

## **Appendix 1 - Report on Strategic Energy Partnership Activity to date 2024/25**

### **1. Background to Strategic Business Plan and Annual Business Plan 2024/25**

- 1.1. The Strategic Business Plan sets out the high-level vision and strategic themes for the partnership for the first five years (2024-2029).
- 1.2. The Annual Business Plan sets out the details of programme activities and financial information, to deliver under the strategic themes and vision as set out in the Strategic Business Plan, for the year 2024/25.
- 1.3. Both business plans were approved at Shareholders' Committee on 23<sup>rd</sup> April 2024. This report provides an update on SEP activity.

### **2. Programme team and projects update**

- 2.1. The SEP partnership is a UK first, with an ambitious approach to delivering projects that help the city transition to net zero. The first year of the partnership has been focussed on establishing ways of working and developing its initial phase of projects. Alongside this, the SEP has been focussed on the development of the Coventry energy plan which has been fully funded by E.ON, and wider strategic discussions with partner organisations, supporting the One Coventry approach, to help facilitate and prioritise activity and actions delivered by the Partnership.

#### **2.2. Anchor projects progress**

Anchor projects were included in the contractual requirements of the energy partnership following a soft market test exercise at the start of procurement, to give bidders confidence in the opportunity. The Council identified five priority areas for delivery.

**Table 1.0 Progress update on anchor projects**

<b>Anchor project</b>	<b>Update</b>
Solar farm	The SEP is developing options for a significant ground mount solar scheme at Lenton's Lane. The scheme options are being developed to respond to concerns raised at Planning Committee earlier this year when an initial consent was sought by the Council and will be brought back to Planning in 2025.
Solar into schools	A pilot programme has been developed to deliver solar panels in up to five schools (subject to business case). This has also been linked to delivery of heat pumps to maximise efficiencies.

Public sector buildings (our own occupied estate) decarbonisation	A pilot programme has been developed to deliver heat pumps or solar panels in four council-owned buildings (Moat House Leisure and Neighbourhood Centre, Foleshill Library, Coundon Family Centre, and The Families for All Hub at 454 Foleshill Road). Work has commenced at two of the sites with other sites due to commence soon.
Energy security	The Coventry energy plan explores opportunities for local renewable energy generation and energy security, including ground-mount solar farms and building-mount solar. Further programme development work needed to follow on.
Fleet and depot decarbonisation	The Coventry energy plan explores potential sites for creating EV charger hubs within the city. Fleet and depot decarbonisation is not explored directly but the information will be useful towards understanding opportunities to decarbonise the Council fleet. Further work needed to develop opportunity.

### 2.3. Projects developed in year one

There has been a tremendous amount of activity in the first year of the Partnership. Project and programme delivery is well established with several projects now in delivery phase. There has been recognition at Strategic Energy Partnership (SEP) Contractual Joint Venture board that, whilst progress has been very positive, some of the projects brought to the SEP by the Council due to public funding received have been transactional (smaller, not strategic or connected to wider opportunities). Discussions are taking place on how to identify more strategic and holistic opportunities (larger programmes and making connections between opportunities) including regular strategic board discussions. The Coventry energy plan (explained in section 2.3) will provide a key component of this approach to make sure we are making a large and lasting impact on our city.

**Table 2.0 - Impact of projects in 2024/25 by programme**

Project	Description	Funding	Impact
<b>Solar schools</b>			
Solar schools phase 1	A pilot programme to deliver solar panels in up to five schools (subject to business case).	- Existing funds from schools capital programme	Reduce energy costs for schools.
Schools Heating PSDS	Plus delivery of heat pumps in two schools, these being schools with solar panels to achieve efficiencies.	- £0.9m Salix grant - Additional funding to be determined by	Increase renewable energy supply and resilience to buildings.

