



ESHCON INFO

SECR - Streamlined Energy & Carbon Reporting

www.eshcon.co.uk

ESHCON

EFFECTIVE ENVIRONMENTAL MANAGEMENT

Reducing risk, promoting efficiency, saving money & winning business:
This is Effective Environmental Management

SECR - Streamlined Energy and Carbon Reporting

There is a big shake up coming in the field of carbon reporting.

From April 2019, the **Streamlined Energy and Carbon Reporting (SECR) Regulations** require large companies to include carbon & energy information in their Annual Report.

The government expects SECR to have wide-reaching benefits, including a potential £1.5 billion of value to society through carbon savings, improvement in air quality & a reduction in noise pollution.

So what is involved & what is changing?

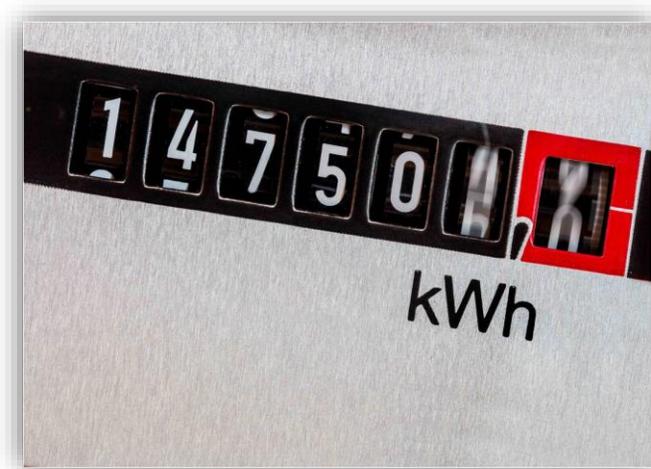
What to include?

The following information needs to be included in the Annual Report for that year:

- Greenhouse gas emissions - Scope 1 and 2 emissions arising from energy use in buildings & transport, including electricity, gas, vehicles & refrigerants (scope 3 remain voluntary).

Large unquoted companies & LLPs should report on UK energy use and carbon emissions.
Quoted companies will continue to be required to report on global activities.

- Details of the methodology for calculating emissions and a suitable carbon intensity metric are also needed.
- Energy consumption data - All UK electricity, gas and transport energy use.
- Details of energy efficiency activities undertaken.



CRC, ESOS, CCL & SECR – the background

The new mandatory reporting framework will replace the **CRC Energy Efficiency Scheme** and expand upon the existing **Mandatory Carbon Reporting (MCR)** regulations. It's likely to affect over 11,000 organisations, up from approximately 1,600 required to report under MCR.

The CRC required large energy users to purchase 'permits' in advance to cover their carbon emissions. It was a significant revenue generator for the Treasury and quite an administrative burden for the companies involved, having to forecast energy usage, purchase permits & make notifications.

With the CRC ending, the government needs to recoup its lost revenue so will increase the **CCL Climate Change Levy**, applied directly to energy bills. From April 2019, the rate of the CCL will increase by 45% for electricity & 67% for gas.

This increase in the CCL will apply to all non-domestic users – so that smaller companies will now be far more greatly affected (not just the large users which came under the CRC). CCL rates will be 0.847 p/kWh for electricity & 0.339 p/kWh for gas.

ESOS (the Energy Savings Opportunity Scheme) requires large companies to understand energy consumption, conduct audits to identify efficiency savings & then make a notification to the regulator. SECR does not replace **ESOS**, though the work done for it can contribute – particularly in gathering the energy data & planning energy savings activities.

While ESOS applies to large companies, SMEs with the company group may also be affected. This is not the case with SECR, so only large & quoted companies must comply.

It does sound complicated – there is a host of energy & carbon-related regulations. It is important that companies (of all sizes) know what is required of them.



Are you in?

SECR applies to quoted and large unquoted companies and LLPs registered in the UK, as defined by the Companies Act 2006. They fulfil at least 2 of the following conditions in the financial year: >250 employees, annual turnover >£36m or annual balance sheet >£18m.

Companies with low consumption (<40,000 kWh) will be exempt, also unquoted companies where 'it is not practical to obtain information' or to do so would be 'seriously prejudicial to the interests of the company'.

Companies within groups that qualify for SECR can be covered in combined Annual Reports, but small companies don't have to put info in their own report.

Companies that are not registered in the UK are not obliged to file annual reports at Companies House and will not be in scope for SECR.

Where an overseas large parent company has subsidiaries in the UK, these subsidiaries will be in scope only if they qualify for SECR in their own right.

Organisations not registered as companies, for example public sector organisations, some charities and some private sector organisations, are not in scope of the SECR framework.



What you need to do now

SECR applies to Annual Reports released for financial years after April 2019 – i.e. if your reporting year is April-March then your first report will be expected after end March 2020; for calendar years, your first report will be expected after the end of December 2019.

Firstly understand your business to determine if you meet the requirements – on staff numbers, turnover &/or balance sheet.

Put in place processes for collecting data. If you already doing ESOS &/or Mandatory Carbon Reporting, you're probably always collecting much of the data anyway.

For Greenhouse Gas (GHG) emissions: Scope 1 emissions cover gas, other fuels (including diesel, biomass & LPG) & refrigerants used in buildings, processes & transport. Scope 2 covers electricity & steam.

Collect & validate the data – a good data management system is useful but not essential. You need energy & fuel data, e.g. kWh of electricity, litres diesel or kg refrigerant gas.

Calculate the carbon emissions. Make sure your calculation methodology is accurate & up to date (emission factors can change every year).

Carry out energy audits to identify energy efficiency recommendations. Use your ESOS audits for this.

Plan your SECR project now

My experience is that there's a lot of work getting info together for the Annual Report anyway. Put in place your processes now, so it's not a mad dash later.

I have helped numerous companies comply with both MCR & ESOS. Let me help you, so the process is a smooth one.

ESHCON

EFFECTIVE ENVIRONMENTAL MANAGEMENT

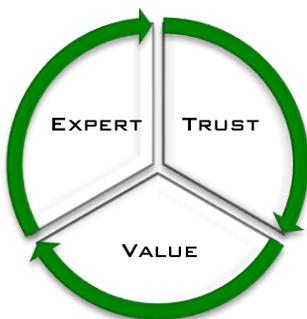


About Eshcon - Anya Ledwith (CEnv)

I am an experienced business adviser and auditor, with over 20 years of leadership in the field of environmental management. A Chartered Environmentalist, a **Registered Environmental Auditor** & a Lead ESOS Assessor, it is my *mission is to make environmental management the business norm.*

With expert advice and a pragmatic approach, I make it easy for clients to find improvements and see the commercial benefit.

Away from work, I am the Chairman of Gatwick Diamond Business and volunteer for the Sussex Community Foundation. For adventure, I rode a classic motorcycle across the Himalayas.



Do Get in Touch



07952 987 772



info@eshcon.co.uk



www.eshcon.co.uk



[Follow on Twitter
@Eshcon](https://twitter.com/Eshcon)



[Sign up for
the Newsletter](#)

"Each year Hogg Robinson Group collects and presents a great deal of information for our Annual Report. Eshcon handles all the relevant energy and travel data from our entities across the world, collating it and making the GHG emissions calculations. Anya ensures the project runs smoothly and provides all the information succinctly, for inclusion in our Annual Report on time."

Michael Drake, Group Financial Controller – Hogg Robinson Group