Low Carbon Environmental Goods and Services Sector Study 2024: Local Authority Short Report for Nottingham 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 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 Nottingham City 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 similar or stronger 3-year growth in Nottingham City than the UK average and are considered strengths are:

- Waste Management
- Water Supply & Waste Water Treatment
- Energy Management

These are similar strengths to the wider EMCCA area, which also includes Recovery & Recycling, Alternative Fuel Vehicle, Alternative Fuels 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 Nottingham City

The headline figures for the Nottingham City Council area are:

- The LCEGS sector in Nottingham City was worth £1.11bn in 2023/24 and is forecast to grow to £1.35bn over the next 5 years
- The LCEGS sector accounts for 7.2% of GVA, 4.0% of employment, and sales accounts for 8.3% of GDP in Nottingham City
- Nottingham City's LCEGS Sales generates 4.1% of the LCEGS Sales in the MNZH region, slightly higher than the 4.0% of total GDP contribution
- Nottingham City's LCEGS GVA generated 4.0% of the MNZH's LCEGS GVA, slightly lower than the 4.1% total GVA contribution
- Nottingham City's LCEGs employment accounts for 2.7% of MNZH's LCEGS employment, lower than the 2.9% of economically active people in the MNZH

5. Nottingham City's LCEGS Sector Key Metrics

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

Nottingham City	2019/20	% growth	2020/21	% growth	2021/22	% growth	2022/23	% growth	2023/24
Sales	£1,061.5m	-2.3%	£1,037.2m	1.7%	£1,054.8m	2.2%	£1,078.4m	3.2%	£1,113.1m
GVA	£830.3m	0.1%	£831.4m	-0.7%	£825.3m	2.3%	£844.3m	3.3%	£872.1m
# FTE Employees	5,674	-10.1%	5,101	11.4%	5,683	14.0%	6,478	12.5%	7,287
# Companies	334	-0.8%	331	1.7%	337	2.4%	345	3.2%	356

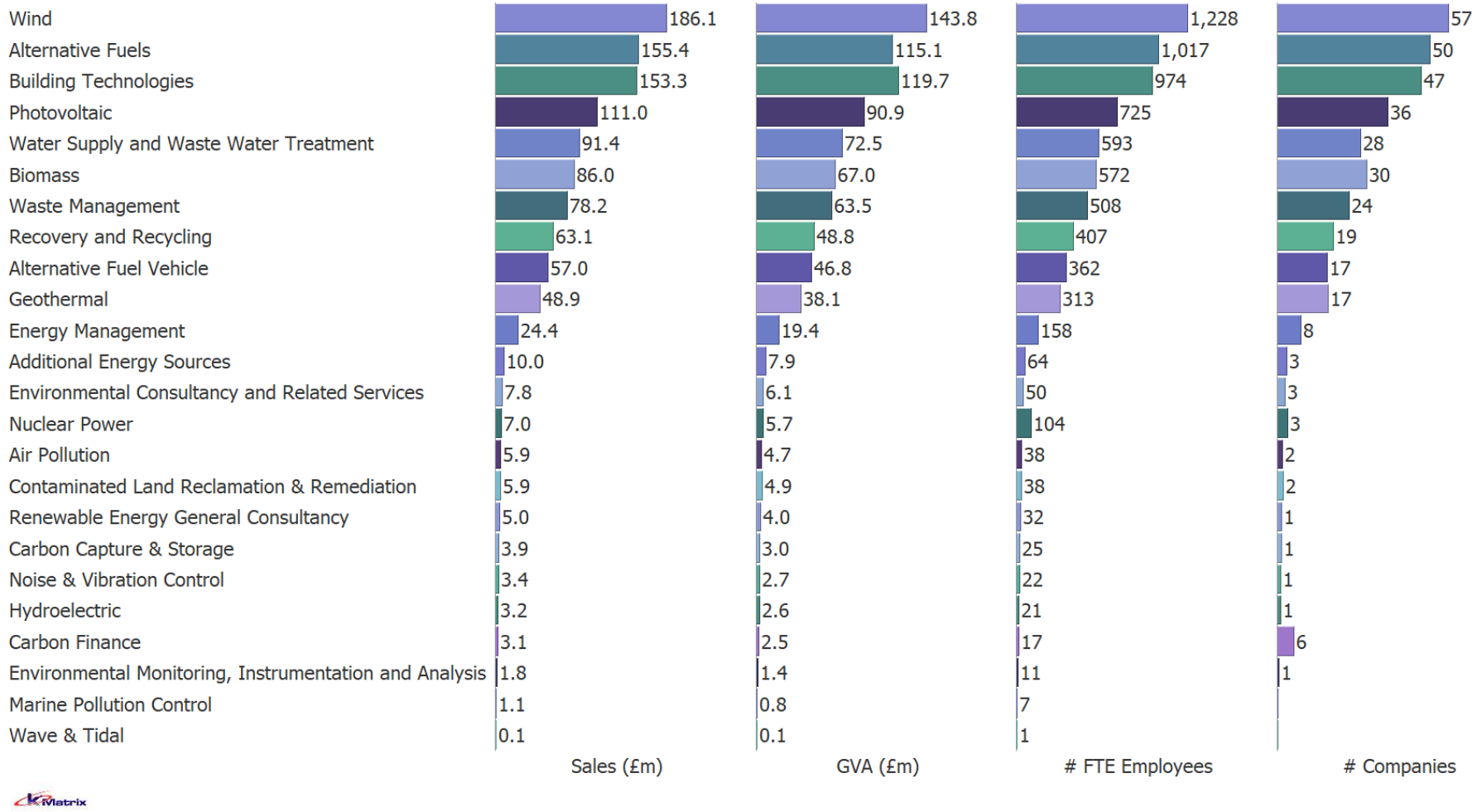
Note: the total numbers for 2019/20 are higher than those reported in 2021 due to an adjustment made in the Nuclear Power sub-sector in the Nottingham City Council area.

