrate improved services and value for money.

Our Strategic Risk Management Objectives:

- Maintain a strategic approach to risk management to make better informed decisions
- Board and Senior Management set a 'tone from the top' on the level of risk we are prepared to accept - our 'risk appetite'
- Use risk management to enable consistent appraisal of options and improved flexibility/agility in delivering change
- Develop leadership capacity and skills to ensure understanding of the risks facing the company and how we manage them.
- Integrate risk management into how we run Ubico business/services.
- Develop a culture of well-measured risk taking throughout Ubico, including strategic, programme, partnership, project and operational.

The Three Lines of Assurance

In order to provide assurance that Ubico has identified and enacted effective controls to mitigate its risks, we have adopted the 'Three Lines of Assurance' model. This model identifies three key sources of assurance, as follows:

- The **First Line** are the functions that own, manage and control risks - these are our managers and supervisors
- The **Second Line** are the functions that oversee risk and ensure compliance - this is our Compliance function
- The **Third Line** are the functions that provide independent assurance on the management of risks. These are our partners who provide our Internal Audit services, our external auditors and the Regulators.

1.7. 2021 Headline Performance

Performance Scorecard

| Pillar | Measure | 2021 Goal | 2021 Achievement | 2026 |
|------------------------|--|-------------------------------|---|--|
| People | Vacancy fill rate (advertisement closed to acceptance) | <1 month | 84.08% fill rate Time to hire 2.4 months | <1 month |
| | Annual training budget utilisation | 80% of annual training budget | 80.08% (Apr to Dec) | 100% of annual training budget |
| | Conformance to mandatory training to schedule | >90% | New starters >95% | >95% |
| | Staff turnover | <14% attrition | 9.62% (20/21) | <10% attrition |
| Operational Excellence | Service KPIs - Missed bins (per 100,000 collections) | <0.05 % | 0.073% | <0.05 % |
| | Service complaints & compliments | Maintain & improve | Data will be presented from 2022 | Targets established by empirical data |
| | Fleet compliance | Fleet Audit Scores >90% | 92.37% average | Fleet Audit Scores >95% |
| | RIDDOR occurrence | <12 per year | 6 | <9 per year |
| | Deliver to set budget | Within 5% set budget | -6.4% (20/21) | 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) | Sophisticated measures in place across transport, buildings and key activities |
| Business Development | % Service coverage of core services to existing shareholders | | 82.61% | 95% |

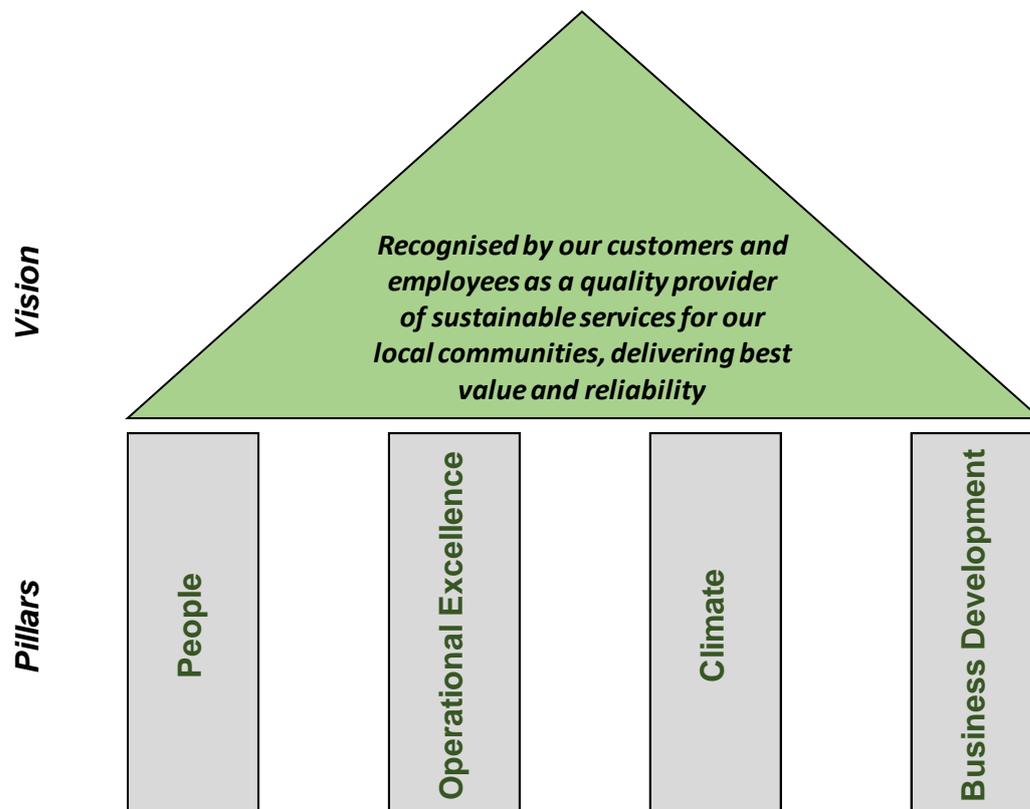
1.8. Our five-year vision (2021-2026)