Project	Description	Funding	Impact
		a future business case	Additional work in schools includes careers talks/ energy workshops. Use of local supply chain at real living wage.
<b>Ground mount solar</b>			
Ground mount solar scheme	The SEP is developing options for a significant ground mount solar scheme at Lenton's Lane. The scheme options are being developed to respond to concerns raised at Planning Committee earlier this year when an initial consent was sought by the Council and will be brought back to Planning in 2025.	E.ON will fund the solar farm, to be confirmed by a future business case and subject to planning	c23MW solar farm, which could generate power for around 5000 homes.  Lower energy costs.  Will further increase the Council's share of renewable energy generation, improving energy resilience and lowering our carbon footprint.
<b>Council building decarbonisation</b>			
Public Sector Decarbonisation scheme	Developing a pilot programme to deliver heat pumps or solar panels in four council-owned buildings (Moat House Leisure and Neighbourhood Centre, Foleshill Library, Coundon Family Centre, and The Families for All Hub at 454 Foleshill Road). Work has commenced at two of the sites (Foleshill Library and 454 Foleshill Road) with other sites due to start soon, works at all	<ul style="list-style-type: none"> <li>- £1.0m approved Feb 2024</li> <li>- £0.8m Salix grant</li> </ul>	<p>Reduce energy costs Council buildings</p> <p>Increase renewable energy supply and resilience to buildings.</p> <p>Social value has included local talks and activities to influence communities to</p>

Project	Description	Funding	Impact
	sites are due to complete in early 2025.		support environmental protection and improvement at Moat house, Foleshill Road FC, Foleshill Library. Also used a local Midlands supplier in Daventry.
<b>Domestic energy efficiency</b>			
Home Upgrade Grant (HUG)	Energy efficiency for off-gas grid eligible homes. Funding to upgrade over 100 homes. There have been some challenges in deployment of this scheme, including limitations of grant criteria and delays in funding allocation, which have also been felt by other local authorities nationally.	100% grant funded from Midlands Net Zero Hub.	Expected that up to 74 homes will be retrofitted by March 2025 - which includes measures to improve insulation, ventilation, heating, and solar PV.  Social value – E.ON have committed to an additional 2% total of capital spend which can help to retrofit additional homes or other interventions that complement the programme.
ECO4	Energy Company Obligation is a requirement of all large energy suppliers to support deployment of energy efficiency/renewables measures in homes. EON and the Council have worked collectively to explore opportunities to increase deployment of ECO in Coventry and overcome barriers to installation. The	E.ON as obligated under government scheme	During 2023 and 2024 to date – E.ON delivered ECO4 (or complementary Great British Insulation Scheme – GBIS) in 105 Coventry properties. Spending almost £900k. Data

Project	Description	Funding	Impact
	Council would work with other energy companies in a similar way.		<p>shows an increase in installs since the start of the SEP indicating that collaboration has supported uptake.</p> <p>Improved energy efficiency of homes with related benefits of improved quality of life and health, reduces possibility of fuel poverty</p>
<b>EV Charging</b>			
EV charger installation	A total of 48 EV chargers to be installed or upgraded in three locations. EV chargers have been installed and commissioned in one location with other sites are due to be delivered soon on completion of contracts. At one site this has included two bays with chargers suitable for use by disabled drivers.	The business models for EV chargers differ according to location. However, chargers have been funded either from existing Council budgets or funded directly by E.ON.	Continued or increased access to EV chargers in more locations in the city including for disabled drivers. In support of transition to lower emissions vehicles.
<b>Other enabling projects</b>			
Electricity supply contract	A new 5-year energy supply contract for the Council. This is also an enabler for improved benefit of future SEP projects through opportunities such as sleeving (potential to 'sleeve' more renewable energy for the Council use) and netting (potential to sell surplus renewable energy for a fee), which we wouldn't be able to access without the SEP.	Existing Council energy budgets	<p>Higher mix of energy supplied to the Council comes from renewables.</p> <p>Will benefit future SEP projects through sleeving and netting renewable energy supply. Social value - 10 school energy audits, 16 school education</p>

Project	Description	Funding	Impact
			workshops, a volunteering programme and a work placement scheme.
Innovation & propositions	<p>The partnership supports making Coventry a live test bed and 'living lab' for new energy technologies and innovation, new start-ups and energy propositions to meet the needs of all sectors of the city. Further development work to take place based on emerging areas to focus on from local energy plan.</p> <p>An example pilot programme to improve access to energy improvement measures has recently launched, this is the first of this pilot and is in Coventry due to the SEP. The pilot will provide batteries and time of use tariffs to eligible EON Next customers (targeting those who may be struggling with bills). E.ON has worked with central government to develop and fund the scheme.</p>	<ul style="list-style-type: none"> <li>- Innovation funding through SEP contractual commitments</li> <li>- Other funding sources e.g. Innovate or Horizon to be explored</li> <li>- Pilot programme funded through E.ON and central government funds</li> </ul>	<p>Innovation programmes to support Coventry as a 'living lab' with project by project aims and benefits.</p> <p>Pilot programme will improve energy efficiency of homes with related benefits of improved quality of life and health, reduces possibility of fuel poverty.</p>

## 2.4. Coventry Energy Plan

### Background

A key piece of work in the last six months has been the development of the Coventry energy plan which has been fully funded by E.ON. The Coventry energy 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.

