



Business, Economy and Enterprise Scrutiny Board (3)

Time and Date

2.00 pm on Wednesday, 5th February 2025

Place

Committee Room 3 - Council House, Coventry

Public Business

1. **Apologies and Substitutions**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 6)
 - (a) To agree the Minutes of the meeting held on 27th November 2024
 - (b) Matters arising
4. **Heatline District Heating Update** (Pages 7 - 20)

Briefing note of the Director of City Services and Commercial
5. **Development of Coventry's Local Cycling and Walking Innovation Plan** (Pages 21 - 28)

Briefing note of the Director of City Services and Commercial
6. **Work Programme 2024/25** (Pages 29 - 32)

Report of the Scrutiny Co-ordinator
7. **Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved**

Private Business

Nil

Julie Newman, Director of Law and Governance, Council House, Coventry
Tuesday, 28 January 2025

Note: The person to contact about the agenda and documents for this meeting is Michelle Salmon, Governance Services, Email: michelle.salmon@coventry.gov.uk

Membership:

Councillors F Abbott, P Akhtar, J Blundell, T Jandu, S Jobbar, A Kaur, T Khan, B Singh, and R Singh (Chair)

By invitation:

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

Public Access

Any member of the public who would like to attend the meeting in person is encouraged to contact the officer below in advance of the meeting regarding arrangements for public attendance. A guide to attending public meeting can be found here: <https://www.coventry.gov.uk/publicAttendanceMeetings>

Michelle Salmon

Governance Services

Email: michelle.salmon@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of Business, Economy and Enterprise Scrutiny Board (3)
held at 2.00 pm on Wednesday, 27 November 2024

Present:

Members: Councillor R Singh (Chair)
Councillor P Akhtar
Councillor J Blundell
Councillor T Jandu
Councillor A Kaur
Councillor R Lakha (substitute for Councillor T Khan)
Councillor B Singh
Councillor D Toulson

Other Members Councillor J O'Boyle (Cabinet Member for Jobs Economy and Climate Change)
Councillor K Sandhu (Cabinet Member for Education and Skills)

Employees (by Service Area):

Regeneration and Economy K Mawby, P Singh, G Smailes, S Weir

Law and Governance G Holmes, E Jones

Apologies: Councillor F Abbott
Councillor T Khan

Public Business

7. Declarations of Interest

There were no disclosable pecuniary interests.

8. Minutes

The minutes of the meeting held on 26th September 2024 were agreed and signed as a true record. There were no matters arising.

9. Economic Development and Skills Strategies Progress Report

The Business, Economy and Enterprise Scrutiny Board (3) considered a report of the Director of Regeneration and Economy, which provided an update on progress achieved since the Strategies were adopted.

a) Skills Strategy

The Board received a presentation introduced by the Cabinet for Education and Skills, that supported the progress detailed in the report, highlighting the three Strategic Ambitions, the shared goals with the Economic

Development Strategy and the eight priority areas. The presentation also highlighted key activity and achievements to date, as well as key current activity for 2024-25

In considering the report and a presentation by officers, the Board asked questions and received responses on matters in the following areas:

- Detail on Universal Credit claimants in work in Coventry compared to the West Midlands Combined Authority members, and other local authorities in the wider region.
- Details on the Gatsby benchmarking measures for schools careers advice.
- The Danish model of job rotation being piloted, and how it could create progression opportunities within an organisation.
- What work had been done and strategies being planned to retain graduates in the city, including better data collection, work with the universities and marketing the city better.
- How the wider offer from the city, including housing, perception of safety and entertainment offer was also important in retaining graduates in the city, as well as career opportunities.
- How Coventry compared better with other cities in the West Midlands for NEET data as well as nationally.
- Partnership work with employers through the job shop to showcase opportunities
- The opportunities and risks offered by AI and work being done to maximise skills in this area.
- Access to benchmarking data to track progress over time.

b) **Economic Development Strategy**

The Board received a presentation introduced by the Cabinet Member for Jobs, Economy and Climate Change, that supported the progress detailed in the report, highlighting the eight priorities, as well as work being delivered on business support and net zero, foreign direct investment, the Investment Zone identified on the outskirts of Coventry, and work to maximise the social value from key development projects in the city.

In considering the report and a presentation by officers, the Board asked questions and received responses on matters in the following areas:

- That the energy efficiency audits for businesses, includes retail, but not student accommodation.
- Whether the social value work is included as part of the Council resolution to include care experienced as a protected.
- The work with partners to deliver and sign-post businesses for energy efficiency audits
- The potential to retain business rates from Green Power Park regionally as part of the Investment Zone
- The potential for the Health Determinants Research Collaborative to identify what works in reducing health inequalities.
- The Coventry is good at spending grant allocations, benefitting from others underspend
- Whether higher level apprenticeships are being taken up by Coventry students.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3):

- 1) Agrees the recommendations in the report.**
- 2) Agrees that a further progress report be added to the Work Programme for 2025/26, which will detail progress against benchmarks, as well as work delivered to retain graduates in the city.**

10. Work Programme 2024/25

The Business, Economy, and Enterprise Scrutiny Board (3) received a report of the Scrutiny Co-ordinator that detailed issues on the Board's Work Programme for meetings of the Board for 2024/25.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3) notes the issues on the Board's Work Programme for 2024/25 and that 18th December meeting had been re-scheduled to 5th February 2025 to enable the Board to have an input into the WMCA Bus Franchising Consultation.

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.

(Meeting closed: 4.00pm)

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Coventry City Council

Briefing note

To: The Business, Economy and Enterprise Scrutiny Board (3)

Date: 5th February 2025

Subject: Heatline District Heating Update

1 Purpose of the Note

- 1.1 The Business, Economy and Enterprise Scrutiny Board (3) has requested an update to be provided on the current state and efficiency of the Heatline District Heat Network system in Coventry, including its capacity usage, contribution to net zero, and commercial aspects.
- 1.2 This briefing note provides a summary of the following in relation the existing heat network:
 - An Introduction to Heat Networks
 - Organisational Arrangements of Heatline
 - Commercial Arrangements of Heatline
 - Associated Energy Statistics
 - Heatline's Alignment with the UK's Net Zero Transition
 - Current Growth Potential of Heatline
 - Future Heat Network Activity
- 1.3 Throughout the report, as requested, comparison of Heatline with the wider context of Heat Networks in the UK will be presented where possible. However, due to the lack of published detail around heat networks, these comparisons will be largely qualitative and based on observations or inference from the limited information coming out from the ongoing government consultations on Heat Networks.

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) are recommended to:
 - 1) Note the information provided about the current status of the Heatline District Heat Network.
 - 2) Note the forthcoming changes to the context of heat networks in this UK.
 - 3) Support the ongoing activity that aims to prepare Coventry City Council for meeting the requirements coming from the Energy Act 2023, evaluate future heat network opportunities and maximise the contribution that heat networks make towards the transition of Coventry towards Net Zero.

3 Background and Information

3.1 An Introduction to Heat Networks

Heat Networks are a type of heating or cooling system that involves a sharing of a hot or cold water to multiple end users or buildings. DESNZ estimates that there are over 14,000 heat networks in the UK supplying over 500,000 customers.

There are two categories of Heat Network: “Communal Heat Networks” and “District Heat Networks”.

District Heat Networks are systems that provide heating, cooling or hot water to multiple buildings. Heatline is an example of a District Heat Network. It is estimated that there are around 2,000 district heat networks in the UK ranging from very small systems that supply two neighbouring buildings (eg. Foxford School) to very large ones that serve entire communities (eg. Stratford in East London)

Communal Heat Networks are systems that provide heating, cooling or hot water to separate premises within a single building. Heatline also supplies heat to a number of Communal Heat Networks (eg. One Friargate). Communal Heat Networks are by far the most common type of heat network with an estimated 12,000 in the UK.

Heat Networks can use any type of fuel or technology to generate the heating, cooling or hot water. In the UK, gas boilers or gas fuelled combined heat and power (CHP) units are the most common form of heat source for heat networks however there is an increasing diversity of technologies being used. Coventry’s Heatline District Network uses the waste heat from the Energy from Waste (EfW) Plant in Whitley as its primary source of heat.

