

**TO EACH MEMBER OF THE
AUDIT AND GOVERNANCE COMMITTEE**

24 July 2019

Dear Councillor

AUDIT AND GOVERNANCE COMMITTEE COMMITTEE- WEDNESDAY 24 JULY 2019

Further to the Agenda and papers for the above meeting, previously circulated, please find attached an urgent report which will be taken at Item 17 on the Agenda.

With agreement of the Chair of the Committee, the item has been accepted as urgent following the Overview and Scrutiny Committee decision at its meeting held on 23 July 2019 to establish a Depot Services Working Group. The approved Terms of Reference set out that the Group shall comprise nine Members of the Council to include six Members of the Overview and Scrutiny Committee, one Member of the Audit and Governance Committee and the Lead Members for Clean and Green Environment and Finance and Asset Management. It is therefore necessary for the Audit and Governance Committee to appoint a Member to sit on the Working Group to enable it to commence its work.

Should you have any queries regarding the above please contact Democratic Services on
Tel: 01684 272021

Yours sincerely

Head of Democratic Services



TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	24 July 2019
Subject:	Depot Services Working Group
Report of:	Head of Community Services
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Clean and Green Environment
Number of Appendices:	1

Executive Summary:

Ubico Ltd delivers the Council's waste, recycling, street cleansing, grounds maintenance and trade waste services. The contract with Ubico constitutes a significant financial outlay for the Council. The budget for 2019/20 is £3.87m. Ubico is a teckal company wholly owned by a partnership of local authorities of which Tewkesbury Borough Council is a shareholder.

The Overview and Scrutiny Committee receives regular reports on the performance of Ubico and has at times queried the effectiveness and efficiency of the company. Members have also, at times, expressed frustration about a perceived lack of control and transparency with Ubico. It is important that Councillors understand how Ubico operates and the relationship between the Council and the company.

In order to facilitate this, at the meeting held on 23 July 2019, the Overview and Scrutiny Committee resolved to establish a Depot Services Working Group in order to gain a full and comprehensive understanding of the company, its set up and its operations and management. The approved Terms of Reference set out that the Group shall comprise nine Members of the Council to include six Members of the Overview and Scrutiny Committee, one Member of the Audit and Governance Committee and the Lead Members for Clean and Green Environment and Finance and Asset Management. It is therefore necessary for the Audit and Governance Committee to appoint a Members to sit on the Working Group to enable the Group to commence its work.

Recommendation:

To appoint a Member of the Audit and Governance to sit on the Depot Services Working Group in accordance with the Terms of Reference set out at Appendix A.

Reasons for Recommendation:

To represent the Audit and Governance Committee on the Depot Services Working Group which will give Members the opportunity to scrutinise Ubico operations and management.

Resource Implications:

None arising directly as a result of this report.

Legal Implications:

The Council joined Ubico Limited on 1 April 2015.

The Council's involvement with the company is divided into 3 broad aspects:

- Shareholder-as joint owner;
- Board- the Council nominates a director to the Board of Directors; and
- Contractual- the company provides waste and environmental services to the Council in accordance with a contract for services which continues until 31 March 2022.

The Working Group will have an opportunity to consider these three aspects in more detail, as well as the other areas of work set out in Paragraph 2.3 of the report.

Risk Management Implications:

None arising directly as a result of this report.

Performance Management Follow-up:

The Working Group will operate within the guidelines set out in the Terms of Reference. The Working Group will report back to the Overview and Scrutiny Committee and prepare a report to the Executive Committee on its findings at the conclusion of the review.

Environmental Implications:

None arising directly as a result of this report.

1.0 INTRODUCTION/ BACKGROUND

1.1 Ubico has been delivering the Council's waste and street scene services since 1 April 2015. It is important that Members fully understand the relationship between Ubico and the Council, including what being part of a teckal arrangement means in terms of the level of control that the Council has over the operations of the company.

1.2 The Overview and Scrutiny Committee receives regular reports on the performance of Ubico and has at times queried the effectiveness and efficiency of the company. Members have also, at times, expressed frustration about a perceived lack of control and transparency with Ubico.

2.0 DEPOT SERVICES WORKING GROUP

2.1 At the Overview and Scrutiny Committee held on 23 July 2019, it was agreed to establish a Depot Services Working Group in order to gain a full and comprehensive understanding of Ubico, its set up and its operations and management.

2.2 The primary aim is to receive reports and information pertinent to the operation and strategic direction of waste and recycling, street cleansing and grounds maintenance services. The Working Group will consider:

- General overview of the company, partnership arrangements and governance
- Finance and financial monitoring
- Operations (to include H&S & ISO Accreditation)
- Performance Management and Key Performance Indicators (KPIs)
- Fleet management
- Technology and telemetry
- Future efficiencies
- Commercial opportunities

2.3 The approved Terms of Reference, attached at Appendix A to the report, set out that the Group shall comprise nine Members of the Council to include six Members of the Overview and Scrutiny Committee, one Member of the Audit and Governance Committee and the Lead Members for Clean and Green Environment and Finance and Asset Management. The six Overview and Scrutiny Committee Members were appointed at its meeting on 23 July 2019. It is therefore necessary for the Audit and Governance Committee to appoint a Member to sit on the Working Group to enable it to commence its work.

3.0 OTHER OPTIONS CONSIDERED

3.1 None

4.0 CONSULTATION

4.1 None

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None

6.0 RELEVANT GOVERNMENT POLICIES

6.1 None

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 None

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 Overview and Scrutiny Committee – 23 July 2019

Background Papers: None

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Appendices: Appendix A – Depot Services Member Working Group - Terms of Reference

**Depot Services Working Group
Terms of Reference**

1. AIMS AND OBJECTIVES

To receive reports and information pertinent to the operation and strategic direction of waste and recycling, street cleansing and grounds maintenance services.

2. CONSTITUTION AND POWERS

- (i) The Group shall comprise nine Members of the Council to include six members of the Overview and Scrutiny Committee, one Member of the Audit and Governance Committee and the Lead Members for Clean and Green Environment and Finance and Asset Management.
- (ii) The Group will be supported by Officers, primarily the Head of Community Services and the Head of Finance and Asset Management.
- (iii) The Group shall, at its first meeting, appoint a Chair and Vice-Chair.
- (iv) The quorum of the Group shall be four Members.
- (v) Substitution arrangements will not apply.

3. TERMS OF REFERENCE

- (a) To receive and review quarterly financial and performance information in relation to the Ubico contract.
- (b) To review operational aspects of the Ubico contract delivery.
- (c) To receive the annual Ubico Business Plan and Vehicle Summary report.
- (d) To receive the presentation of business cases from Ubico in pursuit of both the commercial and efficiency agenda.
- (e) To receive internal audit reports in relation to the Ubico contract.
- (f) To review the requirements and provision of depot facilities.
- (g) To review the current contract arrangements and evaluate other options for service delivery.
- (h) To review emerging strategic issues.
- (i) To report to Overview and Scrutiny on a bi-annual basis the work undertaken by the Working Group.
- (j) Internal Audit reports will be referred to the Audit and Governance Committee for consideration.

4. DELEGATED POWERS

Working Groups are not decision-making bodies, therefore all decisions required will be referred to the appropriate Committee or Council

5. FREQUENCY OF MEETINGS

Working Group meetings will take place every three months, or as necessary. The Group will continue until contract renewal at which point it will be reviewed.