

## Decision Report - Executive Decision

Forward Plan Reference: n/a

Decision Date – 8 May 2024

Key Decision – no

Confidential Information – none



---

### Establishment of the Gravity Enterprise Zone Executive Sub-committee

Executive Member(s): Lead Member for Economic Development, Planning & Assets

Local Member(s) and Division:

Lead Officer: Paul Hickson, Service Director for Economy, Employment and Planning

Author: Paul Hickson, Service Director for Economy, Employment and Planning, and Kinga Grabarczyk, Senior Economic Development Officer

Contact Details: [paul.hickson@somerset.gov.uk](mailto:paul.hickson@somerset.gov.uk) and

[kinga.grabarczyk@somerset.gov.uk](mailto:kinga.grabarczyk@somerset.gov.uk)

### Summary

1. This report is the second in a series of reports to consider all matters related to the delivery of the Gravity Enterprise Zone. The first report was presented to the Executive and Scrutiny in March 2024 and included a number of recommendations.
2. At the meeting Executive on 12 March 2024 it was recommended and agreed that a sub-committee to the Executive would be established as the decision making body for matters (that are executive functions of the Council) relating to the delivery of the Gravity Enterprise Zone, and in particular development of the Gravity Locality Investment Plan (GLIP) and subsequent financial decisions relating to implementation of that plan (subject to Full Council approval).
3. As previously reported to the Executive, the Council intends to invest up to £150m in the Gravity Enterprise Zone to deliver a number of priorities that will support delivery of the Agratas battery cell manufacturing facility and wider local benefits. Whilst the detail of the investment is still being finalised, it is vital to establish the right governance so that investment can be implemented and benefits realised. It is proposed that a final report setting out the detail of the Gravity Locality Investment Plan, investment priorities and mechanism for delivery are likely to be required to be considered by Full Council in June (subject to approval).

to calling an Extraordinary meeting), following presentations to the Scrutiny Committee-Corporate & Resources and the Executive in June 2024.

4. The Council continues positive discussions with the Government Departments to finalise the extension of the Enterprise Zone designation and to agree terms and conditions of the revenue grant needed to support the delivery of the project.
5. Multiple joint workstreams are also underway working closely with Agratas, This Is Gravity Ltd, Government Departments, statutory bodies and key stakeholders to ensure the plans for the battery manufacturing facility are progressed efficiently and at pace. The Council expects several compliance applications under the Local Development Order and other planning and permitting applications to be submitted in the coming weeks which will require a significant resource allocation across a wide range of services to ensure the Council can meet its obligations. Internal discussions to identify resource requirement are underway and plans to increase internal capacity are being developed. We are also advancing work on wider staffing requirements to support delivery of the Enterprise Zone.
6. Work on setting up a Local Community Forum to enable local communities and Members to stay informed about the project and site progress is also advancing in collaboration with key local stakeholders and envisage that detailed arrangements will be shared with the Members soon. Additionally, we are working with internal teams to set up regular All Members Forum to keep Somerset Council Members up to date on the progress of the delivery of the Gravity Enterprise Zone and in particular Agratas' facility.
7. As the project continues to progress at pace there is a need to establish a robust and transparent governance structure to ensure that the Council can make decisions associated with the project in a timely manner. It is also important to establish early a mechanism that will allow the Council to engage and consult with the key stakeholders, local Members and local communities and to ensure that their voices are heard, and issues actioned and benefits for Somerset realised.
8. The proposed terms of reference of the Gravity Enterprise Zone Executive Subcommittee are set out in Appendix 1. Scrutiny engagement would be via the Scrutiny Committees – Corporate and Resources and Climate & Place.

## **Recommendations**

9. That the Executive approves the proposed terms of reference for the Gravity Enterprise Zone Executive Sub-Committee included as Appendix 1 to this report and commends the progress with developing the Gravity Locality Investment Plan.

## **Reasons for recommendations**

10. To ensure that the Council is able to take decisions relating to the delivery of the Gravity Enterprise Zone, including decisions relating to funding investment priorities in line with the Gravity Locality Investment Plan and that the Council's investment and associated borrowing is prudently managed.

## **Other options considered**

11. This proposal aligns with the recommendations set out in the Delivering Economic Growth via Gravity Enterprise Zone report and represents an appropriate and transparent way to govern the delivery of that project.

