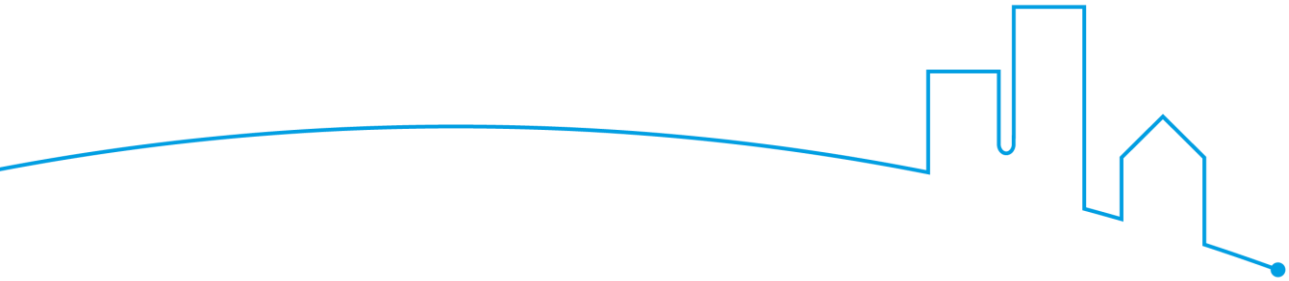
Department for
Business, Energy
& Industrial Strategy

BUSINESS AWARENESS AND UPTAKE OF ENERGY AUDITS

Main Report



October 2017

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Main Report

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Glossary

Energy audit: An inspection, survey and analysis of energy flow to improve energy savings in a building, process or system. It is the first step in identifying opportunities to reduce energy expense and carbon footprints.

Energy efficiency measures: Steps taken to improve the efficiency of energy use. For example, installation of LED lightbulbs, motion detector lighting, or cavity wall insulation.

Energy Savings Opportunity Scheme (ESOS): ESOS is a mandatory energy assessment scheme for organisations in the UK that meet the qualification criteria. Organisations that qualify for ESOS must carry out ESOS assessments every four years. These assessments are audits of the energy used by their buildings, industrial processes and transport to identify cost-effective energy saving measures. The deadline for the first compliance period was 5 December 2015.

Non-SMEs: Large enterprises. For the purposes of this report they are defined as organisations with 250 or more employees.

SMEs: Small and medium-sized enterprises. These are defined as organisations with fewer than 250 employees (including sole-traders).

Sector definitions

'Primary / Manufacturing / Construction': Sectors that fall under this definition are as follows:

- Agriculture, Forestry and Fishing
- Mining and Quarrying; Electricity, Gas, Steam and Air Conditioning Supply; Water Supply; Sewerage, Waste Management and Remediation Activities
- Manufacturing
- Construction

'Transport / Retail / Distribution': Sectors that fall under this definition are as follows:

- Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
- Transportation and Storage
- Information and Communication

'Business services': Sectors that fall under this definition are as follows:

- Accommodation and Food Service Activities
- Financial and Insurance Activities
- Real Estate Activities
- Professional, Scientific and Technical Activities
- Administrative and Support Service Activities

‘Other services’: Sectors that fall under this definition are as follows:

- Education
- Human Health and Social Work Activities
- Arts, Entertainment and Recreation
- Other Service Activities

Further detail on the sector definitions is included in Annex A.1 of the Technical report.

1. Introduction

1.1 Background

The Department of Energy and Climate Change (DECC, now the Department for Business, Energy and Industrial Strategy) commissioned IFF Research to conduct surveys to:

- Understand awareness and attitudes towards the Energy Savings Opportunity Scheme (ESOS) before and during the first compliance period;
- Monitor the uptake of energy audits for ESOS and more generally in small and medium-sized enterprises (SMEs) and larger organisations (non-SMEs);
- Understand the attitudes towards and experiences of energy efficiency in business, providing context for the uptake of audits.

The Energy Savings Opportunity Scheme (ESOS) intends to help organisations across the UK to improve energy efficiency. The scheme applies to all enterprises with, or who are part of a group that includes, 250 or more employees – including charities and not-for-profit bodies[1]. Under the scheme, these organisations were required to undertake ESOS assessments by 5 December 2015 and every 4 years thereafter to identify cost-effective ways to save on energy bills. This report presents findings from interviews with organisations that had characteristics matching the qualification criteria for ESOS.

This report also presents survey findings from SMEs i.e. those with fewer than 250 employees, with the aim of assessing the implementation of energy efficiency measures and audit behaviour within these organisations.

1.2 Methodology

Data was collected for this work via two strands – research among non-SMEs (601 interviews) and research among SMEs (1,346 interviews). For the non-SME research, IFF Research obtained samples of organisations through Dun and Bradstreet and conducted a bespoke ad-hoc survey for DECC. In total six waves were carried out for the non-SME

[1] The criteria for qualification also includes turnover, see the scheme guidance for full details https://www.gov.uk/government/publications/comply-with-the-energy-savings-opportunity-scheme-esos.

strand of research, with telephone interviews taking place quarterly between September 2014 and December 2015. The SME strand was conducted using IFF Research's Business Omnibus in three waves between September 2014 and January 2016. As with the non-SME survey, no organisations were recruited more than once to participate in this research.

Further detail on the samples used is included in Annex A.2 of the Technical report. Unless otherwise stated, the figures presented in this report are based on the total responses across all of the applicable waves of the surveys from September 2014 onwards.

The questionnaires were designed and agreed between DECC and IFF Research, and underwent some development prior to the final waves of both strands with the addition of new questions. Questionnaires used in the most recent waves can be found in Annex A.5 (non-SME strand) and Annex A.6 (SME strand) of the Technical report.

