
Coventry Shareholder Committee

Time and Date

2.00 pm on Tuesday, 23 April, 2024

Place

Committee Room 3 - Council House

Public Business

1. **Apologies for Absence**

2. **Declarations of Interest**

3. **Minutes** (Pages 5 - 10)

(a) To agree the Minutes of the previous meeting held on 26 September, 2023

(b) Any matters arising

4. **Exclusion of Press and Public**

To consider whether to exclude the press and public for the private items of business for the reasons shown in the reports.

5. **Strategic Energy Partnership Performance Update and Strategic Business Plan for 2024-2029 and Annual Business Plan for 2024/25**
(Pages 11 - 36)

Report of the Director of Innovation and the Director of Regeneration and Economy

6. **Business Planning Cycle for 2024-25 for the Coventry Municipal Holdings Group** (Pages 37 - 44)

Report of the Director of Finance and Resources

7. **Coventry and Warwickshire Growth Hub Business Plan (Financial Year 2023/24 to 2025/26)** (Pages 45 - 52)

Report of the Director of Finance and Resources

8. **UKBIC Business Plan 2024/25** (Pages 53 - 58)

Report of the Director of Finance and Resources

9. **Any other item of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Private Business

10. **Strategic Energy Partnership Performance Update and Acceptance of Strategic Business Plan for 2024-2029 and Annual Business Plan for 2024/25** (Pages 59 - 146)

Report of the Director of Innovation and the Director of Regeneration and Economy

(Listing officer: A Livesey: e mail anna.livesey@coventry.gov.uk)

11. **Business Planning Cycle for 2024-25 for the Coventry Municipal Holdings Group** (Pages 147 - 262)

Report of the Director of Finance and Resources

(Listing officer: M Phillips e mail: mike.phillips@coventry.gov.uk)

12. **Coventry and Warwickshire Growth Hub Business Plan** (Pages 263 - 306)

Report of the Director of Finance and Resources

(Listing officer: S Weir. E mail Steve.weir@coventry.gov.uk)

13. **UKBIC Business Plane 2024/25** (Pages 307 - 332)

Report of the Director of Finance and Resources

(Listing officer: S Weir. E mail Steve.weir@coventry.gov.uk)

14. **Any other item of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Julie Newman, Chief Legal Officer, Council House, Coventry

Monday, 15 April 2024

Note: The person to contact about the agenda and documents for this meeting is Lara Knight / Suzanne Bennett email: lara.knight@coventry.gov.uk / suzanne.bennett@coventry.gov.uk

Membership: Councillors L Bigham, R Brown, K Caan, G Duggins (Chair), P Hetherton, AS Khan, J O'Boyle, K Sandhu, P Seaman and D Welsh

Public Access

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Lara Knight / Suzanne Bennett

email: lara.knight@coventry.gov.uk /

suzanne.bennett@coventry.gov.uk

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Coventry City Council
Minutes of the Meeting of Coventry Shareholder Committee
held at 2.00 pm on Tuesday, 26 September 2023

Present:

Members: Councillor G Duggins (Chair)
Councillor L Bigham
Councillor R Brown
Councillor P Hetherton
Councillor P Seaman

Coventry Municipal Holdings Limited: G McKelvie (Director)
P Mudhar (Director)
G Sangha (Director)
A Walster (Director)

UKBIC Limited R Moon (Director)
A Williams (Director)

Employees (by Directorate):

Chief Executive J Nugent (Chief Executive)
Finance B Hastie (Chief Operating Officer), M Philips
Law and Governance J Newman (Director of Law and Governance), L Knight
Regeneration and Economy S Weir

Apologies: Councillors J O'Boyle, K Sandhu and D Welsh

Public Business

5. Declarations of Interest

There were no disclosable pecuniary interests.

6. Minutes

The minutes of the meeting held on 1st August 2023 were agreed and signed as a true record.

7. Exclusion of Press and Public

RESOLVED that the press and public be excluded under Section 100(A)(4) of the Local Government Act 1972 for the consideration of the following private reports on the grounds that the reports involve the likely disclosure of information defined in Paragraphs of Schedule 12A of the Act as indicated, and that in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

Minute Number	Report Title	Paragraph(s) of Section 12A of the Act
12	Coventry Municipal Holdings Limited Annual Performance Report Year Ended 31st March 2023	3
13	Sherbourne Recycling Limited Annual Performance Report Year Ended 31st March 2023	3
14	UKBIC Ltd Annual Performance Report Year Ended 31st March 2023 and UKBIC 23/24 Forecasts	3

8. Coventry Municipal Holdings Limited Annual Performance Report year ended 31st March 2023

The Committee considered a report of the Chief Operating Officer (Section 151 Officer), which set out the performance of the Coventry Municipal Holdings Limited (CMH), and its subsidiaries, for the 12 month period from April 2022 to March 2023.

CMH was established in November 2021 as an intermediary parent company to strengthen the governance arrangements for the Council's existing company investments. CMH acquired the share capital of Council owned subsidiaries following an allotment of shares. The Council remains the ultimate parent company for the companies within the CMH group. The Group Governance Agreement (GGA) requires the CMH to produce an annual performance report looking back at the operation of the Group over the last year, including the following subsidiaries:

Coombe Abbey Park Limited (CAPL)
Tom White Wast Limited (TWW)
Coventry Regeneration Limited (CR)
Coventry Technical Resources Limited (CTR)
No Ordinary Hotels Limited (NOH)

In respect of CAPL, the Committee noted that Covid and inflationary pressures had been a significant impact, which had also been observed across the hospitality industry. Management focus had been on cost control and improving the hotel's positioning within the market.

With regard to TWW, the draft accounts indicated a positive EBITDA (earnings before interest, taxation, depreciation and amortisation) and an overall profit for 2022/23. TWW had experienced a sustained increase in turnover in recent years, but the company had been impacted by inflationary pressures. The management team had taken actions to address these pressures and were confident that the position at year end had improved following a difficult start to the year.

CTR provided resourcing solutions and consultancy support to the Council under a series of contracts and had made a small profit in 2022/23 from the margin on contracts for the provision of resourcing solutions to the Council

CR had a limited number of transactions and NOH was effectively a dormant company.

During 2022/23, the Council received treasury returns from its property assets and service loans. The Council received lease payments from CAPL for Coombe Abbey Hotel and other properties on the site. The Council also received interest repayments on service loans from CAPL and TWW.

The report sought approval to make amendments to the company budgets that were approved by the Committee in March 2023. It was noted that the Council was not required to provide any additional resources as a result of these amendments.

A corresponding private report detailing confidential financial matters was also submitted for consideration (minute 12 below refers).

RESOLVED that, the Coventry Shareholder Committee accept the performance assessment and proposed budget amendments provided by Company Management in the Annual Performance Report for Coventry Municipal Holdings Group for the year ended 31st March 2023.

9. Sherbourne Recycling Limited Annual Performance Report year ended 31st March 2023

The Committee considered a report of the Chief Operating Officer (Section 151 Officer), which set out the performance of Sherbourne Recycling Limited for the 12 month period from April 2022 to March 2023.

