



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 5 FEBRUARY 2026
Subject	CONTRACT FOR WASTE COLLECTION, STREET CLEANSING, AND GROUNDS MAINTENANCE SERVICES
Wards affected	All
Accountable member	Andrea Pellegram – Cabinet Member for Environment and Regulatory Services Email: andrea.pellegram@cotswold.gov.uk
Accountable officer	Helen Martin – Director of Communities and Place Email: helen.martin@cotswold.gov.uk
Report author	Peta Johnson – Head of Waste and Environment Email: peta.johnson@cotswold.gov.uk
Summary/Purpose	This report seeks Cabinet's approval to proceed with negotiating and to enter into a Common Service Agreement with Ubico Limited for the delivery of waste collection, street cleansing, and grounds maintenance services. The proposed agreement would replace the current contract, which ends on 31 March 2027.
Annexes	[none]
Recommendation(s)	That Cabinet resolves to <ol style="list-style-type: none">1. enter into a Common Service Agreement with Ubico as described in this report, and2. delegate authority to the Director of Communities and Place in consultation with the Cabinet Member for Environment and Regulatory Services to agree the final terms of the agreement with Ubico.
Corporate priorities	<ul style="list-style-type: none">• Delivering Good Services
Key Decision	YES



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Exempt	NO
Consultees/ Consultation	<ul style="list-style-type: none">• Cabinet Member for Environment and Regulatory Services• Corporate Leadership Team of CDC and Publica• s151 Officer• Legal



1. EXECUTIVE SUMMARY

- 1.1** Cotswold District Council's current Service Contract with Ubico Limited—covering waste collection, street cleansing, grounds maintenance, and related environmental services—comes to an end on 31 March 2027.
- 1.2** Ubico, a Teckal company jointly owned by Gloucestershire authorities and West Oxfordshire District Council, is proposing that all Gloucestershire councils adopt a Common Service Agreement to replace individual contracts.
- 1.3** The Common Service Agreement would establish a single overarching framework while allowing each council to retain bespoke Specifications and Schedules to reflect local service delivery.
- 1.4** Alternative delivery models are available—including insourcing, outsourcing, creating, or joint ventures—but each presents substantial time, cost, and resource implications.
- 1.5** Given the scale of Local Government Reorganisation and the likely need to revisit service design in future, maintaining the partnership with Ubico through a Common Service Agreement offers a balanced route that safeguards service continuity and retains control.
- 1.6** The report therefore recommends that Cabinet approves entering into a Common Service Agreement with Ubico and delegates authority to the Director of Communities and Place, in consultation with the Cabinet Member for Environment and Regulatory Services, to agree the final terms.

2. BACKGROUND

- 2.1** Cotswold District Council (the Council) is a shareholder of Ubico Limited (Ubico), a Teckal company designed to deliver environmental services.
- 2.2** The governance of Ubico is outlined in the Articles of Association and the Shareholder Agreement.
- 2.3** The Council entered into a Service Contract with Ubico in 2012 to deliver the following services:
 - Domestic Waste and Recycling collections
 - Street Cleansing
 - Grounds maintenance
 - Cemetery maintenance



- Bin deliveries

2.4 This Service Contact had an initial term of ten years, and following review was extended for a period of five years ([Agenda Item 8 - Ubico Contract Extension.pdf](#))

2.5 This takes the agreement to the end of its extended term i.e. no further extension provisions are available to the Council under this agreement. The Service Contract terminates on 31 March 2027.

2.6 This paper considers the proposal by Ubico to enter into a new agreement from 01 April 2027 and provides a comparison to the alternative approaches (or delivery models) available to the Council.

3. UBICO PROPOSAL – A COMMON SERVICE AGREEMENT

3.1 Ubico currently have eight shareholders: The seven authorities within Gloucestershire and West Oxfordshire District Council.

3.2 Each shareholder has a separate agreement in place with Ubico, each with its own end date.

3.3 A high proportion of these agreements end on 31st March 2027, including the agreement between the Council and Ubico.

3.4 With consideration of Local Government Reorganisation (LGR), Ubico are proposing that the Gloucestershire councils move to a Common Service Agreement.

3.5 Although the main body of the agreement would be common to all parties, each authority would have a specification and set of associated schedules, reflecting the differences in services delivered in each area.

3.6 At this stage we are seeking approval to continue the relationship with Ubico beyond the term of the current agreement. The terms of any new agreement will however be subject to negotiation. It is recommended that the Cabinet delegates authority to the Director of Communities and Place, in consultation with the Cabinet Member for Environment and Regulatory Services, to agree the final terms of the agreement with Ubico.

3.7 A Common Service Agreement would support novation to the new Unitary Authority on Vesting Day.



3.8 The new Unitary Authority, formed through LGR, is likely to review service delivery both in terms of the delivery model and the specification of services. The term of the new agreement will be agreed to support ongoing flexibility and flow from the wider governance of Ubico, including the Shareholder Agreement.

