



Coventry Shareholder Committee

Time and Date

3.00 pm on Tuesday, 17th March, 2026

Place

Committee Room 3 - Council House

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Minutes** (Pages 5 - 14)
 - (a) To agree the minutes of the meeting held on 4th November 2025
 - (b) Any matters arising
4. **Exclusion of Press and Public**

To consider whether to exclude the press and public for the private item(s) of business for the reasons shown in the report.
5. **Strategic Energy Partnership Annual Business Plan 2026/27** (Pages 15 - 90)

Report of the Director of Regeneration and Economy
6. **Coventry and Warwickshire Growth Hub - Transition** (Pages 91 - 100)

Report of the Director of Finance and Resources
7. **UKBIC Business Plan 2026/27** (Pages 101 - 108)

Report of the Director of Finance and Resources
8. **Business Planning Cycle for 2026/27 for the Coventry Municipal Holdings Group** (Pages 109 - 116)

Report of the Director of Finance and Resources
9. **Friargate JV Project Limited - Business Plan 2026 - 2030** (Pages 117 - 140)

Report of the Director of Property Services and Development

10. **Sherbourne Recycling Business Plan 2026/27, update to the Waste Services Agreement and Shareholder Agreement** (Pages 141 - 154)
Report of the Director of Finance and Resources
11. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**
12. **UKBIC Business Plan 2026/27** (Pages 155 - 166)
Report of the Director of Finance and Resources
(Listing Officer: S. Weir – Email steven.weir@coventry.gov.uk)
13. **Business Planning Cycle for 2026/27 for Coventry Municipal Holdings Group** (Pages 167 - 256)
Report of the Director of Finance and Resources
(Listing Officer: M. Phillips – Email mike.phillips@coventry.gov.uk)
14. **Friargate JV Project Limited - Business Plan 2026 - 2030** (Pages 257 - 282)
Report of the Director of Property Services and Development
(Listing Officer: O. Aremu – Email: Oluremi.aremu@coventry.gov.uk)
15. **Sherbourne Recycling Business Plan 2026/27, update to the Waste Services Agreement and Shareholder Agreement** (Pages 283 - 310)
Report of the Director of Finance and Resources
(Listing officer: P. Ward – Email: paul.ward@coventry.gov.uk)
16. **Any other items of private 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, 9 March 2026

Note: The person to contact about the agenda and documents for this meeting is Lara Knight Email: lara.knight@coventry.gov.uk

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

By invitation Councillors J Blundell (Non Voting Opposition Member), J Gardiner (Non Voting Opposition Member), J Lepoidevin (Non Voting Opposition Member) and E M Reeves (Non Voting Opposition Member)

Public Access

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Lara Knight**Email: lara.knight@coventry.gov.uk**

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Coventry City Council
Minutes of the Meeting of Coventry Shareholder Committee
held at 3.00 pm on Tuesday, 4 November 2025

Present:

Members: Councillor G Duggins (Chair)
Councillor L Bigham
Councillor R Brown
Councillor K Caan
Councillor P Hetherton
Councillor AS Khan
Councillor J O'Boyle
Councillor K Sandhu

Non-Voting Opposition
Members: Councillor J Blundell
Councillor J Gardiner
Councillor EM Reeves

Coventry and
Warwickshire Growth
Hub: A Williams (Director)

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

Strategic Energy
Partnership: C McAneny (Interim Head)

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

Employees (by Directorate):

Finance and Resources B Hastie (Director of Finance and Resources)

Law and Governance J Newman (Director of Law and Governance), L Knight

Regeneration and
Economy T Fawcett, R Palmer, P Singh, S Weir

Apologies: Councillor N Akhtar, J Lepoidevin and P Seaman

Public Business

5. Declarations of Interest

There were no disclosable pecuniary interests.

6. **Minutes**

The minutes of the meeting held on 7th October 2025 were agreed and signed as a true record.

There were no matters arising.

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
14	UKBIC Annual Performance Report 2024/25	3
15	Fuel Preparation Plant Development	3
16	Coventry Municipal Holding Limited Annual Performance Report Year Ended 31st March 2025	3

8. **Strategic Energy Partnership Performance Review - 2024/25**

The Coventry Shareholder Committee considered a report of the Director of Regeneration and Economy, that set out performance of the Strategic Energy Partnership for 2024/25 against the Strategic Business Plan for 2024-2029 and the Annual Business Plan for 2024/25.

The Committee noted that the Council's Strategic Energy Partnership (SEP) with E.ON was the first of its kind in the UK, providing an innovative way for the public and private sectors to work collaboratively to put Coventry in the forefront of the UK's clean power mission. This would help create a cleaner, more secure and affordable energy supply alongside creating new industries and investments, as well as helping to protect the environment from the impacts of climate change.

From its inception in September 2023 to March 2025, the SEP developed the Coventry Energy Plan, which E.ON has funded to provide detailed insight into the city's energy challenges and opportunities to help focus SEP activity going forwards. This would also inform pipeline projects as set out in Annual Business Plans, to be approved by the Committee, and delivery of some projects commenced during the period.

The report provided an update on performance of the SEP against the Strategic Business Plan for 2024-2029 and the Annual Business Plan 2024/25, which had both been approved by the Committee at its meeting on 23rd April 2024 (Minutes 19/23 and 24/23 refer). The Appendix to the report detailed the activities in 2024/25, capturing progress on capital projects which included Lentons Land solar farm, solar into schools, public sector buildings (the Council's own occupied estate) decarbonisation and electric vehicle charging infrastructure.

Alongside the capital projects, there had been the commencement of a number of innovation projects, including Kestrix Pilot (using drones and machine learning to generate insights and efficiently focus targeted investment in energy efficiency) and Energy Digital Twin (proving insights and analysis of the energy systems in the city to improve decision making and assessment of impacts).

In addition, the SEP had been developing community benefit projects that deliver direct benefits to residents in Coventry, which have either been delivered or underway which include Coventry Grows (a community growing programme in green deprived communities), and Adult Employability work Experience (focussed on care leavers).

The Committee noted that the report had also been considered by the Scrutiny Co-ordination Committee at its meeting held on 30th October 2025 and had supported the recommendations (their minute 29/25 refers).

RESOLVED that, the Coventry Shareholder Committee:

1. **Note comments from the Scrutiny Co-ordination Committee.**
2. **Received and noted the performance review of the Strategic Energy Partnership, set out in the Appendix to the report, against the plan set out in the Annual Business Plan 2024-25, as per the agreed governance process which is set out in the Strategic Energy Partnership Joint Ventur Contract.**

9. **Coventry and Warwickshire Growth Hub Half-Year Report (Financial Year 2025/26)**

The Coventry Shareholder Committee considered a report of the Director of Finance and Resources, that outlined the half year performance of the Coventry and Warwickshire Growth Hub (CWGH) based on the Business Plan during the Financial Year 2025/26, detailing income and operating costs for the 'core' Growth Hub.

The 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 Growth Hubs as a central co-ordination point for business support to try to 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.

During the closure process of the LEP in the 2022/23 financial year, the LEP Board, including the Local Authorities across the sub-region, determined that the Growth Hub and Coventry and Warwickshire Champions should continue as a legacy of the LEP. The geography spans the Coventry and Warwickshire Council's areas and welds the two together into one economic area.

As a result, the Shareholders of the Growth Hub are Coventry City Council and Warwickshire County Council. It was noted that as well as the Growth Hub Limited, which delivers the core Growth Hub service, the Growth Hub 'Group' includes the subsidiaries Coventry and Warwickshire Champions and Growth Hub Business Solutions (including the Projects Team) which both operate unfunded and commercially.

The CWGH Business Plan for the 2025/26 financial year was approved by the Coventry Shareholder Committee at its meeting on 26th March 2025 (Minute 17/24 refers). Based on the content of the Business Plan, the half-year performance report, attached at Appendix 1, had identified that the CWGH is ahead of the overall Key Performance Indicator targets set within the Grant Agreement and this trend was expected to continue for the remainder of the financial year.

The Committee noted that the report had also been considered by the Scrutiny Co-ordination Committee at its meeting held on 30th October 2025 and had supported the recommendations (their minute 30/25 refers).

RESOLVED that, the Coventry Shareholder Committee:

- 1. Note comments from the Scrutiny Co-ordination Committee.**
- 2. Approve the Coventry and Warwickshire Growth Hub half-year performance report, attached as Appendix 1 to the report.**

10. UKBIC Annual Performance Report 2024-25

The Coventry Shareholder Committee considered a report of the Director of Finance and Resources, that set out the performance of UK Battery Industrialisation Centre (UKBIC) during the 2024/25 financial year.

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

The UKBIC 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 are essential to the UK's net zero ambitions.

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 a loan from the West Midlands Combined Authority (WMCA), with repayments secured through an arrangement put in place with UKBIC Limited. UKBIC Limited was established in order to

operate the facility. Coventry City Council owns 100% of the shares in UKBIC Limited and has two Directors who sit on the Board, including the Chair. The remaining board members are made up of UKBIC's Managing Director and Finance Director, a representative from Government's Advanced Propulsion Centre and independent battery / automotive industry experts. In addition, a Battery Innovation Programme Director attends the Board as an observer.

The Battery Innovation Programme reviews and approves the UKBIC Limited 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 Limited. The Company's mission to support the growth of the battery industry in the UK remains unchanged. The financial year 2024/25, as is often the case with developing industries, saw both positive and negative developments which have affected the company.

The period saw a rapid take-up in battery-powered electric vehicles, together with the further development of newer battery technologies and chemistries, all of which were reflected in customers using UKBIC facilities. Against that, there were a number of high-profile company failures in the UK that affected the business. As a result, UKBIC has widened its key objectives to accommodate a changing battery industry and landscape to incorporate both international opportunities and other potential facility utilisation without changing its core mission of supporting the growth of the UK battery industry.

Further details of the company's performance were included within the corresponding private report.

The Committee noted that the report had also been considered by the Scrutiny Co-ordination Committee at its meeting held on 30th October 2025 and had supported the recommendations (their minute 31/25 refers).

RESOLVED that, subject to the consideration of the additional confidential information contained in the corresponding private report (Minute 14 below refers), the Coventry Shareholder Committee:

- 1. Note comments from the Scrutiny Co-ordination Committee.**
- 2. Approve the UKBIC Annual Performance Report 2024/25.**

11. Fuel Preparation Plant Development

The Coventry Shareholder Committee considered a report of the Director of Finance and Resources, that sought delegated authority to agree investment to develop a fuel processing plant development at Tom White Waste Limited to enhance environmental performance, increase the operational resilience of Tom White Waste Limited and improve the financial performance of the company.

A corresponding private report detailing confidential financial matters was also submitted for consideration (Minute 15 below refers).

The Group Governance Agreement for Coventry Municipal Holdings Limited and its subsidiaries requires that any investment that was not part of the approved budget for the year and exceeds £0.25m, should seek approval from the Coventry Shareholder Committee. The report outlined a proposed investment by Tom White Waste Limited in a fuel preparation facility which would address some of the challenges faced by the business in the year. The Committee noted that there was no funding requirement on the Council, with capital and third party finance or cash from within the business based on current year performance.

Growth within Tom White Waste Limited was constrained by the current capacity and the existing plant produces lower grade output quality material from process than the market requires. There was additional input material available within the local market, servicing local business needs which de-risks the investment. The new permit obtained in September 2025 allows for a second shift operating hours, but the current plant alone is not robust to take advantage of this capacity. The addition of the fuel processing plant to the reliable waste sorting plan would increase capacity and improve output quality in a cost-effective manner.

The agreed Business Plan for 2025/26 included Priority 2 'Achieving Business Growth' and Priority 3 'Improving Material Quality', which were both supported by the proposal. Approval was being sought to delegate authority to the Board of Tom White Waste Limited to agree investment to develop the fuel processing plant development at the company, to enhance environmental performance, increase the operational resilience of Tom White Waste Limited and improve financial performance of the company.

RESOLVED that, subject to the consideration of the additional confidential information contained in the corresponding private report (Minute 15 below refers), the Coventry Shareholder Committee agree delegation of the decision to proceed with the fuel processing plant development to the Board of Tom White Waste Limited. Authority under this delegation also included:

- a) The power to enter into the relevant legal agreements and associated documents necessary to complete the transaction with contractor; and**
- b) In relation to third party funding, the power to negotiate and agree a funding agreement and ancillary security documentation.**

12. Coventry Municipal Holdings Limited Annual Performance Report Year Ended 31st March 2025

The Coventry Shareholder Committee considered a report of the Director of Finance and Resources, that set out the annual performance from April 2024 to March 2025 for Coventry Municipal Holdings (CMH) and its subsidiaries.

A corresponding private report detailing confidential financial matters was also submitted for consideration (Minute 16 below refers).

Coventry Municipal Holdings was established in November 2021 as an intermediary parent company to manage the Council's existing company investments, which includes:

- Coombe Abbey Park Limited (CAP) and two subsidiaries
 - No Ordinary Hospitality Management Ltd (NOHM)
 - Coombe Abbey Park (LACo) Limited (CAP LACo)
- Tom White Waste Limited (TWW) and two subsidiaries
 - A&M Metals and Waste Limited (A&M)
 - Tom White Waste (LACo) Limited (TWW LACo)
- Coventry Regeneration Limited (CR)
- Coventry Technical Resources Limited (CTR)
- No Ordinary Hotels Limited (NOH)

The Group Governance Arrangement (GGA) is a legally binding document that was entered into by the entities within the CMH Group. It sets out the governance and reporting requirements for the Group, which includes presenting a report on annual performance for the Group to the Coventry Shareholder Committee. Appendix 1 set out the position in the Annual Performance Report, with further details included within the corresponding private report.

In summary, the CAP Group achieved revenue of £11.3m during 2024/25, with hotel revenues consistent with previous years, but park retail and Go Ape slightly down on the previous year. The cost base had been an area of focus with food and beverage costs being well controlled in line with budget across the board. There had been additional costs in relation to maintenance costs associated with operating a Grade One Listed building and inflationary increases in the cost of staffing. Payroll costs remained a key area of focus for the Company. The investment in a rota management and payroll system in June 2025 helped provide management with greater information to flex staffing levels in line with anticipated revenues. This would remain a key focus for 2025/26.

The performance of retail and leisure outlets managed by CAP Subsidiary NOHM was a key focus but included the continued success of Go Ape and the over performance of the Abbey Artisan Market compared to budget. NOHM continued to operate a sales and marketing agreement at IXL Events Centre and identify ways to grow revenues and improve margin at other outlets across Coombe Abbey Hotel, St Mary's Guildhall and the War memorial Park. NOHM's primary focus was on strengthening existing retail and leisure activities, particularly given the need to manage pressures on the core hotel business.

The Committee noted that the audited accounts for the Coombe Abbey Group were signed and approved by the Company Board of Directors on the 25th September 2025 and had been subsequently filed at Companies House.

In respect of TWW, the first half of the year in 2024 was impacted by underperformance from April to September, affected by the decision to close one side and reduce sales resources. This led to a weaker financial position. From October to March, the TWW saw the financial performance improve. The financial position changed in January 2025 as part of the sale and leaseback arrangement with the Council for the operating site. The Council acquired the site and receive a commercial rental each year over the 25-year lease term.

The Company ended the year with revenue of £21.8m and a cash generated profit of £1.26m. The cash balance at the end of the year was £3.2m compared to the

£0.2m the year before. The accounts for the year ending 31st March 2025 had been signed by the Board of Directors and were summarised at Appendix 1.

TWW had continued to improve on key customer service metrics, achieving 98% service success and 98% call availability (both up from 96%). TWW also achieved FORS Silver operator status for their haulage service. In September 2025, TWW received confirmation of the new permit issued by the Environment Agency, which would create opportunities to trade additional material streams.

The Committee noted that the report had also been considered by the Scrutiny Co-ordination Committee at its meeting held on 30th October 2025 and had supported the recommendations (their minute 31/25 refers).

RESOLVED that, subject to the consideration of the additional confidential information contained in the corresponding private report (Minute 16 below refers), the Coventry Shareholder Committee:

1. **Note comments from the Scrutiny Co-ordination Committee.**
 2. **Accept the performance assessment provided by Company Management in the Annual Performance Report for the CMH Group for the year ended 31st March 2025.**
13. **Any other item of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved**

There were no other items of public business.

14. **UKBIC Annual Performance Report 2024/25**

Further to Minute 10 above, the Coventry Shareholder Committee considered a private report of the Director of Finance and Resources, that set out the commercially confidential matters relating to the performance of UK Battery Industrialisation Centre (UKBIC) during the 2024/25 financial year.

The Committee noted that the report had also been considered by the Scrutiny Co-ordination Committee at its meeting held on 30th October 2025 and had supported the recommendations (their minute 34/25 refers).

RESOLVED that, further to Minute 10 above relating to the public aspects of this report, Coventry Shareholder Committee:

1. **Note comments from the Scrutiny Co-ordination Committee.**
 2. **Approve the UKBIC Annual Performance Report 2024/25.**
15. **Fuel Preparation Plant Development**

Further to Minute 11 above, the Coventry Shareholder Committee considered a private report of the Director of Finance and Resources, that set out the commercially confidential matters relating to the delegation of authority to agree investment to develop a fuel processing plant development at Tom White Waste

Limited to enhance environmental performance, increase the operational resilience of Tom White Waste Limited and improve the financial performance of the company.

RESOLVED that, further to Minute 11 above relating to the public aspects of this report, Coventry Shareholder Committee the Coventry Shareholder Committee agree delegation of the decision to proceed with the fuel processing plant development to the Board of Tom White Waste Limited. Authority under this delegation also included:

- a) **The power to enter into the relevant legal agreements and associated documents necessary to complete the transaction with contractor; and**
- b) **In relation to third party funding, the power to negotiate and agree a funding agreement and ancillary security documentation.**

16. Coventry Municipal Holding Limited Annual Performance Report Year Ended 31st March 2025

Further to Minute 12 above, the Coventry Shareholder Committee considered a private report of the Director of Finance and Resources, that set out the commercially confidential matters relating to the annual performance from April 2024 to March 2025 for Coventry Municipal Holdings (CMH) and its subsidiaries.

The Committee noted that the report had also been considered by the Scrutiny Co-ordination Committee at its meeting held on 30th October 2025 and had supported the recommendations (their minute 35/25 refers).

RESOLVED that, subject to the consideration of the additional confidential information contained in the corresponding private report (Minute 16 below refers), the Coventry Shareholder Committee:

- 1. Note comments from the Scrutiny Co-ordination Committee.**
- 2. Accept the performance assessment provided by Company Management in the Annual Performance Report for the CMH Group for the year ended 31st March 2025.**

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

There were no other items of private business.

(Meeting closed at 3.53 pm)

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Public report
Coventry Shareholder Committee

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

12 March 2026
17 March 2026

Name of Cabinet member: Cabinet Member for Jobs, Regeneration and Climate Change
– Councillor J O’Boyle

Director approving submission of the report:
Director of Regeneration and Economy

Ward(s) affected:
None

Title:
Strategic Energy Partnership Annual Business Plan for 2026/27

Is this a key decision?
No

Executive summary:

The 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 as per the agreed governance process. This report provides the Annual Business Plan for 2026/27 to be approved by the Shareholder Committee.

The fifteen-year Strategic Energy Partnership (SEP) between the Council and E.ON, started in September 2023, is the first of its kind in the UK, and aims to transform energy use in the city for the benefit of local communities, businesses and the wider economy. The Council’s relationship with E.ON is already starting to support the development of ground-breaking projects, with funding from E.ON, public sector grant, as well as other sources.

The SEP is continuing its focus on innovation to deliver affordability to residents, clean local energy enabling energy security in the city, jobs and skills opportunities and investments to benefit communities. The partnership will build on the successes of the past two and a half years, and continue to accelerate delivery of real impact for Coventry including:

- **Affordability** through innovative trials, and home improvement programmes, helping tackle fuel poverty and reducing household bills, while making homes warmer and healthier.

- **Clean energy generation** building a solar farm, scaling up solar installations on schools, council buildings, and other rooftops in the city, enabling energy security reducing reliance on volatile global energy markets.
- **Skills and opportunity** contributing to a thriving local green economy, creating new jobs and apprenticeships, tackling green skill-gaps, with a deliberate focus on engaging local people, businesses and educational institutions.
- **Community investment** through our Community Benefit Fund, supporting projects like education initiatives, community centre retrofit and community growing projects in green-deprived areas.