The development of the plan has been led by consultants Mott Macdonald, working closely with the SEP team and external stakeholders to develop a proposed pipeline of commercially viable and technically feasible energy projects, with a focus on heat decarbonisation for homes and businesses, retrofit of homes and SMEs, electric vehicle charging and renewable and low carbon energy generation. The interventions will

support a reduction in carbon emissions across the city by up to 65% by 2038 (based on 2021 baseline), producing 17% of the city's current electricity needs which will significantly increase energy resilience. In order to deliver this, significant public and private investment will be required.

Delivery of the plan will also be supported by enabler projects, using Coventry as a living lab to trial approaches which stimulate the market for delivery projects, for example, by creating new approaches to procurement, financing mechanisms or by unlocking policy barriers. This might include developing group purchase schemes (residential and commercial), testing out new technologies and services.

The development of the Coventry energy plan has drawn on expertise from across both organisations, alongside Mott Macdonald. At the Council, we have ensured a wide range of service areas have had chance to feed into the process, highlight ideas and raise any potential barriers. For example, reviewing the relationship with existing activity to decarbonise our estate and other strategic developments such as the Climate Change Strategy, the Local Plan Review and other plans for new developments. The Coventry energy plan development has also involved liaising with external stakeholders such as WMCA to discuss their regional energy strategy refresh, and National Grid Electricity Distribution to discuss wider energy distribution impacts. Such discussions may help facilitate energy system upgrades, funding opportunities and innovation projects. Other key stakeholders have included University of Warwick, Coventry University, Bring Energy (Heatline operator), Cadent and Severn Trent, with which E.ON has a pilot project to recover heat energy from waste-water in sewers to provide heating and cooling to local buildings.

The Coventry energy plan was completed in October and provides a prioritised approach to SEP activity which will feed into Annual Business Plan development. This will ensure that SEP activity focuses on priority interventions that will make the biggest impact to the city, benefitting residents, businesses and the public sector. The benefits of collaboratively developing the plan with E.ON include:

- providing a long-term plan that will help increase the scale and pace of the city's transition to net zero, that is supported by Europe's leading privately owned energy company, with the resource, expertise and investment that this brings;
- avoided costs, with the exception of Council officer time, E.ON has fully funded and led development of the plan at no cost to the Council;
- stronger commercial position to deliver projects - due to co-development, E.ON has aligned development of the Coventry energy plan with its financial planning processes, which should expedite ability to deploy projects. At Group level, E.ON has signalled to the market its intent to invest up to €42 billion to support the energy transition in Europe between 2024-2028, putting the city in a strong position to access investment, subject to developing a commercially viable pipeline of projects and planning consents.

If the Council had developed the plan in isolation, it would have been burdened with costs of development and would also have needed to attract potential investment to projects, delaying delivery.

## **SEP Board approved next steps**

The development of the Coventry energy plan assessed projects against a low, medium and high scenario of deployment based on National Grid Future Energy Scenarios. The SEP Board have agreed it will be aiming to deliver to the high scenario, bringing maximum impact to the city. The SEP team are now working to develop a detailed delivery plan which will be reflected in the Annual Business Plan.

## **2.5. Resources and ways of working**

The Council committed 2.5 FTEs to the SEP in September 2023. This has grown to 3.5 FTE, a Council delivery lead post being supported by grant funding. The E.ON team has grown from 8 FTEs to 14 FTE, at no cost to the Council. This has effectively more than doubled the capacity of the Council's Climate Change team, which is a huge benefit to ensuring we take action to tackle the causes and consequences of Climate Change, a key priority of the One Coventry Plan. The partnership also enables access to expertise from across E.ON as required further bolstering our resource; for example subject matter experts contributing to the Coventry Energy Plan and development of projects.

