

SME-nvironment Survey 2009: UK

NetRegs is an online tool designed for small and medium sized enterprises (SMEs) to obtain clear and concise information on legal compliance and environmental good practice. It is aimed at reducing the amount of environmental harm caused by SMEs in the UK.

1.1 Introduction

This document reports the findings in the fifth in a series of surveys assessing the environmental awareness and activity of Small and Medium Sized Enterprises (SMEs) in the UK and the 2009 method was broadly similar to that of 2007. Fewer sectors were surveyed in this round, but two new ones were added (Healthcare and Education).

Response to the survey was good and a total of 7,000 responses were received in ten different sectors. The sample was stratified over the countries, sectors and size bands to ensure that an appropriate and significant analysis could be carried out on the data and weighting of the sample was applied to allow meaningful conclusions to be drawn from the data.

1.2 Measures to Address Environmental Issues

The survey found a general increase from previous years in the percentage of businesses that had introduced

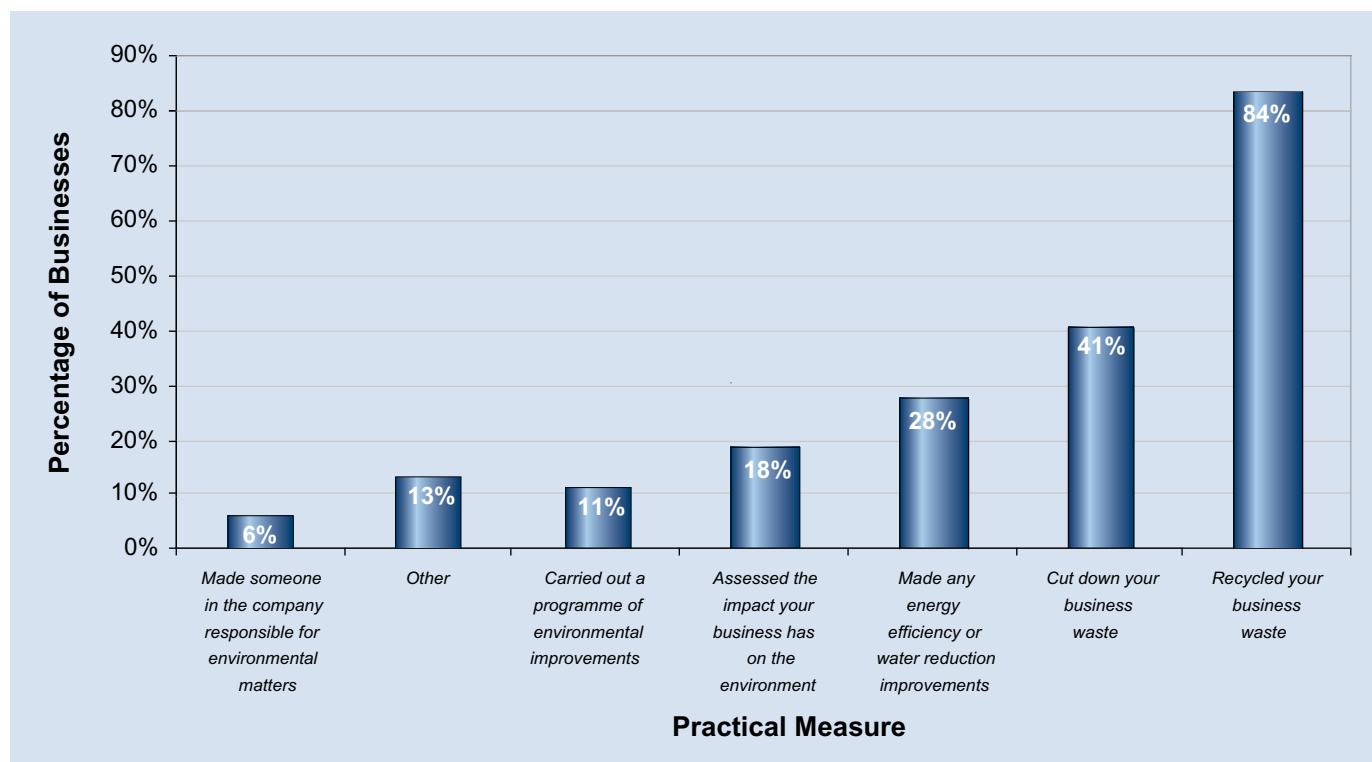
practical measures to manage environmental issues. The spread of examples of environmental measures is broader than in previous years and suggests not only an increasing awareness of the type of business activities that impact on the environment but also the specific nature of the environmental issues that have to be managed by businesses within each sector.