This year, through making homes warmer and healthier, scaling up clean energy generation, creating more green jobs, and focussing on community benefits, together we'll continue to build a more affordable, cleaner, healthier, and prosperous Coventry for everyone.

Annual investment by the SEP is expected to grow from £3.9m in 2025-26, to £9.8m in 2026-27, and £20.7m in 2027-28 for currently planned investments alone.

Recommendations:

The Scrutiny Co-ordination Committee is recommended to:

- 1) Consider the report and identify any additional recommendations to the Coventry Shareholders Committee

The Coventry Shareholder Committee is recommended to:

- 1) Consider any recommendations from Scrutiny Co-ordination Committee
- 2) Consider and approve the Annual Business Plan 2026/27, including the receipt of development expenditure from E.ON set out in 5.1, 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: Summary of Annual Business Plan for 2026/27

Appendix 2: Strategic Energy Partnership Annual Business Plan 2026/27

Background papers:

None

Other useful documents

Coventry Strategic Energy Partnership – Cabinet Report, August 2023

[Coventry Strategic Energy Partnership.pdf](#)

Coventry Strategic Energy Partnership – Shareholder Committee Report, November 2025

[Strategic Energy Partnership Performance Review - 2024-25.pdf](#)

[Strategic Energy Partnership Performance Review - 2024-25 - Appendix.pdf](#)

Strategic Energy Partnership Strategic Business Plan summary 2024 [SEP SBP summary](#)

One Coventry Plan 2022-2030 [The One Coventry Plan – Coventry City Council](#)

Climate Change Strategy 2024-2030 [05 Appendix 1 - Climate Change Strategy.pdf](#)

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?

Yes – 12 March 2026

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

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Report title: Strategic Energy Partnership Annual Business Plan for 2026/27

1. Context (or background)

- 1.1. The Council's Strategic Energy Partnership (SEP) with E.ON is the first of its kind in the UK, providing an innovative way for the public and private sectors to work collaboratively to put Coventry at the forefront of the clean energy transition. Since its inception in September 2023, the SEP has developed the Coventry Energy Plan, which E.ON funded to provide detailed insight into the city's energy challenges and opportunities to help focus SEP activity going forwards. This has been developed alongside the SEP creating a pipeline of projects and starting to deliver projects on the ground. This report provides an update on planned activity.
- 1.2. The appendix to this report provides a summary of the Annual Business Plan 2026/27 including inputs from the Coventry Energy Plan, a summary of annual investment, SEP strategic goals for 2026/27, key projects, links to wider Council programmes and next steps.
- 1.3. The Coventry Energy Plan was a key component of identifying and prioritising the right opportunities for SEP to make a large and lasting impact on our city. This prioritisation has led to eight workstreams identified for 2026/27. They are renewable generation, heat networks, small/medium enterprises and public sector buildings, transportation; residential, Hillfields, Innovation and Community benefit. The plan suggests that under a high ambition scenario a 74% reduction in carbon emissions could be achieved by 2038 against a 1990 baseline and create up to 2000 jobs per year to 2038. This would require significant investment and activity beyond the SEP; however, the role of the SEP is instrumental to create an enabling environment to support citywide transformation.
- 1.4. Key outputs outlined in the 2026/27 Annual Business Plan include enhancing clean local energy generation and flexibility to strengthen energy security by:
 - Starting construction on Lentons Lane Solar Farm which has now secured planning consent from Coventry City Council, pending determination from Rugby Borough Council.
 - Scaling up installation of rooftop solar (across public buildings, industrial and commercial buildings, and homes).
 - Starting to reduce energy bills for schools across the city through targeted support and minimising exposure to market price of energy – primarily through rooftop solar panels – with the ambition to ultimately benefit all schools in the city.
 - Supporting a place-based approach in Hillfields as part of the Hillfields Neighbourhood Improvement Project including energy efficiency upgrades for 220 homes (in Hillfields and Upper and Lower Stoke) and support for small and medium businesses.
 - Explore and understand the heat opportunity that exists for Coventry with a focus on the City Centre and Hillfields (building on the existing heat network in the area), and Walsgrave area, promoting affordable warmth and cleaner heating systems including alignment with new government regulation around heat network zoning.

- 1.5. The pipeline of innovation programmes will continue. Innovation projects will explore new technologies and proofs of concept. Trials will include product development and piloting of residential and solutions for small and medium businesses. Innovation projects planned for 2026-27 include:
- An expansion of last year's award-winning battery storage pilot and time of use tariff which supports vulnerable customer to reduce their bills. In its first pilot phase, this saved households an average of £240 per year on their energy bills. This will scale from 18 households in 2025-26 to 100 in 2026-27, with the ambition to further increase savings for each household.
 - Developing residential 'able-to-pay' and small/medium enterprises propositions to support further communities in Coventry to increase energy efficiency and clean energy generation and reduce bills. Ambition is to deliver a competitive proposition bespoke to Coventry by the end of 2026.
- 1.6. Around £1.4m has been committed in social value delivery as part of all SEP activity to date including engagement with 1,700 school children, care leavers work placements and community growing projects including in Hillfields and Stoke. All of which provides a strong foundation to leverage this activity into future projects, including those of a larger scale which deliver tangible impacts for Coventry. Community benefit projects planned in 2026-27 include:
- Through Coventry Grows, continuing working with communities in green-deprived areas of the city, including Foleshill and Tile Hill, developing community growing groups, and providing them with the land, equipment, and training they need to establish and maintain community growing sites.
 - Improving the energy efficiency of a community centre to reduce running costs and create a warmer, healthier environment. Using that community centre as a base to engage with the community on energy-related topics. Depending on the needs of the community, this could include energy efficiency advice, signposting to support, development of skills, and green jobs career advice.
 - Offering a menu of education resources to all schools in the city including home energy efficiency and clean energy workshops, and employability, careers and qualifications advice for green jobs.
- 1.7. Annual investment through the SEP is projected to increase from £3.9m in 2025-26, to £9.8m in 2026-27, and £20.7m in 2027-28 based on currently planned investments. This reflects increased commitment of E.ON specialist resources and more projects being delivered on the ground.
- 1.8. Delivery through the SEP supports several wider Council initiatives and the One Coventry Plan including the Climate Change Strategy, the Green Skills Roadmap, developing the city's first place-based approach to investment in Hillfields, and provides the opportunity to pilot new technologies to support our ambitions as a 'living lab'.

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 Annual Business Plan 2026/27 to be approved by Coventry Shareholder Committee and this report meets this requirement.

This is not the recommended option.

- 2.2. **Option 2 – Recommended – Approve the Annual Business Plan 2026/27**, 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. Approving the Annual Business Plan 2026/27 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 Annual Business Plan 2026/27 and can proceed with activity as set out within it.
- 4.2. Further performance updates on implementation of the Annual Business Plan 2026/27 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 are contributing resource to the partnership. This includes a significant team from E.ON (12FTE. c£1.7m 26/27), which is an increase to that which E.ON committed in its bid, comprising a dedicated full time team supported by additional expertise from across E.ON who are brought in for specific projects and initiatives. The Council has a minimum annual commitment of 2.5FTEs who form the Council’s SEP project team. This Council commitment equates to c£0.2m in salary costs in 26/27, which was identified from existing resources at the outset of the partnership. A further dedicated resource has been secured using grant funding (further detail in 6.3). Additional support is provided by Council officers in substantive posts as required.

In line with the Partnership Agreement, and to support project development outlined in the Annual Business Plan, the Council has estimated potential resource requirements, that are in addition to the above. These have been identified to provide project development support to specific projects. The estimated Council Development

Expenditure for projects in the year 2026/27 is £0.4m, and if required, will be funded by E.ON as part of the Project Proposal through the SEP governance process.

Where a project reaches commercial close, any development cost covered by E.ON will be built into the business case for the project. No additional Council costs will be incurred unless funding is confirmed by the SEP governance process.

Projects requiring Council or grant funding that are already in progress are based on previous recommendations, following decisions taken as part of the Council's governance process.

If any SEP projects are identified as potential investment opportunities for the Council, these opportunities will be taken through the relevant political reporting process 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 additional project funding as part of this report.

5.2. Legal Implications

The Strategic Energy Partnership is operating under the Joint Venture Agreement which was entered into with EON UK PLC. The governance of this was set out in the approvals which came to Cabinet and Full Council on 29 August 2023 and 5 September 2023 respectively.

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 to generate more clean energy and improve the energy efficiency of infrastructure across Coventry, which contributes directly to tackling the causes and consequences of climate change;
- Investing in the city's energy infrastructure will increase energy resilience and help unlock barriers to investment which will support economic growth. There will also be benefits through job creation and the local supply chain to 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 partnership 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 from concept up to start of implementation. The primary risk is 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 must demonstrate value for money alongside other key criteria including social value. This is a risk to the Council as well as E.ON, noting E.ON will bear greater development risk given the resource, expertise and investment it is bringing to the partnership.

The project risks 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 and/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 will 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 dedicated resource of 1 FTE is also supporting the partnership, funded by grant. In addition, project development requires 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 (EIA) has been completed which identifies specific social value aspects that the partnership aims to achieve and assesses projects against. 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; and
- Transport related projects will have benefits for air quality and wider health impacts through more active lifestyles.

The SEP Social Value Strategy and prioritisation approach takes into consideration social value delivery and the impact on Equalities/EIA for the partnership.

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

A key driver for the partnership is supporting the Council to tackle the causes and consequences of climate change, as set out in the Council's Climate Change Strategy. The Partnership enables 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 is not just focussed on decarbonising the Council's estate; this is about decarbonising the city. This requires 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.

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Members: Cllr O'Boyle	Cabinet Member for Jobs, Regeneration & Climate Change	-	23 Feb 2026	2 March 2026

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

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Appendix 1 Summary of Annual Business Plan for 2026/27

1. Background to Annual Business Plan

1.1. The Strategic Energy Partnership (SEP) 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](#). The previous Annual Business plan, for 2025/26, was delivered and approved at Shareholder Committee on 26th March 2025, with a performance review for 2024/2025 provided at Shareholder Committee on 4th November 2025.

1.2. This report presents the new Annual Business plan for 2026/27.

1.3. A key piece of work shared in previous updates, was the development of the Coventry Energy Plan. The plan provides a strategic long-term energy vision for the city, giving us a detailed understanding of the energy challenges and opportunities looking to the next 15 years and beyond which is being used to shape projects being taken forward by the SEP.

2. Summary of Annual Business Plan 2026/27

2.1. The first two years of the SEP has seen a huge amount of activity, with increasing impact, laying the foundation for significant impact in future years. The focus of the year ahead is to continue to build momentum and scale to benefit more residents and businesses across Coventry.

2.2. Coventry Energy Plan

The Coventry Energy Plan was developed by the SEP in 2024 to provide an evidence base in order for the SEP to identify and prioritise the most impactful projects in the years ahead. The Coventry Energy Plan was an appropriate next step from the [Coventry Net Zero routemap](#) and followed a recognized Local Area Energy Planning (LAEP) approach. This prioritisation has led to eight workstreams identified for 2026/27. They are:

- Renewable generation
- Heat networks
- Small/medium enterprises and public sector buildings
- Transportation
- Residential
- Hillfields (a newly added workstream added in 2026/27)
- Innovation and other activity
- Community benefit

The Coventry Energy Plan suggests that under a high ambition scenario the following can be achieved:

- Up to 65% reduction in carbon emissions by 2038 from 2021 baseline and a 74% reduction against a 1990 baseline – which will significantly boost Coventry’s efforts to transition towards net zero by 2050 as set out in our Climate Change Strategy
- Increase to 17% energy security (% of Coventry’s 2022 electricity demand covered by generation)
- Create an equivalent of 2,000 FTE job impact (per year over the course of the SEP period)

The investment to achieve this would be c.£10billion to 2038. Not all this investment will be through SEP, but the SEP is uniquely positioned, by the nature of its public-private structure and operational expertise, to provide solutions and delivery mechanisms that would otherwise not be possible. The SEP can also support to create an enabling environment which maximizes opportunities for others to engage and invest.

2.3. Annual investment

Annual investment in the SEP, outlined in this ABP, is expected to grow from £3.9m in 2025/26, to £9.8m in 2026/27, and £20.7m in 2027/28. As new projects/programmes are identified and incorporated in future ABPs, these figures are expected to increase. This is all project investment including private finance and grants.

Partnership spend on the core SEP team will be £1.9m in 2026/27 (£1.7m E.ON and £0.2m Council).

The Council is under no financial obligation to invest or provide project funding. Any potential investment opportunities would require a business case and be approved case by case as required under the Council’s constitution.

2.4. Performance targets

Performance targets are based on knowledge and assumptions of projects known to the partnership to date and give an indication of our ambition over the next year. This pipeline will continue to grow but only projects currently captured in the ABP are reflected in these figures.

The table below presents key performance indicator (KPI) targets for 2026/27, with projected performance in 2025/26 (as at January 2026 and anticipated at the end of FY) and cumulative performance within the partnership to date for reference:

	FY 2025/26 (up to January 2026)	FY2025/26 (anticipated outturn)¹	Cumulative Sept 2023- Mar 2026 (anticipated outturn)¹	FY 2026/27 (target)	FY 2027/28 (forecast)²
Jobs created by SEP activities	1.4	1.4	6	5	-
Apprentic es created by SEP	6	6	8	7	-
Installed renewabl e energy capacity (kW)	1,845	2,600	3,473	750	25,000
Number of homes retrofitted	18	18	73	219	-
Number of electric vehicle chargers installed	25	37	48	50	-
Greenhou se gases avoided (tCO2e)	398	531	531	548	5,175
Communi ty Benefit Fund deployed (£m)	0.04	0.192	0.522	0.4	-
Communi ty benefit committe d (£m)³	0.06	0.26	1.62	2.0	-

¹ Based on forecast progress on ongoing activities and projects at end of 2025/26 FY

² Based on forecast future impact of projects starting or ongoing in 2026/27 FY, where known only

³ As measured by TOMS, a standardised approach to measuring social value in the UK

<https://www.socialvalueportal.com/measurement>

2.5. SEP 2026/27 Strategic Goals

In 2026/27 the key outputs the SEP intends to deliver are:

- Enhance clean local energy generation and flexibility to strengthen energy security by scaling up via solar farms and rooftop solar (across public buildings, industrial and commercial buildings, and homes).
- Continue to reduce energy bills for schools across the city through targeted support and minimising exposure to market price of energy – with the ambition to ultimately benefit all schools in the city. Deliver alongside a programme of education initiatives.
- Invest in energy security and affordable heat by backing local heat generation and resilience, reducing the dependency on transported gas. Cleaner warmth and stable heating costs for communities will be the outcomes.
- Supporting a place-based approach in Hillfields as part of the Hillfields Neighbourhood Improvement Project including energy efficiency upgrades for 220 homes (in Hillfields and Stoke) and support for small and medium businesses.
- Continued delivery of our pipeline of innovation projects exploring new technologies and proof of concepts. Trials will include product development and piloting of residential and micro business solutions and propositions.
- Continued delivery of our community benefit initiatives, including reducing operating costs for a community centre and using that centre as a base for community engagement.
- Data, digital and connectivity will be a key enabler and theme across energy propositions (including deployment of a digital twin to help inform city energy planning).

3. Key projects presented in the Annual Business Plan 2026/27

3.1. The Annual Business Plan 2026/27 outlines the current phase of priorities using the evidence base provided by the Coventry Energy Plan. Whilst it is an annual business plan, it provides a line of sight towards future years of delivery.

3.2. Key projects for 2026/27 which will support SEP outcomes are set out below. Some will conclude and have impact within the year, and some will continue their multi-year journey towards delivery. The Annual Business Plan sets out more detail on these projects and some other projects not listed here. Additional projects are also likely to be initiated during the year.

Project	Description	Impact
Solar Farms	25MW solar farm on Lentons Lane. Having secured planning consent in 2025/26 ⁴ , start construction (subject to final investment decision and land transactions). Continue review of potential additional sites.	Increase clean local energy produced in the city, increasing energy resilience and security
Public sector building energy cost saving	Having developed the commercial model in 2025/26, commence delivery of a programme to reduce energy costs in all public sector buildings, with ambitions in the first phase to support 60+ schools in Coventry, with the first cohort of those delivered in 2026/27	Increase clean local energy produced in the city. Reduce energy costs for public sector buildings. Strengthen local supply chain.
Residential building energy cost saving	Including pilot residential offerings and innovation for fuel poor and able-to-pay households, grant funded programmes to support with home energy efficiency, continued support of the Hillfields Neighbourhood Improvement project and developing partnerships with social housing providers.	Increase clean local energy produced in the city. Reduce energy costs for residents. Strengthen local supply chain.
Minimum energy efficiency standards	Developing a programme to increase energy efficiency buildings that Coventry City Council are landlord for with commercial tenants, in line with upcoming changes in regulations.	Increase clean local energy produced in the city. Reduce energy costs for commercial tenants. Strengthen local supply chain.
Heat	Explore and understand the Heat opportunity that exists for Coventry through focusing on the City Centre and Hillfields (building on the existing district heat network in the area), and Walsgrave.	Defining a programme of future capital investment in heat infrastructure to deliver affordable cleaner heat to buildings.
Innovation: The SEP activity above will be supported by innovation activities and pilots, including further development of an innovation and proposition and pipeline, including:		
Affordability pilot	An expansion of last year's award-winning battery storage pilot and time of use tariff which supports vulnerable customers to reduce their bills. In its first pilot phase, this saved households an average of £240 per year on their energy bills. This will scale from 17 households in 2025/26 to 100 in 2026/27, with the ambition to further increase savings for households.	Reduced energy bills for vulnerable residents.

⁴ Consent secured from Coventry City Council, with determination from Rugby Borough Council pending

Project	Description	Impact
Able to Pay and SME	Developing residential 'able-to-pay' and small/medium enterprises propositions to support further communities in Coventry to increase clean energy and reduce bills. Ambition is to deliver a competitive proposition by the end of 2026.	Increase clean local energy produced in the city. Reduce energy costs for people and businesses. Strengthen local supply chain.
Living lab	Supporting Coventry's ambitions to innovate and act as a 'living lab' for new technology and associated benefits such as job creation.	Dependent on projects that come forward.
Community Benefits: The SEP will continue its community benefits programme to foster meaningful relationships with local community groups, organisations and participate in environmental, economic and social initiatives in Coventry. This includes a Community Benefit Fund and social value delivered through technical projects, for example:		
Community Centre	Improving the energy efficiency of a community centre to reduce running costs and create a warmer, healthier environment. Using that community centre as a base to engage with the community on energy-related topics. Depending on the needs of the community, this could include energy efficiency advice, signposting to support, development of skills, and green jobs career advice.	Increase energy efficiency of a community centre. Provide energy-related advice to the people served by the community centre.
Schools education resources	Offering a menu of education resources to all schools in the city including home energy efficiency and clean energy workshops, and employability, careers and qualifications advice for green jobs.	Increase awareness of clean energy issues. Support future jobs and skills in the clean energy sector.
Coventry Grows	Continued support for community growing initiative in Hillfields and Stoke, including support setting up groups and training for communities, with the expectation that additional sites are added in 2026/27 which includes Foleshill and Tile Hill.	Increase access to nature in green-deprived wards. Increase growing skills and knowledge in the community.

4. Links to wider Council programmes

4.1. Delivery through the SEP supports several wider Council initiatives and the One Coventry Plan:

- **Climate Change Strategy** – the updated Climate Change Strategy was published last year. The SEP is a core delivery mechanism for initiatives set out in this strategy, mainly in the 'Route to net zero' pathway but with links to others.
- **Transport Strategy** – the activities of the SEP directly supports delivery of the Council's ambitious Transport Strategy and supporting the Electric Vehicle Strategy, through installing electric vehicle charging points and exploring new

ways to deliver innovative infrastructure to benefit local people including innovative cross-footway charging solutions for homes without off-street parking.

