

Coventry City Council
Minutes of the Meeting of Coventry Shareholder Committee
held at 2.00 pm on Tuesday, 23 April 2024

Present:

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

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

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

Employees (by Directorate):

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

Apologies: Councillor R Brown and P Hetherton

Public Business

16. Declarations of Interest

There were no disclosable pecuniary interests.

17. Minutes

The minutes of the meeting held on 23rd September 2023 were agreed and signed as a correct record.

There were no matters arising.

18. 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
24	Strategic Energy Partnership Performance Update and Acceptance of Strategic Business Plan for 2024-2029 and Annual Business Plan For 2024/25	3
25	Business Planning Cycle for 2024-25 for the Coventry Municipal Holdings Group	3
26	Coventry and Warwickshire Growth Hub Business Plan	3
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19. **Strategic Energy Partnership Performance Update and Strategic Business Plan for 2024-2029 and Annual Business Plan for 2024/25**

The Committee received a presentation and considered a joint report of the Director of Innovation and Director of Regeneration and Economy, which provided a performance update and set out the high-level vision and strategic theme for the Strategic Energy Partnership (SEP) for the first five years (2024-2029) as per the agreed governance process.

Coventry SEP is a contractual joint venture between the Council and E.ON UK plc (E.ON) and was formed in September 2023 following a competitive dialogue procurement process. The initial term of the partnership is 15-years.

Tackling the causes and consequences of climate change is a key corporate priority as set out in the One Coventry Plan. The rationale for the partnership was the recognition that whilst the Council has a critical role to play in tackling climate change, it does not have sufficient expertise and access to the required capital to deliver its net zero ambitions. As such it was recognised that a strategic long-term partnership with industry was required, enabling a strategic partner to work together with the Council to develop strategies, business models and plans that will drive the city towards net zero and then have the capabilities to deliver these plans.

The use of a five-year Strategic Business Plan complemented by specific actions in an Annual Business Plan, plus a social value action plan, sets out the ambitions of the SEP and ensures a strategic and holistic approach to decarbonisation.

The Committee noted that the Strategic Business Plan and Annual Business Plan are required to be approved by the SEP Contractual Joint Venture Board, which comprises senior Council and E.ON representatives and Coventry Shareholder Committee. This is in line with the governance process approved by Cabinet and Full Council in September 2023.

Project progress (the gateway process) is approved by the SEP Contractual Joint Venture Board, provided it meets requirements set out in the approved Annual Business Plan. Any deviation from the Annual Business Plan is to be approved by the Contractual Joint Venture Board and Coventry Shareholder Committee (e.g., greater draw on funds than anticipated). Any Council capital investment (equity or loan) requirements would require Cabinet approval as per corporate governance, which would be required at final business case stage, and factored into the Council's Medium Term Financial Strategy as necessary.

Since the partnership commenced, teams have been focused on setting up the governance and organisational structures to enable an aligned, collaborative approach to the selection of projects and activities. The report submitted provided key highlights which included:

- Strategic Energy Partnership Contractual Joint Venture Board established with monthly meetings.
- Alignment of the Council and E.ON teams to co-ordinate work, including co-location of the Strategic Energy Partnership Programme Team in Friargate.
- Commencement of new projects following approval through approved Gateway process:
 - o Home Upgrade Grant (domestic energy efficiency scheme) – with additional added value brought by not needing an additional procurement process.
 - o New EV chargers installed at Coventry train station - which support new tenants in Friargate 2.
 - o Energy supply contract with more energy sourced from renewables.
- A further 13 projects in the pipeline.
- Development of Strategic Themes to underpin the partnership approach, as set out in the Strategic Business Plan:
 - o Clean Local Energy;
 - o Jobs and Skills;
 - o Innovation and Scale; and
 - o Community Benefit.
- Social Value is a very important aspect of the partnership, with E.ON allocating a fund to initiatives that generate a community benefit as well as it being a key consideration as part of technical projects that come through the 'gateway' process. Some of the initial initiatives that are being developed include an engagement programme for schools, development of a community champions' programme, a programme to support Care Leavers into work placements and the partnership is exploring projects to boost biodiversity in the city.
- Additional workstreams established include Innovation and Propositions and Communications and Engagement.

A corresponding private report detailing confidential financial matters was also submitted for consideration (minute 24 below refers).

RESOLVED that, the Coventry Shareholder Committee approve the Strategic Business Plan and the Annual Business Plan, as per the agreed governance process which is set out in the Strategic Energy Partnership Joint Venture Contract.

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

The Committee considered a report of the Director of Finance and Resources, which set out the Business Plans for Coventry Municipal Holdings (CMH) and its subsidiaries for the year ahead, ending 31st March 2025.

CMH is required by the Group Governance Agreement to present the group Business Plan for approval by the Coventry Shareholder Committee. CMH was set up as a holding company to strengthen the governance and management of the Council's subsidiaries. The Business Plan covered the following companies:

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

Each entity had set out their vision, strategic objectives and budgets for 2024/25, which were summarised in the report submitted.

A corresponding private report detailing confidential financial matters was also submitted for consideration (minute 25 below refers).

