

# Low Carbon Environmental Goods and Services Sector Study 2024: Local Authority Short Report for Coventry City 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, WMCA and Coventry & Warwickshire, 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 WMCA and Coventry and Warwickshire level relevant to the wider geographical region:

- There is support across the wider region to help businesses to decarbonise. Schemes such as the Business Energy Advice Service, the WM Net Zero Pledge and decarbonisation grants will help further drive the LCEGS sector, although more support and funding are needed in the future to maximise effectiveness.
- The WMCA region has a very strong innovation sector including a number of funding projects and support networks, such as the West Midlands Innovation Programme. The Innovation Accelerator programme has offered £33m of funding for five projects, two of which directly support the LCEGS sector - "Clean Futures" and the "Biochar Cleantech Accelerator" - and offers a strong platform to drive innovation throughout the LCEGS supply chain.
- Energy Capital's work developing a Regional Energy Strategy and a Smart Energy Cluster will provide a useful direction of travel and an opportunity to collaborate for the region's diverse and otherwise disparate energy sector.

- The [Green Business Network](#) connects businesses in the LCEGS sector. Through it, LCEGS businesses can access expert guidance on energy and resource efficiency, networking and supply chain opportunities, access to grants and funding, and free energy and resource audits.
- Birmingham has the highest concentration of low carbon sector employees in the country and is home to over 5,100 low carbon businesses. This activity gives the region as a whole the opportunity to act as a national LCEGS hub.

### 3. Recommendations

Recommendations for Coventry City Council are:

- Take advantage of the automotive sector in Coventry by promoting, learning from and building upon the Supply Chain Transition Programme, which helps SMEs in the sector diversify their customer base by winning new orders in growing areas of the economy.
- Promote the use of local suppliers for low carbon product installations as part of funding schemes (such as insulation upgrades) and establish quality assurance procedures to ensure effectiveness and build trust in council-led schemes.
- Build on the opportunities presented by the Innovation Accelerator to grow the LCEGS sector. Investigate how to retain skills, knowledge and if possible, activity from the Innovation Accelerators post March 2025.
- 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 the local authority and wider public sector to prioritise sustainable practices across the supply chain, thereby driving growth in the LCEGS sector. Shift focus from short term cost savings to longer term savings and consider savings to other budgets through procurement which brings social and environmental 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 Coventry City than the UK average and are considered strengths are:
  - Recovery & Recycling
  - Waste Management
  - Water Supply & Waste Water Treatment
  - Alternative Fuel Vehicle
  - Alternative Fuels
  - Building Technologies
  - Energy Management
  - Biomass
  - Geothermal
  - Photovoltaic
  - Wind

These are similar strengths to the wider WMCA, apart from Biomass, Photovoltaic and Wind, which did not grow stronger than the UK average across the wider WMCA. The WMCA report and dataset includes details of the skills gaps across the WMCA for each sub-sector, providing evidence to feed into local skills plans, ideally formed in collaboration with neighbouring councils.

These are similar strengths to the wider Coventry & Warwickshire, apart from Biomass, Photovoltaic and Wind, which did not grow stronger than the UK average across the wider Coventry & Warwickshire. Additionally, Nuclear Power is a strength of Coventry & Warwickshire due to the large presence in Rugby. The Coventry & Warwickshire report and dataset includes details of the skills gaps across Coventry & Warwickshire for each sub-sector, providing evidence to feed into local skills plans, ideally formed in collaboration with neighbouring councils.