Data analysis and weighting

To ensure non-SME data are representative of the target populations both SME and non-SME data have been weighted. All figures reported in this report are weighted. The weights used are outlined in Annex A.4.

Reporting and interpretation

Unless otherwise stated, all differences between sub-groups and non-SMEs/SMEs outlined in this report are statistically significant at the 95% confidence level. In effect, this means there is only a 5% probability that the difference occurred by chance.

Detailed data tables including breakdowns by organisation characteristics are published alongside this report.

Cautionary statements have been included throughout the report where base sizes impact on the robustness of findings. This is particularly the case for questions which were only asked in the most recent waves. Further details on the limitations of the methodology can be found in Annex A.3.

Annex A.4 outlines the confidence intervals at the 50% level on the interim sample sizes used in this report.

2. Views on energy audits and energy efficiency

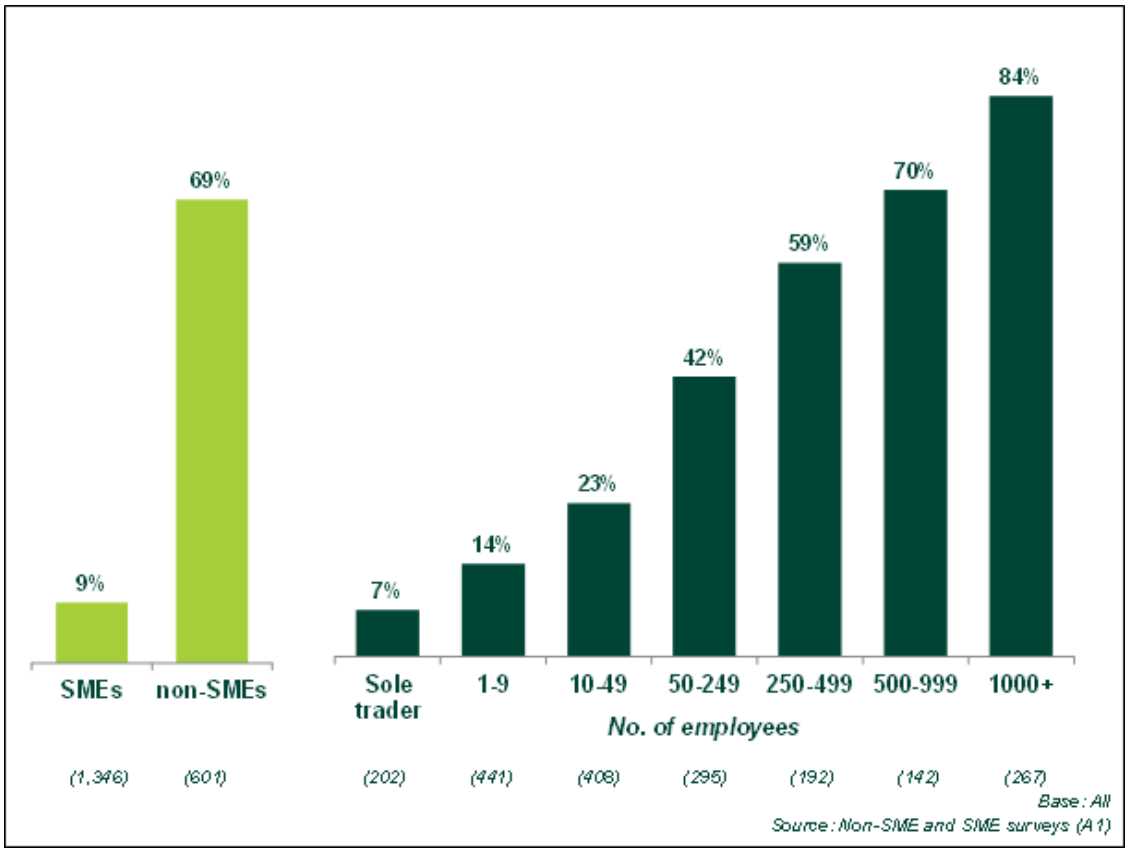
Key findings

- All organisations in the surveys were asked whether they had ever undertaken an energy audit. The proportion of organisations that had ever conducted an energy audit increased with organisation size, from only 7% of sole traders to 84% of organisations with 1,000 or more employees. In total, only 9% of SMEs said they had ever conducted one, compared with 69% of all non-SMEs.
- Only 4% of SMEs that had never conducted an audit had considered doing so.
- For those who had ever undertaken an audit, audits were most likely to have been conducted since December 2011 (87% of SMEs and 84% of non-SMEs), with only around one in ten reporting conducting one prior to that date (11% of non-SMEs; and 13% of SMEs). In total across the surveys, over a third of non-SMEs (37%) said their most recent audit had been completed in 2015, with this proportion increasing at each wave during 2015.
- Around four in five SMEs (81%) who had ever conducted an energy audit took action as a result, with two-thirds implementing an energy efficiency measure or technology. More efficient lighting (58%) was the most commonly implemented measure, followed by more efficient heating (50%) and building insulation improvements (46%).
- Over half of SMEs that undertook an energy audit reported having made financial savings as a result (52%), and of those, nearly two-thirds reported energy cost savings of more than £200 in the last year (59%).
- Non-SMEs were asked the extent to which different aspects were covered by their energy audits. They were most likely to say that their audits covered their buildings (66% said at least a great extent) or their plant, machinery or equipment (62%), but were less likely to report their transport fleet being covered (39%). Indeed, one in five stated that transport was not covered at all (21%).

2.1 Prevalence and timing of energy audits

All organisations in the surveys were asked whether they had ever undertaken an energy audit. As shown in Figure 2.1, the proportion of organisations that had conducted an energy audit increases with organisation size. In total, around seven in ten non-SMEs had ever undertaken an energy audit (69%), while fewer than one in ten SMEs had done so (9%).

