

# Britishvolt: how a start-up found £1.7bn to make gigafactory vision a reality

When journalists were first invited to visit the site of the proposed Britishvolt factory in Northumberland, the only thing to see was a deer gambolling in the middle-distance.

The plot – not quite the former Blyth Power Station site, as was first reported, but the site of its former coal yards – stretches as far as the eye can see but currently contains a whole lot of nothing other than the odd shrub and the occasional bit of wandering wildlife.

Within the next few weeks, however, the site will become one of the largest construction sites the region has seen in recent years after multimillion-pound Government funding helped the electric battery firm secure private investment of £1.7bn to build a 3,000-job gigafactory there.

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With another 5,000 jobs potentially in the supply chain, the development will be the largest single piece of job creation in the North East since Nissan set up in the region in the 1980s. It also puts the region at the forefront of the green industrial revolution, joining Nissan's battery partners Envision AESC in giving the North East the UK's first two gigafactories making batteries for electric vehicles.

When Britishvolt's plans were first announced at the end of 2020 there was understandably some skepticism. The company was at that point only a year old and its description by one national newspaper as a company with 'no customers and no product' was not entirely unfair.

What it did have, however, was the site generally regarded as the country's best location for a battery factory at exactly the moment at which such plants became crucial to the future of the UK automotive industry. Sometimes, timing is everything.

The Journal had first reported on the project to make the former power station site into the Energy Central as far back as 2016, and years of work by Advance Northumberland to reclaim that land was crucial to last week's successful Britishvolt announcement.

The site benefits from good connections, with a nearby deep sea port and decent road and rail links in the area. It also has abundant sources of renewable energy thanks to a power connector from Norway close by and offshore wind farms just off the North Sea coast. (As with the Nissan/Envision plans for Sunderland, Britishvolt will be able to use renewable energy to power its operations, adding to the green credentials of its product).

The company acquired the site last April and secured planning permission for what will be the fourth largest building in the UK in July. Preparatory work on the site has begun and the company will start the main construction process in the first quarter of this year.

But the main challenge for Britishvolt since it first made public its plans in late 2020 has always been the financing of the project. At its initial announcement, the company estimated the cost of the project at around £2.6bn, around half of which still had to be raised. Despite being in a sector that is uniquely attractive to investors at the current time, raising such a sum is not without its challenges.

Here the Government support – said by Business Secretary Kwasi Kwarteng to be 'tens of millions' and reported to be in the region of £100m – has been crucial in Britishvolt securing

£1.7bn from investment groups Tritax and abrdn.

For Britishvolt's executive chairman Peter Rolton – brought in when the company's original chairman had to resign – Friday's announcement was the culmination of a a long journey.





Business secretary Kwasi Kwarteng and Britishvolt executive chairman Peter Rolton at the company's site in Northumberland. He said: "We're here to do the difficult things, not the easy things. A project of this size and scale, and the level of capital we've needed to deploy, is not something you can just do overnight."

"But the UK Government has recognised the importance of the project, they've done their due diligence and made a very significant investment from the ATF (Automotive Transformation Fund) and that signalling to the capital markets has enabled us to go and leverage the investment to get the thing built. We've got Tritax and abrdn here, they've committed to £1.7bn, to get that factory built."

"This factory is going to get built and we're totally committed to making sure we make a difference locally with that."

"When we got the planning permission, there was a section on priority for local employment and we very willingly accepted that clause. We are going to get on now with looking at how we employ local people and help them get the skills. We had a jobs fair the other day in Blyth and they queued around the block."

Dr Graham Hoare, Britishvolt's president of global operations, revealed that, as well as work on securing the funding needed to create the gigafactory, the company had been developing its battery products and securing orders for it.

He said: "We've currently got three active programmes with customers and we're close to another three. We're actively discussing with 29 global OEMs (original equipment manufacturers) so the customer story has moved on considerably. I'm looking forward to announcing news on that in the next few weeks."

“In terms of our product, the first samples are with us and they are exceeding our expectations. They will create a new benchmark in the market when we launch so I’m very confident about that. We had 150 people working on that product and that’s high quality talent from around the world.

“That’s home grown IP and this site here at Cambois is one that people will observe from around the world to see how you do it and how you do it sustainably.”

Business Secretary Kwasi Kwarteng was at Cambois last week to welcome Britishvolt’s announcement, joined by local MPs Ian Lavery and Ian Levy, plus Northumberland County Council leader Glen Sanderson.

For Mr Lavery, a former coal miners’ leader, the significance of the site was not lost.

“The Government investment has been a long time coming to this but of course I welcome every single ha’penny,” he said. “Hopefully it will transform the area because it’s much needed. We’ve suffered for quite some time with regards to low employment levels, poor conditions and relatively low pay. This could transform all of that. If it creates 3,000 well-paid, secure local jobs and apprenticeships, helping people who’ve been out of employment and may be low skilled, it would be transformational.

“There’s a wider picture, of course. We’re looking at Energy Central here – we’ve got Britishvolt with the green batteries, JDR looking at cable manufacturing and interest in wind turbine manufacturing. You’d hope all the investment would encourage other businesses on site.

“The fuel of the first Industrial Revolution came from coal. Ashington, which is only a couple of miles away, was ‘Coal Town’ and we had that big, iconic coal-fired power station here.

“We fuelled the Industrial Revolution. It’s gone but now we’re being given the opportunity to be part of the future, the new green industrial revolution. How ironic is that? It’s absolutely amazing.

“The old miner’s banners – ‘The past you inherit, the future you build’ – I think that’s rather apt at this stage.”

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