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Audit and Procurement Committee

**24 November 2025**

**Name of Cabinet Member:**

N/A

**Director approving submission of the report:**

Managing Director for Coventry Municipal Holdings Limited – G McKelvie

**Ward(s) affected:**

None

**Title:**

Compliance with the Group Governance Agreement

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**Is this a key decision?**

No

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**Executive summary:**

Coventry Municipal Holdings (CMH) and the trading subsidiaries signed a Deed of Adherence which confirmed their agreement to meet the requirements under the Group Governance Agreement (GGA). This legal document is the framework that each entity complies with in relation to company governance with information on the make-up and role of the Board of Directors, Coventry Shareholder Committee and the delegations for decisions at the various levels in the structure. In addition to this, the GGA also covers the reporting requirements and information for Business Planning and budgets and the Annual Performance Report.

This report focuses on the companies and their compliance to the GGA and included policies.

**Recommendations:**

Audit and Procurement Committee is recommended to:

- (1) Consider the Compliance to the Group Governance Agreement as detailed in this report for 2024-25.
- (2) To make any comments/recommendations to the Coventry Shareholder Committee arising from this meeting.

**List of Appendices included:**

None

**Background papers:**

None

**Other useful documents**

None

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

No

**Has it or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## **Report title: Compliance with the Group Governance Agreement**

### **1. Context (or background)**

- 1.1. The Coventry Municipal Holdings Limited (CMH) group includes the following companies:
- Tom White Waste Limited (TW ) and subsidiaries: A&M Metals, TW(LACo) (the Teckal company)
  - Coombe Abbey Park Limited (CAPL) and subsidiaries: No Ordinary Hospitality Management (NOHM), Coombe Abbey Park (LACo) (the Teckal company)
  - Coventry Technical Resources Limited (CTR)
  - Coventry Regeneration Limited (CR)
  - No Ordinary Hotels Limited (effectively a dormant company)
- 1.2. CMH and the trading subsidiaries signed a Deed of Adherence which confirmed their agreement to meet the requirements under the Group Governance Agreement (GGA). This legal document is the framework that each entity complies with in relation to company governance with information on the make-up and role of the Board of Directors, Coventry Shareholder Committee and the delegations for decisions at the various levels in the structure. In addition to this, the GGA also covers the reporting requirements and information for Business Planning and budgets and the Annual Performance Report. Appended to the GGA are the following policies:
- Delegations Policy
  - Conflicts Policy
  - New Subsidiary Policy
  - Council Contracting Policy
  - Procurement Policy
  - HR Risk Policy
- 1.3. This report focuses on the companies and their compliance to the GGA and included policies. The CIPFA (Charter Institute of Public Finance Accountants) guidance on Audit Committees recommends that Audit Committees review the governance arrangements of council owned trading companies, which this report supports.

### **2. Compliance with the Group Governance Agreement**

- 2.1. **Adherence to the Group Governance Agreement** – Each of the trading entities has adhered to the requirements under the GGA. Decisions which have required escalation to CMH Board or Coventry Shareholder Committee have been taken to the respective Boards for approval. Each of the entities have complied with the Council Contracting Policy and Procurement Policy.
- 2.2. **Completion of statutory accounts and the audit of the accounts for the year ended 31<sup>st</sup> March 2025** - Each of the entities produce their own accounts and then a consolidated set of accounts is created for each parent company (Tom White Waste

Limited, Coombe Abbey Park Limited) and at the CMH group level at the year end. The accounts for the year ending 31<sup>st</sup> March 2025 for all companies were presented to Coventry Shareholder Committee on the 4<sup>th</sup> November 2025.

