

## Scotland

### 1. Background

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. The NetRegs website is supported by a partnership between UK environmental regulators: the Environment Agency (in England and Wales), the Scottish Environment Protection Agency (SEPA) and the Northern Ireland Environment Agency (NIEA).

Since 2003, NetRegs has undertaken major, biennial telephone surveys to understand how SMEs consider they perform in relation to the environment. This knowledge is used to inform the regulators and to assist NetRegs in the provision of relevant and practical information.

In the 2009 survey, a total of 7,000 businesses were interviewed across the four UK countries and within 10 business sectors. The 10 industry sectors included in this research are shown in Table 1.1 with their Standard Industrial Classification codes.

The sampling regime was developed to ensure that a representative response was achieved by sector, country and across the three business size groups (0-9 employees, 10-49 employees and 50-249 employees). Sampling quotas set by country were approximately 3,500 surveys in England (83% of UK SMEs are in England), and circa 1,150 interviews each for Wales, Scotland and Northern Ireland.

**Table 1.1 – Industry Sectors in 2009 research**

Group 1	Group 2
Agriculture (SIC 1)	Printing, Publishing & Reproduction of Recorded Media (SIC 22)
Construction (SIC 45)	Electrical Equipment (SIC 31) & Machinery Manufacture (SIC 29)
Healthcare (SIC 85)	Fabricated Metal Products (SIC 28)
Transport by Land (SIC 60)	Food and Drink Manufacture (SIC 15)
Hotels & Restaurants (SIC 55)	Education (SIC 80)

Of the 7000 interviews undertaken across the ten sectors and four UK countries, with 1160 businesses surveyed in Scotland (17% of the total). This report provides a summary of the responses obtained from businesses in Scotland and a brief comparison with the other UK countries.

### 2. Measures to Address Environmental Issues

Respondents were asked whether they had introduced any practical measures to help reduce their impact on the environment and 55% of businesses in Scotland stated that they had introduced measures. See Table 2.1. However, Scotland Agriculture businesses were 10% less likely to have introduced an environmental measure in comparison to the other three countries in the Agriculture sector.

**Table 2.1 – Scotland businesses that had introduced a practical measure, by Group 1 sector (unprompted)**

	Scotland Businesses
Agriculture	39%
Construction	39%
Hotels & Restaurants	59%
Transport by Land	34%
Healthcare	52%

N=405

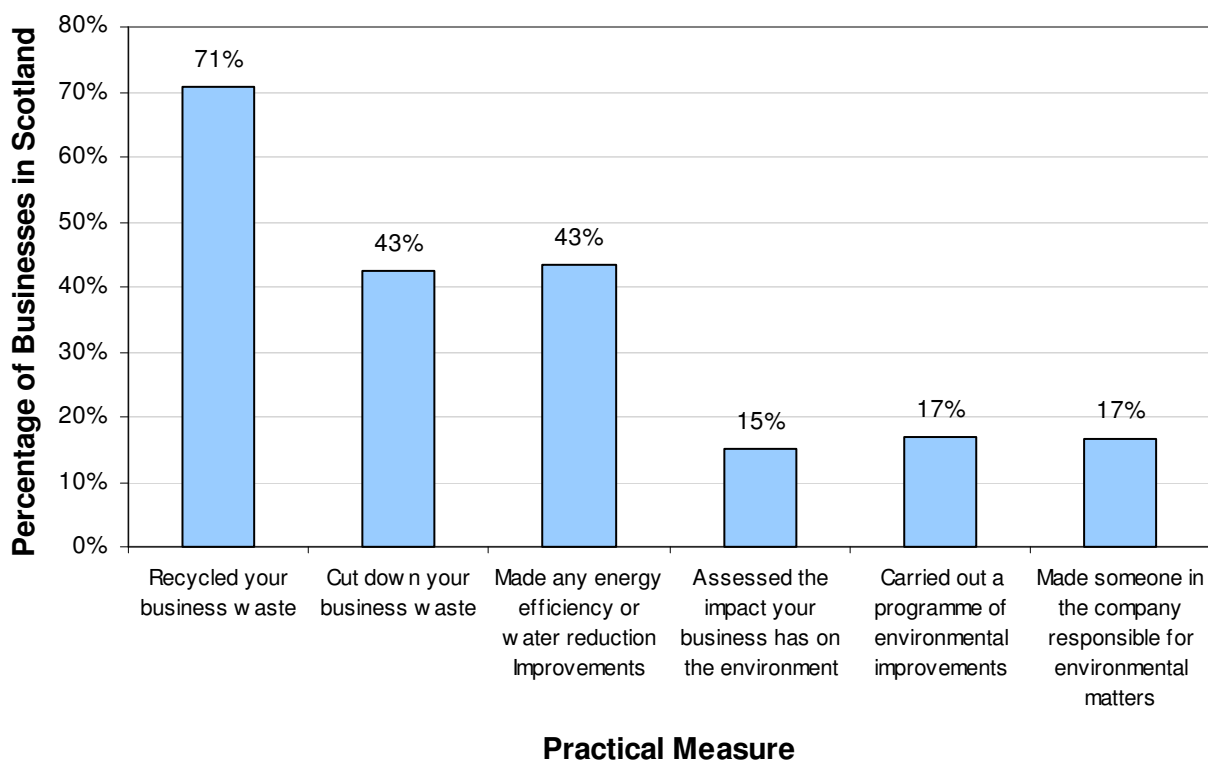
Base: All businesses in Group 1 sectors that had answered 'yes' to implanting a practical measure

In common with the other three UK countries, the percentage of businesses in Scotland that had introduced one or more practical measures to improve environmental performance increased with employee numbers.