- **Hillfields Neighbourhood Improvement** – the Council has secured funding to pilot a place-based approach to investment in Hillfields and are bringing together several initiatives through SEP to support this. These include domestic retrofit, deploying Warm Homes Local Grant funding in Hillfields and neighbouring Stoke, exploring ways to connect more buildings to the Heatline district heat network, and exploring ways to reduce energy bills for Council-owned commercial properties. As part of a SEP Community Benefit initiative the first phase of a programme of adult education green literacy activities which commenced in 2025/26 is being delivered in Hillfields. These initiatives have huge potential to provide real benefit to residents and business through energy efficiency improvements.
- **‘Living lab’** – the Council has demonstrated its ambition to pilot new technologies in Coventry such as Very Light Rail and the Urban airport. Through SEP we can trial other new opportunities which also benefit residents. Exploring data, digital and connectivity opportunities such as digital twins, smart sensors, AI solutions. Trialling new types of customer propositions which support the transition to renewable energy.
- **LoveCov** – a campaign to support the best that the City has to offer; highlighting communities, places and stories that bring together people and make Coventry unique. Our unique partnership and specific SEP projects such as Coventry Grows contribute to this approach.
- **Coventry Green Skills Roadmap** – the roadmap is a starting point to support educators, employers, and investors to identify, access and embed green skills in their daily activities. The SEP is committed to establishing strong local supply chains, whilst inspiring and delivering local green skills.
- **Schools Green Teams Initiative** – the SEP is working closely with the Council’s Education team to support in the roll out the Green Teams programme, to help better equip schools with becoming more sustainable. The SEP is offering specific support with a tailored package of educational tools for schools as noted under the Community Benefits section above.
- **A Marmot City** - Coventry has been a Marmot city since 2013. Health and health inequalities are mostly shaped by the conditions in which people are born, grow, live, work and age. The Marmot Principles are recommendations that improve health and reduce these health inequalities. The SEP is committed to reducing inequalities across our communities, by enhancing green skills, reducing fuel poverty and delivering a range of community benefit projects.
- **Urban Forestry Strategy** – the Council is committed to planting 360,000 trees by 2032, a tree for every resident. The SEP are supporting this through the Treekly

initiative, whereby an initial 8,000 trees are to be planted in Wyken and linked to an app to encourage resident engagement in active travel and tree planting.

- **Nature Towns and Cities Green for All** – this programme focuses on tackling green inequalities across the city, through a new partnership led by the Council and key partners including both universities, Warwickshire Wildlife Trust, John Muir Trust and the National Trust. The SEP's social value projects that enhance biodiversity will help to support the programme as it seeks to increase residents' connectivity to nature.
- **Citywide community growing programme** – following the success of Coventry Grows, the Council is developing a new policy to enable communities and residents to access Council owned land that is disused for growing projects. Work done by the SEP on the Coventry Grows pilot will help to shape the new policy and hopefully result in many more residents having access to green space to grow vegetables, fruit and flowers across the city.

5. Next steps

Key activities expected to progress in the next six months include:

- Scaling up clean, reliable solar energy production in Coventry through:
 - Further progress on development of Lentons Lane solar farm.
 - Commence delivery of a programme to reduce energy costs for 60+ schools, with the first portion of those delivered in 2026/27.
 - Continued exploration of other ways to increase solar energy production in the city including on residential rooftops, industrial and commercial buildings, and potentially additional solar farms.
- Continued exploration of clean heat opportunities, including:
 - Developing a pipeline of buildings in the City Centre and Hillfields to potentially connect to Heatline (the existing district heat network).
 - Exploring opportunities to work with University Hospital Coventry and Warwickshire for clean energy and heat, and as the potential hub of a future Walsgrave district heat network.
- Further development of Community benefit opportunities such as education resources for schools and investment in community centres, and delivery on existing programmes such as Coventry Grows and tree planting initiatives.

The next update to the Shareholder Committee will be provided in autumn 2026 (date TBC).

Annual Business Plan 2026-2027



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Welcome to our 2026-2027 Annual Business Plan

Powering Coventry's future together

Coventry City Council and E.ON UK have joined forces to pioneer a 15-year Strategic Energy Partnership, aiming to transform energy use in the city for the benefit of **local communities, businesses and the wider economy**. This Annual Business Plan summarises our activities in 2025-2026 and sets out our plans for 2026-2027.

We are continuing our focus on **innovation** to deliver affordability to residents, **clean local energy** enabling energy security in the city, **jobs and skills** opportunities and investments to **benefit communities**. We will build on our successes of the past two years, and continue to accelerate delivery of real impact for Coventry including:

Affordability through innovative trials, and home improvement programmes, helping tackle fuel poverty and reducing household bills, while making homes warmer and healthier.

Clean energy generation building a solar farm, scaling up solar installations on schools, council buildings, and other rooftops in the city, enabling energy security reducing reliance on volatile global energy markets.

Skills and opportunity contributing to a thriving local green economy, creating new jobs and apprenticeships, tackling green skill-gaps, with a deliberate focus on engaging local people, businesses and educational institutions.

Community investment through our Community Benefit Fund, supporting projects like education initiatives, community centre retrofit and community growing projects in green-deprived areas.

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This year, through making homes warmer and healthier, scaling up clean energy generation, creating more green jobs, and focussing on community benefits, together we'll continue to build a more affordable, cleaner, healthier, and prosperous city for everyone.

SEP 2026-2027 Strategic Goals

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in line with the **SEP's Strategic Themes**, eight delivery programmes have been defined for 2026-27.



Renewable Generation



Heat Networks



Hillfields



Residential



Transportation



Innovation & other activity

SME & Public Sector
Buildings

Community Benefit

The key outputs the SEP intends to deliver are:

- Enhance clean local energy generation and flexibility to strengthen energy security by scaling up via solar farms (with the intention to start construction on Lentons Lane Solar Farm) and rooftop solar (across public buildings, industrial and commercial buildings, and homes).
- Start to reduce energy bills for schools across the city through targeted support and minimising exposure to market price of energy – with the ambition to ultimately benefit all schools in the city. Deliver alongside a programme of education initiatives.
- Explore and understand the Heat opportunity that exists for Coventry through focused attention in the City Centre and Hillfields (building on the existing heat network in the area), and Walsgrave, promoting affordable warmth and a reduced carbon footprint.
- Supporting a place-based approach in Hillfields as part of the Hillfields Neighbourhood Improvement Project covering energy efficiency measures for homes & small and medium businesses, and cleaner heat for the neighbourhood.
- Continued delivery of our pipeline of innovation projects exploring new technologies and proof of concepts. Trials will include product development and piloting of residential and micro business solutions and propositions.
- Continued delivery of our community benefit initiatives, including reducing operating costs for a community centre and using that centre as a base for community engagement.

ABP Facts & Figures: April 2025- March 2026

Table I – Partnership Spend & Investment (£m)

Partnership Spend (FTE and non-people costs)		Investment (Devex, Capex, Opex, CCC Grants & Community Benefit Fund) into Projects	
E.ON	£1.7m	SEP total (E.ON & Council)	£3.9m
Council	£0.1m		

Table II – Project overview

Cumulative Gateway approvals to end March 2026	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
Aspiration in 25/26 ABP	0	2	4	6	4	8
Actual delivery	10	6	2	18	2	7

Table III – Highlights

27 Months of the Partnership	£1.4m Social benefit committed	2 Awards Won	153 Gateway approvals
16.5 FTE to deliver for the SEP	1700 School children inspired	19 Projects in the Pipeline	27 project contracts signed

ABP Facts & Figures: April 2026 - March 2027

Background

The partnership spends enable the continued growth and pipeline of projects over the next 12 months. Key projects in development will require significant investment with returns delivering social, environmental and economic returns beyond the ABP timeframe. Our ambition is to create a financially sustainable partnership for the next 15 years

Table I – Partnership Spend & Investment (£m)

Partnership Spend (FTE and non-people costs)		Investment (Devex, Capex, Opex, CCC Grants, Community Benefit & Innovation Fund) into Projects	
E.ON	£1.7m	SEP total (E.ON & Council)	£9.8m
Council	£0.2m		

Table II – Strategic Outcomes

Clean Local Energy	Installed renewable energy	Clean Local Energy	Reduction in CO2
	- Solar PV generation capacity target 750 kWp - Heat pump total target installation size 0kW		- Based on completed installations in 2026/27, the total forecast avoided CO2 annually through business cases 548tCO2e

Table III – Project overview

Cumulative Gateway approvals to end March 2027	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
26/27 projects	2	4	0	9	2	20

ABP Financial and Delivery Insights

This ABP is based on knowledge and assumptions of projects known to the partnership and give an indication of our ambition over the coming years. This pipeline will continue to grow and be complemented by the programmes of projects delivered by the partnership, but only projects currently captured in the ABP are reflected in these figures. For the purposes of the figures shown, no grant funding has been assumed in the investments beyond that which has already been secured for the Partnership.

For the Partnership there is access to a wealth of expertise and resource which are brought into the delivery of initiatives to enable SEP outcomes. This is reported in the investments figure but is not limited to the projects outlined in the ABP with this knowledge being key to developing a strong pipeline of activity in future years. Any headcount directly linked to a specific project, will only be mobilised once it has been approved through the SEP gateway process.

	£m	2025/26	2026/27	2027/28
		Apr-Mar	Apr-Mar	Apr-Mar
Investments (Devex, Capex, Opex, CCC Grants, Community Benefit Fund)	Total	3.9	9.8	20.7
<i>The above indicates an innovation fund of £0.1m in 2026/27</i>				
Strategic Outcomes KPI targets	Installed solar kWp	1055	750	25,000
	Installed heat pumps kW	1686	0	0
	CO2 avoided annually tCO2e*	398	548	5175
Partnership Spend (FTE and non-people costs)	Total	1.9	1.9	2.0
	E.ON	1.7	1.7	1.8
	CCC**	0.1	0.2	0.2

All numbers stated are estimates and represent our ambition over the coming years but are subject to formal sign off, of the final business cases

* CO2e avoided calculations were undertaken using UK Gov Conversion Factors for Company Reporting.

**Covers total cost of FTE where one of the roles is currently fully grant funded

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Introduction

What the SEP and ABP are

Introduction to the Annual Business Plan

As part of the SEP, we have a pair of business plans. The five-year SBP sets out our mission, strategic themes and details the process by which projects are selected. The ABP is produced ahead of each financial year (April to March), providing a detailed review of past performance, an outlook to our future activities as well as details of both financial & non-financial performance and controls we have set to align with our SBP. The ABP will also outline the immediate priorities of the partnership and provide an overview of the projects and activities the partnership plans to focus on during the year ahead. This year the ABP builds on the renewed focus on affordability, energy security, jobs & skills, community benefit and clean energy for the city and the previous Annual Business Plan.

Mission & Values

The SBP set the foundation for the development of the partnership, in which we have agreed an overarching Mission and set of Values. Both this ABP and all subsequent project-specific activity will be held to account against both the Mission and Values set out in the SBP, as summarised below.

► Our Overarching Mission

Our mission statement clearly sets out what we want to achieve through the partnership.

► Our Values

We have a set of principles and standards for the SEP which governs how we will work together and are expected to act, behave and interact with each other, partners, customers and citizens. This collaborative approach within the governance structure is designed to foster a positive culture, achieve mutually beneficial outcomes and proactively address potential conflicts of interest or disagreements. **Our five guiding values are:**



Putting Coventry First

*We believe that our actions **positively impact our local communities.***



Behaving Purposefully

*We believe it is important to stay **healthy & positive - taking care of ourselves and others.***



Working Better Together

*We believe that we need **teamworking and true partnership** to be successful.*



Delivering on our Promises

*We believe that our **actions will bring success.***



Exploring New Paths

*We believe that **innovation and new ideas** come from curiosity.*

Mission of our Strategic Energy Partnership

*"A **greener and healthier** Coventry.
A city led by a **focus on energy sustainability**, supporting a thriving **local green economy** and providing a better **quality of life for all**"*



Strategic Themes and Outcomes

We have set ourselves several objectives for the partnership, which have been **divided into four strategic themes**. These themes will provide the **foundation** for the development of the partnership and **delivery of project specific activity**. Each of these themes will **drive our focus towards outcomes** which benefit Coventry.

The strategic themes act as **guiding pillars**, directing our decision-making processes and ensuring that every initiative is aligned with our results. By organising our outcomes under these themes, we promote a long-term vision and ensure that **short-term successes** contribute to the sustainable development of Coventry.



Jobs & Skills

1. Promote, encourage & champion academic & research programmes that inspire & deliver local green skills.
2. Establish a strong local supply chain whilst promoting recruitment of green jobs within the Coventry area.
3. Recruitment of apprentices over the lifetime of the partnership.
4. Demonstrating the application of Equality, Diversity & Inclusivity principles.



Innovation & Scale

1. Pipeline of pilot scalable energy innovation projects & new technologies to decarbonise energy, improve resilience & 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



Community Benefit

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.



Clean Local Energy

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 & investable future city for business & development.
5. Decarbonising heat across the city.

Performance Indicators for 2026-27

Each activity we undertake as part of the partnership, **must align** to at least one of the strategic outcomes associated with at least one of the Strategic Themes. During the project proposal process and subsequent Gateway process as we build towards an investment case and recommendation, we will **clearly set out** which outcome we are seeking to influence, and then **set the activity a target** in line with the overarching KPIs for that Theme. There has been an **aspirational target** applied to the KPI's below for 2026/27 based on anticipated project delivery.

Community Benefit



KPI

Community Benefit Fund Deployed: £400,000

£ community benefit committed (as measured in the TOMs):
£2,000,000

20 % of £ deployed to targeted groups

10% of £ community benefit to targeted groups

Jobs and Skills



KPI

Jobs created in Coventry by SEP and Supply Chain

Apprenticeships created by SEP: 7

Jobs and apprenticeships created from most vulnerable and harder to reach communities

Innovation & Scale



KPI

Number of pilot energy projects initiated: 3

Number of new technologies trialled in Coventry: 1

Number of public & private chargers deployed: 50

kWh of energy optimisation: 0

Clean Local Energy



KPI

Installed Renewable Energy: Solar PV 750kWp; Heat pumps 0kW

Energy demand reduction through energy efficiency measures

CO2 avoided (Forecast for completed installations: 548tCO2e)

Number of homes retrofitted: 219

All SEP Activities need to match Project Acceptance Criteria and pass through six-stage process

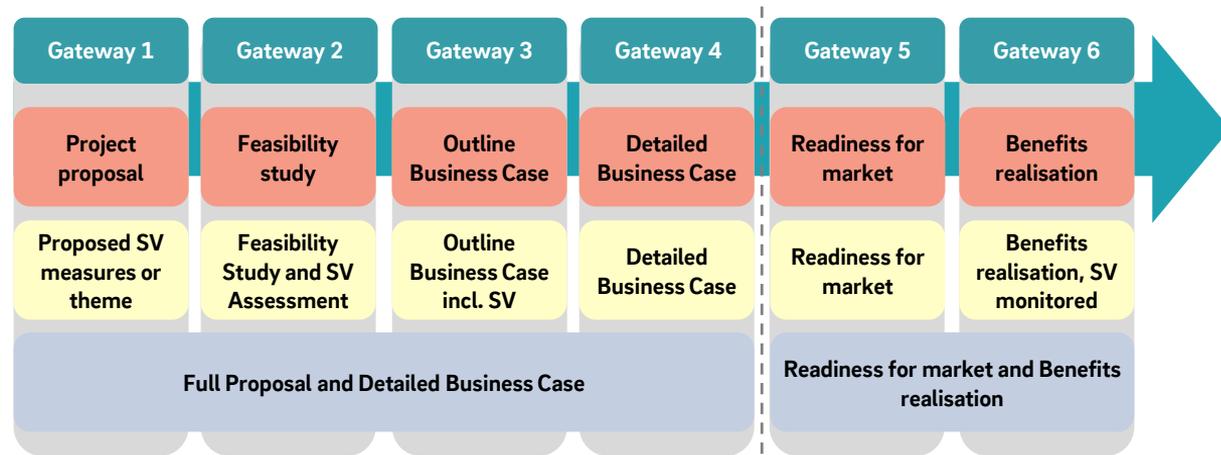
Activity Selection & Delivery

- Activities and Projects of Strategic Energy Partnership will be assessed against a series of financial and socio-economic criteria.
- As SEP we are aiming for a **balanced portfolio**, where certain projects won't be cashflow positive, but will benefit the community or deliver environmental benefits.
- Each activity will follow a **six-step Gateway Process** during which an overarching fit to the **Project Acceptance Criteria (PAC)** must be proven.
- In case of Social Value activities, these are assessed against the Social Return on Investment (SROI) based on the TOMs Framework.

-  Technical Project Activity
-  Social Value / Community Benefit Activity
-  Low value approval process <£250k

Six-step Gateway Process

The six stages process offers a robust framework for the origination, development, construction and operation of projects contributing to the outcomes of the Strategic Energy Partnership. Each project proposed must pass through the gateway process set out below, with the investment decision not taken until gateway four is cleared. To aid quick decision making for low value initiatives, a streamlined approval process has been introduced for **investments up to £250k** for approval by one SEP member from each organisation. All decisions reached through this process are reported to the CJV Board and where decisions can't be reached through this route, they are taken to CJV Board for a final decision.



Final Investment
Decision



Project Acceptance Criteria assess project across 5 dimensions: from strategic fit to appropriate risk management

B Project Acceptance Criteria

 Strategic Fit	 Technical Fit	 Economic Fit	 Community Benefit	 Risks
<ul style="list-style-type: none"> Aligns with the SEP's mission & objectives Aligns to the One Coventry Plan and the Climate Change Strategy Aligns to E.ON's strategic objectives and ESG commitments 	<ul style="list-style-type: none"> All relevant HSE requirements addressed Designs & Delivery in line with good industry practice Criteria of Efficiencies, effectiveness, availability, quality, reliability, generated yield, accessibility met 	<ul style="list-style-type: none"> Project delivers a positive NPV when lifetime cashflows are discounted at the appropriate hurdle rate specific for the technology Project delivers a positive EBIT and Return on Capital Employed (ROCE) margin over time Project is in line Value for Money approach 	<ul style="list-style-type: none"> Project delivers positive social value and environmental impact (extraordinary if no economic fit) Project supports local labour market and supply chain whenever possible Project delivered on and on a "Zero Harm" basis, protecting colleagues and residents 	<ul style="list-style-type: none"> Positive opinion of a rigorous risk assessments for each project, considering factors such as market volatility, regulatory changes, and technological uncertainties Identified project risks and opportunities are collected and managed

Page 2

Retrospective

How we did last year

2



Strategic Energy Partnership achievements in Year 2

Highlights

27 Months of the Partnership

£1.4m Social benefit committed

2 Awards Won

153 Gateway approvals

16.5 FTE to deliver for the SEP

1700 School children inspired

19 Projects in the Pipeline

27 project contracts signed

Community Centre
Programme started to work with local community centres to improve building and support existing services.

Home Upgrade Grant 2
Delivery of funding for energy efficiency measures in low-income & fuel-poor households

Solar Farm
Significant progress made with a planning application submitted in September. Planning approval from CCC 18/12/25 RBC decision Jan 2026.

Affordability Pilot
Award winning project providing solutions to support Coventry customers in energy debt

Council building decarbonisation
Retrofit of four Council buildings utilising PSDS funding including solar PV, ASHP, insulation and BEMS.

Care Leavers
Supported young people in the city with career advice, employability workshops mentoring and 4 week work placements

City Heat
Commenced a significant project in the city which looks at improving local, low-carbon heat for residents

Biodiversity initiative
Grant application submitted to plant 8,000 as new woodland site.

Mayoral Fund
Funded through the Mayoral Renewables Fund, the design and installation of 755kwp of solar across Sidney Stringer School and Coventry College

Schools heating
Installed air source heat pumps to decarbonise 2 schools in Coventry via PSDS funding

Kestrix
Award winning use of drone technology to capture thermal imaging of properties in Hillfields

Coventry Grows
Community Garden programme extended to 4 total sites for new growing facilities, tools, seeds and training.

Delivered

Approved

In progress

Innovation

Social Value

Cumulative KPI performance

Clean Local Energy

Cumulative all projects

KPI	2025/26 performance	Total since Sept 2023
Installed Renewable Energy kWh	1845kW	2781kW
Energy demand reduction through energy efficiency measures	0kwh	2325kwh
CO2 (tonnes) avoided	398	398.74
Number of homes retrofitted	18	73

Jobs and Skills

Cumulative all projects

KPI	2025/26 performance	Total since Sept 2023
Jobs created in Coventry by SEP and Supply Chain	1.4	6
Apprenticeships created by SEP	6	8

CEE (£36,000), SVF Schools Programme (£116,000) are being developed and will be bought through Gateway 4 in SEP Q4 (Jan-Mar 26) and community centre (£400,000) are being worked on to bring forward in 2026.

