

UK battery start-up Britishvolt files to appoint administrators

Battery start-up Britishvolt has filed to appoint administrators after failing to secure a buyer.

The group had been in talks with investors over a possible sale to keep the firm afloat but on Tuesday the company made an application for administration to the courts.

Britishvolt has been on the [brink of collapse](#) since £100m of promised government funding to build a planned battery gigafactory was delayed.

A source told Reuters news agency that the majority of Britishvolt staff will be made redundant. In November, Sky News understood that, at the time, Britishvolt employed 300 people.

The move will have implications for Britain's vehicle manufacturers, which experts say need battery factories to stop much of the country's car production from shifting to mainland Europe.

Downing Street issued a statement soon after the news was announced saying it was aware of the speculation but would not comment directly on the firm, saying "we will await further updates from that specific company".

The prime minister's official spokesman said: "We continue to take steps to ensure the UK remains one of the best locations in the world for automotive manufacturing as we transition to electric vehicles."

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“We are investing record sums in R and D including the recent announcement of £211 million into the Faraday battery challenge.”

But replying to a question from Labour’s Darren Jones, the chair of the Business, Energy and Industrial Strategy Committee, a government minister was forced to state in Parliament that the government had not withdrawn any money

from Britishvolt.

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Kevin Hollinrake replied: “Clearly taxpayers money is important. It’s important that we dispense that money in a responsible way.

“There were clear milestones we expect anybody who’s received public money to hit and we are looking at the situation very carefully to make sure they are.”

Private funding contingent on government cash

Britishvolt chief executive Graham Hoare told Sky News in November that staff agreed to a [“substantial” temporary pay cut](#) as it continued to weigh up its financial future.

The £3.8bn gigafactory project, in the Port of Blyth, Northumberland, was backed by £1.7bn of private funding. But the private finance was offered up on the condition that much of that sum would only be unlocked when the government aid was paid.

It is understood that, last year, the Department for Business, Energy and Industrial Strategy (BEIS) believed that the company [had not met certain criteria](#) for the £100m payment to be handed over, forcing it to seek cash elsewhere.

The company intended to manufacture power cells for 300,000 electric vehicle (EV) battery packs a year, eventually employing 3,000 people on the site of the former coal-fired Blyth Power Station.

Project praised by Boris Johnson

Britishvolt’s ambitions were praised by former prime minister Boris Johnson, who said the factory will “boost the production of electric vehicles in the UK”, and cement the country’s place “at the helm of the global green industrial revolution”.

But in October last year, Labour said the government was clearly to blame for the company's financial troubles.

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Shadow business secretary Jonathan Reynolds said at the time: "It is a sight that has become all too familiar – businesses going under, jobs being lost and investment in the industries of the future going abroad rather than the UK."