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 2022/23

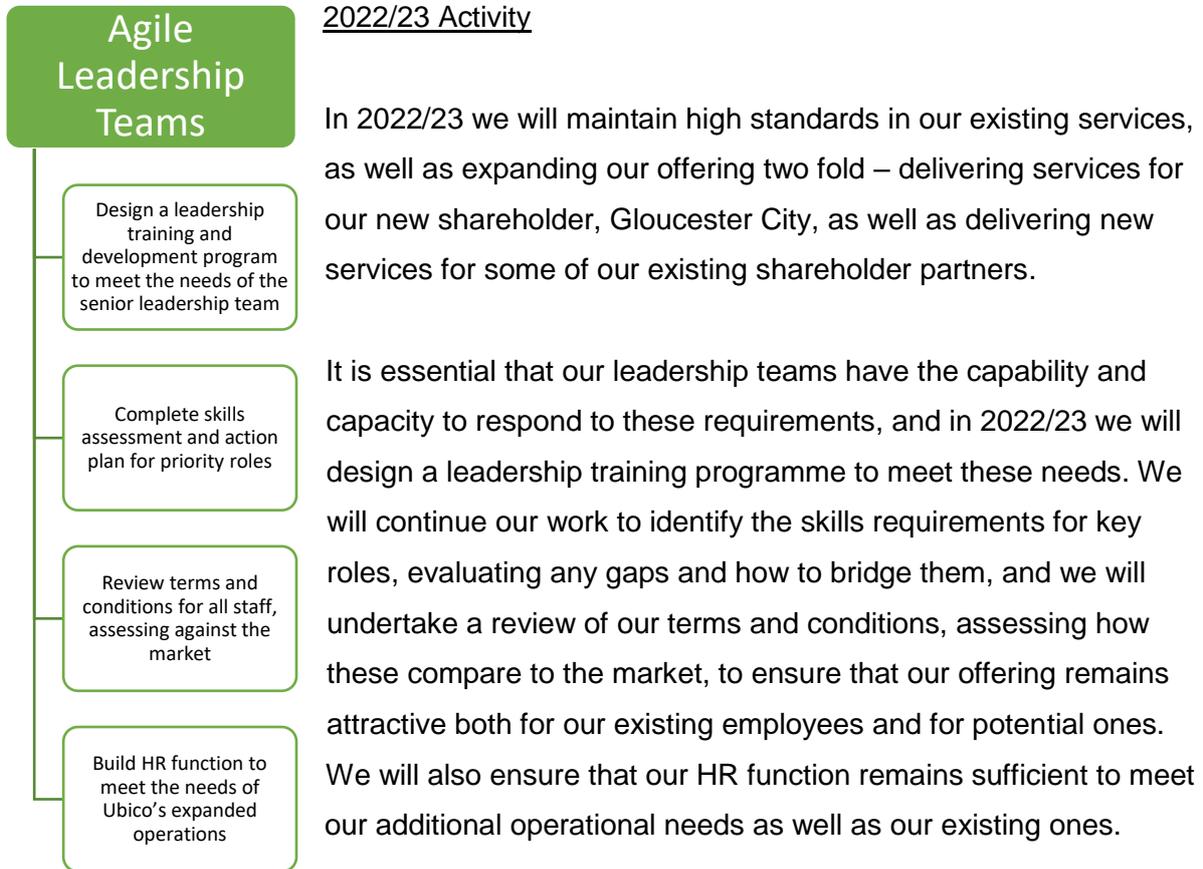
Ubico's 2022/23 business plan is built around our four key pillars:

| People | Operations | Climate | Business Development |
|--|--|---|--|
| <p>We will have a well-trained, supported and engaged workforce who live our values and are proud to work for Ubico.</p> | <p>We will deliver high quality services which remain safe and compliant, seeking continuous improvement in productivity, value and service excellence.</p> <p>We will harness innovation where appropriate and will explore synergies and opportunities for partnership and cross boundary working.</p> | <p>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.</p> | <p>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.</p> <p>We will explore opportunities that aren't simply about profit, including those that would deliver greater value, help our communities or improve services.</p> |

Each of our four pillars is divided into sub-pillars which contain our high level objectives. The 2022/23 business plan objectives for each sub pillar, and the associated risks and mitigations, are outlined on the following pages.

