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### Scrutiny Co-ordination Committee

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#### **Time and Date**

10.00 am on Wednesday, 19 October, 2022

#### **Place**

Diamond Rooms 1 and 2 - Council House, Coventry

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#### **Public Business**

1. **Apologies and Substitutions**

2. **Declarations of Interest**

3. **Minutes** (Pages 3 - 8)

(a) To agree the minutes of the previous meeting held on 28 September, 2022

(b) Matters Arising

4. **Scrutiny Management**

Councillor N Akhtar, Chair of the Scrutiny Co-ordination Committee, attended the meeting of Cabinet Member for Strategic Finance and Resources held on 4 October, 2022 for consideration of an item relating to "Coventry City of Culture Trust - Temporary Loan Funding Support" Councillor Akhtar agreed that the decision was urgent and that call in should not apply.

In accordance with the Constitution, this matter is reported to inform the Committee of the reason for urgency which is that that the loan was required to provide immediate cashflow support to the City of Culture Trust. If the decision was delayed, this would be a threat to the Trust being able to remain in a positive cashflow position.

5. **Coventry Municipal Holdings - Annual Performance Report Year Ended 31 March, 2022** (Pages 9 - 48)

Briefing Note of the Managing Director for Coventry Municipal Holdings Limited

6. **Scrutiny Co-ordination Committee Work Programme and Outstanding Issues 2022/23** (Pages 49 - 52)

Report of the Director of Law and Governance

## **7. Any Other Items of Public Business**

Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.

### **Private Business**

**Nil**

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Julie Newman, Director of Law and Governance, Council House, Coventry

Tuesday, 11 October 2022

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett Governance Services - Telephone: 024 7697 2299 E-mail: [suzanne.bennett@coventry.gov.uk](mailto:suzanne.bennett@coventry.gov.uk)

Membership: Councillors N Akhtar (Chair), M Ali, R Auluck, L Bigham, J Innes, P Male, C Mijs, G Ridley and R Singh

By invitation: Councillor G Duggins

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**Coventry City Council**  
**Minutes of the Meeting of Scrutiny Co-ordination Committee held at 10.00 am on**  
**Wednesday, 28 September 2022**

Present:

Members:

Councillor N Akhtar (Chair)  
Councillor C Miks (Deputy Chair)  
Councillor M Ali  
Councillor L Bigham  
Councillor J Clifford (Substitute for Cllr J Innes)  
Councillor P Male  
Councillor R Lakha (Substitute for R Singh)  
Councillor G Ridley

Other Members:

Councillor J O'Boyle, Cabinet Member for Jobs, Regeneration and Climate Change

Employees (by Service):

Law and Governance      V Castree, G Holmes,

Employment and Skills      K Mawby, G Smailes

Economic Growth      S Weir

Apologies:

Councillors R Auluck, J Innes, R Singh, K Sandhu, B Gittins

## **Public Business**

### **13.      Declarations of Interest**

There were no disclosable pecuniary interests.

In relation to Minute 16/22 below relating to "Jobs and Skills – Coventry Skills Strategy" the Committee noted that Cllr Bigham was an ambassador for the Workers Education Association.

### **14.      Minutes**

The Minutes of the meeting held on 20th July 2022 were agreed and signed as a true record.

There were no matters arising.

### **15.      Jobs and Skills - Coventry Economic Development Strategy 2022-2027**

The Cabinet Member for Jobs, Regeneration and Climate Change introduced the item and the purpose of an Economic Development Strategy, which built on the achievements of the previous Strategy. The Strategy acknowledged the changing economy and positioned Coventry and the sub-region as the place to locate their businesses and invest in the City.

The Committee received a report of the Director of Business, Investment and Culture, which would be considered by Cabinet at their meeting on 11 October, 2022, together with a presentation on the Coventry Economic Development Strategy 2022-2027 which highlighted the following points:

- Coventry's new Economic Development Strategy 2022-2027 would build on the achievements of the Coventry Economic Growth and Prosperity Strategy 2018-2022.
- It was one of the key strategies for delivering the objectives of the new One Coventry Plan 2022-2030, and it was also particularly strongly integrated with the new Coventry Skills Strategy.
- As well as replacing the current Economic Growth and Prosperity Strategy, which expired at the end of 2022, a new Economic Development Strategy ("EDS") was needed that provides a holistic framework for facilitating the sustainable growth of Coventry's economy.
- This was vital as Coventry and the wider West Midlands region continued to recover from the recession generated by the Covid-19 pandemic, growing challenges around adjusting to new UK-EU trading regulations after Brexit and wider global supply chain disruption, inflation, and the cost of living and cost of doing business.
- The new Economic Development Strategy would be integral to delivering the objectives of the 2022- 2030 One Coventry Plan. It would be central to the objective of Increasing Economic Prosperity, by creating the conditions for local businesses to thrive, new investment to come into the city and the creation of new good quality job and training opportunities. Through providing the framework for sustainable economic development and enabling all residents to benefit from new employment and training opportunities created, the Strategy will also be key to tackling the causes of climate change and tackling inequalities. These actions would also cement the Council's role as a partner, enabler and leader in shaping the local economy, and would help to improve the financial sustainability of the Council.
- The vision of the Strategy was to "deliver a strong and resilient economy, where inclusive growth is promoted and delivered, businesses are enabled to innovate and grow, and new local jobs are created." To achieve this vision, the following would take place, through eight interlinked pillars which were outlined to the Committee:
  - facilitating a sustainable economic recovery from the COVID-19 pandemic and challenging economic climate driven by inflation and rising cost of living and cost of doing business, creating the platform for longer-term growth and prosperity
  - delivering a first-class support infrastructure that responds to our businesses' needs and opportunities
  - securing maximum public and private investment to deliver infrastructure projects that create the conditions for economic growth and job creation

- securing job creation, growth and prosperity through attracting and supporting business investment from both the UK and overseas
- ensuring that social value and sustainability are incorporated into all economic development work
- supporting the development of a skills ecosystem which provides the skills required by Coventry's businesses, both current and future, and contributes to economic growth and the prosperity of the city
- ensuring Coventry is a leader in the green industrial revolution by supporting our businesses, residents and partner stakeholders to tackle the challenges and opportunities presented by climate change
- Building on existing strong partnerships in delivering all elements of this strategy

Due to the links between the two items, questions from the Committee were captured in Minute 16 below.

**RESOLVED that the Scrutiny Co-ordination Committee:-**

- 1) Recommend that Cabinet approve the Coventry Economic Development Strategy 2022-2027**
- 2) Request that annual performance data on the Strategy is presented to the appropriate Scrutiny Board**

**16. Jobs and Skills - Coventry Skills Strategy 2022-2030**

The Committee received a report of the Chief Partnerships Officer/ Director of Education and Skills, which would be considered by Cabinet on 11 October, 2022, together with a presentation on the Coventry Economic Development Strategy 2022-2027 which highlighted the following points:

The report indicated that this was Coventry's first ever citywide Skills Strategy. The Coventry Skills Strategy took a holistic approach to the skills system from early years through to lifelong learning to achieve the best outcomes for our residents and businesses. It would play a pivotal role in delivering on the ambitions of the 'One Coventry 2022-2030 Plan' in helping to increase the economic prosperity of the city, addressing climate change and tackling inequalities within our communities.

The approach reflects collaborative principles of the One Council Plan with shared work across Council teams and services, residents, education/skills providers, employers, other public sector bodies and community organisations. It served as a 'framework for action' with partners learning and developing creative solutions to skills challenges together to meet our three Strategic Ambitions and the eight Priority areas within them:

- Strategic Ambition 1: A comprehensive, citywide skills offer that raises aspirations and allows each and every resident throughout their lives to reach their full potential.
  - 1. Skills Levels: To improve the overall skills levels of Coventry residents.