Whilst there are 329 active EfWs reported to be in the UK of which 53 currently process municipal waste, many of them focus purely on generating electricity with the residual heat generated not being recovered and used. Coventry’s EfW is one of the UK’s longest running heat recovery facilities with this year actually marking its 50th Anniversary of providing heat to the city. In 1975 it began supplying heat to the Peugeot manufacturing plant. Nowadays the heat is transported to the city centre via the Heatline Network and used to heat a range of buildings.

In summary, the Coventry EfW disposes of the domestic residual waste (Black Bin Rubbish) via a combustion process and the heat generated is used to generate steam that in turn is used to generate electricity before being condensed back to water by removing heat and returned to the combustion process. The Heatline heat network recovers heat by taking steam out of this cycle either before or after the electricity generation stage and transferring the heat into the heat network circuit. This reduces the amount of heat that is otherwise lost in the condensing part of the waste process. This is further discussed in section 3.3 of this paper.

The Coventry Heatline network currently supplies heat to 9 city centre buildings including 3 Offices, 2 sports facilities, a Museum, a Hotel, the Cathedral and a Student Accommodation Block via its 4km network of underground pipework.

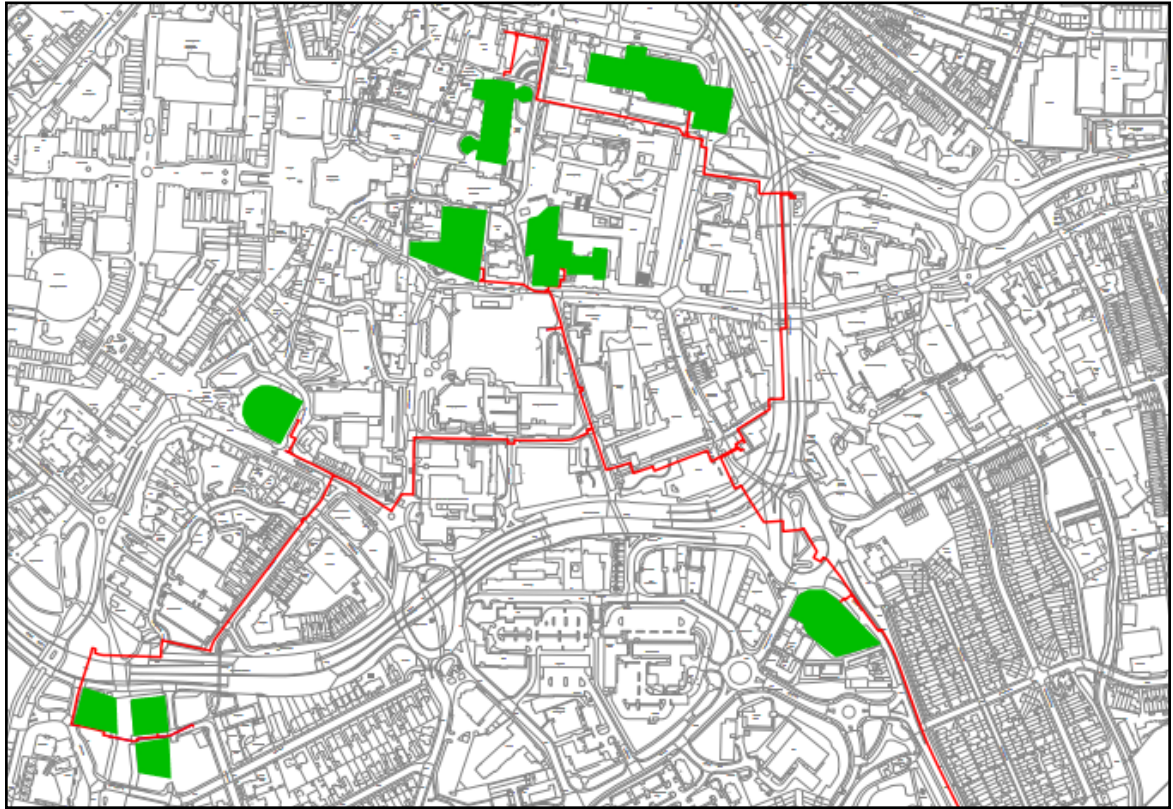


Figure 1 - Current Locations of the Heatline Heat Network and its Customers.

3.2 Organisational and Operational Arrangements of Heatline

The provision of heat via Heatline to customers involves 2 main organisations: Coventry and Solihull Waste Disposal Company (CSWDC) and Coventry District Energy Company (CDEC). Each company has a defined part to play in the heat supply chain as shown in the diagram below.

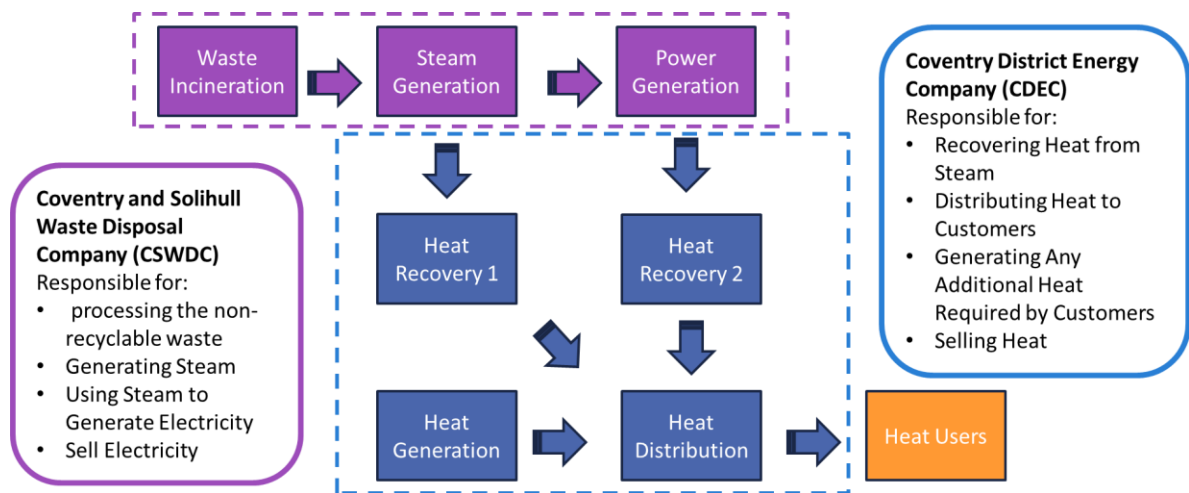


Figure 2 - Summary of the Organisational Responsibilities of CSWDC and CDEC.

Whilst Coventry City Council is the primary shareholder of CSWDC, it does not have shareholder interest in CDEC which was created in 2013 as a subsidiary company of district heating specialist Cofely District Energy for the specific purpose of operating and developing the Heatline heat network under a concession agreement. CDEC leases the network, heat transfer stations and thermal store from Coventry City Council under a concession agreement. Over the past decade there has been a number of changes to the name and ownership of the company ultimately responsible for CDEC. The latest of these changes took place in 2023/24 when Equo Energy

Energy was split out from the wider Bouygues Group and sold to a new investor consortium and rebranded as Bring Energy.



Figure 3 - Summary of the Branding and Organisational Changes behind CDEC.

Bring Energy currently operate heating and cooling networks in the UK serving over 450 business and 12,000 domestic households. The networks they operate are diverse including the East London Energy, which includes a biomass boiler and water-source heat pump, and the geothermal/CHP Southampton Network as well as traditional gas CHP schemes and Coventry's EfW scheme.

Whilst Bring Energy operate nationally, they utilise a regional approach to the management and operation of their networks. The Coventry based Heatline scheme is part of the Midlands Operating Region along with the 3 schemes that are operated under the Birmingham District Energy Company (BDEC) and the 4 schemes that are operated under the Leicester District Energy Company (LDEC). CDEC is the smallest of the 3 Midlands schemes operated by Bring Energy and is the only one that doesn't currently serve domestic customers either directly or indirectly.

There are a further 31 registered district heat networks currently within the WMCA region that are not within the Bring Energy group. These are believed to operate under a wide range of ownership and operating arrangements but publicly available information on this is limited.