Sherbourne Recycling Limited (SRL) was incorporated in February 2021 after the successful completion and contract award for the design and construction of a Material Recycling Facility (MRF) located in Coventry. Coventry City Council and seven other local authorities (North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Rugby Borough Council, Stratford-on-Avon District Council, Solihull Metropolitan Borough Council, Walsall Council and Warwick District Council) jointly own the company and will be customers of the facility once it is operational in the Autumn of 2023.

Coventry City Council is the largest single shareholder, having invested £0.215m to acquire a 21.50% shareholding. Walsall Council holds 19.66% and Solihull Metropolitan Borough Council holds 14.63%. The shareholding proportions are based on the waste tonnage that each authority was projected to deliver to the facility in 2018. This was agreed by all parties at the time and was locked into the Shareholder Agreement that governs the relationships between the eight shareholders.

The Committee noted that the construction phase was drawing to a close and the facility was preparing to be operational from Autumn 2023. As a non-trading entity, the draft accounts showed the costs incurred by SRL during the

construction phase. The company had not incurred administrative costs without the revenue to support the expenditure while the MRF was not operational. Each of the Shareholders had committed to provide loan financing to cover the cost of constructing the MRF, with the loan agreements in proportion to each authority's shareholding.

The Committee note that the SRL Board of Directors would review the payment of dividends if funds are available for distribution in the future. The primary benefits to the Council in the short term would be the operational savings on waste services and treasury income on the lease / loan.

A corresponding private report detailing confidential financial matters was also submitted for consideration (minute 13 below refers).

RESOLVED that the Coventry Shareholder Committee accept the assessment made by company management in the Sherbourne Recycling Limited annual performance report for the year ended 31st March 2023.

10. UKBIC Ltd Annual Performance Report year ended March 31st 2023 and UKBIC 23/24 forecasts

The Committee considered a report of the Chief Operating Officer (Section 151 Officer), which set out the performance of UKBIC Limited for the 12 month period from April 2022 to March 2023 along with a forecast for the coming financial year.

The UK Battery Industrialisation Centre (UKBIC) Limited is a state of the art, battery manufacturing research and development facility, funded by £108m from the UK Government (through Innovate UK) and £18m from the West Midlands Combined Authority (WMCA), which was formally opened in July 2021. The facility is operated by UKBIC Ltd which is owned by Coventry City Council. UKBIC is an open access facility designed to allow UK manufacturers to trial and industrialise the next generation of batteries for electric vehicles and other applications, which is essential to the UK's net zero ambitions.

The Faraday Battery Challenge was established by government in 2018 to invest in research and innovation projects, and facilities, to drive the growth of a strong battery business in the UK. Securing UKBIC in the Coventry area is critical to the future of the areas world-class automotive and advanced manufacturing cluster.

UKBIC Ltd was established in order to operate the facility. Coventry City Council owns 100% of the shares in UKBIC Ltd, and has two Council directors who sit on the board, including the Chair. The remaining board seats are made up of the UKBIC Managing Director and Finance Director, a representative from Government's Advanced Propulsion Centre (APC) and independent battery / automotive industry experts. In addition, the Faraday Challenge Director attends the board as an observer.

The Faraday Battery Challenge reviews and approves the UKBIC Ltd business plan on a regular basis to ensure that the business is sustainable and that it is meeting the technology needs of the UK automotive industry, and is currently providing core operational funding to UKBIC Ltd.

A corresponding private report detailing confidential financial matters was also submitted for consideration (minute 14 below refers).

RESOLVED that the Coventry Shareholder Committee accept the annual performance report for the UKBIC Ltd up to the year ending 31st March 2023.

11. **Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved**

There were no other items of public business.

12. **Coventry Municipal Holdings Limited Annual Performance Report year ended 31st March 2023**

Further to Minute 8 above, the Committee considered a private report of the Chief Operating Officer (Section 151 Officer), which set out the commercially confidential matters relating to a backward look over the 12 months of operation from April 2022 to March 2023 for Coventry Municipal Holdings Limited and its subsidiaries.

RESOLVED that the Coventry Shareholder Committee accept the performance assessment and proposed budget amendments provided by Company Management in the annual performance report for the Coventry Municipal Holdings Limited for the year ending 31st March 2023.

13. **Sherbourne Recycling Limited Annual Performance Report year ended 31st March 2023**

Further to Minute 9 above, the Committee considered a private report of the Chief Operating Officer (Section 151 Officer), which set out the commercially confidential matters relating to a backward look over the 12 months of operation from April 2022 to March 2023 for Sherbourne Recycling Limited.

RESOLVED that the Coventry Shareholder Committee accept the performance assessment and proposed budget amendments provided by Company Management in the annual performance report for the Sherbourne Recycling Limited for the year ending 31st March 2023.

14. **UKBIC Ltd Annual Performance Report year ended March 31st 2023 and UKBIC 23/24 forecasts**

Further to Minute 8 above, the Committee considered a private report of the Chief Operating Officer (Section 151 Officer), which set out the commercially confidential matters relating to a backward look over the 12 months of operation from April 2022 to March 2023 for UKBIC Limited.

RESOLVED that the Coventry Shareholder Committee accept the performance report, attached as Appendix 1 to the report, for the UKBIC Limited for the year ending 31st March 2023.

15. **Any other items of private business which the Chair decides to take as matters of urgency because of the special circumstances involved**

There were no other items of private business.

(Meeting closed at 3.25 pm)



Public report

Coventry Shareholders Committee

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.

Coventry Shareholder Committee

23 April 2024

Name of Cabinet Member:

Cabinet Member for Jobs, Regeneration and Climate Change – Councillor J O’Boyle

Director approving submission of the report:

Director of Innovation

Director of Regeneration and Economy

Ward(s) affected:

None

Title:

Strategic Energy Partnership Performance Update and Strategic Business Plan for 2024-2029 and Annual Business Plan for 2024/25

Is this a key decision?

No

Executive summary:

This information in this report is being brought to the Coventry Shareholder Committee to enable the Council’s interest in the Strategic Energy Partnership to be monitored and for the Strategic Business Plan and Annual Business Plan to be approved by the Shareholder Committee as per the agreed governance process.

The Strategic Business Plan sets out the high-level vision and strategic themes for the partnership for the first five years (2024-2029).

The Annual Business Plan sets out the details of programme activities and financial information, to deliver under the strategic themes and vision as set out in the Strategic Business Plan, for the year 2024/25.

Recommendations:

- 1) The Coventry Shareholder Committee is recommended to consider and approve the Strategic Business Plan and Annual Business Plan, as per the agreed governance process which is set out in the Strategic Energy Partnership Joint Venture Contract.

List of Appendices included:

The following appendices are attached to the report:

Appendix 1 – Strategic Energy Partnership summary public document

Background papers:

Coventry Strategic Energy Partnership – Cabinet Report, August 2023
[Coventry Strategic Energy Partnership.pdf](#)

Other useful documents

One Coventry Plan 2022-2030 [The One Coventry Plan – Coventry City Council](#)
Draft Climate Change Strategy 2023 [Coventry's draft Climate Change Strategy – Coventry City Council](#)
Coventry Net Zero Carbon Routemap 2023 [Net Zero Carbon Route Map for Coventry – Coventry City Council](#)
Economic Development Strategy [Economic Development Strategy 2022-2027 – Coventry City Council](#)

Has it or will it be considered by Scrutiny?

