



# Energy Saving Tips *for Small Businesses*



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# How to reduce energy use and save money

## Where are charities and SMEs using energy?

Our latest research from the Energy Diaries series provides crucial insight into how small and medium enterprises (SMEs) and charities use energy in the workplace.

For SMEs, lighting was the most common use of energy, followed by powering equipment and charging multiple devices. Charities followed a similar trend, with their top three uses consisting of lighting, charging multiple devices and heating.

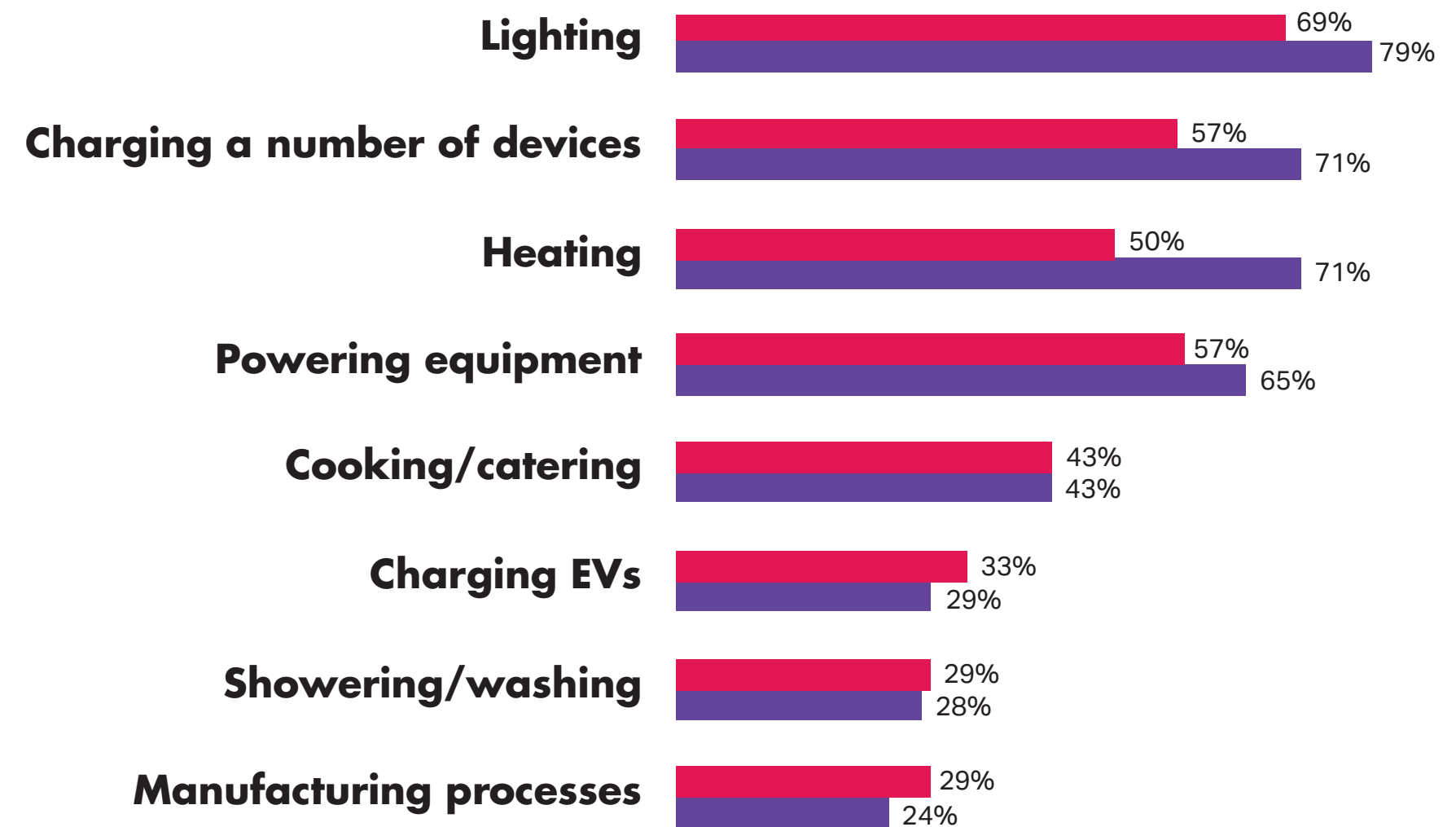
This insight forms just one part of a much broader picture which shows how small businesses and charities are struggling to manage their energy bills while balancing future growth prospects and a commitment to hiring more team members.

We also discovered how much of a share the energy costs have on monthly outgoings. It is perhaps unsurprising that, for the majority of charities (80%) and SMEs (70%), over 10 per cent of monthly outgoings are spent on energy.