2.1. People Pillar

2.1.1. People: Agile Leadership Teams



Risks and Mitigations

| Risk | Mitigation |
|--|--|
| 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 |
| Ongoing impact of COVID | Agile working policy in place, hot-desking available at all depots, mitigation measures remain in place as long as is necessary, continue to work to WISH guidelines |
| Succession planning | Development of the learning and training functions, skills assessments in place for priority roles, leadership training and development program in place |

2.1.2. People: Attractive Local Employer

Attractive Local Employer

Introduce updated recruitment workflow (Applicant Tracking System)

Modernise the company induction process to enable digital delivery where appropriate

Implement staff engagement programme

2022/23 Activity

In order to attract and retain candidates with the right skills and experience, Ubico must be an attractive employer. Our employees must feel valued and supported and should be proud to work for Ubico.

Key activities for 2022/23 aim to bring improvements in the employee experience at all points in their journey. This starts with attracting the right candidates, which we will enhance by improving our market presence and reputation through our marketing activity (see the Operational Excellence pillar). We will improve the applicant experience through the use of an application tracking system. As well as streamlining the candidate application experience, this will also provide us with better data and reporting

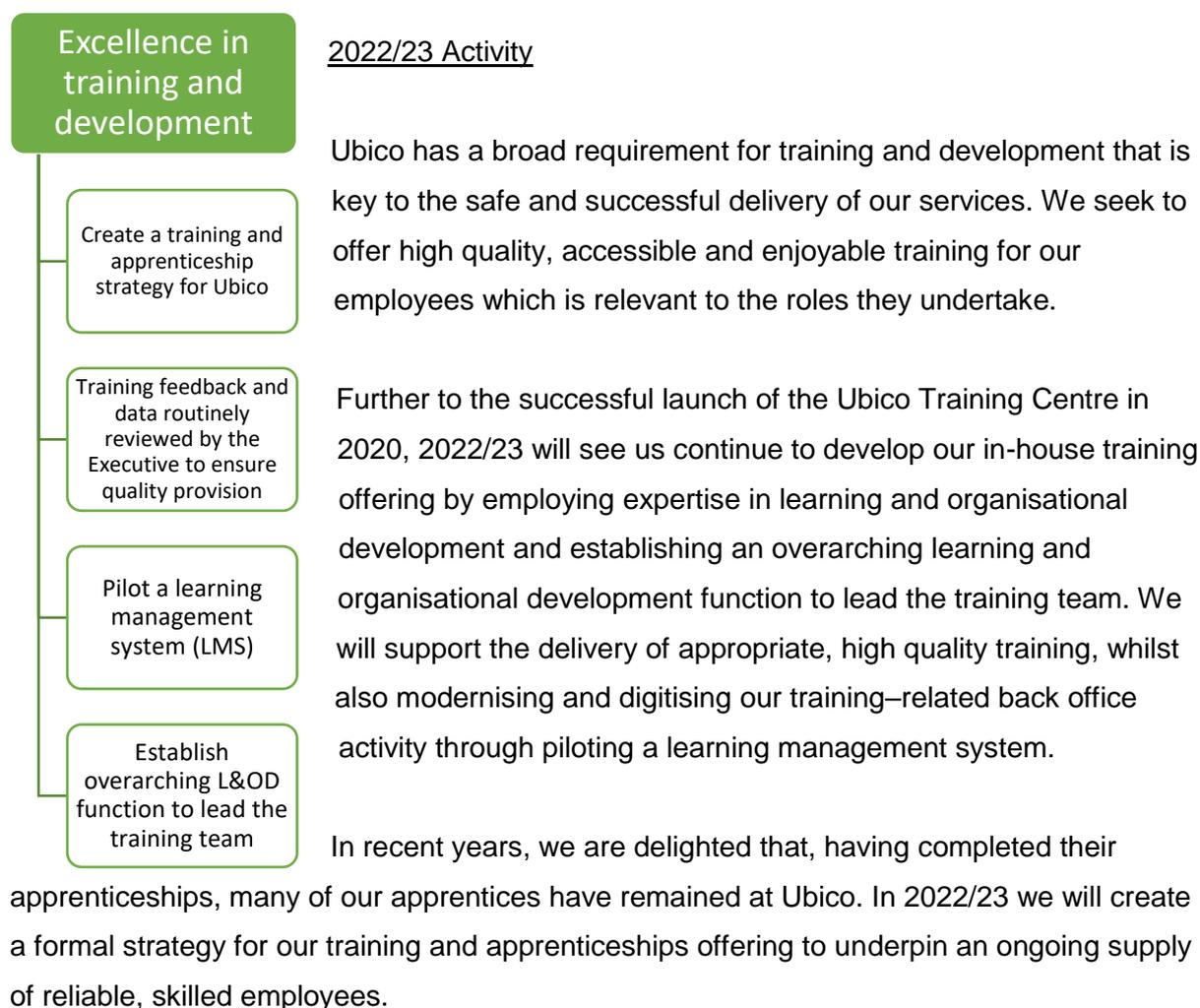
on applicants and their experience which we can use to assess and further improve our processes.