Innovation & Scale

Cumulative all projects

KPI	2025/26 performance	Total since Sept 2023
Number of pilot energy projects initiated	4	8
Number of new technologies trialled in Coventry	4	5
Number of public & private chargers deployed	25	36
kWh of energy optimisation	0	0

Community Benefit Programme

Cumulative all Community Benefit Programme projects

KPI	2025/26 performance	Total since Sept 2023
Community Benefit Fund Deployed	£43,040	£368,712
£ community benefit generated (TOMS)	£59,182	£1,416,364
% of £ deployed to targeted groups	34.7%	23.3%
% of £ community benefit to targeted groups	34.7%	23.3%

Hillfields Place Based Programme

Hillfields Place-Based Programme

It's common for local investment to be focussed on themes (like transport, housing, or parks) across a whole city. Coventry City Council is trialling a 'place-based approach', which aims to cut across these themes and focus on creating a cleaner, healthier and more sustainable neighbourhood by combining investments and initiatives in a different way, tailored to place. It takes a holistic approach to improving a neighbourhood with five key pillars; **home retrofit**, **green spaces**, **active travel and community energy**, which are all underpinned by **community engagement**. We're trialling this in Hillfields, through the '**Hillfields Neighbourhood Improvement**' programme.

The programme aims to take advantage of the new opportunities offered by devolved funding, whilst leveraging significant additional investment from both public and private sectors. The programme will integrate residential and public building retrofit, skills development, local employment, social value, as well as opportunities for transport, nature and climate resilience. This has the potential to deliver **community transformation**.

Hillfields has unique characteristics which provide a real opportunity for a place-based approach:

- Over 42% households in fuel poverty
- Mix of tenure and generally inefficient building stock
- Over 20 Community groups and over 100 languages spoken
- 3rd lowest green space coverage per head out of the 18 Coventry wards
- Poorer than average air quality
- High levels of traffic and congestion



Benefits of Place Based Programmes

Fair Transition

A focus on community involvement which builds trust and buy-in from residents and businesses. This will lead to more equitable projects aligned with community priorities, which provide affordable warmth and help tackle fuel poverty.

Local Economic Development

Creation of local jobs and green investment, stimulating the local supply chain and leading to opportunities for apprenticeships and upskilling.

Cost Efficiency

Reduced costs for projects by reducing duplication and ensuring a more joined up approach locally.

Innovation

Ability to be used as a test-bed for innovation, which can be scaled where proven.

Community Benefit & Tailored Solutions

Potential for unique solutions that could deliver far greater co-benefits and social value than individual projects or generic solutions.

How is the SEP Maximizing Place-based Opportunity

SEPs are maximising the opportunity in Hillfields with several projects in delivery (below) as well as a number of other projects in development.

Residential energy efficiency

Delivery of residential retrofit projects in Hillfields to improve the energy efficiency of low-income homes in the city. This will help to reduce fuel poverty, reduce household bills and improve the health and wellbeing of residents via installation of insulation, solar PV and low carbon heating.

Renewable Energy

SEPs are delivering rooftop solar panels on Sidney Stringer School and Coventry College, within Hillfields. This increases local clean energy and flexibility, saving around £90,000 in energy bills, and enabling future connections to the city's district energy network (Heatline) which will mean no more gas needs to be burnt to heat those buildings.

Affordability Trial

A pilot project which supports residents in perpetual fuel debt to improve energy efficiency and permanently lower energy bills for an improved quality of life in their homes. Eligible customers are offered a comprehensive package of support to resolve existing energy debt while tackling some of the root causes of their high energy use. They could benefit from improved home insulation, more efficient white goods, green home solutions, plus a battery and time-of-use tariff to optimise off peak energy savings. Average savings in the first phase were approx. £250 / year.

Kestrix

Recognising the need to scale up retrofit, this pilot deployed drones equipped with thermal imaging cameras to scan over 4,000 homes in Hillfields. The drones capture high-resolution thermal data from 50 metres above ground, generating 3D images which could lead to better targeting of investment and improved engagement with residents. This will lead to better prioritisation of resources and ultimately help to tackle fuel poverty.

How is the SEP Maximizing Place-based Opportunity

Fairer Warmth Platform

The Fairer Warmth Platform, which will initially be piloted in Hillfields, aims to connect households with organisations to promote energy efficiency, affordability, and a fair energy future for everyone. Fairer Warmth offers a user-friendly mobile application that provides personalised energy-saving plans to reduce energy bills, impartial advice on energy efficiency and access to grant and support services in the area. This will help to identify and prioritise support for households and energy consumers using their data.

Coventry Grows

Coventry Grows is a community growing programme in green deprived communities, which provides training, equipment and seeds to create new community gardens. This helps access to green spaces, bringing communities closer together and improving health and wellbeing of Hillfields residents.

Activity deep-dives

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***Details on what we will do,
how and why***

4



Programmes Overview



Renewable Generation

Creation of clean local electricity contributing to energy flexibility, security & resilience for Coventry



Heat Networks

Focused on developing approaches to distribute low-carbon heat into existing and new heat networks



SME and Public Sector buildings

To deliver an array of measures for commercial buildings, both public and private sector, to lower emissions and reduce energy costs



Transportation

To support the Council ambition for electric vehicle infrastructure across the city



Residential

Development of an evolving energy solutions offering to all sectors of residents across the city, improving the affordability of energy



Innovation and other activity

New pilots and propositions will be developed and tested across the city, as a fundamental role of the SEP



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Hillfields

Spatial focus as part of a place-based approach in the Council's Hillfields Neighbourhood Improvement Programme



Community Benefit

Commitment to fostering meaningful relationships with local community groups, organisations and participating in environmental, economic and social initiatives in Coventry

The technologies and solutions that will shape this transformation are centred on a set of carefully adopted programmes, outlined below:

Renewable Generation

This programme is designed to cater to a local generation emphasis through the following pathways whilst supporting the Council's corporate objectives of prioritising clean energy adoption.

- Roof-top Solar (RTS)

For example: Solar in Schools, and other projects expanded further in the [SME & Public Sector Buildings](#) programme.

- Ground-mount Solar (GMS)

To protect residents against changing global market trends, the SEP will focus on solar farm development to strengthen Coventry's energy security and resilience—progressing the current project through to completion, subject to planning approvals – while evaluating future clean energy sites identified in the Coventry Energy Plan.

As part of their considered focus on Coventry, E.ON will be developing commercial opportunities with large businesses in the city to help them decarbonise, thus having an impact for the entire city. Whilst these will be separate to the SEP due to commercial confidentiality, the benefits achieved through these projects can be captured against the carbon saving opportunities identified in the Coventry Energy Plan.



SEP Projects Gateway Progress

1

Gateway aspiration for 2026/27

1

Gateway approved

Lenton's Lane Solar Farm

1

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6

Solar Farm (Second site)

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2

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4

5

6

Roof-top Solar on Council Buildings

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Impact on Strategic Themes



Clean Local Energy

Additional installed clean energy capacity in Coventry



Jobs & Skills

New jobs and skill development in the Sustainability Sector in Coventry



Community Benefit

Cleaner air, improved well-being, green-skills and better quality of life for residents

Ground Mount Solar

Benefits Expanded



Our solar projects provide residents with cleaner, locally generated energy that helps stabilise electricity bills and reduce reliance on volatile global markets.

They also improve energy resilience as they'd be Coventry-specific infrastructure, contribute to a healthier environment by reducing emissions, and create opportunities for local jobs and skills development—strengthening Coventry's economy and community well-being.

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SOCIAL VALUE

- **In Coventry, For Coventry:** Boosts the local economy by prioritising local businesses for supporting infrastructure development, creating opportunities for businesses to contribute to large-scale projects.
- **Jobs & Skills:** generate employment and green skills development, supporting Coventry's workforce and future talent pipeline.

RESIDENT BENEFIT

- **Enhances resilience** and ensures stable energy costs, protecting households from price shocks.
- **Local generation and flexibility** enhances energy independence and self-reliance in the city.
- **Improves air quality** and promotes health and well-being by producing clean energy.
- **Wider benefits through a community fund** for local communities demonstrating social commitment.

Coventry Energy Plan • Facts & Figures



Source: Coventry Energy Plan, 2024

- Energy security, ensuring residents are protected against market fluctuations, providing them with stable bills through Power Purchase Agreements/private wire, and a funding source that will be reinvested into Coventry and its communities are some key reasons to invest in ground-mount solar. Solar ground mount sites are using a proven technology, with tested commercial models.
- Even under the CEP's maximum high ambition, only 9% of the city's clean energy comes from solar.
- Local clean electricity generation – solar ground mount sites are the most effective form of renewable generation, given the limitations of onshore wind in the region from poor wind speeds.

Renewable Generation

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	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
Solar farm – First site	Approved	Approved	Q1 2026	Q2 2026		

Achieved Activity in 25/26: All works completed for planning application submission in Sept 2025 ahead approval for scheme at CCC planning committee on December 18th 2025.

Planned Activity in 26/27: Conditional on the planning applications for the solar farm being approved, finalised negotiation with the tenant farmer, contracts negotiated and signed between CCC & E.ON for land lease & Construction to begin.

*Resource requirements: There is currently a **B2B Project team** within E.ON which will be required to endure to deliver the project, along with support from the **SEP team** within E.ON and the Council for programme management and strategic direction.*

Solar farm – Second site	Approved	Q1 2026				
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Achieved Activity in 25/26: Potential second site identified through a high level review of potential sites.

Planned Activity in 26/27: High level feasibility activities to be carried out ahead of any decision on overall site suitability. If site is deemed to be suitable then high level design activities can begin.

Resource requirements: Utilising the current E.ON B2B and Council joint Project team members working alongside the current solar farm, along with support from the SEP team within E.ON and the Council.

Rooftop Solar on CCC Buildings	Q1 2026					
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Achieved Activity in 25/26: Agreement to explore suitably sized CCC buildings as an option for large scale rooftop solar

Planned Activity in 26/27: High level feasibility activities to be carried out before a priority list is finalised. Once a finalised list is published confirmation on investment/funding will be sought.

Heat Networks

For the year 2026/27, the focus would be to develop the opportunities available within these identified areas of the city into beneficial undertakings.

The City Centre Heat Network project focuses on providing support to Bring Energy's underutilised Heatline network - to connect high-demand public sector, education, and commercial buildings, reducing carbon emissions & improving energy efficiency.

In Hillfields, the SEP is driving a neighbourhood-scale approach to decarbonised heat through network expansion and building-readiness measures. This is further expanded in the **Hillfields** programme within this document.

In Walsgrave, sustainable measures at University Hospital Coventry & Warwickshire are being explored, alongside a longer-term vision for a district heat network serving mixed-use developments in the wider neighbourhood.

From a strategic viewpoint, a regional heat opportunity is being explored for Coventry and the surrounding area for examining viable heat generation options.

Heating opportunities within buildings are captured within the **Residential** and **SME and Public Buildings** programmes within the



SEP Projects Gateway Progress

1

Gateway aspiration for 2026/27

1

Gateway approved

City Centre HN connections

1

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Hillfields HN connections

1

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4

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6

Walsgrave Heat Network

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Impact on Strategic Themes



Clean Local Energy

Reduced emissions and operating costs



Innovation & Scale

Trial new heat technologies and approaches



Community Benefit

Improved heating of community hubs i.e. libraries and health centres

Heat

Benefits Expanded



Page 64

This programme aims to invest in energy security and low-carbon heat by backing local heat generation & resilience reducing the dependency on transported gas.

Cleaner warmth and stable heating costs for communities are outcomes of the programme.

They also create green jobs and apprenticeships, promote cleaner air and health outcomes.

We aim to position Coventry as an investable city committed to sustainability and inclusive access to energy services.



SOCIAL VALUE

- **In Coventry, For Coventry** Encourages local economy by creating opportunities for smaller businesses to contribute to these infrastructure projects.
- **Jobs & Skills:** Creation of green jobs in design, construction, and maintenance.
- **Apprenticeships** and upskilling opportunities for local residents, addressing future skills gaps and boosting the local economy.



RESIDENT BENEFIT

- **Enhances resilience** and ensures stable energy costs, building energy independence for Coventry.
- **Local generation and flexibility** reduces dependence on further drilling and transported fossil fuels.
- **Improves air quality** and promotes health and well-being by replacing gas heating with low-carbon solutions.

Coventry Energy Plan • Facts & Figures



Source: Coventry Energy Plan, 2024

- Building-gas use accounts for ~34% of Coventry's emissions (2021 baseline) – the largest contributor to carbon emissions in the city. This makes clean heat generation a key problem to solve.
- The city of Coventry already has two existing and operational heat networks, giving the SEP an opportunity to further improve its utilisation with building upgrades etc.
 - Heatline Network in the city centre
 - University of Warwick network, serving campus buildings.

Heat Networks

	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
City Centre Heat Network Connections	Approved	Q1 2026				
<p><i>Activity in 26/27:</i> Explore the opportunity to support Heatline expansion through building-readiness measures and HN connection activity in the city centre area through an initial pilot trial.</p> <p>Resource requirements: Identified technical support from within the E.ON business to support the development and feasibility.</p>						
Hillfields Heat Network Connections	Approved	Q1 2026				
<p><i>Activity in 26/27:</i> Explore the opportunity to support Heatline expansion through building-readiness measures and HN connection activity in the Hillfields area.</p> <p>Resource requirements: Identified technical support from within E.ON business to support the development and feasibility</p>						
Walsgrave Heat Network		Q1 2026				
<p><i>Activity in 26/27:</i> Opportunity exploration to understand whole neighbourhood energy requirements with key anchor heat loads in the area. High-level opportunity assessment to be undertaken with development potential in 2026-28. Resource requirements: Identified technical support from within E.ON business to support the development and feasibility</p>						

SME and Public Sector Buildings

Delivering integrated solutions—not solar alone—maximises carbon reduction, boosts energy efficiency, and delivers long-term social and economic value for Coventry's schools. Combining solar PV, battery storage, and energy management systems improves energy security and shields schools from volatile energy prices, while heating upgrades, insulation, and fabric improvements tackle the biggest carbon challenge: heat decarbonisation. EV chargers and building upgrades support whole-site sustainability, cutting costs and enabling reinvestment into education. This bundled approach aligns carbon savings with affordability, resilience, and community benefits—creating warmer, greener learning environments and local jobs.

This initiative builds on SEP and Council work to cut carbon and energy costs in public buildings. The programme aims to improve energy performance, meet MEES standards, and create scalable models that deliver affordability, resilience, and social value. Alongside this, E.ON will create propositions for SMEs to decarbonise their premises—whether leased from the Council or privately owned—bringing dual benefits of lower carbon and reduced energy costs for both tenants and landlords.

The Council will continue providing SMEs with energy audits and connecting them to funding opportunities for efficiency upgrades, supporting ongoing decarbonisation efforts. Several elements of this programme can also contribute to the Hillfields Neighbourhood Improvement Programme, delivering local social value alongside carbon and cost savings.

SEP Projects Gateway Progress

1

Gateway aspiration for 2026/27

1

Gateway approved

Building Decarbonisation Phase 2

1

2

3

4

5

6

Schools Heating (PSDS3b)

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Public Sector Building Prop

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MEES Phase 1

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SME Pilot Proposition

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Schools Multi Solution

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Impact on Strategic Themes



Clean Local Energy

Clean local energy production that is utilised across the school portfolio



Innovation & Scale

Key component to the city-wide solar approach



Community Benefit

Education programme for children

Roof-Top Solar

Benefits Expanded



In this initiative, unused roof space is utilised for electricity generation to benefit the residents, neighbouring buildings and the grid.

Rooftop solar in Coventry offers a clear path to stable energy bills for households and businesses, making it a retrofit measure with a clear financial payback under current price forecasts.

It enhances energy security by reducing reliance on global national markets and enabling self-generation of clean power.

Solar PV also acts as a key enabler for heat electrification, helping offset the running costs of heat pumps and supporting whole-home low-carbon bundles



SOCIAL VALUE

- **In Coventry, For Coventry:** Boosts the local economy by prioritising local businesses for construction and maintenance of infrastructure, creating opportunities for businesses to contribute to city-wide projects.
- **Jobs & Skills:** generate employment and green skills development, supporting Coventry's workforce and future talent pipeline.
- **Apprenticeships** opportunities for local residents, addressing upskills gaps and boosting the local economy.



RESIDENT BENEFIT

- **By lowering electricity costs**, solar PV makes other low-carbon technologies—such as heat pumps and EV charging—more financially viable. This supports integrated solutions for warmer, more energy-efficient homes, improving comfort and health outcomes for residents.
- **Improves air quality** and promotes health and well-being by clean energy production locally.
- **Self-reliance and generation of local power** to be used efficiently by residents and businesses, reducing dependence on long-distance transmission.

Coventry Energy Plan • Facts & Figures



Source: Coventry Energy Plan, 2024

- Rooftop solar offers long-term savings with typical paybacks of 10–15 years and panel lifespans of 25 years. This helps alleviate fuel poverty, which affects over 22% of Coventry households, by making energy more affordable.
- This involves the installation of solar PV panels, with or without a battery, on residential properties. These generate electricity for the owner, which is consumed at home to reduce electricity bills. Excess electricity generated is either stored in batteries if purchased or sold back to the grid through a Smart Export Guarantee tariff.

SME and Public Sector Buildings

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	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
Building Decarbonisation Ph2	Approved	Approved	Approved	Approved	Q1 2026	Q2 2026

Activity in 25/26: Practical completion on project achieved in July 2025 with all solutions installed.

No proposed activity in 26/27

Resource Requirements: SEP Programme team to generate the final gateways as required. ECS now working directly with CCC on any post completion issues.

Schools Heating	Approved	Approved	Approved	Approved	Q1 2026	Q1 2026
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Activity in 25/26: Deliver heat pumps in the schools against the employer requirements outlined in the contract.

Activity in 26/27: future activity to be rolled into the schools multi solution programme.

Resource requirements: E.ON delivery team alongside the Council Facilities and Education teams to deliver.

Schools Multi Solution	Approved	Approved	Q1 2026	Q1 2026		
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Activity in 25/26: Initial development of a solution agnostic proposition for schools and public sector buildings, to be rolled out across schools.

Activity in 26/27: Finalisation of proposition and delivery of first phase of sites.

Resource requirements: E.ON project delivery teams to work with the Council and E.ON SEP teams to conduct appraisal of buildings to identify optimal solutions. Council Education and onsite school facility / management teams to support the rollout.

MEES Ph1	Approved	Q1 2026	Q1 2026	Q1 2026		
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Activity in 25/26: Appraisal of portfolio of buildings, alongside regulatory implications and tenancy obligations from the Council, to identify optimal solutions.

Activity in 26/27: To review funding availability and financing to implement optimal solutions on site.

Resource requirements: E.ON delivery team to work with Council Property team to identify requirements, with support from SEP team.

SME Proposition	Approved	Q1 2026	Q2 2026	Q3 2026		
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Activity in 26/27: Appraisal of SME building opportunities in the city, to identify where best to target and pilot a proposition.

Resource requirements: E.ON delivery team to work with the SEP team and potential partners to identify opportunities.

Public Sector Building Prop	Q2 2026	Q2 2026	Q3 2026	Q3 2026	Q4 2026	
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Activity in 26/27: Appraisal of public building requirements, to identify the right solutions for installation and a proposition to enable delivery.

Resource requirements: E.ON delivery team to work with Council Property team to identify requirements, with support from SEP team.

Transportation

The primary focus of this programme is to support the Council's ambitions for electric vehicle charge points within the city where commercially viable.

A charging trial for domestic properties to charge EVs on the street could also be looked at as a SEP project.

The Council will continue to develop and deliver against its EV Charging Strategy with opportunities to work with the SEP to be identified through collaborative discussions.

As part of its wider strategy to create EV charging hubs across the UK, E.ON will identify any opportunities in and around Coventry to develop these outside of the SEP as private arrangements to help improve the offerings to Coventry residents, businesses and visitors. Equally, through BAU activity E.ON will also install private EV chargers including for domestic properties which can also support the delivery of opportunities identified within the Coventry Energy Plan.



SEP Projects Gateway Progress

1

Gateway aspiration for 2026/27

1

Gateway approved

NUS car park EV chargers

1

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Salt Lane EV charger upgrade

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Train Station EV charger upgrade

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On-street EV charging trial

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5

6

Impact on Strategic Themes



Innovation & Scale

Development of a scalable EV charging strategy and network for the city



Jobs & Skills

Establish a strong local supply chain

Transportation

Pages 70

	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
NUS Car Park EV Chargers	Approved	Approved	Approved	Approved	Q1 2026	Q2 2026

Activity in 26/27: Project close down activity and lessons learnt review.

Resource requirements: SEP team to support review with delivery and client teams following charger installations.