The survey found that environmental awareness increased with the size of the business.

Unprompted, businesses were asked what environmental measures had been put in place. The most common measures mentioned were the recycling of their business waste, the cutting down of business waste and energy efficiency improvements.

With prompting, many more businesses stated that they had carried out an environmental measure, and when the prompted and unprompted responses were combined an overall summary of the measures that the UK businesses surveyed had put into place could be obtained. Over 70%

Figure 1.1 - Environmental measure carried out by business (unprompted)



Base: Respondents who stated that they had introduced measures to reduce harm to the environment. Unprompted question and multiple responses allowed.



of all businesses surveyed recycled their waste, and in particular over three quarters of Wales businesses carried out this environmental measure. This is shown in Table 1.1 below.

1.3 Environmental Management Systems and Policy

Just under four percent of the businesses surveyed had an Environmental Management System in place, with Construction sector businesses being the most likely and the Transport by Land sector the least likely to have a system. Around one quarter of businesses had an Environmental Policy and the likelihood of this increased with the size of the business.

The management of waste and improved levels of recycling were stated to be the main areas of concern for the majority of respondents and there are three factors which may have influenced this. Firstly, there were a number of regulatory changes in relation to waste management during 2007 and 2008 which were the subject of significant publicity campaigns, e.g. Site Waste Management Plans for the construction sector and the management of agricultural waste. Secondly, the responses could reflect the ability or willingness of the sectors to implement improvements. Thirdly, there is a clear spread of responses concerning waste across the four nations and this is considered to reflect the level of awareness-raising activity undertaken within each country.

The data also shows that there was significant activity in relation to energy efficiency and the reduction of water usage. These changes may simply reflect a growing awareness of these issues as well as the rises in utility costs during the 2008/2009 winter and general economic pressures.

Table 1.1 - Practical environmental measures implemented by businesses (Unprompted and Prompted)

	England	Scotland	N. Ireland	Wales
Recycled your business waste	71%	71%	71%	75%
Cut down your business waste	41%	43%	34%	41%
Made any energy efficiency or water reduction improvements	31%	43%	36%	34%
Carried out a programme of environmental improvements	13%	17%	16%	17%
Assessed the impact your business has on the environment	18%	15%	12%	15%
Made someone in the company responsible for environmental matters	18%	17%	12%	16%

Base: All businesses that had introduced at least one practical measure. Multiple responses allowed.

1.4 Benefits of Addressing Environmental Issues

Clearly, the vast majority of SMEs surveyed do not consider, or understand, the benefit of a formalised approach to environmental management. Whilst this is understandable for small, family run businesses (such as in agriculture) this is more surprising when considering the companies within the 50 to 249 size band. It is possible that the formality and potential complexity (and perceived cost) of a certifiable EMS puts off many companies.

