

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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Director: Andy Williams	Director of Regeneration & Economy		19 Feb 2026	20 Feb 2026
Members: Cllr O'Boyle	Cabinet Member for Jobs, Regeneration & Climate Change	-	23 Feb 2026	2 March 2026

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