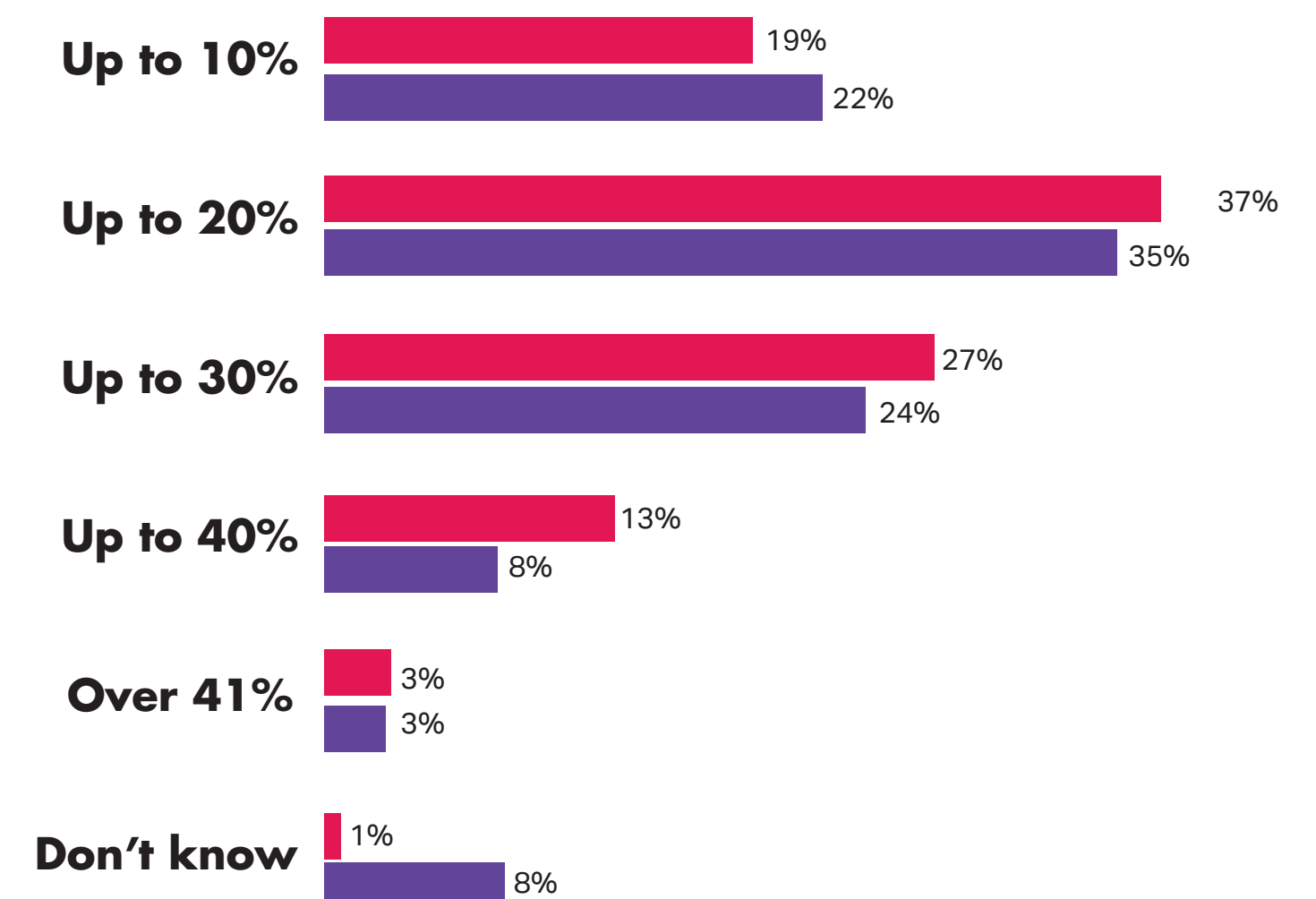
## Energy use

■ Charities ■ SMEs

### Workplace energy uses



### Share of monthly outgoings spent on energy



When asked which factor has the biggest impact on their organisation, the **direct costs of electricity bills came out on top for both SMEs and charities.** Energy is clearly front of mind.

When speaking with SMEs and charities as part of the annual Energy Diaries study, they told us that energy advice is too often just tailored towards energy use in the home. **Businesses feel left out of advice and are eager to find support that can help them plan energy-saving projects,** while also navigating present day challenges.

Cadent is committed to responding to these findings. As a direct result of the insight, Cadent has teamed up with experts at **Energy Saving Trust to deliver new verified tips and advice,** specifically designed to support SMEs and charities.



