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Climate Change Levy (CCL)

We want your school to be fully informed and understand the important information around the Climate Change Levy (CCL). The below information will help explain what CCL is, how it works and any further questions you may have regarding this charge.

This document explains the CCL and how it affects schools:

- Schools are subject to CCL, but can apply for exemptions from CCL based on their circumstances, which have been outlined below.
- Schools should monitor their energy use and take steps to save energy to reduce the CCL impact.

This document serves as a general guide, and schools should consult with HMRC for advice on your specific situation. For any questions you may have on CCL, please call our team on **0800 484 0840**.

What is CCL?

CCL is a tax that businesses will have to pay based on how much energy they use. It applies to energy supplies (both gas and electricity) used by various sectors, including industrial, commercial, and public services. The goal of the CCL is to encourage consumers to reduce greenhouse gas emissions by improving their energy efficiency.



How much is the CCL?

CCL is a government tax meaning the rate is decided by the government as part of their annual budgets. The current rate of CCL is 0.775p/kWh for gas and electricity. This will be changing to 0.801p/kWh for both utilities from 1st April 2026. These changes are part of the government's efforts to encourage energy efficiency and reduce carbon emissions.

Gas and Electricity CCL will change from 0.775p/kWh to **0.801p/kWh**

If you are a LASER customer, we provide updates regarding changes in CCL on your invoices – so please look out for these in the notes section of your LASER invoices. For more information on Climate Change Levy please visit Climate Change Levy - GOV.UK (www.gov.uk)

Do Schools have to pay CCL?

Schools fall under the category of **public services**, which means they are subject to both VAT and CCL.

However, there are exceptions to this rule and depending on the type of school, you may be eligible for reduced rates of VAT and the removal of CCL charges, due to charitable status. This commonly applies to Voluntary-aided, voluntary-controlled, foundation schools and Academy schools.

If you're unsure of whether your school or Academy is eligible, you can contact HMRC for advice. The HMRC website also has additional information here: Exemptions from Climate Change Levy - GOV.UK (www.gov.uk)

How can you lower your CCL?

If your school is liable for CCL there are some ways you can look to reduce the CCL impact:



Reduce your usage

If your monthly invoiced consumption is under an industry set threshold:

- 1000 kWhs electricity per month
- 4,397 kWhs gas per month
- VAT is automatically reduced to 5% and you will not pay CCL on your invoices. This is referred to in the industry as 'De Minimis' usage.



Invest in energy efficiency solutions

Whether it's LED lighting, rooftop solar or battery storage, there are viable solutions to reducing your overall usage to meet zero carbon thresholds, having a direct impact on whether you pay CCL. If you like to explore these in more detail, please reach out to our Education team at educationteam@laserenergy.org.uk.

What should I do if I'm contacted by a third-party offering services on reducing my CCL?

We know there are is some erroneous advice being provided by brokers that all schools are exempt from paying CCL.

As you've seen from our guide, this is not the case. If you're unsure and would like a chat with our expert team about this, please get in touch. Contact our education team at educationteam@laserenergy.org.uk or call us on **0800 484 0840**.

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