3.3 Commercial Arrangements of Heatline

The commercial arrangements between Coventry City Council, CSWDC and CDEC in place to enable the supply of heat via Heatline are complex. There are 3 Heat Network related contracts in place:

- Heat Offtake Agreement – the contract between CSWDC and CDEC for the supply of heat from the EfW to the heat network. This sets out the volume of heat that is to be available to CDEC for onward supply and how much CDEC will pay CSWDC for the heat. As the use of steam for heating potentially reduces CSWDC's ability to generate and sell electricity, the heat price is based on a formula linked to the wholesale market price of power.
- Concession Agreement – the contract between CCC and Bring Energy for the operation of CDEC. This sets out the commercial mechanisms used to define the investment returns for Bring Energy as well as any rebates due to CCC as a result of either CCC investments or residual CDEC profits. The current concession agreement was for 25 years and expires in 2038.
- End User Agreement – the contract between CDEC and each customer for the supply of heat to their building. This sets out the heat tariff each customer

will pay CDEC for the supply of heat. These vary between customers depending on their usage requirements and how their connections were funded. The variety of tariff arrangements means the impact of wholesale market movement on customer bills is not consistent.

The below diagram attempts to summarise the commercial relationships that are in place.

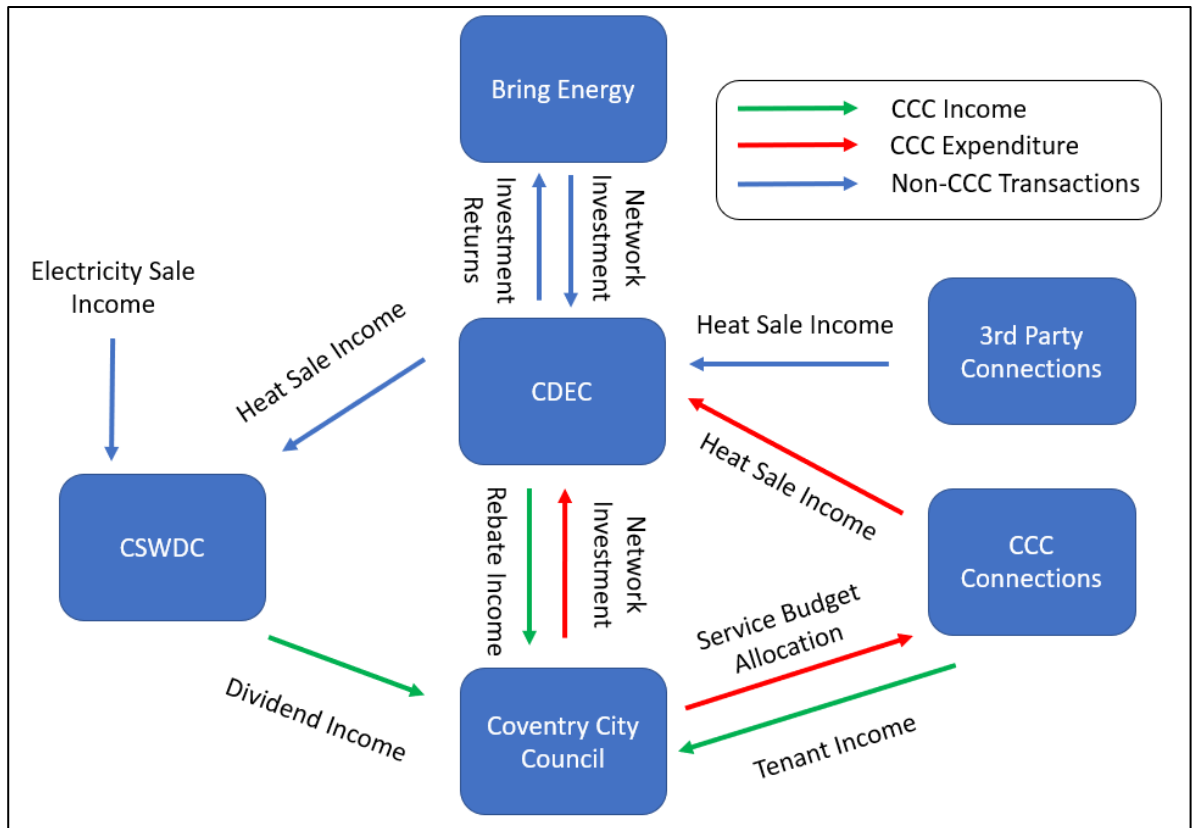


Figure 4 - Summary of the Financial Flows of the Heatline Energy System

It is unknown how the CDEC commercial structure compares with other Heat Network arrangements in the UK, however DESNZ has identified the lack of consistency in contractual approaches as one of the major barriers to Heat Network uptake that needs to be addressed through future regulation.

In the last available financial accounts CDEC reported an annual turnover of £1.4m and a pre-tax profit of £100k, however, the complex nature of the investments required to expand the network and connect new customers means there has been significant variation in reported annual profits over the first decade of the scheme. The latest asset value of the Heatline network was reported as £4.9m.

To date there has not been consistent enough profit within CDEC to generate rebate payments to CCC. However, CCC has received £98k to date as a result of a 50% share of the CDEC income generated from Renewable Energy Certificates (ROCs) sold by CSWDC. These ROCs are made possible by the recovery of heat by the network although the quantity and value each year is volatile. The ROC income provides a contribution to the operating costs of CCC's Energy Management team enabling it to be the point of contact within CCC for supporting the day-to-day activities of CDEC and other heat networks agendas.

A high-level comparison of the annual accounts published by the 3 midlands-based District Energy Companies operated by Bring Energy provides indication of the significant difference in scale of the more established BDEC and LDEC schemes.

Heat Network Scheme	2022 Turnover (£k)	2022 Pre-Tax Profit (£k)
Birmingham (BDEC)	13,918	292
Coventry (CDEC)	1,416	100
Leicester (LDEC)	12,241	202

Table 1 - Comparison of Turnover and Pre-tax Profit of the Bring Energy Heat Networks in the Midlands.

3.4 Associated Energy Statistics

In order to understand the energy related aspects of the Heatline heat network it is important to follow the energy flows all the way from the EfW through to the various end users. Unlike an energy centre that runs on electricity or gas, the highly variable composition of municipal non-recyclable waste makes it very difficult to predict the total amount of energy that is contained within it and therefore available for recovery. The energy quantities shown in this report are therefore only indicative based on typical energy content of such a feed stock and the typical annual throughput of around 290,000 tonnes of waste.

As the diagram below demonstrates the vast majority (83%) of energy recovered from the EfW is typically used for power generation. Approximately 14GWh (2%) of the recovered energy from the waste treatment process is currently used by CDEC to provide heat to customers. In a usual year, 99% of the heat delivered to CDEC customers is generated from the recovered heat at the EfW. A small amount of gas is currently used to cover routine or emergency maintenance activity at the EfW.

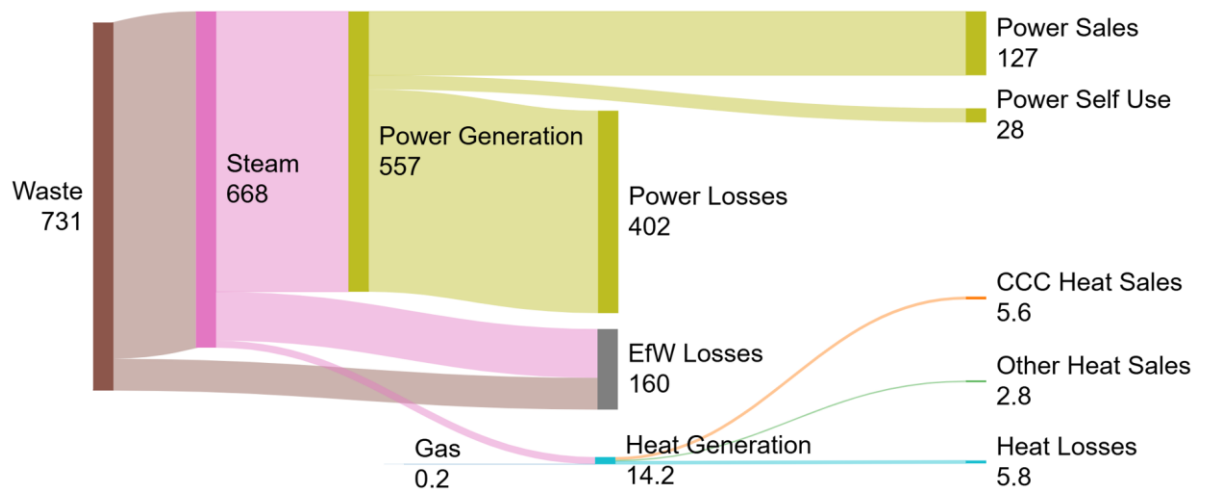


Figure 5 - Typical Energy Flows (in GWh/yr) of the Current Heatline Energy System

Coventry City Council is currently the largest customer for CDEC accounting for approximately 2/3 of the total heat sales. The council's heat consumption has varied in recent years following energy efficiency improvements in Council House, the transfer of operations from the Civic Centres and Coventry Sports Centre to One Friargate and the Wave and, most recently, the opening of Two Friargate.

