

Best Policy Practices for Supporting Energy Efficiency in SMEs in UK

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LEAP4SME

- Three-year, Horizon2020 project, nine consortium members
- Promoting energy audits and energy efficiency measures for SMEs across Europe.
- Engage with a range of stakeholders to address barriers and propose solutions



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SMEs in Europe and the UK

- Virtually all companies are SMEs
- 60% employment, 52% turnover (UK)
- In UK, micro enterprises account for 21% of employment.
- Particular sectors almost entirely made up of SMEs – e.g. construction



SMEs, the energy crisis and decarbonisation

- SMEs particularly exposed
- Still recovering from Covid-19 impacts
- In UK, businesses are not protected by a price cap
- Some sectors and types of business particularly vulnerable
- Solutions must support efforts to decarbonise



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- What support is already available?
Where and from whom?
- What makes a ‘good’ scheme?
- What lessons can we learn from what’s already available?



Trends identified through the research – regionality and finance

- No UK scheme
- Support offered on a sub-national, regional and local basis
- Four broad categories of support:
 - Financial;
 - Information and advice;
 - Regulation;
 - National plans and strategies



Trends identified through the research – information and awareness

- UK level – static webpages and guidance documents
- Devolved nations – well-developed advice offerings for businesses
- Local level – a patchwork of support, often more superficial, little in the way of a joined up approach



Further trends

- While direct SME-focused support is lacking there is a wider ecosystem prompting some SMEs to act
- Where attention is more focused on SMEs the tendency is for private sector support and supporting 'innovation'.



Recommendations from this work

- Robust evaluation data badly needed as part of future schemes with lessons applied.
- What evaluation work had been conducted was not applied consistently across different schemes (even within the same programme)
- Evaluation findings were not routinely shared with the public or other schemes - Making the monitoring of programmes more transparent and consistent is important for proper analysis of barriers and success factors and comparisons between policies and programmes.



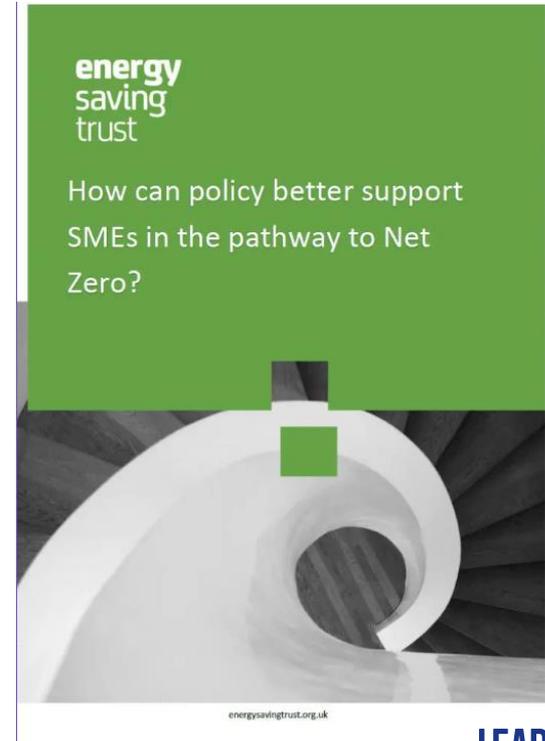
Recommendations from this work

- Programmes that offer a range of support alongside effective advice have been the most effective.
- Tailoring in terms of support would engage a broader group of SMEs
- Central coordination would be likely to drive greater awareness and engagement



Further work from the project team

- Conducted research this year on behalf of the CCC
- Focused on wider SME decarbonisation, barriers and recommended solutions
- Four priority groups of SMEs



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Recommendations

An enhanced and more joined up policy and support framework is needed.

Support needs to take better account of the differing needs of SMEs in different sectors.

Specifically, we recommended that UK Government:

- Produce **a strategy for SME decarbonisation**.
 - Focused on upfront financing and time and knowledge constraints. Must include better co-ordination of activity delivered through different programmes.
- Set out a **clear regulatory timetable** for cross-sector milestones.
 - Establish firm dates for future low carbon standards, set as early as possible (and expressed more strongly than just as 'ambitions'). Reducing decarbonisation costs and risks.
- Create and facilitate a joined-up support framework (**a one-stop-shop**).
 - Ongoing awareness raising and a single contact point for SMEs, providing access to financing support, information on regulations, footprinting and audit services, as well as peer learning networks.
- Coordination is crucial. UKSPF needs to learn the lessons of ERDF and share learnings with evaluation of programmes occurring frequently with results shared widely.



Summary

- We can only learn from programmes if we measure their success and share findings
- Advice and information coupled with financing options is needed
- It is crucial to recognise the heterogeneity of SMEs and their differing needs.