Figure 2.1: Proportion that have ever conducted an energy audit by organisation size



For those who had ever undertaken an audit, they were most likely to report conducting them since December 2011 (87% of SMEs and 84% of non-SMEs), with only around one in ten conducting one prior to that date (11% of non-SMEs; and 13% of SMEs). In total across the surveys, over a third of non-SMEs (37%) said their most recent audit had been completed in 2015, with this proportion increasing at each wave during 2015.

2.2 Energy audits and energy efficiency in SMEs

Views on energy efficiency[2]

In order to provide context for the later questions on audits, SMEs were asked their views and experiences of energy efficiency. When asked if there was a maximum amount of time they were prepared to wait to recoup costs from an energy efficiency investment, over half of the SMEs interviewed stated that there was no definitive timeframe (54%). This proportion was greater among micro organisations (i.e. with 1-9 employees at 55%) than for small and medium-sized organisations (50% and 43%, respectively). These findings are similar to those observed in the ENWORKS survey in which it was found that the payback period alone was not in itself a sufficient driver or barrier to the uptake of energy efficiency improvements (DECC, 2014)[3].

SMEs within the 'Other services' sector (77%) were significantly more likely than SMEs in other sectors to state that there was no maximum amount of time they would wait to recoup costs.

Around a third of all SMEs had implemented a specific energy efficiency measure or measures in the past (35%). The likelihood was significantly higher among the largest band of SMEs (64%, compared with 30% of sole traders, 43% of micro and 50% of small organisations).

The majority of these energy efficiency measures were financed using the organisation's own funds (71%). One in eight reported that the measure implemented was free for the organisation (e.g. behavioural changes such as nominating an energy efficiency champion; 12%).

Most SMEs that implemented energy efficiency measures spontaneously identified the potential financial savings and investment as one of the main motivations for doing so (71%), while three in ten felt motivated by the environmental benefit (28%)[4]. Around one in twenty said staff comfort was a main motivation (5%), or that it was convenient as they were replacing machinery anyway (4%).

Those who implemented an energy efficiency measure were also asked how they or their organisation had first become aware of the benefits of energy efficiency. Most commonly,

[2] All questions reported in this subsection were only introduced from Wave 2 of the SME strand (March 2015 onwards), however the base size is sufficient for robust analysis (n=835).
[3] Department of Energy and Climate Change (DECC) 2014. Research to Assess the Barriers and Drivers to Energy Efficiency in Small and Medium Sized Enterprises.
[4] This was an unprompted question – although interviewers did have a set of codes to categorise the answers given.

it was reported that benefits were learnt via 'word of mouth' (37%). One in eight said that they had learnt of them through media sources (13%), and 7% felt they already knew or that it was common knowledge.

Potential barriers to energy efficiency for SMEs[5]

Previous research has indicated several potential barriers to energy efficiency, particularly for smaller organisations[6]. This survey explored some of the reasons for lower investment in energy efficiency by SMEs and some of the characteristics related to barriers such as split incentives.

SMEs who did not implement any energy efficiency measures after receiving an audit were asked their reasons for not doing so. The main reasons cited were that it was not a priority for the organisation, that they did not own the premises or that it was too expensive[7].

Previous research conducted by DECC has observed that those who rented or leased their premises believe that this could act as a barrier to the implementation of energy efficiency measures in the building or premises (DECC, 2014)[8]. The survey found that renting was more common amongst SMEs than larger enterprises. Around a third (33%) of SMEs rent their premises compared with just 10% of non-SMEs[9]. Similar proportions reported owning their premises outright (31% of non-SMEs, and 33% of SMEs).

Among SMEs, the proportion who had implemented an energy efficiency measure 'in the past' was slightly higher than average among those who owned their premises outright (39% compared with 35% overall)[10]. Moreover, the proportion who had implemented an energy audit was also slightly higher than average among those who owned their premises outright (12% compared with 9% overall).

When SMEs were asked how their organisation pays its energy bills, it was found that 56% of SMEs paid their own energy bills, while 20% have an energy service contract and 8% pay a standing charge to their landlord. While the vast majority of medium-sized SMEs

[5] All questions for SMEs reported in this subsection were only introduced from Wave 2 of the SME strand (March 2015 onwards), however the base size is sufficient for robust analysis (n=835).
[6] See for example, Centre for Sustainable Energy and Environmental Change Institute (University of Oxford), What are the factors influencing energy behaviour and decision-making in the non-domestic sector? A rapid evidence assessment for DECC, 2012. http://www.cse.org.uk/downloads/reports-and-publications/behaviour-change/factors_influencing_energy_behaviours_in_non-dom_sector.pdf.
[7] Base size too low to report statistical proportions.
[8] Department of Energy and Climate Change (DECC) 2014. Research to Assess the Barriers and Drivers to Energy Efficiency in Small and Medium Sized Enterprises.
[9] This is slightly lower than figures from FSB (the National Federation of Self-employed and Small Businesses) which indicated around 45% of their members were renting (FSB 'Voice of Small Business' Member Survey, February 2012).
[10] Breakdown not included in the tables to this report.

(97%) said their primary place of work was separate from their primary place of residence, this was not the case among sole traders, 55% of whom said their primary place of work was not separate, indicating that many were working from home.