There is not a straightforward way to compare the actual cost of the use of district heating with alternative heating technologies such as gas boilers or air source heat pumps (ASHP) as there are many differing variables and is dependent on the specific building being considered. However, the following high-level average comparisons can be made drawing from the Council's heat usage across its estate:

District Heating sites typically have a higher utility bill spend compared to gas heated sites but have lower emissions and lower maintenance costs associated with the heating equipment. Heat network installation costs are typically much higher than gas heating systems and are dependent on the distance from existing infrastructure.

District Heating sites typically have a lower utility bill spend compared to ASHP heated sites due to the current cost of electricity and also lower emissions and maintenance costs associated with the heating equipment. Heat network installation costs can be either higher or lower than ASHP installation depending on the distance from existing infrastructure and the availability of power connections at a site.

Currently the energy use of Heatline is limited by the annual demand of its connected customers. The existing infrastructure in place is estimated to enable up to 184 GWh of heat to be generated by the EfW. The 14.2 GWh/yr consumption currently used represents only a 7% utilisation rate of the existing heat network capacity. Expansion of the customer base to its maximum potential would enable more heat to be recovered from the EfW. The below diagram shows what the energy flows would look like if this was achievable. This would result in approximately 27% of the total energy recovered by the EfW being used for heating.

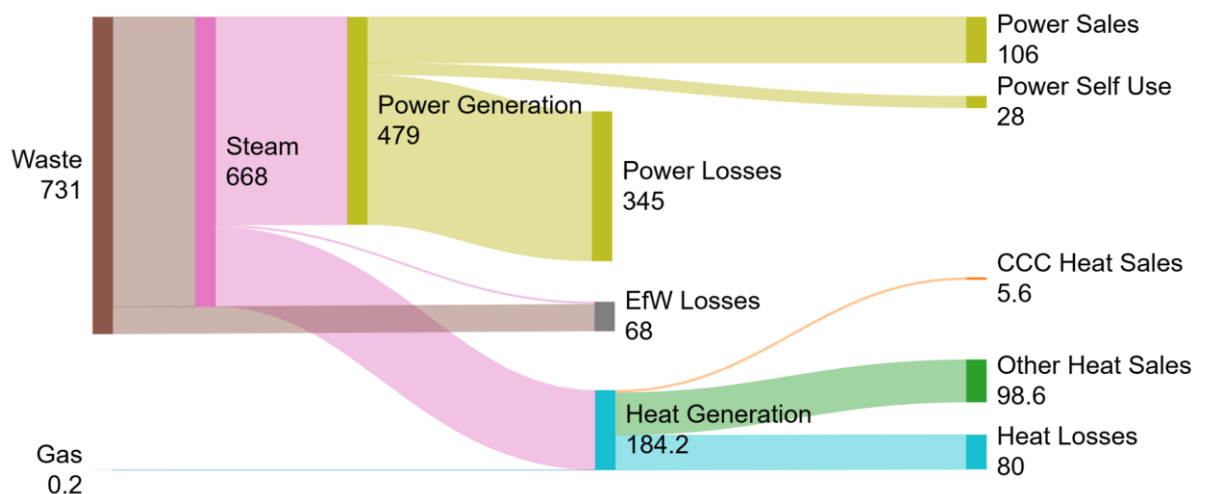


Figure 6 - Potential Energy Flows (in GWh/yr) for a Future Heatline Energy System Utilising Full EfW Capacity.

However, as the heat generated from the EfW is uniform across the year but the demand of most customers is skewed towards the winter, either significant thermal storage or additional peak heat generating plant would be required to make the most of the EfW plant heat recovery opportunity. Without additional peak heating plant the maximum utilisation would continue to be limited by the maximum winter demand of the customers connected. Currently gas boilers are the primary type of peaking plant used in the Heat Network Industry, therefore, a rapid expansion of the number of heat network customers would likely see increases in the amount of fossil fuels used in the short term. This therefore requires a balance to be struck in relation to the speed of new connections being brought forward and ambitions around the carbon intensity of the heat network. This is further explored in the following section.

3.5 Heatline’s Alignment with the UK’s Net Zero Transition

The decision to create Heatline was largely driven by its potential to provide low carbon heat to the city centre buildings. One of the primary benefits of heat networks is that there are no local emissions at the point at which the heat is being used. For dense urban environments it can therefore contribute to improved air quality. As a result of Heatline, 9 large buildings within the city centre are not reliant of gas boilers for normal operation. In 2023, this equated to an avoidance of 1,985 tCO₂ being emitted in the city centre.

The other key benefit of heat networks is that they open up the opportunity for a more diverse range of heat sources to be used to generate the heat being supplied. The viability of different technologies can improve with the increased scale of collective heat demand. In particular it creates the opportunity to capture and use waste heat.

This increased diversity however also results in greater complexity in determining the appropriate level of emissions to report against the heat supplied via a heat network.

There are of course still emissions related to the use of Heatline. In the UK, there has been a constantly shifting opinion around how carbon emissions associated with heat networks should be calculated. Currently the accepted approach in the UK is based on the primary purpose of the activity that generates the heat. For example, in a gas CHP led scheme the emissions are clearly attributable to the energy generation as the gas is burnt for no other purpose but to generate energy. In the case of waste heat recovery, the emissions generated are for a different primary purpose that is not energy generation and therefore only additional emissions that are as a result of the heat recovery process are attributable the energy being supplied.

The use of municipal waste or biomass in the process adds even greater levels of complexity as the Green House Gas protocol states the emissions resulting from energy recovery from waste should not be attributed to the waste disposal process. As CDEC currently uses the EfW as its primary heat source for heatline, this is particularly relevant to Coventry.

The primary purpose for the EfW is the disposal of around 290,000 tonnes of non-recyclable waste annually. The only alternative would be to send this waste to landfill and it is estimated that in landfill it would generate emissions equivalent to 144 to 174 ktCO₂. This would also need significant land availability as the waste currently processed by the EfW is enough to approximately fill the CBS Arena each year.

The combustion of the waste will also release emissions as the carbon content of the waste is turned into carbon dioxide. The actual emissions released will depend on what is in the waste and depending on the type of waste this can be either similar or higher than the emissions that would have resulted from landfill. Metals and plastics are the key example of waste types that will emit more emissions if put through combustion and is the basis for prioritising their separation from the residual waste.

There are, however, additional benefits of energy generation and reduced land use that would not be associated with landfill. Therefore, there are multiple outputs that these emissions can be allocated to and a decision is needed as to how much carbon is reported against each one.

Land use emissions are the most complex to determine and therefore it is usually excluded from the process. Historically, as UK power generation had a significant carbon intensity, emissions were allocated to the power generation output resulting in EfW being presented as both a low carbon waste and energy solution. With the rapid decline in the carbon intensity of the UK electricity generation, focus is now shifting from power generation to heat supply.

To allow for consistency in reporting CDEC uses UK carbon factors for steam generated by EfW as published in SAP10 and the published UK GHG conversion factors for grid supplied electricity and natural gas to calculate the operational carbon intensity of Heatline each year. The current carbon intensity for heat consumed via Heatline is therefore reported as 0.045 kgCO₂/kWh. This would equate to total carbon emissions from 2023 Heatline consumption to be 440 tCO₂. This is 78% lower than the equivalent emissions from the use of gas boilers.

It is currently not possible to compare the carbon intensity of Heatline with other heat networks in the UK as the data is not published. This is something that DESNZ aims to address as part of the regulation of Heat Networks due to commence in 2025. The ability of heat networks to delivery lower cost transition to Net Zero has led to DESNZ adopting a target of growing heat network use from 3% of national heat demand to more than 20% as part of the UK strategy to reach Net Zero by 2050. Recent

consultations indicate an ambition for UK heat networks to have a maximum carbon intensity limit enforced by 2030. The most stringent limit being considered is 0.044 kgCO₂/kWh, therefore the current Heatline network is in alignment with the ambitions of the UK Net Zero strategy. Depending on the final emissions limit adopted by DESNZ, there will be differing scope for utilising traditional peaking plant to support expansion of the number of customers in the short term.