No

Update reports on this issue will be submitted to Scrutiny during 2024/25

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: Strategic Energy Partnership Performance Update and Strategic Business Plan for 2024-2029 and Annual Business Plan for 2024/25

1. Context (or background)

- 1.1. Coventry Strategic Energy Partnership (SEP), a contractual joint venture between the Council and E.ON UK plc (E.ON), was formed in September 2023 following a competitive dialogue procurement process. The initial term of the partnership is 15-years.
- 1.2. Tackling the causes and consequences of climate change is a key corporate priority as set out in the One Coventry Plan. The rationale for the partnership was the recognition that whilst the Council has a critical role to play in tackling climate change, it does not have sufficient expertise and access to the required capital to deliver its net zero ambitions. As such it was recognised that a strategic long-term partnership with industry was required, enabling a strategic partner to work together with the Council to develop strategies, business models and plans that will drive the city towards net zero and then have the capabilities to deliver these plans.
- 1.3. The use of a five-year Strategic Business Plan complemented by specific actions in an Annual Business Plan, plus a social value action plan, sets out the ambitions of the SEP and ensures a strategic and holistic approach to decarbonisation.
- 1.4. The Strategic Business Plan and Annual Business Plan are required to be approved by the SEP Contractual Joint Venture Board, which comprises senior Council and E.ON representatives and Coventry Shareholder Committee. This is as per the governance process approved by Cabinet and Full Council in September 2023.
- 1.5. Project progress (the gateway process) is approved by the SEP Contractual Joint Venture Board, provided it meets requirements set out in the approved Annual Business Plan. Any deviation from the Annual Business Plan is to be approved by the Contractual Joint Venture Board and Coventry Shareholder Committee (e.g., greater draw on funds than anticipated). Any Council capital investment (equity or loan) requirements would require Cabinet approval as per corporate governance, which will be required at final business case stage, and factored into the Council's Medium Term Financial Strategy as necessary.
- 1.6. Since the partnership commenced, teams have been focused on setting up the governance and organisational structures to enable an aligned, collaborative approach to the selection of projects and activities. Key highlights include:
 - Strategic Energy Partnership Contractual Joint Venture Board established with monthly meetings.
 - Alignment of the Council and E.ON teams to co-ordinate work, including co-location of the Strategic Energy Partnership Programme Team in Friargate.
 - Commencement of new projects following approval through approved Gateway process:
 - Home Upgrade Grant (domestic energy efficiency scheme) – with additional added value brought by not needing an additional procurement process.

- New EV chargers installed at Coventry train station - which support new tenants in Friargate 2.
 - Energy supply contract with more energy sourced from renewables.
- A further 13 projects in the pipeline.
- Development of Strategic Themes to underpin the partnership approach, as set out in the Strategic Business Plan:
 - Clean Local Energy;
 - Jobs and Skills;
 - Innovation and Scale; and
 - Community Benefit.
- Social Value is a very important aspect of the partnership, with E.ON allocating a fund to initiatives that generate a community benefit as well as it being a key consideration as part of technical projects that come through the 'gateway' process. Some of the initial initiatives that are being developed include an engagement programme for schools, development of a community champions' programme, a programme to support Care Leavers into work placements and the partnership is exploring projects to boost biodiversity in the city.
- Additional workstreams established include Innovation and Propositions and Communications and Engagement.

2. Options considered and recommended proposal

- 2.1. **Option 1 – Not recommended – Do nothing** – The Strategic Energy Partnership's agreed governance process and contractual commitments require the Strategic Business Plan 2024-29 and Annual Business Plan 2024/25 to be approved by Coventry Shareholder Committee and this report meets this requirement.

This is not the recommended option.

- 2.2. **Option 2 – Recommend – Approve the Strategic Business Plan 2024-29 and Annual Business Plan 2024/25**, as per the Strategic Energy Partnership's agreed governance process and contractual commitments and as approved by the SEP Contractual Joint Venture Board as per governance. Accepting these Business Plans will facilitate the Strategic Energy Partnership to progress with planned activities.

3. Results of consultation undertaken

- 3.1. No consultation has been undertaken.

4. Timetable for implementing this decision

- 4.1. Upon approval of this report, the Strategic Energy Partnership will be satisfied that the Council, through an agreed governance process, has approved the Strategic Business Plan 2024-29 and the Annual Business Plan 2024/25 and can proceed with activity as set out within them.
- 4.2. Further performance updates on implementation of these Business Plans will be provided at subsequent Coventry Shareholder Committee meetings.

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

5.1. Financial Implications

Both SEP partners will be contributing resource to the partnership, including a significant team from E.ON, comprised of a dedicated full time team plus experts from across E.ON who will be brought in for specific projects and initiatives, and a minimum annual commitment of 2.5 FTEs who form the Council's SEP project team (further detail in 6.3). This resource has been identified from the reallocation of existing resources and approved as part of the Council's Budget in February 2024.

If any SEP projects are identified as potential investment opportunities for the Council, these opportunities will be taken to Cabinet or Full Council as appropriate on a case-by-case basis, where such decision is required under the Council's Constitution. There will be no financial obligation on the Council to invest or provide project funding as part of this report.

5.2. Legal Implications

The Strategic Energy Partnership has acted in accordance with contractual commitments related to the Strategic Business Plan 2024-29 and the Annual Business Plan 2024/25 and the agreed governance process as set out in the joint venture contract and in accordance with the Councils Constitution.

6. Other implications

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

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The Strategic Energy Partnership can contribute to all three core aims of the One Coventry Plan:

- The core focus is achieving net zero which contributes directly to tackling the causes and consequences of climate change;
- The required infrastructure development to achieve the above and related jobs and supply chain implications will support economic growth, as will related support to local businesses to achieve their own carbon reduction objectives, and help to create a circular economy; and
- Social value is a key driver for the partnership and all projects will have a strong focus on improving outcomes and tackling inequalities within our communities.

In addition to the above, the partnership will help support the enabling outcomes of the One Coventry Plan. The economic returns from some projects and bolstering of resource through the partner will directly support the financial sustainability of the council. The partnership is a direct demonstration of the Council as a partner, leader and enabler and will likely lead to further partnering opportunities.

6.2. How is risk being managed?

The Strategic Energy Partnership contractual Joint Venture agreement governs development of projects up to start of implementation. The primary risk is in the

abortion of projects at any stage in their development due to project acceptance criteria not being met. This is governed and mitigated by a clear gateway process which demonstrates value for money. This is a risk to the Council as well as E.ON.

The project risks (such as technical risk, planning, construction, etc) will be project specific, and will be defined, and managed through the gateway process, such that any investment decision and final business case contemplates such risks and puts in adequate measures to mitigate or compensate for the same. Future governance over the specific projects will contemplate and manage such risks through appropriate mitigations.

Any capital investment decisions which follow the ordinary course of governance in line with Council's Constitution and would go to Cabinet and Council should any investment be required on a specific project.

6.3. What is the impact on the organisation?

As part of the Council's contractual obligations to the Strategic Energy Partnership, 2.5 full time equivalent (FTE) officers support delivery (1 Project Manager, 1 Project Officer and 0.5 Finance). New roles have been created and internal employees were appointed through a recruitment process with no backfill to the employees' previous roles. An additional resource of 1 FTE is also now supporting the partnership and is funded. In addition, project development will require engagement from a cross-section of employees so further upskilling opportunities exist whilst working with E.ON.