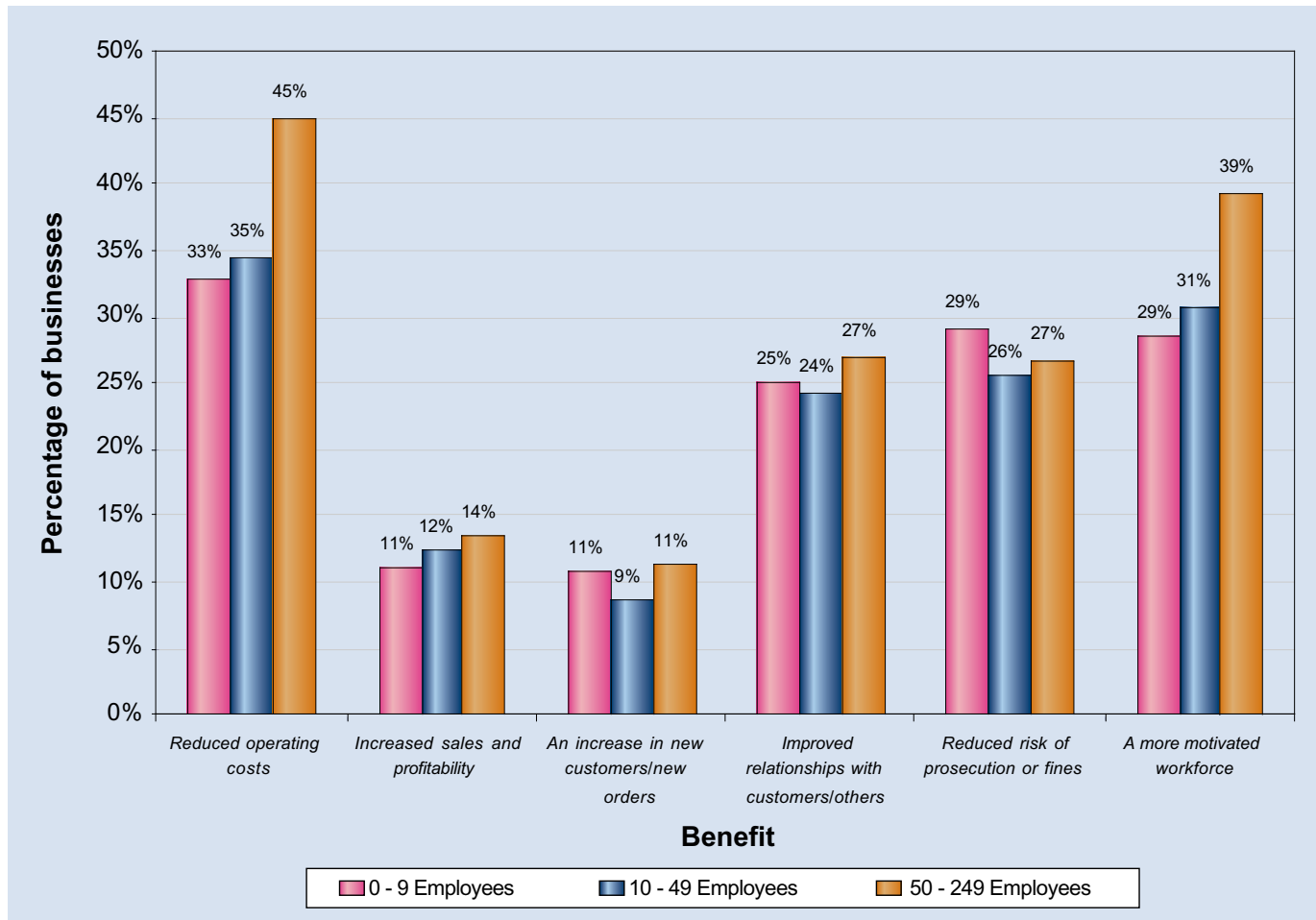
The majority of businesses considered an Environmental Management System to be of 'no use' or of 'little use' to their business and in particular there was a high proportion of businesses with 0-9 employees considering them to be of 'no use'.

The most common benefits that businesses had gained from improving environmental performance were 'reduced operating costs' and a 'more motivated workforce', and the percentage of businesses reporting benefits increased with the number of employees.

A new question this year was asked to measure attitude during the current recession. The results found that 80% of businesses would be 'very unlikely' or 'quite unlikely' to spend money on improving their environmental performance within the next twelve months and businesses in England were most likely to consider environmental investment 'very unlikely' over the next year (45%). Figure 1.3 shows the likelihood of businesses spending money on this, by size band.



Figure 1.2 - Benefits that businesses have experienced by improving environmental performance, by size band (Prompted)



Base: All businesses that have taken steps to improve their environmental performance

1.5 Environmental Awareness and Legislation

The majority of businesses (91%) believed that they did not undertake any activities that were harmful to the environment but the proportion of businesses that stated they did carry out harmful activities increased with the size of the business. England businesses were the most likely to consider themselves to be carrying out harmful activities and businesses in Northern Ireland the least likely.