4. ALTERNATIVE OPTIONS

4.1 Alternative options are available to the Council, focusing on which organisation delivers the services—that is, the delivery model—rather than the services themselves.

4.2 A recent review of the services concluded that any alterations made now would likely need to be revisited following LGR. Therefore, it recommended retaining the current service design ([\(Public Pack\)Fleet Replacement - Collection System Agenda Supplement for Cabinet, 08/01/2026 18:00](#))

4.3 In terms of delivery models, the range of options available to the Council are described in a Guidance document produced by Local Partnerships: **Alternative Delivery Models – Guidance for Contract Managers**¹ and are as follows:

- In-house delivery
- Local authority company
- Outsourced contract
- Shared services
- Joint venture/ public-private partnership
- Community delivery
- Hybrid models

4.4 The guidance recommends that all options are considered and evaluated:

- When new council services are established,
- Where a significant new development to an existing service (such as a technology requirement) has been identified, or
- Where there is a need to re-evaluate the delivery model of an existing service

4.5 The latter point could be considered to apply in this case as our current Service Contract with Ubico terminates on 31 March 2027.

¹ <https://localpartnerships.gov.uk/wp-content/uploads/2024/11/14.-Alternative-Delivery-Models.pdf>



4.6 However, in light of LGR, it is prudent at this point to continue the current delivery model, with a full review of both delivery model and service delivery being considered under the structure of the new unitary authority.

4.7 With this said, the relative risks and benefits of three of the main delivery model options identified by Local Partnerships have been set out in Annex A:

- In-house delivery
- Local authority company
- Outsourced contract

4.8 These risks and benefits are described against the review criteria set out in the Guidance:

- Strategic fit
- Legal and financial
- Governance and risk
- People and assets
- Commercial
- Stakeholders
- Skills and capability

4.9 **Annex A** identifies the key benefits of using a local authority company such as Ubico as being the retention of control and the ability to transform services within the partnership framework. This is beneficial at a time of change such as this being experienced due to LGR.

5. PRIORITY SERVICE AREAS

5.1 At the point the extension was agreed, the following areas were identified for service development:

- Improve the services provided to residents and communities
- Reduce costs for the Authorities, Publica and Ubico
- Improve existing systems, processes and structures
- Reduce service failure
- Increase use of digital platforms so customers can effectively self-serve
- Reduce the carbon produced by environmental services



- Make business information current and visible, using it to make informed strategic and operational decisions

5.2 Significant progress has been made in some areas, for example:

- The implementation of an in-cab reporting system (Alloy)
- Steps have been agreed to reduce the carbon emissions of the service ([\(Public Pack\)Agenda Document for Cabinet, 08/01/2026 18:00](#))

5.3 Other areas are continuing themes, and represent continued areas of focus for many service agreements of this type, including

- Improve the services provided to residents and communities
- Reduce service failure
- Cost reduction
- Increased use and adoption of digital platforms (link to Corporate Plan)

5.4 These factors will feed into the decision-making processes as we negotiate the new terms with Ubico over the coming year.

6. CONCLUSIONS

6.1 Although a range of delivery models are available to us, continuation of the use of a Teckal company (Ubico) provides a balanced approach with retention of control and the ability to transform services within the partnership framework.

6.2 Negotiating a Common Service Agreement with Ubico is an opportunity to work collaboratively with our Gloucestershire partners, whilst also reviewing and improving the specification and schedules that are specific to service delivery in the Council's area.



7. FINANCIAL IMPLICATIONS

- 7.1** If the Common Service Agreement is approved, the planning and implementation work is expected to be delivered within existing staff resources, avoiding additional cost pressures.
- 7.2** Under the Common Service Agreement, service delivery costs - currently an annual contract charge of £8.9m - will continue to be managed through the Council's annual budget process, consistent with the current contractual arrangements.
- 7.3** Moving to insourced or outsourced services would likely require significant additional officer support.
- 7.4** If technical support for a procurement was provided through consultancy services, the estimated cost could range between £50,000 and £100,000. There would be other wide ranging additional draws on resources across legal, financial and other teams across the Council and Publica, leading to both time and potentially cost pressure.
- 7.5** A move to insourced services would bring additional project management pressures and drive the need to set up internal policies and procedures, including health and safety systems and quality assurance standards. The costs of this could be significant and would create a large draw on current Council services.

8. LEGAL IMPLICATIONS

- 8.1** Under public procurement rules the awarding of a contract to a Local Authority controlled company (Teckal Company) is regarded in the same way as undertaking the work using a Council's own employees, so is not subject to the requirements of the Procurement Act 2023.

9. RISK ASSESSMENT

- 9.1** The risks and benefits of the three identified delivery models are provided in **Annex A**.



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10. EQUALITIES IMPACT

10.1 Not applicable

11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

11.1 This paper sets out changes to the contractual framework for service delivery but does not consider changes to the services themselves. As such there are no direct implications for climate and ecological emergencies.

12. BACKGROUND PAPERS

12.1 None

(END)