- 2. Aspiration: Further develop a skills system that inspires residents to achieve from primary school through to lifelong learning.
- 3. Progression Pathways: Providing a clear line of sight for people to progress through Coventry's skills system.
- Strategic Ambition 2: A skills ecosystem which ensures that all, including those most in need, are able to participate in, progress and achieve success.
  - 4. Community: A skills system which meets the needs of all residents and is widely accessed by all Coventry communities, including newly arrived communities.
  - 5. Inclusion: A skills system which is fully inclusive and representative of our diverse City.
  - 6. Highest Needs: A skills system which supports those most in need, with a 'proportionate universalism' approach, helping people out of poverty and creating a more equal City.
- Strategic Ambition 3: A flexible and responsive system that works together with our growing, investing and local businesses to deliver the right skills mix for our dynamic labour market.
  - 7. Skills for business: A skills system which provides the skills required by Coventry's businesses, both current and future and contributes to economic growth and the prosperity of the City and Region.
  - 8. Social Value and Sustainability: A skills system which is well positioned to maximise increased commitment to social justice, respect, community, and responsibility including Coventry's commitment to tackling climate change.

The presentation indicated that there were three key shared goals between the Economic Development Strategy and the Skills Strategy

- Skills and opportunities in the City are right for investment
- Co-designing skills solutions for businesses
- In work upskilling

Following the presentation, together with the presentation referred to in Minute 15 above, the Committee asked a number of questions and the following points were discussed:

- How the performance and the success of the strategies would be measured, including the indicators the One Coventry Plan
- The frequency of performance reporting of the strategies to Scrutiny
- The challenge of the current economic climate for businesses
- Retrofit grants for Registered Social Landlords and a retrofitting project in Foleshill were outlined
- The development of the Gigafactory site
- Reassurances were given about the viability of Coventry College. It was acknowledged there were challenges in getting lectures in certain trade subjects and options to address this gap were being explored.
- A summary progress of City Centre South was given with a public report to Cabinet due in the Autumn
- Investment Zones would be subject to a bidding process and no details of this were known at the time of the meeting
- How the strategies would be communicated to, and benefit Coventry communities was discussed

- The role and purpose of Equality Impact Assessments was outlined in relation to the development of new strategies
- Social Value data will form part of the evaluation process
- Options to use employment land for open spaces
- Opportunities to upskill over 50s given the current retirement age and that people may need to wstay in work longer given the rising cost of living
- Opportunities to upskills parents and link with Early Help Partnership to enhance skills. Opportunities to make training flexible and modular around family commitments were being looked at to make it as inclusive as possible.
- Narrowing the attainment gap at GCSE level would be discussed by Education and Children's Services Scrutiny Board 2
- Limitations of the consultation on the skills strategy were discussed. Although the response rate was disappointing, new information was gained from undertaking it and the survey would run annually, and try and increase it's reach based on lessons learnt.
- The Coventry Charter was not the Thrive Programme
- Apprenticeships were a key focus for the skills strategy both within the City Council and in other organisations. Certain groups were targeted for support including those with barriers to employment. The parts of the Apprenticeship Levy was transferred to other organisations to help ensure it was spent within the City.
- A work experience offer was being redeveloped following a lull due to the pandemic.
- Support for women from BAME backgrounds to access training and therefore employment

**RESOLVED that the Scrutiny Co-ordination Committee: \_**

**1) Recommend that Cabinet approve the Coventry Skills Strategy 2022-2030**

**2) Request that annual performance data on the Strategy is presented to the appropriate Scrutiny Board**

#### **17. Co-option of Other Faiths Representatives to the Scrutiny Board**

Further to amendments to the Constitution in relation to the co-opted Members for Education matters appointments for the Scrutiny Co-ordination Committee and the Education and Children's Services Scrutiny Board (2), the Committee considered a Briefing Note of the Director of Law and Governance seeking approval to the appointment of Mr Ghulam Vohra to the Committee as the representative from other faith groups in the City for Education matters.

The Briefing Note outlined the process for nomination, together with the outstanding vacancies for co-opted Members.

**RESOLVED that under Part 2D, Section 6.1 (e) of the Constitution, the Scrutiny Co-ordination Committee approves the co-option of Mr Ghulam Vohra as a non-voting co-optee to the Committee for Education matters.**

**18. Scrutiny Co-ordination Committee Work Programme and Outstanding Issues 2022/23**

The Scrutiny Co-ordination Committee received and noted the Work Programme and outstanding issues for the current Municipal year.

**19. Any Other Items of Urgent Public Business**

There were no other items of urgent public business.

(Meeting closed at 12.00 pm)



## Briefing note

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**To: Scrutiny Co-ordination Committee**

**Date: 19 October 2022**

**Subject: Coventry Municipal Holdings - Annual Performance Report year ended 31<sup>st</sup> March 2022**

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### **1. Purpose of the Note**

- 1.1. The Coventry Municipal Holdings Annual Performance Report, considered by the Coventry Shareholder Committee at their meeting on 28 September, 2022, is appended to this Briefing Note for Scrutiny Co-ordination Committee's consideration. The appended presentation provides the Committee with an understanding of the activities and financial performance of Coventry Municipal Holdings Ltd group over the preceding financial year.

### **2. Recommendations**

- 2.1. Scrutiny Co-ordination Committee are recommended to consider the Coventry Municipal Holdings Annual Performance Report and make representations to the Coventry Shareholder Committee.

### **3. Background and context**

- 3.1. The Coventry Municipal Holdings Ltd Board are required, through their governance agreement, to provide Scrutiny Co-ordination Committee with a summary of the activities and financial performance of Coventry Municipal Holdings Ltd Group over the preceding year.
- 3.2. This will provide the Committee with an opportunity to review performance and raise questions, challenges and make representations to the Coventry Shareholder Committee.
- 3.3. The Shareholder Committee will relay any concerns to the Coventry Municipal Holdings Ltd Board who will be required to act reasonably and take into account the representations made by the Scrutiny Board as part of updating the Coventry Municipal Holdings Ltd Business Plan for the upcoming financial year.

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Coventry Shareholder Committee

28th September 2022

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director approving submission of the report:**

Managing Director for Coventry Municipal Holdings Limited – A Walster

**Ward(s) affected:**

None

**Title:**

Annual Performance Report year ended 31<sup>st</sup> March 2022

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**Is this a key decision?**

No – an update on the position for the last 12 months

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**Executive summary:**

The Annual Performance Report is focused on a backward look over the 12 months of operation April 2021 to March 2022 for Coventry Municipal Holdings and its subsidiaries.

Coventry Municipal Holdings was officially incorporated on 5th November 2021 when it acquired the shares from the Council in the following companies, although the Council remains as the ultimate shareholder for the Group.

- Tom White Waste Limited (Tom White, TW)
- Coombe Abbey Park Limited (CAPL)
- No Ordinary Hotels Limited
- Coventry Technical Resources Limited (CTR)
- Coventry Regeneration Limited

There have been a number of challenges with regards to the financial position for the subsidiaries in the group with the leisure sector recovering from the impact of Covid-19 and Tom White experiencing additional costs mainly due to the reliability of plant, machinery and vehicles as well as additional costs of third party waste disposal.

The Group Governance Agreement requires CMH to produce an Annual Performance Report looking back the operation of the group to the year-end 31<sup>st</sup> March 2022. The Public Annual Performance Report is appended to this paper.