#### 4. Headline Figures for Coventry

The headline figures for the Coventry City Council area are:

- The LCEGS sector in Coventry was worth £1.25bn in 2023/24 and is forecast to grow to £1.94m over the next 5 years
- The LCEGS sector accounts for 7.1% of GVA, 4.5% of employment, and sales accounts for 8.2% of GDP in Coventry
- Coventry's LCEGS Sales generates 3.7% of the LCEGS Sales in the MNZH region, in line with the 3.7% of total GDP contribution
- Coventry's LCEGS GVA generated 3.7% of the MNZH's LCEGS GVA, slightly lower than its 3.9% total GVA contribution

- Coventry's LCEGS employment accounts for 3.5% of MNZH's LCEGS employment, higher than its 3.3% of economically active people in the MNZH

## 5. Coventry's LCEGS Sector Key Metrics

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

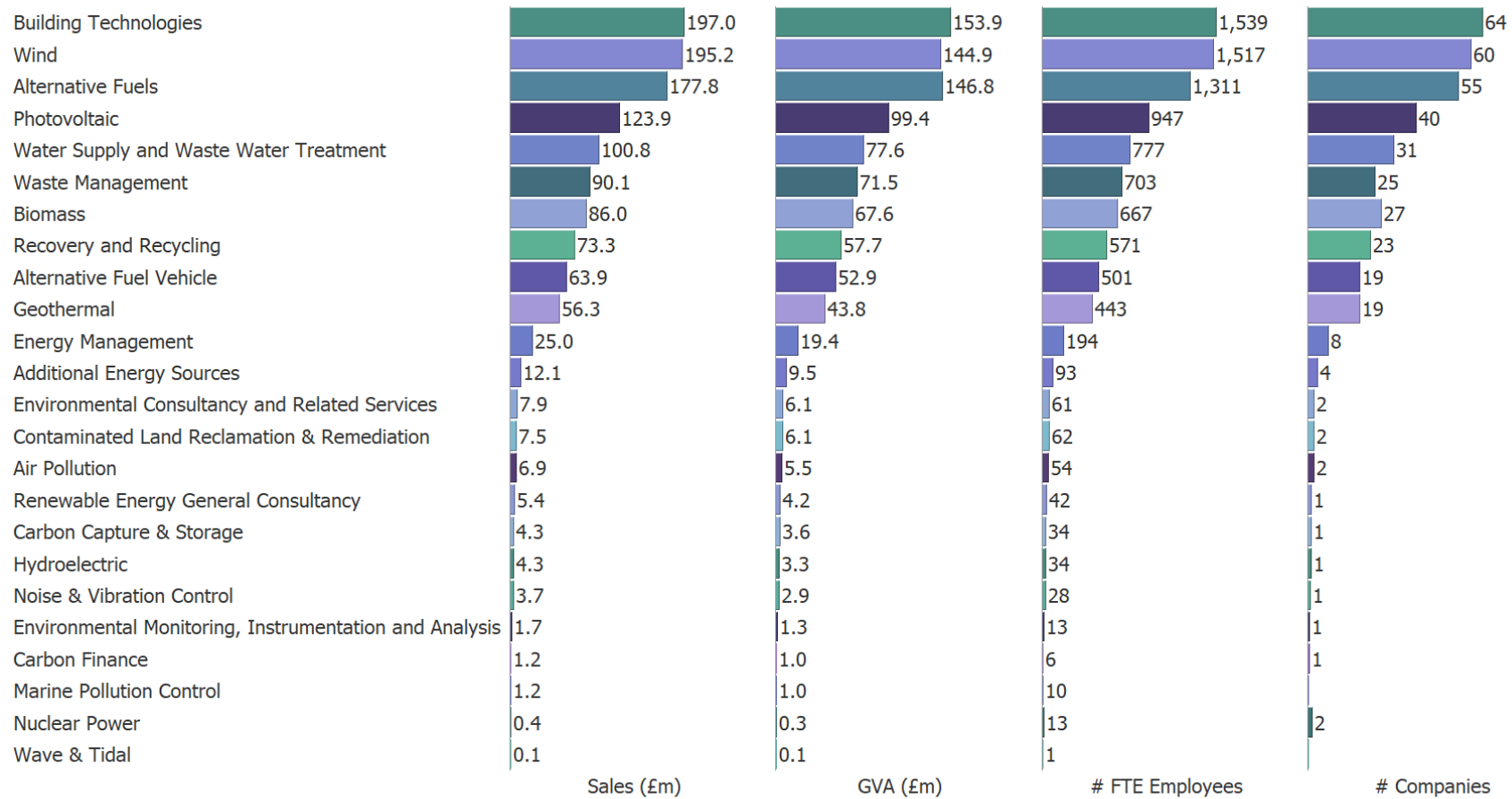
Coventry	2019/20	% growth	2020/21	% growth	2021/22	% growth	2022/23	% growth	2023/24
Sales	£1,006.4m	-11.6%	£890.2m	8.1%	£962.6m	11.4%	£1,072.3m	16.2%	£1,246.0m
GVA	£797.7m	-11.5%	£705.7m	8.1%	£762.9m	10.8%	£845.5m	16.0%	£980.4m
# FTE Employees	7,420	-7.7%	6,852	8.3%	7,417	11.8%	8,293	16.0%	9,619
# Companies	312	-11.5%	276	8.6%	300	11.5%	335	16.2%	389