## Section One

# Government initiatives

**There are several government initiatives available to help SMEs and charities cut energy costs and reduce carbon emissions. However, navigating the options can be tricky, as schemes often have different eligibility criteria and application processes. To make things easier, here's an overview of key support mechanisms and where to find them.**

### Energy efficiency and low carbon funding

- The [Boiler Upgrade Scheme](#) offers grants of £7,500 for installing air source or ground source heat pumps, and £5,000 for biomass boilers (if you own the building).
- Some businesses and charities may be eligible for business rates relief when making improvements or installing low carbon equipment. Check with your local authority.

### Electric vehicle (EV) support

- Some businesses can apply for the Workplace Charging Scheme, where they can claim up to £500 per socket (maximum 40 sockets) for installing EV charge points on business premises. Apply here: [Workplace Charging Scheme](#).
- Support for SMEs to install EV charging infrastructure, including wiring and future-proofing may also be available through EV Infrastructure Grants.

### Green skills and growth

- Free training for employees and self-employed individuals to develop low-carbon skills is available through Green Skills Bootcamps. [Learn more: Skills Bootcamps](#).

### Microbusiness support

Ofgem has a number of support options for microbusinesses that fit one of two criteria:

- If the business has fewer than 10 employees and turns over less than £1.8m.
- If the business has more than 10 employees, but uses less than 100,000 kWh of electricity

a year and uses less than 293,000 kWh of gas a year.

- This includes tips and advice when considering [energy contracts](#), using a broker and what to do if you're not happy about your business energy supplier.

### Insulation

- There are also several insulation grants available to help maximise the energy efficiency of the site. If you own the building, you may qualify, or otherwise speak to the landlord for support. More information on this is available at the [UK Business Climate Hub](#).

## Where to find more information

- You can also use the UK Government's [Find a grant service](#) to understand if there are grants available to support your initiatives.

## Section Two

# Energy Audit

**Feedback in the Energy Diaries showed that businesses feel energy advice is too focused on domestic settings and saving energy at home. However, starting to think about your workplace in the same way you would your own home is a good starting point.**

The first port of call is to therefore **check your tariff to ensure you're on the best rates for your needs – just as you would at home.**

Switching to a different energy supplier could provide instant money savings. So if it's been a while since you've consulted your suppliers, now might be the time to **take action**. Reminding yourself when your current energy contract comes to an end would be worthwhile. This should form part of an energy audit of your business.

To carry out an energy audit effectively, you need to measure your energy use regularly.

## The audit method you choose should:

- Balance cost and ease of implementation
- Provide enough detail to make informed decisions
- Allow you to track progress over time and see if changes are working

As SMEs and charities can experience significant changes year to year, it's important to use a method that enables fair comparisons over time.

## What could you measure?

- Energy use per headcount
- Energy use per square metre of your premises
- Energy use relative to revenue
- Energy intensity of specific equipment or processes

## What level of detail do you need?

- Overall consumption data (e.g. total kWh used in a year) is a good starting point.
- For better decision-making, consider granular data, such as energy use by department, equipment or time of day. This can highlight where the biggest savings opportunities lie.

**For example, a micro-bakery** will use a lot of its energy for ovens and refrigeration, but also some energy for its front-of-house. They're aiming to sell more this year than last, so it'd be expected that they'd have the oven on more regularly to bake more. They therefore might want to monitor energy use per item or per production batch, and may even invest in sub-metering for ovens and refrigeration to identify inefficiencies.

This granular insight can help to identify whether investing in more efficient models, or adjusting baking schedules, could deliver the biggest savings.

**In a small office,** however, heating, lighting and IT equipment are likely to dominate energy use. In this case, energy use per employee or per square metre may be a more telling metric to use. A small business might want to explore whether to monitor heating and cooling separately to spot waste in underused spaces, for example. Meanwhile, if lighting accounts for a significant portion of energy use, installing motion sensors and LED lighting could significantly cut costs.

- Auditing energy consumption should be an ongoing part of managing a business. Scheduling this activity a couple of times a year could have a big impact over the years. There are multiple external suppliers who will be able to provide an energy audit to help understand the best measurements that fit your business model, as well as free and easy to download software that can help guide thinking. Energy Saving Trust's ['Measure, Plan, Act'](#) framework offers a carbon reduction methodology and consultancy service to guide businesses on how to achieve their own net zero goals.



# Office behaviours and workplace use

One of the stand-out insights from the Energy Diaries is how frequently small businesses and charities are heating empty buildings as a result of hybrid working. While there have been many benefits linked to the growth of hybrid working, **56 per cent of charities and over one third (36%) of small businesses confirmed that it means that they are often heating empty or underused buildings** at times.

