Low Carbon Environmental Goods and Services Sector Study 2024: Local Authority Short Report for Amber Valley District Council

Commissioned by the Midlands Net Zero Hub, this report provides 2024 data of the LCEGS sector, updating the 2021 study.

1. Introduction

This document has been prepared to provide an overview summary of the LCEGS sector within this Local Authority. Reports on the wider picture of the MNZH region and the East Midlands Combined County Authority, including skills forecasts relevant to this Local Authority, and datasets are available here. Additional detailed data is available from kMatrix; and further recommendations and details on areas of focus are available through the Climate Action Benchmarking study.

2. Current Activity Supporting the Growth of the Sector

Activity at the EMCCA level relevant to the wider geographical region:

- Sustainable East Midlands is a business support programme provided by East Midlands Chamber that gathers information and resources to help businesses in the region decarbonise, including networks, expert support, funding and grants.
- The Low Carbon Business Network hosted by Derby University offers fully funded support to accelerate business growth in the low carbon sector, as well as connecting SMEs to larger organisations and supply chains to help decarbonise industry.
- The East Midlands Manufacturing Network is a cluster of manufacturing businesses across the region, allowing businesses to share knowledge and best practice, including ways to decarbonise.
- A prototype STEP fusion powerplant is planned for construction in West Burton, Bassetlaw, with the area acting as a hub for fusion-related engineering and commercial progress, generating thousands of jobs in the industry.

- The EMCCA is home to number of key businesses in the automotive, aerospace and advanced manufacturing industries, which bring great opportunities to decarbonise and grow the LCEGS sector.

3. Recommendations

Recommendations for Amber Valley District Council are:

- Utilise existing manufacturing and construction clusters such as the East Midlands Manufacturing Network to engage with energy-intense manufacturing businesses and promote the benefits of the circular economy and low carbon technologies along the supply chain.
- Work with nearby local authorities to develop a strategy to better collaborate with local skills providers, education institutions and LCEGS businesses to ensure training and apprenticeships are available that address the specific skills gaps in the area. This work could include pooling funding.
- Review procurement processes within local authorities and the wider public sector to prioritize local LCEGS businesses, encouraging sustainable practices across the supply chain. Shift focus from solely cost-driven decisions to those considering long-term environmental and social benefits.
- Contact the Midlands Net Zero Hub and request the supplementary booklet of additional data to provide further information and context to the LCEGS sector in your area.
- Large sub-sectors which saw stronger 3-year growth in Amber Valley than the UK average and are considered strengths are:

- Recovery & Recycling
- Waste Management
- Water Supply & Waste Water Treatment
- Alternative Fuels
- Energy Management

These are similar strengths to the wider EMCCA area, which also includes Alternative Fuel Vehicle and Building Technologies. The EMCCA report and dataset includes details of the skills gaps across EMCCA for each sub-sector, providing evidence to feed into local skills plans, ideally formed in collaboration with neighbouring councils.

4. Headline Figures for Amber Valley

The headline figures for the Amber Valley District Council area are:

- The LCEGS sector in Amber Valley was worth £323m in 2023/24 and is forecast to grow to £521m over the next 5 years
- The LCEGS sector accounts for 7.1% of GVA, 2.7% of employment, and sales accounts for 7.8% of GDP in Amber Valley
- Amber Valley's LCEGS Sales generates 1.1% of the LCEGS Sales in the MNZH region, slightly lower than the 1.2% of total GDP contribution
- Amber Valley's LCEGS GVA generated 1.1% of the MNZH's LCEGS GVA, in line with its 1.1% total GVA contribution
- Amber Valley's LCEGs employment accounts for 0.8% of MNZH's LCEGS employment, lower than its 1.3% of economically active people in the MNZH

5. Amber Valley's LCEGS Sector Key Metrics

Key metrics in Amber Valley for each financial year from 2019/20 to 2023/24, with growth between years:

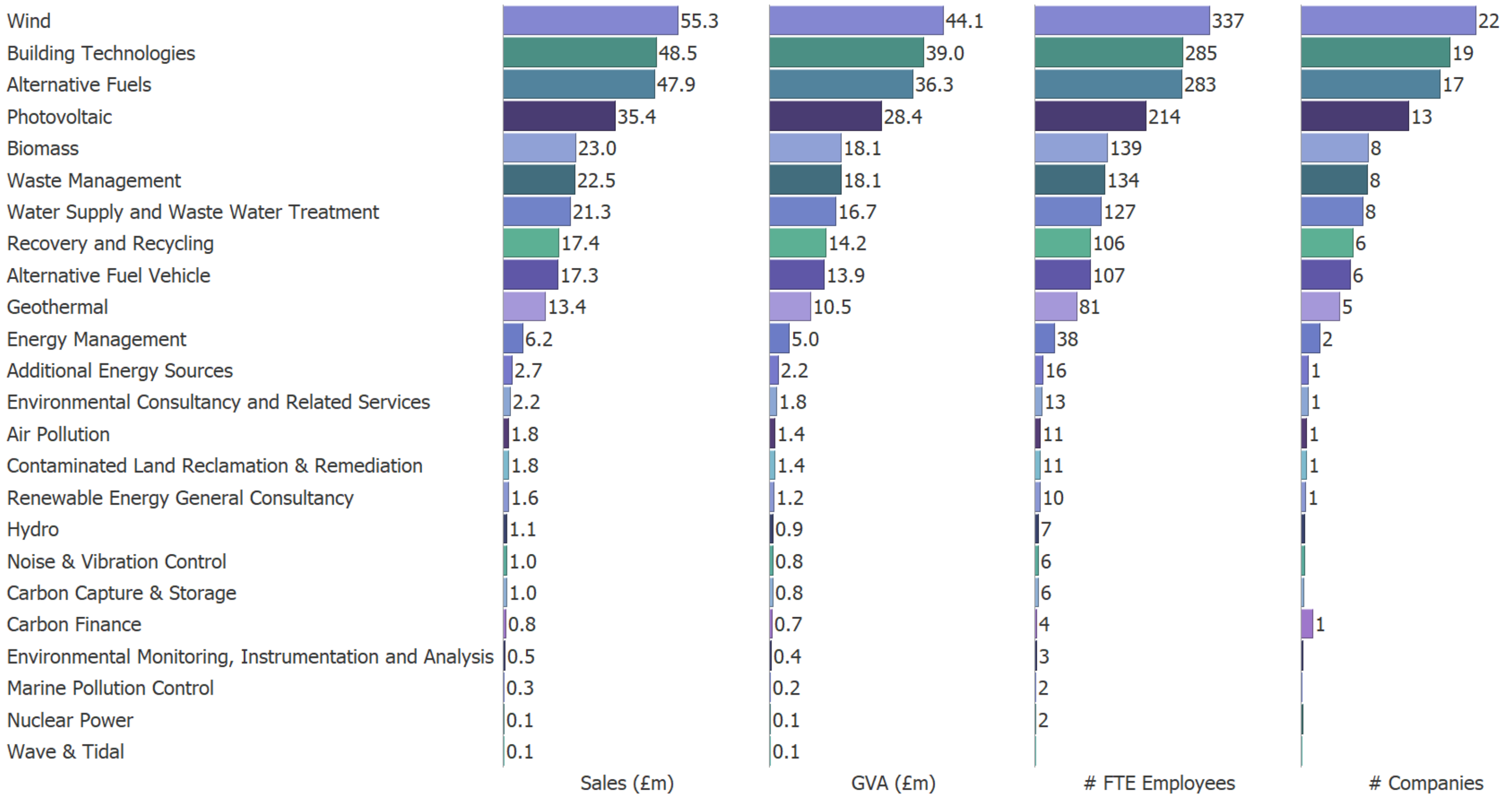
Amber Valley	2019/20	% growth	2020/21	% growth	2021/22	% growth	2022/23	% growth	2023/24
Sales	£288.8m	-6.1%	£271.1m	4.4%	£282.9m	5.7%	£299.1m	8.1%	£323.4m
GVA	£228.7m	-6.1%	£214.8m	4.4%	£224.2m	5.6%	£236.9m	8.1%	£256.1m
# FTE Employees	1,701	-4.0%	1,632	4.4%	1,704	5.9%	1,806	7.6%	1,944
# Companies	108	-6.1%	101	5.7%	107	5.7%	113	7.7%	122

All metrics have recovered from the pandemic in 2020 and saw growth across the reporting period from 2021/22 to 2023/24.

6. Amber Valley's Sub-sectors Key Metrics

All twenty-four sub-sectors of the LCEGS sector have activity in Amber Valley, with the 2023/24 values for Sales, GVA, FTE Employees and number of companies in figure 1.

Figure 1: Sales, GVA, FTE Employees and number of companies in Amber Valley in 2023/24 by sub-sector



The largest 11 sub-sectors account for 95% of sales, 95% of GVA, 95% of employment and 94% of companies in the LCEGS sector. These 11 sub-sectors are Wind; Building Technologies; Alternative Fuels; Photovoltaic; Biomass; Waste Management; Water Supply & Waste Water Treatment; Recovery & Recycling; Alternative Fuel Vehicle; Geothermal and Energy Management.

7. Amber Valley's Sub-sector Growth Compared with the UK

Sub-sectors that saw stronger growth in sales than the UK average between 2021/22 and 2023/24 for Amber Valley include:

Sub-sector	Amber Valley Sales 2023/24	Amber Valley Growth 2021/22 to 2023/34	UK Growth 2021/22 to 2023/34
Air Pollution	£1.8m	14%	7%
Contaminated Land Reclamation & Remediation	£1.8m	14%	9%
Environmental Consultancy and Related Services	£2.2m	14%	11%
Recovery and Recycling	£17.4m	14%	11%
Waste Management	£22.5m	15%	8%
Water Supply and Waste Water Treatment	£21.3m	14%	5%
Additional Energy Sources	£2.7m	15%	10%
Alternative Fuels	£47.9m	16%	14%
Energy Management	£6.2m	13%	10%

Only sub-sectors contributing more than 1% of the total Sales in Amber Valley have been included in this table.

