

# Briefing Note

## Ubico Performance Report 2022-23

**Committee: Overview and Scrutiny**

**Date: 4 September 2023**

**Responsible officer: Karen Watson, Environmental Partnerships Manager**

This note provides information to keep Members informed of matters relating to the work of the Cabinet or a committee but where no decisions from Members are needed. If Members have questions relating to matters shown, they are asked to contact the officer indicated.

---

### **Background**

Cheltenham Borough Council is responsible for the funding and provision of environmental services (waste, recycling, street cleansing, grounds maintenance) across the borough. Operational delivery of this is the responsibility of Ubico Ltd, a teckal company owned by a number of local authorities including Cheltenham, monitored by Council officers.

Annually Ubico is required to present a performance report to Overview and Scrutiny Committee covering the previous year's performance for Cheltenham. The report attached covers the financial year 1 April 2022 to 31 March 2023 as well as the first quarter's performance this current financial year so members can see the direction of travel in terms of performance to date. Separately Ubico present their annual business plan to Cabinet.

### **Performance - CO<sub>2</sub>e/Green House Gas emissions – a good news story**

Most of the Council's fleet of 90+ vehicles are operated by Ubico and were historically internal combustion engine vehicles of varying sizes fuelled by diesel. Following the cabinet decision in December 2021 to transition away from diesel and use certified palm oil free hydro-treated vegetable oil to fuel heavy goods vehicles, replacing 3.5T smaller vehicles with electric where possible and introducing measures to reduce fuel consumption, Ubico has delivered a 492 tonne (approx.) reduction in CO<sub>2</sub>e/GHG emissions measured at the end of May 2023.

Hydro-treated Vegetable Oil (certified palm oil free) for 2022/23 was 87.7% cleaner well to wheel than diesel, with year to date at 89.95% cleaner. The Council has funded 8 electric charging points at Swindon Road depot and, in addition to the Mayor's car which is charged at the site, Ubico operate 2 electric vehicles with 3 more on order.

The introduction of telematics on most vehicles combined with ECO drive initiatives has delivered an average reduction in fuel consumption across the fleet of around 8,990.87 litres of fuel.

### **Summary of financial performance – Ubico contract sum 2022/23**

Cheltenham Borough Council and Ubico originally agreed a contract sum of £9.16m for the 2022/23 financial year. This was revised to £9.46m following the 2022/23 pay award agreement which was significantly higher than budgeted. Despite a challenging year and some areas of overspend, I am pleased to report that the financial outturn was £80k underspent overall and the reasons are set out below:

Fuel prices were significantly higher than budgeted - £90k overspend  
General supplies and services were impacted by inflation - £44k overspend  
Vehicle repair costs were also impacted by inflation and an aging fleet - £38k overspend  
Delays in vehicle replacement reduced asset recharge for the year - £153k underspend  
Waste tipping charges were lower than budgeted - £25k underspend  
Employment costs, tyres, premises, insurance, support services recharges were all underspent - £74k underspend

### **Summary of performance**

Ubico have provided the attached report for members to consider with an executive summary on pages 2-6 of the attachment.

I am pleased to report that Ubico have improved their collection accuracy and exceeded their performance target of 99% with an end of year performance rate of 99.92% meaning less bins and boxes were missed at the kerbside. The introduction of in-cab technology during the last year should, once the teething problems are ironed out, improve performance further. In line with other councils across the County, tonnages have dropped in Cheltenham for both refuse and recycling and this may well be due to the cost of living crisis and some manufacturers changing their packaging. Officers continue to work with Ubico to ensure services are optimised and respond to changes at the kerbside.

### **Risk**

Over and above the financial risks facing us all due to inflation and higher costs for fuel, supplies and services and salaries as well as supply chain issues acquiring spare parts for vehicles in appropriate timelines, the main risks are outlined below:

Health and safety risks are very tightly managed by Ubico and they have robust processes in place. Broken glass in recycling boxes or glass mixed with paper presents a significant risk to staff and officers are supporting Ubico to reduce this at kerbside. Batteries, vapes and Nitrus Oxide cannisters present fire risks for collection and disposal.

In common with most other authorities, delays in government guidance regarding consistency of collections and free garden waste collections has presented challenges in determining timing and specification of the waste and recycling fleet replacement now due. Vehicles are now ageing and decisions will need to be taken very soon to reduce maintenance costs.

Street cleansing and grounds maintenance expertise is in short supply with a buoyant private sector offering higher salaries for grounds maintenance staff. Ubico have a long term plan in place to 'grow their own' with apprenticeships, training and mentoring however in the short term there is considerable risk that older staff retiring cannot be replaced with the same level of skills which may impact on operational delivery of services.

---

Contact Officer: Karen Watson, Environmental Partnerships Manager

Tel No: 01242 264397

Email: [karen.watson@cheltenham.gov.uk](mailto:karen.watson@cheltenham.gov.uk)