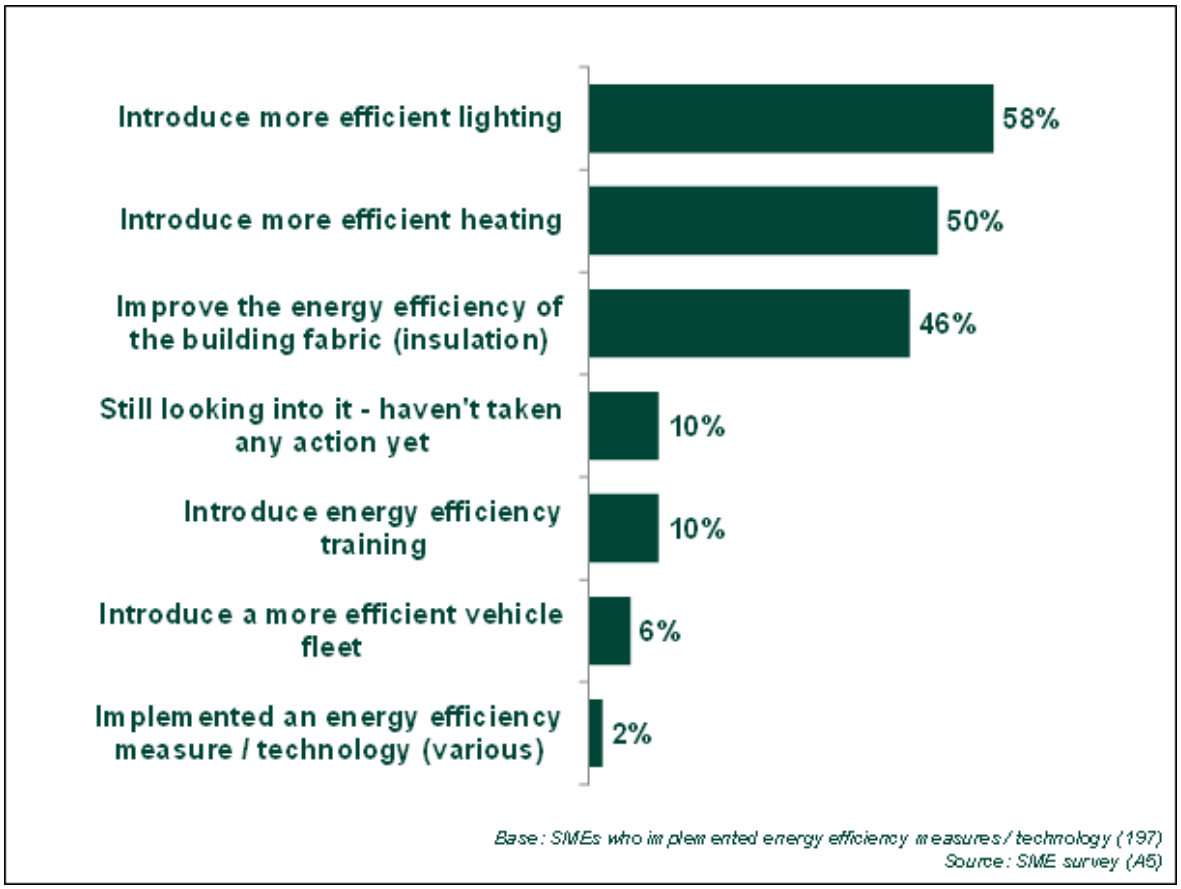
Impact of energy audits for SMEs[11]

Around four in five of those SMEs that had ever conducted an energy audit, later took action as a result (81%). Around two-thirds (64%) implemented an energy efficiency measure or technology, while just over half underwent a change in behaviour to improve energy (54%), over a quarter changed energy provider (27%), and 7% created an internal team to deal with energy efficiency matters[12].

Those SMEs who said they had implemented an energy efficiency measure were asked which of a list of measures they implemented (Figure 2.2). The most common actions taken were to introduce more efficient lighting (58%); more efficient heating (50%); and to improve the energy efficiency of the building (e.g. insulation) (46%).

[11] This set of questions was not asked to non-SME organisations.
[12] SMEs were prompted with the following options – changing energy provider, changing behaviour, implementing an energy efficiency measure / technology, anything else. SMEs that had undertaken at least one of these options were defined as having taken action. More than one answer could have been supplied.

Figure 2.2: Energy efficiency measures and technologies implemented



Just over half of SMEs that had ever undertaken an energy audit reported having made financial savings as a result (52%), and a similar proportion achieved energy savings (50%). A small minority felt it was too early to assess the impact of the audit in this regard (6%). These findings are similar to those observed in the Carbon Trust Close Out database which found that over 50% of SMEs identified energy and financial savings (Carbon Trust, 2013)[13].

Of those SMEs who achieved financial savings after undertaking an energy audit, 39% reported financial savings of greater than £500 in the last year and nearly two-thirds reporting savings of more than £200 in the last year (59%). The extent of the financial savings reported increased with size, with 73% of those with between 50-249 employees reporting financial savings of greater than £500 in the last year.

[13] Carbon Trust, 2013. Energy Savings from Audits Analysis from the Carbon Trust's Close Out database, Prepared for DECC, December 2013.

Barriers to energy audits for SMEs[14]

Of those SMEs that had never conducted an energy audit, only 4% had considered doing so. This proportion increased with organisation size, rising from only 3% of sole traders to 20% of those with 50-249 employees.

Reasons for not undertaking an audit [15] among SMEs who had considered one included it not being a priority for the organisation, a belief that savings would be negligible and/or the energy audit would be too expensive[16]. This contrasts with the financial savings reported in the previous section by half of those SMEs who had conducted an audit.

2.3 Energy audits and energy efficiency in non-SMEs

Views on energy efficiency[17]

In the December 2015 wave of the survey, large enterprises were asked their views about energy efficiency, a majority reported that reducing energy consumption was one of their stated objectives, but a lower proportion were working towards ISO certification on energy management[18]. Four in five non-SMEs (79%) reported that reducing energy consumption was one of their stated objectives, and a slightly higher proportion stated they had an environmental policy (84%). Three in five non-SMEs indicated that they had certification to ISO14001 (61%). Certification with ISO50001 is one way that organisations can comply with the ESOS obligations and only one in five non-SMEs (22%) had or were working towards ISO50001. When this question was asked, 18% of respondents did not know whether their organisation had ISO50001 certification.

