

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the identity, financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

30th October 2025
4 November 2025

Director approving submission of the report:
Director of Finance and Resources

Ward(s) affected:
None.

Title:

UKBIC Annual Performance Report 2024/25

Is this a key decision?
No.

Executive summary:

UKBIC is a state-of-the-art battery manufacturing research and development facility, funded by £114m from the UK Government (through Innovate UK, part of UK Research & Innovation) and £18m from the West Midlands Combined Authority (WMCA). The facility is operated by UKBIC Ltd which is owned by Coventry City Council (CCC). The Council is also accountable body for the grant funding used to establish the facility.

The report on the private section of the agenda provides an update on the company's performance for the 2024/25 financial year.

Recommendations:

The Scrutiny Co-ordination Committee is recommended to:

- (1) Consider the UKBIC Annual Performance Report 2024/25 and to forward comments and / or recommendations to the Coventry Shareholder Committee

The Coventry Shareholder Committee is recommended to:

- (1) To consider any comments and / or recommendations from the Scrutiny Co-ordination Committee.
- (2) Approve the UKBIC Annual Performance Report 2024/25

List of Appendices included:

None.

Background papers:

None.

Other useful documents

None.

Has it or will it be considered by Scrutiny?

Yes – Scrutiny Coordination Committee 30th October 2025

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.

Report title: UKBIC Annual Performance Report 2024/25

1. Context (or background)

- 1.1. The UK Battery Industrialisation Centre (UKBIC) Limited is a state of the art, 20,000m² battery manufacturing research and development facility on Rowley Road which was formally opened in July 2021. UKBIC is an open access facility designed to allow UK manufacturers to trial and industrialise the next generation of batteries for electric vehicles and other applications, which is essential to the UK's net zero ambitions.
- 1.2. Between November 2017 and October 2019, the Council approved the acceptance of £114m grant funding from Innovate UK's Faraday Battery Challenge towards the total cost of £132m to develop the UKBIC facility. The remaining £18m was provided in the form of a loan from WMCA, with repayments secured through an arrangement put in place with UKBIC Ltd ensuring that the Council is put in funds. The latest position on the loan is included at in section 3.2 below
- 1.3. The Faraday Battery Challenge was established by government in 2018 to invest in research and innovation projects, and facilities, to drive the growth of a strong battery business in the UK. Securing UKBIC in the Coventry area is critical to the future of the area's world-class automotive and advanced manufacturing cluster. The Faraday Challenge is now known as the Battery Innovation Programme and is funded by UKRI (UK Research and Innovation).
- 1.4. UKBIC Ltd (company no. 11227726) was established in order to operate the facility. CCC owns 100% of the shares in UKBIC Ltd and has two CCC directors who sit on the board, including the Chair. The remaining board seats are made of up of the UKBIC Managing Director and Finance Director, a representative from Government's Advanced Propulsion Centre (APC) and independent battery / automotive industry experts. In addition, a Battery Innovation Programme Director attends the board as an observer.
- 1.5. The Battery Innovation Programme reviews and approves the UKBIC Ltd business plan on a regular basis to ensure that the business is sustainable and that it is meeting the technology needs of the UK automotive industry, and is currently providing core operational funding to UKBIC Ltd.

2. Options considered and recommended proposal

- 2.1. **Option 1- Do Nothing.** The Council's governance and reporting requirements for companies in its ownership requires the agreement of a business plan each year and reviewing performance of the companies in its ownership. Failure to present this report will mean that the Council is not provided with visibility over UKBIC Ltd's performance. This report has therefore been prepared to meet this requirement.
- 2.2. This is not the recommended option.

Option 2 – Approve the UKBIC Annual Performance Report 2024/25 The report on the private section of the agenda has been drafted in line with the Council's

governance and reporting requirements for companies in its ownership. This is the recommended option.

3. Background

- 3.1. CCC does not provide any ongoing funding for UKBIC, but it did provide a one-off short term £500k loan in 2021 which is being repaid in line with expectations, and due to be fully repaid by 2027.
- 3.2. New terms were agreed for the WMCA loan for UKBIC in March 2025. further details on the changes to the WMCA loan are set out in the corresponding private section of this report.
- 3.3. In terms of operational funding (working capital), UKRI which is UKBIC's primary funder, has remained committed to the facility and, through the Battery Innovation Programme (formerly the Faraday Battery Challenge) was awarded £452m by the Government to continue its activities through to March 2030. Formal clarification on the levels of support for UKBIC over the next four years is expected in the near future.
- 3.4. The principal activity of the company is to provide focused capabilities to enable industry, via open access, to scale up and commercialise advanced battery technologies central to the development and manufacture of batteries.

