

Energy Efficiency Action Plan for Scotland

January 2010

Introduction

The Federation of Small Businesses is Scotland's largest direct-member business organisation, representing almost 20,000 members. The FSB campaigns for an economic and social environment which allows small businesses to grow and prosper.

We welcome the opportunity to submit our comments to the consultation on the *Energy Efficiency Action Plan for Scotland*.

Background

It is often thought that small businesses do not take environmental responsibility seriously. However, a recent survey of FSB members disproved this myth.

It found that almost 40 per cent of members who responded were engaged in energy efficiency measures; 30 per cent changed their core products and services to be more environmentally friendly and 83 per cent were actively engaged in waste minimisation and recycling.

In the same FSB survey, approximately 70 per cent of those that gave information on energy efficiency: utilised low energy light bulbs; invested in low energy lighting; turned off PCs and lights in their premises; changed heating systems; minimised electrical usage and reduced temperatures in their premises.

We are aware that there is still much to do, but small businesses are willing to play their part in saving energy.

Single Source of Information

The key problem for many small businesses has been a lack of awareness about what they could potentially do, to seek effective solutions, to the various environmental issues they encounter in their business. Indeed in a recent answer to a parliamentary question, the Energy Minister revealed that only five of Scotland's more than 100,000 private landlords have received energy saving loans over the last year. While the FSB was involved in the promotion of this scheme, it is clear that further promotion of such schemes is necessary in order to increase take-up.

Small businesses find it difficult to comply due to, for example, time constraints and the complexity and volume of legislation. Our members have told us that much of the environmental legislation that has been introduced to date is inappropriate because it adopts a “one size fits all” approach. It is therefore perhaps unsurprising that a lack of time, cost, red tape and size of business scored highly as factors that prevented greater involvement implementing energy efficient measures.

The FSB would argue for a single source of information in Scotland. Currently there are a number of organisations, such as: The Energy Saving Trust; Envirowise and the Carbon Trust, and while we recognise that there is a specialisation in each of these individual organisations, we do believe that drawing together all the various sources of advice and funding, perhaps through an online portal as a first step towards greater streamlining, would help micro and small businesses in Scotland enormously in understanding what they can do.

Smart Metering

Smart metering has the potential to increase energy saving for our smallest businesses. The savings and efficiency gains provided by this advanced technology will be minimal unless comprehensive tailored advice is available. The FSB has called for a dedicated small business advice service to maximise potential cost savings from smart metering.

The FSB has opposed environmental taxation because we believe it disproportionately affects smaller businesses, and we believe that the cost of the meter roll out should be met by either energy suppliers or the Climate Change Levy. Finally, we believe that a mandatory meter roll-out should only happen after extensive consultation with micro and small businesses and once installed, it should be possible to access real-time information on energy use via the internet.

Boiler Scrappage Scheme

Following the announcement by the Chancellor in the Pre-Budget Report in December 2009 of his ‘boiler scrappage scheme’ in England, the FSB would encourage the Scottish Government to adopt a similar scheme in Scotland. This would not only help to meet our energy efficiency targets, but also provide increased employment for tradesmen, such as plumbers, who would install the new equipment. It could also offer new opportunities for local businesses to develop new products and services.

Non-Domestic Buildings

Many small businesses trade from older properties which are difficult to heat and expensive to maintain. They are also an important part of the economy in our local communities. These small businesses are not able to absorb the increased costs associated with an accelerated drive to improve energy efficiency in buildings. We would encourage the Scottish Government to phase in any changes to building standards over a number of years, in order to allow small businesses time to plan for compliance.

No Compulsion

The FSB does not believe it would be appropriate to introduce any element of compulsion to require businesses to comply with any new regulation. As we have pointed out earlier in this submission, many micro and small businesses already regard this issue as important and have introduced measures to improve their energy efficiency. Through what is likely to be a slow recovery from recession, small businesses will need help and advice in this area, as well as grants or interest free loans to comply. We believe small businesses are willing to play their part in the energy efficiency agenda, but the appropriate guidance and assistance should be forthcoming from Government level.

Conclusion

Recent studies conducted by the FSB consistently show that small businesses do take the need to improve their energy efficiency seriously. However, our members tell us that they find it difficult to access the necessary information from the various agencies involved in energy efficiency advice. We believe that as recent answers to parliamentary questions show, there is a great deal more to do in terms of the dissemination of information in this area. We strongly support the idea of fewer sources of environmental/resource efficiency advice for small businesses in Scotland. A single online portal that would steer smaller businesses to the appropriate point of advice would be an important first step.

The FSB would like to see more micro and small businesses take advantage of the various opportunities offered by energy efficient technology. We would also like to see the Scottish Government support innovative small businesses that are active in this area to develop new technologies and open up new markets.

For further information on any of the points raised in this submission, please contact Martyn McIntyre, Policy Officer, on martyn.mcintyre@fsb.org.uk or 0141 221 0775.