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

## 6. Coventry's Sub-sectors Key Metrics

All twenty-four sub-sectors of the LCEGS sector have activity in Coventry, 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 Coventry in 2023/24 by sub-sector



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

## 7. Coventry'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 Coventry include:

Sub-sector	Coventry Sales 2023/24	Coventry Growth 2021/22 to 2023/24	UK Growth 2021/22 to 2023/24
Air Pollution	£6.9m	32%	7%
Contaminated Land Reclamation & Remediation	£7.5m	34%	9%
Environmental Consultancy and Related Services	£7.9m	27%	11%
Recovery & Recycling	£73.3m	31%	11%
Waste Management	£90.1m	30%	8%
Water Supply & Waste Water Treatment	£100.8m	28%	5%
Additional Energy Sources	£12.0m	26%	10%
Alternative Fuel Vehicle	£63.9m	23%	12%
Alternative Fuels	£177.8m	32%	14%
Building Technologies	£197.0m	28%	16%
Energy Management	£25.0m	26%	10%
Biomass	£86.0m	29%	24%
Geothermal	£56.3m	31%	18%
Photovoltaic	£123.9m	29%	21%
Wind	£195.2m	30%	23%

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

Of the fifteen sub-sectors that grew stronger than the UK, Recovery & Recycling; Waste Management; Water Supply & Waste Water Treatment; Alternative Fuel Vehicle; Alternative Fuels; Building Technologies; Energy Management; Biomass; Geothermal; Photovoltaic and Wind are also large sub-sectors and should be considered a strength of Coventry.

## 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. West Midlands Combined Authority summary

Headline figures for the WMCA area are:

- The LCEGS sector in WMCA was worth £9.2bn in 2023/24 and is forecast to grow to £14.2bn over the next 5 years
- The LCEGS sector accounts for 7.8% of GVA, 4.6% of employment, and sales accounts for 8.8% of GDP in WMCA
- WMCA's LCEGS Sales generates 29.0% of the LCEGS Sales in the MNZH region, higher than the 27.1% of total GDP contribution
- WMCA's LCEGS GVA generated 29.1% of the MNZH's LCEGS GVA, higher than the 27.5% total GVA contribution
- WMCA's LCEGS employment accounts for 28.8% of MNZH's LCEGS employment, higher than its 26.7% of economically active people in the MNZH
- Net Zero 2030 targets are expected to require between 10,116 and 45,735 FTE employees in addition to those employed now in WMCA
- Net Zero 2050 targets are expected to require between 76,728 and 219,141 FTE employees in addition to those employed now in WMCA
- WMCA's LCEGS sector could generate up to 219,141 jobs between 2023/24 and 2050\*
- Between 2019/20 and 2023/24, Investment in R&D for the LCEGS sector has grown from £414m to £563m for Private Equity Investment; £820m to £1.0bn for Venture Capital Investment; and £1.2bn to £4.5bn for Other Investment.
- Exports in the LCEGS sector for WMCA have increased from £798m in 2019/20 to £933m in 2023/24.