**Recommendations:**

Shareholder Committee to:

- (1) Accept the Annual Performance Report for the CMH Group for the year ended 31<sup>st</sup> March 2022

**List of Appendices included:**

The following appendices are attached to this report:

- Coventry Municipal Holdings Limited - Annual Performance Report for 2022 (Public)

**Background papers:**

None

**Other useful documents**

None

**Has it or will it be considered by scrutiny?**

Yes – Scrutiny Coordination Committee – 19 October, 2022

**Has it or will it be considered by any other council committee, advisory panel or other body?**

No – However, a separate report will be submitted to the Audit and Procurement Committee

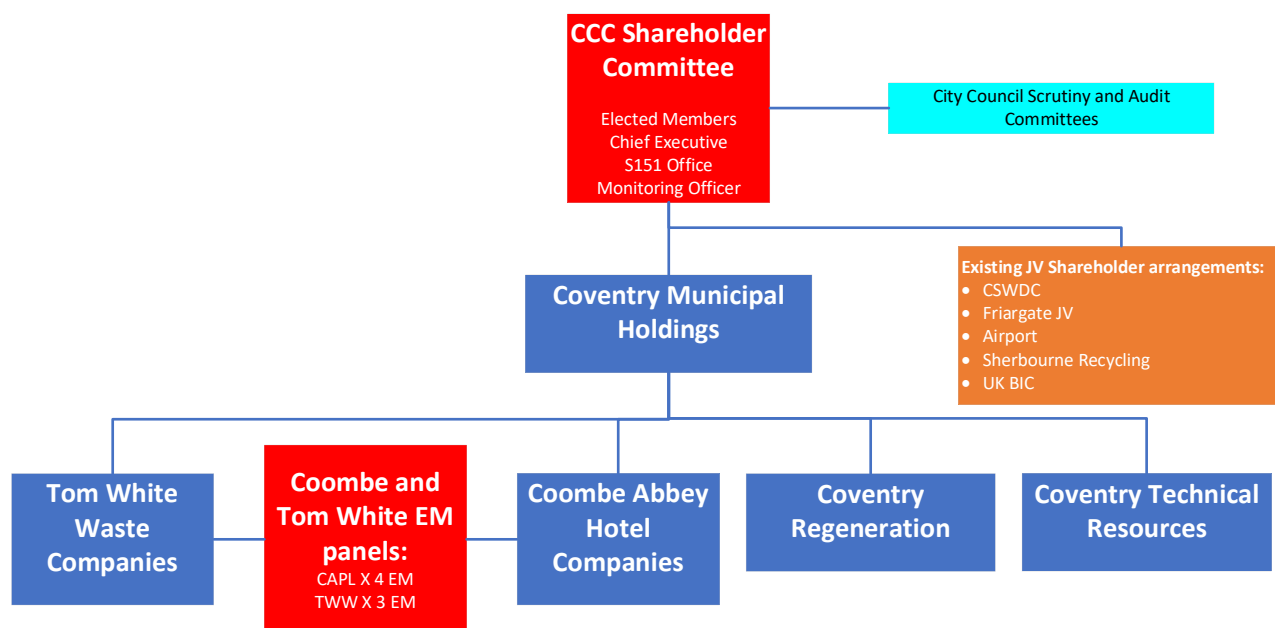
**Will this report go to Council?**

No

## 1. Context (or background)

- 1.1. Coventry Municipal Holdings Limited (CMH) group was created on the 5<sup>th</sup> November; when the company acquired shares in the subsidiaries from the Council and the Council acquired shares in CMH for an equal amount. The diagram below demonstrates the company and governance structure we have in place within the CMH group.

Figure 1: CMH group structure chart



- 1.2. The company has been working with the subsidiaries to embed the policies that make up the Group Governance Agreement. 2021/22 has been focused on strengthening the information that is provided to the Board of Directors and working closely with the Management Teams and Directors to achieve the aspirations of their original Business Plans.
- 1.3. **The companies are yet to receive their final audited accounts, so all figures may be subject to change depending on the audit adjustments that maybe required.** The draft consolidated position for the group is detailed in the Private report. When the audited accounts are available, an updated report will be published to reflect the final performance position.

## 2. Options considered and recommended proposal

- 2.1. **Option 1 – Do nothing** – the Group Governance Agreement (GGA) is a legally binding document that was entered into by the entities within the CMH group. It sets out the governance and reporting requirements for the group which includes presenting a report on the Annual Performance Report for the Group to the Shareholder Committee each year. This report has been drafted to meet this requirement.
- 2.2. This is not the recommended option.
- 2.3. **Option 2 – to accept the Annual Performance Report** which has been drafted in line with the GGA, to meet the reporting requirements to the Shareholder Committee and ensure transparency and consistency in relation to information on the wholly owned Council investment.

2.4. The Annual Performance Report includes details on:-

- the progress of each Group Member as against the Business Plans and financial projections therein;
- an overview of the Group's financial position;
- a summary of key activities undertaken by each of the Trading Companies and any of their subsidiary undertakings over the preceding Accounting Period;
- a summary of future business developments and opportunities for each Group Member;
- a summary of key risks for the Group and how the HoldCo Board of Directors are seeking to mitigate those risks; and
- any further information that the HoldCo Board of Directors deems to be appropriate for inclusion with the Annual Performance Report.

2.5. The report confirms compliance to the Procurement Policy which is part of the GGA to ensure value for money with procurement activity.

2.6. In July 2022, the Council's Audit Committee received the auditors Annual Report on Company Governance by Grant Thornton. The report made comment on the structure prior to the creation of the CMH group and the adoption of the GGA. The response to the points raised and actions has been included within the Annual Performance report. This detail is available in the appended report.

2.7. Accepting the Annual Performance Report is the recommended option

### **3. Results of consultation undertaken**

3.1. No consultation has been undertaken

### **4. Timetable for implementing this decision**

4.1. Upon approval of this report CMH will notify the subsidiaries that the Shareholder has accepted the performance position for the year ending 31<sup>st</sup> March 2022.

4.2. The final accounts for each subsidiary will be circulated to the Members of Coventry Shareholder Committee when they are finalised and published on Companies House.

### **5. Comments from Chief Operating Officer (Section 151 Officer) and Director of Law and Governance**

#### **5.1. Financial Implications**

The Public Annual Performance Report as appended to this document, includes draft financial information based on the latest unaudited accounts for each entity and as such the figures are likely to change.

The operational performance and financial outturn for the year has been considered for each entity and a consolidated position for the group. The consolidated accounts have been

compiled using merger accounting where any movement in the investment value paid for the shares and the net asset value is held in a merger reserve rather than under the fixed assets category of the balance sheet as goodwill. As the value of the net assets change year on year, this value would be adjusted for in the reserve. This accounting treatment has been adopted on advice of the CMH auditors as it meets the requirements for mergers as a result of a business combination. The value of the shares is only realised at the point we dispose of them. Further details of the impact of the account treatment is available in the Private Report.

No dividends have been declared for the year. Final decisions on whether to offer a dividend to the Shareholder will be made by the Group board of directors when the final audited accounts are received for the Group.

## **5.2. Legal Implications**

CMH has acted in accordance with the Group Governance Agreement which sets out the policies and obligations on the Group. The Group have submitted their confirmation statements and requirements to Companies House on the submission requirement dates. The audited accounts will be submitted to Companies House as soon as they are finalised.

## **6. Other implications**

### **6.1. How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))?**

The dividend revenue declared by the entities in the group of companies will support the Council to deliver its core aims. We are hopeful that the CMH will be in a position to deliver dividends in 2022-23.

### **6.2. How is risk being managed?**

The risks and mitigating actions that the Group is exposed to are listed below along with the approach to mitigate these risks.

- Political global environment – Subsidiary companies are in waste/ environmental and in leisure, both of which are sensitive to the geo political global environment and may be impacted by matters outside the control of the operating companies or CMH. The Board shall monitor these matters and impacts to performance, mitigate where ever possible, and report the same to the Shareholder Committee from time to time as appropriate.
- Capital risks – the vision and objectives for CMH includes growth of the portfolio of activity of CMH and its subsidiaries in a risk balanced manner through organic growth, further acquisition and investment in business process and infrastructure. There is a risk that there is insufficient capital to take these opportunities forward. One objective for CMH is to explore the possibility of setting up an investment fund to support the group to provide resource to meet the growth aspirations along side the subsidiaries seeking to secure capital through their own financial channels.
- Operational risks - given the growth strategy, there is a risk that the operational team will not have sufficient capacity to move all projects froward. The Group currently has a number of concurrent projects which are utilising the management team for the CMH along with the management teams in the respective subsidiaries. The Board of Directors will monitor the use of resources and redirect or seek to get in additional support as required so not to lose focus on the delivery of the underlying business alongside growth aspirations.