- 2.3. The accounts for all active companies have been reviewed by LDP Luckmans, the auditor for the group of companies. All accounts received an unqualified (clean) audit opinion, which supports that the auditors believe the financial statements represent a true and fair view of the company and have been prepared in accordance with applicable accounting standards. The auditor's statement in each company also supports that the companies are of going concern in that they have sufficient resources to continue to operate for at least 12 months from the date of signing the accounts.
- 2.4. **Reporting to Coventry Shareholder Committee (CSC)** - In line with the GGA, there are two key points for reporting to CSC. A backward look at the prior financial year, which takes place in Autumn following the end of the financial year and a forward look with the request for Business Plans and Budgets to be approved for the coming financial year in March. Both of these reporting dates have been met by the Group. The Business Plans and budget for 2025/26 were approved by CSC on 26<sup>th</sup> March 2025. The accounts for the year ended 31<sup>st</sup> March 2025, were presented to CSC on the 4<sup>th</sup> November 2025.
- 2.5. In addition to reporting to CSC, these same reports were presented to Scrutiny Co-Ordination Committee prior to CSC with any recommendations being send to CSC for consideration.
- 2.6. CMH group presented at an informal briefing open to all members on the 13<sup>th</sup> October 2025. This was an opportunity for members to hear from Tracy Bryan, Director of Operations at Tom White Waste and Richard Harrison, Managing Director of Coombe Abbey Park Limited.
- 2.7. **Internal Audit Review – Management of Conflicts of Interest** – As part of the Internal Audit plan for 2025-26, it was agreed that a review of compliance with the Conflicts Policy would be undertaken to provide assurance around one of the key policies which underpin the Group's governance arrangements.
- 2.8. The work was completed in August 2025 and concluded that reasonable assurance can be provided that the CMH Conflicts Policy is being complied with. There was one recommendation which has been implemented which referred to developing a formal, complete, conflicts register for each CMH company and ensure that it is approved by the Directors of the relevant company on an annual basis.
- 2.9. **Annual Procurement Report** – CMH group has complied with the Procurement Policy. Decisions which have required escalation to CMH Board or Coventry Shareholder Committee have been taken to the respective Boards for approval.
- 2.10. There were no purchases in year by Tom White Waste Group that exceeded £200k in contract value. Two vehicles were acquired, but these fall below this threshold. The company has complied with the Procurement Policy within the GGA.

2.11. There were no purchases in year by Coombe Abbey Park Group that exceeded £200k in contract value and all procurement has been in line with the Procurement Policy within the GGA. Although the works to refurbish the meeting and events rooms started in 2024/25, the costs fell into 2025/26 and the contract was awarded in line with the Procurement Policy.

2.12. **Board Performance Reviews** – Each Director (excluding the CMH Managing Director) has had an Annual Performance Review with the CMH Managing Director during the last twelve months. The CMH Managing Director has a review with the Council's Section 151 Officer. Regular meetings take place between the CMH Managing Director and the Council's Section 151 Officer to understand the performance of the Group.

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

3.1. No consultation undertaken

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

4.1. Audit Committee are asked to make recommendations to the Coventry Shareholder Committee, which will be reported at their next scheduled meeting.

### **5. Comments from Director of Finance and Resources and Director of Law and Governance**

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

The financial statements of the subsidiaries within the CMH Group will be consolidated into the Council's group accounts as the Council has control over these entities as the ultimate parent company. The Companies have complied with the financial reporting aspects of the Group Governance Agreement in relation to presenting the Business Plan including budgets and subsequently the Annual Performance Report for approval by the Shareholder Committee in line with the timeline agreed with the Coventry Shareholder Committee.

Monthly operational and financial information is shared with the Council's Section 151 Officer and the Leader to provide the Shareholder with an overview of the ongoing performance of the key companies within the CMH 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 decisions being made are in compliance with the Terms of Reference of Coventry Shareholder Committee and align with the Group Governance Agreement and the Delegations Policy. The group have submitted their confirmation statements and other documents to Companies House on the submission requirement dates. The audited accounts for the year ending 31st March 2025 have been submitted to Companies House.

### **6. Other implications**

**6.1. How will this contribute to the One Coventry Plan?**

Any income or dividend revenue declared by the entities in the group of companies will support the Council to deliver its core aims. TW continue to pursue projects which will deliver environmental benefits through greater recycling and extraction of recyclable materials rather than a focus on waste disposal. Coombe Abbey Park continues to support making Coventry an attractive and enjoyable place to be through the leisure offer they provide.

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

Company management have identified specific risks and mitigations for the companies within the CMH Group. This includes the risk of operating in industries (hospitality / waste management) influenced by macroeconomic factors and liquidity risk due to inflationary pressures. The Board of Directors monitor these matters and impacts to performance of CMH, mitigate where ever possible, and report the same to the Coventry Shareholder Committee from time to time as appropriate.

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

The companies should deliver dividend income along with the existing income streams of rent and financing costs in future years which will go towards delivery of the Council's priorities.

**6.4. Equalities / EIA?**

No equality impact assessment has been carried out as the recommendations in this report do not constitute a new project and do not review existing, or develop new, Council strategies, policies, guidelines or services.

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

The group is taking steps to reduce energy consumption, waste and increase recycling. The core values for Tom White Waste Limited support this with Project Our Planet being at the heart of how the business operates.

Coombe Abbey Park Limited is captured under the Energy Savings Opportunities Scheme (ESOS) and has commissioned a report to consider what changes could be made to operations and infrastructure to reduce energy costs and deliver carbon savings. Operating from an ageing asset which is also a Grade 1 listed building makes delivering such changes in a cost-effective way more challenging, but it still remains a company focus.

**6.6. Implications for partner organisations?**

There is no impact on partner organisations.

**Report author(s):**

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N/a

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Director: Grant McKelvie	Managing Director - CMH	-	7/11/25	12/11/25
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