

## **NHSE & CCS Energy Basket FAQs: 29 Jan 24**

The following questions have been collated from the NHSE Basket webinar and submissions into the NHSE Energy mailbox. Questions have been grouped by themes for ease of navigation. Where duplicate and similar questions have been submitted, these have been combined. Future iterations of the document will be released to incorporate additional FAQs raised by Trusts. Any further questions can be submitted to [england.energy@nhs.net](mailto:england.energy@nhs.net)

### **[Section 1: NHS V30 Basket Membership](#)**

### **[Section 2: NHS V30 Basket Trading Strategy](#)**

### **[Section 3: NHS V30 Basket Impact Assessment](#)**

### **[Section 4: Renewables Strategy](#)**

### **[Section 5: CCS Service Offering](#)**

### **[Section 6: Governance Board](#)**

## Section 1: NHS V30 Basket Membership

### Basket Applicability

**Q 1.1: Is this deal for NHS Trusts only or will this be open to organisations such as NHS Property Services?**

**A:** At this stage the Basket is for NHS Trusts only, therefore organisations such as ICSs, Primary Care, Community Interest Companies (CiCs) etc. are not eligible. We are happy to engage with procurement collaborations covering multiple Trusts but CCS will contract with individual Trusts. In the future, NHS England and CCS may consider extending the NHS V30 Basket to other health organisations. We have also had extensive discussions with NHS Property Services in relation to the NHS V30 Basket and have decided to focus initially on NHS Trusts and transitioning the largest users first. We welcome enquiries and interest of other healthcare organisations that are not currently able to join the NHS V30 Basket via the Energy mailbox - [england.energy@nhs.net](mailto:england.energy@nhs.net).

**Q 1.2: Is it mandatory for every Trust to join CCS?**

**A:** Transferring to the NHS V30 Basket is not compulsory but we are encouraging all NHS organisations to transition to the new NHS agreement once their existing contract ends or where this is appropriate under evergreen contracts. This will ensure the NHS obtains the best value for the taxpayer by leveraging the NHS's aggregated demand and economies of scale in procuring associated energy supply services. Trusts who wish to understand the impact of switching to the NHS V30 Basket can contact [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk).

**Q 1.3: My current PFI arrangement is structured to allow recovery of VAT as the energy suppliers invoice the PFI company, as the customer, who in turn invoice the Trust. Will it be possible to keep this arrangement with CCS?**

**A:** CCS will allow PFI organisations to join the NHS V30 Basket, however Trusts will need to check the specific terms and arrangements of their PFI arrangements and structure to understand whether this is possible. Trusts can contact [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk) to discuss in more detail although it is advised that Trusts seek specialist VAT advice as required.

### Basket Transfer

**Q1.4: Will the transition to CCS be automatic for Trusts already in the Basket?**

**A:** Transition to the NHS V30 Basket will not be automatic as Trusts will need to elect to join the NHS V30 Basket. Trusts with existing CCS contracts will need to sign an Energy Purchase Request (EPR) form in order to transition. Trusts will then be added to the NHS V30 Basket from April 25 (where the EPR is provided by the cut-off date of February 9, 2024). CCS will be in contact with existing customers to provide the EPR and any support or information required.

**Q1.5: Can I join the Basket once my current energy contract expires (post April 2024)?**

**A:** The NHS V30 Basket will begin delivery of energy from April 2025. Trusts who sign either an Energy Purchase Request (EPR - applicable to existing CCS customers) or Customer Access Agreement (CAA - applicable to non-CCS customers) by the cut-off date will be included within the April 2025 delivery. If you do not have an energy supply contract in place for 2024 you will be placed onto a fixed term contract to cover the period up to April 2025. Please contact CCS - [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk) - for more details on the fixed term contract and prices.

**Q1.6: What is the benefit of moving to the NHS V30 Basket?**

**A:** The benefits to individual trusts of the NHS V30 Basket will depend on a number of variables, primarily each Trust's energy strategy and current arrangements. The NHS V30 Basket provided by CCS will offer:

- Funding to support improved energy management equating to £3 million per annum for the NHS, for the next 3 years; and
- Energy bureau services providing greater visibility of energy usage to enable targeting of support to manage areas of inefficiency, as well as historical validation.

As a collective buyer, the NHS V30 Basket will benefit the NHS and taxpayers through:

- Greater price stability and resilience to external events;
- Increased budget predictability;
- Bulk discounts based on consumption volume commitment; and
- Alignment to best practice energy purchasing, which is already followed by central government and many NHS trusts.

**Q1.7: Will individual contracts between Trusts and CCS still be required, and will payment remain a local Trust responsibility?**

**A:** Trusts will contract with CCS on an individual basis and be responsible for the associated governance, take-on and payments associated with the CCS contract.