6.4. Equalities / EIA?

An Equalities Impact Assessment was completed during the procurement process to recognise any specific social value aspects which might be achieved through the partnership. Positive outcomes can be achieved for a wide range of Coventry citizens through the partnership:

- Projects which seek to improve domestic energy efficiency will reduce fuel poverty in the city.
- Increased use of renewable energy sources has the potential to lower fuel costs including for the Council which improves financial sustainability for other service areas. For citizens and businesses this improves home and business finances.
- Transport related projects will have benefits for air quality and wider health impacts through more active lifestyles.

A Social Value Action plan is now under development which will consider Equalities/EIA for the partnership. In addition, project specific Social Value activity has already commenced, for example a curriculum compliant school programme to raise awareness of energy efficiency improvements that can be made in the home.

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

The key driver for the partnership is supporting the Council to achieve net zero ambitions and tackle the causes and consequences of climate change, as set out in the Council's Climate Change Strategy. The partnership will enable the Council to

develop long-term holistic energy solutions that not only meet these aims but also deliver related outcomes such as improved health outcomes for citizens and increased biodiversity.

6.6. Implications for partner organisations?

The partnership will initially focus on Council held assets such as improvements to our own buildings or development projects on Council held land. There is a wider opportunity for the Council and the Strategic Energy Partner to work with a range of organisations across Coventry to widen the benefits of the approach, or specific projects, to other partner organisations, businesses and communities.

Report author(s):

Name: Anna Livesey

Title: Strategic Energy Partnership – Programme Lead

Service Area: Climate Change & Sustainability**Tel and email contact:**

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Enquiries should be directed to the above person

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Officer	Law and Governance	04/04/24	04/04/24
Names of approvers: (officers and members)				
Aimee Proctor	Finance Manager	Finance	13/03/24	22/03/24
Gurbinder Singh Sangha	Corporate & Commercial Lead Lawyer	Law and Governance	13/03/24	22/03/24
Andy Williams	Director of Regeneration & Economy	-	19/03/24	22/03/24
Colin Knight	Director of Innovation		19/03/24	22/03/24
Rhian Palmer	Strategic Lead Green Futures	Climate Change & Sustainability	13/04/24	22/04/24
Members: Councillor J O'Boyle	Cabinet Member for Jobs, Regeneration & Climate Change	-	11/04/24	11/04/24

This report is published on the council's website: www.coventry.gov.uk/meetings

Strategic Energy Partnership

business plan summary 2024

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Coventry City Council and E.ON have joined forces to achieve ambitious energy outcomes



We have launched a pioneering 15-year **Strategic Energy Partnership**



Our organisations will collaborate to **revolutionise energy usage** in Coventry for the benefit of local people, the wider economy and the environment



We have set four strategic themes to define our partnership:

- 1 **clean local energy**
- 2 **jobs and skills**
- 3 **innovation and scale**
- 4 **community benefit**



Foreward



Coventry City Council

e.on



Coventry City Council

e.on

This partnership will transform the city's approach to carbon reduction whilst helping people save money and boosting the local economy. This alliance will help us build a cleaner and more sustainable city and drive a new green economy that will bring jobs and skills for generations to come.

This is not about designing a new vision for the future; it's about getting on and delivering Coventry's response to the climate crisis – making improvements across the city that people want and need.

We have joined forces with E.ON to launch a pioneering 15-year partnership, the first of its kind in the UK which will see us collaborate to revolutionise energy use in the city. It is truly innovative approach that will allow us to deliver more for residents and businesses in ways that the Council would not have been able to achieve on its own.

Coventry has been our UK home for decades and I am proud our colleagues around the country will be supporting the city's efforts to decarbonise by delivering reliable energy infrastructure and sustainable customer solutions.



E.ON UK, which has been based in Coventry for almost 30 years, shares the Council's goal of creating a net zero future.



As a part of the international E.ON Group, the team will bring its expertise, knowledge and skills to the Partnership



By being a single strategic partner, we will realise projects which the Council would otherwise be unable to undertake and create an holistic approach to decarbonise the city



Council programmes will interact with the partnership



Increasing the economic prosperity of the city and region



Improving outcomes and tackling inequalities within our communities



Tackling the causes and consequences of climate change



Continued financial sustainability of the Council



Council's role as a partner, enabler and leader

One Coventry Plan

The Council has committed to protecting the environment and made climate change one of its key priorities.

The One Coventry Plan lists three distinct but interconnected priorities and two enablers:

Priority 1: increasing the economic prosperity of the city and region

Priority 2: improving outcomes and tackling inequalities within our communities

Priority 3: tackling the causes and consequences of climate change

Enabler 1: continued financial sustainability of the Council

Enabler 2: Council's role as a partner, enabler and leader

Climate change and net zero programmes

The Council's Draft **Climate Change Strategy** and accompanying **Net Zero Route Map** (published in early 2023) set out an ambitious vision for the city's journey to net zero to create a more sustainable and prosperous future for Coventry.

The research that went in to developing the Net Zero Route Map confirmed that the scale of the challenge Coventry is facing is

significant, and despite a **48% drop in carbon emissions between 2000-2022**, additional major investment will still be needed to reduce further Coventry's emissions and reach net zero.

The Route Map outlined that major long-term planning and investment would be required to decarbonise the city through a wide range of environmental and social projects.

The SEP, whilst naturally aligned with Priority 3, aims to deliver on all of the One Coventry Plan priorities.

Overview of what we have achieved September 2023 – March 2024

Since the SEP was launched in September 2023, our teams have been focused on setting up the governance and organisational structures to enable an aligned, collaborative approach to the selection of projects and activities for the years ahead. The SEP has also started working on projects, looking to deliver tangible outcomes as soon as possible.

Through the Strategic Energy Partnership, we have entered into project contracts for the Home Upgrade Grant 2 (HUG2) project, electricity supply contract and the installation of 10 new EV chargers as part of an EV programme.

● **30 MW Solar PV Farm**

Work on-going to secure planning permission

● **Council building decarbonisation**

Grant secured and Council funding agreed – work to start soon

● **Energy supply contract**

Agreement of an energy supply contract from Q4 2024 for the Council

● **Increased Council & E.ON alignment**

Initiate the co-ordination of work between the Council and E.ON teams

● **Apprenticeship programme**

E.ON will recruit five apprentices from Coventry

● **Supply chain approach**

Focus on getting SEP projects completed by local businesses

● **City-wide EV charging strategy**

Starting the rollout of consistent EV charging infrastructure across the city

● **Solar in schools**

Initial reviews to define an approach to support solar in schools

● **Fleet and depot decarbonisation**

Initial site visit has taken place to outline the scope and opportunities

● **Home Upgrade Grant 2**

Energy efficiency measures in low-income and fuel-poor households

● **Energy Company Obligation**

E.ON as a supplier to make homes energy efficient and tackle fuel poverty

● **Schools programme**

Education programme offering workshops in 16 classes across 6 schools

Programmes overview

Delivery activity has been grouped in to nine programmes in which projects will sit. These will evolve over the course of the partnership to align to future needs and opportunities.

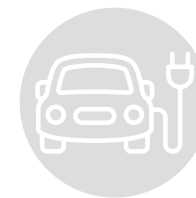
Activity across the programmes will be joined up to maximise the value of this delivery approach.