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



## 10. Coventry & Warwickshire summary

Headline figures for Coventry & Warwickshire are:

- The LCEGS sector in Coventry & Warwickshire was worth £3.9bn in 2023/24 and is forecast to grow to £5.6bn over the next 5 years
- The LCEGS sector accounts for 8.2% of GVA, 6.1% of employment, and sales accounts for 9.1% of GDP in Coventry & Warwickshire
- Coventry & Warwickshire's LCEGS Sales generates 12.4% of the LCEGS Sales in the MNZH region, higher than the 11.2% of total GDP contribution
- Coventry & Warwickshire's LCEGS GVA generated 12.4% of the MNZH's LCEGS GVA, higher than the 11.2% total GVA contribution
- Coventry & Warwickshire's LCEGS employment accounts for 13.7% of MNZH's LCEGS employment, higher than its 9.5% of economically active people in the MNZH
- Net Zero 2030 targets are expected to require between 5,754 and 21,426 FTE employees in addition to those employed now in Coventry & Warwickshire
- Net Zero 2050 targets are expected to require between 28,998 and 100,014 FTE employees in addition to those employed now in Coventry & Warwickshire
- Coventry & Warwickshire's LCEGS sector could generate up to 100,014 jobs between 2023/24 and 2050\*
- Between 2019/20 and 2023/24, Investment in R&D for the LCEGS sector has grown from £167m to £278m for Private Equity Investment; £330m to £467m for Venture Capital Investment; and £483m to £647m for Other Investment.
- Exports in the LCEGS sector for Coventry & Warwickshire have increased from £350m in 2019/20 to £405m in 2023/24.

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

## 11. Example Companies in Coventry

Examples companies in Coventry.

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:	<b>Severn Trent Water Limited</b>
Web:	<a href="https://www.stwater.co.uk/">https://www.stwater.co.uk/</a>
Turnover:	£2.12bn
Employees:	over 7,900
SIC Codes:	Water collection, treatment and supply Sewerage

About the company:	“We provide over eight million people across our region with fresh, clean drinking water every day – that’s about two billion litres. And when they’ve finished with it, we take it away again and clean and treat it before returning it safely to the environment. To make sure that our customers can continue to enjoy our product for years to come we’re investing more than £6bn between 2020 and 2025 on new and existing assets like pipes, treatment works and reservoirs.”
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Company Name:	<b>E.On UK Plc</b>
Web:	<a href="https://www.eonenergy.com/">https://www.eonenergy.com/</a>
Turnover:	£3.4bn
Employees:	795

SIC Codes:	Production of electricity Activities of other holding companies (not including agricultural, production, construction, distribution and financial services holding companies) n.e.c.
About the company:	“We’re driving the transition to a cleaner, greener and smarter energy system to help achieve the UK’s target of net zero carbon emissions by 2050. All our residential* and SME** customers receive 100% renewables backed electricity with a fixed tariff, 3.3bn invested in UK renewables We pioneered the UK’s renewable revolution through a vast portfolio of wind farms.”
Company Name:	<b>Q.E.D. Environmental Systems Limited</b>
Web:	<a href="https://www.qedenv.com/">https://www.qedenv.com/</a>
Turnover:	£9.6m
Employees:	53
SIC Codes:	Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment
About the company:	“As industry leaders, QED are the premier manufacturers of monitoring and remediation equipment, precision engineered pumping solutions and gas instrumentation. Serving a wide range of environmental markets worldwide.”
Company Name:	<b>T. A. Savery &amp; Co Limited</b>
Web:	<a href="https://www.savery.co.uk/">https://www.savery.co.uk/</a>
Turnover:	£26.5m
Employees:	302
SIC Codes:	Manufacture of pumps
Additional Products and Services:	Flood barrier hydraulic pumps

Wind turbine blade testing equipment

About the company:

“At the Coventry-based Centre of Excellence, Savery builds and supplies custom power packs and bespoke manifold assemblies for a wide range of industry sectors and industrial applications.”