- Liquidity risk – the impact of Covid and current inflationary pressures will have an impact on the leisure market and environmental sectors as well for customers. Where possible the additional costs will be recovered through revenues. All subsidiaries monitor their cashflow on a regular basis to ensure they have sufficient resources to meet the operational requirements. This information is shared with the respective Board of Directors for each company on a regular basis.

### 6.3. What is the impact on the organisation?

The Group Governance Agreement has been embedded within CMH and the wider group. This will strengthen the governance arrangements and reporting requirements to the respective Board of Directors, Shareholder Committee and Shareholder. The GGA includes details on when and what should be reported as a minimum to the Shareholder Committee to provide transparency on the operations of the arm's length wholly owned commercial companies within the CMH group. In future years CCC should receive dividend income which will go towards delivery of the Council's priorities.

### 6.4. Equalities / EIA?

No equalities impact assessment has been undertaken.

### 6.5. Implications for (or impact on) climate change and the environment?

Tom White is a company that operates within the environmental sector. One of the performance drivers for TW has been availability of the plant and equipment to process waste, which has led to a lower recovery of recyclable material and more waste being sent to landfill. The Business Plan that was presented to the Coventry Shareholder Committee in March 2022, included the redevelopment of the material recycling facility which will increase waste recovery from 7% to 70%, reducing waste to landfill and contributing towards a positive impact on the environment.

### 6.6. Implications for partner organisations?

The report focuses a number of commercial companies, which have a relationship with the Council. Any impact on the Council or these companies as a result of the report is covered in the appended document.

#### **Report author(s):**

Name Parmi Mudhar

Title Financial Director at **Coventry Municipal Holdings Limited**

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<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Grant McKelvie	Director	CMH	14/9/22	20/09/22
Lara Knight	Governance Services Co-ordinator	Law and Governance	18/09/22	20/09/22
Gurbinder S Sangha	Company secretary	CMH	18/09/22	20/09/22
<b>Names of approvers: (officers and members)</b>				
Finance: Paul Jennings	Finance Manager	Finance	18/09/22	20/09/22
Legal: Julie Newman	City Solicitor and Monitoring Officer	Law and Governance	20/09/22	20/09/22
Director: Andrew Walster	Director	CMH	14/9/22	20/09/22
Member: Councillor George Duggins	Cabinet Member for Policy and Leadership	CCC	20/09/22	20/09/22

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# COVENTRY MUNICIPAL HOLDINGS

Annual Performance Report 2022

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## 1 Executive Summary

### 1.1 Overview of the year in review

The Annual Performance Report is focused on a backward look over the 12 months of operation April 2021 to March 2022 for Coventry Municipal Holdings and its subsidiaries.

Coventry Municipal Holdings was officially incorporated on 5<sup>th</sup> November 2022 when it acquired the shares from the Council in the following companies, although the Council remains as the ultimate shareholder for the Group.

- Tom White Waste Limited (Tom White, TW)
- Coombe Abbey Park Limited (CAPL)
- No Ordinary Hotels Limited
- Coventry Technical Resources Limited (CTR)
- Coventry Regeneration Limited

There have been a number of challenges with regards to the financial position for the subsidiaries in the group with the leisure sector recovering from the impact of Covid-19 and Tom White experiencing additional operating costs, higher material disposal costs, together with the correction historic accounting practices. These were referenced in the Business Plan approved by Shareholder Committee in March 2022. These are covered in more detail below.

One of the key drivers for incorporating CMH was to improve the governance and reporting for the Council's commercial investments. The changes implemented by CMH across the group have addressed points raised by Grant Thornton in their Value For Money Annual Report on Company Governance for 2020-21 which was presented to Audit and Procurement Committee in July 2022. This is covered in more detail in Section **Error! Reference source not found.** of this report.

### 1.2 Coventry Municipal Holdings Limited (CMH)

CMH implemented its financial system and processes to manage its business.

The company has been working with the subsidiaries to embed the policies that make up the Group Governance Agreement. 2021/22 has been focused on strengthening the information that is provided to the Board of Directors and working closely with the Management Teams and Directors to achieve the aspirations of their original Business Plans. No dividends have been declared for the year yet. Final decisions on whether to offer a dividend to the Shareholder will be made by the Group Board of Directors when the final audited accounts are received for the Group.

The draft consolidated position for the Group is not yet finalised as the individual audited accounts for each of the entities are not yet available as this is still being undertaken by the auditors. The CMH consolidated accounts will be based on the performance of the group from the date that CMH was incorporated to the 31<sup>st</sup> March

2022. The individual entity accounts will reflect the duration of their trading (12 month period). A further report will be produced when the audited accounts are available to present the final financial position for the group.

Further details for the group are included in Section 3 - 2021/22 Performance.

### 1.3 Tom White Performance

The performance of Tom White in 2021/22 was driven by

- Additional operational costs
- Higher material disposal costs due to changes in the local disposal market
- Driver availability post-Covid and post-Brexit
- Benefit of new contracts
- Correction of historic accounting practices

Further information on the drivers behind the years performance is provided in paragraph 3.1.

### 1.4 Coombe Abbey Park Performance

The performance of Coombe Abbey Park in 2021/22 was driven by

- Partial trading due to Covid restrictions
- Refinancing of the existing loans in the company provided allowed the company to manage its financial commitments and outgoings whilst recovering from the impact of limited trading
- Staff shortages following Covid restrictions being relaxed and impact of Brexit
- New contracts being secured and existing contracts performing well

Further information on the drivers behind the years performance is provided in paragraph 3.2.

### 1.5 Coventry Technical Resources

The performance of Coventry Technical Resources in 2021/22 was driven by

- Steady trading with the Council as expected in the budget
- Addition of staff in line with the business plan

### 1.6 Other subsidiaries

Coventry Regeneration has a very limited number of transactions each year in relation to the operation of the business. The company holds a small cash balance which is used to generate a small return as interest. There are no other trading activities taking place in this entity.

No Ordinary Hotels Limited is effectively a dormant company. There are no transactions in this company for the year.

## **2 Summary of Key Business Activities in 2021/22**

The main business activities for the subsidiaries did not change throughout the year, although there were some additions to the portfolio for each subsidiary which are described below.

### **2.1 Tom White**

The main business activities for TW are in relation to the collection of waste for trade and commercial customers and then the processing of the waste collected through the material recycling facility (MRF) located on the Longford Road site. The MRF separates the waste into its component parts for onward processing or the material is shredded to create a fuel source called Refuse Derived Fuel (RDF) which can be used as an input material for other processors.

TW rebranded in 2021/22 from Tom White Waste to Tom White, with a clear vision relating to the environment, our people and creating a profit for purpose. The new branding has been widely shared across the industry and social media, and continues to receive positive feedback.

During 2021/22 TW started exploring opportunities for strategic growth aligned to business strategy. These opportunities all have material commercial benefit, and have informed the 2022/23 business plan and subsequent engagement with the Shareholder.

Further details on opportunities being pursued are included under Section 5 – Priorities and Initiatives.

### **2.2 Coombe Abbey Park Limited**

The hospitality sector suffered as a result of Covid-19 and the Government restrictions which affected the operation of the business in 2021/22. The hotel was closed for 5 months (January – May 2022). The company refinanced its debt in April 2021 to ease the pressure on their cashflow as a result of the impact of Covid. The company is now showing a healthy cash position.

The company focused on increasing the revenue within its catering outlets at Coombe Abbey Park while the hotel was closed and successfully delivered further two outlets; The Sundae Club and Abbey Artisan Market both opening their doors within the Visitors Centre in November 2021.

In April 2021, CAPL incorporated two subsidiaries:

- No Ordinary Hospitality Management Limited (NOHM) which has been set up to undertake management contracts for third parties. This year NOHM secured the contracts to manage a number of short term let properties of the Historic



Coventry Trust (HCT) cottages. The HCT contract went live in year. The Company started strengthening the brand of NOHM during 2021/22, with the intention that over time it becomes the principal branding for the group.

- Coombe Abbey Park (LACo) Ltd (CAPLACo) which was also formed.

During 2021/22 the company also started exploring growth opportunities that align to the business plan.