In the UK the use of energy from waste facilities are considered a Recovery process in the waste hierarchy, and as shown below should be focused on Residual Waste only. However, in 2008 revision of the criteria required to achieve the R1 status needed for new facilities to be considered Recovery instead of Disposal. The calorific value of the waste plays a significant role in the R1 calculation. With the increased successful removal of recyclable waste such as paper and cardboard from the residual waste, it has become increasingly difficult for EfWs from achieving R1 status on power generation alone. For Coventry's EfW, it would need approximately a 7-fold increase in the heat recovered via Heatline for it to achieve R1 status. Should there be a desire for CSWDC to obtain R1 status, this could therefore be a further driver for growing the Heatline network.

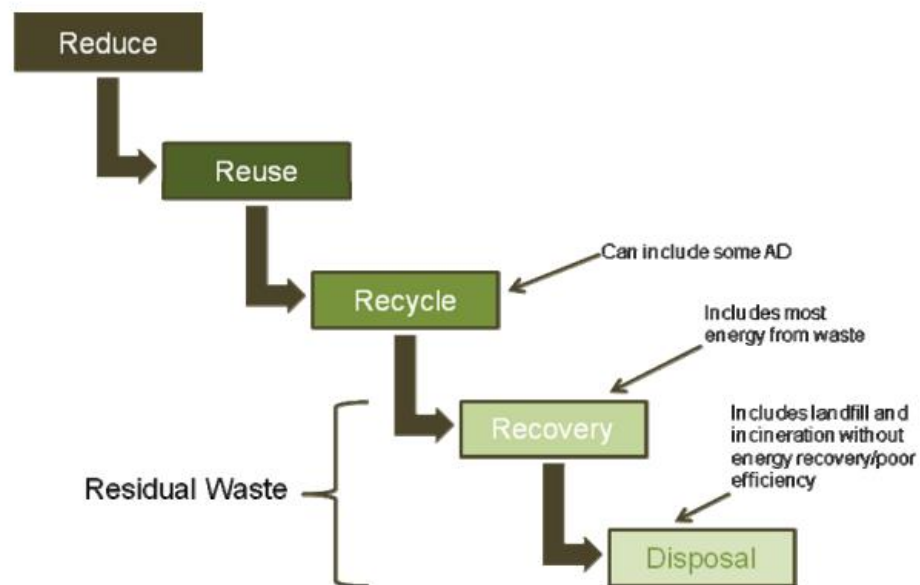


Figure 7 - Energy from Waste and the Waste Hierarchy.

A significant benefit of heat network adoption is that it could make the transition to net zero easier and more financially viable. Rather than every building owner having to directly decarbonise the heating systems of their properties, it transfers the responsibility to the heat network operator. This amalgamation of responsibility potentially improves the financial case for investment in more costly low carbon heat generation that would otherwise be too costly at an individual property level.

3.6 Current Growth Potential of Heatline

As mentioned in 3.4, Heatline is currently significantly underutilised. Whilst recent connections to the newly constructed Two Friargate and Hotel Indigo have helped to grow demand on the network, expansion of the network is likely to be driven through a resurgence of retrofit connections to existing buildings.

The launch of the Public Sector Decarbonisation Scheme has helped public sector organisations consider major capital replacement schemes that replace aging gas heating systems with low carbon alternatives. Coventry City Council supported Coventry University with their successful bid for PSDS grant funding that has enabled

them to retrofit 11 of their city centre buildings onto the Heatline Network. This will result in a major expansion of the network, more than doubling the number of connections and extending the network towards other potential future connections. Coventry City Council is currently assessing the viability of using PSDS for a second phase of public sector connections on the outskirts of Hillfields whilst the Courts and Tribunal Service has recently applied for PSDS funding to connect the two courts buildings in the city centre.

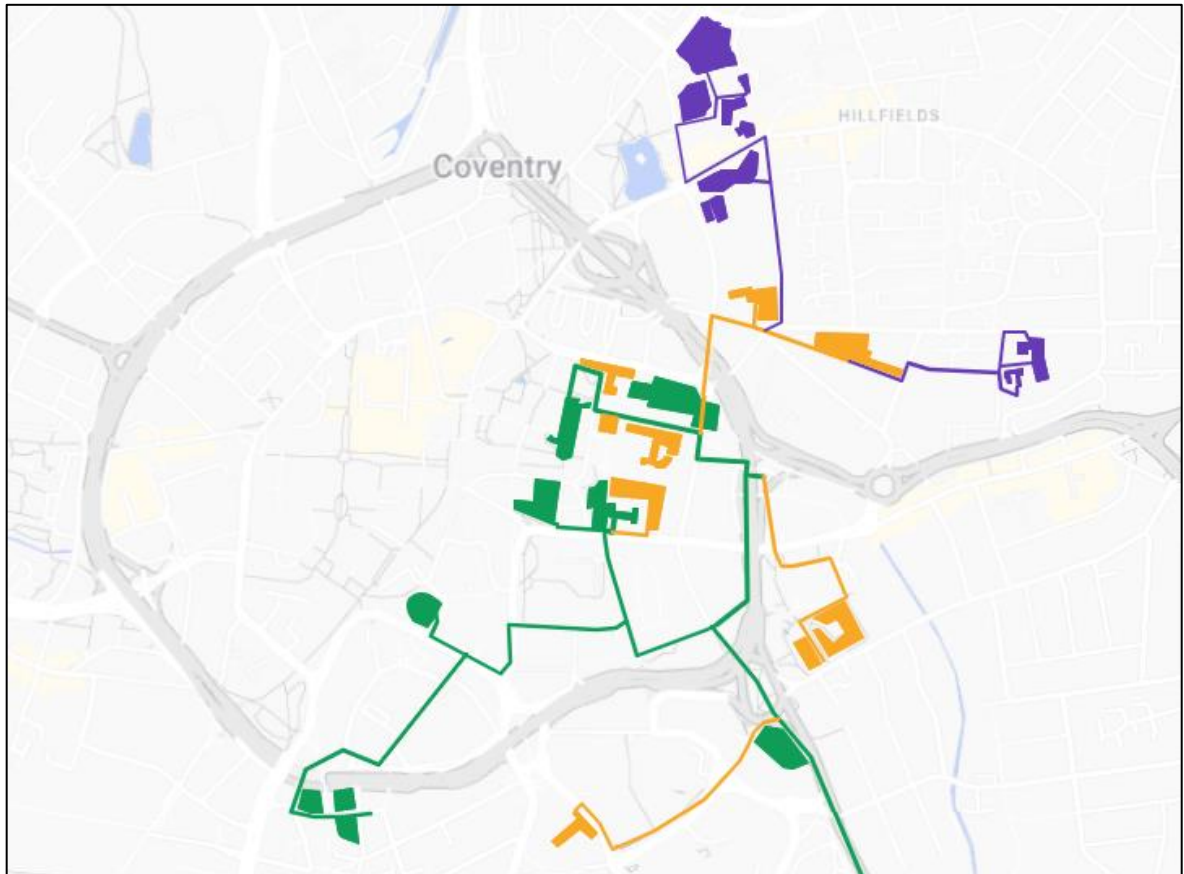


Figure 8 - Location Map of Existing (Green), Confirmed Phase 1 Expansion Sites (Orange), and Potential Phase 2 Expansion Sites (Purple).

Aside from the public sector led expansion, the recent adoption of Net Zero Targets of many city stakeholders has seen a renewed interest in the potential for Heatline to be a lower carbon alternative for heating provision. Bring Energy are actively engaging with a number of stakeholders located in the city centre. CCC has supported these discussions where possible including taking prospective customers around our existing connections to demonstrate what a retrofit heat network solution involves. As mentioned previously, the ability to connect new customers to the networks may also be impacted by the ability for Bring Energy to introduce additional low carbon peaking plant to the network.

The final driver for expansion is the forthcoming Heat Network Zoning that DESNZ is currently consulting on. The proposed legislation will see the creation of Zoning Coordinators with the new statutory function of designating geographic areas as Heat Network Zones and procuring Heat Zone Developers to build out and manage the heat networks in those zones. Within these zones, there will be mandatory requirements for certain buildings to connect to the heat network when requested.

