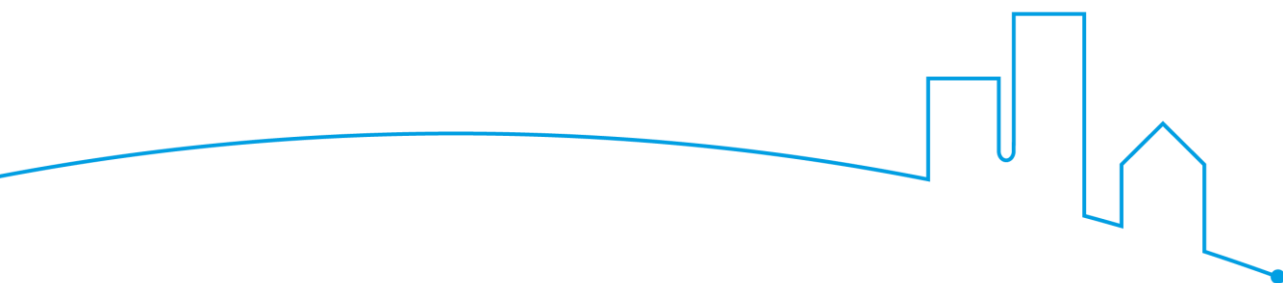




Department for
Business, Energy
& Industrial Strategy

BUSINESS AWARENESS AND UPTAKE OF ENERGY AUDITS

Executive Summary



October 2017

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Executive summary

Background and Methodology

The Department of Energy and Climate Change (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. 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.

Data was collected for this work via two strands – research among non-SMEs (601 interviews) and research among SMEs (1,346 interviews). In total six waves were carried out for the non-SME strand of research, 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. 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 onwards¹.

¹ Unless otherwise stated, all differences between sub-groups and non-SMEs/SMEs outlined in this report are statistically significant at the 95% confidence level.

Energy audits and efficiency measures

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 non-SMEs. Furthermore, 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 result² 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%).

Awareness, beliefs and compliance with ESOS among non-SMEs

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

² SMEs were prompted with the following options – changing energy provider, changing behaviour, implementing an energy efficiency measure / technology or created an internal team. SMEs that stated they had undertaken one of these options were defined as having taken action.

in general and almost all (97%) were aware of the 5 December 2015 compliance deadline³.

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 compares with 44% in September 2014 and 61% in December 2014. Almost all organisations intending to conduct an audit were very or fairly confident that they would do so by the compliance deadline (97%).

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.

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 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.