With prompting, forty-six percent of businesses were found to undertake an environmentally harmful activity. With the prompted responses, the 'storage of waste' and 'storage of fuel or oils' were now found to be the most common. Similar to the unprompted question, the prompted responses showed that businesses with 50-249 employees were more likely to undertake an environmentally harmful activity.

Without prompting, businesses mentioned pieces of legislation 1709 times – and could name 57 different pieces of legislation between them, but only 23% of

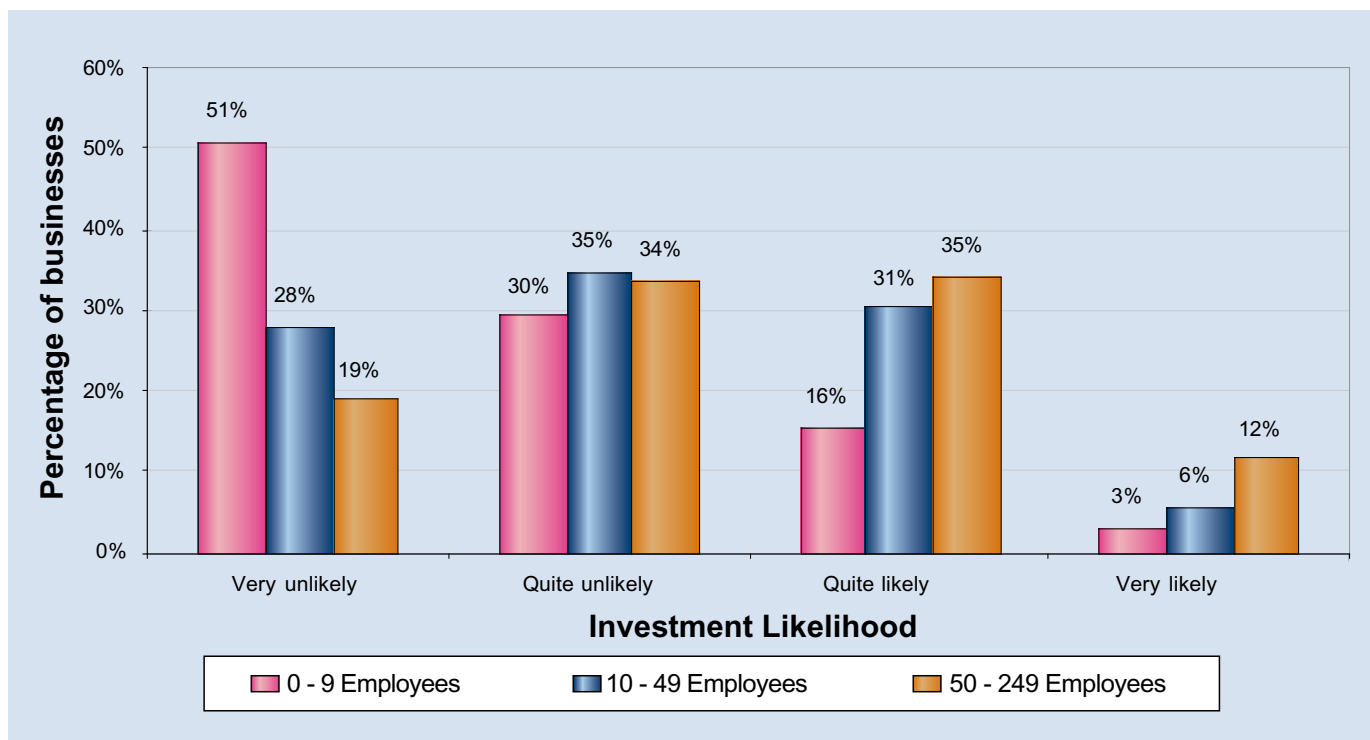
businesses interviewed could name a piece of legislation. With prompting, 62% of those interviewed had heard of at least one piece of legislation. Some sector specific variation was found, and in general the larger the business size band, the more likely they were to be able to name at least one piece of legislation.

The relatively low percentage of respondents able to name environmental legislation unprompted is not necessarily a major concern. The NetRegs website is structured to provide information on environmental issues and how these issues should be managed rather than starting from a list of legislation and regulation; this is considered to be the correct approach for SMEs. The role of NetRegs is to change behaviours rather than to create environmental specialists.