Solar in schools



**Non-Council
building
decarbonisation**



**Electric vehicle
charging
strategy**



**Renewable
energy**



**Energy security
across the city**



**Community
benefit**



**Council building
decarbonisation**



**Domestic
energy
efficiency**



**Other enabling
projects**

Four strategic themes will drive the partnership

Clean Local Energy

- Increase the **volume of locally generated** green energy
- **Reduce exposure** of residents and businesses to global energy market
- Position Coventry as **sustainable and investable**

Jobs and Skills

- Bolster the local energy sector's **job market**
- Develop **energy-related skills of the future**
- Establish a strong **local supply chain** whilst promoting of green jobs
- Demonstrate our strong **equality diversity and inclusion principles**

Innovation and Scale

- Develop a series of **scalable, energy innovation projects**
- Test **new technologies** to decarbonise energy, improve resilience, and reduce energy bills
- Contribute to Coventry's **circular economy**

Community Benefit

- Support **local communities**
- Help to **reduce fuel poverty** in the region
- Collaborate with **associations and non-government organisations**, as well as directly with **individuals**

Clean Local Energy

Strategic Outcomes

- 1 Coventry's energy supply increasingly coming from local green sources
- 2 Coventry residents and businesses having reduced exposure to global energy market pressures
- 3 Community energy generation and efficiency schemes encouraged and supported
- 4 Positioning Coventry as a sustainable, energy resilient and investable future city for business and development
- 5 Decarbonising heat across the city



To achieve the objective of increasing the volume of clean, locally generated energy that is consumed within Coventry, we will prioritise projects that align with one or more of the strategic outcomes.



Local renewable energy generation and heat decarbonisation



Energy generation highlights

Increasing the amount of **locally generated energy** from renewable sources, primarily from solar photovoltaic installations



Reducing the **volume of energy required** by users through energy efficiency measures



Providing **contractual offerings** that are designed to make the cost of energy more predictable and plannable, reducing energy market pressures



Heat decarbonisation highlights

Transitioning the generation of heat towards technology that either **reduces or eliminates the use of carbon-based fuels**



Connecting the city via new sources of heat - **E.ON** expects to utilise **5th generation heat and cooling infrastructure** via the use of its custom-built solutions



Increasing the **efficiency and effectiveness for individual heat generation systems**, including through the **electrification** of heat

Jobs and Skills

Strategic Outcomes

1

Promote, encourage and champion academic and research programmes that inspire and deliver local green skills

2

Establish a strong local supply chain whilst promoting recruitment of green jobs

3

Recruitment of apprentices

4

Demonstrating the application of equality, diversity and inclusion principles (ED&I)



Central to this theme is a commitment to equality, diversity, and inclusion principles ensuring that the partnership's efforts are not only financially and environmentally effective but also contribute to a fair and inclusive society.



Providing hands-on experience for the next generation and partnering with educational institutions

Knowledge and hands-on experience



Creating working **relationships with local schools**, colleges, and universities to integrate renewable energy and **sustainability topics into their curricula**



Providing students with hands-on experiences through **workshops, site visits**, focusing on areas such as renewable energy, environmental science, and green technologies



Equipping students with the **knowledge and skills** necessary for a sustainable future, supporting students in **career planning and recruitment** process preparation

Employment and apprenticeship



Recruiting and training apprentices while upholding equality, diversity and inclusion principles (ED&I): the partnership will **recruit and train** at least 25 apprentices in the first 5 years of the partnership with a focus on reaching **underrepresented communities**



Work placements fostering a diverse and inclusive workplace: E.ON will launch target work placement programme **supporting underrepresented groups** with employable skills and experience



Developing, leveraging, and **prioritising local supply chains** to provide the best value and contributing to local employment and/or training opportunities

Innovation and Scale

Strategic Outcomes

1

Pipeline of pilot scalable energy innovation projects and new technologies to decarbonise energy, improve resilience and help reduce energy bills in Coventry

2

Development of a scalable EV charging strategy for the city

3

City wide solar energy for public buildings and schools

4

Support and promote the city as a living lab

5

Contribute to Coventry's circular economy, recycling and reusing energy and materials



We view the transition towards net zero as a journey that requires innovation, an experimental mindset and a willingness to try new things. The concept of Coventry as a living lab - an environment to test innovative solutions and their outcomes.



Innovating to supply EV charging and solar panels

Single charging ecosystem for electric vehicles



Providing **home charging** solutions for the owners of EVs to charge their vehicle(s) anytime, combining best-in-class charging hardware with time-based tariffs



Enabling **business charging** for vehicles to be charged at the drivers' working location - solutions will be provided to both private business and Council fleet



Developing **public charging points** allowing broad access to standard, fast and ultra-fast charging for EVs within Coventry



Solar energy for public buildings and schools

Introducing photovoltaic solar into **both public and private schools and education institutions**, reducing the impact of global energy prices causing unplanned budgetary issues



Making the **Council's building portfolio** more sustainable and reducing the level of carbon-based-fuels used by upgrading the energy efficiency and local energy generation



Focusing on other buildings such as **libraries, children's homes, care homes, and health centres** to improve local energy generation

Community benefits

Strategic outcomes

- 1 Warmer, more energy efficient homes, helping to reduce fuel poverty across Coventry
- 2 Targeted support and energy advice to the most vulnerable and harder to reach communities
- 3 Commitment to an annual Community Benefit Fund
- 4 Ensuring all voices in the city are heard and no one is left behind



We will reach out to the most vulnerable and hard-to-reach communities, providing them with energy advice and support. Beyond the commercial and environmental benefits, we will use the partnership to generate social benefits that support the communities of Coventry.



Communities will benefit through planning, funding and collaborative action – volunteering and support will be provided

Plan and Fund



Establishing **Community Benefit Plan – mutually beneficial collaborations** with local community groups in Coventry **to support initiatives** that align with our values and objectives will be identified, supported and promoted



Developing annual **Community Benefit Fund** which will **benefit the environment and community** giving priority to organisations that focus on energy, education, environment, jobs, health, and socio-economic development

Volunteering and Support



Implementing a **structured volunteering programme**, encouraging individuals from across the city to participate actively **in community service and ecological projects**



Promoting **energy efficiency support** to residents and setting out the range of options available to residents on energy efficiency and **potential available funding** for them

Contact us

**If you have any questions,
please contact us:**

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Public report

Coventry Shareholder Committee

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.

Coventry Shareholder Committee

23rd April 2024

Name of Cabinet Member:

Cabinet Member for Policy and Leadership - Councillor G Duggins

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

All

Title:

Business Planning Cycle for 2024-25 for the Coventry Municipal Holdings Group

Is this a key decision?

No

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 2025. This report has been prepared to summarise the key points with the detailed plans appended to the Private report.

The Business Plans set out some of the successes and challenges experienced by the companies this year and present the budget for next year which, in accordance with the GGA, requires Coventry Shareholder Committee approval to proceed.

Recommendations:

Coventry Shareholder Committee is recommended to:

- (1) Approve the Business Plans for Coventry Municipal Holdings Limited
- (2) Approve the Business Plan for Coombe Abbey Park Limited group
- (3) Approve the Business Plan for Tom White Waste group
- (4) Approve the Business Plan for Coventry Technical Resources Limited.
- (5) Approve the Group budget as set out in the Private report for Coventry Municipal Holdings Limited and its subsidiaries.