## **Links to Council Plan and Medium-Term Financial Plan**

12. The proposals in this report will help Somerset Council to achieve its ambitions included in the Somerset Plan through the development of the Gravity Enterprise Zone and delivery of a wider range of benefits to the local communities.
13. The establishment of the Sub-committee will ensure that the delivery of the Gravity Enterprise Zone, and in particular the battery cell manufacturing facility proposed by Agratas do not have a negative impact on the Council's finances and its Medium-Term Financial Plan.

## **Financial and Risk Implications**

14. The scale of the proposed investment in the Gravity Enterprise Zone is significant and therefore there will be financial risks to the Council. Those risks, together with mitigating actions, have been set out in the previous report which was considered by the Executive Committee on 12 March 2024.

15. The Council's investment in the Gravity Enterprise Zone will have to be undertaken in line with the proposed Gravity Locality Investment Plan, which will be subject to Full Council approval and a comprehensive risk register will be developed to support that proposal.
16. Establishment of the Sub-committee aims to mitigate some of the risks associated with the delivery of the Gravity Locality Investment Plan by ensuring that a robust governance is put in place ahead of any financial decisions being made.

### **Legal Implications**

17. Following discussion with Democratic Service no legal implications have been identified associated with this decision.

### **HR Implications**

18. There are no immediate HR implications.

### **Other Implications:**

### **Equalities Implications**

19. There are no direct equalities implications.

### **Community Safety Implications**

20. There are no direct community safety implications.

### **Climate Change and Sustainability Implications**

21. There are no direct climate change and sustainability implications.

### **Health and Safety Implications**

22. There are no direct health and safety implications.

### **Health and Wellbeing Implications**

23. There are no direct health and wellbeing implications.

## **Social Value**

24. There are no direct social value implications.

## **Scrutiny comments / recommendations:**

25. Although this report has not been considered by Scrutiny, the principles of the Sub-committee were outlined in the report taken to Scrutiny on 8 March 2024 and endorsed by them prior to the meeting of the Executive on 12 March 2024.

## **Background**

26. The report taken to Executive on 12 March 2024 provided an overview of the proposed governance structure for the implementation of the Gravity Enterprise Zone, including governance associated with the Local Development Order (LDO) and planning regime. A creation of a sub-committee to the Executive was agreed as the right mechanism to govern the project.

27. The Gravity Enterprise Zone has a potential to create 1.1m sq m of new employment space and could support creation of circa 7,500 new jobs in clean growth industries. Agratas, which now own half of the site is progressing their proposals for a battery cell manufacturing facility, which - once operational - could provide circa 4,000 new jobs directly on site and many more indirectly through the supply chain. It is expected that the first building could be operational as early as Spring 2026, with further buildings being delivered in future phases.

28. The proposed battery cell manufacturing facility being delivered by Agratas, is progressing at pace and the Council is already closely engaging with the developer on the planning and permitting matters. The LDO governance is being established to provide the right mechanism for engagement and timely decision making processes relating to those matters.

29. The next important step for the Council will be an agreement of the Gravity Locality Investment Plan and the mechanism to implement the investment within it. The details are being currently finalised, and it is expected that a report will need to be taken through Scrutiny, Executive and Full Council ahead of the scheduled Full Council meeting in July 2024. This is likely to require an extraordinary meeting of Full Council to be convened.

30. Through the Gravity Enterprise Zone Executive Sub-committee the Council will be able to make decisions relating to funding the investment priorities that will enable the Council to realise benefits from the Enterprise Zone across the site and wider locality, including timely investment in the skills and training programmes needed to prepare workforce for employment opportunities arising from the battery cell facility, necessary infrastructure and site works to realise Agratas' investment in Somerset. Terms of reference for the Sub-committee are included as Appendix 1 to this report.

## Background Papers

None

## Appendices

- **Gravity Enterprise Zone Executive Sub-Committee terms of reference April 2024**

## Assurance checklist

	Officer Name	Date Completed
Legal & Governance Implications	Scott Wooldridge	26.04.2024
Communications	Peter Elliott	18.04.2024
Finance & Procurement	Nicola Hix	23.04.2024
Workforce	Dawn Bettridge	26.04.2024
Asset Management	Oliver Woodhams	18.04.2024
Executive Director / Senior Manager	Mickey Green	19.04.2024
Strategy & Performance	Alyn Jones	25.04.2024
Executive Lead Member	Cllr Ros Wyke	19.04.2024
<b>Consulted:</b>	Councillor Name	
Local Division Members	Cllr Mark Healey, Cllr Suria Aujla	24.04.2024
Opposition Spokesperson	Cllr Mandy Chilcott	25.04.2024
Scrutiny Chair	Cllr Bob Filmer	24.04.2024