Transport by Land was the sector that had the largest percentage of businesses that considered their activities environmentally harmful and Healthcare and Hotels and Restaurant sectors were the least likely to consider their activities harmful.



Figure 1.3 - How likely businesses would be to spend money improving their environmental performance



Base: All businesses surveyed.

The businesses that stated they did carry out harmful activities were asked (unprompted) what these were. The most common response was ‘emitting smoke or fumes to air’ and the ‘storage of chemicals, fuels and oil’. The activities were sector dependent and included lots of ‘other’ responses that in general centred around excess waste, or the disposal of waste and by-products.

1.6 Sources of Help

Overall, 15% of businesses surveyed used trade associations to discuss environmental issues. Agriculture businesses were almost twice as likely as all the other Group 1 sectors to be use trade associations; and the use of these groups increased with the business size.

The most popular business support organisations that were contacted were the Federation of Small Businesses (FSB), Business Link and Envirowise. Many of the associations were very sector specific, thus there was

difference in this respect between the sectors, and others were country specific, for example Invest NI.

Respondents were also presented with a list of organisations and asked if they had ever made use of them – as shown in Figure 1.4, the Local Authority was the most commonly contacted organisation, followed by Waste Companies.

Five per cent of businesses surveyed had heard of the NetRegs website, and of these around 40% had used the site. The knowledge of, and the usage of, the NetRegs site both increased with the size of the business and the vast majority of those that had used the website found it “quite useful” or “very useful”.

Whilst the overall figure for awareness of NetRegs remains low when this simple figure is broken down by sector and size band a clear differentiation becomes visible. The highest figures for awareness of NetRegs

Table 1.2 - Businesses that consider their activities potentially harmful to the environment (by Size of Business)

	0 - 9 Employees	10 - 49 Employees	50 - 249 Employees	UK Wide Total
No	92%	91%	88%	91%
Yes	7%	7%	10%	7%
Don't know	1%	2%	2%	2%

Base: All businesses surveyed



Table 1.3 - Whether businesses are in touch with Trade Associations, by Group 1 sector and Country

	England	Scotland	N. Ireland	Wales
Agriculture	27%	22%	21%	17%
Construction	12%	16%	9%	6%
Hotels & Restaurants	13%	18%	9%	9%
Transport by Land	14%	12%	4%	5%
Healthcare	12%	9%	8%	9%

Base: All Group 1 sector businesses that had been in contact with a trade association to discuss environmental issues

are in the Agriculture and Construction sectors at 20% and 14% respectively in the 50 – 249 size band. The levels of NetRegs awareness within the Agriculture and Construction sectors is between 3 and 4 times the average and may reflect marketing initiatives in these sectors over the last two years.