Salt Lane EV Charger Upgrade	Approved	Approved	Approved	Approved	Q1 2026	Q2 2026
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Activity in 26/27: Project close down activity and lessons learnt review.

Resource requirements: EDRI to install and commission chargers with alignment to Coventry Council Comms team. SEP team to support review with delivery and client teams.

Train Station EV Charger Upgrade	Approved	Approved	Approved	Approved	Q1 2026	Q2 2026
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Activity in 26/27: Commissioning of replacement chargers. Project close down activity and lessons learnt review.

Resource requirements: EDRI to install and commission chargers with alignment to Coventry Council Comms team. SEP team to support review with delivery and client teams.

On-street EV charger trial	Approved	Q1 2026	Q1 2026	Q1 2026		
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Activity in 26/27: Trial an opportunity for properties in the city without private driveways to enable them to benefit from EV ownership.

Resource requirements: E.ON delivery team to lead with support from the SEP team to connect into the right opportunities.

Residential

The programme supports the installation of energy efficiency and clean renewable energy production measures in residential properties across Coventry. This will include the delivery of projects through various funding mechanisms which will be monitored and assessed for their feasibility within the city.

Through the Affordability Trial, 17 households benefited from free battery installations paired with time-of-use tariffs, alongside debt relief, white goods replacement, and energy efficiency upgrades—helping residents save £250–£300 annually and tackle fuel poverty. Building on this success, in 2026 we will scale the initiative to support 100 households with an enhanced battery trial, optimising flexibility and resilience to deliver even greater bill savings and protect residents from global energy price volatility.

We have also progressed partnerships with housing associations to introduce innovative low-carbon heating and energy efficiency measures. These efforts will be progressed further in 2026 start reviewing their stock to understand how we can help them best. This aims to create social and economic benefits, including warmer homes, improved health and well-being, and opportunities for green skills development and local jobs—strengthening Coventry's local economy and supply chain.

The deliverables against the broad opportunities identified in the Coventry Energy Plan will be dependent on resident interest.

In addition, the **Hillfields** Improvement Programme launched, with E.ON committed to engaging residents and completing retrofit assessments to deliver clean warmth and better quality of life for the community.



SEP Projects Gateway Progress

1

Gateway aspiration for 2026/27

1

Gateway approved

HUG2 project

1

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Affordability Pilot

1

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6

Solar PV resident offer

1

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5

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Impact on Strategic Themes



Clean Local Energy

Residents having reduced exposure to global energy market pressures



Jobs & Skills

Strong local supply chain whilst promoting recruitment of green jobs within Coventry



Community Benefit

Warmer, more energy efficient homes, helping to reduce fuel poverty across Coventry

Residential

	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
Home Upgrade Grant (HUG)2 project	Approved	Approved	Approved	Approved	Q1 2026	Q2 2026
<p><i>Activity in 26/27:</i> Post-project review and project closedown. <i>Resource requirements:</i> The review will primarily require SEP team availability with some input from the project teams involved from E.ON and the Council.</p>						
Affordability Pilot	Approved	Approved	Approved	Approved	Q2 2026	Q3 2026
<p><i>Activity in 26/27:</i> Delivery of further installations in identified properties followed by a review of the success factors from the pilot activity, with potential further funding to scale proposition. <i>Resource requirements:</i> Continued delivery through the E.ON delivery teams and engagement back into the Council and SEP team.</p>						
Solar PV resident offer	Approved	Approved	Approved	Approved	Q2 2026	Q3 2026
<p><i>Activity in 26/27:</i> Review of the success factors from the proposition and analysis of potential future opportunities. <i>Resource requirements:</i> SEP team working with the E.ON delivery team.</p>						

Innovation and other activity

The development of an innovation and propositions pipeline will continue to evolve, integrating with other programme areas where relevant, while some initiatives will be captured separately under the SEP Innovation Fund. These efforts aim to drive forward cleaner, smarter solutions for Coventry.

Innovation and pilot activities have included the successful affordability trial, which delivered meaningful savings for residents, and an enhanced version will launch in 2026. Additional pilots include targeted thermal heat-loss assessments, advanced heating propositions such as residential low-emission technologies, and bundled service models like Energy-as-a-Service. These initiatives are designed to improve comfort, reduce household energy costs, and support inclusive access to sustainable energy solutions.

Data, digital platforms, and connectivity will remain central enablers across all propositions. Work has progressed on defining requirements for a city-wide Digital Twin, with an initial version expected in early 2026 to optimise planning and operational efficiency.

Exploration has begun on new offerings in solar energy and the ATP market, including innovative shared solar solutions (such as Solshare) for multi-dwelling properties—creating pathways for cleaner energy generation and greater community benefit.



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SEP Projects Gateway Progress

1 Gateway aspiration for 2026/27 1 Gateway approved



Impact on Strategic Themes

 <p>Clean Local Energy</p> <p>New pilot propositions to encourage green innovation across the city</p>	 <p>Innovation & Scale</p> <p>Pilots to trial innovation projects in the city</p>	 <p>Community Benefit</p> <p>Community Benefit delivery through projects</p>
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Innovation and other activity

Page 74

	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
Kestrix Pilot	Approved	Approved	Approved	Approved	Q1 2026	Q1 2026
<p><i>Activity in 26/27:</i> Commencement of drone scanning for 4000 properties in Hillfields in Coventry. Following this we are reviewing the results and engaging residents utilising the Kestrix information. This activity will support the Council's Hillfields Neighbourhood Improvement Programme.</p> <p>Resource requirements: SEP Innovation and Props team, with support from the Council and E.ON leads as well as the delivery partner, Kestrix.</p>						
Digital Twin	Approved	Approved	Q1 2026	Q3 2026		
<p><i>Activity in 26/27:</i> Development and business requirement gathering from both parties to create a Digital Twin of the City. MVP to be ready late Q1 2026</p> <p>Resource requirements: SEP Team, E.ON Leads predominantly E.ON Next and support from Council teams.</p>						
Energy as a Service (Next Gen Home)	Approved	Approved	Approved	Approved	Q2 2026	
<p><i>Activity in 26/27:</i> Pilot or a monthly subscription service for solutions (ATP) customers with target of 10 Coventry residents in the trial.</p> <p>Resource requirements: Innovation & Props, E.ON leads & council support including Comms</p>						

Hillfields Programme

The Hillfields Programme is a place-based initiative focused on creating a cleaner, healthier, and more sustainable neighbourhood. It takes a holistic approach to reducing carbon emissions at a community scale, combining energy efficiency optimisation, heat network expansion, and renewable energy with wider sustainability measures to strengthen resilience and affordability. The programme aims to:

- Retrofitting homes and buildings to improve energy efficiency and reduce heat loss, supported by funding routes such as Warm Homes Local Grant, ECO, and Home Upgrade Grant—helping to tackle fuel poverty and lower the cost of living.
- Delivering low-carbon heating solutions, including exploring heat network connection, in support of local generation and flexibility while protecting residents from global energy price volatility.
- Engaging the community through local groups, schools, and events to build trust and awareness, overcoming barriers like language and digital exclusion, and ensuring inclusive access to energy services.
- Creating social and economic benefits, including warmer homes, reduced fuel poverty, green skills development, apprenticeships, and local job opportunities—strengthening the local economy and supply chain.
- Integrating innovation, such as Kestrix drone thermal surveys and digital twin technology, to identify high-demand areas and optimise solutions for reducing emissions and improving quality of life for the residents of Hillfields.

SEP Projects Gateway Progress

1

Gateway aspiration for 2026/27

1

Gateway approved

Hillfields Neighbourhood Improvement Programme

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Devolved Retrofit

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CEE Fairer Warmth

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Impact on Strategic Themes



Jobs & Skills

New Apprenticeships in the Sustainability Sector in Coventry.



Innovation & Scale

Pilots to trial innovation projects in the city



Community Benefit

Utilise annual community benefit fund to deliver projects

Hillfields Programme

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	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
Hillfields Neighbourhood Improvement Programme	Approved	Q1 2026				

Activity in 26/27: aims to create healthier, more sustainable homes and communities. By focussing the funding in Hillfields, the SEP will aim to improve the energy efficiency of at least 220 homes as well as targeting other social value and innovation initiatives to engage the community and provide wider benefits, jobs, skills and community improvements.

Resource requirements: SEP Team, GFS, E.ON Next, Comms, Community resilience, Hillfields Programme team

Devolved Retrofit	Approved	Q1 2026	Q1 2026	Q1 2026		
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Activity in 26/27: aims to create healthier, more sustainable homes and communities. By focussing the funding in Hillfields, the SEP will aim to improve the energy efficiency of at least 220 homes.

Resource requirements: SEP Team, GFS, E.ON Next, Comms, Community resilience, Hillfields Programme team

CEE Fairer Warmth	Approved	Approved	Approved	Q4 2025	Q4 2026	Q4 2026
--------------------------	----------	----------	----------	---------	---------	---------

Activity in 26/27: Deployment of energy platform to connect households with organisations to promote energy efficiency, affordability, and a fair energy future for everyone.

Providing personalised energy plans, impartial energy advice and access to grants and support services in Coventry. Focus for next 12 months is trial of this platform for residents in Hillfields.

Resource requirements: SEP team, Hillfields Programme Team.

Community Benefit

This programme supports the commitment to fostering meaningful relationships with local community groups, organisations and participating in environmental, economic and social initiatives in Coventry.

The Community Benefit fund is separate to the technical programmes, and its focus is wholly on creating benefits for communities in Coventry. The SEP projects focus in Social Value will be delivering against the Community Benefit Fund which will aim to deliver a variety of projects which meet the different social value strategic aims.

In addition to the projects delivered utilising the Community Benefit fund, social value will be delivered through technical projects as approved through the CJV Board. Other activities such as Volunteering, Cornerstone Enterprise Advisors in the city and involvement in Coventry Careers Fairs will deliver social value returns for the city but not require any drawdown from the community benefit fund.



SEP Projects Gateway Progress

1

Gateway aspiration for 2026/27

1

Gateway approved

Coventry Grows

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Treekly

1

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Books

1

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SVF Schools Programme Rollout

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2

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4

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6

NHS Green Team

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Community Centre Retrofit

1

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6

Impact on Strategic Themes



Jobs & Skills

New Apprenticeships in the Sustainability Sector in Coventry.



Community Benefit

Utilise annual community benefit fund to deliver projects

Community Benefit

	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5	Gateway 6
Coventry Grows	Approved	Approved	Approved	Approved	Q1 2026	Q3 2026
<p><i>Activity in 26/27:</i> Delivery of community growing project in 4 locations across the city. This contributes to the Council's Hillfields Neighbourhood Improvement Programme.</p> <p><i>Resource requirements:</i> SVF spend to be paid to CCC, Grapevine community facilitator.</p>						
Treekly	Approved	Approved	Approved	Approved	Q3 2026	
<p><i>Activity in 26/27:</i> Programme to support biodiversity growth in the city, supporting existing work, community initiatives and developing new projects across the city.</p> <p><i>Resource requirements:</i> SEP team, Council Wildlife and Woodland team, Treekly team.</p>						
Books	Approved	Approved	Approved	Approved	Q2 2026	Q2 2026
<p><i>Activity in 26/27:</i> Working with local author and illustrator to rollout two new books to all schools in city, set up serious of volunteer reading sessions, facilitate business mentoring sessions and workshops in community.</p> <p><i>Resource requirements:</i> SEP team, CCC Schools and Education Team.</p>						
Schools Programme Rollout	Approved	Approved	Approved	Q1 2026		
<p><i>Activity in 26/27:</i> Rollout of schools educational offering, drawing down from the social value fund as required to ensure equitable offering to all schools in the city.</p> <p><i>Resource requirements:</i> SEP Team, NZA</p>						
NHS Green Teams	Approved	Approved	Approved	Approved	Q4 2026	Q4 2026
<p><i>Activity in 26/27:</i> Support an award-winning programme in sustainable healthcare that empowers NHS and healthcare organizations to merge sustainability with clinical practices. Its goal is to improve outcomes, reduce costs, and drive the transition to sustainable future</p> <p><i>Resource requirements:</i> SEP Team, Comms.</p>						
Community Centre Retrofit	Approved	Approved	Q1 2026	Q3 2026		

Activity in 26/27: Adoption of community centre approach to social value, including solutions, volunteering, advice, mentoring, and awareness of other SEP social value initiatives e.g. Coventry Grows and Retrofit Training Programme.

Resource requirements: SEP Team, E.ON Volunteers, GFS, Commercial Services Volunteering group, CCC Community Team.

Key risks and mitigations

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5



Key Partnership Risks, Mitigations & Outcomes (1/3)

Page 80

Status column is to summarise the risk at a moment of ABP release

Risk	Type	Description	Mitigation	Status
Funding Availability	Financial	Reduction to government or commercial funding for renewable energy schemes (e.g. due to budget cuts, financial crisis, global volatility)	<ul style="list-style-type: none"> Review viable funding options with Council (e.g. equity, debt, 3rd party) with close ties to WMCA funding approach. Create monitoring process and a roadmap of funding for clean energy schemes. 	Open – under review Ongoing mitigation
Macro-economics	Financial	Challenges impacting all solution types as well as hurdle rates for capital investment projects	<ul style="list-style-type: none"> Regular review of the Project Acceptance Criteria (PAC) and specific project investment by Programme Leads and Finance Leads. Develop the Project Portfolio based on experience of the SEP teams for the ABP and SBP. 	Open – under review Ongoing mitigation
Conflicting Historic Planning Policy	Operational	Increased difficulty to deliver projects due to conflicting or historic policies	<ul style="list-style-type: none"> Identify constraints or issues that existing planning policy could impose on schemes offering benefits to Coventry and its residents. Collaborate with the Council to identify potential policy solutions. 	Open – under review Ongoing mitigation
Global Supply Chain Challenges	Operational	Reduced ability to source materials and core infrastructure either resulting in a delay to the delivery of a project, and therefore delayed returns, or inflated pricing	<ul style="list-style-type: none"> Enable visibility of the potential supply chain requirements over the mid-term. Align needs with local and Global supply chain teams to ensure the optimum economic outcome is achieved. In some cases may also include strategically delaying a project to ensure that the CJV is able to secure economic efficiencies and value for money. 	Open – risk not live

Key Partnership Risks, Mitigations & Outcomes (2/3)

Risk	Type	Description	Mitigation	Status
Resource Availability	Operational	Not enough skilled personnel and / or funding for resources, available throughout the project	<ul style="list-style-type: none"> Regular resource planning and allocation, along with continuous monitoring of resource usage, will help in proactively identifying and addressing any resource constraints. Dedicated SEP Team (both E.ON and CCC). 	Open – under review Ongoing mitigation
Stakeholder Alignment	Operational	Lack of shared understanding of the SEP and its projects' objectives and outcomes	<ul style="list-style-type: none"> Establishing clear communication channels, involving stakeholders in decision-making processes, and regularly updating them on projects. Conducting workshops/meetings to address concerns and gathering feedback will foster collaboration and buy-in from stakeholders. 	Open – under review Ongoing mitigation
Schedules & Costs	Operational	Changes in project requirements/ scope as well as unforeseen expenses or inaccurate estimates can lead to delays and increased costs	<ul style="list-style-type: none"> Implementing a change management process, incl. procedures for approving and documenting changes. Regular progress reviews and proactive risk management. Transparent communication with stakeholders about any changes. Developing detailed and accurate cost estimates, along with contingencies for unexpected expenses. Regular budget reviews and financial reporting. 	Open – under review Ongoing mitigation
Regulatory & Compliance	Legal	Changes in regulations or non-compliance with existing regulations	<ul style="list-style-type: none"> Monitoring of the regulatory environment and conducting compliance audits. Ensuring that project teams are trained in relevant regulations and adopting best practices for compliance. 	Open – risk not live

NB: Project risks to be picked up through project governance processes

Key Partnership Risks, Mitigations & Outcomes (3/3)

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Risk	Type	Description	Mitigation	Status
Political Cycle	Operational	The democratic electoral process results in new central or local government administrations during the JVA term. The electoral process can lead to a new government makeup with varying views on Net Zero Agenda.	<ul style="list-style-type: none"> • Raise awareness of wider benefits of SEP projects including affordability of energy, resilience of energy supply, job and skills creation, community benefit and carbon reduction. • Regular engagement with political parties, relevant Whitehall departments and regional administrations. 	Open – under review Ongoing mitigation
City Demographic Changes	Operational	Changing city demography driving different needs of the Council and thereby the SEP.	<ul style="list-style-type: none"> • Regular review as part of Strategic Business Plan to look at wider partnership themes which will be reflective of the needs of the city. • Regular review of social value strategy in line with the process above to ensure SEP community benefit programmes are reflective of city demographic and needs. 	Open – under review Ongoing mitigation

NB: Project risks to be picked up through project governance processes

Partnership operational overview

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9



Introduction to the Organisational Summary

We have created a **leadership** and **management structure** that will be fully accountable for the delivery of the partnership objectives, both strategically and operationally. The **CJV Board** is specifically designed to integrate with the Council's dedicated roles and promote a culture of collaboration and partnership working ensuring the achievement of outcomes and the monitoring, measurement, and assessment of performance to drive continuous improvement. We have committed a permanent partnership team who will work on a project-by project basis. The **operational team** will work with focus and pace and have an eye on the horizon with specific external focus on partnerships, innovation, and social value.

Partnership Costs

Both E.ON and the Council are fully committed to the success of the partnership and will allocate skilled resources across the project value chain, covering origination, development, design, build, and operation. **The cost of these resources will not be an additional expense for the partnership**, except for specific project-related costs that require external recruitment.

E.ON **will not recharge any overhead costs** associated with the E.ON SEP Team from any project in the first 5 years of the SEP. From year six, the Team costs will be capable of being recovered from the CJV Portfolio returns*.

