SECR: What you need to know

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What is SECR?

Introduced in April 2019, Streamlined Energy and Carbon Reporting (SECR) is a new framework, which requires businesses to report annually on their electricity, gas, and transport energy use, along with the associated carbon emissions.

The introduction of SECR coincided with the end of the Carbon Reduction Commitment (CRC) Scheme, which some companies would be familiar with, although the qualification criteria is very different and SECR captures far more organisations. The guidelines were created to simplify the approach to carbon reporting, whilst also encouraging implementing energy efficiency measures.

Business and industry accounts for 25% of UK greenhouse gases, so it’s crucial that businesses play their part in helping to reach our emissions reduction target.

Who does SECR affect?

In 2019, the government estimated that around 11,900 organisations fell within the scope of SECR. The SECR reporting framework is mandatory for the following organisations:

All UK quoted companies, meaning a company…

- whose equity share capital is officially listed on the main market of the London Stock Exchange; or,
- is officially listed in a European Economic Area State; or is admitted to dealing on either the New York Stock Exchange or NASDAQ.

Any large UK incorporated company or LLP which meets 2 or more of these conditions…

- has more than 250 employees
- has an annual turnover of more than £36m
- has an annual balance sheet total of more than £18m

What is reported?

Under SECR guidelines, companies that fell within scope should have already provided a detailed report on their energy use and greenhouse gas emissions (scope 1 and scope 2), alongside details of the energy efficiency actions put in place during the reporting period. If there weren’t any efficiency measures undertaken, this would have been stated.

Quoted companies also needed to report global energy consumption in addition to the mandatory carbon reporting they had already been completing.

All companies had to provide an intensity metric relevant to their business sector. For example, if a manufacturer, companies may have chosen to report tonnes of CO2 equivalent per million tonnes of production. For those in retail, then possibly tonnes of CO2 equivalent per m2 of store area.

When and how to submit your report?

The timeframe for SECR reporting runs in sync with your company's financial year, meaning that if your business is within scope, you should have been reporting since your first accounting period starting on or after 1st April 2019.

In terms of submission, SECR forms part of your business' annual reporting obligations, so your energy data must be included within your Directors' Report and submitted to Companies House in the usual way. LLPs prepare an Energy and Carbon Report for each financial year, signed off by LLP members.

Benefits of energy & carbon reporting

Even if your business does not fall within scope of SECR, there is still the option for organisations to sign up voluntarily. There are several benefits to taking a proactive approach to reporting energy usage. Saving energy is an effective way to reduce business costs, save carbon and help to meet emission targets. SECR can also be used by businesses to promote their sustainability credentials, as part of their wider Corporate Social Responsibility (CSR) efforts.

To find out more about how Inspired Energy can help you, get in touch. Call 01772 689 250 or email james.sampson@inspiredenergy.co.uk.