As the company moves NOHM to be the brand under which all the business units trade, the company has been actively seeking further opportunities that align to its core business. These are discussed further in Section 5 – Priorities and Initiatives.

### 2.3 Coventry Technical Resources Limited

The business activities of this company have been focused on providing resource solutions in line with its approved business plan.

## 3 2021/22 Performance for the Entities

Coventry Municipal Holdings was incorporated in November 2022 when it acquired the shares from the Council in the following companies, although the Council remains as the ultimate shareholder for the group.

- Tom White Waste Limited,
- Coombe Abbey Park Limited
- No Ordinary Hotels Limited
- Coventry Technical Resources Limited
- Coventry Regeneration Limited

The financial performance and the matters and challenges that have influenced the each of the companies are provided and discussed below, together with a consolidation for Coventry Municipal Holdings.

### 3.1 Tom White

#### 3.1.1 TW Performance Influences

The aspects of 2021/22 that have influenced and impacted performance are detailed within the Tom White business plan. In summary;

- Ongoing culture change from family business to corporate SME
- Changes to the management team
- Introduction of a data led approach to business management
- Rebrand to 'Tom White' with clear new values associated with 'profit for purpose', 'focus on our people', and 'doing the right thing environmentally'

- Supporting the City Council strike action with emergency waste management services
- Escalating costs associated with delivering the normal course of business
- Driver availability post-Covid and post-Brexit has been a challenge

### 3.1.2 TW Financial Performance

The performance influencers above have impacted on the financial operation of the business. The audited accounts for the company are not yet available, and as such a supplementary report along with the audited accounts will be shared once they are available.

A copy of the final audited accounts will be published at Companies House when they are available.

## 3.2 Coombe Abbey Park Performance

### 3.2.1 CAPL Performance Influences

The aspects of 2021/22 that have influenced and impacted performance are detailed within the Coombe Abbey Park business plan. In summary;

- The hotel was required to close at the start of 2021 due to government restrictions, with partial trading from April in the form of outdoor dining and restrictions lifted in July 2021
- Ongoing restrictions and requirements around social distancing and the need to limit capacity of events had an ongoing impact through the year
- In August the greater removal of restrictions then saw unprecedented demand in the leisure sector
- Ongoing availability of staff in the market (another post-Brexit issue)
- The diverse nature of CAPL, with outlets in the parks, Go Ape and new No Ordinary Hospitality contracts in the city meant that the non-hotel business grew revenues
- New outlets were opened following capital investment in the Coombe visitor centre, the performance from which will deliver in to 2022

### 3.2.2 CAPL Financial Performance

The audited accounts for the company are not yet available, and as such a supplementary report along with the audited accounts will be shared once they are available. The company will report a 15 month position to 31<sup>st</sup> March 23 to realign the year end with the wider group.

A copy of the final audited accounts will be published at Companies House once they are available.

### 3.3 Coventry Technical Resources

#### 3.3.1 CTR Performance Influences

Coventry Technical Resources (CTR) performed as expected against the budget, with the provision of the services as anticipated for the year.

#### 3.3.2 CTR Financial Performance

CTR is forecasting to generate small profit, with all costs recharged to the Council as part of the agreed employment terms for each appointment.

CTR holds a cash balance which will be transferred to the Council following a restructure of the balance sheet for CTR to enable it to make payment of these funds by way of dividend to CMH and through to the Council.

A copy of the final audited accounts will be published at Companies House once they are available.

## 4 Coventry Municipal Holdings Group

#### 4.1.1 Performance Influences

The performance of CMH is driven by the management charges levied against the subsidiaries which covers the head office overheads of the company. These were duly charged in 2021/22.

CMH is not a trading entity, however some of the CMH Directors' time is provided back to Coventry City Council and recharged accordingly.

#### 4.1.2 CMH Group Consolidated Financial Performance

The audited accounts for the company are not yet available, and as such a supplementary report along with the audited accounts will be shared once they are available. The draft unaudited financial statements that have been prepared for the period that CMH has been incorporated. This is based on the reported position for the key subsidiaries as detailed in Section 3, to the 31<sup>st</sup> March under an International Financial Reporting standards (IFRS) basis.

The accounts have been consolidated based on the merger accounting basis which reflects the movements with entities under common control without inflating the balance sheet. Any movement in the investment value paid for the shares and the net asset value for each entity will be held in a merger reserve rather than under the fixed assets category of the balance sheet as goodwill. As the value of the net assets change year on year, this value would be adjusted as required, in the reserve. This accounting treatment has been adopted as it meets the requirements for mergers as a result of a business combination. The value of the investment in the company shares is only realised at the point we dispose of them.

On incorporation CMH acquired shares in the subsidiaries at the value that was equal to the long-term investment value on the Council's balance sheet at the time. This will be compared to the net asset value at the point of acquisition with any difference recorded and held in the merger accounting reserve. This would normally be considered as goodwill under the assets of the balance sheet.

The consolidated accounts for CMH are based on International Financial Reporting Standards whereas the entity accounts for TW and CAPL will be based on UK Generally Accepted Accounting Practice (UKGAAP) where there are some differences in the accounting standards being applied, a relevant example of this is IFRS16 accounting for leases standard. Under IFRS 16 there are now a number of leases appearing on the Statement of Financial Position (balance sheet) as part of the non-current (fixed) assets which would not have been treated as such under UK GAAP.

A copy of the final consolidated accounts for CMH will be published at Companies House once it is available.

## 5 Priorities and Initiatives 2022/23

Acknowledging the performance of 2021/22, and as shared within the 2022/23 business plans for each of the subsidiaries, the following is a short summary of the priorities and initiatives being pursued by each subsidiary into 2022/23. Many of these are being progressed with suitable separate engagement with the Shareholders as required by the Group Governance Agreement.

### 5.1 Tom White

- Organic **growth of core business**, using an expanded sales team to drive additional business growth across key market segments of Construction, Manufacturing and Tertiary Education
- Expanding the **'value added' services** of Tom White into the customer base,
- Developing and starting the execution of the **decarbonisation strategy**,
- Subject to funding, on site development to improve financial and environmental performance of the company.

### 5.2 Coombe Abbey Park Hotel Limited

- In 2022/23 there is a period of **consolidation at the hotel**, strengthening the foundation for growth to the 2026 strategic vision as set out in the CAPL business plan
- Focusing **sales on traditional services** and activities to satisfy customer demand; hotel occupancy, dining, café offers, weddings and conferencing
- Development of **systems and digitisation** (including accommodating hybrid meeting delivery) strengthening the **management team**, new sales exec to

focus on **management contract growth**, all with capital and revenue investments accordingly.

- Minor capital **investment in building fabric and furnishings**
- Implementing measures to **improve staff retention** to improve resilience by investing in people and their conditions, including evolution of the employment structure to have more permanent staff
- Relocation of some back office functions into a newly leased off-site office space to free up revenue creating space within the hotel

#### 5.2.1 No Ordinary Hospitality Management Limited/ Coombe Abbey Park (LACo) Limited

- Capital and revenue investment where appropriate and supported by business cases
- Marketing **existing opportunities and expanding**
- **Increase the management contracts**
- Investment in a **sales executive** to drive interest generation and response to management contract queries. This post has been included in the budget for NOHM
- Targeted marketing of the Coombe Abbey Park Visitor Centre outlets – farm shop, desert shop and flower shop

### 5.3 Coventry Technical Resources

#### 5.4 Coventry Technical Resources (CTR) is established to provide efficient resource and services in accordance with objectives and business plan. Coventry Regeneration

It is the intention of CMH to leave Coventry Regeneration (CR) effectively dormant during 2022/23.

### 5.5 Coventry Municipal Holdings

CMH has appointed a full time Finance Director (FD) to support the financial operation of CMH during 2022/23, but also working closely with the Executive and Management Teams in the subsidiaries to provide strategic and financial guidance to meet the company's financial commitments.

The FD will work closely with the Financial Management functions in the subsidiaries to understand the financial drivers of the business to support increasing revenue and reducing cost pressures as well as ensuring the companies have the necessary framework through policies and procedures to ensure sound financial management and internal controls.