We will continue our journey of improvements in our new staff inductions, modernising them to start to enable digital delivery where appropriate. Our strong provision of support and promotion for good mental health and wellbeing will continue, and we will enhance our communication and engagement, and enable access to employee rewards, through the implementation of an employee engagement platform.

Risks and Mitigations

| Risk | Mitigation |
|--------------------------|---|
| National Driver Shortage | Implement the action plan from our Driver Shortage Strategy |
| Reliance on agency staff | Re-build 'pool' staff where these have depleted Monitor interest in vacancies, vacancy fill rate, attrition rate |

2.1.3. People: Excellence in training and development



Risks and Mitigations

| Risk | Mitigation |
|--|---|
| Inadequate expertise in in-house trainers | Overarching learning and organisational function leads the training team, in-house trainers recruited and retained, train the trainer training programme in place |
| COVID 19 prevents training that requires 'close contact' (e.g. in a vehicle) | Continue to provide such training in the best way possible to achieve the same outcomes. Utilise outdoor spaces wherever appropriate. Maximise 'on the job' training opportunities within crew bubbles. |

2.2. Operational Excellence Pillar

2.2.1. Operational Excellence: Delivering Quality

Delivering Quality

Execute Gloucester city services

Embed the company-wide use of the fleet management system

2022/23 Activity

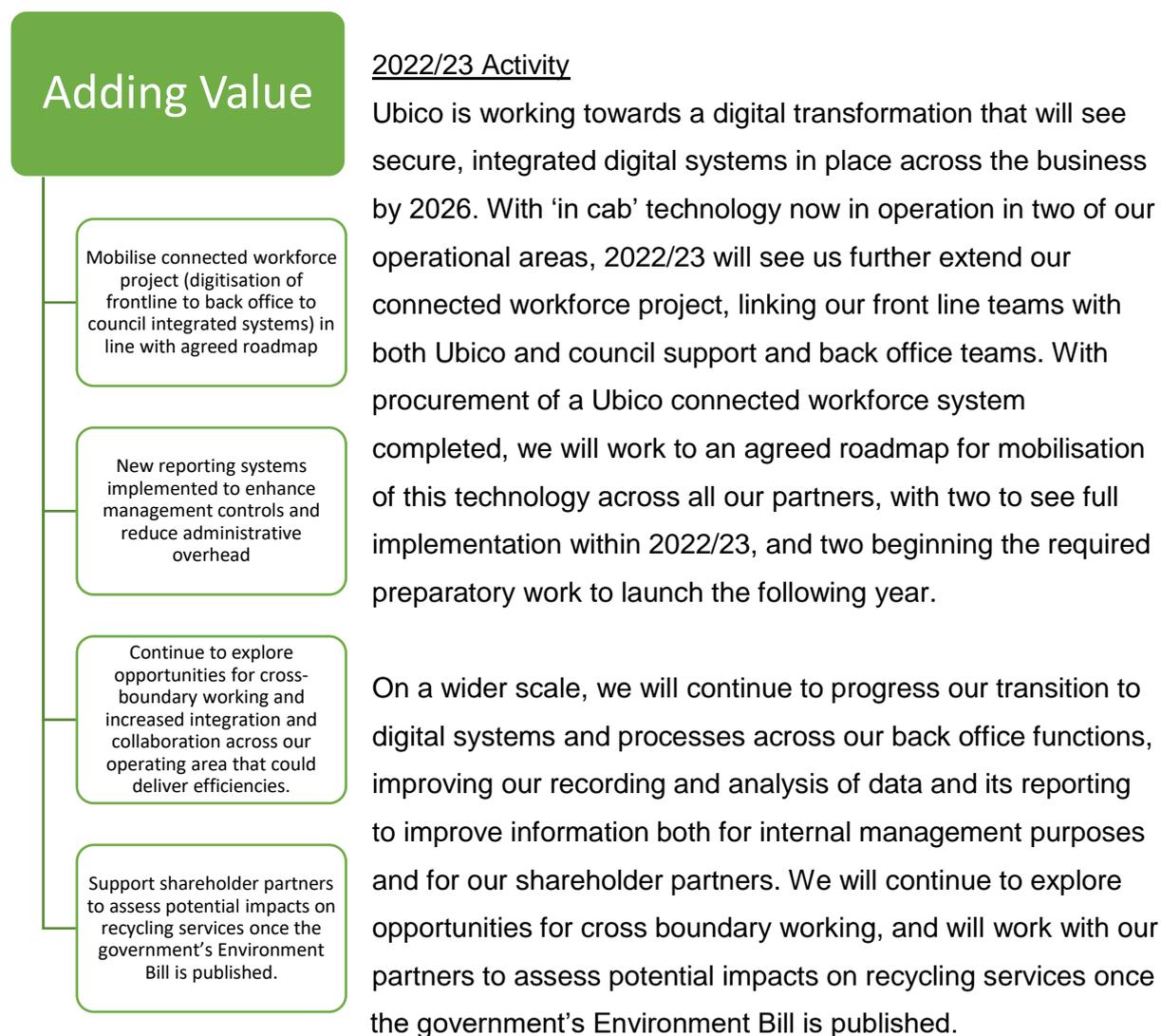
In April 2022 we will commence service delivery for our latest shareholder, Gloucester City. The services we will deliver for Gloucester are synergistic to those we deliver for our existing partners, and will increase the scale of our activities by just under 20%. It is crucial that we embed the delivery of these services effectively and in a timely manner, and to the specification agreed with the council. We will ensure that the services meet our required and expected standards in health and safety and

compliance from the outset, and will introduce alignment with our standard company processes and procedures throughout the year. We will also leverage the benefits of our fleet management system to standardise internal fleet processes, maintain high compliance standards and improve reporting.

Risks and Mitigations

| Risk | Mitigation |
|--|--|
| Front line capacity is insufficient to meet demand | Work in partnership with commissioners to maintain up to date Business Continuity Plans to identify priority services, and to identify and plan for growth as necessary. |
| Inflationary cost pressures | 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. |
| Gloucester City mobilisation does 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, and has appropriate skills to deliver to requirements. |