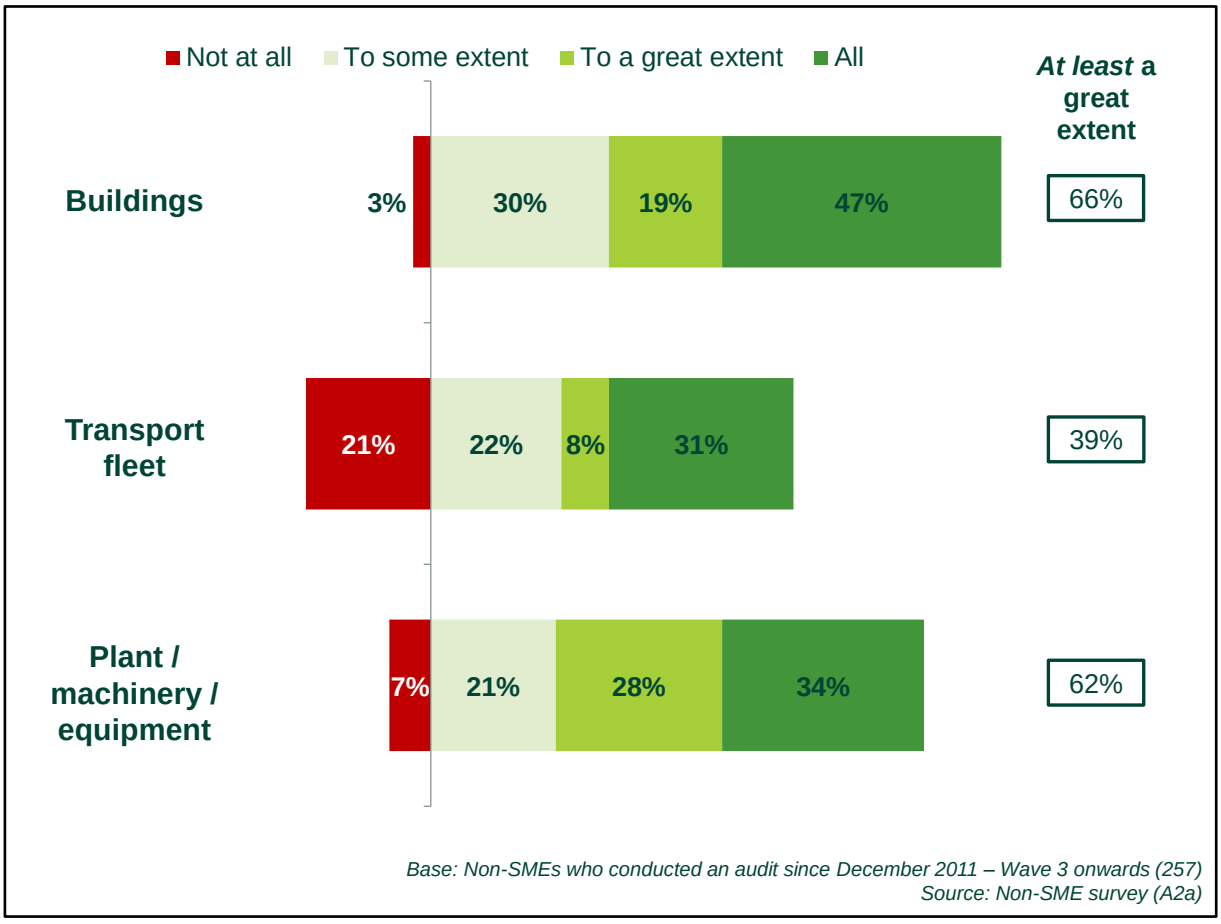
Also, in December 2015, all non-SMEs were asked to indicate on a scale of 1 to 10 (where 10 was high and 1 was low) the level of priority energy efficiency takes across the organisation as a whole, and at board level. Around three-quarters of organisations (74%) deemed energy efficiency to have a priority level of 7 or higher in the organisation as a whole, while closer to two-thirds (68%) felt it was a priority level of 7 or higher at board level. In line with this, around four in five non-SMEs (83%) indicated that they had training or other processes to encourage and support staff in reducing energy consumption.

[14] This set of questions was not asked to non-SME organisations.
[15] Organisations were presented with a list of possible barriers, and asked if these or any other reasons were applicable.
[16] Base size too low to report statistical proportions.
[17] All questions reported in this subsection were only introduced in the final wave of the non-SME strand (December 2015). As such, caution should be taken with these figures due to their low base size (n=101).
[18] Respondents were asked which of five statements applied to their organisation: Reducing energy consumption is one of our stated objectives; We have an environmental policy; We have certification to ISO14001; We have certification / are working towards certification to ISO50001; We have training or other processes to encourage and support staff in reducing energy consumption.

Coverage of audits

Those non-SMEs, who had conducted an audit since December 2011, were asked the extent to which this covered three main sources of energy consumption[19]. Across all of the surveys, around two-thirds of non-SMEs reported that their buildings had been covered to either a great extent or in their entirety (66%), with a slightly lower proportion stating that their plant, machinery or equipment had been covered to at least a great extent (62%). By contrast, only around two-fifths of non-SMEs reported this to be the case for their transport fleet (39%). Indeed, one in five stated this element was not covered at all (21%) (Figure 2.3). Nonetheless, the proportion stating that all of their transport fleet was covered in energy audits since December 2011 almost doubled between March 2015 and December 2015 (23% compared with 41%).