Coventry was selected, along with Birmingham, by DESNZ to be part of the Heat Network Zoning Pilot and subsequent Advanced Zoning Programme. These programmes have been used by DESNZ to support the development of the new

legislation comes into effect. This has given CCC early insight into the potential impact of the new legislation on the city. The below map shows the areas of the city that were identified by DESNZ as potential Heat Network Zone opportunity areas that was published in September 2024.

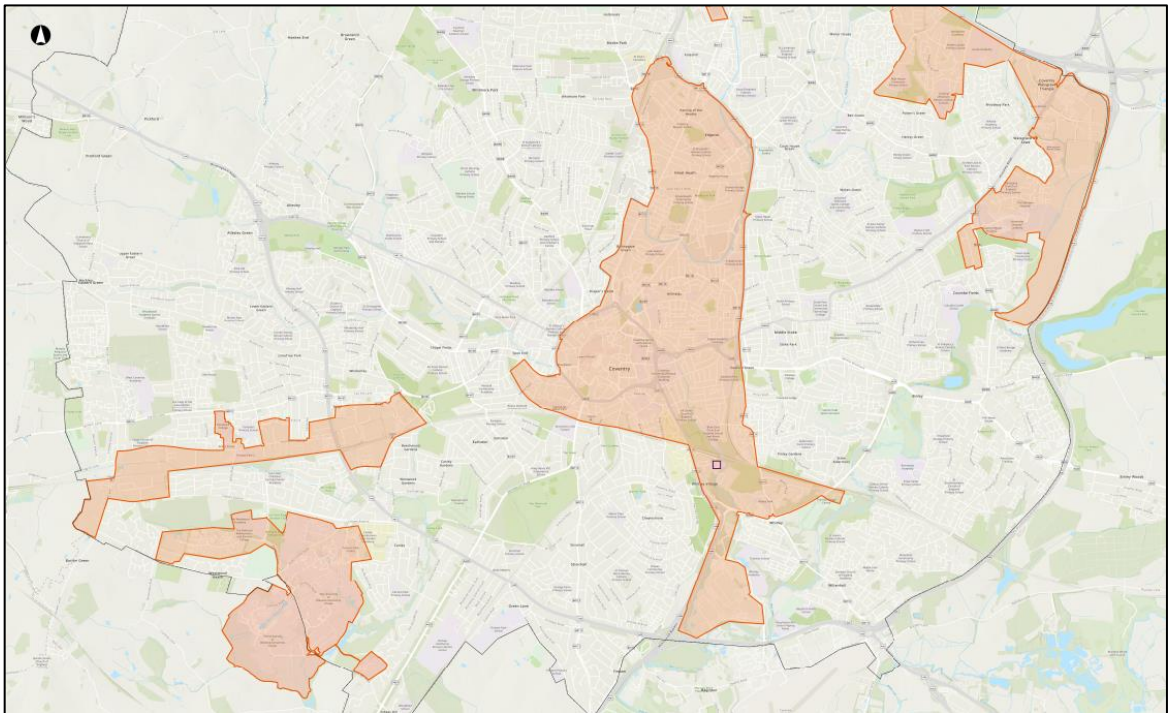


Figure 9 - DESNZ Map Showing Potential Opportunity Areas from Heat Network Zoning.

3.7 Future Heat Network Activity

As mentioned above, the forthcoming Heat Network Regulations are going to bring significant changes to the heat network sector. These regulations will introduce a raft of new requirements on existing heat network operators, any new entrants to the market and also many building owners not currently familiar with heat networks. The new legislation can broadly be split into 3 main areas of focus:

- Consumer Protection and Billing Standards
- Technical Standards
- Heat Network Zoning

Whilst all of these will be relevant to Heatline, the first two areas will be largely down to Bring Energy to address, while the area of most relevance to Coventry City Council is the Heat Network Zoning part of the regulations. DESNZ is set to create a new Central Authority to oversee the initial stages of zoning, however, it is anticipated that DESNZ will appoint Local Authorities as the Zoning Coordinators under the legislation. This will introduce new statutory duties from Zone Identification & Designation to Enforcement & Appeals (shown in Blue in figure below). Coventry City Council is therefore currently working on a number of different workstreams to help prepare for the new legislation.

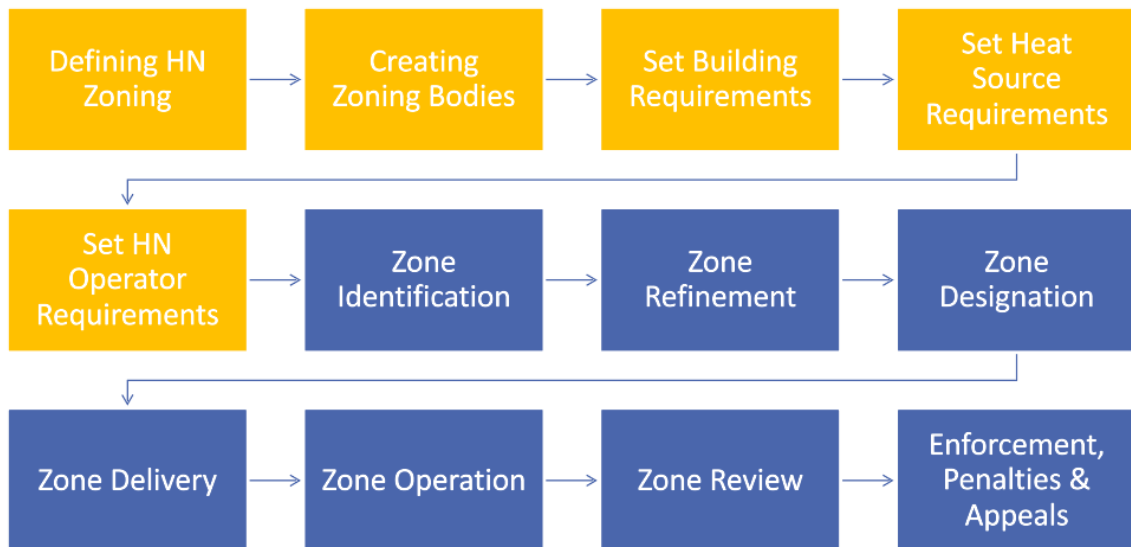


Figure 10 - Summary of Provisional Heat Network Zoning Tasks to be Undertaken by Central Authority (Yellow) and Zoning Coordinators (Blue).

As a participant of the Advanced Zoning Programme, CCC has been able to secure support from DESNZ appointed consultants to undertake the following works associated with the preparation for Heat Network Zoning:

- **Initial Stakeholder Engagement** – Consultant support to undertake initial engagement with the major stakeholders in the city that are likely to be impacted by within the 4 Strategic Heat Zoning Opportunity areas identified by DESNZ. The aim is to identify the level of their awareness of Heat Network Zoning and to gather insight on potential barriers or opportunities that can feed into the development of Coventry’s draft Zoning Strategy. Due to time limitations this work will initially focus on key stakeholders with large estates in the city such as University of Warwick, Citizen Housing and UHCW. Further engagement with other organisations will be added if time allows.
- **Heat Network Vision Development** – Consultant support to begin drawing together the requirements of the legislation and the feedback from stakeholders to produce a draft Vision Document that can be used for wider engagement on the topic both internally and with external organisations develop Coventry’s draft Zoning Strategy.
- **Heat Network Technical Feasibility Study** – Consultant support to evaluate a zonal approach on a part of Coventry in more detail to help provide an evidence base for defining the Zone Refinement and Designation part of the zoning process. This study will focus on Hillfields to enable it to support the wider Net Zero Neighbourhood agenda currently underway however the outputs may be able to inform plans for other areas of the city.
- **Low Carbon Energy Centre Feasibility Study** – Consultant support to evaluate the potential for creating a low carbon energy centre to support the wider heat network zoning agenda. This study will look to identify a potential plot within the city that could host a low carbon energy centre and evaluate the heat generation options available and potential investment requirements for development. This will help to inform the viability of developing heat network zones that don’t have existing heat energy centres.

In addition to the DESNZ funded workstreams, CCC is also participating with WMCA's Heat Coordination Group that is focused on facilitating collaboration between the WMCA constituent authorities. This group helps to share experience and learning on heat networks between the west midlands based local authorities.