The partnership has established a joint working approach with teams co-locating in Friargate and E.ON's offices in Westwood. The programme team has established shared ways of working with regular meetings. Lessons learnt sessions have helped support improvements to how we work together as a team. Supporting the One Coventry approach we are extending this relationship to wider teams in the Council; this includes on individual projects and in the development of the Coventry energy plan.

## **Developing governance**

The SEP Contractual Joint Venture Board (CJV) is also now well established, meeting monthly. The meetings include strategic discussions to explore how we can tackle city-level challenges and unlock new opportunities and operational sessions to discuss specific projects and programmes within the established governance and gateway process.

A SEP communications group has been established and jointly works on managing SEP partnership and project specific communications opportunities and risks. An innovation workshop stream has begun and E.ON colleagues attend Council groups including an Innovation Working Group and Smart Cities workshops. This allows us to share expertise and exchange ideas; with additional opportunities also expected from the Coventry energy plan process.

## **3. Community Benefits update**

Embedding social value in the SEP will ensure long term social benefit and sustainable impact for the city.

The community benefit initiatives have progressed well during 2024. There are 8 community benefit projects either delivered or underway. Examples of initiatives being developed are below.



**Table 3.0: Impact of social value activity delivered through social value fund**

<b>Social Value Project</b>	<b>Description</b>	<b>Impact</b>
Schools Pilot Programme	Workshops on climate change & renewable energy including energy saving tips in the home delivered to 6 schools to Y5 and Y6 primary school children, 16 lessons, 480 children, 13 volunteers, 111 volunteering hours.	Sessions delivered between April to June 24 and were well received by children and schools included in the programme with requests for additional workshops. Joint engagement through SEP led to uptake rate of 60% (previous E.ON only programme uptake of 30%) <a href="#">Link to PR activity</a>
Care leavers placement	Working with care leavers on work experience placements, apprenticeships, careers and the “House Project”. These were designed to support care leavers from school year 9 (age 13/14) to age 24, helping to support them into work and to take control of their energy bills once they move to independent living.	First event held in May with seven attendees, a workshop on communication styles and how to present to an audience. Second event held in September with nine attendees focussing on Career immersion and opportunities at E.ON, CCC and Coventry Building Society. <a href="#">Link to PR activity</a>
Cornerstone	A careers outreach service to target disadvantaged students and promote pathways into work. This initiative aligns with our work experience and apprenticeship programmes. It covers all secondary schools including SEND schools.	Allows alignment with other SEP initiatives in schools and collaborative promotion of activities.
Biodiversity	Looking at ways of addressing biodiversity challenges in the city. The SEP will work alongside Parks, Environmental Services & Ecology teams to support delivery of the city’s Urban Forestry Strategy.	This will provide opportunities for tree planting across the city and seek innovative ways to involve communities to support this with a focus on promoting active health and wellbeing challenges through these projects.

<b>Social Value Project</b>	<b>Description</b>	<b>Impact</b>
Community Growing Programme	A Community growing programme is being developed to bring derelict sites back into community use for food growing and horticulture, which will help bring communities together, tackle food poverty and increase biodiversity with training support from Garden Organic. This has also provided funding for staff within the Council and voluntary sector to coordinate the programme.	<p>This will deliver 3 community growing sites in Hillfields, Willenhall and Binley. It will be supported by training for community volunteers through Garden Organic and provision of tools and equipment that residents.</p> <p>This will support 1.5 FTEs to coordinate the programme.</p> <p>Benefits to be realised included improved green spaces in Coventry, encourage wildlife, provide land for food growing, addressing food poverty and community cohesion.</p>
Careers fairs	<p>E.ON have supported events such as Job Shop open days, career events, pupil parliament, as a key employee in the City and sit on the city's Green Skills Action Group, working with partners to increase opportunities for local people to access training and reskilling for green jobs.</p> <p>The SEP are planning to develop more specific events linked to projects, helping to develop skills and capacity in the city to directly support projects that the SEP will deliver.</p>	Benefits to be realised include raise awareness of local employment opportunities in the city, promote green jobs in relation to SEP specific projects.
Books	The SEP have partnered with a local author and businessperson to commission two books as part of a series which celebrates Coventry's heritage. The books will focus on how to be a good Coventry Kid and will align to the Child Friendly Coventry values with a focus on the Be and Feel Healthy pledge which encompasses making Coventry a more environmentally friendly city and reducing the impact of	<p>All schools in the city will receive a copy of the book along with an engagement letter from the SEP to raise awareness of partnership and funding/grants available to schools.</p> <p>This project will set up a voluntary reading programme for schools which will be supported by E.ON volunteers.</p>