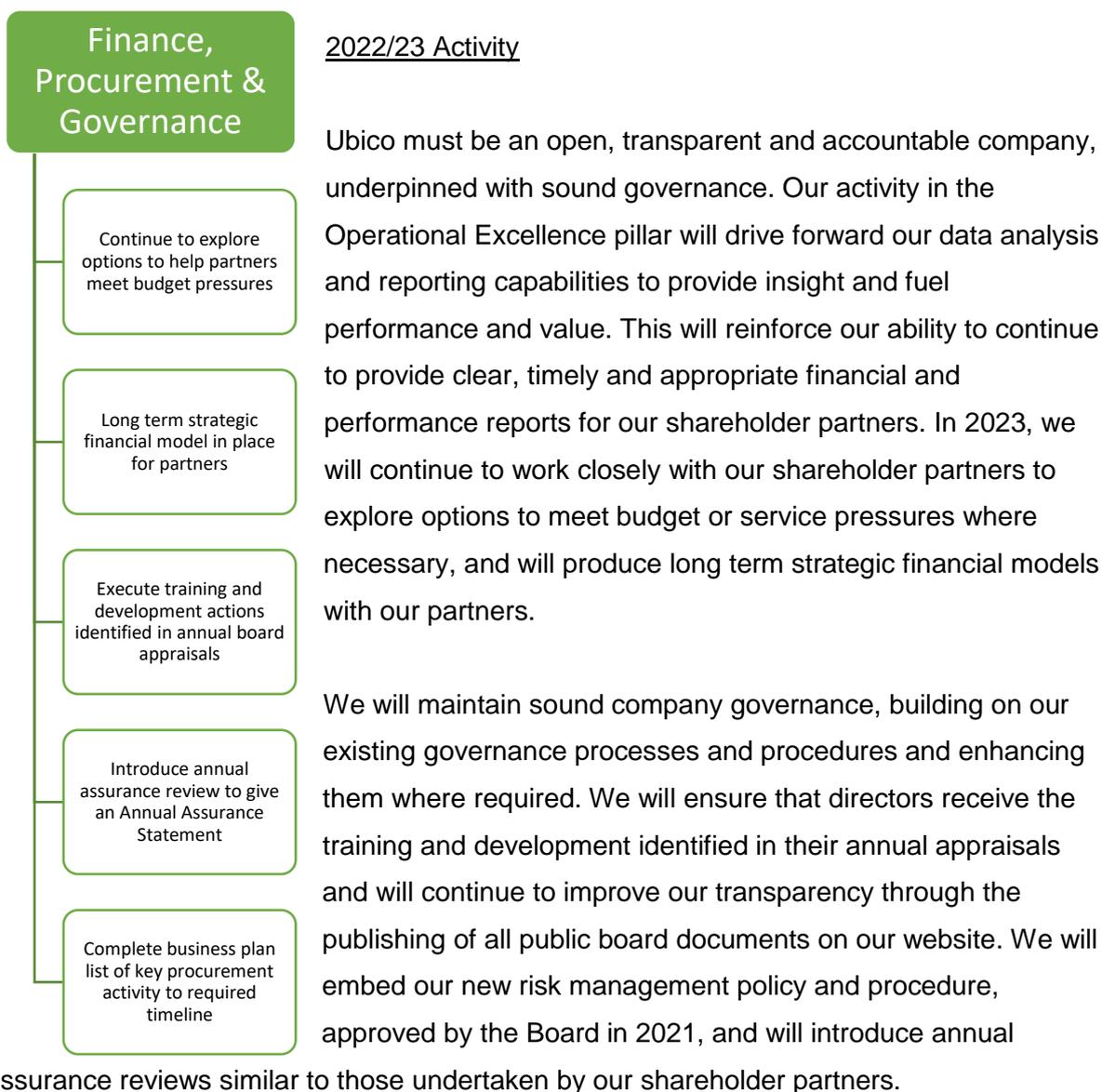
2.2.2. Operational Excellence: Adding Value



Risks and Mitigations

| Risk | Mitigation |
|--------------------------------------|--|
| Procurement | Sufficient procurement support in place, shareholder partner involvement in tender design and evaluation, sufficient time allowed for procurement activity to be completed |
| Functionality | Carefully considered specification drawn up with shareholder partner involvement to meet both current and known future needs |
| A partner requests a bespoke package | Business case articulates benefits of joint package. If still requested, clarify costs of divergence / missed opportunity and ring-fence to partner. |

2.2.3. Operational Excellence: Finance, Procurement and Governance



In 2022/23 we will deliver procurement activity as outlined in section 2.2.4.

Risks and Mitigations

| Risk | Mitigation |
|--|---|
| Procurement activity not fully completed | Sufficient procurement support in place, subject matter experts involved in process as required, clear project timelines and requirements set out, understood and met |

2.2.4. Procurement 2022/23

Planned 2022/23 procurement activity:

- Refuse Vehicle Framework
- Vehicle Hire Framework
- Agency Staff Contract
- Vehicle Maintenance
- Hooklift vehicle provision (HRC's)
- External Audit
- PPE and Uniform
- Occupational Health
- Permanent Recruitment Framework
- Office Stationery
- CPC training
- Fuel Cards
- Static Compactors
- Learning Management System
- Cleaning and Grounds Products
- Site Fire and Security

2.2.5. Operational Excellence: Marketing



Risks and Mitigations

| Risk | Mitigation |
|--|---|
| Duplication of shareholder communications | Any communications which relate to specific partner(s) signed off by their communications teams. |
| Perception of moving to separate ourselves from our shareholder partners | Communications strategy designed with the support of a partner's communications team. Partnership working and initiatives celebrated jointly |

2.3. Climate Pillar

2.3.1. Climate: Strategy

Strategy

- Shareholder climate activities
- Determine roles and responsibilities
 - Use our subject matter expertise to create a list of carbon reduction opportunities to input into shareholder considerations
 - Work with partners to deliver partner selected priority projects