4 Health Inequalities Impact

- 4.1 The operation of Heatline has a positive impact on the air quality in the city centre as it avoids the combustion of fuels in a dense urban environment and provides a potential route to net zero for properties that are not suited or viable to have their own emission free heating system. Whilst at present the primary heat source does have associated emissions, the expansion of Heatline opens up the opportunity for a more diverse range of heat sources to be adopted. In the event that the energy from waste plant is no longer part of Coventry's waste management strategy other low carbon energy generation can be used to maintain supply to customers.

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Coventry City Council

Briefing note

To: Business, Economy and Enterprise Scrutiny Board (3)

Date: 5 February 2025

Subject: Development of Coventry's Local Cycling and Walking Innovation Plan

1 Purpose of the Note

- 1.1 To provide an update on progress on the development of Coventry City Council's (CCC) Local Cycling and Walking Innovation Plan (LCWIP).

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) is recommended to:
- 1) Consider the content of the briefing note.
 - 2) Identify any recommendations to the Cabinet Member.

3 LCWIP overview

- 3.1 LCWIP is a planning tool for local authorities to develop networks of walking and cycling routes, providing a policy framework for active travel that supports the implementation of the Coventry Transport Strategy, adopted by the Council in December 2022. National guidance exists to help local authorities write effective LCWIPs. A core focus of an LCWIP is planning networks based on travel demand. A good LCWIP will consider not only existing travel demand, but also potential travel demand – including scope for mode shift (changing travel choices) and amended travel patterns due to new developments.
- 3.2 The existing pictures for walking and cycling are quite different. While both modes encounter severance and other barriers to use, the walking network is largely complete. Interventions for walking are likely to focus on “point” infrastructure such as crossings, as well as area-based improvements such as traffic calming or area-wide footway improvements. It is worth noting that virtually all journeys involve an element of walking, with even journeys made by car, train or bus generally involving a walk to / from the car park, railway station or bus stop. This places an emphasis on ensuring that the walking network is well maintained and provides a high-quality environment for people at all stages of their journey.
- 3.3 The “walking” element should consider wheeling – meaning the use of the highway by people in wheelchairs, and other mobility aids – reflecting the diversity of people who use the highway network. As such, there needs to be a significant focus on accessibility and inclusivity, ensuring that the walking network is easily used by all these categories of pedestrian. This places an emphasis upon not only the existence of a footway, for example, but also on ensuring that footway is usable,

without barriers caused by, for example, pavement parking, street furniture, lack of dropped kerb crossings and other obstructions.

- 3.4 On the other hand, the cycle network is somewhat more sporadic. While there may still be a need for “point” and “area-based” interventions – like walking and wheeling – an LCWIP is also likely to identify corridors to join up cycling routes together and build-up a city-wide network.
- 3.5 LCWIPs are intended to be live documents that can be updated as priorities evolve.

4 Why have an LCWIP?

- 4.1 Having an LCWIP puts the council in a stronger position to obtain funding, either from central government or other grant-giving bodies, or when negotiating settlements with private developers through the planning system. An LCWIP gives public bodies confidence that the council is delivering against an agreed set of priorities and principles, thus reducing uncertainty. An LCWIP means developers are less able to challenge infrastructure asks as being unfounded, as the complete picture of the planned network is clearly set out.
- 4.2 Delivering walking and cycling (active travel) improvements can help achieve the council’s corporate priorities.

One Coventry Value	How achieved through active travel
Increasing the economic prosperity of the city and region	Walking and cycling provide a low-cost means of accessing job opportunities, particular in sectors such as warehousing and logistics where places of work tend to be spread out and on the edge of the city, a development pattern that is hard to serve by public transport.
Improving outcomes and tackling inequalities within our communities	Health inequalities are a significant challenge for many communities, and reducing the barriers to active travel can help more people make healthier life and travel choices.
Tackling the causes and consequences of climate change	Active travel is a significant opportunity to decarbonise transport, with many journeys by bike being competitive with driving by car. Across the West Midlands, approximately 41% of car journeys are less than two miles. ¹

¹ <https://www.sustrans.org.uk/media/10493/west-midlands-walking-and-cycling-index-2021.pdf>

One Coventry Value	How achieved through active travel
Continued financial sustainability of the Council	As an upstream intervention, active travel that supports healthier lifestyles can reduce social care and healthcare costs later in life.
Council's role as a partner, enabler and leader	Many people want to make more active travel journeys, but lack of infrastructure is often cited as a significant barrier. Providing safe and attractive infrastructure is an enabler of change at the personal level, which is impossible without leadership.

4.3 Active travel also aligns strongly to the Marmot goals, which CCC has shown strong commitment to since 2013.

Marmot goal	How achieved through active travel
Give every child the best start in life	Active travel to school improves concentration and for younger children promotes self-reliance
Enable all children, young people, and adults to maximise their capabilities and have control over their lives	Promotes independence, and reduces costs associated with personal mobility
Ensure a healthy standard of living for all	Active travel can be an easy way to build-in physical activity into daily routines
Create fair employment and good work for all	Our Coventry South package is geared up to connecting people to employment opportunities at the Gigafactory
Create and develop healthy and sustainable places and communities	People who walk and cycle are fundamentally more connected to their communities
Strengthen the role and impact of ill health prevention	Active travel is a significant upstream intervention

4.4 Finally, active travel is a key theme in CCC’s latest Transport Strategy.

Transport Strategy objective	How active travel delivers it
Supporting the city’s economic recovery and enabling long-term growth	Active travel widens transport choice, meaning citizens have greater access to jobs and other economic opportunities. Providing alternative transport choices also reduces traffic congestion, making the city a more attractive place to invest and reducing barriers to development.
Delivering a sustainable, low carbon transport system	Active travel is a naturally low-carbon mode of transport.
Ensuring equality of opportunity	Active travel has a low barrier to entry, improving access to opportunities.
Maximising health and wellbeing and reducing health inequalities.	Active travel builds activity into everyday life, promoting health and wellbeing.

5 LCWIP progress so far

5.1 A regional LCWIP was published by Transport for West Midlands (TfWM) in 2019. This identified a core regional network of cycle routes, branded the Starley Network. In Coventry, the three routes identified were:

- City Centre – east to University Hospital via Binley
- City Centre – south to University of Warwick via Earlsdon
- City Centre – north to Coventry Arena via Coundon and Holbrooks

5.2 The regional routes are those expected to provide connectivity to significant employment sites or other major trip generators. Since publication of this plan in 2019, all three routes have seen some form of delivery of infrastructure improvements.

Regional LCWIP route	Delivery since 2019
East	Binley Cycleway – expected to be completed in 2025
South	Charter Avenue Cycleway, Lynchgate Road Cycleway, Earlsdon Liveable Neighbourhood
North	Coundon Cycleway

5.3 TfWM will be updating its regional LCWIP in 2025.

5.4 In Coventry, funding from TfWM in 2024-25 is being used to develop Coventry’s LCWIP. This work had been in progress since before then, but the availability of this funding has allowed progress to be stepped up dramatically by allowing

technical support from consultants to be procured. Consultants will be undertaking a number of baseline studies that will inform the LCWIP. The LCWIP itself will be officer led, with input from members and stakeholders.

5.5 The baseline studies focus on:

- Travel demand – where are there the greatest concentration of short trips on the existing network, and factoring future development? By looking at where short trips are most prevalent, we can identify where to prioritise investment in walking, wheeling and cycling infrastructure.
- Quality of existing cycle routes – what is the level of service on the existing cycle network? Many people are happy with the quality of newer cycling routes, but by understanding where there are deficiencies on legacy infrastructure, we can identify how the LCWIP can include provision for upgrades of older schemes.
- Maintenance of footways and cycleways – the National Highway Survey also provides evidence that there is general dissatisfaction over the quality of the footway and footpath network, and the LCWIP will also identify the actions, and investment, required to reverse this through targeted improvements to the network.
- Accessibility – are existing off-road routes and parks and open spaces accessible, including for people in wheelchairs and adapted cycles? Many of these are under-utilised spaces currently, and colleagues in our public health team have identified parks as having a huge role to play in making Coventry healthier. While there may be non-infrastructure barriers, understanding physical accessibility and inclusion helps us identify proposals that can be included in the LCWIP.
- Cycle parking – what is the existing provision for cycle parking in our city centre and local / district centres? What is the demand for future cycle parking going to look like if more people start cycling, and are there opportunities for paid-for premium cycle parking services, that can generate a revenue for the council?

5.6 Officers will review the findings of the baseline studies. Depending on what they report, the studies may be shared directly with stakeholders for comment, or officers may take the studies and work up a plan that considers their recommendations, alongside the existing strategic objectives of the council, especially those set out in the Transport Strategy.