Organisational structure on
following page

*reference partnership agreement documentation for information on management of overhead costs



Level 1
CJV Steering

E.ON UK Board

Council Steering Group

Level 2
CJV Board

CJV Board: equal representation from Council and E.ON

Level 3
Operational Team Leadership

E.ON Programme Lead

Council Programme Lead

Operational Team

Operational Team



Level 4
Operational Teams

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Level 5
Project Delivery

Project Delivery

Expertise from outside of the SEP brought into the delivery of initiatives from across the Council and E.ON to enable SEP outcomes

Operational information

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Locations

Joint working space

One Friargate, Station Square, Coventry
CV1 2FL, UK

Coventry City Council

Coventry City Council, PO Box 7097,
Coventry, CV6 9SL

E.ON UK plc

2 Prince's Way Solihull B91 3ES



Contact

E.ON

tomorrowscities@eonenergy.com

Coventry City Council

strategicenergypartnership@coventry.gov.uk



Board meetings

Duration

120 minutes

Frequency

Once a month on average

CJV Board meetings 2026

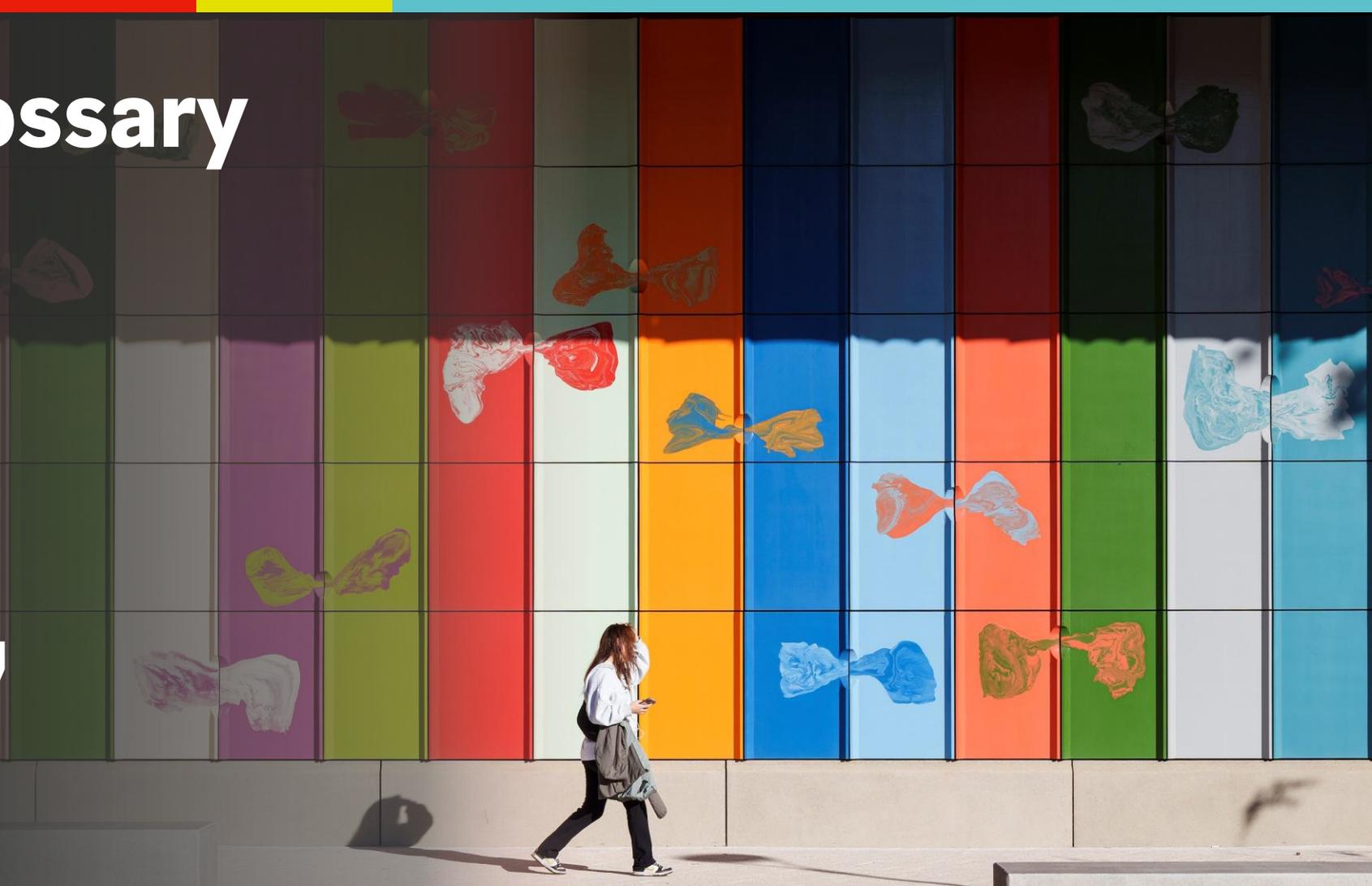
- March 26th 2026
- April 23rd 2026
- 21st May 2026
- 25th June 2026
- 23rd July 2026
- 27th August 2026
- 24th September 2026
- 22nd October 2026
- 19th November 2026
- 17th December 2026

Meeting attendees

- **CJV Board Constitution:** 6 Council, 6 E.ON
- **Standing CJV Board meeting:** Council Programme Lead, E.ON Programme Lead, Transformation and Change Programme Manager
- **Flexible CJV Board meeting:** As required
- **Quorum:** 2 Council, 2 E.ON

Glossary

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Acronyms & Glossary

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ABP	Annual Business Plan
BAU	Business As Usual
(B)EV	(Battery) Electric Vehicle
BESS	Battery energy storage solutions
CAGR	Compound annual growth rate
CAPEX	Capital expenditures
CBF	Community Benefit Fund
CCC	Coventry City Council
CDP	A globally recognised charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts
CJV	Contractual Joint Venture
Community Benefit / Social Value	The social impact and benefits that a business/project provides to society ensuring tangible, meaningful and real place-based benefits within communities.

DEVEX	Development spend, spent in assessing projects
E.ON	E.ON UK plc
EBIT	Earnings Before Interest, Taxes
ECS	E.ON Control Solutions
ED&I	Equality, Diversity and Inclusion
EIS	Energy Infrastructure Solutions (E.ON)
EPC	Energy Performance Certificate
ESG	Environmental, Social and Governance
FTE	Full-time equivalent/employee
LSOAs	Lower layer Super Output Areas
MEES	Minimum Energy Efficiency Standards
MTP	Medium-term plan
MW	Megawatt (measure of power)
MWh	Megawatt-hour (measure of power consumption/usage)
NPV	Net Present Value

OPEX	Operating expense
PAC	Project Acceptance Criteria
PHEV	Plug-In Hybrid Electric Vehicle
PSDS	Public Sector Decarbonisation Scheme
RIBA	Royal Institute of British Architects
ROCE	Return on Capital Employed
R&M	Council Repair and Maintenance team
SBP	Strategic Business Plan
SEP	Strategic Energy Partnership
SLT	Senior Leadership Team
SME	Small Medium Enterprise
SROI	Social Return on Investment
TCV	Total Contract Value
TOMs	Themes, Outcomes and Measures
V2G	Vehicle to Grid



COVENTRY TRANSPORT MUSEUM

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Public report Coventry Shareholder Committee

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

12 March 2026
17 March 2026

Name of Cabinet Member:

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

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected: None

Title:

Coventry and Warwickshire Growth Hub – Transition

Is this a key decision?

No.

Executive summary:

The Coventry and Warwickshire Growth Hub (CWGH) was established in 2014 and are 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.

During the closure process of Coventry & Warwickshire Local Enterprise Partnership in the in 2023, the LEP Board, including the Local Authorities across the sub-region, determined that CWGH should continue as a legacy of CWLEP. As a result, the joint (50/50) shareholders of the CWGH are Coventry City Council (CCC) and Warwickshire County Council (WCC).

It is now necessary to change the way that CWGH operates in order to align with the regional approach to economic development in the West Midlands, and the availability of funding.

A new West Midlands Growth Hub (WGMH) will be established, and given the strength of CWGH, it is proposed that the organisation is best positioned to be the platform for the new service.

The new WMGH, which would still be based in Coventry, will be set up as a new division within West Midlands Growth Company (WMGC). It is important to emphasise that Coventry businesses will still receive the support they require, and that knowledge and best practice developed at CWGH will be applied across the West Midlands.

Similarly, Warwickshire businesses will still benefit from a Growth Hub service, and by continuing close working relationships between the teams at Coventry City Council and Warwickshire County Council (WCC), the important Coventry and Warwickshire business geography will still be served in a coherent way.

This report sets out details of the proposed changes required to CWGH in order to establish the new West Midlands Growth Hub and seeks delegated authority to complete the necessary due diligence and make these changes.

Recommendations:

The Scrutiny Co-ordination Committee is requested to:

- (1) Consider the Coventry and Warwickshire Growth Hub transition proposal and forward any comments or recommendations to the Coventry Shareholder Committee.

The Coventry Shareholder Committee is recommended to:

- (1) Consider any comments or recommendations from the Scrutiny Co-ordination Committee.
- (2) Approve the transfer of CCC shares in CW Business Solutions to the West Midlands Growth Company Limited.
- (3) Approve the transfer of CW Growth Hub Limited assets to West Midlands Growth Company Limited.
- (4) Thereafter, approve the winding up of companies remaining in the CW Growth Hub Group which will no longer be required under the new proposed arrangements.
- (5) Grant delegated authority to the Director for Regeneration and Economy, following consultation with the Cabinet Member for Jobs, Regeneration and Climate Change, Director of Finance and Resource and the Director for Law and Governance to:
 - a. Finalise the Heads of Terms to facilitate the proposals set out in this report
 - b. Agree the financial consideration to be paid for the transfer of CW Growth Hub Limited Assets and CCC shares in C&W Business Solutions
 - c. Approve the transfer of residual reserves from CW Growth Hub Ltd to be split equally between Coventry City Council and Warwickshire County Council after all winding up costs have been recovered

- d. Approve how best to proceed in terms of future operations of CW Champions
- e. To complete all necessary due diligence related to the above matters, including making any necessary and incidental variation to the proposals set out in this report and to enter into all necessary legal agreements.

List of Appendices included:

None.

Background papers:

None.

Other useful documents

None.

Has it or will it be considered by Scrutiny?

Yes: Scrutiny Co-ordination Committee – 12 March 2025

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes

Will this report go to Council?

No.

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Report title: Coventry and Warwickshire Growth Hub Report – Future Direction

1. Context (or background)

- 1.1. The Coventry and Warwickshire Growth Hub (CWGH) was established in 2014. 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.
- 1.2. During the closure process of Coventry and Warwickshire LEP in 2023, 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.
- 1.3. As a result, the joint (50/50) shareholders of CWGH are Coventry City Council (CCC) and Warwickshire County Council (WCC).
- 1.4. It is now necessary to change the way that CWGH operates in order to align with the regional approach to economic development in the West Midlands.
- 1.5. An Economic Development Functions Review (EDFR) for the West Midlands was undertaken, following agreement at the November 2024 West Midlands Combined Authority (WMCA) Board. This was driven by concerns about the West Midlands business support landscape being fragmented, which made it confusing and ineffective for businesses. It was proposed that a new model would rationalise public funded support and connect it to the rest of the business support ecosystem.
- 1.6. At the WMCA Board meeting on 14th November 2025, key recommendations of the EDFR were agreed i.e. the formation of a new Economic Delivery Vehicle (EDV) providing a new consolidated, networked approach to economic development, designed to avoid duplication, overlap and fragmentation.
- 1.7. A key part of these proposals is the establishment of a new West Midlands Growth Hub (WMGH) to lead delivery of a new service for up to 1,500 businesses in the region with high growth potential. Given the strength of C&W Growth Hub, it is proposed that the organisation is best positioned to be the platform for WMGH, which will continue to be based in Coventry.
- 1.8. It is important to emphasise that Coventry businesses will still receive the support they require, and that knowledge and best practice developed at CWGH will be applied across the West Midlands.
- 1.9. Similarly, Warwickshire businesses will still benefit from a Growth Hub service in Warwickshire, and by continuing close working relationships between the teams at Coventry City Council and Warwickshire County Council (WCC), the important Coventry and Warwickshire business geography will still be served in a coherent way.

- 1.10. WCC plan to use grant from Department of Business and Trade (DBT) to provide a Growth Hub role in-house, with a route to respond to business enquiries for Warwickshire businesses.
- 1.11. This report sets out details of the proposed changes required to CWGH in order to establish the new West Midlands Growth Hub and seeks delegated authority to complete the necessary due diligence and make these changes.

2. Options considered and recommended proposal

- 2.1. **Option 1 – Do nothing.** As DBT funding for Growth Hubs is no longer available in Coventry, there would be insufficient funds to for CWGH to operate from April 2026, and the organisation would have to rely on its reserves.

- 2.1.1. This is economically unsustainable and not the recommended option.

- 2.2. **Option 2 – Repurpose CWGH to become the new West Midlands Growth Hub from April 2026**

- 2.2.1. The following companies make up the CWGH group:

- **CW Growth Hub Limited.** Provides core Growth Hub services.
- **CW Business Solutions.** Delivers regional and commercial contracts, using grant and commercial income.
- **CW Champions Limited.** Responsible for Coventry and Warwickshire Champions, a member-funded business network.

- 2.3. CWGH's board is made up of both public and private sector representatives, with CCC having a representative on the board.

- 2.4. The key points of the proposal for transitioning from CWGH and forming WMGH are summarised in the following sections.

- 2.5. The current CWGH management team (CEO, Deputy CEO, Finance Director and Office Manager) will join the West Midlands Growth Company Ltd (WMGC) to establish WMGH as its subsidiary.

- 2.6. The current CWGH assets will be transferred to WMGC, inclusive of fixed assets, Intellectual Property and knowhow, relevant contracts, and the office lease to allow them to be used in the new WMGH.

- 2.7. CW Business Solutions Ltd currently delivers regional programmes such as Made Smarter and the WM Investment Zone Supply Chain Transition, and this work will continue. CW Business Solutions will become a subsidiary of WMGH. The CW Business Solutions team of twelve individuals will remain unchanged and will also transfer to WMGH via TUPE.

- 2.8. Consultation is underway with all CWGH staff, including seven who are potentially at risk of redundancy. There may be opportunities for these staff to find roles elsewhere in WMGC as the new regional economic development functions are set up. In the

event of redundancies, costs will be covered from CWGH's reserves which have been maintained at a level adequate to cover all closure costs of the business.

- 2.9. Coventry and Warwickshire Champions will continue under the new arrangements. Due diligence will be completed to determine the best way to continue to provide this important member funded business network for Coventry and Warwickshire.
- 2.10. Once all the above transactions are completed CWGH Ltd will no longer be required and will be wound up.
- 2.11. The closure costs will be financed using the company reserves and will not require additional financial resource from Coventry City Council or Warwickshire County Council. Once closure costs have been covered, residual reserves will be split equally between the two local authorities and ringfenced for business support activities.
- 2.12. As joint shareholders, CCC and WCC will work together with their respective Legal teams to complete the necessary work.
- 2.2.4 Based on the above considerations, Option 2 is the preferred option.

3. Results of consultation undertaken

- 3.1. CWGH is in the process of undertaking HR consultations with its staff on the proposed changes.

4. Timetable for implementing this decision

- 4.1. The new ownership structure for WMGH will be established from 1st April 2026. Due diligence will continue to ensure costs and risks to shareholders are acceptable following which the proposed delegated authorities would be exercised
- 4.2. In addition, representatives from Coventry City Council and Warwickshire County Council's Finance teams will meet with the Growth Hub's Company Secretary to review the financial position both before and after CWGH's transition.

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

5.1. Financial Implications

- 5.1.1 The Council is making a revenue contribution of £70k to CWGH this financial year. This payment is funded by grants from Central Government which will not be available after this financial year.
- 5.1.2 The cost of the proposal is at least cost neutral to the City Council. It is expected that existing CWGH reserves are sufficient to fund any exit strategy, such that the company will meet all costs associated with the proposed transactions, with any remaining surplus monies being redistributed back in equal amounts to the two shareholders.

5.2. Legal Implications

- 5.2.1 The proposed restructuring of Coventry & Warwickshire Growth Hub Ltd (CWGH Ltd), including the transfer of its subsidiary and assets to the West Midlands Growth Company (WMGC), has several legal implications for Coventry City Council (CCC) as shareholder.
- 5.2.2 TUPE – The transfer of CWGH’s management team to WMGC will take place under the Transfer of Undertakings (Protection of Employment) Regulations 2006. CWGH Ltd must comply with all TUPE duties, including providing employee liability information and settling all pre-transfer employment liabilities. Any non-compliance could result in claims that reduce distributable reserves.
- 5.2.3 Transfer of Assets and Subsidiary – The transfer of CWGH Ltd’s assets and its subsidiary (C&W Business Solutions Ltd) will require appropriate legal documentation, warranties, indemnities, and the assignment/novation of relevant contracts. CCC must ensure decisions comply with best value duties and do not expose the Council to unnecessary financial or legal risk.
- 5.2.4 Winding Up of CWGH Ltd – Following the transfers, CWGH Ltd is expected to enter a solvent Members’ Voluntary Liquidation. All liabilities—including leases, service contracts, tax, and final accounts—must be settled before liquidation. Insolvency practitioner fees and termination costs will be met from CWGH Ltd reserves. Unresolved liabilities risk delaying final distributions.
- 5.2.5 Reserves – Remaining reserves (approx. £700k) will be distributed equally between CCC and Warwickshire County Council, minus associated closure costs.
- 5.2.6 Overall, CCC’s exposure relates to ensuring compliance with TUPE requirements, securing a lawful and orderly transfer of assets and the subsidiary, and ensuring CWGH Ltd can be safely wound up with no residual liabilities that could affect final distributions to shareholders.

6. Other implications

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

- 6.1.1. The formation of the West Midlands 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”. Key objectives of the WMGH will be to support high growth businesses in Coventry to innovate, grow and scale up, and create new jobs.

6.2. How is risk being managed?

- 6.2.1. Regular operational and finance meetings with CWGH make sure that the risk to the Council is managed appropriately. In addition, closure costs are monitored closely, and sufficient reserves are always maintained to meet potential closure costs – this procedure removes a key risk.

6.2.2. A Health and Safety Policy are 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?

6.3.1. To help manage the transition of CW Growth Hub to WM Growth Hub, it is necessary for CCC's staff within the Economic Development Service, Legal and Finance teams to work together, ensuring that that the organisation's financial, legal and operational position is 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.

6.4. Equalities / EIA?

6.4.1. CWGH will need to consider the equalities impact on staff of the proposed changes.

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

6.5.1. The WMGH will be proactively promoting the Energy Advice Service 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?

6.6.1. The WMGH will be an integral part of Coventry's business support ecosystem. Working closely with the Business Support team within CCC and generating cross referrals; they will also continue to engage with Partners such as the CW Chamber of Commerce, CWRT, Federation of Small Businesses, Business Growth West Midlands and local Universities.

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Legal: Gurbinder Singh Sangha	Corporate & Commercial Lead Lawyer	Legal	19/02/2026	19/02/2026
Names of approvers for submission: (officers and members)				
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Director: Barry Hastie	Director of Finance and Resources	Director	27/02/2026	27/02/2026
Members: Councillor Jim O'Bolye	Jobs Regeneration and Climate Change	-	23/02/2026	25/02/2026

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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.

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

12 March 2026
17 March 2026

Name of Cabinet Member:

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

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

None.

Title:

UKBIC Business Plan 2026/27

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 provides an update on the business planning for the 2026/27 financial year.

Recommendations:

The Scrutiny Co-ordination Committee is recommended, following consideration of the corresponding private report to:

- (1) Consider the report on UKBIC's 2026/27 business plan and to forward comments and / or recommendations to the Coventry Shareholder Committee

The Coventry Shareholder Committee is recommended following consideration of the corresponding private report to:

- (1) To consider any comments and / or recommendations from the Scrutiny Co-ordination Committee.
- (2) Approve the report on UKBIC's 2026/27 business plan.

List of Appendices included:

The following appendices are attached to the corresponding private report:

Appendix 1 – UKBIC 2026/27 Budget

The following appendices are attached to this report:

None

Background papers:

None.

Other useful documents

None.

Has it or will it be considered by Scrutiny?

Yes – Scrutiny Coordination Committee 12 March 2026.

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No.

Will this report go to Council?

No.

Report Title:

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 a loan from WMCA, with repayments secured through an arrangement put in place with UKBIC Ltd ensuring that the Council is put in funds. The latest position on the loan is included at in section 3.2 below
- 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. The Faraday Challenge is now known as the Battery Innovation Programme and is funded by UKRI (UK Research and Innovation).
- 1.4. UKBIC Ltd (company no. 11227726) 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, a Battery Innovation Programme Director attends the board as an observer.
- 1.5. The Battery Innovation Programme provides 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 and reviewing performance of the companies in its ownership. Failure to present this report will mean that the Council is not provided with visibility over the budget which UKBIC Ltd has set for the coming financial year. This report has therefore been prepared to meet this requirement.
- 2.2. This is not the recommended option.
- 2.3. **Option 2 – Approve the UKBIC Business Plan 26/27** This report has been drafted in line with the Council's governance and reporting requirements for companies in its ownership. This is the recommended option.

3. UKBIC Business Planning 2026/27

- 3.1. CCC does not provide any ongoing funding for UKBIC, but it did provide a one-off short term £500k loan in 2021 which is being repaid in line with expectations, and due to be fully repaid by 2027.
- 3.2. New terms were agreed for the WMCA loan for UKBIC in March 2025. The first capital repayment was due to be made in December 2025, but the loan has now been restructured into an interest-only basis with interest payments due to commence in 2027/28. The £18m capital is due to be repaid to WMCA in 2032. The loan is secured against UKBIC's land and buildings.
- 3.3. The principal activity of the company is to provide focused capabilities to enable industry, via open access, to scale up and commercialise advanced battery technologies central to the development and manufacture of batteries.
- 3.4. The UKBIC Ltd Board met to approve the company's budget for 26/27 which is included at Appendix 1 of the corresponding private report.
- 3.5. The company has considered scenarios for sales revenue across the main areas of the businesses, which are:
 - ISL: The full-scale battery industrialisation line.
 - FPL: The new Flexible Pilot Line, which allows customers to undertake smaller and more flexible work with smaller batches of materials etc.
 - M&P: The Module and Pack line, where individual cells are combined into battery packs like those installed in vehicles.
 - T&S: UKBIC's training functions.

4. Results of consultation undertaken

No consultation has been undertaken.

5. 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 2026/27.

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

6.1. Financial Implications

The UKBIC budget is attached at Appendix 1 of the corresponding private report, and sets out a balanced budget for the financial year, with income from government funding and sales to customers balanced against the cost of staffing, overheads and materials etc.

The company is meeting repayments on the £500k loan from CCC which is due to be fully repaid by 2027.

6.2. Legal Implications

UKBIC is complying with its governance requirements under the Articles of Association and in relation to the obligations under the grant agreement.

7. Other implications

7.1. 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 completely 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.

7.2. 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 Battery Innovation Programme 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.