- Ubico activity
- Gap analysis of Ubico's climate reduction opportunities to determine priorities
 - Review external support available for carbon reduction initiatives and integrate into Ubico strategy

2022/23 Activity

In 2021/22, Ubico produced its first carbon reduction strategy. The strategy recognises two strands of activity in this area

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

For activity reliant on shareholder partnership and commitment, we will work with our partners to determine roles and responsibilities, create a list of carbon reduction opportunities to input into shareholder considerations, and work with partners to deliver selected priority projects. For activity that is within Ubico's own remit, we already have a number of initiatives which are integrated into our new strategy and will continue. In addition, we will undertake a gap analysis of further climate reduction opportunities and will determine priorities. We will also review the external support available for carbon reduction initiatives and integrate these within our strategy and action plan.

Risks and Mitigations

| Risk | Mitigation |
|--|--|
| Unfunded expectations from shareholder partners or stakeholders | Clarity on funding model for initiatives must be achieved prior to commencement. |
| Continued disruption to steady state business model and services by Covid, Brexit or supply chain issues affect carbon education initiatives | Improved internal reporting mechanisms give early warning and data to evidence the impact of ongoing increases in service demand or service disruption. Early and ongoing communication with shareholder partners. |

2.3.2. Climate: Ubico owned carbon reduction activity

Compliance & Performance

Roll out carbon reduction driver training to all professional drivers where technology permits

Create baseline KPI's to underpin progress reporting for carbon strategy plan

2022/23 Activity

Ubico is already underway with a number of carbon reduction initiatives including around fleet, driver training and biodiversity work with partners. These existing initiatives are folded into our new strategy and our gap analysis will identify further opportunities within key business areas (fleet, buildings, people, policies etc) to provide a prioritised list for design and, subject to funding, deployment.

As part of the gap analysis exercise to identify additional carbon reduction opportunities, we will review how we can quantify and record key carbon impacts so that we can make informed decisions about required areas of activity or improvement, and measure our performance.

Risks and Mitigations

| Risk | Mitigation |
|----------------------------------|--|
| Driver turnover – loss of skills | New drivers routinely trained as part of induction |
| Ageing fleet increases emissions | Close partnership working with shareholder partners to maintain an up to date fleet replacement programme that is delivered on schedule. Alternative fuel vehicle options identified on fleet replacement programmes, replacement strategy agreed with partners. |

2.3.3. Climate: Partnership Working

Partnership Working

Work with our partners to evaluate the journey to net zero on our fleet

Develop high level options for strategic depot locations to inform shareholder partner decision making, where necessary

