

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

- There is support across the Warwickshire 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 of which Coventry is also part 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.

3. Recommendations

Recommendations for Rugby Borough Council are:

- Take advantage of the automotive sector in Rugby 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.
- Work with nearby local authorities to develop a strategy to better work 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 similar or stronger 3-year growth in Rugby than the UK average and are considered strengths are:
 - Waste Management
 - Water Supply & Waste Water Treatment
 - Alternative Fuel Vehicle
 - Nuclear Power
 - Energy Management

These are similar strengths to the wider Coventry & Warwickshire, which also includes Recovery & Recycling; Alternative Fuels; Building Technologies; and Geothermal. 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 Rugby

The headline figures for the Rugby Borough Council area are:

- The LCEGS sector in Rugby was worth £392m in 2023/24 and is forecast to grow to £465m over the next 5 years
- The LCEGS sector accounts for 8.7% of GVA, 7.2% of employment, and sales accounts for 9.5% of GDP in Rugby
- Rugby’s LCEGS Sales generates 1.4% of the LCEGS Sales in the MNZH region, slightly higher than the 1.2% of total GDP contribution
- Rugby’s LCEGS GVA generated 1.4% of the MNZH’s LCEGS GVA, slightly higher than its 1.2% total GVA contribution
- Rugby’s LCEGS employment accounts for 2.1% of MNZH’s LCEGS employment, slightly higher than its 1.2% of economically active people in the MNZH

5. Rugby’s LCEGS Sector Key Metrics

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

Rugby	2019/20	% growth	2020/21	% growth	2021/22	% growth	2022/23	% growth	2023/24
Sales	£367.1m	-4.2%	£351.8m	4.6%	£367.8m	2.0%	£375.1m	4.4%	£391.7m
GVA	£292.1m	-6.1%	£274.3m	6.8%	£292.9m	1.9%	£298.3m	4.6%	£311.9m
# FTE Employees	4,297	-11.6%	3,799	15.0%	4,370	3.9%	4,541	2.5%	4,657
# Companies	119	-5.0%	113	4.8%	118	3.1%	122	4.0%	127

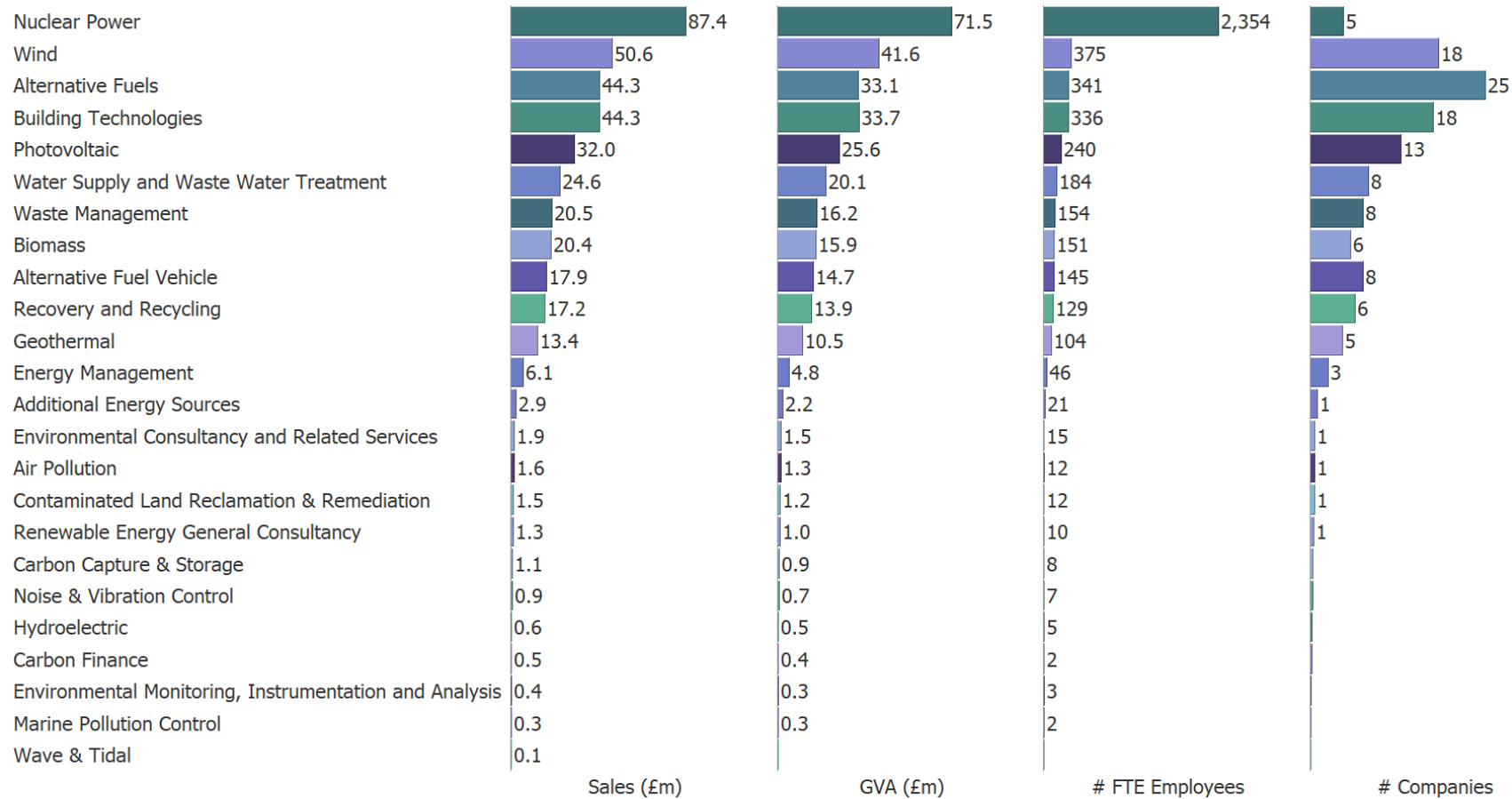
Note: the total numbers for 2019/20 are higher than those reported in 2021 due to an adjustment made in the Nuclear Power sub-sector in the Rugby Borough Council area.

