

## Appendix 2

### 1 Progress on the National Battery Manufacturing Development Facility (NBMF)

- 1.1 In July 2017, the UK Government announced the opening of the Faraday Challenge, a fund designed to ensure that the UK benefits from the rapid developments needed in battery technology to support the electrification of the motor industry over the next twenty years. The Challenge made funding available for a “battery scale up” facility would enable UK businesses to seize the opportunities presented by the transition to a low carbon economy and ensure the UK is one of the best places in the world to undertake the design, development and manufacture of batteries for the electrification of vehicles
- 1.2 Coventry City Council formed a consortium with WMG (Warwick University’s specialist manufacturing division) and CWLEP in order to bid for this funding, and in November, the Secretary of State for Business announced that Coventry and Warwickshire as the successful bidder. £80m in Faraday Challenge Funding has now been awarded to Coventry City Council in its role as accountable body for the consortium.
- 1.3 The NBMDF will be housed in a purpose-built 18,000m<sup>2</sup> facility in the Coventry and Warwickshire area.
- 1.4 Economic modelling work completed as part of the bid submission process estimates the potential benefit of the NBMDF to the UK economy as approaching £1bn, as it safeguards the UK auto industry against the decline in internal combustion engine manufacturing. The overall European battery supply chain is estimated to grow to £50bn over the next twenty years, and up to 10,000 jobs could be created in the West Midlands as a result.
- 1.5 Since the city’s involvement in the project was approved by Council in December, considerable progress has already been made. The terms of the Faraday Challenge require the NBMDF to be up and running within two years, so all partners in the consortium have been working to get the project up and running as quickly as possible.
  - Details of the Grant Funding Agreement have been finalised with Innovate UK, and the Council has formally entered into this agreement.
  - A Dynamic Purchasing System for Land and Buildings has been set up to allow developers with suitable sites to express an interest in providing the site and building for the NBMDF. This will ensure that the site chosen for the project is compatible with the Council’s public procurement responsibilities.
  - Specifications for the NBMDF’s equipment are being prepared, and work in underway to appoint WMG as the Council’s “procurement agents” to allow their expert input to be used in the procurement of the equipment.
  - Specialist external Legal, Property and State Aid advisors have been appointed.
  - Recruitment is underway for two CCC Project Managers to manage the grant claims process, the Council’s relationship with the funder and to coordinate the work packages that the consortium
- 1.6 The first grant claims will be made in the final quarter of 2017/18, and the next major milestone will be the selection of a developer (and site) in March 2018. Planning submissions will be made shortly afterwards.

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