

SME-nvironment Survey 2009: England

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 nations, 3546 businesses were surveyed in England (51% of the total). This report provides a summary of the responses obtained from businesses in England and a brief comparison with the other UK countries.

2. Measures to Address Environmental Issues

Respondents were asked whether they had introduced one or more practical measures to help reduce their impact on the environment and 55% of businesses in England said that they had. This was fewer than those in Wales, but in line with those in Scotland and Northern Ireland. The split by sector is shown in Table 2.1.

Table 2.1 - Businesses that had introduced a practical measure, by Group 1 sector (unprompted)

	England Businesses
Agriculture	53%
Construction	40%
Hotels & Restaurants	57%
Transport by Land	45%
Healthcare	68%

N=1462 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 England that had introduced one or more practical measures to improve environmental performance increased with employee numbers.

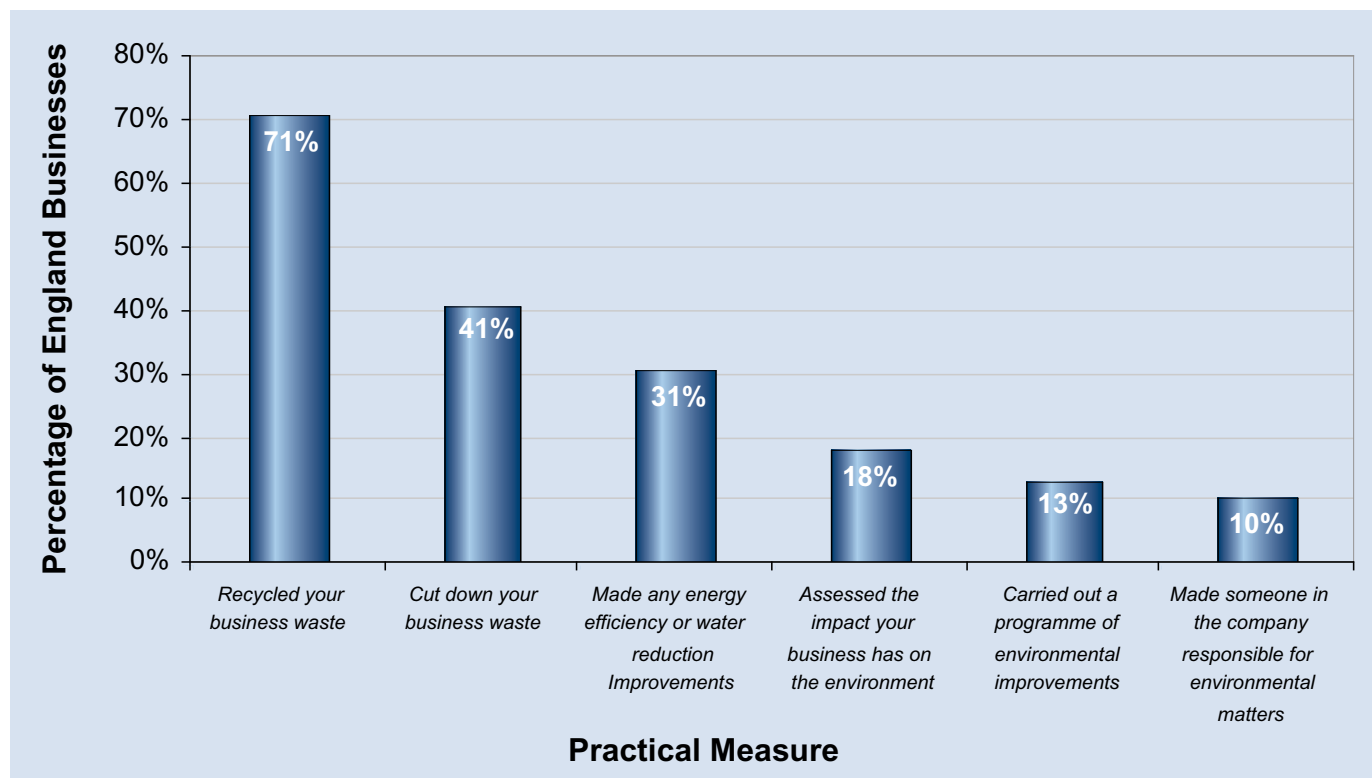
England businesses were asked, prompted and unprompted, what environmental measures they had put in place. When these two responses were combined an overall summary of the measures that the England businesses had put into place could be obtained.