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

6. Nottingham City's Sub-sectors Key Metrics

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



The largest 11 sub-sectors account for 95% of sales, 95% of GVA, 94% of employment and 93% of companies in the LCEGS sector. These 11 sub-sectors are Wind; Alternative Fuels; Building Technologies; Photovoltaic; Water Supply & Waste Water Treatment; Biomass; Waste Management; Recovery & Recycling; Alternative Fuel Vehicle; Geothermal and Energy Management.

7. Nottingham City's Sub-sector Growth Compared with the UK

Sub-sectors that saw similar or stronger growth in sales than the UK average between 2021/22 and 2023/24 for Nottingham City include:

Sub-sector	**Nottingham City Sales 2023/24**	**Nottingham City Growth 2021/22 to 2023/34**	**UK Growth 2021/22 to 2023/34**
Air Pollution	£5.9m	6%	7%
Contaminated Land Reclamation & Remediation	£5.9m	6%	9%
Waste Management	£78.2m	6%	8%
Water Supply and Waste Water Treatment	£91.4m	6%	5%
Energy Management	£24.4m	5%	10%
Nuclear Power	£7.0m	5%	8%

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

Of the 6 sub-sectors that saw similar or stronger growth than the UK, Waste Management; Water Supply & Waste Water Treatment; and Energy Management are also large sub-sectors and should be considered a strength of Nottingham City.

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 Nottingham City

Examples companies in Nottingham City.

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:	**Dalkia Engineering Limited**
Web:	https://dalkia.co.uk/services/engineering-services/
Turnover:	£215m (Total across the UK)
Employees:	774 (Total across the UK)
SIC Codes:	Electrical installation
	Plumbing, heat and air-conditioning installation
About the company:	"We are one of the UK's leading technical and energy services provider at the forefront of delivering net zero solutions for our clients. Together, we are helping to build a better society.
	Solving your toughest challenges through excellence in engineering. Harnessing a value-engineering approach across our projects, we optimise your environment to deliver cost savings and carbon efficiency. Part of the EDF Group."

Company Name:	**Blackburn Starling & Company Limited**
Web:	https://blackburn-starling.co.uk/industry-sectors
Turnover:	£9.8m
Employees:	96

SIC Codes:	Manufacture of electronic industrial process control equipment
Additional Products and Services:	Water industry supply chain
	Nuclear supply chain
About the company:	“Water - Blackburn Starling have designed, manufactured, installed & commissioned MCC’s & Systems Integration solution to virtually all of the UK water companies. Nuclear - We have been an approved supplier for LV Switchboards to the nuclear industry for over 20 years and we have also very recently completed our final assessment for the Fit4Nuclear (F4N) accreditation.”

Company Name:	**Enva England Limited**
Web:	https://enva.com/
Turnover:	£55.5m (Total UK)
Employees:	325 (Total UK)
SIC Codes:	Collection of non-hazardous waste
	Treatment and disposal of non-hazardous waste
	Recovery of sorted materials
About the company:	“Enva is a leading provider of recycling and resource recovery solutions, with locations across the United Kingdom and Ireland. We operate across four core waste streams: Hazardous Materials, Non-Hazardous Materials, Hydrocarbons and General Waste Recycling. With sustainability at the forefront of our proposition, we recover a broad range of waste materials for re-use in manufacturing and energy conversion.

At Enva, we are committed to recycling and resource recovery; it forms the basis of our business strategy and our values.

We support the life cycle of waste products to provide either a second life, such as the production of energy or, in many cases, closed-loop recycling solutions.

Our dedication to developing new and innovative products and solutions and extending the life cycle of the world's resources is driving our business forward."