## **7 Risks and Mitigations**

The risks and mitigating actions that the Group is exposed to are listed below along with the approach to mitigate these risks.

- Political global environment – Subsidiary companies are in waste/ environmental and in leisure, both of which are sensitive to the geo political global environment and may be impacted by matters outside the control of the operating companies or CMH. The Board shall monitor these matters and impacts to performance, mitigate where ever possible, and report the same to the Shareholder Committee from time to time as appropriate.
- Capital risks – the vision and objectives for CMH includes growth of the portfolio of activity of CMH and its subsidiaries in a risk balanced manner through organic growth, further acquisition and investment in business process and infrastructure. There is a risk that there is insufficient capital to take these opportunities forward.
- Operational risks - given the growth strategy, there is a risk that the operational team will not have sufficient capacity to move all projects froward. The Group currently has a number of concurrent projects which are utilising the management team for the CMH along with the management teams in the respective subsidiaries. The Board of Directors will monitor the use of resources and redirect or seek to get in additional support as required so not to lose focus on the delivery of the underlying business alongside growth aspirations.
- Liquidity risk – the impact of Covid and current inflationary pressures will have an impact on the leisure market and environmental sectors as well for customers. Where possible the additional costs will be recovered through revenues and business efficiency measures. All subsidiaries monitor their cashflow on a regular basis to ensure they have sufficient resources to meet the operational requirements. This information is shared with the respective Board of Directors for each company on a regular basis.

## **8 Procurement Update**

The CMH Group is subject to the Procurement Policy that is included in the Group Governance Agreement (GGA) entered into by all parties. The GGA is a legal document that sets the delegations for decision making, reporting requirements for the group as well as a number of key polices in relation to transactions between the group and achieving value for money through procurement.

The Procurement Policy (Schedule 8 of the GGA) complies with the Councils core policies and has a regard for local suppliers and driving innovation along side sustainable procurement. It has been designed to allow the most appropriate and

efficient procurement route in line with the respective delegation levels for the entities and various Boards through the Shareholder Committee and Full Council.

### 8.1 Compliance to the Procurement Policy

- TW have made two key purchases in 2022 which are in line with the Capital Investment Schedule approved by the TW Board as part of the Business Plan for 2021/22. CAPL have made no capital purchases outside of its Business Plan or outside of the Procurement Policy in the GGA.
- CMH has acquired its financial system in line with the Procurement Policy.
- CTR has not made any purchases this year.

## 9 Response to Grant Thornton's VfM Annual Report on Company Governance

In July 2022, Audit and Procurement Committee received a report from Grant Thornton in relation to the Company Governance for 2020-21. The report related to the period prior to incorporating CMH and as such a number of recommendations have already been delivered through the new structure and Governance arrangements.

The table below sets out the response to Grant Thornton along with any outstanding actions.

*Table 1: Response to Grant Thornton on the Company Governance Report Actions*

	Recommendation	Response
1	The review of financial performance performed by officers should be on a more formal and regular basis, perhaps quarterly. Financial performance for each commercial entity should then be reported to the Shareholder Committee and Audit and Scrutiny Committee.	<p>Financial information will be obtained and reviewed by officers on a quarterly basis with any issues reported onwards to Shareholder Committee on an exception basis.</p> <p>There are two representatives from CMH on each subsidiary Board so collectively CMH has visibility of the subsidiary companies performance on a monthly basis at each Board meeting.</p> <p>Financial reporting will form part of the agenda for Shareholder Committee, the meetings for which are already established in the municipal calendar.</p> <p>It is proposed that Audit and Procurement Committee will receive a consolidated financial performance report following the Shareholder Committee September meeting.</p> <p>It is proposed that Scrutiny Board includes on its work programme an item to consider a review of company business plans following consideration by Shareholder Committee in March each year.</p>
2	The new CMH Shareholder Committee should receive draft statutory and management accounts showing the financial performance of each entity where the Council has an investment	Financial reporting will form part of the agenda for Shareholder Committee, the 6 monthly meetings for which are already established in the municipal calendar.



**Coventry Municipal Holdings**  
Annual Performance Report 2022 – PUBLIC REPORT

	Recommendation	Response
3	Shareholder Panels and, in the case of wholly-owned subsidiaries, Member Panels, should also receive draft statutory and management accounts, and publish minutes capturing the questions and scrutiny of elected members and how they are answered by officers of the relevant companies.	The reporting process now ensures that member advisory panels receive financial information as recommended. It is not proposed that the minutes of these meetings are published due to it being commercially sensitive.
4	Member Panels should be held regularly and in time for their minutes to be part of the data received by the Holdco (CMH) Shareholder Committee.	Member Panels will be held regularly and in time for their minutes to be made available to Shareholder Committee. It is not proposed that the minutes of these meetings are published due to it being commercially sensitive.
5	There should be sufficient time set aside for members to scrutinise the companies and their accounts, so they may offer guidance to the Directors of those entities and make informed decisions concerning support provided by the Council to those entities.	Formal papers will be issued in line with standard committee paper timescales to allow sufficient time for scrutiny.
6	We support the Council's recommendation of bringing all entities onto the same year end for reporting purpose but note that period comparisons should be made available to members to aid their analysis of the accounts.	Accounting period comparisons already exist in reports brought to committee and will be included in those presented in September 2022 and future meetings.
7	Each trading company should have its own business plan, setting out the financial projections, business strategy and opportunities to be pursued over the coming financial year.	These requirements are now fulfilled as reflected in papers brought to Shareholder Committee on 30 <sup>th</sup> March 2022.
8	Each entity should be aware of how their plans meet value-for-money and quality requirements, and that performance against those requirements is captured through an adequately resourced monitoring function in each entity.	These requirements are monitored as reflected in papers brought to Committee on 30 <sup>th</sup> March 2022.
9	There should be ongoing assessment of risks relating to the entity, supported by processes to ensure that risks are highlighted in the business plan managed as part of the Council's overall risk management approach, with appropriate escalation and reporting.	Risks are monitored as reflected in papers brought to Committee on 30 <sup>th</sup> March 2022. A review of these risks will be undertaken as part of the Council's Risk Management process and incorporated within the Finance Directorate Risk Register as appropriate. CMH will have its own risk register which will be reviewed on a regular basis as part of the ongoing assessment of risks for the group.
10	Officers and members should be involved in the scrutiny, oversight, and approval of business plans, through direct officer involvement in each entity and the submission of company business plans to members on the Holdco Shareholder Committee, wholly-owned company Member Panels, and Shareholder Panels.	Member involvement already occurs through business plans being submitted to Shareholder Committee (March and September 2022). Officer oversight will be undertaken ahead of member meetings and any issues raised as appropriate with the Section 151 Officer and monitoring Officer as appropriate to feed into Shareholder Committee.
11	There should be evidence of formal periodic shareholder/Chair/CEO meetings with effective supporting papers to inform subsequent company board meetings. These should exist for: company board meetings; shareholder panels; member panels; CMH Board meetings; the Council's new Shareholder	Individual Managing Directors will be invited to Shareholder Committee, Audit and Procurement Committee and/or Scrutiny Committee meetings as appropriate and where required with usual minuting protocols.



