

Agenda Item 11
Council – 5th September 2023
Recommendation from Cabinet
29th August 2023

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 29th August 2023

Present:

Members: Councillor G Duggins (Chair)
Councillor L Bigham
Councillor P Hetherton
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Seaman
Councillor D Welsh

Non-Voting Deputy
Cabinet Members:

Councillor S Agboola
Councillor P Akhtar
Councillor G Hayre
Councillor A Jobbar
Councillor G Lloyd
Councillor S Nazir

Non-Voting Opposition
Members:

Councillor S Gray
Councillor P Male
Councillor R Simpson (Substitute for Councillor G Ridley)

Other Non-Voting
Members:

Councillor N Akhtar
Councillor R Lakha
Councillor C E Thomas

Employees
(by Service Area):

Chief Executive

Julie Nugent (Chief Executive)

Business, Investment
and Culture

A Livesey

Finance

B Hastie (Chief Operating Officer (Section 151 Officer),
T Pinks

Law and Governance

J Newman (Chief Legal Officer), G Singh Sangha, M Salmon

Streetscene and Regulatory Services	C Styles
Transportation, Highways and Sustainability	M Dillow, R Palmer
Other	G McElvie
Apologies:	Councillor R Brown Councillor K Caan Councillor A S Khan (Deputy Chair) Councillor C Miks Councillor G Ridley

Public Business

RECOMMENDATION

25. **Coventry Strategic Energy Partnership**

The Cabinet considered a report of the Director of Business, Investment and Culture and the Director of Transportation, Highways and Sustainability, that would also be considered at the meeting of Council on 5th September 2023, that detailed proposals for a Coventry Strategic Energy Partnership.

A corresponding private report detailing confidential financial matters was also submitted for consideration (Minute 28 below referred).

In accordance with the Constitution, Councillor N Akhtar, Chair of the Scrutiny Co-ordination Committee, attended the meeting for this item of business (both the public and the private reports in minutes 25 and 28 respectively) to agree the need for urgency such that call-in arrangements would not apply. The reason for urgency being that the procurement timeline currently showed the date by which the Council would enter into contract with the preferred bidder as being 12th September 2023. In order to achieve this, the notification letter to all the bidders stating the award of the contract to the preferred bidder and commencement of the mandatory 10-day standstill period needed to commence on 1st September 2023. Failure to issue these letters on that date would mean a delay to the ability of the parties to enter into a contract on 12th September 2023 and therefore could also delay the implementation of the Joint Venture arrangements.

‘Tackling the causes and consequences of Climate Change’ was one of the Council’s top three priorities for the city in the One Coventry Plan. The Council’s Draft Climate Change Strategy and accompanying Net Zero Routemap, published earlier this year, set out an ambitious vision for the city’s journey to net zero to create a more sustainable and prosperous future for local people. To achieve this, major long-term planning and investment was required to decarbonise our city through a wide range of environmental and social projects.

The Council had a critical role to play as a leader, asset owner and source of local knowledge, but didn't have sufficient capital, resource, or expertise to deliver net zero in isolation. Therefore, an industry Strategic Energy Partner (SEP) was to be procured to work with the Council to initiate, develop and deliver an extensive programme of projects that would generate significant environmental, social, and economic benefits to the city and help deliver its net zero goal.

Partnering with a world class private industry partner to deliver on net zero goals would deliver huge benefits for the city's communities and businesses. The partnership would bring up to £2 billion investment to Coventry, helping to create local jobs, tackle the green skills gap through working with the local supply chain, businesses and educational institutions and deliver projects that would generate and supply energy, tackle fuel poverty, deliver energy security, create cleaner air and promote health and well-being.

The fifteen-year strategic partnership would see the Council working with the industry partner to initiate, develop and deliver innovative strategies, business models and plans that would drive the city towards net zero. By having a single strategic partner, projects and initiatives could be considered on a longer term, holistic basis such that the Council and its partner achieved a truly joined up approach to energy management and decarbonisation across the city. The use of five-year strategic plans complemented by annual specific action and budget business plans would ensure alignment and pace of decarbonisation progress.

The strategic partner was expected to have both internal resources and access to capital investment, but also the experience and capabilities to leverage third party funding to support projects. The successful strategic energy partner would be obligated to develop five anchor projects and progress the development of at least three further decarbonisation projects each year for the fifteen years.

Procurement was due to conclude in August 2023 with contracts entered in September 2023. Coventry would be only the second city in the UK to secure a SEP (behind Bristol which had a very different model) and the opportunities it would offer were significant, with up to £2 billion investment and delivery of key anchor projects such as a 30MW solar farm, solar into schools, decarbonisation of our fleet, depots and estate and provision of energy security across the city to make the city more resilient. This ambitious partnership would further cement Coventry's aspirations to lead the UK's green industrial revolution.

Creation of social value was a key aspect of the partnership – demonstrating best practice within projects, and also broadening the scope of social value beyond the partnership was a critical success factor. The partnership was designed and contracted to incentivise such positive outcomes in our community with allocation of both resource and funding from the partners and the Council.

To facilitate the SEP, the Council were required to provide 2.5 full time equivalent posts (FTEs) to manage the SEP for the duration of the partnership. The 2.5 FTEs would be funded from existing budgets and resources. The SEP team would be co-located with the industry partner, with a requirement for the Council to provide 4 desks within Council officers for the team.

Cabinet agreed to:

- 1) Authorise the award of the Strategic Energy Partner contract to the Preferred Bidder (as detailed in the corresponding Private Report) for the delivery of the Strategic Energy Partner Project.
- 2) Delegate authority to the Director of Business, Investment, and Culture and the Director of Transport, Highways, and Sustainability, following consultation with the Chief Operating Officer (Section 151 Officer), the Chief Legal Officer, the Cabinet Member for Jobs, Regeneration, and Climate Change and the Cabinet Member for Strategic Finance and Resources, to undertake the necessary due diligence, finalise and complete the process of entering into the contract with the Preferred Bidder.
- 3) Note the role of the Coventry Shareholder Committee in the governance arrangement associated with the delivery of the Strategic Energy Partner project as set out in paragraph 1.8 of the report.
- 4) Agreed to recommend that Council receive and note the decisions of Cabinet as outlined in recommendations 1) to 3) above.

RESOLVED that Council be recommended to receive and note the decisions of Cabinet to:

- 1) Award of the Strategic Energy Partner contract to the Preferred Bidder (as detailed in the corresponding Private Report) for the delivery of the Strategic Energy Partner Project.**
- 2) Delegate authority to the Director of Business, Investment, and Culture and the Director of Transport, Highways, and Sustainability, following consultation with the Chief Operating Officer (Section 151 Officer), the Chief Legal Officer, the Cabinet Member for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources, to undertake the necessary due diligence, finalise and complete the process of entering into the contract with the Preferred Bidder.**
- 3) Note the role of the Coventry Shareholder Committee in the governance arrangement associated with the delivery of the Strategic Energy Partner project as set out in paragraph 1.8 of the report.**