

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the identity, financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Scrutiny Co-Ordination Committee
Coventry Shareholder Committee

12th March 2026
17th March 2026

Director approving submission of the report:
Director of Finance and Resources

Ward(s) affected:
All

Title:

Business Planning Cycle for 2026-27 for the Coventry Municipal Holdings Group

Is this a key decision?

No – Although the matter affects all Wards, the impact is not expected to be significant

Executive summary:

Coventry Municipal Holdings Limited (CMH) was incorporated in November 2021 as an intermediary parent company within the Council's group structure. As required by the Group Governance Agreement (GGA), CMH along with its subsidiaries, present their Business Plans for the year ahead ending 31st March 2027. This report has been prepared to summarise the key points and identify any risks to the Council within the detailed plans appended to the report.

The Business Plans set out the operational priorities and forecast financial position for the current year and the budget for next year which, in accordance with the GGA, requires Coventry Shareholder Committee approval to proceed.

Recommendations:

The Scrutiny Co-ordination Committee is recommended to:

- (1) Note the Business Plans for the CMH Group for the financial year 2026-2027
- (2) Forward any comments or recommendations to the Coventry Shareholder Committee for its consideration.

Coventry Shareholder Committee is recommended to:

- (1) Consider any comments or recommendations from the Scrutiny Co-ordination Committee.
- (2) Approve the Business Plans for the CMH Group for the financial year 2026-2027 as set out in appendices 1 to 3 of the corresponding private element of this report.

List of Appendices included:

None

Background papers:

None

Other useful documents

Cabinet Report – Business planning cycle for 2025-26 for the Coventry Municipal Holdings Group (Coventry Shareholder Committee, Item 20, 26th March 2025)

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=773&MId=13336&Ver=4>

Cabinet Report – Coventry Municipal Holdings Limited Annual Performance Report Year Ended 31st March 2025 (Coventry Shareholder Committee, Item 9, 4th November 2025)

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=773&MId=13497&Ver=4>

Has it or will it be considered by Scrutiny?

Yes – 12th March 2026

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: Business Planning Cycle for 2026-27 for the Coventry Municipal Holdings Group

1. Context (or background)

1.1. Coventry Municipal Holdings (CMH) is required by the Group Governance Agreement (GGA) to present the group business plan for approval by Coventry Shareholder Committee. This Business Plan covers the following companies:

- Coombe Abbey Park Limited (CAPL), the company that operates Coombe Abbey Park Hotel via a long lease from the Council, and subsidiaries:
 - No Ordinary Hospitality Management (NOHM) undertakes management contracts for third parties and provides the trading name for operations within the hospitality and leisure sector.
 - Coombe Abbey Park (LACo), a Tecca company set up to enable contracts to be directly awarded by the Council.
- Coventry Technical Resources (CTR) provides resourcing solutions to the Council via contractual arrangements.
- Coventry Regeneration Limited (CR), set up during the construction of Coventry Arena and continues trading with minimal transactions to preserve historic tax assets which may be usable in the future.
- No Ordinary Hotels Limited (effectively a dormant company) continues operating to preserve the brand name.
- Tom White Waste Limited (TWW), a commercial waste company that was previously one of the Council's largest local competitors prior to acquisition, and subsidiaries:
 - A&M Metals & Waste supports the waste management and recycling activities of the parent company. The company has ceased trading and management plan to liquidate the company in the foreseeable future.
 - Tom White Waste (LACo), a Teckal company set up to enable contracts to be directly awarded by the Council.

2. Options considered and recommended proposal

2.1. **Option 1: Do not approve the Business Plans** – Without approval of the Business Plans the entities will be working outside of the requirements of the GGA and therefore within the existing budgets and may not be able to move forward with plans they have for 26/27 or contractual agreements they wish to enter.

2.2. **Option 2: Approve the Business Plans for CMH and each subsidiary entity** – Each entity has set out their vision, strategic objectives and budgets for 26/27 and beyond in their individual company business plans. The Business Plans are summarised below along with any other relevant information.

2.2.1. Coventry Municipal Holdings (CMH)

CMH provides a layer of governance and management support for the Council's wholly owned subsidiaries in accordance with the Group Governance Agreement (GGA).

The cost base comprises of staffing costs for management and administrative support provided across the group. These services are provided at cost, and it is assumed that they will be fully recovered from management recharges across the group.

2.2.2. No Ordinary Hospitality Management (NOHM)

This includes the activities of Coombe Abbey Park Limited (CAPL) which trades under the NOHM brand.

The vision for CAPL is for Coombe Abbey Hotel to be a destination of choice for families, business, and events both regionally and on the national stage, creating outstanding memorable experiences whilst delivering sustainable financial returns to its shareholders. This is supported by four strategic priorities for the 26/27 financial year:

- i. Sales growth in key markets (meetings and conferences, private functions and events, and weddings)
- ii. Management control of payroll expenditure and efficiency of resources.
- iii. Development of new products through capital investment to refurbish buildings and construct new facilities.
- iv. Generating revenue through skills and experience, seeking new external contracts.

Further improvements in profitability will be required to ensure the company's sustainability over the medium term. CAPL has been in a negative net assets position since March 2024, and despite improvements this will remain negative for the near future.

The 26/27 budget includes income due to the Council of £1.3m, including £0.85m from the hotel and other property leases, interest payable on commercial loans of £0.45m and a profit share from catering concessions of £0.03m.