RESOLVED that, the Coventry Shareholder Committee approve:

- 1. The Business Plan for Coventry Municipal Holdings Limited.**
- 2. The Business Plan for Coombe Abbey Park Limited group.**
- 3. The Business Plan for Tom White Waste group.**
- 4. The Business Plan for Coventry Technical Resources Limited.**

5. The Group budget, as set out in the corresponding private report for Coventry Municipal Holdings Limited and its subsidiaries.

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

The Committee considered a report of the Director of Finance and Resources, which set out the Business Plan for the Coventry and Warwickshire Growth Hub.

Coventry and Warwickshire Growth Hub (CWGH) was established in 2014 using City Deal funding provided by Government. It was one of the first Growth Hubs to be established in England, before every Local Enterprise Partnership (LEP) area was subsequently given funding to establish a Growth Hub as a central coordination point for business support to try and simplify businesses' understanding of which business support products were appropriate to their individual needs. CWGH has been nationally recognised as a leading Growth Hub in the UK.

During the closure process of Coventry and Warwickshire LEP in 2022/23, 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 Place geography spans 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 Growth Hub Limited, which delivers the core Growth Hub service, the Growth Hub 'Group' includes subsidiaries Coventry and Warwickshire Champions, and Growth Hub Business Solutions (including the Projects team) which both operate unfunded and commercially.

The Business Plan was appended to the corresponding private report and outlined the plan for 3 years of operation from 2023/24 to 2025/26, detailing income and operating costs for the 'core' CWGB. The Council had agreed to make an annual revenue contribution, which was grant funded, for the three financial years 2023/24 to 2025/26. It was noted that Warwickshire County Council had also agreed to annual funding contributions to the CWGB. There were limited risks with the company balance sheet and the CWGB has sufficient resources to meet liabilities as they fall due. The Committee noted that the Council is not responsible for meeting liabilities in the role as shareholder as the CWGB is a private limited company.

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

A corresponding private report detailing confidential financial matters was also submitted for consideration (minute 26 below refers).

RESOLVED that, the Coventry Shareholder Committee approve the Coventry and Warwickshire Growth Hub three-year Business Plan attached as an appendix to the corresponding private report, up to the financial year ended 31st March 2026.

22. **UKBIC Business Plan 2024/25**

The Committee considered a report of the Director of Finance and Resources, which sought approval of the UKBIC Business Plan for 2024/25.

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.

Between November 2017 and October 2019, the Council approved the acceptance of £114m grant funding from Innovate UK's Faraday Battery Challenge towards the total cost of £132m to develop the UKBIC facility. The remaining £18m was provided in the form of an £18m repayable grant (essentially an interest free loan) from West Midlands Combined Authority (WMCA).

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 was critical to the future of the area's world-class automotive and advanced manufacturing cluster.

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

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

The UKBIC Business Plan for 2024/25 was appended to the corresponding private report and set out the strategic objectives for the coming year.

A corresponding private report detailing confidential financial matters was also submitted for consideration (minute 27 below refers).

RESOLVED that, the Coventry Shareholder Committee approve the UKBIC Business Plan attached as an appendix to the corresponding private report.

23. **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.

24. **Strategic Energy Partnership Performance Update and Acceptance of Strategic Business Plan for 2024-2029 and Annual Business Plan for 2024/25**

Further to Minute 19 above, the Committee considered a joint private report of the Director of Innovation and the Director of Regeneration and Economy, which set out the commercially confidential matters relating to a performance update of the Strategic Energy Partnership and the high-level vision and strategic theme for the first five years (2024-2029) as per the agreed governance process.

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

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

Further to Minute 20 above, the Committee considered a private report of the Director of Finance and Resources, which set out the commercially confidential matters relating to the Business Plans for Coventry Municipal Holdings (CMH) and its subsidiaries for the year ahead, ending 31st March 2025.

RESOLVED that, the Coventry Shareholder Committee approve:

6. **The Business Plan for Coventry Municipal Holdings Limited.**
7. **The Business Plan for Coombe Abbey Park Limited group.**
8. **The Business Plan for Tom White Waste group.**
9. **The Business Plan for Coventry Technical Resources Limited.**
10. **The Group budget for Coventry Municipal Holdings Limited and its subsidiaries.**

26. **Coventry and Warwickshire Growth Hub Business Plan**

Further to Minute 21 above, the Committee considered a private report of Director of Finance and Resources, which set out the commercially confidential matters relating to the three-year Business Plan for the Coventry and Warwickshire Growth Hub.

RESOLVED that, the Coventry Shareholder Committee approve the Coventry and Warwickshire Growth Hub three-year Business Plan attached as Appendix 1 to the report submitted, up to the financial year end 31st March 2026.

27. **UKBIC Business Plan 2024/25**

Further to Minute 22 above, the Committee considered a private report of Director of Finance and Resources, which set out the commercially confidential matters relating to the approval of the UKBIC Business Plan for 2024/25.

RESOLVED that, the Coventry Shareholder Panel approve the UKBICK Business Plan included as Appendix 1 to the report submitted.

28. **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 4.05 pm)