Of the 9 sub-sectors that grew stronger than the UK, Recovery & Recycling; Waste Management; Water Supply & Waste Water Treatment; Alternative Fuels; and Energy Management are also large sub-sectors and should be considered a strength of Amber Valley.

8. MNZH Regional summary

Headline figures for the MNZH area are:

- The LCEGS sector in MNZH Region was worth £31.0bn in 2023/24 and is forecast to grow to £46.6bn over the next 5 years
- The LCEGS sector accounts for 7.4% of GVA, 4.2% of employment, and sales accounts for 8.3% of GDP in MNZH Region
- MNZH Region's LCEGS Sales generates 11.9% of the LCEGS Sales in the UK, slightly lower than the 12.4% of total GDP contribution

- MNZH Region's LCEGs employment accounts for 15.5% of the UK's LCEGS employment, lower than its 16.8% of economically active people in the UK
- Net Zero 2030 targets are expected to require between 30,192 and 146,162 FTE employees in addition to those employed now in the MNZH region
- Net Zero 2050 targets are expected to require between 263,907 and 727,184 FTE employees in addition to those employed now in the MNZH region
- The MNZH region's LCEGS sector could generate up to 727,184 jobs between 2023/24 and 2050*
- Between 2019/20 and 2023/24, Investment in R&D for the LCEGS sector has varied, but is now similar, shrinking slightly from £2.2bn to £2.1bn for Private Equity Investment; being £3.6bn for Venture Capital Investment for both years; and increasing slightly from £4.9bn to £5.2bn for Other Investment.
- Exports in the LCEGS sector for MNZH Region have increased from £2.8bn in 2019/20 to £3.2bn in 2023/24.

*The majority of increase from 2030 targets due to additional 20 years of wider economic growth

9. East Midlands Combined County Authority summary

Headline figures for the EMCCA area are:

- The LCEGS sector in EMCCA was worth £6.0bn in 2023/24 and is forecast to grow to £8.7bn over the next 5 years
- The LCEGS sector accounts for 7.3% of GVA, 3.3% of employment, and sales accounts for 8.0% of GDP in EMCCA
- EMCCA's LCEGS Sales generates 19.8% of the LCEGS Sales in the MNZH region, slightly lower than the 20.5% of total GDP contribution
- EMCCA's LCEGS GVA generated 19.8% of the MNZH's LCEGS GVA, slightly lower than the 20.3% total GVA contribution

- EMCCA's LCEGs employment accounts for 16.8% of MNZH's LCEGS employment, lower than its 21.5% of economically active people in the MNZH
- Net Zero 2030 targets are expected to require between 3,099 and 23,125 FTE employees in addition to those employed now in EMCCA
- Net Zero 2050 targets are expected to require between 52,760 and 125,327 FTE employees in addition to those employed now in EMCCA
- EMCCA's LCEGS sector could generate up to 125,327 jobs between 2023/24 and 2050 *
- Investment in R&D for the LCEGS sector in 2019/20 was very high due to unusual investment in the Nuclear Power sub-sector with over £1.1bn in Private Equity; £1.4bn in Venture Capital Investment; and £1.7bn in Other Investment in that year. Nuclear Power is still the largest sub-sector in terms of investment in the EMCCA, but for this comparison we have used the 2020/21 data, which represents more 'usual' investment. Between 2020/21 and 2023/24, Investment in R&D for the LCEGS sector has grown from £296m to £438m for Private Equity Investment; £534m to £712m for Venture Capital Investment; and £771m to £1,016m for Other Investment.
- Exports in the LCEGS sector for EMCCA have increased from £572m in 2019/20 to £656m in 2023/24.

*The majority of increase from 2030 targets due to additional 20 years of wider economic growth

10. Example Companies in Amber Valley

Examples companies in Amber Valley.

Note: Some or all of the company's activity and employment are either currently in the LCEGS sector or have the potential to be. In some cases, turnover and/or employment may include activity in other locations.

Company Name:	**W B Power Services Limited**
Web:	https://www.wbpsltd.co.uk/renewables/

Turnover:	£109m (UK total)
Employees:	221 (UK total)
SIC Codes:	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
About the company:	“Industry leading renewable power infrastructure, designed, planned and delivered by our in-house team – utilising the latest, cutting-edge fuel technologies. Sourcing critical power and taking a step towards a more sustainable future is at the forefront of the WB agenda. As we continue to look for ways to cut carbon emissions, and explore renewable energy sources, biofuel alternatives are forming a major part of our strategy. Clean, efficient and demonstrably better for the environment, we are proud to supply a wide range of renewable energy alternatives.”

Company Name:	**Envirogen Water Technologies Limited**
Web:	https://www.envirogengroup.com/
Turnover:	£12.3m (global)
Employees:	63 (global)
SIC Codes:	Water collection, treatment and supply
About the company:	“Envirogen is a leading international provider of industrial water treatment solutions and process filtration. We work across sectors to solve process and manufacturing challenges, designing, installing, servicing and maintaining high-quality solutions for a low total cost of ownership.”