Businesses were asked, prompted and unprompted, what environmental measures they had put into place. When these two responses were combined an overall summary of the measures that the Scotland businesses had put into place could be obtained.

Over 70% of businesses recycle their waste, over a third of all businesses have made energy efficiency or water reduction improvements Forty three percent of businesses had cut down on their business waste, 43% of businesses had made energy efficiency of water reduction improvements. This is shown in Figure 2.1.

Figure 2.1 – Practical measures implemented by Scotland businesses (prompted and unprompted)



N=1811 responses; Base = all businesses surveyed in Scotland

### 3. Implementation of Environmental Management System or Policy

All businesses were asked if they had an Environmental Management System in place. This management system could include systems like ISO 14001 or BS 8555.

Eighty nine percent of Scotland based businesses surveyed in this research stated that they did not have an Environmental Management System in place, and around three quarters of these businesses did not have an Environmental Policy.

Table 3.1 - Percentage of Scotland businesses within Group 1 sectors that have an Environmental Management System

	Scotland Businesses
Agriculture	7%
Construction	3%
Hotels & Restaurants	3%
Transport by Land	3%
Healthcare	2%

N= 34 businesses with an Environmental Management System in place (out of 903 asked)  
 N= All Group 1 businesses that had an Environmental Management System in place

## 4. Benefits Found in Addressing Environmental Issues

Where businesses had stated that they did not have an Environmental Management System or Policy in place, they were then asked how useful they thought the implementation of a policy or system would be to their business.

The majority of respondents from Scotland considered an Environmental Policy or Management System to be of 'no use' or 'of little use' to their business and around 41% of Scotland businesses surveyed thought it was 'of no use' to them. Just 14% of Scotland businesses thought that an Environmental Management System would be 'quite useful' or 'very useful'.

Clearly the vast majority of Scotland SMEs surveyed do not see 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 likely that the micro and small companies are faced with a very limited number of environmental issues and that good awareness and / or issue specific procedures are all that is required to ensure compliance. It is possible that the formality and potential complexity (and perceived cost) of a certifiable EMS puts off many businesses.

Twenty seven percent of businesses in Scotland were found to be 'quite likely' or 'very likely' to invest in environmental performance over the next 12 months, but the majority of businesses were unlikely to do so.

**Table 4.1 - Percentage of Scotland businesses that are 'Quite Likely' or 'Very Likely' to invest in environmental performance over the next 12 months, by sector**

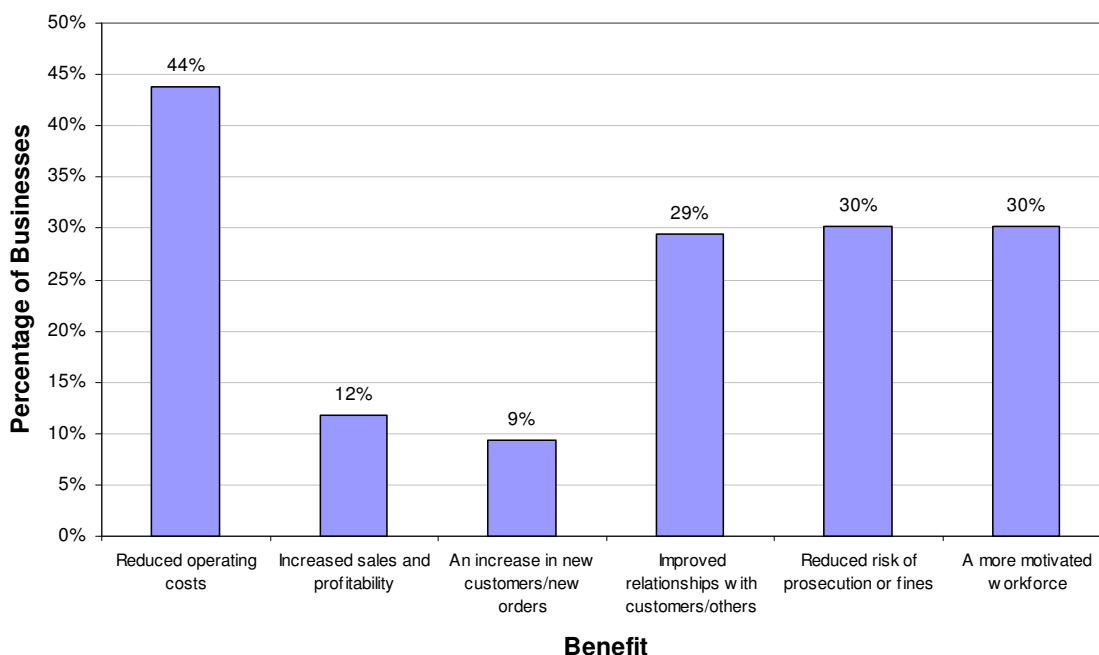
	Scotland Businesses
Agriculture	29%
Construction	14%
Hotels & Restaurants	27%
Transport by Land	22%
Healthcare	17%