**Q1.8: If a Trust can prove they can make a cost saving by joining another framework, would this be allowed?**

**A:** It is not mandatory for Trusts to join the NHS V30 Basket. As a commoditised product, it is likely all energy purchased under a long-term strategy in line with the NHS V30 Basket will have a similar cost, with any cost variances due additional supplier charges and services. By utilising NHS purchasing power, Trusts will be able to take advantage of bulk purchasing discounts by CCS in the market; energy support in terms of energy management, bureau services and bill validation as part of the NHS V30 Basket; and ability to shape the energy trading strategy, allowing NHS Trusts to incorporate renewable energy sources and enter into purchase power agreements over time.

**Q1.9: What is the earliest I can join a CCS traded Basket?**

**A:** The first delivery of the NHS V30 Basket will be April 2025. Existing customers with CCS will all be added to the NHS England strategy from April 2025 following completion of an Energy Purchase Request (EPR) form prior to the cut-off. CCS will be in contact with Trusts to support this process, but Trusts are encouraged to reach out to CCS from 22 January 2024. Trusts who do not currently procure energy via CCS can join CCS at any

time by completing a Customer Access Agreement (CAA) and site addition template. Sites will then be added to the next available delivery period. CCS will be in contact with Trusts based on current contract expiry information but any Trusts seeking to accelerate this process can contact CCS directly ([info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk)).

**Q1.10: We are currently in agreement for supply until 2026. If we have some supplies, we do not wish to add to the new Basket can we separate out? And if so, can we then also exit our current arrangement for those, or will that still stand with those supplies that do not migrate to the new Basket?**

**A:** While it is recommended that Trusts join the NHS V30 Basket at the earliest opportunity, Trusts will need to decide an appropriate point to exit current supplier relationships as this will depend on the specific contractual arrangements in place. Trusts should seek to understand any penalties or fees associated with breaking contracts before making any decisions to exit. Additionally, Trusts may wish to consider adding supplies into the NHS V30 Basket as they expire to help streamline the transition to the Basket.

**Q1.11: Is there any flexibility in the timescales as our Board doesn't sit until after the cut-off date? Is there a reason for the timescales being so tight?**

**A:** The deadlines for joining the NHS V30 Basket are driven by ensuring there is sufficient time to onboard Trusts and begin purchasing for delivery in April 2025 and April 2026. We recognise these may be challenging given internal Trust governance and would encourage any Trusts interested in joining the NHS V30 Basket to contact CCS to discuss their requirements - [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk).

**Q1.12: Is the NHS V30 Basket is completely outside of the wider CCS Basket or simply a grouping within it?**

**A:** The NHS V30 Basket is completely separate from the other baskets that CCS offers (including the CCS V30 Basket).

**Q1.13: Where Trusts are already signed up to the CCS V30 Basket with consolidating demand for the wider public sector, will joining the new NHS V30 Basket, with lower aggregated demand increase energy costs for Trusts, at least in the short term?**

**A:** The delivery prices paid by members of both the NHS V30 Basket and CCS V30 Basket will be variable by nature and depend on the price quantity and timing of energy purchased to meet demand. The NHS V30 Basket will use a similar trading strategy to the CCS V30 strategy (albeit with a 12 month lead in to 1 April 2025) and it is anticipated that prices will track accordingly.

**Q1.14: Where Trusts have already committed to the CCS V30 Basket (Sept 2023) and indeed have also signed up to both L12 and L24 from April 2024. From my understanding from the Webinar today, the NHS V30 Basket shall provision for a longer period of time (an additional year) therefore creating a V42 Basket, where commitment needs to be confirmed asap (following CCS communication)?**

**A:** The NHS V30 Basket will operate like CCS V30 Basket. Trusts with contracts expiring at any time in 2024 should contact CCS at the earliest opportunity in order to discuss transitional fixed price agreements covering 2024. All Trusts seeking to join the NHS V30 Basket from 2025 or 2026 will need to complete Energy Product Requests (for existing CCS customers) or Customer Access Agreements (for non-CCS customers) by 9 February 2024 in order to be part of NHS V30 Basket delivery on 1 April 2025 or 1 April 2026.

**Q1.15: Do you have an estimate of the number NHS Trusts that will join from day one?**

**A:** We anticipate the majority of NHS Trusts will join the NHS V30 Basket from the initial delivery date 1 April 2025.

**Q1.16: How early would a Trust need to sign up in order to enter the Basket for April 2025 start?**

**A:** The NHS V30 Basket will begin delivery of energy from April 2025. Trusts who sign either an Energy Purchase Request (EPR - applicable to existing CCS customers) or Customer Access Agreement (CAA - applicable to non-CCS customers) by the cut-off date of 9 February will be included within the April 2025 delivery. If you do not have an energy supply contract in place for 2024 you will be placed onto a fixed term contract to cover the period up to April 2025.

