



**WEST OXFORDSHIRE
DISTRICT COUNCIL**

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	EXECUTIVE 10 SEPTEMBER 2025
Subject	REVIEW OF THE UBICO SHAREHOLDER AGREEMENT & UBICO BOARD MEMBER APPOINTMENTS
Wards affected	All
Accountable member	Councillor Andy Graham, Leader of the Council Email: Andy.Graham@westoxon.gov.uk
Accountable officer	Phil Martin, Director of Place Email: Phil.Martin@westoxon.gov.uk
Report author	Si Pocock-Cluley, Environment Services and Waste Transformation Lead Email: si.pocock-cluley@westoxon.gov.uk
Summary/Purpose	To seek approval to agree a new UBICO Shareholder Agreement and Ubico Board Member Appointments
Annexes	Annex A – Ubico Articles of Association Exempt Annex B – Ubico Shareholder Agreement Exempt Annex C – Cover note highlighting proposed changes Exempt Annex D – Cover note highlighting further proposed changes
Recommendation(s)	<p>That the Executive resolves to:</p> <ol style="list-style-type: none">I. Approves the termination of the shareholders' agreement between the following local authority shareholders:<ol style="list-style-type: none">a. West Oxfordshire District Councilb. Cheltenham Borough Councilc. Cotswold District Councild. Forest of Dean District Councile. Stroud District Councilf. Tewkesbury Borough Council

	<p>g. Gloucester City Council; and</p> <p>h. Ubico Ltd</p> <p>that was entered into in January 2020 (the “2020 Shareholders’ Agreement”).</p> <p>2. Approves the proposal described in this report to enter into a replacement Shareholders’ Agreement between the above parties in the form set out in exempt Annexe B to this report.</p> <p>3. Approves the proposal described in Exempt Annex D to this report in relation to number of votes for each shareholders, further amending the agreement set out in Exempt Annex B.</p>
Corporate priorities	<ul style="list-style-type: none"> • A Better Environment for People and Wildlife • Working Together for West Oxfordshire
Key Decision	NO
Exempt	YES
Consultees/ Consultation	<p>Phil Martin – Director of Place</p> <p>Madhu Richards – Director of Finance (S151)</p> <p>Leonie Woodward – Head of Legal</p>

1. EXECUTIVE SUMMARY

- 1.1** Ubico Ltd, an environmental services provider jointly owned by eight local councils including West Oxfordshire District Council (WODC), has completed a comprehensive review of its Shareholder Agreement to ensure alignment with current legislation and operational needs. Following Gloucester City Council's addition as a shareholder since the last agreement in 2020, the Ubico Board engaged with all shareholder representatives to incorporate feedback into a revised draft. The proposed amendments, including further refinements prompted by potential local government reorganisation, have been documented and discussed at the Shareholder Forum. Ubico now seeks formal approval from WODC to enter into the updated Shareholder Agreement, which addresses previous inconsistencies and enhances clarity. Additionally, WODC is invited to consider appointing a Director to Ubico's Board, with Ubico requesting consultation to ensure a balanced skillset across the Board. This report recommends agreement to the revised Shareholder Agreement but does not make a recommendation regarding Board appointment.

2. BACKGROUND

- 2.1** Ubico Ltd is an environmental services provider owned by the following shareholding councils:
- West Oxfordshire District Council (WODC)
 - Gloucestershire County Council
 - Cheltenham Borough Council
 - Cotswold District Council
 - Forest of Dean District Council
 - Stroud District Council
 - Tewkesbury Borough Council
 - Gloucester City Council
- 2.2** Ubico currently manages Waste and Environment Services under contract to the WODC. It provides waste, recycling, street cleaning, landscaping and a variety of other environmental services to its shareholding district councils and to a limited external market.
- 2.3** Governance arrangements for UBICO are laid out in the Articles of Association (Annexe A) and the Shareholders' Agreement set out in exempt Annexe B to this report.