N=198

Base: All Group 1 businesses that are 'quite likely' or 'very likely' to invest in Environmental Performance

The most common benefits that businesses in Scotland had achieved by improving environmental performance were 'reduced operating costs' (44% of businesses), 'a more motivated workforce' and 'reduced risk of prosecution or fines' (both 30%) and improved customer relationships (29%). See Figure 4.1.

Figure 4.1 – Stated benefits of improving environmental performance (Scotland businesses)



## 5. Awareness of the Environment and Legislation

The majority of Scotland businesses surveyed believed strongly that they did not undertake any activities potentially harmful to the environment, with just 5% stating that they did. The most common activities mentioned in this response were emitting smoke or fumes into the air (30%), storage of chemicals, fuels and oils (17%).

With prompting, more businesses recognised that they did carry out potentially harmful activities with the storage of waste and the storage of chemicals, fuels and oils being the most common in Scotland. This change of position may indicate that there is a simple lack of awareness of the activities that could impact on the environment or possibly that the management of these issues is now normal practice.

Table 5.1 – Percentage of Scotland businesses that consider their activities potentially harmful to the environment

	Scotland
Agriculture	2%
Construction	8%
Hotels & Restaurants	2 %
Transport by Land	14 %
Healthcare	5%

N= 57 businesses who considered their activities harmful, out of 904 asked  
 Base: All businesses that considered their activities harmful to the Environment

Businesses were then asked whether they were aware of specific items of environmental legislation. Sixty percent of Scotland businesses could recognise an item of legislation when read out. The percentages of businesses that could recognise an item of legislation are shown below:

**Table 5.2 – Percentage of Scotland businesses (prompted) that have heard of a piece of legislation**

Legislation	Scotland Businesses
Duty of Care Regulations	39%
End of Life Vehicles Regulations	17%
Packaging Waste Regulations	21%
Pollution Prevention Control	27%
REACH Regulations	9%
Site Waste Management Plans	30%
Special Waste Regulations	22%
Waste Electrical and Electronic Equipment Regulations (WEEE Regulations)	17%
Waste Management Licensing	36%

N= 1909 responses; Base = all business surveyed in Scotland

## 6. Sources of Help

When presented with a list of businesses organisations, 67% of Scotland businesses said they would contact their Local Authority for help, 35% would contact a waste company and 27% would contact SEPA about environmental issues.

**Table 6.1 - Organisations that Scotland businesses had contacted to discuss environmental issues**

	Scotland
Your Local Authority	67%
Waste companies	35%
SEPA	27%
Consultants or Advisors	13%
Trade or Professional organisations	9%
NetRegs website	1%
Business support organisation	5%
Other	3%

N= 563

Base: All businesses who had contacted at least one organisation to discuss environmental issues. Multiple responses allowed

Just 4% of Scotland based businesses had heard of the NetRegs site, and of these 30% had used it. The vast majority of those that had used the NetRegs site (80%) rated it to be 'quite useful' or

‘very useful’; and 44% of those that had not heard of it thought that it could be useful after hearing a description of the services and information it offers.

Businesses were also asked, more specifically, if they had contacted any trade associations or businesses support organisations for help. Fourteen percentage of Scotland businesses stated that they had contacted a Trade Association or business support organisation to discuss environmental issues, with the Federation of Small Businesses being the most commonly contacted (10%). Business Link and Envirowise were the next most popular at 2% each. A very wide range of individual trade organisations were also contacted (6% in total), see Table 6.2 for the sector breakdown.

**Table 6.2 – Whether Scotland businesses are in touch with Trade Associations, by Group 1 sector**

	Scotland Businesses
Agriculture	22%
Construction	16%
Hotels & Restaurants	18%
Transport by Land	12%
Healthcare	9%

N= 136

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

## 7. Information Requirements

Around 66% of Scotland businesses surveyed said they were, “quite satisfied” or “very satisfied” with the support they had received from Government; however 13% stated they were “very dissatisfied”.

Eight percent of the businesses surveyed in Scotland needed an Environmental Permit to carry out their activities, and of these very few had received conflicting advice from the Scottish Environmental Protection Agency.

To find out about environmental issues the vast majority of businesses (73%) would use the internet, but many would also use Trade Magazines or Business Journals or the Local Press. However, when receiving information from the government most Scotland businesses (62%) would prefer to receive it through the post.

## 8. Conclusion

Overall, there remains a low level of environmental awareness with only 5% of Scotland businesses believing, before prompting, that they undertake any activities that could harm the environment. 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.