2022/23 Activity

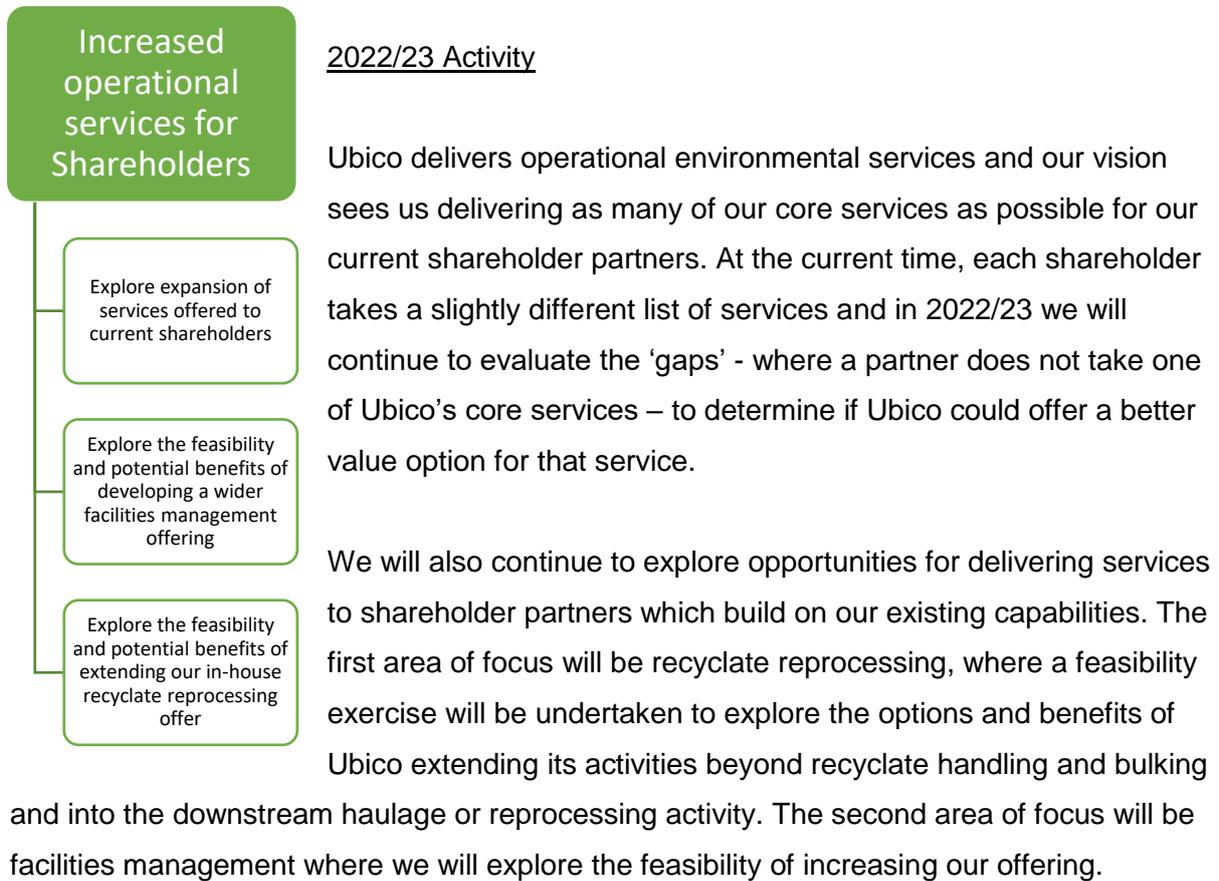
In 2022/23 we will continue to work in close partnership with our shareholder partners to deliver carbon reduction and climate beneficial initiatives. We will evaluate the opportunities identified in our gap analysis which require shareholder partnership and commitment, and work with them to deliver selected priority projects. In addition, we will continue our work with our partners when evaluating options for fleet replacements and the journey to net zero. We will develop high level options for strategic depot locations across our operational areas to inform partner decision making, where necessary.

Risks and Mitigations

| Risk | Mitigation |
|---|---|
| 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 |

2.4. Business Development Pillar

2.4.1. Business Development: Increased Operational Services for Shareholders

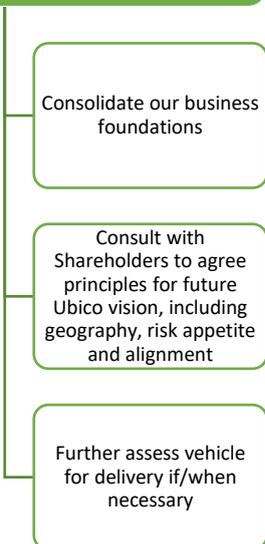


Risks and Mitigations

| Risk | Mitigation |
|--|--|
| Leadership capacity to manage expanding portfolio | Focus on core environmental services where we are skilled and experienced |
| Entering new field and competitive landscape changes | Full risk analysis included in each business proposal presented to shareholder partners to enable informed decisions. Funding mechanisms clearly agreed ahead of commencement. |

2.4.2. Business Development: 'Future Ubico'

Future Ubico



2022/23 Activity

Proactive commercial tendering is often cited as a significant area of potential opportunity, growth, and return for Ubico, however the company does not have a commercial bidding team nor the funds to introduce one. As a result, Ubico currently only undertakes a small amount of 'commercial' work (work outside that which it provides to its shareholder partners) and the securing of this work has been opportunistic rather than targeted. However, Ubico has seen significant growth in 2021 with the addition of its eighth shareholder, Gloucester City Council, which will see the company grow by just under 20% in 2022/23.

Within our current 5 year vision, we will consolidate our business foundations in order to maximise the efficiency and scalability of our core operations for our current shareholders. We will engage with our shareholder partners in 22/23 to understand their priorities and vision for Ubico for the next five years. This will determine a future pathway which will be built into our next five year strategy.

Risks and Mitigations

| Risk | Mitigation |
|--|--|
| Gloucester City mobilisation does 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, and has appropriate skills to deliver to requirements. |
| Gloucester City costs increase due to changing economic environment | Early warning of budgetary pressures presented to Gloucester as with our other partners, through both budget setting processes and monthly forecasting reports. |
| Expectation of expanding commercially without requisite skills or capacity | Detailed shareholder consultation and full understanding of shareholder risk appetite and commitment ahead of commencement of any commercial project |