

COVENTRY MUNICIPAL HOLDINGS SCRUTINY CO-ORDINATION COMMITTEE PUBLIC MEETING

19th 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 31st 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)
Gross Profit	1.881	(0.626)
Other operating income	0.861	1.268
Administrative expenses	(2.379)	(2.313)
EBITDA	0.363	(1.671)
Depreciation	(0.467)	(0.501)
Operating Profit/ (loss)	(0.103)	(2.172)
Finance costs	(0.367)	(0.246)
Loss before income tax	(0.471)	(2.418)

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



TALES OF TEA

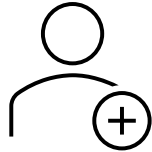


People update

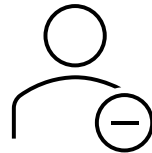
Aim for the business is to be an employer of choice in the area



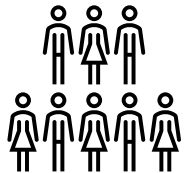
At time of writing, we employ 382 staff,
up from the start of the year where we employed 286



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)



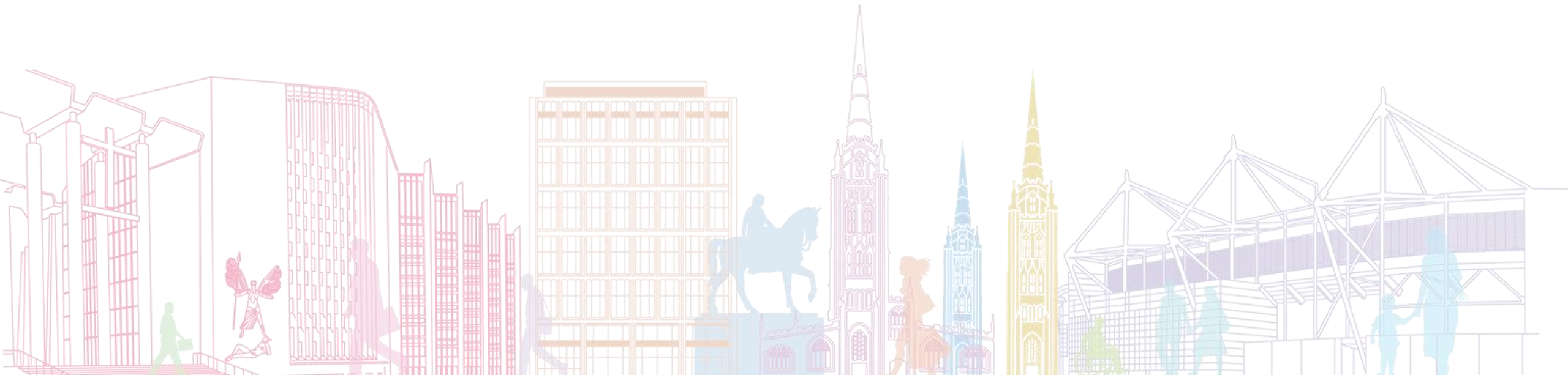
IXL Arena

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 31st 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