7.3. 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.

7.4. Equalities / EIA?

No equalities impact assessment has been undertaken.

7.5. 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.

7.6. 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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Mike Phillips	Lead Accountant	Finance	19/02/2026	24/02/2026
Names of approvers for submission: (officers and members)				
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Legal: Oluremi Aremu	Head of Legal and Procurement	Law and Governance	13/02/2026	17/02/2026
Director: Barry Hastie	Director of Finance and Resources	-	24/02/2026	24/02/2026
Members: Councillor Jim O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change	-	23/02/2026	25/02/2026

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Public report
Coventry Shareholder Committee

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Scrutiny Co-Ordination Committee
Coventry Shareholder Committee

12th March 2026
17th March 2026

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

Ward(s) affected:
All

Title:

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

Is this a key decision?

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

Executive summary:

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

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

Recommendations:

The Scrutiny Co-ordination Committee is recommended to:

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

Coventry Shareholder Committee is recommended to:

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

List of Appendices included:

None

Background papers:

None

Other useful documents

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

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

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

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

Has it or will it be considered by Scrutiny?

Yes – 12th March 2026

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

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

1. Context (or background)

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

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

2. Options considered and recommended proposal

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

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

2.2.1. Coventry Municipal Holdings (CMH)

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

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

2.2.2. No Ordinary Hospitality Management (NOHM)

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

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

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

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

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

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

2.2.3. Tom White Waste Limited (TWW)

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

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

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

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

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

2.2.4. Coventry Technical Resources Limited (CTR)

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

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

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

3. Results of consultation undertaken

- 3.1. No consultation undertaken.

4. Timetable for implementing this decision

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

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

5.1. Financial Implications

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

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

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

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

5.2. Legal Implications

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

6. Other implications

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

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

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

6.2. How is risk being managed?

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

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

6.3. What is the impact on the organisation?

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

6.4. Equalities / EIA?

No Equalities Impact Assessment (EIA) has been undertaken.

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

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

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

6.6. Implications for partner organisations?

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

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Director: Barry Hastie	Director of Finance and Resources	-	19.02.26	27.02.26

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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.

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

12 March 2026
17 March 2026

Name of Cabinet member: Cabinet Member for Jobs, Regeneration and Climate Change
– Councillor J O’Boyle

Director approving submission of the report:
Director of Property Services and Development

Ward(s) affected:
None

Title:
Friargate JV Company - Business plan and financial update

Is this a key decision?
No

Executive summary:

Friargate JV Project Limited (the “Company”) was incorporated on 17th December 2018 as a jointly owned property management and development trading company between the City Council and Friargate Holdings 2 Limited with each party holding equal shares. The aim of the Company centres on developing a property portfolio consisting of both commercial and residential properties that is available for sale or rent in accordance with the Friargate Masterplan.

The business of the Company is governed by a Shareholders Agreement which sets out the governance arrangement between the Shareholders in relation to a number of matters including the review of the Company against the Business Plan which is the subject of this report.

The Company has operated under an initial business plan focussed on acting commercially to bring forward the development of the whole of the Friargate Masterplan prioritising the construction of the first phase of development consisting of the following:

- a) the delivery of four commercial buildings and a hotel; and
- b) Where possible, to act in good faith to bring forward the wider development of the Friargate Masterplan in an expeditious manner

This report sets out the Business Plan for the Company during the period between 2026 - 2030, which provides for the company's vision and broad strategic objectives and monitoring and assurances on the financial position to secure the ongoing viability of the Company.

The business plan states that the Company will act commercially to bring forward development in accordance with the Friargate Masterplan Objectives in order to:

- a) Maximise on every commercial opportunity available
- b) Trade in such a manner that acts in the best interest of the Company
- c) Optimise the financial return to the Shareholders
- d) Make a positive contribution to the delivery of commercial and residential schemes to meet commercial and housing needs in all segments of the market

Recommendations:

The Scrutiny Co-ordination Committee is recommended to:

- 1) Consider the report and identify any additional recommendations to the Coventry Shareholders Committee

The Coventry Shareholder Committee is recommended to:

- 1) Consider any comments and/or recommendations from Scrutiny Co-ordination Committee
- 2) Consider and approve the draft Friargate Business Plan 2026 – 2030 as set out in Appendix 1 of the corresponding private element of this report.
- 3) Note the financial update on the Company as set out in the Appendix of this report.

List of Appendices included:

Financial Update 2026/2027

Background papers:

None

Other useful documents

Cabinet and Council Report – Friargate Joint Venture – 9 January 2018 and 16 January 2018 respectively

Has it or will it be considered by Scrutiny?

Yes – Scrutiny Coordination Committee 12 March 2026

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

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Friargate JV Company - Business plan and financial update

1. Context (or background)

- 1.1. Friargate JV Project Limited (the “Company”) was incorporated on 17th December 2018 as a jointly owned property management and development trading company between the City Council and Friargate Holdings 2 Limited with each party holding equal shares. The aim of the Company centres on developing a property portfolio consisting of both commercial and residential properties that is available for sale or rent in accordance with the Friargate Masterplan.
- 1.2. The Company has operated under an initial business plan focussed on acting commercially to bring forward the development of the whole of the Friargate Masterplan prioritising the construction of the first phase of development consisting of the following (the “**Company Objectives**”):
 - a) the delivery of four commercial buildings and a hotel; and
 - b) Where possible, to act in good faith to bring forward the wider development of the Friargate Masterplan in an expeditious manner.

Development of Property and Business Plan

- 1.3. To date, the Company has facilitated the delivery of one commercial building (known as Friargate Two), a hotel (known as Hotel Indigo) and infrastructure works to unlock further plots within the overall Friargate Masterplan. It should be noted that the Council has played an influential role in facilitating development of the Friargate Masterplan through securing grant funding (used towards the delivery of Friargate Two) and leveraging its influence to bring Hotel Indigo (a four star hotel in the City).
- 1.4. The Company is under an obligation to keep the Business Plan under review and the document at Appendix 1 of the corresponding private element of this report sets out the Business Plan for the Company during the period of the next four years.
- 1.5. The Company continues to act commercially to bring forward the development of the whole of the Property it owns in accordance with the aims of the Company Objectives, the delivery of which are to be underpinned by the following principles:
 - a) Maximising on every commercial opportunity available
 - b) Trading in such a manner that acts in the best interest of the Company
 - c) Optimising the financial return to the Shareholders
 - d) Making a positive contribution to the delivery of commercial and residential schemes to meet commercial and housing needs in all segments of the market
- 1.6. Any receipts received by the company following sale of landholdings shall (unless otherwise resolved by the Shareholders) be applied initially towards the provision of

sufficient working capital and reserves as deemed necessary by the Board to ensure the proper discharge and delivery of the Objectives.

The construction and delivery of future buildings shall be determined as part of the ordinary course of business of the Company with decisions on timing and mechanisms being determined by the Company in accordance with its governance arrangements.

Estate Management

- 1.7. The largest asset held by the Company is its landholding within the Friargate Masterplan boundary. Accordingly, the Company ensures proper management of the property assets of the Company whilst the development and sale of future plots are explored.
- 1.8. Further details of the estate management activities are set out in the updated business plan attached at Appendix 1 of the corresponding private element of this report.

Financial Update

- 1.9. The Appendix to this report sets out a summary of the financial position of the company following its last financial year.
- 1.10. Further financial information is also contained in the corresponding private element of this report

Other matters

- 1.11. This Business Plan shall be valid for four years and will be reviewed by the Company on an annual basis with any amendments being undertaken in accordance with the governance arrangements set out in the Shareholder's Agreement.
- 1.12. As new buildings are being delivered, the Company will establish and maintain a Marketing Strategy to ensure that the full potential of the Masterplan as a destination for commercial and residential opportunities is promoted.

2. Options considered and recommended proposal

2.1. Option 1– Do nothing (Not recommended)

The Company's Shareholders' Agreement requires the Board of Directors to keep the Business Plan under review and for any update to be provided to the Shareholders for comment before it is adopted and this report meets this requirement. Failure to keep the Business Plan under review will result in the Company not maximising the Company Objectives and failing to comply with the terms of the Shareholders' Agreement.

This option is therefore not recommended.

2.2. Option 2 – Approve the Company business plan 2026-2030 (Recommended)

In accordance with the provisions of the Shareholders' Agreement, the Board of Directors have reviewed the current business plan and determined that this needs to be updated. Approving the Company business plan will facilitate the ability of the Company to have clear direction endorsed by the Shareholders and progress the planned activities accordingly. This is the recommended option.

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 Company will be notified that the Council has received and approved the Company Business Plan 2026 - 2030 and can therefore be adopted by the Company as the updated Business Plan for the planned period (subject to the annual review).

4.2. Further performance updates on implementation of the Company Business Plan 2026 - 2030 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

The Council purchased a 50% equity stake in the Friargate JV Company at its inception, which was used to secure the land within the Friargate Masterplan which was necessary to deliver the Company's objectives.

The existing cash balances for the Company at the end of the last financial year are viewed as sufficient working capital to carry out the activities in the business plan.

There will be no financial obligation on the Council to invest or provide additional project funding as part of this report.

Further details on the financial update of the Company are contained in the corresponding private element of this report.

5.2. Legal Implications

The Company is complying with the governance requirements set out in the Shareholders' Agreement. The updated Business Plan subject to this report will be reviewed by the Company on an annual basis and any subsequent amendments will be brought back to the Shareholder Committee for their comment and endorsement.

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 objectives of the Company presents a significant opportunity to act as an interface between the existing city centre projects and also as a catalyst for other private sector investment creating jobs and boosting investment within the Friargate Masterplan.

The Company also contributes to achievement of the visions set out in the One Coventry Plan 2022 – 2030 by:

Improving the economic prosperity of the city and regions - delivering new jobs, and providing a positive impact on the local economy; and

Council's role as a partner, enabler and leader – leveraging relationships with stakeholders and interested parties towards securing third party investment into the development of the Friargate Masterplan.

6.2. How is risk being managed?

The primary risk is 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 within the agreement which must demonstrate value for money alongside other key criteria in order for a plot to be developed.

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 and/or compensate for the same.

The updated Business Plan also identifies ensuring that all development and management activities is compliant with building regulations and safety. The Company continues to maintain an active oversight of health and safety, both during enabling works and throughout any construction. This is achieved through all contractors submitting and maintaining suitable construction phase plans, method statement and risk assessments prior to any works being undertaken.

In implementing the updated Business Plan, the Shareholders and the Board of Director will work in partnership to effectively manage the risks arising through the implementation of the company objectives set out in the updated Business Plan.

6.3. What is the impact on the organisation?

The Council continues to provide ongoing time committed from the two CCC Directors who sit on the Company Board of Directors.

6.4. Equalities / EIA?

The Public Sector Equality Duty (PSED) contained in section 149 of the Equality Act 2010 requires public authorities to have due regard to several equality considerations when exercising their functions. While the Council does not have control over the operations of the Company and are not involved in day-to-day operations, it does have significant influence in its capacity as Shareholder. It is therefore important for the Council to consider the PSED in its role as a shareholder.

No equality impact assessment has been carried out as the recommendations in this report do not constitute a new project or review existing / develop new Council strategies, policies, guidelines or services.

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

The development of the Friargate Masterplan by the Company will deliver office accommodation, reflecting modern day standards and building regulations. The use of new materials will eliminate energy loss from the fabric of the buildings and promote energy efficiency, resulting in a reduction in carbon emissions and utility costs for occupiers.

Commercial buildings constructed as part of the Friargate Masterplan scheme will have the benefit of connecting to the Heatline network allowing all future tenants to connect to the renewable energy source.

6.6. Implications for partner organisations?

None

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Richard Moon	Director of Property Services and Development	-	20/02/2026	02/03/2026
Members: Cllr O'Boyle	Cabinet Member for Jobs, Regeneration & Climate Change	-	20/02/2026	02/03/2026

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Friargate Business Plan 2026 – 2030

Contents

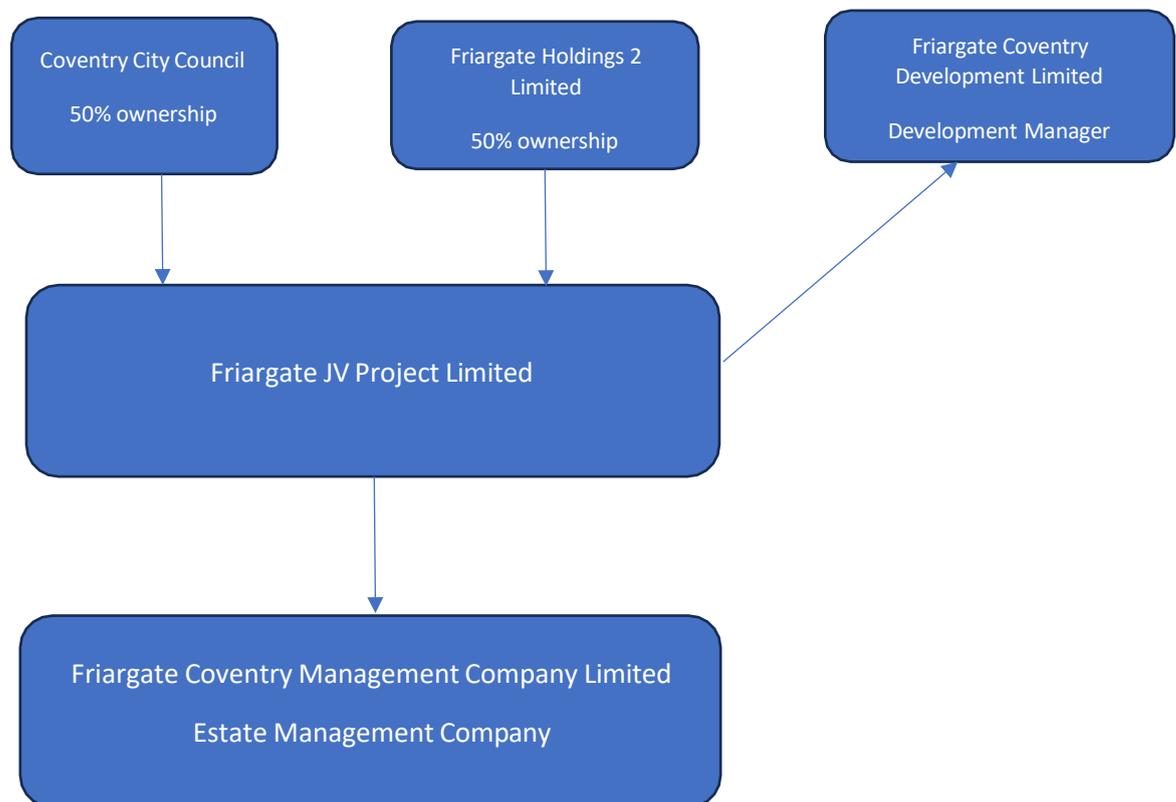
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1. Introduction and Background

1.1 Friargate JV Project Limited (the “**Company**”) was created on 15th January 2019 and has operated under a business plan focussed on the delivery of the first phase of constructions, this being the delivery of four commercial buildings and a hotel. To date, the Company has facilitated the delivery of one commercial building (known as Friargate Two), a hotel (known as Hotel Indigo) and infrastructure works to unlock further plots within the overall Friargate Masterplan.

1.2 The Company has been created as a jointly owned property management and development trading company (50% owned by Coventry City Council and 50% owned by Friargate Holdings 2 Limited) with the aim of developing a property portfolio consisting of both commercial and residential properties that is available for sale or rent within the boundary of the Friargate Masterplan (see edged red on the plan at Appendix 1)

1.3 The Company structure is set out below:



1.4 This document sets out the Business Plan for the Company during the period of the next four years. It provides for the following:

- a) the company’s vision and broad strategic objectives towards delivering on its Objectives (as set out below in paragraph 2); and
- b) monitoring and assurances to secure the ongoing viability of the Company.

1.5 Any decisions to implement a proposal which falls within the remit of this Business Plan will be the subject of a detailed report being provided to the Board of Directors for consideration in accordance with the governance arrangements.

2. Overall Objective of the Company

2.1 The Company (through its Shareholders) will act commercially to bring forward the development of the whole of the Property in accordance with the Friargate Masterplan ("the Objectives").

2.2 The delivery of the Objectives will be underpinned by the following principles:

- a) Maximising on every commercial opportunity available
- b) trading in such a manner that acts in the best interest of the Company
- c) optimising the financial return to the Shareholders
- d) making a positive contribution to the delivery of commercial and residential schemes to meet commercial and housing needs in all segments of the market

2.3 This business plan is subject to the terms of the Shareholder's Agreement dated 20 December 2018 as varied from time to time (including but not limited to the Deed of Amendment and Restatement dated 15 January 2019) ("the Shareholders Agreement"). To the extent there is any contradiction between the Shareholders Agreement and the terms of this Business Plan the Shareholders Agreement will take precedent and nothing in this Business Plan shall in any way waive, vary, disapply or override the rights of the Shareholders as detailed in the Shareholders Agreement.

3. Development of the Property (Commercial Buildings, Residential Opportunities and Infrastructure Delivery)

3.1. The Company will actively progress the development of the entirety of the Property for residential and commercial purposes in accordance with the parameters set out in the Friargate Masterplan planning permission as amended from time to time (Appendix 1 - Plans).

3.2. Any capital receipts to the Company shall (unless otherwise resolved by the Shareholders) be applied initially towards the provision of working capital deemed necessary by the Board to ensure the proper discharge and delivery of the Objectives.

3.3. The Company will also work to gain vacant possession of the land and buildings required for the development of the Objectives and will work to establish the infrastructure necessary for the Masterplan and procure such infrastructure when deemed appropriate.

3.4. The construction and delivery of future buildings shall be determined as part of the ordinary course of business of the Company with decisions on timing and mechanisms being determined by the Company in accordance with its governance arrangements. In relation to the construction and delivery of future buildings, the Development Manager will be engaged by the Company in accordance with the terms of the Umbrella Development Management Agreement entered into between the Company and the Development Manager and dated 15 January 2019.

- 3.5. The Company will also act in good faith to bring forward the wider development of the Friargate Masterplan in an expeditious manner.
- 3.6. The Company, through instructions to its Development Manager, will work constructively to deliver site wide infrastructure to support planned future development (including support for funding bids). Where site wide infrastructure involves work being procured through CCC, this will be considered by the Company where such support is in its best interest.
- 3.7. The Company will work to ensure that the Estate Management Company (Friargate Coventry Management Company Limited) is appropriately resourced in order to:
 - a) meet the estate-wide commitments to tenants,
 - b) produce an annual Estate Service Charge budget; and
 - c) collect service charges due.

The Estate Management Company will need to enter into arrangements with third parties to discharge its estate management responsibilities, the cost of which will be met from Service Charges received from tenants of the existing buildings. However, it should also be stated that the Company will be required (where necessary) to meet any shortfall in the working capital which the Estate Management Company holds to ensure that the Estate Management Company can meet its obligations with any arrangements put in place.

- 3.8. This Business Plan shall be valid for (four) years and will be reviewed by the Company on an annual basis with any amendments being taken in accordance with the governance arrangements set out in the Shareholder's Agreement.
- 3.9. In order for the Company to meet the ambitions set out in relation to the development of the property, the following action plan will be progressed and implemented:
 - a) Updating the Friargate Masterplan to reflect the Station Masterplan and the Indigo Hotel as implemented and to ensure that the planning conditions, parameter plans, mix and density of uses remain relevant for the market (see Appendix 2 – Proposed Amended Masterplan).
 - b) Taking the necessary actions to ensure that the Company is ready to develop future plots for Commercial, Hotel and Residential uses by preparing and submitting schemes for planning consent in order to establish a development pipeline to be implemented as market conditions and funding opportunities become available.
 - c) Where the existing estate buildings are becoming obsolete or dangerous or required for development, then these buildings will be planned for demolition.

- d) Bringing forward a strategy which gives consideration to the planning and implementation of further site-wide infrastructure to ensure that development plots become fully serviced in preparation for development.
- e) Consideration will be given to identifying meanwhile uses where suitable plots or public realm can accommodate third party activities when not in use for development purposes. Priority is to be given to activities that can generate income or otherwise contribute to the wider development by way of placemaking.
- f) Consolidation of the estate title of the Friargate Masterplan, in particular for those plots being prepared for the next phase of development. This will also make it easier for title due diligence to be provided when the Company is proposing to dispose of land to third parties (either through the grant of leases or freehold disposals).