List of Appendices included:

The following appendices are attached to the corresponding private report:

- Appendix 1 – CMH Business Plan 24-25
- Appendix 2 – Tom White Waste (TWW) Business Plan 24-25
- Appendix 3 – Coombe Abbey Park Limited (CAPL) Business Plan 24-25
- Appendix 4 – Coventry Technical Resources (CTR) Business Plan 24-25
- Appendix 5 – CMH response to the Local Partnership LA Co Review Guidance document

Background papers:

None

Other useful documents

Cabinet report Business planning cycle for 2023-24 for the Coventry Municipal Holdings Group (Coventry Shareholder Committee, 24th March 2023)

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=773&MId=12714&Ver=4>

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: Business Planning Cycle for 2024-25 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. As CMH has been set up as a holding company to strengthen the governance and management of the Council's subsidiaries 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 Teckal 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 benefits.
- No Ordinary Hotels Limited (effectively a dormant company)
- 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 2024/25 or contractual agreements they wish to enter into.

2.2. **Option 2: Approve the Business Plans for CMH Ltd and each subsidiary entity** – Each entity has set out their vision, strategic objectives and budgets for 2024/25 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)

The vision of CMH is to provide excellent governance in accordance with the Group Governance Agreement, derive value from commercial activity to enhance Council services and to have a positive social and environmental impact. CMH also aims to grow the portfolio of company investments as appropriate opportunities arise and to explore the ability to set up an investment fund to support this.

CMH recovers its costs from subsidiaries across the group or the Council. 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.

2.2.2. No Ordinary Hospitality Management (NOHM)

This includes the activities of Coombe Abbey Park Limited (CAPL) which has started to trade under the NOHM brand.

The vision for CAPL is to create memorable experiences and provide a sustainable return to the shareholder. The strategic objectives for CAPL are to stabilise the operating business, grow the events, wedding and conferencing markets and digitise ways of working. The company continues to face further predicted increases in food and payroll costs.

The business plan, based on the condition survey in 2023, notes that Coombe Abbey Hotel will require continued capital investment over the next 10 years.

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.

During the previous year TWW achieved increased customer satisfaction ratings and improved the company's Environment Agency compliance rating to an A grade operator (from a D grade at acquisition).

TWW faced challenges during the year due to the conclusion of significant contracts, plant outages and power outages.

There was limited capital expenditure during 2023/24 with only the necessary assets being acquired during year.

2.2.4. Coventry Technical Resources Limited (CTR)

The vision of CTR is to provide resource solutions to the Council either via direct employment or via contract as required by the Council. The costs of all resource deployed shall be reimbursed by the Council.

When the Council disposed of its shares in Arena Coventry Limited (ACL) in October 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.

3. Results of consultation undertaken

- 3.1. No consultation undertaken.

4. Timetable for implementing this decision

- 4.1. Upon approval the Business Plan will be used to set the Budget for 2024/25 for each entity.

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

5.1. Financial Implications

The budgets indicate that TWW may be able to declare a dividend in 2024/25. Any dividend will be paid to the Council subject to available cash in the business. The cash balance held by CTR from the sale of the shares in ACL can be paid when required by the Council.

The purchase of CAPL in December 2017 enabled the Council to retain the status of Coombe Abbey Hotel as an important leisure destination in the city and continue to receive annual rental income from the hotel lease and interest on existing long term loans advanced in 2013.

The shareholder refinancing of the loans and an additional COVID loan in April 2021 secured the going concern status of the company at a time when many country house hotels went into administration or were sold at a discounted price. The Council retains CAPL as a long term asset which continues to generate financial returns for the shareholder from lease payments, interest on loans and retail outlets across the park. Since the acquisition, there have been a number of additional lease arrangements in place with CAPL which have increased the regular payments to the Council, along with a number of profit share arrangements.

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 2024/25 budgets.

5.2. Legal Implications

The decisions which are being made comply with the Terms of Reference of 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 risks and mitigations for the entities are detailed in each entity business plan. There is a risk in relation to the Council's commercial investments and the role that CMH plays in mitigating this risk on the Council's Corporate Risk Register.

6.3. What is the impact on the organisation?

The Council has various contractual agreements with entities within the CMH group including resourcing solutions from CTR which impacts on staffing and the long term lease of Coombe Abbey Hotel to CAPL which impacts on the Council's assets. The Council may receive dividends subject to declaration by the respective company boards.

6.4. Equalities / EIA?

No Equalities Impact Assessment (EIA) has been undertaken.

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

TWW have improved their compliance standards, achieving A grade operator status from the Environment Agency, and it is a strategic objective of the company to continue to reduce the carbon footprint of operations.

CAPL have moved from single use guest supplies in bedrooms to refillable dispensers, which has resulted in cost savings and environmental benefits. CAPL are upgrading 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.

Report author(s):

Michael Phillips

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Service Area:

Financial Management

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Officer	Law and Governance	04/04/24	04/04/24
Parmi Mudhar	Financial Director - CMH	-	04/04/24	08/04/24
Names of approvers for submission:				
Finance: Tina Pinks	Corporate Finance Manager	Finance	04/04/24	04/04/24
Legal: Gurbinder Singh Sangha	Major Projects Commercial Lawyer	Law and Governance	04/04/24	04/04/24
Director: Barry Hastie	Director of Finance and Resources	-	04/04/24	11/04/24
Members: Councillor G Duggins	Cabinet Member for Policy and Leadership	-	11/04/24	11/04/24

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Public report Coventry Shareholder Committee

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.

Coventry Shareholder Committee

23 April 2024

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

None

Title:

Coventry and Warwickshire Growth Hub Business Plan (Financial Year 2023/24 to 2025/26)

Is this a key decision?

No - although the proposals affect more than two electoral wards, the impact is not expected to be significant.

Executive summary:

The Coventry and Warwickshire Growth Hub (CWGH) has been established since 2014 and is firmly integrated as part of a successful Coventry and Warwickshire economic area – providing a ‘one stop’ centre for local businesses, with advice and guidance on the most appropriate support for their needs.

The Business Plan outlines the plan for three years of operation (Financial Year 2023/24 to 2025/26), detailing income and operating costs for the 'core' Growth Hub. The Council has agreed to make an annual revenue contribution, which is grant funded, in the amount set out in the private element of this report for the three financial years (2023/24 to 2025/26). There are limited risks with the company balance sheet and CWGH has sufficient resources to meet liabilities as they fall due. The Council is not responsible for meeting liabilities in its role as shareholder as CWGH is a private limited company.

Primary objectives and priorities for the period of the Business Plan remain unchanged with the CWGH focussing on accessing and supporting sub-regional small and medium-sized enterprises (SMEs), plugging them in to relevant and available support partners and their programmes - such as those funded through the UK Shared Prosperity Fund.

Recommendations:

The Coventry Shareholder Committee is recommended to:

- (1) Approve the Coventry and Warwickshire Growth Hub three-year Business Plan attached as an Appendix to the corresponding private report up to the financial year ended 31st March 2026

List of Appendices included:

The Coventry and Warwickshire Growth Hub Three-year Business Plan (Financial Year 2023/24 to 2025/26) is attached to the corresponding private report.