**Q1.17: Once a Trust signed the EPR/CCA forms, are they committed to the NHS V30 Basket? Is there any flexibility in being able to drop out and re-join?**

**A:** Yes, once an EPR/CCA form has been signed and returned to CCS you will have committed to be part of the NHS V30 Basket. There will be a minimum commitment period of 42 months from the beginning of energy delivery, which begins from 1 April each year. The NHS V30 Basket is designed to support Trust's energy demands as part of a long-term purchasing strategy. The approach allows for flexibility in purchasing around the individual Trust and cumulative demand of the NHS. CCS will manage the energy demand purchasing requirements for individual Trusts, while also developing the cumulative view of the NHS V30 Basket in total.

**Q1.18: Could you provide more information on the CCS Framework?**

**A:** Please find a link to the Contracts Finder page for the CCS Framework agreement which provides further information and documentation: [Supply of Energy 2 - Contracts Finder](#)

## Section 2: NHS V30 Basket Trading Strategy

### **Q2.1: Does the NHS V30 Basket apply to both electricity and gas only? Which suppliers do CCS use?**

**A:** The NHS V30 Basket applies to both electricity and gas only. In terms of suppliers, CCS uses EDF for electricity and Total for gas.

### **Q2.2: Given that CCS works with a limited number of suppliers, what mitigations are in place to ensure business continuity in the event of supplier failure?**

**A:** CCS has extensive due diligence processes prior to allowing a supplier to join a framework and has a dedicated team that closely monitor the financial health and performance of their suppliers. Additionally, Ofgem has processes in place to ensure security of supply, such as the Supplier of Last Resort (SOLR) mechanism which is designed to ensure that there will be no interruption of energy supply.

### **Q2.3: What is the NHS V30 Basket period length and tariff?**

**A:** There will be a minimum commitment period of 42 months from the beginning of energy delivery, which begins from 1 April each year. Due to the nature of the Basket purchasing strategy, which is a mixture of long, medium and short-term purchasing to match volume requirements, the tariffs will not be published until the first month of delivery - though indicative prices can be provided by CCS based on similar Baskets. Once trading for the Basket commences in April 2024, indicative prices may be calculated but these will be estimates based on future purchasing and price assumptions.

### **Q2.4: Is the recommendation for all NHS Trusts to migrate to an eventual L30 option - rather than the V30 that CCS Energy2 would have?**

**A:** The recommended option is for Trusts to join the NHS V30 Basket which will have a similar trading strategy to other CCS V30 Baskets with variable prices not an L30 Basket where price is fixed once at the start of delivery.

### **Q2.5: When will I know what my price will be?**

**A:** CCS will be able to provide indicative pricing up to delivery based on existing V30 baskets and any energy purchased for NHS V30 Basket delivery (from 1 April 2024). Actual prices will be available during the first month of the delivery period - therefore April 2025 for those Trusts joining the NHS V30 Basket for the first delivery period.

### **Q2.6: Does everyone in the Basket pay the same rate?**

**A:** No. CCS trade on the wholesale element but then costs are priced based on individual customer profiles and shapes to ensure fair costing. Non-energy costs are then added to your rate by suppliers and these range in price depending upon the meter type and consumption profile and your specific regional location. Resulting in a billing rate being produced based on customer preference of billing (fully fixed or minus some non-energy

charges).

**Q2.7: I am a framework owner. What does this mean for me?**

**A:** Existing NHS energy frameworks have been identified. A meeting will be held with each framework host to understand their framework and any additional value provided to the NHS. If you are a framework owner, please email us with your contact details and we will be in touch to arrange your meeting.

**Q2.8: What risk are CCF/CCS taking? E.g. agent or principal?**

**A:** CCS are the agent for NHS Trusts, responsible for the trading and management of energy supplies.

**Q2.9: We are a CCS client for both gas and electricity and take advantage of the collaborative aggregated bulk buying approach with other public sector organisations. Will the NHS aggregated Basket be larger or smaller than the current Basket that we are committed too? If smaller could this have a negative impact on our unit pricing?**

**A:** The size of the NHS V30 Basket will be dependent on the number of Trusts joining the product. Energy spend in the NHS is over £1bn, therefore there will be significant bulk purchasing impacts as a result of this aggregated approach.

**Q2.10: What is the procurement strategy for the NHS V30 Basket?**

**A:** The NHS V30 Basket strategy is based on a long-term purchasing strategy. This is similar to the V30 Basket, though purchasing will be for 1 year prior to initial delivery. The strategy is designed to provide greater price stability, reducing volatility between years seen in shorter term purchasing strategies.

