

Energy Bill Relief Scheme

Frequently asked questions: responses from the Department for Education (DfE)

13 October 2022

In response to members' questions, the DfE has provided the following responses and recommendations:

Q1: Will our contract be in scope for the scheme?

"For fixed contracts, BEIS have extended the eligibility criteria to include all fixed contracts signed from 1 December 2021. They have also introduced a floor price for the scheme to avoid unintended consequences related to market developments. The discount will reflect the difference between the government supported price and the relevant wholesale price for the day the contract was agreed. The government will publish the wholesale prices to be used for calculating this for each day. For variable, deemed and all other contracts, the discount will reflect the difference between the government supported price and relevant wholesale price, but be subject to a 'maximum discount' (£345/MWh for electricity and £91/MWh for gas)."

Q2: How will the scheme work for PFI schools?

"In relation to PFI schools, irrespective of whether it is the Special Purpose Vehicle (SPV), School or LA who have the supply contract with the energy supplier the assumption is that the project should still benefit from the Energy Bill Relief Scheme."

Q3: Will there be a calculator tool available so that we can calculate how much relief our school/college/trust is entitled to?

"We are not aware of a specific calculator tool for you to calculate how much relief you are entitled to, however we have informed government that this is of interest to the sector. For now, schools do not need to take action or apply to the scheme to access the support. Support (in the form of a p/kWh discount) will automatically be applied to bills."

Q4: Should schools/colleges/trusts (and others eligible for the relief), procure a fixed energy (gas & electric) contract?

"Institutions should carefully consider the contract length that they want to enter into as well as the pros and cons of a fixed versus flexible pricing model. DfE would encourage schools and trusts to review historic and future market reports (e.g. Cornwall Insights) as well as liaise with their leadership teams when looking to make decisions on contract length. The Get Help Buying for Schools service can support schools for complex procurement requirements. Overviews of the pros/cons of fixed vs flexible contracts are outlined in the buying advice here [Buying for schools - Energy - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/buying-for-schools-energy-guidance)."

Q5: Our contract is coming to the end of its term. What should we do?

“DfE recommend that schools and trusts do not allow their energy contracts to expire. Out of contract costs can be significantly higher and terms and conditions can be unfavourable. Before any existing contract expires, schools and trusts should obtain quotes for new energy contracts. We recommend buying from a compliant framework, Local Authority provided contract or another suitable provider. Any quotes should be checked to ensure the contract meets the users’ needs and offers value for money.”

“More broadly, DfE encourage schools to take advantage of our Schools Resource Management (SRM) tools to get better value from their resources which can be accessed [here](#). DfE also update and strengthen guidance on a regular basis to inform schools of the market and commercial position, with practical advice on exiting existing and entering new contracts. The [Get help buying for schools](#) service will be able to offer support to schools in switching and entering new contracts. Schools can [Request advice and guidance for your procurement \(get-help-buying-for-schools.service.gov.uk\)](#). We know that every school’s circumstances are different, and where schools are in serious financial difficulty, DfE recommend that you contact your local authority or the Education and Skills Funding Agency.”