Over 70% of businesses in England recycle their waste. This was the same as Scotland and Northern Ireland, though slightly lower than the proportion of businesses recycling in Wales.

Over a third of all businesses in England had made energy efficiency or water reduction improvements and 41% of businesses had cut down on their business waste.



Figure 2.1 - The practical measures undertaken by businesses (prompted and unprompted)



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.

Ninety two percent of England 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 England businesses within Group 1 sectors that have an Environmental Management System

	England Businesses
Agriculture	3%
Construction	3%
Hotels & Restaurants	1%
Transport by Land	2%
Healthcare	3%

N= 66 businesses with an Environmental Management System in place (out of 2790 asked)

N= All Group 1 businesses that had an Environmental Management System in place

Within four of the five Group 1 sectors, England businesses were most likely to have implemented an Environmental Policy compared with the other three countries. However, in the case of the Healthcare sector, Wales and Northern Ireland businesses were the most likely (34% and 31% respectively) and the Scotland and England businesses the least likely (18% and 21% respectively) to have an Environmental Policy.



4. Benefits Found in Addressing Environmental Issues

Where England 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 (89%) considered an Environmental Policy or Management System to be of 'no use' or 'of little use' to their business. Just 11% of England businesses thought that an Environmental Management System would be 'quite useful' or 'very useful'.

Clearly the vast majority of England 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 three percent of businesses in England 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. The percentage figures for potential investment by sector are shown in Table 4.1.

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

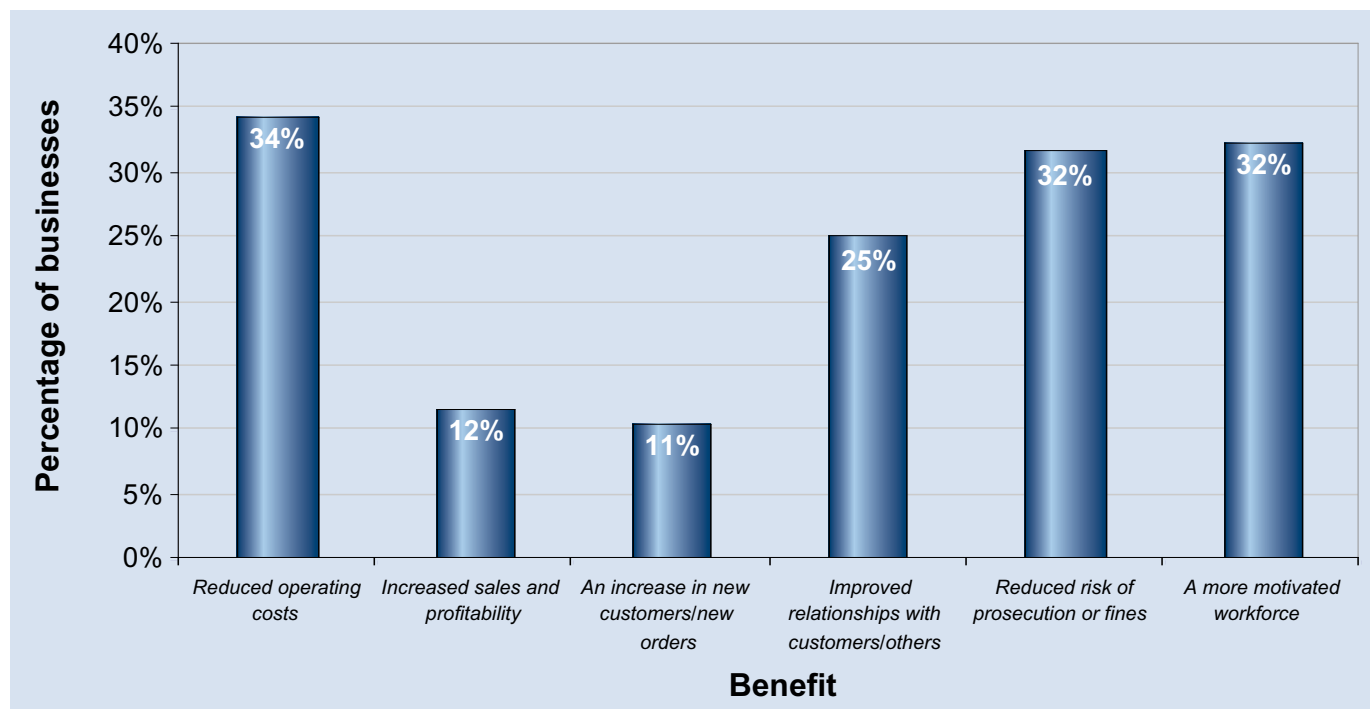
	England Businesses
Agriculture	20%
Construction	15%
Hotels & Restaurants	29%
Transport by Land	20%
Healthcare	29%