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

6. Rugby's Sub-sectors Key Metrics

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



The largest twelve sub-sectors account for 97% of sales, 97% of GVA, 98% of employment and 96% of companies in the LCEGS sector. These twelve sub-sectors are Nuclear Power; Wind; Alternative Fuels; Building Technologies; Photovoltaic; Water Supply & Waste Water Treatment; Waste Management; Biomass; Alternative Fuel Vehicle; Recovery & Recycling; Geothermal; and Energy Management.

7. Rugby’s Sub-sector Growth Compared with the UK

Nuclear is the only sub-sector which grew stronger than the UK average for the sub-sector between 2021/22 and 2023/24. Other sub-sectors which were closest to the UK average in Rugby include:

Sub-sector	Rugby Sales 2023/24	Rugby Growth 2021/22 to 2023/34	UK Growth 2021/22 to 2023/34
Air Pollution	£1.6m	5%	7%
Contaminated Land Reclamation & Remediation	£1.5m	5%	9%
Waste Management	£20.5m	5%	8%
Water Supply and Waste Water Treatment	£24.6m	5%	5%
Alternative Fuel Vehicle	£17.9m	7%	12%
Energy Management	£6.1m	5%	10%
Nuclear Power	£87.4m	12%	8%

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

Of the seven sub-sectors that either grew stronger than the UK, or were close to the UK average, Waste Management; Water Supply & Waste Water Treatment; Alternative Fuel Vehicle; Nuclear Power; and Energy Management are also large sub-sectors and should be considered a strength of Rugby.

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. 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

10. Example Companies in Rugby

Examples companies in Rugby. 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: **Arabelle Services UK Limited**
Web: <https://www.arabellesolutions.com/our-technology>
Turnover: £80.5m
Employees: 411
SIC Codes: Manufacture of electric motors, generators and transformers
Additional Products and Services: Nuclear supply chain
About the company: "We have been supplying nuclear power plant technology for more than six decades, including the most reliable and powerful turbine islands in operation."

Company Name: **Draper Civil Engineering Limited**
Web: <https://www.drapercivils.com/>
Employees: 21
SIC Codes: Construction of other civil engineering projects n.e.c.
Water collection, treatment and supply
Construction of water projects
Additional Products and Services: Pipework and Drainage
Clean and Wastewater treatment

About the company:

“Draper Civil Engineering is a Midlands-based company with a national presence. Working with some of the UK’s most renowned construction companies, clients across the UK turn to Draper Civil Engineering to solve their toughest civil engineering challenges.”