The Differences Between ESOS and SECR

ESOS	SECR
- Required to participate if you have 250+ staff or you have an annual turnover in excess of 50 million euro, and an annual balance sheet total in excess of 43 million euro - Managed and enforced by the Environment Agency - Every 4 years - Review your energy consumption in industry, transport and buildings - Gather energy data - Conduct energy audits and identify energy saving opportunities - Complete report highlighting findings and using either SSP or LCCA's - Complete an evidence pack for that phase - Have the work signed off by an approved ESOS Lead Assessor and Company Director - Submit all of this to the EA before 5th December.	- Quoted companies and large incorporated unquoted companies with two of the following; at least 250 staff or an annual turnover greater than £36m, and an annual balance sheet total greater than £18m. - Enforced by The Conduct Committee of the Financial Reporting Council - Yearly *Reporting the following:* - UK energy use (as a minimum gas, electricity and transport, including UK offshore area) - Associated greenhouse gas emissions - Previous year's figures for energy use and GHG emissions (after the first year) - At least one intensity ratio - Energy efficiency action taken - Methodology used - Submitted with your companies end of year accounts to Companies House

ESOS Fines ***Enforced by the Environment Agency***	**SECR Fines**
<u>Failure to notify – Regulation 43</u> • A fixed penalty of up to £5,000 • An additional £500 for each working day starting on the day after service of the penalty notice until the notification is completed, subject to a maximum of 80 days • Publication <u>Failure to maintain records – Regulation 44</u> • A fixed penalty of up to £5,000 • The cost to the compliance body for undertaking sufficient auditing activity to confirm that an organisation has complied with ESOS • Publication • The penalty notice may specify steps to remedy the breach. <u>Failure to undertake an energy audit – Regulation 45</u> • A fixed penalty of up to £50,000 • An additional £500 for each working day starting on the day after service of the compliance notice, until the breach is remedied, subject to a maximum of 80 days • Publication • The penalty notice may specify a requirement to undertake an ESOS Assessment. <u>Failure to comply with a compliance notice, an enforcement notice or a penalty notice – Regulation 46</u> • A fixed penalty of up to £5,000 • An additional £500 for each working day starting on the day after service of the penalty notice, until the breach is remedied, subject to a maximum of 80 days • Publication <u>False or misleading statement – Regulation 47</u> • A fixed penalty of up to £50,000 • Publication	The Conduct Committee of the Financial Reporting Council is responsible for monitoring compliance of company reports and accounts with the relevant reporting requirements, imposed on companies by Part 15 of the Companies Act 2006 ("the Act") and imposed on LLPs, as that Act has been applied to LLPs. The Committee has the power to enquire into cases where it appears that relevant disclosures have not been provided. The Committee also has the power to apply to the Court, under section 456 of the Act, for a declaration that the annual report or accounts of a company or LLP do not comply with the requirements and for an order requiring the directors to prepare a revised report and/or set of accounts. As far as possible, however, the Conduct Committee operates by agreement with the businesses whose reports it reviews and, to date, has achieved its objectives without recourse to the Courts. The Committee exercises its functions with regard to the principles of good regulation, including proportionality, consistency and targeting. It raises concerns with companies where there is evidence of apparent substantive non-compliance. Companies House register company and LLP information and make it available to the public. Companies House may not accept any accounts that do not meet the requirements of the Companies Act, and where acceptable accounts are delivered after the filing deadline, the company is liable to a civil penalty in accordance with section 453 of the Companies Act 2006. The civil penalty for the late filing of accounts is in addition to any action taken against directors (or members of an LLP), under section 451 of the Act. The Government will work with Companies House and the Financial Reporting Council to support implementation, and to monitor how organisations respond to the new reporting requirements as part of its overall responsibility to review the impact of the legislation on businesses and the wider economy.