N=629 Base: All Group 1 businesses that are 'quite likely' or 'very likely' to invest in Environmental Performance

Many England businesses stated that environmental investment will be 'very unlikely' over the next year (45%) but the Scotland, Wales and Northern Ireland businesses had a lower percentage for this option (all between 37% and 39%).

The most common benefits that businesses in England had achieved by improving environmental performance were 'reduced operating costs' (34% of businesses), 'a more motivated workforce' (32%) and the reduced risk of prosecution or fines (32%). See Figure 4.1.

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





5. Awareness of the Environment and Legislation

The majority of England businesses surveyed believed strongly that they did not undertake any activities harmful to the environment, with just 10% stating that they did. The most common activities mentioned in this response were emitting smoke or fumes into the air (49%), storage of chemicals, fuels and oils (17%) and storage of waste (12%).

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 England. 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 England businesses that consider their activities potentially harmful to the environment

	England Businesses
Agriculture	11%
Construction	6%
Hotels & Restaurants	4%
Transport by Land	28%
Healthcare	5%

N=294 businesses who considered their activities harmful, out of 2789 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-three percent of England businesses could recognise a piece of legislation when read out. The percentages of businesses that could recognise an item of legislation are shown below:

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

Legislation	England Businesses
Duty of Care Regulations	31%
End of Life Vehicles Regulations	17%
Environmental Permitting	16%
Hazardous Waste Regulations	41%
Packaging Waste Regulations	22%
REACH Regulations	10%
Site Waste Management Plans	28%
Waste Electrical and Electronic Equipment Regulations (WEEE Regulations)	19%

N= 9619 responses; Base = all business surveyed in England

6. Sources of Help

Waste Companies were rated to be the most used source of information about environmental issues in England (55%) with 'Local Authorities' as the second most frequently contacted (49%). The Environment Agency was the third most frequently contacted source (28%).

Table 6.1 - Organisations that England businesses had contacted to obtain environmental information

Legislation	England Businesses
Your Local Authority	49%
Waste companies	55%
The Environment Agency in England	28%
Consultants or Advisors	9%
Trade or Professional organisations	7%
NetRegs website	3%
Business support organisation	5%
Other	2%

N=3524 Base: All businesses who had contacted at least one organisation to discuss environmental issues. Multiple responses allowed

England businesses were found to be a lot less likely to contact their Local Authority than businesses in the other three countries (49% - compared with 63% in Wales, 67% in Scotland and 69% in NI). However, England businesses were the most likely to contact a waste company (55%).

Just over 3% of England businesses had heard of the NetRegs website and of these 41% had used it. The vast majority of those that had used the NetRegs site rated it to be 'quite useful' or 'very useful' (around 80%); and 42% 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. The Federation of Small Businesses (11%) and Business Link (10%) were the most commonly contacted supported organisations. The next most frequently contacted organisation was Envirowise (3%). 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 – England businesses in touch with Trade Associations, by Group 1 sector

	England Businesses
Agriculture	27%
Construction	12%
Hotels & Restaurants	13%
Transport by Land	14%
Healthcare	12%

N=434 Base: All Group 1 sector businesses that had been in contact with a trade association to discuss environmental issues

7. Information Requirements

Around 63% of England businesses surveyed said they were "quite satisfied" or "very satisfied" with the support they had received from Government; however 14% stated they were "very dissatisfied".

Twelve percent of the businesses surveyed in England needed an Environmental Permit to carry out their activities, and of these less than 6% stated that they had received conflicting advice from the Environment Agency. When explored in more detail, the areas businesses felt they had received conflicting advice included dealing with waste, legislation, and pollution controls.

To obtain information on environmental issues the vast majority of businesses (73%) would use the Internet, but many would also use Trade Magazines, Business Journals or the Local Press. However, when receiving information from the government, most England businesses (62%) stated that they would prefer to receive any such information through the post.

8. Conclusion

Overall, there remains a low level of environmental awareness with only 10% of England businesses believing, before prompting, that they undertake any activities that could harm the environment. Once prompted, 46% 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