



WEST OXFORDSHIRE
DISTRICT COUNCIL

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	EXECUTIVE - 11 MARCH 2026.
Subject	UBICO LTD SERVICE AGREEMENT
Wards affected	All
Accountable member	Andy Graham - Leader of the Council 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	<p>The proposal is to move to a single, common service agreement to be adopted by all Ubico shareholder councils and effective from April 2027, with council-specific service specifications appended. This approach will secure the delivery of service beyond the current contract end date on March 2027, retain local flexibility over service scope and standards and introduce consistency in legal structure, definitions, and core contractual provisions across the Ubico Shareholding partnership.</p> <p>The proposed agreement updates terminology, reflects legislative change, standardises notice periods, and includes specific provisions to ensure continuity of services in the event of local government reorganisation. Importantly, it does not change the Shareholder Agreement or the Council's role as an owner of Ubico.</p> <p>Adoption of the common Service Agreement will provide greater clarity, resilience and long-term planning certainty while retaining strong council control over service scope, cost and performance, within the existing shareholder governance framework.</p>

Annexes	Annex A - Sustainability Impact Assessment
Recommendation(s)	<p>That the Executive resolves to:</p> <ol style="list-style-type: none"> 1. Approve the Ubico Service Agreement in principle. 2. Delegate authority to Director of Place in consultation with The Leader of the Council, to: <ol style="list-style-type: none"> a. Agree and approve the final wording of the Service Agreement before the current contract expires at the end of March 2027. b. Agree and approve the final wording of the Lease Agreement c. Agree and approve the updated Service Specification
Corporate priorities	<ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	<p>WODC Environmental Services and Waste Team WODC Climate Team WODC Finance Legal Services Ubico Ltd</p>

1. EXECUTIVE SUMMARY

- 1.1** Each Ubico shareholder council currently operates under its own service agreement, originally derived from a 2012 template and subsequently amended at different points in time. These agreements have varying end dates and wording, creating inconsistency and unnecessary complexity across the shareholder group.
- 1.2** It is important to distinguish clearly between the Ubico Shareholder Agreement and the Ubico Service Agreement, as they serve different but complementary purposes.
- 1.3** The Shareholder Agreement governs how Ubico operates as a company: it sets out ownership, governance, voting rights, reserved matters, and the relationship between Ubico and its shareholder councils in their capacity as owners. It does not specify what services are delivered, to what standard, or at what cost.
- 1.4** By contrast, the Service Agreement governs how services are delivered to an individual council: it defines the services commissioned, performance standards, cost recovery arrangements, notice provisions, and the respective responsibilities of the Council and Ubico in relation to day-to-day service delivery. The Service Agreement therefore provides the contractual mechanism through which the Council controls what Ubico delivers on its behalf.
- 1.5** The proposal is to move to a single, common service agreement to be adopted by all Ubico shareholder councils and effective from April 2027, with West Oxfordshire District Council - specific Vehicle Leasing agreements and Service Specifications appended. This approach will secure the delivery of service beyond the current contract end date on March 2027, retain local flexibility over service scope and standards and introduce consistency in legal structure, definitions, and core contractual provisions across the Ubico Shareholding partnership.
- 1.6** The proposed agreement updates terminology, reflects legislative change, standardises notice periods, and includes specific provisions to ensure continuity of services in the event of local government reorganisation. Importantly, it does not change the Shareholder Agreement or the Council's role as an owner of Ubico.
- 1.7** Adoption of the common Service Agreement will provide greater clarity, resilience and long-term planning certainty while retaining strong council control over service scope, cost and performance, within the existing shareholder governance framework.

2. BACKGROUND

- 2.1** WODC currently receives frontline environmental services from Ubico under a service agreement that expires on 31 March 2027.
- 2.2** Similar arrangements exist across the Ubico shareholder group, although contract end dates and detailed terms vary between councils.
- 2.3** Over time, incremental amendments have resulted in divergence between agreements. Shareholders have therefore agreed to develop a modernised, common agreement that reflects current practice, updated legislation, and the strategic direction of the company and its owners.