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	Recommendation	Response
	Committee; and the Council's Scrutiny and Audit Committee.	
12	Minutes and actions from those meetings should be captured systematically by the Council for each commercial entity.	Any support is approved in line with the Group Governance Agreement which sets out the delegations policy for decision making, Procurement Policy for securing contracts for goods and services and the Council Contracting Policy which is in relation to contracts between the entities and the Council.
13	Any support or services provided by either party to the other party should be reported to the relevant Board, Panel or Committee by commercial entity.	This will be put in place from December 2022 and minutes are already available for the March 2022 Shareholder Committee meeting.
14	All decisions to provide loans or grants to a commercial entity should be reported to the relevant Board, Panel or Committee by commercial entity.	All such decisions will be subject to the Council's existing delegated financial decision matrix and reported accordingly.
15	All agreements between the Council and the Entity should be negotiated and agreed at 'arms length', with clear, up-to-date, and regular monitoring and review of performance against these agreements.	These papers are already produced as evidenced by individual Service Level Agreements with the subsidier companies where required. These documents have review and monitoring arrangements built in.
16	Any changes to arms-length agreements should be documented so that a clear audit trail exists.	Changes to these agreements are documented as evidenced by the Service Level Agreements referred to in item 15
17	The Council should ensure that CMH carries with it a Company secretarial function to monitor and control formal papers, minutes and actions for wholly owned entities.	This function and the relevant documentation and processes now exist for CMH.
18	There should be evidence of formal training provided to members who regularly attend Shareholder Panels. Member Panels, the new Shareholder Committee and the Council's Scrutiny and Audit Committee.	Initial formal training for members of Shareholder Committee has been provided. Mandatory training is already in place for members of Audit & Procurement Committee and Scrutiny in relation to their functions.  It is proposed that members' Training and Development Work Programme is amended to allow for members of Audit & Procurement and Scrutiny to receive a condensed version of training provided to Shareholder Committee members, an overview of CMH and future training on the Council's investment strategy approach.
19	Fit and proper persons tests should be performed to ensure there are no conflicts of interest arising from the appointment of officers to boards or members to panels and committees.	This is addressed through: the CMH conflicts of interest policy; the Terms of Reference for the Shareholder Committee; the register of conflicts held by the Council and CMH; Council members' register of interests and meeting declarations; directors fit and proper person declarations upon appointment and; evidence sought on director skills and experience at point of appointment.
20	The Council should maintain a record of how it is operating against the Local Partnerships checklist in the paper "Local Authority Company Review Guidance – A toolkit for undertaking strategic and governance reviews of wholly or partly owned council commercial entities." (see Appendix F).	It is proposed that this is undertaken with the first report to Shareholder Committee then Audit and Procurement Committee in September 2023.

	Recommendation	Response
21	The Council should strengthen its group accounting arrangements ensuring that it obtains appropriate advice and agrees accounting treatments in advance of purchasing or establishing a company.	The Council has increased its finance function capacity and specialism in relation to group accounts. The recommendation to obtain appropriate advice in advance of establishing or obtaining future company interests is noted.

# COVENTRY MUNICIPAL HOLDINGS SCRUTINY CO-ORDINATION COMMITTEE PUBLIC MEETING

19<sup>th</sup> October 2022

Andrew Walster, Managing Director



# AGENDA

## Performance Report as required by the Group Governance Agreement

- ▶ Review of 2021-2022 Coventry Municipal Holdings Group Performance
  - ▶ Tom White Waste Limited (TW)
  - ▶ Coombe Abbey Park Limited (CAPL)
  - ▶ Coventry Technical Resources Limited (CTR)
  - ▶ Coventry Municipal Holdings (CMH)
- ▶ Business activity in 2022/23
- ▶ Return on investment
- ▶ Compliance with Group Governance and Procurement Policy
- ▶ Response to Grant Thornton's VfM Annual Report on Company Governance



# TOM WHITE WASTE LIMITED

- ▶ 2021/22 financial performance driven by
  - ▶ Ongoing culture change from family business to corporate SME
  - ▶ Changes to the management team
  - ▶ Rebrand to 'Tom White' with clear new values associated with 'profit for purpose', 'focus on our people', and 'doing the right thing environmentally'
  - ▶ Supporting the City Council strike action with emergency waste management services
  - ▶ Higher material disposal costs due to changes in the local disposal market
  - ▶ Escalating costs associated with delivering the normal course of business
  - ▶ Driver availability post-Covid and post-Brexit has been a challenge
  - ▶ Correction of historic accounting practices
- ▶ Audited accounts available at Companies House when published



# COOMBE ABBEY PARK LIMITED

- ▶ 2021/22 financial performance driven by
  - ▶ The diverse nature of CAPL, with outlets in the parks, Go Ape and new No Ordinary Hospitality contracts in the city meant that the non-hotel business grew revenues
  - ▶ In August the greater removal of restrictions then saw unprecedented demand in the leisure sector
  - ▶ New outlets were opened following capital investment in the Coombe visitor centre, the performance from which will deliver in to 2022
  - ▶ Partial trading from April in the form of outdoor dining and restrictions lifted in July 2021
  - ▶ Ongoing restrictions and requirements around social distancing and the need to limit capacity of events had an ongoing impact through the year
  - ▶ Ongoing availability of staff in the market (post-Brexit issue)
- ▶ Audited accounts available at Companies House when published

# COOMBE ABBEY PARK LIMITED - GROUP

- ▶ Final accounts to 31<sup>st</sup> Dec 2021:
  - ▶ Revenue from non-hotel operations exceeded expectations achieving over £1m in revenue
  - ▶ EBITDA of £0.3m profit vs £1.6m loss (2021)
  - ▶ Year end position improvement on previous year – shortfall by c£60k compared to business plan
- ▶ Balance sheet is strong with £1.7m cash balance at year end due to refinancing of loans for April 2021
- ▶ Debtors increased by £0.8m and trade creditors decreased by £0.9m
- ▶ Net assets £1.8m (2021) vs £2.27m (2020) due to loss in year

	2021	2020
Revenue	6.768	3.416
Cost of sales	(4.887)	(4.042)
<b>Gross Profit</b>	<b>1.881</b>	<b>(0.626)</b>
Other operating income	0.861	1.268
Administrative expenses	(2.379)	(2.313)
<b>EBITDA</b>	<b>0.363</b>	<b>(1.671)</b>
Depreciation	(0.467)	(0.501)
<b>Operating Profit/ (loss)</b>	<b>(0.103)</b>	<b>(2.172)</b>
Finance costs	(0.367)	(0.246)
<b>Loss before income tax</b>	<b>(0.471)</b>	<b>(2.418)</b>

Figures are in £m  
 Final audited accounts  
 Coombe Abbey Park Limited  
 Coombe abbey Park (LACo Limited  
 No Ordinary Hospitality Management Ltd



# TT TALES OF TEA



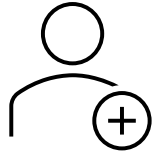


# People update

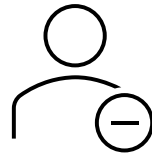
Aim for the business is to be an employer of choice in the area



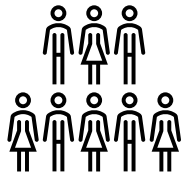
At time of writing, we employ 382 staff,  
up from the start of the year where we employed 286



Year to date nearly 230 people have joined the business



Year to date 127 have left the business



Employee turnover 27% , this is up from Q2  
Hospitality industry norm is 30% (source UK hospitality survey 2019)

## IXL Arena

This agreement is now live and NOHM are undertaking sale and marketing of the venue to corporate clients. We so far have two site visits arranged for events early next year.



# COVENTRY TECHNICAL RESOURCES LIMITED

- ▶ 2021/22 financial performance was as per the company budget
- ▶ Company continued to support the Council with resource solutions as required
- ▶ CTR retains legacy cash balance that will be paid to the Council as dividend in 2022/23
- ▶ Audited accounts available at Companies House when published



# COVENTRY MUNICIPAL HOLDINGS

- ▶ 2021/22 financial performance driven by
  - ▶ The appropriate recharge of overheads to the subsidiary companies
  - ▶ The recharge of CMH Director time to the Council for specific input on various key commercial Council projects
- ▶ CMH Consolidated Performance
  - ▶ Based on 31<sup>st</sup> March 2022
  - ▶ IFRS basis – conversion from UKGAAP for TWW and CAPL
  - ▶ Delay due to different auditors preparing information and additional checks for CMH opening balance sheet, preparation of figures for CAPL for Jan –March 2022
  - ▶ No dividends declared yet – Decision will be based on final audited accounts
- ▶ Audited accounts available at Companies House when published



