

Understanding Streamlined Energy and Carbon Reporting for 'large' MATs

KEY POINTS



- SERC came into force on 1st April 2019.
- All 'large' organisations must report on energy usage annually.
- There are five steps to take for reporting:
 1. Gather Trust's UK energy use data.
 2. Calculate associated greenhouse gas emissions.
 3. Determine the intensity ratio.
 4. Detail your methodology.
 5. Explain how you plan to reduce your energy consumption.
- Consider using external consultants to alleviate the burden on staff.

What is Streamlined Energy and Carbon Reporting?

SERC as it is known came into force in the UK on 1st April 2019 and has been implemented by the Department for Business, Energy and Industrial Strategy (BEIS). This has been part of the government's response to meeting their climate change targets. Put simply, all 'large' organisations must report annually on their energy use, associated carbon emissions and what energy efficiency measures they are taking.

Challenges and opportunities of SERC

Introducing any new reporting for your MAT can pose some new challenges as well as opportunities.

- How do you determine the scope and boundaries for reporting?
- You will need to develop new processes and controls for gathering the required information.
- There will be some more complex operations than others and you will need to accommodate for these somehow.
- The MATs ongoing reputation particularly if the disclosure shows higher than standard energy use and associated carbon emissions.

With energy usage being such a hot topic, there is a lot to be gained from embracing SERC:

- Through better understanding of the MATs energy usage, you can identify ways to reduce your consumption and therefore cut the running costs for the MAT.
- Position your MAT as leading the way on best practice in energy efficiency
- Through annual reporting you can demonstrate continued improvement, showing your commitment to environmental credentials.

Are Trusts and schools exempt?

SERC states that all 'large' organisations must report annually. Education establishments are not considered to be immediately exempt from this and many MATs fall within the scope of the 'large' criteria:

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Your organisation is considered large if it meets **two or more** of the following:

- Turnover (or gross income) of £36 million or more,
- Balance sheet assets of £18 million or more,
- 250 employees or more.

It's not as simple as looking at whether each school within your MAT meets these criteria, if you normally have annual financial reporting for the MAT as a whole, then you should consider the whole MAT when determining whether you are considered 'large' under SERC.

There is one exemption area that could apply to your MAT. A MAT is considered as a 'low energy user' if the MAT, as a whole, consumes fewer than 40,000 kWh of energy within the reporting period. If this is the case, you become exempt from being obligated to report.

That being said, it is good practice to still report

on your energy consumption and its associated carbon emissions.

You will still have to carry out much of the analysis work to determine if you are a 'low user' and as such will have done much of the work already.

What do you need to report on?

There are three scopes where you are required to find out exactly how much energy you are using.

Scope 1 – Direct emissions

This includes any fuel used for transportation and the combustion of natural gas.

Scope 2 – Indirect emissions

This is the electricity your MAT purchases and what operations it is used for. In essence, if anything, can be plugged in e.g. IT server room, classroom ICT equipment, equipment for D&T, fridges in school kitchen etc, you need to know how much energy it is using in kWh.

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Scope 3 – Other indirect emissions

This includes carbon emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel.

Five steps to accurate reporting

We have broken down how to go about your SERC reporting into five clear steps:

1. Gather data on the Trust's UK energy use for each of the three scopes. An asset list for each school within the MAT is useful at this stage.
2. Calculate the associated greenhouse gas emissions. This is calculating the actual emissions in tonnes of carbon dioxide equivalent (CO₂e). We have undertaken some modelling to help with this stage.
3. Determine the 'intensity' metric. This is simply a KPI to help compare your emissions data with a metric that is meaningful for your MAT. Such a metric could be tonnes of carbon per pupil.
4. Detail your methodology. This simply shows that you have adopted a robust process for gathering the required information.
5. Demonstrate how you plan to reduce your MATs energy consumption. Clearly detail what steps you have identified and are taking to become more energy-efficient and therefore reduce your carbon footprint.

There is some useful information on the [Government website](#) which gives you some worked examples.

What kind of resourcing will I require?

There is no denying it, this is quite a large project and will be demanding of allocated staff's time. Assuming, that you have staff with the bandwidth and knowledge to carry out such

a project. You may want to consider using external consultants, such as ourselves, to help evaluate your IT energy usage and being able to tap into our existing carbon emission modelling.

Are there any penalties for not reporting?

SERC will be enforced by the Conduct Committee of the Financial Reporting Council and at the time of writing, penalties for non-compliance have yet to be published. It is thought though, that if there are similar to ESOS or CRC then they are likely to be substantial eg £40,000. However, BEIS have said "We do not see penalties as a key driver for action." (source: secrehub.co.uk)

There is no getting away from SERC and reporting your energy consumption within your Trustees report. It can be a positive thing, to further enhance your environmental credentials as well as reducing the running costs of your MAT. As experts in solving ICT problems in UK Education, we can help evaluate your IT energy usage and associated carbon emissions. If you would like to discuss this for your MAT and find out how we can help you report accurately, get in touch, we'd be happy to help.

FIND OUT MORE

For further information about how Novatia can help your MAT or school with its ICT and energy usage reporting

Visit www.novatia.com call **01962 832 632** or email info@novatia.com