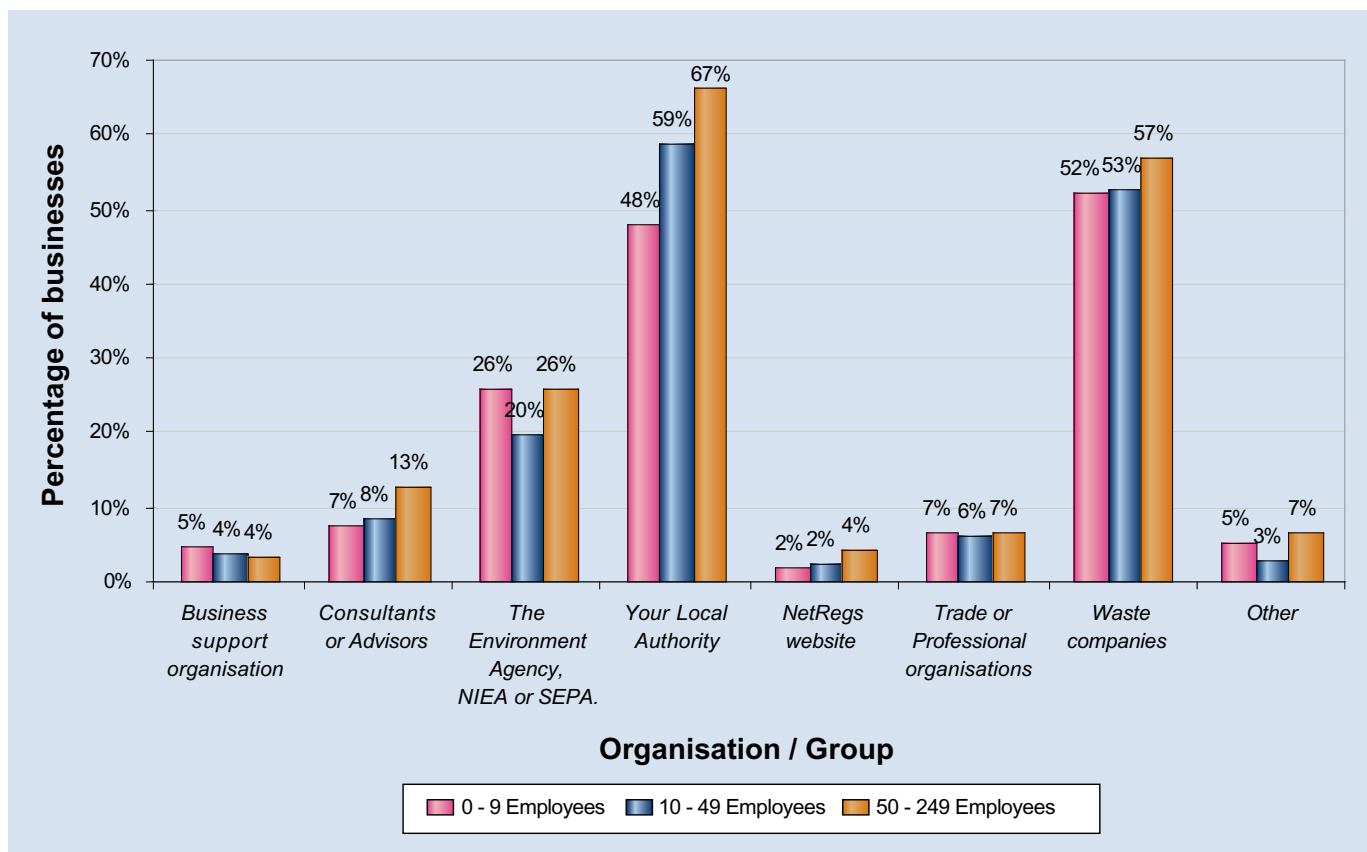
Businesses that had not heard of the site were given an overview of the services provided and asked to rate how useful they may find it - the most common response was that the NetRegs website could be “quite useful” and the perceived usefulness of the site increased with the size of the business.

1.7 Information Requirements

Around two thirds of businesses surveyed said they were, “quite satisfied” or “very satisfied” with the support they had received from Government; however 15% stated they were “very dissatisfied”, with the highest dissatisfaction levels found in Wales. In general, the smaller the business size, the more dissatisfaction they expressed towards the help from Government.

Businesses that needed an Environmental Permit for their work were asked if they had encountered any conflicting advice from their national regulator and six percent of businesses confirmed that they had with topics including:

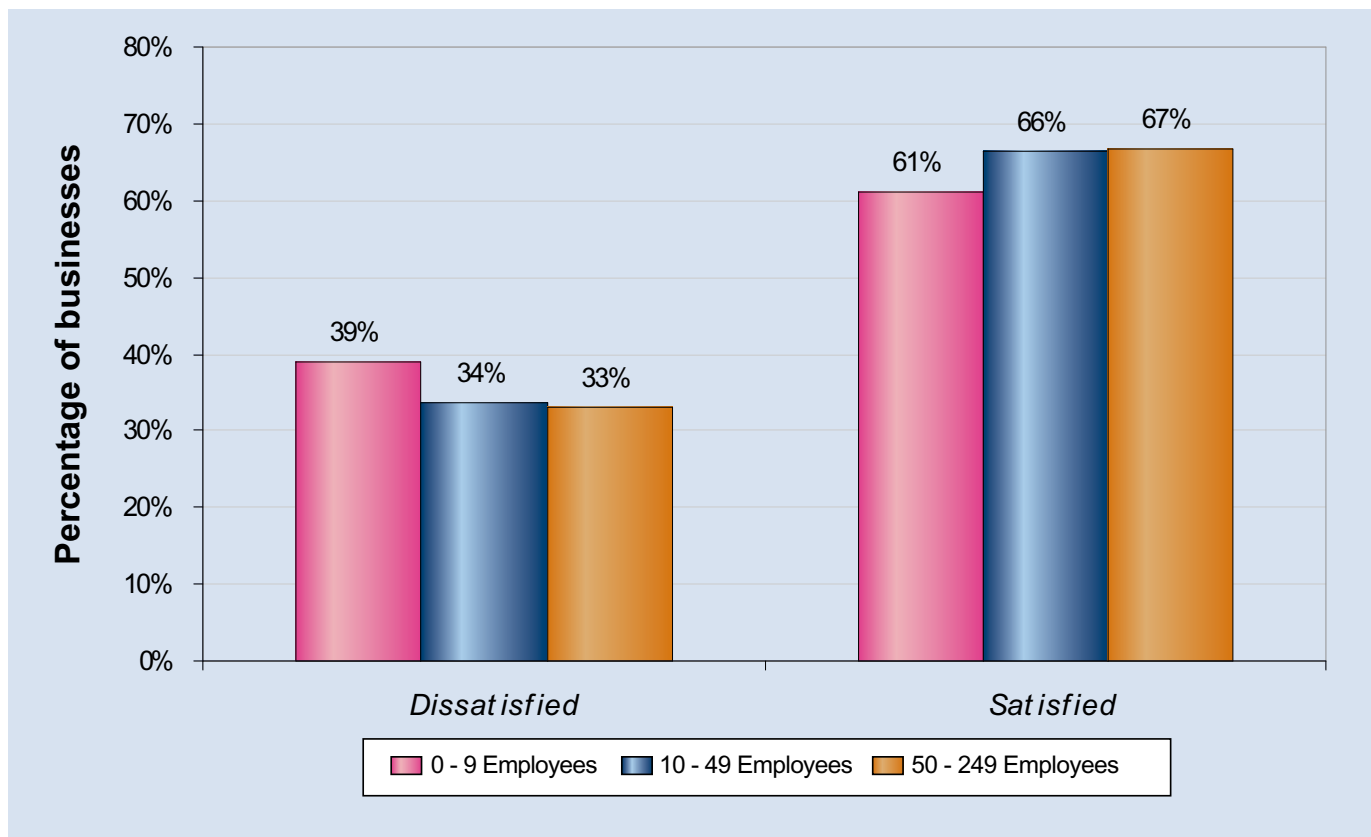
Figure 1.4 - Organisations that businesses have contacted to discuss environmental issues



Base: All businesses that had contacted at least one organisation. Multiple responses allowed.



Figure 1.5 - Satisfaction with the support that businesses received from Government



Base: All respondents who had never heard of the website before

waste issues, advice on asbestos, industry specific advice, changing and costly regulations, advice on licensing and advice on pollution.

When presented with a list of possible methods of finding out information on environmental issues, three quarters of businesses (74%) stated that currently they used the internet, with 22% using trade magazines or journals and 14% using the local press.

When asked about which methods they would like to receive information from the Government in the future the most popular choices were via email, or through the post.