3. Ubico Shareholder Agreement

- 3.1** Ubico's Board of Directors conducted a routine review of the company's Shareholder Agreement in June 2024 to ensure that the Agreement continues to reflect the needs of the business in terms of the relationship between Ubico and all of the partners as a group; and that it aligns with current legislation.
- 3.2** Since the current shareholder agreement (Exempt Annexe B) was signed in 2020 Gloucester City Council have become a shareholder of Ubico.
- 3.3** The Board's proposed changes were discussed with each shareholding Council's Shareholder Representative and/or Chief Executive during August 2024 and their initial

feedback sought. Having received all the feedback, this has been considered and incorporated into a final proposed draft which is shown in the marked up document (Exempt Annexe 2.)

- 3.4 Exempt Annexe C, cover note documenting the proposed changes is attached.
- 3.5 The Shareholder Forum on 25th October 2024 discussed the proposed changes to the Shareholder Agreement. Each Shareholder agreed to take the proposed changes through the formal decision-making process at their own council and to seek approval to enter into the replacement Shareholders' Agreement on the revised terms and conditions.
- 3.6 Ubico are now in a position to issue the Agreement for signing. However, the announcement of potential local government reorganisation at the end of 2024 became a key consideration during the most recent round of shareholder engagement about the revised document. As a result, the Ubico executive team, in consultation with their legal advisors, revisited both the Shareholder Agreement and the company's Articles of Association to assess whether any further amendments would be prudent before final sign-off.
- 3.7 A further cover note (Exempt Annexe D) was produced with a further proposed change to the Shareholder Agreement
- 3.8 Ubico are asking for agreement with the marked up amendments to the Shareholders agreement, to also include the change proposed in Exempt Annexe D, so that a new document can be produced for signing

4. Ubico Board Member Appointment

- 4.1 The number of Directors of Ubico shall not be less than four (4) consisting of at least one LA Director, one Independent Director and one Executive Director
- 4.2 There are currently nine (9) Directors made up of two (2) executive directors, three (3) independent directors and four (4) LA Directors
- 4.3 Each Shareholder may appoint and remove one (1) LA Director (who shall not be a councillor) to the Board.
- 4.4 WODC have not currently appointed a Director to the Ubico Board
- 4.5 If WODC wish to appoint a Director, Ubico have expressed a desire for the make up of the Board to be balanced across all core skills and would therefore ask to be consulted on what skills would be most desirable

For Councils without an appointed officer serving as a non-executive director on Ubico's board, Ubico will assign a 'link' non-executive director to represent each shareholder. The link NED will be an additional and alternative point of contact to the executive team for the shareholders and will act as a conduit for updates on key matters considered by the board.

5. ALTERNATIVE OPTIONS

- 5.1** Do nothing – maintain the existing Shareholder Agreement. This would not address the inconsistencies and lack of clarity in existing Agreement.

6. CONCLUSIONS

- 6.1** This report recommends that WODC agree and enter into the proposed new Shareholder Agreement which has been drafted to address inconsistencies and lack of clarity that appeared in the current 2020 Shareholders' Agreement. The proposed changes to the provisions of the 2020 Shareholders' Agreement that will be incorporated in the replacement Shareholders' Agreement are summarised in the exempt Annexe D to this report.
- 6.2** This report also recommends that WODC note the opportunity to appoint a Director to Ubico, it is important to note that this report however does not make any recommendations on whether any such appointment should be made.

7. FINANCIAL IMPLICATIONS

There are no direct financial implications contained in this report's recommendations.

8. LEGAL IMPLICATIONS

Since the creation of the company, the shareholders' agreement has been amended and updated to reflect the growing number of shareholders and the changing legislation; the changes reflected in this report are part of this on-going process.

The first set of suggested amendments bring the new shareholders into the main agreement and reflect post Brexit legislation; this is part of good practice and maintains clarity, avoiding possible future disputes.

The second set of proposals looks to future proof the agreement, which would be essential to preserve this Council's impact in the partnership.

9. RISK ASSESSMENT

- 9.1** Do nothing, maintaining the existing Shareholder Agreement would not address the inconsistencies and lack of clarity in existing Agreement.

10. EQUALITIES IMPACT

- 10.1** Not Applicable

11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 11.1** Not Applicable

I2. BACKGROUND PAPERS

I2.1 None

I2.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

(END)