The Business Plan details several capital investments required to stimulate revenue growth and protect the fabric of the hotel building. This represents the most significant capital investment by the company in recent years. CAPL are proposing to use company resources repair the hotel building flat roof, replace the goods lift and replace the heating in the Park Priory bedroom block. CAPL are seeking debt financing to deliver the further capital investments detailed in the Private report. The proposed loan terms for these projects have been modelled over a 10-year term at a commercial rate of interest, with repayments due to commence once the assets are operational. The detailed terms of the finance are subject to approval.

2.2.3. Tom White Waste Limited (TWW)

The vision of TWW is to be a conscious brand with a mission to make a positive environmental and social impact whilst creating shareholder value for distribution into the local community. The strategic priorities for the 26/27 financial year are:

- i. Optimising profitable processing through investment in new plant and machinery at the existing Materials Recycling Facility (MRF).
- ii. Sales growth within Coventry and the surrounding region.
- iii. Construction and demolition waste capacity increase by review and implement of plan to develop C&D line at Site 1.
- iv. Vehicle and mobile plant renewal to ensure high levels of availability to complement double shifting to provide sufficient capacity for growth.

TWW have seen a significant temporary increase in revenues due to contracts with Birmingham City Council. This is being managed on an exceptional basis with performance separated out from core business when management monitors performance.

Following the Council's acquisition of TWW's main operational site in January 2025 and an initial payment free period, the Council received £0.15m in annual lease income during 25/26 and £0.6m will be received during 26/27.

The investment in new recycling plant for the MRF is due to be commissioned in May 2026, providing additional processing capacity and producing a high quality recycle output.

2.2.4. Coventry Technical Resources Limited (CTR)

CTR provides resource solutions to the Council either via direct employment or via contract as required by the Council. The commercial posts in CTR have supported a range of projects including the Children's Services Transformation Programme and the Care Facility Project and City Services.

The CTR budget assumes no additional posts will be added and inflationary costs will be up to 5% per annum. The forecast cost base, including a 10% profit margin, is £0.245m (26/27). This is budgeted to be recovered via revenue from contracts with the Council.

When the Council disposed of its shares in Arena Coventry Limited (ACL) for £2.7m in 2014 the funds from the transaction were received by CTR. This cash remains on the company balance sheet and can be paid to the Council as a dividend when required. As part of the business plan the Directors of CTR will consider how best to receive returns on the cash balance held within the company from the sale of the shares in ACL in accordance with their fiduciary duties as Directors subject to approval from the Shareholder. This could involve lending money at market rate within the group.

3. Results of consultation undertaken

- 3.1. No consultation undertaken.

4. Timetable for implementing this decision

- 4.1. Upon approval the Business Plans will be used to set the Budget for 26/27 for each entity.
- 4.2. Subject to approval of loan funding CAPL would begin the construction of the capital investments detailed in the Private report from April 2026 with completion due in early 2027.

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

5.1. Financial Implications

TWW expect to declare a dividend following the audit of the 25/26 accounts and the budgets indicate that it may be possible to declare further dividends in future years. Any dividend will be paid to the Council subject to available cash in the business.

CAPL's negative net assets position and forecast losses in future years represent a liquidity risk unless there are further improvements in profitability. The Directors of CAPL anticipate that proposed capital investments will provide a step change in the profitability of the hotel. CAPL's negative net assets position is offset at the group level by the improved profitability of TWW and the surplus cash held within CTR.

The Directors of CTR will consider how best to receive returns on the cash balance held within the company from the sale of the shares in ACL in accordance with their fiduciary duties as Directors subject to approval from the Shareholder (in this case exercised under the delegation provided to the Director of Finance and Resources following consultation with the Cabinet Member for Strategic Finance and Resources). This could involve lending money at market rate within the group. However, it should be noted that the Council would be unable to access these funds as dividends while they are employed as a loan, if utilised in this way. The remaining cash balance held by CTR, subject to the approval of any intra-group loans, could be paid as a dividend when required by the Council.

The budgets include various transactions involving the Council, which are governed by existing contractual agreements. There are no requests for any new financing from the Council in the 26/27 Business Plans.

5.2. Legal Implications

The decisions which are being made comply with the Terms of Reference of Coventry Shareholder Committee and align with the GGA and the Delegations Policy.

6. Other implications

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

The future dividend revenue declared by the entities in the group of companies will support the Council to deliver its core aims. The operations of TWW will deliver environmental benefits through greater recycling and extraction of recyclable materials. The operations of NOHM, including Coombe Abbey Hotel, will support

making Coventry an attractive and enjoyable place to be through the leisure offer they provide.

6.2. How is risk being managed?

The GGA and oversight by Shareholder Committee manage any risks arising from the Council's investments in CMH. The operational risks and mitigations for the individual companies are detailed in the Business Plans for each entity.

The Council has the appropriate contractual agreements in place where it transacts with companies in the CMH group including resourcing solutions from CTR and long-term leases for Council owned properties (Coombe Abbey Hotel and TWW's main operating facility).

6.3. What is the impact on the organisation?

The Business Plans provide assurance that the Council's investments are being managed effectively and enable appropriate challenge to be provided. This process enables the Council to budget for any revenues and costs that it may incur in its interactions with the CMH group. There is no additional financing required from the Council in 26/27 and it is anticipated that dividends will be received from TWW.

6.4. Equalities / EIA?

No Equalities Impact Assessment (EIA) has been undertaken.

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

The capital investments proposed by TWW are aiming to enhance material quality outputs to improve environmental performance and disposal resilience with additional processing equipment. TWW also saw their highest ever landfill avoidance performance in 25/26.

CAPL are seeking to upgrade the heating system in the Park Priory bedroom block to improve energy efficiency and customer experience.

6.6. Implications for partner organisations?

Any impact on partner organisations has been covered in the Business Plans.

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