

## **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 26<sup>th</sup> March 2025, with a performance review for 2024/2025 provided at Shareholder Committee on 4<sup>th</sup> 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:

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

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

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

<sup>3</sup> 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.

<b>Project</b>	<b>Description</b>	<b>Impact</b>
<b>Solar Farms</b>	25MW solar farm on Lentons Lane. Having secured planning consent in 2025/26 <sup>4</sup> , 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
<b>Public sector building energy cost saving</b>	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.
<b>Residential building energy cost saving</b>	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.
<b>Minimum energy efficiency standards</b>	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.
<b>Heat</b>	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.
<b>Innovation:</b> The SEP activity above will be supported by innovation activities and pilots, including further development of an innovation and proposition and pipeline, including:		
<b>Affordability pilot</b>	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.

<sup>4</sup> Consent secured from Coventry City Council, with determination from Rugby Borough Council pending

<b>Project</b>	<b>Description</b>	<b>Impact</b>
<b>Able to Pay and SME</b>	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.
<b>Living lab</b>	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.
<b>Community Benefits:</b> 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:		
<b>Community Centre</b>	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.
<b>Schools education resources</b>	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.
<b>Coventry Grows</b>	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).