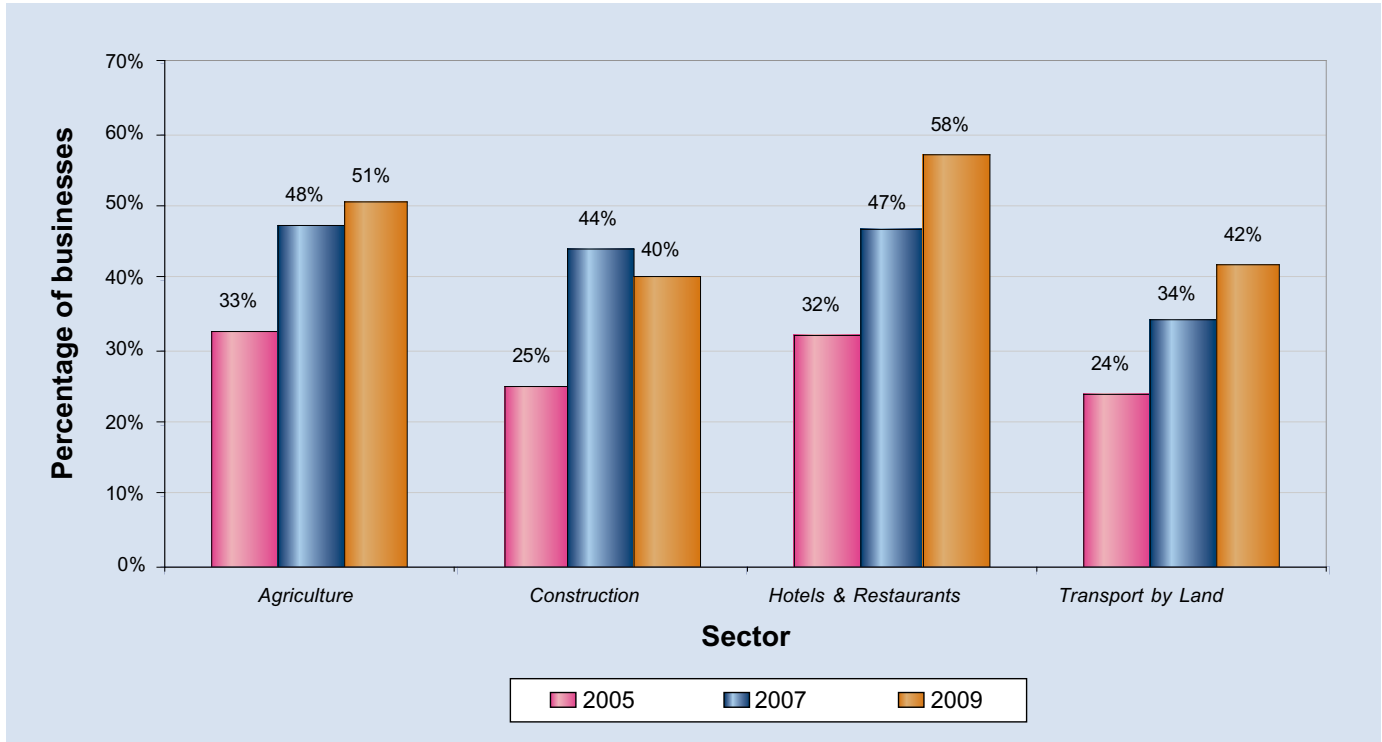
1.8 Trends

As shown in Figure 1.6, from 2005 to 2009 there was an increase in the percentage of businesses that had implemented a practical measure to reduce harm to the environment and for the four consistent sectors there was a decrease from the last survey in the percentage of businesses that considered their activities harmful to the environment.

Large increases were found in the proportion of businesses that had reduced their business waste or recycled waste between 2005 and 2009, however, a reduction was seen in the proportion of businesses that had a dedicated employee responsible for environmental issues. From 2007 to 2009, over the four consistent sectors, a reduction was seen in the proportion of businesses that had an environmental policy in place.

A comparison of the use of business support organisations to discuss environmental issues over the three survey periods shows a small general increase in the use of these.

Figure 1.6 - Comparison of businesses that have carried out a practical measure to prevent or reduce harm to the environment



N=1629 in 2005; 1366 in 2007; 4319 in 2009

Base: All businesses in the sectors that were consistent across all three survey periods.

1.9 Conclusion

Overall, there remains a low level awareness of the environmental impact caused by business with only 7% of businesses believing, before prompting, that they undertake any activities that could harm the environment. This is roughly in-line with awareness levels of NetRegs. Once prompted, forty six percent of the businesses surveyed stated that they carried out one or more of the mentioned activities.

Generally, the survey showed that the larger a business is, the more likely it is to be aware of its environmental impacts and the more likely it will be to take steps to improve these. Therefore, it is clear that there is a continuing need for NetRegs to be proactive in their provision of support to UK SMEs and in particular to the smallest businesses. The vast majority of businesses have access to the Internet but there is still a correlation between a lack of awareness of NetRegs and low levels of awareness of potential harm to the environment.

Protect your business.
Protect the environment.

Visit: www.netregs.gov.uk