

Coventry City Council
Minutes of the Meeting of Scrutiny Co-ordination Committee held at 10.00 am on
Monday, 11 March 2024

Present:

Members: Councillor N Akhtar (Chair)
 Councillor J Gardiner (substitute for Councillor Ridley)
 Councillor A Hopkins (substitute for Councillor Miks)
 Councillor P Male
 Councillor E Ruane
 Councillor R Thay
 Councillor CE Thomas

Employees (by Service Area):

Chief Executive: J Nugent

Law and Governance: G Holmes, E Jones, C Sinclair

Property Services and L Lewis
Development:

Transport, Highways and R Palmer
Sustainability:

Apologies: Councillor M Ali, G Duggins, C Miks, J O'Boyle, G Ridley and
 R Singh

Public Business

47. Declarations of Interest

There were no declaration of interest.

48. Minutes

The Minutes of the meeting held on 21 February 2024 were agreed and signed as a true record, subject to the deletion of a duplicated statement on page 4 of the Minutes.

There were no matters arising.

49. Public Sector Decarbonisation Scheme - Coventry City Council Buildings Phase 2

The Committee considered a report of the Cabinet Member for Jobs, Regeneration and Climate Change which had been considered by Cabinet on 12 March 2024 and would also be considered by Council on 19 March 2024.

The report summary stated that the UK had committed to reduce the carbon emissions associated with its public buildings compared to 2017 levels by 50% by 2032 and 75% by 2037. To support this, the Department for Energy Security and Net Zero (DESNZ) had continued offering the Public Sector Decarbonisation Scheme (PSDS), but now required a local match contribution. The PSDS grant scheme provided grants of up to £325 per tonne of carbon emissions saved by capital energy efficiency and heat decarbonisation projects that directly reduce fossil fuel use.

Coventry City Council had previously been successful in Phase 1 of the grant scheme which has helped the Council reduce emissions from its buildings and schools by over 1000 tonnes of carbon per year.

Coventry City Council submitted a bid to the Phase 3c grant scheme to support the delivery of a second phase of building decarbonisation projects. Due to the change in criteria for the PSDS grant, a smaller pipeline of buildings than in Phase 1 had been identified as suitable candidates for Phase 2. The proposed scope of works had a combined project value of up to £1.85m with a maximum grant contribution of £786k available via the PSDS grant scheme. It was proposed that match funding for the project be provided by the Council on an “invest to save” basis. Any investment would look to be recovered through revenue savings achieved from reductions in the buildings’ energy bills. Overall, the project was targeting carbon savings of up to 174 tonnes of carbon per year and estimated net savings of £40k per year after repayment of financing costs.

The Committee discussed the following:

- The position of using prudential borrowing to provide the match funding for the grant.
- The interest rate uncertainty and the fact that the interest rate would be fixed for the duration of the loan.
- The fact that there were opportunities for the costs to come down but that costs are fixed so cannot go up.
- The potential to obtain a lower interest rate if the loan is arranged at a later date and what this date potentially could be. The rate of 5.5% had been factored into the business plan and were lower rates identified this would allow larger savings.
- The £40,000 was an annual saving over the lifetime of the project after interest payments on borrowing were covered.
- Taking out the loan did not affect the potential for the Council to borrow on other projects in the future.
- The properties identified were all used for key frontline service requirements and are not currently being considered for disposal. The completed works would likely improve the asset value and ability for lease if disposal is required in future.
- The concerns the committee had for the overall financial position of the Council and whether this was an area of priority for investment of funds.

Resolved that the Committee note the report and recommend that Cabinet:

1) Support the recommendations in the report

2) Note the concerns of Scrutiny Co-ordination Committee regarding the financial position of the project and the importance of ensuring the most beneficial interest is obtained.

50. Strategic Energy Partnership Update

The Committee considered a briefing note and presentation which provided an update on progress of the Council's Strategic Energy Partnership with E.ON.

The Strategic Energy Partnership, a non-incorporated joint venture between the Council and E.ON, was formed in September 2023 following a competitive dialogue procurement process. The initial term of the partnership was 15-years, with the option for the Council to extend for up to 25 years.

The main aim was to support decarbonisation in Coventry on the journey towards net zero, with a focus on projects that deliver environmental, economic and social benefits to the city.

The Strategic Energy Partnership provided the expertise, resource, investment and innovation to help support the delivery of the Council's Climate Change Strategy and the One Coventry Plan.

The briefing note captured progress over the first six months of the partnership and future plans.

The Committee asked questions and received responses on a number of issues including around the procurement process and any benefits or risks associated with the venture and its ability to provide the expertise and investment to help support the delivery of the Council's Climate Change Strategy and the One Coventry Plan.

Following consideration of the information submitted, the Committee requested further information on the following:

- Data on the criteria and priority of retrofitting homes
- Data on EPC ratings (including privately owned properties)
- Possibility of installation of charging points for mobility scooters
- Possibility of generating energy from Coventry's rivers.
- How value for money is ensured at each stage of the process
- Income generation from EV charging (and noted that this would be considered by Scrutiny Board 3)
- Future investment in water quality from Severn Trent

RESOLVED that the Committee agreed to:

- 1) Refer future Cabinet reports for projects that reached Gateway 4 (Detailed Business Case) to the relevant Scrutiny Board**
- 2) Receive regular updated regarding the overall progress of the Strategic Energy Partnership**

51. Scrutiny Co-ordination Committee Work Programme and Outstanding Issues 2023-2024

The Work Programme was noted.

There were no outstanding issues.

52. Any Other Items of Public Business

There were no other items of public business.

(Meeting closed at 11.50 am)