# RETURN ON INVESTMENT

## **Tom White Group**

- ▶ TW Business Plan approved a spend for the MRF Redevelopment at TW which was presented to Cabinet and Council in October
- ▶ Purpose is to replace obsolete and high maintenance plant with a modern plant that is future proofed, while achieving an EBITDA improvement to TW of c.£3.8m pa
- ▶ Enhanced environmental performance of commercial material arising in Coventry, moving from 7% recycling to >70%, impacting global reliance on raw materials
- ▶ Increased business resilience, accessing more off-take markets and reducing operational costs, increasing recycle revenue
- ▶ Lead to the Council receiving dividends in the future due to increased financial performance on top of the interest income it will receive

## **Coombe Abbey Park Group**

- ▶ Refinanced existing loans in April 2021 to ease cashflow. CCC receive a commercial return on the loan finance
- ▶ No dividends have been declared yet for any companies – awaiting final audited accounts

# FUTURE PRIORITIES

## ► Tom White Waste Limited

- Site development to enhance environmental and commercial performance
- Organic growth of core business
- Expanding Value Added Services
- Executing decarbonisation strategy

## ► Coombe Abbey Park Limited

- Core business consolidation
- Sales focus on traditional business – weddings, corporate functions, leisure
- System digitisation to drive efficiency
- Minor hotel refurbishments
- Obtaining additional management contracts of other venues



# GROUP GOVERNANCE COMPLIANCE

- ▶ All companies in the CMH group are bound by the Group Governance Agreement
  - ▶ Legal document
  - ▶ Delegations for decisions making across the group
  - ▶ Requirements for each entity in relation to reporting
  - ▶ Policies for operation in relation to transactions between the group
  - ▶ Procurement and value for money
- ▶ Compliance with Procurement Policy
- ▶ VfM Report by GT on company governance



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Please see page 2 onwards for background to items

<b>22<sup>nd</sup> June 2022</b>
Domestic Abuse Local Partnership Board Scrutiny Annual Report 2021-22
<b>20<sup>th</sup> July 2022</b>
One Coventry Annual Performance Report (Cabinet Report) One Coventry Plan Engagement
<b>28<sup>th</sup> September 2022</b>
Jobs and Skills: a) Economic Development Strategy b) Coventry Skills Strategy Appointment of Co-opted Member of the Education and Children's Scrutiny Board (2)
<b>19<sup>th</sup> October 2022</b>
Coventry Municipal Holdings (CMH) Annual Report
<b>9<sup>th</sup> November 2022</b>
The Cost of Living Crisis
<b>14<sup>th</sup> December 2022</b>
Local Policing Update
<b>18<sup>th</sup> January 2023</b>
Rough Sleeper Drug and Alcohol Treatment Grant Exempt Accommodation
<b>1<sup>st</sup> March 2023</b>
Coventry City of Culture Legacy Coventry and Warwickshire Health Inequalities Strategic Plan
<b>19<sup>th</sup> April 2023</b>
FGM Police and Crime Board Strategic Assessment
<b>Suggested items for 2022-23 – dates to be agreed</b>
Inequalities T&F group One Coventry Plan (Cabinet Report) CCC Transformation Programme Economic Impact of Brexit Climate Change Action Plan Domestic Abuse Update Health Inequalities and Marmot Spon End Regeneration Project

<b>Date</b>	<b>Title</b>	<b>Detail</b>	<b>Cabinet Member/ Lead Officer</b>
<b>22<sup>nd</sup> June 2022</b>	Domestic Abuse Local Partnership Board	A report on progress on the Domestic Abuse Local Partnership progress including benchmarking data and duties under the Domestic Abuse Act	Cllr AS Khan/ Cllr P Akhtar Public Health reps
	Scrutiny Annual Report 2021-22	To consider the 2021-22 Annual Report	Cllr N Akhtar
<b>20<sup>th</sup> July 2022</b>	One Coventry Annual Performance Report (Cabinet Report)	To scrutinise the One Coventry Annual Performance report and for Scrutiny Board Chairs to identify areas of work for their Boards to scrutinise in detail.	Cllr Duggins Allison Duggal Kirston Nelson
	One Coventry Plan Engagement	This item will outline the engagement work being delivered around the One Coventry Plan Refresh. SCRUCO comments will be fed into the engagement work.	Cllr Duggins Kirston Nelson
<b>28<sup>th</sup> September 2022</b>	Jobs and Skills: a) Economic Development Strategy b) Coventry Skills Strategy	To consider the draft Skills Strategy and draft Economic Development Strategy before they are considered by Cabinet	Cllr O'Boyle Cllr Sandhu Kim Mawby/ Steve Weir
	Appointment of Co-opted Member of the Education and Children's Scrutiny Board (2)	To appoint a representative of "other faiths" as laid out in section 2D paragraph 6.1(e)	Gennie Holmes Cllr Innes
<b>19<sup>th</sup> October 2022</b>	Coventry Municipal Holdings (CMH) Annual Report	To receive the CMH Annual Report at an appropriate time as agreed at the meeting on 26 <sup>th</sup> August 2021.	Cllr Duggins Barry Hastie
<b>9<sup>th</sup> November 2022</b>	The Cost of Living Crisis	Identified at SCRUCO 16.02.22. To scrutinise the impact of the energy crisis and what support is available to support local residents.	Cllr Duggins Michelle McGinty/ Marc Greenwood
<b>14<sup>th</sup> December 2022</b>	Local Policing Update	Priorities and pressures at the moment. Provide some data on violent crime and motoring offences (off road bikes). How can call on additional resources as well as how community can help. Snapshot, including PSPO information	Cllr AS Khan/ Craig Hickin

# SCRUCO Work Programme 2022-23

Date	Title	Detail	Cabinet Member/ Lead Officer
<b>18<sup>th</sup> January 2023</b>	Rough Sleeper Drug and Alcohol Treatment Grant	The Council have received a grant to deliver enhanced drug and alcohol treatment services to Rough Sleepers and those at risk of Rough sleeping. The grant was issued in December 2021 and runs until March 2024. SCRUCO have asked to know how effective the measures within the grant have been.	Cllr Caan Jim Crawshaw/ Rachel Chapman
	Exempt Accommodation	To look at the levels of exempt accommodation, the quality of the support offered to vulnerable tenants, as well as steps the Council can take to address concerns.	Jim Crawshaw Cllr Welsh
<b>1<sup>st</sup> March 2023</b>	Coventry City of Culture Legacy	To consider the lasting legacy from City of Culture 2022 including impact on the Council.	Cllr Duggins David Nuttall
	Coventry and Warwickshire Health Inequalities Strategic Plan	To look at the monitoring framework to monitor progress against targets and KPI's. Representation from NHS partners to be invited.	Cllr Caan Allison Duggal
<b>19<sup>th</sup> April 2023</b>	FGM	To scrutinise services and awareness raising of Female Genital Mutilation.	Cllr Caan Allison Duggal
	Police and Crime Board Strategic Assessment	To consider the strategic assessment and priorities for the coming year on community safety issues.	Cllr AS Khan
<b>Suggested items for 2022-23 – dates to be agreed</b>	Inequalities T&F group		
	One Coventry Plan (Cabinet Report)	To consider the final One Coventry Plan before the report is taken to Cabinet in December.	Cllr Duggins Kirston Nelson
	CCC Transformation Programme		
	Economic Impact of Brexit	An update report on the impact of Brexit on the local economy, including information on sector-by-sector feedback, be submitted to a future meeting of the Board in	Cllr O'Boyle Steve Weir

Date	Title	Detail	Cabinet Member/ Lead Officer
		twelve months and the Board's work programme be updated accordingly. Follow up to meeting in Nov 2021	
	Climate Change Action Plan	Identified at SCRUCO 16.02.22. What consultation has been undertaken for this item? Invite in key stakeholders.	Cllr O'Boyle Bret Willers
	Domestic Abuse Update	An update following meeting on 22 June 22 to include progress on early intervention	Alison Duggal Cllr P Akhtar
	Health Inequalities and Marmot	To look at what the Council is doing to address health inequalities and to monitor progress	Allison Duggal Cllr Caan
	Spon End Regeneration Project	How is it funded? How have people have been relocated? What are the plans? How are plans communicated with the community?	