4. Estate Management

- 4.1. The Masterplan area west of Warwick Road is currently used for surface car parking, which will continue until the land is required for development to generate revenue.
- 4.2. Hoarded Sites - Development plots R01, R02, R04, R06, R07, C07 and C08 are currently hoarded and are not open to public access. There may be an opportunity to utilise these sites for meanwhile uses and revenue generation until developed.
- 4.3. Friargate Boulevard: the Estate Management Company will enter into a service level agreement with Coventry City Council for the maintenance and upkeep of the Boulevard and the public realm areas immediately surrounding the completed buildings (One Friargate, Two Friargate and the indigo Hotel).
- 4.4. Central Six – the Company exercised in the summer of 2025 its option on the parcel of land on the northern edge of the access to Central Six retail park and is now in the process of appointing an agent to manage the site on behalf of the Company. The management of this area will need to be incorporated into the current arrangements. The income received by the Company in relation to Central Six (including but not limited to income from the occupational leases) will be reinvested into the Company and the promotion of activities detailed in this Business Plan.

5. Health and Safety

- 5.1. The Company is committed to ensuring that all development and management activity across the masterplan is compliant with the Construction (Design and Management) Regulations 2015, the Building Regulations, and relevant duties under the Building Safety Act 2022. The JV will therefore continue to maintain an active oversight of site health and safety, both during enabling works and throughout construction, by requiring all contractors to submit and maintain suitable Construction Phase Plans, method statements, and risk assessments prior to commencing work.
- 5.2. Recognising its role as landowner and client under CDM 2015 and the Building Safety Act, the Company will ensure that:

- a) Health and safety duties are coordinated from pre-construction through to handover.
 - b) Designers and contractors are appointed based on demonstrable competence and compliance.
 - c) Key risk areas—such as fire safety, structural integrity, public access, and temporary works—are considered at a masterplan level and not just at building plot level.
- 5.3. Where applicable, the Company will collate site-specific fire strategies and safety management documentation to support continuity, inform future phases, and assist contractors during site set-up and logistics planning. This strategic approach is particularly important given the phased nature of the masterplan, the interface with public areas, and the presence of temporary event infrastructure.
- 5.4. The Company's health, safety, and regulatory compliance expectations will be reviewed regularly and integrated into project gateway reviews and client briefing documents throughout the life of the Business Plan.
- 5.5. This commitment reflects the Company's leadership role in promoting a safety-first culture, supporting regulatory compliance, and protecting all those involved in or affected by development activity across Friargate.
6. Marketing & Promotion of the Property
- 6.1. The Company will establish and maintain a Marketing Strategy to ensure that the full potential of the Masterplan as a destination for commercial and residential opportunities is promoted.
- 6.2. The Marketing Strategy will seek to cover the following:
- a) Promoting the destination to the local, national and international property markets by providing support to various trade forum for example, MIPIM, UKREiiF, British Council for Offices and other events within an annual budget.
 - b) The promotion will be targeted at investors and potential occupiers, but will defer to any direct marketing of property on the Estate.
 - c) The promotion will need to be carefully co-ordinated with any inward investment initiatives by Coventry City Council or the West Midlands Combined Authority.
 - d) The project website will be maintained and managed at all times to provide a first point of reference for information with social media links and connections to encourage enquiries and to promote the destination.
 - e) A strategy for a small number of one-off events for placemaking.

f) A strategy for managing and updating the site Hoardings.

g) A strategy for providing support and information to the Estate tenants.

6.3. The Marketing Strategy will be implemented within an annually agreed budget.

Appendix 1
Current Friargate Masterplan Plan



FRIARGATE, COVENTRY
MASTERPLAN 2
GENERAL ARRANGEMENT
MASTERPLAN 2
612.00_07_002
DATE: 10/06/14

Allen and Morrison Architects
85 Southpark Street
London SE1 0TH
Tel: 020 7921 0100
Fax: 020 7921 0101

Rev	Date	Author	Checked

Appendix 2

Proposed Amended Friargate Masterplan Plan

key

- residential
- offices
- hotels
- station
- public realm
- bus station
- car park





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.

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

12th March 2026
17th March 2026

Name of Cabinet Member:

Cabinet Member for City Service – Cllr P Hetherton

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

None.

Title:

Sherbourne Recycling Limited Business Plan 2026/27 - update to the Waste Services Agreement and Shareholder agreement.

Is this a key decision?

No.

Executive summary:

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 are customers of the facility since it became operational during 2023.

The purpose of this note is to provide oversight of the business plan for SRL for 2026-27, to provide an update on the Waste Services Agreement in place between Coventry City

Council and SRL and to seek delegated approval, to facilitate changes to the Shareholder Agreement.

These changes will enable the appointment of an independent non-executive Chair to the Board of Directors. Provide future provision for an additional three independent board directors, if and when needed. The appointment of an independent Chair will further enhance the governance of the company, as it embarks on its next phase of business growth and development. This change will also make future provision to bring additional skills into the boardroom where needed.

This change would also look to amend board voting rights from one vote at a Board meeting weighted according to the relevant proportion of shares held to one vote per board member and to include voting rights for the independent Chair and Managing Director.

As a company evolves and matures, it's common for board composition and governance arrangements to be reviewed and developed over time. Shareholder voting rights, Shareholding equity percentages and reserved matters would not change because of this decision.

Recommendations:

The Scrutiny Co-ordination Committee is recommended, following consideration of the corresponding public report to:

- (1) Consider the report and identify any additional recommendations to the Coventry Shareholders Committee

The Coventry Shareholder Committee is recommended following consideration of the corresponding public report to:

- (1) Consider any comments and/or recommendations from Scrutiny Co-ordination Committee.
- (2) Approve the proposed changes to the Shareholder Agreement as set out in Appendix 1 of the corresponding private report.
- (3) Note the principles of the Business Plan for Sherbourne Recycling Group 2026 –2027 set out within section 2.2.15 to 2.2.23 of this report
- (4) Note the changes to the Waste Services Agreement between Coventry City Council and Sherbourne Recycling as set out in Appendix 2 of the corresponding private report.
- (5) Delegate authority to the Director of City Services, following consultation with the Director of Law and Governance the Cabinet Member for City Services, to undertake any due diligence and thereafter to finalise and implement the necessary variations to the Shareholder Agreement and Waste Supply Agreement for Sherbourne Recycling Ltd and Sherbourne Recycling Trading Ltd.

List of Appendices included:

None.

Background papers:

None

Other useful documents

None

Has it or will it be considered by Scrutiny?

Yes – Scrutiny Co-ordination Committee 12th March 2026

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

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Business Planning Update for 2026-27 for Sherbourne Recycling Limited

1. Context (or background)

- 1.1. SRL was established in 2021, with the construction phase completed during 2023 and became operational in September 2023. SRL is the result of an innovative collaboration between eight local authorities in the West Midlands who invested £65M in the creation of a state-of-the-art MRF, integrating specialist artificial intelligence with optical sorters and robotics to produce high quality recyclate destined for UK markets.
- 1.2. The current board composition is made up from eight nominated Council appointed directors, as well as the Managing Director and Company Secretary. The Council's Director of Digital Services is the Council's nominated Board Director. There are currently no independent non-executive directors on the board.
- 1.3. SRL also has a trading subsidiary; Sherbourne Trading Ltd, whose board currently replicates the Board of the main company.
- 1.4. Under the existing Shareholder Agreement, it does not make provision for an independent chair, non-executive independent chairs or for such directors to be remunerated. The current governance arrangements for the Chair of the Board, is that it rotates every twelve months between Council appointed directors unless otherwise agreed by the Board.
- 1.5. The current Board director voting rights are based on a % weighting to reflect the differing levels of investment made by each shareholding council.
- 1.6. SRL has achieved several initial successes, including securing its first external clients, contributing to national policy discussions, featured on the BBC's One Show and the 'living lab' is attracting work from major fast moving consumer good companies.
- 1.7. In 2025, SRL won three national awards:
 - APSE's national award for best Commercialisation and Entrepreneurship Initiative.
 - Material Recycling World National Recycling Awards for Recycling Facility of the Year and Independent Operator of the Year.

It's industry good practice to review governance arrangements at certain points to ensure they remain effective, fit for purpose and aligned to changing business needs.

2. Options considered and recommended proposal

- 2.1. **Option 1: Not Recommended - Do not approve the changes to the Shareholder Agreement** – This would contravene the external governance review recommendations that have been made and would not represent good governance

for the company. In seeking to change the Shareholder Agreement three options considered by the Board and Shareholders were:

- 2.1.1. **Appointing an independent Chair without voting rights:** The professional advice is not to do that. A Chair of a board would expect to have a vote on decision making matters of the Board. Having a vote will ensue personal investment in SRL and therefore a vested interest in its success.
- 2.1.2. **Not appointing an independent Chair:** The annual rotation of Chair by Council appointed directors is not effective corporate governance, as does not provide the board with continuity of leadership. Council appointed Chair's often lack the additional time commitment needed for this role and there will be more pressure in the short-term with local government re-organisation.
- 2.1.3. **Not having the ability to appoint Independent Non-Executive Directors:** The professional advice is that business evolves and looks to grow it is useful to have the ability to appoint such skills to the Board. The appointment of such Non-Executive Directors will require a Board recommendation to Shareholder Panel for a decision which ensures Shareholders continue to inform the decision-making process.

2.2. **Option 2: Recommended – Approve the changes to the Shareholder Agreement**

- 2.2.1. Changes to the Shareholder Agreement are recommendations from an independent external governance review, which was commissioned by the Board of Directors (with Shareholder support). This review was a commitment within the 2025/26 SRL business plan, as the Board and Shareholders recognised company governance would need to evolve, as the business continues to develop and grow. A summary of these changes is included as Appendix 1 of the corresponding private report.
- 2.2.2. It's often expected that corporate governance arrangements are reviewed at appropriate times. In the case of SRL, it was expected that governance arrangements during the construction phase would need to be reviewed once there had been a period of operational running of the company. It was recognised that what is needed at construction phase and running a business are likely to be different.
- 2.2.3. There are currently two formal governance boards in place for SRL. The SRL Board which oversees and provides direction on the day-to-day management and operational matters of the business. This is represented by Board Directors from each partner organisation – the Coventry representative being the Director of Digital Services.
- 2.2.4. The SRL Shareholder Panel oversees and provides direction on overall strategic and large-scale matters of the business via its Delegations Policy which was approved by Full Council. This is represented by elected member representatives from each of the partner organisations – the Coventry representative being the Cabinet Member for City Services.

- 2.2.5. The proposed change to the Shareholder Agreement will update how voting works at the SRL Board by moving from a system where votes are weighted according to each council's shareholding, to a simpler approach where every board member has one equal vote. This change is needed so that an independent Chair and any future independent non-executive directors can properly carry out their duties as full board members. In practice, this adjustment does not materially alter how the key decisions of the company are made. All significant or strategic matters will still follow the existing shareholder voting rules via the SRL Shareholder panel, where each council's vote remains weighted in line with its ownership share. This means that shareholders retain full control over significant decisions, and the shift to equal board votes only affects day-to-day board governance, not the major reserved matters that determine the direction of the company.
- 2.2.6. It is important to note that the voting rights of Shareholders for reserved matters will not be affected by this change and CCC would continue to retain their % vote weighting as per the original Delegations Policy, as set out in the Shareholders Agreement.
- 2.2.7. All eight shareholding Councils must formally agree to amend the Shareholder Agreement, for the changes to Shareholder Agreement to be implemented. At SRL's November shareholder Panel, there was in principle support for the appointment an independent Chair and the other changes, as set out in this report. Formal decisions are being progressed by all eight shareholders.
- 2.2.8. The voting rights of Shareholders for reserved matters will not be affected by this change and would continue to retain their % vote weighting as per the original Delegations Policy, as set out in the Shareholders Agreement.
- 2.2.9. All eight shareholding Councils must formally agree to amend the Shareholder Agreement, for the changes to Shareholder Agreement to be implemented. At SRL's November shareholder Panel, there was in principle support for the appointment an independent Chair and the other changes, as set out in this report. Formal decisions are being progressed by all eight shareholders.
- 2.2.10. Based on the rationale set out, this is the recommended option.
- 2.2.11. Waste Services agreement update**
- 2.2.12. Each partner organisation has a Waste Service Agreement in place with SRL. The Waste Service Agreement is the formal mechanism that:
- Enables partner councils to send their recyclate to Sherbourne Recycling
 - Ensures SRL can legally and operationally process that material
 - Sets transparent financial terms and risk-sharing arrangements
 - Creates a consistent, collaborative framework across the partner authorities
 - Supports both interim and long-term use of the Coventry MRF as a shared regional asset

2.2.13. The original Waste Services Agreement was established during the build phase of the SRL facility. Since the facility has become operational and more established, a review of the WSA has been undertaken in conjunction with each partner organisation. The changes are summarised below:

- All mention to commissioning payments now removed
- Gate fee simplified to one amount and fixed and variable element removed
- Reconciliation payment included for quarter end reconciliation on actual tonnage
- Rebate – the essence of this is the same in that it is a full pass through of all material revenue / cost of the supplier council's material.
- Contamination uplift – wording not changed but previously in variable cost of gate fee now deducted from rebate.

2.2.14. A summary of changes proposed for the Waste Services Agreement is included as Appendix 2 of the corresponding private report.

2.2.15. Overview of Business Plan for 2026/27

2.2.16. SRL has performed well over the twelve months. Operational performance KPIs are reported regularly to the SRL Board covering areas such as plant availability and throughput (which are steadily improving), inbound and outbound haulage and stock controls and Health & Safety. The plant is able to process all delivered material with only the occasional need to extend operating hours when demand increases or due to maintenance requirements.

2.2.17. The business plan set the aim of achieving and implementing ISO standards 9001 (quality management), 14001 (environmental management) and 45001 (occupational health & safety) which were achieved in March. The business is currently in the process of being recertified.

2.2.18. Sherbourne's high performance and quality standards have been recognised over recent months with the company winning the award for Best Commercialisation and Entrepreneurship Initiative at the Association for Public Service Excellence (APSE) Annual Service Awards 2025 and taking home the awards for Recycling Facility of the Year and Independent Operator of the Year at the MRW National Recycling Awards in November.

2.2.19. The current business plan for Sherbourne Recycling Limited runs from 2025 – 2028.

2.2.20. The Business Plan sets out four main strategic priorities:

a) Operational Excellence

- Continued optimisation of facility performance through maintenance, improved cleaning regimes, and equipment enhancements.
- Targets include increasing plant availability to 85% and reducing residue to below 18%.

- Ongoing work with partners to improve material quality, helping reduce disposal costs and increase rebates.

b) Response to Legislative Change

Government reforms (Simpler Recycling, Extended Producer Responsibility, Deposit Return Scheme, and Emissions Trading Scheme) will significantly change waste composition and service expectations. Sherbourne will:

- Support partners in meeting statutory duties, including TEEP (technically, environmentally and economically practical) assessments and adapting to four-stream collection requirements;
- Assess and plan for the inclusion of cartons, films, and flexibles;
- Engage with national bodies and industry to ensure policy alignment and future readiness.

c) Commercial Growth to Support Council Dividends and Reduce Costs

- Expansion of third-party contracts to make better use of facility capacity.
- Participation in the spot market for some recyclates where financially advantageous.
- Sherbourne Trading will lead commercial initiatives while Sherbourne Recycling maintains core public-sector processing.
- Planning approval to increase operational capacity will enable additional revenue and improve economies of scale.

d) Environmental, Social and Governance Commitments

- Commitment to reducing carbon emissions through improved recycling quality and local reprocessing markets.
- A new Environmental and Social Values Charter will set measurable targets.
- Strengthened workforce development including apprenticeships and local training partnerships.
- Plans to pursue ISO 9001, 14001 and 45001 accreditations and work towards B-Corp status. Certified B Corporations are companies verified by B Lab to meet high standards of social and environmental performance, transparency, and accountability

2.2.21. Progress against the plan is reported to the SRL Shareholder Panel where there are representatives from each partner organisation.

2.2.22. It is important to note that SRL meeting all of its financial obligations to each of the partner organisations in respect of the loan repayments. See 5.1 below

2.2.23. There are strong working relationships between SRL colleagues and operational colleagues. For Coventry this is specifically noted in the collective work being undertaken to address the high contamination rate of recycling being sent to SRL from Coventry.

3. Results of consultation undertaken

3.1. No consultation undertaken.

4. Timetable for implementing this decision

4.1. The business plan and waste service agreement changes are included in this report for noting. Upon the approval of this report, SRL will be notified that the Shareholder has approved the changes to Shareholder Agreement and the changes will be progressed through SRL and CCC legal teams.

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

5.1. Financial Implications

The Council has a waste supply contract with SRL. Payments are made quarterly in advance based on estimated tonnages and adjusted to reflect actuals as necessary.

The annual company plan will include projected dividends subject to company profit levels, which the Board will be asked to authorise. No dividend is forecast in the financial year ending March 2026.

The Council, along with the other shareholders, provided long term loans to finance the construction of the MRF. These loans were in proportion to shareholdings, with the Council providing 21.5%. SRL are up to date with loan repayments at the time of reporting.

5.2. Legal Implication

Sherbourne Recycling Limited ("SRL") is jointly owned by eight local authority shareholders. Under the existing Shareholders' Agreement (SHA), no amendment or variation can be made unless all Shareholders agree unanimously. The proposed governance changes therefore require Coventry City Council's approval as part of this collective decision-making process.

In accordance with the Delegations Policy within the SHA, decisions relating to amendments to the Shareholders' Agreement are classified as Shareholder Reserved Matters and fall within the remit of the Council's Shareholder Committee. Cabinet approval is required to authorise the Shareholder Committee to provide the Council's formal consent to the proposed variations.

If unanimous approval across all Shareholders is not obtained, the current SHA will remain in force and the proposed changes cannot be implemented. The Council must act in accordance with its obligations under company law, the SHA and its internal governance arrangements.

The Council and Sherbourne Recycling Limited ("SRL") are also proposing to vary the existing Waste Supply Agreement between the parties. The same amendments have been shared with all Shareholders to ensure consistency, and the underlying

commercial principles have been agreed between the Council, SRL and the operational leads.

6. Other implications

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

The ongoing forecast reduction in carbon dioxide emissions with Council vehicles not having to travel to alternative facilities, the reduction in the amount of waste due to the production of higher quality output materials and the powering of the facility using low carbon fuel sources will contribute to tackling the causes and consequences of climate change.

The savings on the previous haulage costs to transport waste to for processing and the additional income generated by the sale of recycled materials will help to contribute towards the continued financial sustainability of the Council.

6.2. How is risk being managed?

The Council have provided a shareholder loan to SRL which creates risk due to currency fluctuations, default and interest rate risk. The risk of default is mitigated by regular monitoring of company performance, SRL budgeting for the repayments in their business plan and the security provided by a legal charge over the assets of the company.

SRL have identified risks and mitigations which are specific to the operations of the company in the appended business plan.

6.3. What is the impact on the organisation?

The Council must continue to provide the appropriate staffing resources to manage its equity interest and the commercial loan, seeking external advice where needed. The long-term investment value was assessed by an external valuer as at 31st March 2025. The valuers report included a valuation of the MRF site by a chartered surveyor.

There is also an ongoing time commitment from the CCC Director who sits on the SRL Board and the Cabinet Member for City Services who sits on the SRL Shareholder Panel

6.4. Equalities / EIA?

The Public Sector Equality Duty (PSED) contained in section 149 of the Equality Act 2010 requires public authorities to have due regard to several equality considerations when exercising their functions. While the Council does not have control over the operations of SRL and are not involved in day-to-day operations, it does have significant influence. It is important for the Council to consider the PSED in its role as a shareholder. SRL's objectives are to provide a safe place of work for all and to be a good neighbour that positively contributes to the local community and demonstrates strong social and environmental practices. SRL have developed an Equality & Diversity policy and all policies and procedures were reviewed within 6 months of

company incorporation by appointed HR consultancy support. This provides assurance that no specific groups are likely to be negatively impacted by the operations of the company.

No equality impact assessment has been carried out as the recommendations in this report do not constitute a new project or review existing / develop new Council strategies, policies, guidelines or services.

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

The development and future operation of the MRF is expected to make a positive impact on climate change and the environment. Further details are provided in section 6.1 of this paper as performance in this area is a key reason that SRL contributes towards the One Coventry Plan.

6.6. Implications for partner organisations?

SRL is operated in partnership with seven other local authorities from across the region. Any impact on the Council or the other shareholders as a result of the report is covered in the appended documents.

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