4. Performance Overview

- 4.1. The Company's mission to support the growth of the battery industry in the UK remains unchanged. The financial year 2024/25 as is often the case with developing industries, saw both positive and negative developments, which have affected the company.
- 4.2. The period saw a rapid take-up in battery-powered electric vehicles, together with the further development of newer battery technologies and chemistries (such as solid state, prismatic, sodium, nickel, etc.), all of which were reflected in customers using UKBIC facilities. Against that, there were a number of high-profile company failures in the UK, that affected the business
- 4.3. As a result of this, UKBIC has widened its key objectives to accommodate a changing battery industry and landscape to incorporate both international opportunities and other potential facility utilisation without changing its core mission of supporting the growth of the UK battery industry
- 4.4. Further details of the company's performance are included in the report on the private section of the agenda.

5. Flexible Pilot Line and Training Activities

- 5.1. UKBIC secured an additional £36m in capital funding for a new Flexible Pilot Line (FPL) in 2023. This is a smaller scale line which is designed to bridge the gap between research-scale work on battery chemistries (often taking place either in private labs belonging to individual manufacturers or in university facility) and the main industrial scale-up line that was originally installed in the facility using the grant funding managed

by CCC. This allows UKBIC to offer 40-litre mixes which require less material which is a key driver to the cost for potential customers, considerably reducing the barrier to entry and opening up a wider customer base for the company.

5.2. The first customers will begin to use the FPL before the end of 2025 and the final cell assembly capability due to become available in summer 2026. The company has held successful industry days and webinars to promote the new capability, and whilst the focus will remain on UK industry in line with the company's overall mission, it will also be seeking international opportunities.

5.3. UKBIC now offers five training courses designed for people working in the battery sector.

- Introduction to Battery Manufacturing
- Electrode Deep Dive
- Cell Assembly Deep Dive
- Formation Aging and Testing Deep Dive
- Module and Pack Deep Dive

5.4. The company also offers bespoke training courses designed specifically for the needs of their customers, with six companies currently receiving training from UKBIC.

6. Results of consultation undertaken

No consultation has been undertaken.

7. Timetable for implementing this decision

Upon the approval of this report, UKBIC Ltd will be notified that the Shareholder has approved the report.

8. Comments from Director of Finance and Resources and Director of Law and Governance

8.1. Financial Implications

Repayments on the £500k loan to CCC are up to date, with full repayment due in 2027.

Further detail on financial implications is included in the report on the private section of the agenda.

8.2. Legal Implications

UKBIC is complying with its governance requirements under the Articles of Association and in relation to the obligations under the grant agreement.

9. Other implications

9.1. How will this contribute to the One Coventry Plan?

The Council's ownership of UKBIC contributes to the Economic Prosperity theme in the One Coventry Plan. In Coventry and Warwickshire, almost 40,000 people are employed in the automotive industry, and with the sale of new internal combustion engine vehicles due to cease in 2035 it is essential that CCC supports our local automotive industry to transition to design, development and production of electric vehicles. Having UKBIC in the area along with other world class innovation assets such as WMG, Coventry University, MTC and MIRA makes the area highly attractive for investment in electric vehicles and other clean technologies.

9.2. How is risk being managed?

A key risk mitigation is the Council's Directors having two seats on the UKBIC Ltd Board, including the Chair. No decisions can be taken on the operation of UKBIC without the approval of the Council's two Director Board Members. Financial risks for example linked to the WMCA Loan are mitigated by the fact that CCC has security of UKBIC's land and buildings. Finally, the oversight provided by the Faraday Battery Challenge provides essential input on UKBIC's business plan to ensure that it is meeting the needs of the UK automotive industry, as well as the associated grant funding that they provide.

9.3. What is the impact on the organisation?

In order to manage Coventry City Council's (CCC) ownership of UKBIC Ltd it is necessary for staff in the Economic Development Service, Finance and Legal to ensure that UKBIC is reported correctly in the Council's accounts, and that conditions of the original Innovate UK grant continue to be met, and that the terms of the WMCA loan are complied with. There is also an ongoing time commitment from the two CCC Directors who sit on the UKBIC Board.

9.4. Equalities / EIA?

No equalities impact assessment has been undertaken.

9.5. Implications for (or impact on) climate change and the environment?

UKBIC's work in supporting the transition to electric vehicles and away from internal combustion engines will contribute to CCC's plans to tackle climate change and improve the environment.

9.6. Implications for partner organisations?

UKBIC is based in the Warwick District Council (WDC) municipal area. CCC has supported UKBIC Ltd to ensure that they have a good working relationship with WDC

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