Figure 2.3: Coverage of audits conducted since December 2011



Base: Non-SMEs who conducted an audit since December 2011 – Wave 3 onwards (257)
Source: Non-SME survey (A2a)

[19] This question was only introduced in Wave 3 of the non-SME strand (March 2015 onwards).

Who conducted the most recent audit

For the most recent audits conducted by non-SMEs since December 2011[20], the majority contracted the work out to a third party expert (73%), while one in seven used an energy expert within their organisation (14%), and one in ten used in-house staff without expertise in energy (9%).

[20] This question was only introduced in Wave 3 of the non-SME strand (March 2015).

3. Awareness of and compliance with ESOS

Key findings

- Awareness among all non-SMEs of different aspects of ESOS increased significantly between September 2014 and March 2015 (after which it remained fairly constant).
- By the final survey in December 2015, around nine in ten (91%) non-SMEs were aware of ESOS in general and almost all (97%) were aware of the 5 December 2015 compliance deadline.
- Those non-SMEs who had heard of ESOS were asked to rate as true or false five statements about the scheme and how it would operate. The majority of non-SMEs correctly identified the true statements. That said, 18% incorrectly stated that ESOS was not mandatory for all large companies in the UK, and 22% incorrectly stated that it was mandatory to act upon the findings from energy audits that are conducted through ESOS.
- Four in five organisations (82%) surveyed in the final wave of the survey in December 2015 stated that they intended to implement an ESOS compliant energy audit. This proportion was significantly higher than in September and December 2014 (44% and 61%, respectively).
- Almost all organisations intending to implement an ESOS audit were ‘very’ or ‘fairly’ confident they would do so by the deadline (97%).
- When presented with four attitudinal statements about ESOS, respondents most commonly felt that “ESOS will help my organisation identify cost-effective energy savings” (across all of the survey waves 40% thought so). This view grew increasingly common through the waves of the survey (from 29% in September 2014 to 52% in December 2015).

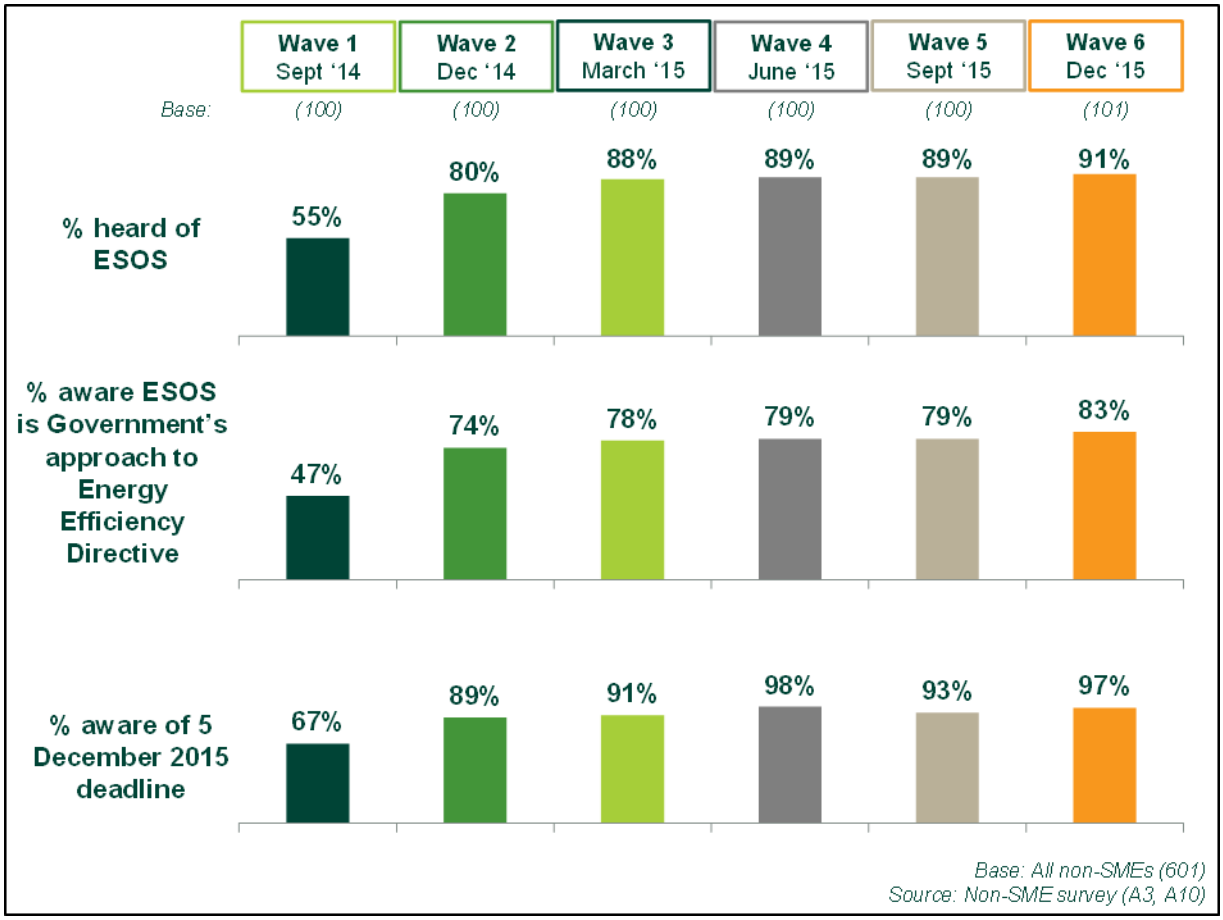
3.1 Awareness of ESOS

Organisations were asked about their awareness of the Energy Savings Opportunity Scheme (ESOS) and about their views of the scheme. As ESOS applies to larger

enterprises, the questions in this section were not asked to small and medium-sized enterprises.

