

Briefing Note

Ubico Performance Report 2023-24

Committee name: Overview and Scrutiny

Date: 9 September 2024

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 2023 to 31 March 2024. Separately Ubico present their annual business plan to Cabinet.

Performance - CO₂e/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 hydrogen 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 delivered a 494 tonne (approx.) reduction in CO₂e/GHG emissions last year and initial figures for 2023/24, measured at the end of May 2024, indicate a 797.35 tonne reduction in CO₂e/GHG emissions for 2023/24 (figures should be confirmed by the date of the meeting).

Hydrogen Treated Vegetable Oil (certified palm oil free) for this period was estimated at 94% cleaner well to wheel than diesel. 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 now operate 3 electric vehicles with 3 about to go into service any day.

The introduction of telematics on most vehicles combined with ECO drive initiatives delivered an average reduction in fuel consumption across the fleet of around 9,958.51 litres of fuel in 2022/23 (last year). Updated figures should be available for 2023/24 by the date of the meeting.

Summary of financial performance – Ubico contract sum 2023/24

Cheltenham Borough Council and Ubico originally agreed a contract sum of £9.16m for the 2022/23 financial year which increased to £10,644,197 for 2023/24. Despite a challenging year and some areas of overspend, I am pleased to report that the financial outturn was £188,887 underspent overall and the reasons are set out below:

Employment costs/training, vehicle hire, PPE, repairs/maintenance for vehicles and premises, transport costs were all higher than budgeted - £224k overspend.

Fuel, tyre prices and supplies & services were lower than budgeted, as were premises/insurance costs, waste tipping charges, income and support services - £413k underspend.

Summary of performance

Ubico have provided the attached report for members to consider with an executive summary on pages 2-5 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 99.95% meaning less bins and boxes were missed at the kerbside. The introduction of in-cab technology over the last 2 years, now teething problems have been ironed out, is further improving performance. In line with other councils across the County and as reported last year, 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. Food waste tonnages have also dropped and, along with other initiatives, a door knocking exercise is planned by the Council for October, in conjunction with Gloucestershire County Council, to seek to increase food waste recycling participation. Officers continue to work with Ubico to ensure services are optimised and respond to changes at the kerbside.

Ubico report a 24.4% increase in fly tipping requests from the previous year and officers will be working with members and the neighbourhood team to seek to address this with a publicity campaign to raise awareness.

Reports associated with weeds and grass cutting did increase during 2023/24 as a result of machinery breakdowns, difficult weather conditions and staffing/resourcing issues. These issues have continued into 2024/25 and officers are working with Ubico to address the resourcing issues and how best to deal with weeds across the borough.

Risk

Over and above the financial/budget risks facing the service due to external pressures and pay awards, the key risks are set out 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 still 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.

Delays in government guidance regarding consistency of collections and free garden waste collections caused delays in timing and specification of the waste and recycling fleet replacement. We have clarity now regarding chargeable garden waste collections and the materials required to be collected by when for recycling and work is in hand with Ubico to optimise rounds and review fleet size to meet these requirements and the forecast property growth alongside savings targets and ageing infrastructure at the Swindon Road Depot.

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

Officers are working with Ubico to review the provision of streets and grounds activities going forward given the financial pressures the Council is facing.

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