

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

12 March 2026
17 March 2026

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor J O’Boyle

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

None.

Title:

UKBIC Business Plan 2026/27

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.

This report provides an update on the business planning for the 2026/27 financial year.

Recommendations:

The Scrutiny Co-ordination Committee is recommended, following consideration of the corresponding private report to:

- (1) Consider the report on UKBIC's 2026/27 business plan and to forward comments and / or recommendations to the Coventry Shareholder Committee

The Coventry Shareholder Committee is recommended following consideration of the corresponding private report to:

- (1) To consider any comments and / or recommendations from the Scrutiny Co-ordination Committee.
- (2) Approve the report on UKBIC's 2026/27 business plan.

List of Appendices included:

The following appendices are attached to the corresponding private report:

Appendix 1 – UKBIC 2026/27 Budget

The following appendices are attached to this report:

None

Background papers:

None.

Other useful documents

None.

Has it or will it be considered by Scrutiny?

Yes – Scrutiny Coordination Committee 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.

Report Title:

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 provides 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 the budget which UKBIC Ltd has set for the coming financial year. This report has therefore been prepared to meet this requirement.
- 2.2. This is not the recommended option.
- 2.3. **Option 2 – Approve the UKBIC Business Plan 26/27** This report has been drafted in line with the Council's governance and reporting requirements for companies in its ownership. This is the recommended option.

3. UKBIC Business Planning 2026/27

- 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. The first capital repayment was due to be made in December 2025, but the loan has now been restructured into an interest-only basis with interest payments due to commence in 2027/28. The £18m capital is due to be repaid to WMCA in 2032. The loan is secured against UKBIC's land and buildings.
- 3.3. 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.
- 3.4. The UKBIC Ltd Board met to approve the company's budget for 26/27 which is included at Appendix 1 of the corresponding private report.
- 3.5. The company has considered scenarios for sales revenue across the main areas of the businesses, which are:
 - ISL: The full-scale battery industrialisation line.
 - FPL: The new Flexible Pilot Line, which allows customers to undertake smaller and more flexible work with smaller batches of materials etc.
 - M&P: The Module and Pack line, where individual cells are combined into battery packs like those installed in vehicles.
 - T&S: UKBIC's training functions.

4. Results of consultation undertaken

No consultation has been undertaken.

5. Timetable for implementing this decision

Upon the approval of this report, UKBIC Ltd will be notified that the Shareholder has approved the Business Plan for 2026/27.

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

6.1. Financial Implications

The UKBIC budget is attached at Appendix 1 of the corresponding private report, and sets out a balanced budget for the financial year, with income from government funding and sales to customers balanced against the cost of staffing, overheads and materials etc.

The company is meeting repayments on the £500k loan from CCC which is due to be fully repaid by 2027.

6.2. Legal Implications

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

7. Other implications

7.1. 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 completely 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.

7.2. 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 Battery Innovation Programme 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.

7.3. 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.

7.4. Equalities / EIA?

No equalities impact assessment has been undertaken.

7.5. 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.

7.6. 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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Director: Barry Hastie	Director of Finance and Resources	-	24/02/2026	24/02/2026
Members: Councillor Jim O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change	-	23/02/2026	25/02/2026

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