3. Proposed Common Service Agreement

- 3.1** The proposed agreement establishes a single contractual framework governing the relationship between Ubico and each shareholder council. It confirms Ubico's role as a council-owned delivery vehicle operating on a cost-recovery basis, with no profit margin, and with services commissioned and overseen by the Council through agreed specifications and governance mechanisms.
- 3.2** Each council will continue to have its own lease agreement and service specification appended to the agreement, ensuring local flexibility within a consistent legal structure.

4. Term, Notice and Continuity

- 4.1** The current agreement has a fixed end date of March 2027, this cut-off date requires the Council to take specific additional action to either enter into a new agreement with Ubico or go to market for a new provider.
- 4.2** The proposed agreement has no fixed expiry date but instead introduces a standard provision allowing either party to terminate on not less than 24 months' notice, unless a shorter period is mutually agreed. This provides greater certainty for service planning and investment while retaining protections for breach, default or force majeure.
- 4.3** New clauses also address local government reorganisation (LGR), ensuring that any successor authority automatically inherits the rights and obligations of the Council, thereby protecting service continuity for residents.

5. Environment

- 5.1** Specific obligations are included with regard to the Environment Act 2021 and the Natural Environment and Rural Communities Act 2006, detailing how Ubico shall support the Council in fulfilling their biodiversity duty in the exercise of council functions.

6. Governance, Performance and Financial Control

- 6.1** The agreement strengthens governance through:
- Annual service planning and review
 - Transparent cost recovery and reconciliation
 - Performance monitoring against agreed specifications
 - Audit, information and inspection rights
- 6.2** These provisions ensure that WODC retains strategic control while Ubico remains responsible for operational delivery.

7. ALTERNATIVE OPTIONS

- 7.1** Do nothing – Retain the existing WODC-specific agreement.
- This would perpetuate inconsistency across shareholders and require a separate renegotiation for WODC by March 2027.
- 7.2** Re-procure services externally –
- This would introduce significant cost, risk and service disruption.

7.3 Neither option is recommended.

8. CONCLUSIONS

8.1 The proposed common Ubico Service Agreement provides a robust, modern and flexible framework for continued delivery of frontline environmental services. It improves consistency, strengthens governance, and supports long-term service resilience while retaining council control

8.2 Crucially, the agreement responds to the uncertainty linked to Local Government Reorganisation and provides WODC with the adaptable framework needed to deliver the ambitions of the Waste Transformation Programme.

8.3 Approval is recommended.

9. FINANCIAL IMPLICATIONS

9.1 The agreement does not commit the Council to fixed expenditure beyond existing service arrangements. Annual service costs will continue to be agreed through the business planning and budget setting process. There is no profit margin, and costs are transparently recharged on a full cost- recovery- basis.

10. LEGAL IMPLICATIONS

10.1 The agreement has been developed with legal input and is structured to operate as a compliant in-house (Teckal) arrangement. It reflects current legislative requirements and provides appropriate protections for the Council.

11. RISK ASSESSMENT

11.1 Key risks include service disruption at contract expiry and uncertainty arising from local government reorganisation. These risks are mitigated through the proposed common agreement, extended notice provisions, and successor authority clauses.

12. EQUALITIES IMPACT

12.1 The agreement relates to service delivery arrangements and does not introduce changes that would have a differential impact on protected groups. An Equalities Impact Assessment has been completed.

13. SUSTAINABILITY IMPLICATIONS

13.1 The agreement supports long- term planning, fleet investment and service efficiencies, contributing to reduced environmental impact and alignment with the Council's climate and environmental objectives. A Sustainability Impact Assessment has been completed as part of implementation.

13.2 The Sustainability Impact Assessment is included in Annex A

14. BACKGROUND PAPERS

14.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

None.

14.2 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)