Figure 3.1 summarises the findings for ESOS awareness at each wave. As shown in the figure, awareness of the ESOS scheme increased between September 2014 and March 2015 among all non-SMEs. Awareness of ESOS and its purpose remained fairly constant from March 2015 onwards (with the exception of June 2015 when there was a 'spike' in the proportion that stated they were aware of the 5 December 2015 deadline)[21].

Figure 3.1: Time trend series for ESOS awareness



The vast majority of the non-SMEs surveyed in December 2015 had heard of ESOS (91%), a significant increase in awareness from the first wave of the survey (55% of non-SMEs surveyed in September 2014 had heard of ESOS). Similarly, awareness of the compliance deadline increased across the surveys, rising from 67% in September 2014 to 97% in December 2015.

[21] The compliance deadline was 5 December 2015, although the Environment Agency in its role as scheme manager announced that penalty action for non-compliance would not be taken until after 29 January 2016.

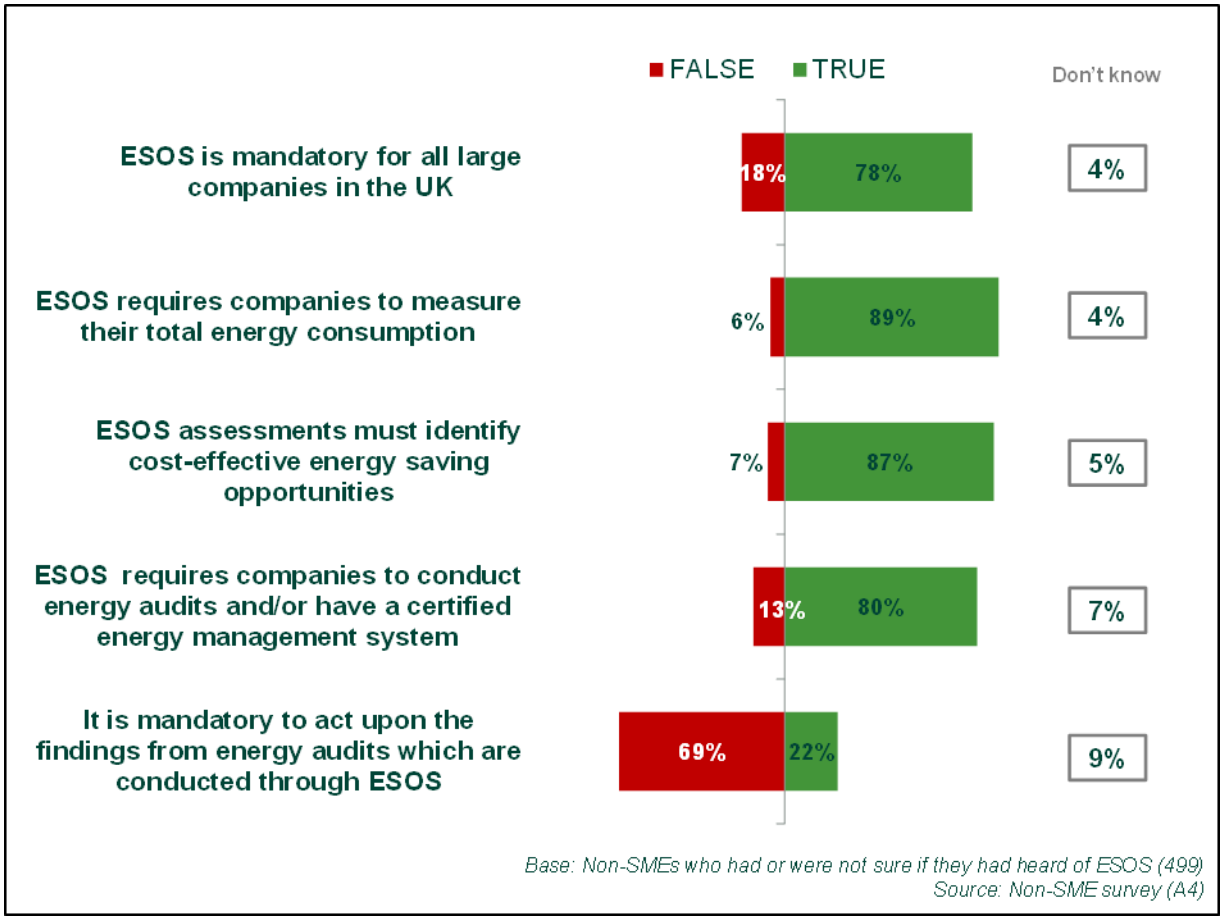
Across the six waves, the proportion aware of ESOS was higher among organisations with 1,000 or more employees (89% compared with 81% of those with 999 or fewer employees). The proportion aware of ESOS was also higher among organisations in the 'Primary, Manufacturing and Construction' (88%) and 'Transport, Retail and Distribution' (89%) sectors compared with those in 'Business Services' and 'Other Services' (80% and 70%, respectively). Similarly, those in the 'Other Services' sector were less likely than other sectors to be aware of the deadline for compliance with ESOS (80% compared with 91% or more in other sectors).

3.2 Views on ESOS

In order to gauge respondents' knowledge of ESOS, those non-SMEs who had heard of ESOS were presented with five statements relating to the scheme, and asked whether they believed them to be true or false. Responses are shown in Figure 3.2.

All statements were true except for the one which claimed that "it is mandatory to act upon the findings from energy audits conducted through ESOS".

Figure 3.2: Beliefs held for ESOS



The majority of non-SMEs showed some knowledge of the scheme. That said, 18% incorrectly stated that ESOS was not mandatory for all large companies in the UK, and 22% incorrectly stated that it is mandatory to act upon the findings from energy audits that are conducted through ESOS, whilst 9% did not know.

