



To: Business Economy and Enterprise Scrutiny Board (3)

Date: 12th March 2025

Subject: Greenpower Park and West Midlands Investment Zone

1 Purpose of the Note

- 1.1 To provide Business, Economy and Enterprise Scrutiny Board (3) with the background on the Greenpower Park development and the West Midlands Investment Zone.

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) is recommended to:
- 1) Consider the content of the briefing note.
 - 2) Identify any recommendations for the Cabinet Member Jobs, Regeneration and Climate Change.

3 Information and Background

- 3.1 Coventry City Council (CCC) owns the freehold of Coventry Airport, a 125Ha site in Warwick District. In 2021, the Council formed a joint venture with Coventry Airport limited, which has a long leasehold over the site in order to promote the site as the location for a battery gigafactory.
- 3.2 The costs of preparing the planning applications have been funded on a 50:50 basis, with each party committing £2m. In addition, CCC has provided a further £0.25m for preparation of the economic case for battery manufacturing on the site and for marketing the site to international investors bringing the Council's total commitment to £2.25m
- 3.3 In January 2022, Warwick District Council gave outline planning approval for a total of 530,000m² of development on the site for battery manufacturing and associated uses such as battery recycling, R&D, supply chain and HQ functions. Economic modelling suggests that if the site is fully developed, up to 6,000 jobs could be supported in the local economy.
- 3.4 Realising full delivery of the Investment Zone site is vital to achieving the objectives of both the One Coventry Plan (particularly "Enhancing the Economic Prosperity of the City and Region") and the Coventry Economic development Strategy 2022-2027.

The site has huge potential to secure inward investment into the city and also position Coventry as a leader in the green industrial revolution, given the site's target focus of electric vehicle and battery production, recycling and Research & Development (R&D) and associated Advanced Manufacturing Supply Chain activities. Through the delivery of supply chain support programmes, and skills support programmes, there will be major opportunities to facilitate the successful growth and diversification of local businesses operating with Advanced Manufacturing supply chains, and to tackle inequalities by supporting local residents to upskill and secure new job opportunities.

- 3.5 The site has attracted interest from a variety of potential investor occupiers. This ranges from a large-scale battery manufacturer with significant output requirements through to smaller cell manufacturers looking to develop technology and scale up production over time. In addition, there is also interest from the wider supply chain with battery component suppliers, battery R&D and testing companies, battery recyclers and some vehicle manufacturers all engaged.
- 3.6 In the UK government budget in March 2023, it was announced that eight areas including the West Midlands would be invited to develop proposals for Investment Zones. The aim of Investment Zones is to use tax reliefs, planning mechanisms and innovation, skills and business support to create private sector growth and quality jobs. Each Investment Zone must have a sector focus, and the West Midlands has selected Advanced Manufacturing, which is an excellent fit with Coventry's economic ambitions, and specifically our plans for battery manufacturing at Greenpower Park.
- 3.7 The West Midlands Investment Zone (WMIZ) focuses on three sites:
 - **Coventry-Warwick Gigapark**, which includes Greenpower Park (more detail below in section 4)
 - **Birmingham Knowledge Quarter**. This 55Ha site runs North-East from Aston University through Duddeston and Nechells to Aston, the proposals will be for universities, other public bodies and the private sectors to work together to stimulate R&D and innovation in digital applications that will service sectors including advanced manufacturing.
 - **Wolverhampton Green Innovation Corridor**. This 3.74Ha site will connect the University of Wolverhampton Springfield Campus to the East of the city centre with University of Wolverhampton Science Park and will stimulate the growth of new green industries and skills, many of which will feed into Advanced Manufacturing supply chains and processes.

4 Coventry-Warwick Gigapark

- 4.1 Coventry-Warwick Gigapark consists of four sites including Greenpower Park, totalling 241Ha, making it by far the largest part of WMIZ. A plan of the sites is included at Appendix 1. The other sites are:
 - **Whitley South**, 21Ha in Warwick District. This site is in Warwick District and is allocated as an employment site. Planning approval has previously been granted on the site for a total of 830,000m² of industrial and R&D space.

- **Segro Park, Coventry**, 72Ha in Warwick District with planning permission for 340,000m² of industrial and warehousing space. Several buildings on the site are already complete, including two which have already been let to Syncreon and DHL creating over 1,000 jobs. Further space is available for over 200,000m² of new buildings on the site.
- **Whitley East**, 20Ha in Coventry. This is allocated as employment land in the Coventry Local Plan, and part of the site is currently in use as school playing fields. Should the site come forward for development, suitable re-provision of playing fields will need to be made elsewhere. It should be noted that the Bagington Fields Nature Reserve is not included in the Investment Zone.

4.2 The following tax incentives are available for Coventry-Warwick Gigapark Sites:

- **Full Business Rate Relief:** (5 years) for newly occupied business premises, and certain existing businesses where they expand in tax sites
- **Full Stamp Duty Land Tax (SDLT) Relief:** for land and buildings bought for commercial use or development for commercial purposes
- **Employer National Insurance Contributions (NIC):** Zero rated threshold raised from £5,000 to £25,000 in respect of new eligible employees for first 36 months of their employment
- **Enhanced Structure and Buildings Allowances (SBAS):** 10% straight line deduction per annum
- **100% First Year Capital Allowances (FYAs):** a 100% first year allowance for expenditure on plant and machinery

4.3 For illustration, a company investing in 20,000m² building could expect to save an estimated £4.78m in the first five years of operation.

4.4 In addition to the tax incentives outlined above, WMIZ allows business rates collected from the three sets of sites in the region to be collected and reinvested into the Advanced Manufacturing sector in the West Midlands for 25 years. It is estimated that during this period £1.5bn in business rate growth will be generated to then reinvest in helping to grow the sector. The WMCA will develop an investment plan for this funding, and Coventry (and its partners in Warwickshire) will be working to ensure that funding is reinvested into the Coventry and Warwickshire advanced manufacturing eco-system which is critical to the local economy.

4.5 WMIZ also provides funding for capital improvements to sites. CCC has secured a total of £23m which will be used principally to upgrade the power supply to the Greenpower Park site. Battery manufacturing is more power intensive than other commercial uses, so it is critical that this funding is used to increase the capacity of the power connection to the site in order to create the conditions to attract the investment from global battery manufacturers and the supply chain. This activity will initially deliver an additional 30MVA of power to the site. Initial works are now underway to inform the design of the necessary power upgrade works. Installation works will commence in April this year with full connection taking place in 2028.

5 Health Inequalities Impact

- 5.1 An equalities impact assessment has been prepared for the proposed Investment Zone and gigafactory development at Greenpower Park / Coventry Airport which was published alongside the Cabinet report approving CCC's involvement in WMIZ was approved in March 2024. Creating good quality new employment has the potential to address health inequalities through the well document link between good quality employment and better health.

Appendix 1 – Coventry-Warwick Gigapark Investment Zone - Site Plan

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Appendix 1 – Coventry-Warwick Gigapark Investment Zone - Site Plan