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: Coventry and Warwickshire Growth Hub Business Plan (Financial Year 2023/24 to 2025/26)

1. Context (or background)

- 1.1. Coventry and Warwickshire Growth Hub (CWGH) was established in 2014 using City Deal funding provided by Government. It was one of the first Growth Hubs to be established in England, before every Local Enterprise Partnership (LEP) area was subsequently given funding to establish a Growth Hub as a central coordination point for business support to try and simplify businesses' understanding of which business support products were appropriate to their individual needs. CWGH has been nationally recognised as a leading Growth Hub in the UK.
- 1.2. During the closure process of CWLEP in the financial year (FY) 22/23, the LEP Board, including the Local Authorities across the sub-region, determined that the Growth Hub and CW Champions should continue as a legacy of the LEP. The Place geography spans Coventry and Warwickshire Council's areas and welds the two together into one economic area.
- 1.3. As a result, the Shareholders of the Growth Hub are Coventry City Council (CCC) and Warwickshire County Council (WCC). It should be noted that as well as Growth Hub Limited which delivers the core Growth Hub service, the Growth Hub 'Group' includes subsidiaries CW Champions, and Growth Hub Business Solutions (including the Projects team) which both operate unfunded and commercially.
- 1.4. This Business Plan outlines the plan for three years of operation, thus enabling both CCC and WCC to take their share in the Growth Hub and confirm their funding contribution for each of the next three years up to FY 31st March 2026. The agreed revised timeline was achieved with the Shareholders in place by Autumn of 2023.

2. Options considered and recommended proposal

- 2.1. **Option 1 – Do nothing.** The Growth Hub is increasingly handling enquiries concerning new economic challenges such as the cost-of-living crisis, energy price rises, volatile materials and component supply costs, recruitment and skills shortages etc.; these challenges for businesses have broadened the range of barriers businesses are looking for support to overcome. This has led to additional demand for sub-regional support programmes; without the Growth Hub and activities within its Business Plan, the proactive reach to businesses offering support would be reduced.
- 2.2. This is not the recommended option.
- 2.3. **Option 2 – Accept the Coventry and Warwickshire Growth Hub Business Plan.**
- 2.4. The CWGH Business Plan which is appended to the private element of this report covers a three-year period from the Financial Year 2023/24 to 2025/26. The most important points of the CWGH Business Plan are summarised in the following sections:

- 2.4.1 The vision statement states that “the Growth Hub is a customer focussed organisation with an integrated business model, including its subsidiaries CW Champions and CW Business Solutions, embedded within the support ecosystem, and supported by both central and local government. We will continue to strive towards being sustainable, scalable, and best in class, ultimately driven and measured by the customer satisfaction of the business community”.
- 2.4.2 CWGH has been nationally recognised as an exemplar Growth Hub in England, with a leading reputation and visibility among local businesses and the private sector generally; it is also the Cluster Lead for the West Midlands Growth Hubs.
- 2.4.3 Primary objectives and priorities for the period of the Business Plan remain unchanged, with the Coventry & Warwickshire Growth Hub focussing on accessing and supporting regional SME’s, plugging them in to relevant and available support partners and their programmes.
- 2.4.2 The Business Plan details the income and operating costs for the ‘core’ Growth Hub, as it is this part of the Group that the Local Authority funding is used to deliver, alongside funding from Department of Business and Trade (DBT). Part of the surplus generated from the other Growth Hub Group business units (CW Champions, Business Solutions / Projects) will be used to mitigate unexpected shortfalls in future funding (e.g. if DBT withdraws funding for Growth Hubs) and increase the capacity of the core Growth Hub.
- 2.4.2 As part of the LEP closure process, the Board determined that the legacy reserves would be transferred to the Growth Hub, to enable longer term planning over a minimum three-year period. Part of the reserves will be ‘ring fenced’ to cover full closure costs of the Group companies. These closure costs will be continually reviewed by the Board of the Growth Hub as part of the Governance arrangements.
- 2.4.3 As the Reserves are significantly more than the maximum closure costs then there is no liability for either Coventry City Council or Warwickshire County Council if any or all of the Growth Hub Group companies would need to close.
- 2.4.4 There has been a continued focus on supporting growth opportunities as well as a renewed focus on achieving stakeholder targets for high volume business support referrals into other schemes now that UK Shared Prosperity Fund (UKSPF) has been launched.
- 2.5. The preferred option is the approval of the Coventry and Warwickshire Growth Hub three-year Business Plan.

3. Results of consultation undertaken

- 3.1. No consultation has been undertaken.

4. Timetable for implementing this decision

- 4.1. Upon acceptance of CWGH's Business Plan the CW Growth Hub Board will be notified immediately.
- 4.2. The activity of CWGH will be monitored regularly by the Local Authorities to make sure that the organisation is adhering to the Grant Aid Agreement.
- 4.3. In addition, representatives from Coventry City Council and Warwickshire County Council's Finance teams will meet with the Growth Hub's Company Secretary and Senior Management team to review the on-going financial performance.

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

5.1. Financial Implications

- 5.1.1 CWGH's main assets are cash and trade debtors, and the main liabilities are trade creditors and deferred income which reflects that the primary activity of the company is providing advice to businesses. CWGH does not have any outstanding loans. There are limited risks with the company balance sheet and CWGH has sufficient resources to meet liabilities as they fall due. The Council is not responsible for meeting liabilities in its role as shareholder as CWGH is a private limited company. Further information is contained in the private element of this report.

5.2. Legal Implications

The Growth Hub has acted in accordance with the Shareholders Agreement and Articles of Association by submitting the Annual Business Plan 2024/25 and in accordance with the Councils constitution.

6. Other implications

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

The continuation of Coventry & Warwickshire Growth Hub will play a vital role in delivering the One Coventry Plan's objective of "Increasing the Economic Prosperity of the City and Region". The development of this Plan has been subject to extensive consultation of both Council staff and external stakeholders, with some 485 people completing surveys and 433 individuals attending 23 workshops up to September 2022. This consultation process determined that a key objective needs to be the support of local businesses to innovate, grow and scale up, and create new jobs. The activity of CWGH will enable these objectives to be met by signposting businesses to the most suitable business support initiatives.

6.2. How is risk being managed?

6.2.1 A key operational risk during FY 22/23 and FY 23/24 has been that of cashflow, with delays in payment of grants from partners putting pressure on cashflow. Now that the Shareholder Agreement and Grant Aid Agreements are in place, this can be

mitigated by advance planning of claims and payments, working closely with the respective Economic Development teams. In addition, regular financial and operational reports will ensure that the aims and objectives of CWGH will be adhered to.

6.2.2 A Health and Safety Policy is maintained as part of the Staff Handbook. In addition, Professional Indemnity insurance, as well as Public and Employers Liability Insurance, are in place to cover all staff activities.

6.3. What is the impact on the organisation?

To help manage Coventry City Council's (CCC) ownership of Growth Hub, the content of the Business Plan will be reviewed regularly; it is necessary for staff in the Economic Development Service and the Finance team to work together ensuring that the organisation's financial position and terms of the Grant Aid Agreement are reviewed and adhered to. There is also an ongoing time commitment from CCC's Director of Regeneration and Economy to attend the Growth Hub Board meetings which take place twice a year.

