BRIEFING NOTE 012

SECR and ESOS for construction organisations

Check two separate duties and prepare evidence before the next reporting deadline.

Version 1.0 | Prepared and reviewed: 9 September 2026 | 5-minute read

Status: UK legal requirements for qualifying organisations; thresholds and exemptions differ.

Audience: Finance directors, company secretaries, energy managers and sustainability leads.

Executive summary

Streamlined Energy and Carbon Reporting (SECR) and the Energy Savings Opportunity Scheme (ESOS) are separate obligations. SECR requires qualifying companies and limited liability partnerships (LLPs) to disclose annual energy and emissions information; ESOS requires qualifying undertakings to assess energy use and savings opportunities, with notifications and follow-up reporting.[1][2][3] A business may fall within one or both. Construction groups should check the legal entities and group structure, then coordinate site, fleet and office evidence. Shared data collection is sensible, but one report does not discharge both duties.

Start here. Ask finance to document SECR and ESOS applicability separately, using the group structure, relevant accounts and employee figures.

In plain terms. SECR is part of the annual company reporting process. ESOS is an energy assessment and follow-up process operating in compliance phases. They overlap in their need for reliable energy records, but the organisations, energy sources, dates and submissions covered are not identical.

Check which regime applies

Regime	Initial qualification screen
SECR	UK quoted companies; qualifying UK unquoted companies and LLPs. Individual unquoted/LLP screen: exceeds two of £36m turnover, £18m balance sheet total and 250 employees.[1]
ESOS phase 4	A UK undertaking with 250 or more employees, OR turnover above £44m AND balance sheet total above £38m; also UK group undertakings where a group member qualifies.[3]

Keep the boundaries and outputs separate

Apply group, accounting-period, two-year and exemption rules before deciding. SECR's £36m and £18m thresholds remain; do not substitute higher general company-size thresholds. Low-energy users consuming 40 megawatt-hours (MWh) or less may omit detailed SECR figures but must explain why.[1][2]

SECR covers global energy and emissions for quoted companies. The unquoted/LLP minimum covers UK gas, electricity and transport, including reimbursed business mileage. Disclose methodology, an intensity ratio, comparisons and energy-efficiency actions.[2] ESOS normally requires a compliance route covering at least 95% of total energy, a lead assessor where required, board approval and notification.[3]

Example in practice

Illustrative example: a standalone contractor with stable turnover of £40m, a £20m balance sheet, 200 employees and substantial energy use exceeds two SECR thresholds but neither ESOS test. Finance checks the applicable accounting and exemption rules before recording SECR as required and ESOS as outside scope.[1][3]

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Key dates

ESOS deadlines. 5 December 2026: phase 3 second progress update. 31 December 2026: phase 4 qualification date. 5 December 2027: phase 4 compliance notification.[3]

Later follow-up. Phase 4 action plan: 5 December 2028; progress updates: 5 December 2029, 2030 and 2031. SECR follows the organisation's annual report timetable.[2][3]

Recommended actions

A practical way to start, with suggested owners and timing:

1. **Record applicability.** Check entities, group rules, thresholds and exemptions. Keep a written decision and identify the responsible reporting organisation. *Finance, before the relevant year-end.*
2. **Build one source register.** Gather meter, fuel, fleet and mileage records, including temporary sites. Tag the period and regime coverage so SECR and ESOS totals can be reconciled. *Energy and operations, now.*
3. **Prepare the SECR disclosures.** Agree the methodology, intensity measure and narrative with finance. Keep calculations, explanations of missing data and the approved report together. *Company secretary, before annual approval.*
4. **Plan the ESOS assessment.** Confirm the compliance route and assessor requirements. Commission any audits early and schedule the action-plan review, director approval and notification. *Energy lead, ahead of the 2027 deadline.*
5. **Track savings actions.** Assign owners to selected measures and keep implementation evidence. Calendar required action-plan and progress submissions, including an explanation where no measures are planned.[3] *Board sponsor, at each follow-up.*

Common mistakes and what to do instead

- Using the SECR size test for ESOS: make two documented decisions.
- Excluding temporary sites from energy records: reconcile openings, closures and fuel deliveries.
- Assuming the ESOS audit ends the process: schedule notification and follow-up reporting.

How Reinventives can help

Reinventives can help map applicability evidence, organise energy records and establish reporting ownership and controls. A first deliverable can be a combined evidence register with separate SECR and ESOS requirements and deadlines. We can support preparation and coordinate specialist input; legal interpretation, statutory report approval and registered ESOS lead-assessor duties remain with the appropriate advisers and responsible parties.

Book a construction reporting conversation: reinventives.co.uk/construction/book

Related briefing notes: BN007 PPN 006 | BN010 UK SRS | BN011 Reliable carbon data

Sources and review dates

[1] SI 2008/410, Schedule 7, Part 7A, paras 20B-20C; SI 2018/1155, including LLP provisions.

[2] DESNZ, Environmental Reporting Guidelines, March 2019; SECR sections 6-8.

[3] Environment Agency, How to comply with ESOS phase 4, 30 July 2026; sections 1, 3-7, 10 and 13.

SECR size wording follows the statutory "not more than" exemption test; group and two-year rules can alter the result. The low-energy threshold is a disclosure relief, not a blanket exemption from all duties.

Correct as of and sources accessed 9 September 2026 | Next review 9 December 2026

Review earlier if SECR legislation or ESOS guidance changes, and before the December 2026 milestones.

This briefing is general information, not legal, procurement, engineering or assurance advice. Requirements should be checked for the specific organisation, project and contract.

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