Social Value Project	Description	Impact
	<p>climate change. Every school will receive a copy of this book for free to every class. In addition to this the author will facilitate reading sessions which will be supported by E.ON volunteers. This initiative will also encompass SME and VCSE business mentoring and volunteering workshops through the authors consultant network.</p>	<p>This project will set up business mentoring workshops with SME and VCSE organisations in the city which will be supported through specialist volunteers at E.ON.</p>
<p>Highly Sprung</p>	<p>Climate change and the cost of living - arts and culture driven project using performance to inspire learning, conversation and community change. Children aged 12 to 16 years olds using their voices around issues concerning the global and local energy crisis and its impact of poverty and quality of life.</p>	<p>The SEP will support the Young Producer programme with industry knowledge and expertise.</p> <p>The Accelerate Summit will be a two-day event for over 400 secondary school children to participate in climate and sustainability workshops, showcase their arts performance and Q&amp;A panel session working jointly with other local organisations such as Warwick Manufacturing Group and Sustainability West Midlands.</p>

#### 4. Wider engagement activity

Wider engagement activity has taken place which helps support awareness of the SEP:

- Fargo Mural – engaging with primary school children to create a mural portraying what a greener city could look like. A local artist and muralist designed the feature located at the entrance of Fargo Village. A printed version of the mural was used at Godiva Festival to engage young people on renewable energy opportunities.
- Bus wrap – E.ON wrapped several buses in the city showing they are proud to be located in Coventry and to be chosen as the city’s Strategic Energy Partner.
- [Spark a light](#) – E.ON worked with a local poet laureate – John Bernard – who created a poem on climate change to inspire and empower young minds. Working with local artists to highlight climate change sends a positive message to the city through a different medium.
- [Sustainability heroes](#) – showcasing local people who, in their individual ways, were helping climate change and sustainability in Coventry. Middlemarch, Cogs of Coventry and Tree Amigos are all helping shape greener, cleaner habits in the city

and were all shortlisted (amongst others) by E.ON.

There have also been other events where a joined-up approach has been of benefit:

Events:

- UKREiiF 2024 – a large-scale developer and investment event, this year held in Leeds, which highlighted Coventry as a location for investment and at which the Council's investment prospectus was launched. E.ON was lead sponsor of the West Midlands Pavilion and worked alongside the Council to promote not only the SEP but also the city and its location benefits to property & investment professionals. 13,000+ attendees from across Europe came to the event which included 40 stages, 800 speakers and 150 exhibitors.

Sponsorship

- Motofest – E.ON Next sponsorship of the 2024 event – 10<sup>th</sup> anniversary year. The event has previously attracted 200,000 visitors to the city centre (2023) and it is believed that this year's event exceeded that. Through this partnership with MotoFest, E.ON has made connections to Veloce Racing (the Extreme-E racing team it sponsors) and by extension, World Rally Cross and the Federation Internationale de l'Automobile (FIA), such that Coventry is now being seriously considered as the UK location for international electric car races.
- Godiva Festival – E.ON Next sponsored Godiva 2024.
- E.ON sponsored the 2023 and 2024 Care Leavers' Awards.

## 5. Next steps

Existing projects we expect to deliver in the next six months include:

- Commence delivery of Public Sector Decarbonisation (PSDS) project in solar and heat pumps projects in up to five schools (subject to business case) and development of a longer-term programme. Plus, completion of four council owned or run buildings under the PSDS.
- Further deployment under the Home Upgrade Grant programme to deliver energy efficiency improvements in eligible homes.
- Further development work on the city's first solar farm in preparation for submission to Planning.

The SEP team is now focused on the route map and actions to deliver projects. Ensuring appropriate prioritisation of short- and longer-term projects, delivery and enabler projects, and allocation of resource. This will be presented in the annual business plan 2025/26 to outline initial areas of focus, next steps and expected outputs and outcomes.

An update to the Shareholder Committee will be provided in March 2025. This will include the updated Annual Business Plan for 2025/26.