6.4. Equalities / EIA?

No equalities impact assessment has been undertaken.

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

The CWGH will be proactively promoting the Decarbonization Net Zero programme to local businesses, this initiative will help reduce the carbon footprint generated by businesses, which will ultimately have a positive impact on climate change and the environment.

6.6. Implications for partner organisations?

The CWGH is an integral part of the Coventry and Warwickshire business support ecosystem. Working closely with Business Support teams within CCC and WCC; the Growth Hub provides a number of referrals to Partners such as the CW Chamber of Commerce, CW Reinvestment Trust, Federation of Small Businesses, Business Growth West Midlands and local Universities.

Report author(s):

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Legal: Gurbinder Singh Sangha	Corporate & Commercial Lead Lawyer	Legal	18/03/2024	21/03/2024
Names of approvers for submission: (officers and members)				
Finance: Phil Helm	Head of Finance	Finance	10/04/2024	10/04/2024
Legal: Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	10/04/2024	11/04/2024
Director: Barry Hastie	Director of Finance and Resources	-	10/04/2024	11/04/2024
Members: Cllr G Duggins	Cabinet Member for Policy and Leadership	-	10/04/2024	12/04/2024

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Public report

Coventry Shareholder Committee

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Coventry Shareholder Committee

23 April 2024

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

None.

Title:

UKBIC Business Plan 2024/25

Is this a key decision?

No.

Executive summary:

UKBIC is a state-of-the-art battery manufacturing research and development facility, funded by £114m from the UK Government (through Innovate UK, part of UK Research & Innovation) and £18m from the West Midlands Combined Authority (WMCA). The facility is operated by UKBIC Ltd which is owned by Coventry City Council (CCC). The Council is also accountable body for the grant funding used to establish the facility.

This report recommends approval of the UKBIC Business Plan for 24/25 which is included as an appendix to the corresponding private report.

Recommendations:

The Coventry Shareholder Committee is recommended to:

- (1) Approve the UKBIC Business Plan attached as Appendix 1 to the corresponding private report

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:

1. Context (or background)

- 1.1. The UK Battery Industrialisation Centre (UKBIC) Limited is a state of the art, 20,000m² battery manufacturing research and development facility on Rowley Road which was formally opened in July 2021. UKBIC is an open access facility designed to allow UK manufacturers to trial and industrialise the next generation of batteries for electric vehicles and other applications, which is essential to the UK's net zero ambitions.
- 1.2. Between November 2017 and October 2019, the Council approved the acceptance of £114m grant funding from Innovate UK's Faraday Battery Challenge towards the total cost of £132m to develop the UKBIC facility. The remaining £18m was provided in the form of an £18m repayable grant (essentially an interest free loan) from WMCA.
- 1.3. The Faraday Battery Challenge was established by government in 2018 to invest in research and innovation projects, and facilities, to drive the growth of a strong battery business in the UK. Securing UKBIC in the Coventry area is critical to the future of the area's world-class automotive and advanced manufacturing cluster.
- 1.4. UKBIC Ltd was established in order to operate the facility. CCC owns 100% of the shares in UKBIC Ltd, and has two CCC directors who sit on the board, including the Chair. The remaining board seats are made of up of the UKBIC Managing Director and Finance Director, a representative from Government's Advanced Propulsion Centre (APC) and independent battery / automotive industry experts. In addition, the Faraday Challenge Director attends the board as an observer.
- 1.5. The Faraday Battery Challenge reviews and approves the UKBIC Ltd business plan on a regular basis to ensure that the business is sustainable and that it is meeting the technology needs of the UK automotive industry, and is currently providing core operational funding to UKBIC Ltd.

2. Options considered and recommended proposal

- 2.1. **Option 1- Do Nothing.** The Council's governance and reporting requirements for companies in its ownership requires the agreement of a business plan each year. Failure to present this report will mean that the Council is not provided with visibility over the business planning for UKBIC Ltd. This report has therefore been prepared to meet this requirement.
- 2.2. **Option 2 – Approve the Business Plan** This report has been drafted in line with the Council's governance and reporting requirements for companies in its ownership.
- 2.3. UKBIC's Business Plan for the 2024/25 financial year is included at Appendix 1 of the corresponding private report. The business plan looks at the market conditions in which the business is operating, sets out UKBIC strategic objectives for the coming year, and sets out its sales forecasts and financial plans etc.

3. Results of consultation undertaken

No consultation has been undertaken.

4. Timetable for implementing this decision

Upon the approval of this report, UKBIC Ltd will be notified that the Shareholder has approved the Business Plan for 2024/25.

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

5.1. Financial Implications

The UKBIC Business Plan is attached at Appendix 1 of the corresponding private report.

The business plan looks at the market conditions in which the business is operating, sets out UKBIC strategic objectives for the coming year, and sets out its sales forecasts and financial plans etc.

5.2. Legal Implications

There are no legal implications arising from the content of this report.

6. Other implications

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

The Council's ownership of UKBIC contributes to the Economic Prosperity theme in the One Coventry Plan. In Coventry and Warwickshire, almost 40,000 people are employed in the automotive industry, and with the sale of new internal combustion engine vehicles due to cease in 2035 it is essential that CCC supports our local automotive industry to transition to design, development and production of electric vehicles. Having UKBIC in the area along with other world class innovation assets such as WMG, Coventry University, MTC and MIRA makes the area highly attractive for investment in electric vehicles and other clean technologies.

6.2. How is risk being managed?

A key risk mitigation is the Council's Directors having two seats on the UKBIC Ltd Board, including the Chair. No decisions can be taken on the operation of UKBIC without the approval of the Council's two Director Board Members. Financial risks for example linked to the WMCA Loan are mitigated by the fact that CCC has security of UKBIC's land and buildings. Finally, the oversight provided by the Faraday Battery Challenge provides essential input on UKBIC's business plan to ensure that it is meeting the needs of the UK automotive industry, as well as the associated grant funding that they provide.

6.3. What is the impact on the organisation?

In order to manage Coventry City Council's (CCC) ownership of UKBIC Ltd it is necessary for staff in the Economic Development Service, Finance and Legal to ensure that UKBIC is reported correctly in the Council's accounts, and that conditions of the original Innovate UK grant continue to be met, and that the terms of the WMCA loan are complied with. There is also an ongoing time commitment from the two CCC Directors who sit on the UKBIC Board.

6.4. Equalities / EIA?

No equalities impact assessment has been undertaken.

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

UKBIC's work in supporting the transition to electric vehicles and away from internal combustion engines will contribute to CCC's plans to tackle climate change and improve the environment.

6.6. Implications for partner organisations?

UKBIC is based in the Warwick District Council (WDC) municipal area. CCC has supported UKBIC Ltd to ensure that they have a good working relationship with WDC.

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Other Members				
Names of approvers for submission: (officers and members)				
Finance: Phil Helm	Head of Finance	Finance	10/04/24	12/04/24
Legal: Oluremi Aremu	Head of Legal and Procurement	Law and Governance	10/04/24	12/04/24
Director: Barry Hastie	Director of Finance and Resources	-	10/04/24	12/04/24
Members: Cllr G Duggins	Cabinet Member for Policy and Leadership	-	11/04/24	12/04/24

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