Next, all non-SMEs were presented with the following statements, and asked which one most closely aligned with their organisation's attitude towards ESOS:

- ESOS will help my organisation identify cost-effective energy savings;
- My organisation is already doing everything it can to save energy;
- My organisation will not act upon any of the findings from the ESOS audit; and
- ESOS will encourage senior management to invest in energy efficiency.

In total across the surveys, two-fifths believed that ESOS would help their organisation identify cost-effective energy improvements, and there was a marked rise between September 2014 to December 2015 in the proportions holding this view (29%, rising to 52%). Those in the 'Primary / Manufacturing / Construction' and Business Services sectors were significantly more likely than other sectors to also hold this view (46% and 44% respectively, compared with 33% or fewer of other sectors).

Overall, almost two in five (37%) believed that their organisations were already doing everything they could to save energy, although this figure fell between the first and last surveys (22% in December 2015, compared with 41% in September 2014).

Broadly across all of the surveys, a fifth of organisations (22%) felt that the scheme would encourage senior management to invest in energy efficiency. Although this attitude was slightly less common in March and June 2015 (18%) there were no significant changes throughout the programme of the research.

A very small minority (2%) said that they would not act upon any findings from the ESOS audit.

3.3 Compliance with ESOS

Over time the proportion of organisations who said they were intending to comply with ESOS increased. By December 2015, four in five non-SMEs said that they were intending to implement an ESOS compliant energy audit (82%), a significantly higher proportion than in September and December 2014 (44% and 61% respectively).

Overall across all waves, the majority of non-SMEs in the different sectors said they were intending to implement an ESOS audit - the exception to this was those in the 'Other Services' sector of whom only 45% said they were intending to implement an ESOS audit (compared with 72% across all sectors).

As shown in Table 3.1, organisations who intended to conduct such an audit indicated that the timings of these audits would be fairly staggered, however, all of those interviewed from December 2014 onwards indicated that they would take place within the year, and 89% of those interviewed in December 2015 had already undertaken one (suggesting compliance with the 5 December deadline)[22].

Table 3.1: Timings of ESOS audits by month of survey

Statement	Sept. 2014	Dec. 2014	March 2015	June 2015	Sept. 2015	Dec. 2015
	%	%	%	%	%	%
Base:	*(39)*	*(53)*	*(74)*	*(82)*	*(82)*	*(82)*
Now / completed	17	23	40	56	69	89
0-3 months	26	8	31	22	26	6
3-6 months	6	42	19	16	4	3
6-9 months	22	14	4	3	1	0
9-12 months	11	12	1	0	0	1
1 year +	6	0	0	0	0	0

Base: All non-SMEs intending to conduct an audit.

In line with this, almost all organisations who were intending to conduct an ESOS compliant audit (97%) were very or fairly confident that they would comply with ESOS by the deadline[23]. The small number of organisations who intended to conduct an audit but did not express confidence that they would comply by the deadline said this was because they had too many buildings or they were unsure of the criteria for being compliant.

[22] The compliance deadline was 5 December 2015, although the Environment Agency in its role as scheme manager announced that penalty action for non-compliance would not be taken until after 29 January 2016.
[23] This question was only introduced in Wave 3 – March 2015, hence this question has a lower base size.

Among the organisations who said they were not planning to conduct an ESOS compliant audit, around a third (31%) said that this was because they were not aware of ESOS compliant audits; 18% said they had already undertaken a compliant audit or had ISO50001 certification, and a further 12% said it was not a priority.

Table 3.2 shows how large organisations intended to or did undertake the ESOS compliant audit [24] - in the majority of cases it was or would be contracted out to a third party lead assessor.

Table: 3.2: How the ESOS compliant audits will be undertaken

Statement	Overall	March 2015	June 2015	Sept. 2015	Dec. 2015
	%	%	%	%	%
Base:	***(324)***	*(74)*	*(82)*	*(84)*	*(84)*
The audit will be contracted out to a third party lead assessor	**68**	59	73	71	70
The audit will be carried-out by an in-house expert and ratified by an external lead assessor	**14**	22	12	11	13
The audit will be carried-out by an in-house expert and reviewed by an in-house lead assessor	**11**	15	10	9	11
The audit will be carried-out by an external expert and ratified by an in-house lead assessor	**1**	3	1	0	0

Base: All non-SMEs intending to conduct an audit (Not asked in Wave 1 or Wave 2)

[24] This question was only introduced in Wave 3 – March 2015.

4. Conclusions

The proportion of organisations that had ever conducted an energy audit increased with organisation size, with only 9% of SMEs having conducted an energy audit compared with 69% of larger organisations. Of the SMEs who had conducted an energy audit, four in five took action as a result, and energy efficient lighting was the most commonly implemented measure.

Awareness of the Energy Savings Opportunity Scheme (ESOS) and awareness of the 5 December compliance deadline increased significantly among non-SMEs between September 2014 and March 2015. After March 2015 awareness and understanding of ESOS among non-SMEs levelled off and from that date around one in ten non-SMEs remained unaware of ESOS. However, almost all organisations said they were aware that the deadline for compliance was 5 December 2015.

There were differences in awareness of ESOS among larger organisations by size and sector. Across the six waves of the survey, the proportion aware of ESOS was higher among organisations with more 1,000 or more employees compared with those with 999 or fewer employees. Across all waves of the survey, non-SMEs in the 'Other Services' sector (e.g. education, health and social work) were least likely to say they were intending to implement an ESOS compliant energy audit.

Further research would be needed to confirm the survey findings for SMEs as there are only a limited number of studies in this area. In particular, further research would be needed to explain why such a lower proportion of SMEs had ever conducted an energy audit. Finally, further research could also shed light on the reasons for the apparent disconnect between the financial savings reported by those SMEs who had undertaken audits and the belief amongst others that potential savings would be negligible.

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