6 Timescales and next steps

6.1 Baseline analysis is currently underway. This is expected to conclude in spring 2025. After this time, a draft network plan will be assembled, for consultation later in the 2025-2026 municipal year as per indicative programme overleaf.

Date – provisional	Step reached	People involved
Spring 2025	Conclusion of baseline technical analysis	CCC-appointed consultants / CCC officers
Summer 2025	Review of baseline, development of initial ideas, engagement with cabinet member	CCC officers / CCC cabinet member
Autumn 2025	Engagement with community and other stakeholders	CCC officers / CCC members / public / stakeholders
Late 2025 / Early 2026	LCWIP finalised and approved by Cabinet	CCC officers / CCC members

7 Expected outcomes of the LCWIP

7.1 The LCWIP is expected to identify and recommend the following interventions:

- Additional strategic and local cycle routes to create a “joined up” network across Coventry, giving every citizen equitable access to high-quality cycle routes, enabling them to access jobs, social and other life opportunities.
- A series of Key Walking Zones closely linked to existing District Centres where investment in walking infrastructure improvements will reduce barriers and friction for people accessing their local shops and services on foot or by wheeling
- A roadmap of neighbourhood-based interventions, fanning out from the Key Walking Zones. Neighbourhood-based interventions will not be identified in detail, but their scope could include pedestrian crossings, 20mph zones, liveable neighbourhoods and rationalisation of footway parking.
- Recommendations for how walking and cycling infrastructure is maintained, including how maintenance is funded and actions for the Highways Design Guide to consider.

7.2 The exact scope of each intervention will not be precisely laid down, but enough known to be able to ascertain a budget cost. Consultation and engagement with local communities will take place during the project development process once schemes are funded and are on the programme for implementation.

8 Funding

8.1 The implementation of the LCWIP is likely to require external funding. The document itself is part of the process to obtain that funding, by setting out a clear rationale for investment and how it fits together and within the wider strategic context.

8.2 This is particularly relevant at this time, with the impending change to West Midlands Combined Authority funding, which is going to be receiving a single financial settlement from central government, rather than specific pots for transport. Having an established LCWIP and a strong evidence base and track record of

quality delivery will help Coventry make the case for continued regional investment in active travel.

- 8.3 This investment in active travel will help our communities lead healthier, happier lifestyles, with improved transport choices and reduces transport costs. In the long term, enabling active lifestyles through infrastructure changes will reduce health and social care costs in future years.

9 Health and Inequalities Impact

- 9.1 A full Health and Inequalities Impact Assessment (HEIA) will be undertaken as part of the LCWIP. An LCWIP is expected to deliver positively for protected groups, as per the table below.

Protected group	How positively impacted
Age	<p>Young people in particular tend to rely more on active travel and can be negatively impacted by transport and planning decisions that focus on car-based mobility.</p> <p>Older people who have given up driving due to health conditions or personal choice may also be more reliant on active travel modes.</p>
Disability	<p>Improved conditions for active travel can reduce barriers for people with disabilities. Many disabled groups are unable to drive and as such may be more reliant on active travel and public transport. Some disabled people use cycles as a mobility aid.</p>
Pregnancy and maternity.	<p>Improving the walking environment is particularly beneficial for this group, as footways that are poorly laid and without dropped kerbs can present a significant barrier to mobility.</p>
All groups	<p>Active travel is a significant upstream intervention, tackling health inequality.</p>

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Agenda Item 6

Business, Economy and Enterprise (3) Work Programme 2024-25

Last updated on 24th January 2025

Please see page 2 onwards for background to items

10th July 24
Meeting moved to 21 st August 24
21st Aug 24 – moved to consider Cabinet Reports
Cabinet Member Priorities for the year Very Light Rail Update
26th September (Moved from 11 th September 24)
Local Air Quality Action Plan including Upper Hill Street/Holyhead Rd consultation Transport Strategy Delivery Update – Cabinet Report
16th October 24
Meeting moved to 18 th December
27th November 24 (to take place at Job Shop)
Economic Development Strategy/Skills Strategy Coventry Job Shop
18th December 24
Meeting moved to 5 th February
5th February 25
Heatline Cycling and Walking Plan
19th February 25
Drone Technology WMCA Bus Franchising Consultation
12th March 25
Rail Update Green Power Park / GigaFactory City Centre South Development
Items TBC
EV charging point infrastructure Strategy roll-out Commonwealth Games Legacy Fund Domestic Retrofit - Update Economic Development Strategy/Skills Strategy 25/26

Date	Title	Detail	Cabinet Member/ Lead Officer
10th July 24	Meeting moved to 21 st August 24		
21st Aug 24 – moved to consider Cabinet Reports	Cabinet Member Priorities for the year	Item to discuss the priorities for the year ahead where Scrutiny Board members can pick up on any areas that they'd like to take forward.	Cllr O'Boyle
	Very Light Rail Update	Update on progress and plans for implementing VLR in Coventry	Colin Knight/ John Seddon/Nicola Small Cllr O'Boyle
26th September (Moved from 11th September 24)	Local Air Quality Action Plan including Upper Hill Street/Holyhead Rd consultation	Changes required as part of the LAQAP to address NO2 levels on the Holyhead Rd have been requested by the Board at the public consultation stage	Cllrs Caan/ Hetherton/ O'Boyle John Seddon David Pipe
	Transport Strategy Delivery Update – Cabinet Report	To consider the Cabinet Report on delivery of the Transport Strategy	Cllr O'Boyle John Seddon, TfWM
16th October 24	Meeting moved to 18 th December		
27th November 24 (to take place at Job Shop)	Economic Development Strategy/Skills Strategy	Progress report - To update on implementation of the strategies	Cllr O'Boyle/Cllr Sandhu Kim Mawby/Steve Weir
	Coventry Job Shop	A visit to the new site of the Job Shop. To cover the work of the Employer Hub and what support is offered to employers in the city to encourage	Cllr O'Boyle/Cllr Sandhu

Business, Economy and Enterprise (3) Work Programme 2024-25

Date	Title	Detail	Cabinet Member/ Lead Officer
		new entrants to work to ensure young people from Coventry get access to good jobs.	Kim Mawby/Steve Weir
18th December 24	Meeting moved to 5 th February		
5th February 25	Heatline	Update on the use of Heatline, income generated, efficiency and best use of the resource, how it is contributing to net zero	Colin Knight
	Cycling and Walking Plan	Progress on implementation of the Plan (same agenda as LAQAP)	John Seddon / Andrew Saffrey Cllr O'Boyle
19th February 25	Drone Technology	Overview of the future of drone technology in Coventry- to invite commercial partners including the hospital and Skyfarer	Sunil Budhdeo, Colin Knight
	WMCA Bus Franchising Consultation	To consider the final report and respond as part of the consultation for the WMCA on Bus Franchising options. (to invite WMCA transport scrutiny reps) Electric Buses 2025	John Seddon Cllr O'Boyle Cllr Duggins
12th March 25	Rail Update	To update on proposals within Network Rail's 5-year plan that affect the city	John Seddon Cllr O'Boyle
	Green Power Park / GigaFactory	Update on progress – Requested at the last meeting of the Municipal year 2024 – Part of the The West Midlands Investment Zone	Steve Weir
	City Centre South Development	Update on progress – Requested at the last meeting of the Municipal year 2024	Adam Hunt
Items TBC	EV charging point infrastructure Strategy roll-out	An update following the item had 8 th November – to include employer facilities for charging agreed by Cabinet on 11 th October 2022. Strategy is due to be agreed by Cabinet on 5 th November – this item will consider how the strategy will be	Cllr O'Boyle John Seddon Shamala Evans-Gadgil

Date	Title	Detail	Cabinet Member/ Lead Officer
		delivered, as well as steps being taken to encourage EV vehicles by large commercial fleets. To invite external fleet operators.	
	Commonwealth Games Legacy Fund	– update due 2024/25	David Nuttall Cllr O’Boyle
	Domestic Retrofit - Update	updates regarding the overall progress of the domestic retrofit programmes across the city.	Rhian Palmer Cllr O’Boyle
	Economic Development Strategy/Skills Strategy 25/26	A further progress report in 25/26 which includes <ul style="list-style-type: none"> • Progress against benchmark data • Work to retain graduates in the city 	K Mawby / S Weir