When identifying energy saving behaviours and the best measures that can have the biggest impact, being mindful of head count and a building's use is pivotal. As businesses grow – or make cuts – it will have an impact on energy use, providing further reason why auditing must be regular, rather than an annual check. If fewer people use offices on certain days – like Mondays or Fridays – then altering your energy plans would be recommended.

Furthermore, always consider where your heating is most required. It can help to keep the heat in the most important spaces and reduce the heat where not

beneficial in others. Radiator valves and smart controls can help with zonal heating control.

**One office behaviour change that has proven to have a big impact is the creation of 'Green Teams'.** By giving the power to colleagues to take charge of an 'action plan' as part of key performance indicators (KPIs), long-term behavioural changes can be created, in turn helping to run the building more efficiently. Small behavioural changes, such as turning off switches and lights in unused meeting rooms, or at the end of the day can make significant savings over the course of a year.

**Planning the office so it is laid out with the head count in mind is also recommended.** For example, if you have an office with six members of staff in one room, and one member of staff in a separate room, combining the desks into one room will help ensure you only heat, power or cool the spaces you need. If confidentiality dictates that certain team members must sit separately, then looking into alternative technology, like privacy screen protectors could provide a cost-effective solution.

If flexible working is having the desired impact on your business, then considering co-working spaces could also be an option.



## Small fixes, big impact

**Earlier, we explored how workplaces are using their energy. It is perhaps unsurprising that many businesses are using a lot of energy on charging electric vehicles, cooking and catering, powering equipment, heating, charging devices and lighting.**

There are many simple swaps that can have a big impact on businesses. These include:

- **Having all your lights on sensors, ensuring they switch off when a room is unoccupied.**
- **For larger buildings, like manufacturing sites, presence detectors provide greater reach to determine whether a space is occupied or not. Controlling lighting with a presence detector can save up to 60 per cent of lighting energy costs, dependent on occupancy behaviour and the amount of natural light available.**

Don't forget to engage with your smart meter in the same way you would at home. There are also smart tariffs, which could reward you for being flexible with your energy use. Speak with your energy provider or broker to understand if this could benefit your business.

Heating is also traditionally a big strain on energy use. Lots of offices suffer from being too warm or too cool, meaning office layout is critical.

If you're looking to make changes to the building to increase its energy efficiency, or improve its heating, cooling and ventilation systems, consider looking at your building's Energy Performance Certificate (EPC). An EPC is an official document that rates the energy efficiency of a building on a scale from A (most efficient) to G (least efficient). It also provides recommendations for improving efficiency and reducing energy costs.

But even if big changes aren't in scope, there's still practical advice to make your building work better for you. For example, during warmer months, sitting members of the team near windows can help reduce the need for air conditioning. While it may sound straightforward, it is not always clear or obvious how to sufficiently heat your office space. Some organisations include office layout as part of auditing, so this should be considered.

### *Annual servicing*

Don't forget to have an annual service of your gas appliances which means you get advice from a gas safe registered engineer who will visit the property. It is also important to ensure you have working smoke alarms and CO detectors too.



## Section Five

# Futureproofing your business

**Small businesses and charities alike are unsure on how to build towards a sustainable future. Only 40 per cent of small businesses are currently looking for sustainable heating options (vs 68% charities), while one third (33%) believe electrifying their business would not be possible at present. This increases to 45 per cent among charities.**

Despite this, there are external pressures from customers, who are expecting businesses to make sustainable choices in the future. [Studies by Deloitte](#) have shown that [55 per cent of consumers](#) have chosen food and non-alcoholic beverage brands that have environmentally sustainable values and practices, for example. The same report found that 32 per cent of consumers would be prepared to pay more for goods and services if it ensured brands reduced [their carbon footprint](#).

Swapping your [energy](#) to renewable sources may help [reduce your utility bills](#) for example, through installing renewable energy generators such as solar panels. By examining how energy is used, it may highlight simple ways to reduce energy consumption and costs.

A packaging company in East Kilbride has cut carbon emissions by 25 per cent and is saving over £5,900 on energy bills through simple changes like installing LED lighting, heating controls and a heat recovery unit on its ventilation system ([Package of changes cuts carbon emissions by 25% · Business Energy Scotland](#)).

Other business costs can be reduced too, such as [switching to electric vehicles](#) if your business routinely enters low emission zones in major cities.

By taking the first steps to make office spaces and buildings more energy efficient, long-term plans can be put into place to enable a sustainable future is achieved.

## *Additional materials*

These energy saving tips have been created to support SMEs and charities navigate ongoing challenges. Energy Saving Trust's communications and insights services could help your business:

<https://energysavingtrust.org.uk/business/communications-and-insight/>

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