**Q2.11: How is the volume discount being achieved? Is this a discount on the actual commodity or framework/supplier fees?**

**A:** The volume discount will be achieved through a combination of commodity costs and the standardisation and reduction of framework and supplier fees.

**Q2.12: Will the NHS V30 Basket be provided only by the existing CCS suppliers or will new suppliers be sought?**

**A:** The NHS V30 Basket will be provided by existing CCS suppliers only.

**Q2.13: What will be the volume commitments for a Trust entering into the NHS V30 Basket?**

**A:** Trust volume requirements will be discussed and agreed with CCS as part of entering into agreements and on-boarding. These agreements provide flexibility to reflect Trust's

individual requirements as well as benefiting from the aggregated NHS demand.

**Q2.14: What will happen with the existing purchased volume for the V30 CCS customers beyond 2025? Will this be transferred into the new Basket and prices split across all members?**

**A:** Any existing purchased volume for Trusts already in the V30 CCS Basket will transfer to the NHS V30 Basket at price paid for those Trusts who commit to transfer across.

**Q2.15: Is it expected that each Trust joining the NHS V30 Basket will benefit from savings? Are there any assurances that can be provided that the new strategy will out-perform our existing arrangements?**

**A:** Energy price savings will depend on a number of factors including wholesale energy prices, current Trust energy purchasing strategies and products and supplier charges. The largest impact on Trusts will arise from effective energy management and reductions in purchased consumption, the development of which will be supported through the NHS V30 Basket. CCS are able to support impact assessments for Trusts using an estimated NHS V30 Basket cost based on the current CCS V30 Basket. Please contact [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk) for more information.

**Q2.16: What will be the 'fixed cost' of electricity for the transitional arrangements between April '24 and March '25?**

**A:** CCS will begin purchasing energy for the NHS V30 Basket on 1 April 2024, based on the required demand of Trusts who have signed up to the Basket. Delivery will not begin until 1 April 2025, with any Trusts who are not on an existing energy contract invited to sign a 12-month fixed price contract to cover the transition period. Trusts which wish to understand the estimated costs for the transition period, please contact [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk).

**Q2.17: What are the differences between the CCS V30 Basket and the NHS V30 Basket? Why is the commitment for 42 months rather than 30?**

**A:** The NHS V30 Basket will use a similar strategy to the CCS V30 strategy (albeit with a 12 month lead in to 1 April 2025) but will only allow NHS Trusts to join. The NHS V30 Basket will be tailored to the NHS specific energy requirements and purchasing patterns. In terms of energy purchasing periods, these will be as follows:

- For April 25, the purchasing period will be for 12 months ahead of delivery plus the period of delivery.
- For April 26, the purchasing period will be for 24 months ahead of delivery plus the period of delivery.
- For April 27, the purchasing period will be for 30 months ahead of delivery plus the period of delivery.
- For baskets beyond April 27, the purchasing period will be for 30 months ahead of delivery plus the period of delivery.

**Q2.18: How does the price shaping method work per type of customer for this Basket (excluding non-energy costs)? What specifically is used for the calculation, and will**



**this be fixed from day one? Will Trusts with a lower energy demand (compared to acute Trusts) have to pay more p/kWh?**

**A:** Energy price savings will depend on a number of factors including wholesale energy prices, current Trust energy purchasing strategies and products and supplier charges. The largest impact on Trusts will arise from effective energy management and reductions in purchased consumption, the development of which will be supported through the NHS V30 Basket.

**Q2.19: In acting for the whole NHS do CCS anticipate any impact on the market when positions are taken? i.e. Significant purchases prompting market movement/sentiment.**

**A:** It is not anticipated that the NHS V30 Basket will prompt movements in the energy markets. This is because CCS will be purchasing energy at numerous intervals throughout the lifecycle of the NHS V30 Basket. In addition, the anonymous nature of the energy purchasing platform will mean that the market will not be aware of which organisations are purchasing and when.

**Q2.20: How much (if any) flexibility is in the purchasing strategy for individual Trusts?**

**A:** The NHS V30 Basket is based on applying a single long-term purchasing strategy in order to meet the NHS's aggregated demand and reduce the risk of volatility from shorter-term energy procurement strategies.

**Q2.21: Could you provide more information on the wider strategic goals as this would really help Trust's understand the rationale?**

**A:** The NHS V30 Basket is designed to support Trust's energy demands as part of a long-term purchasing strategy. The approach allows for flexibility in purchasing around the cumulative demand of the NHS, such as an increase in electrical demand as a result of decarbonisation. CCS will manage the energy demand purchasing requirements for individual Trusts, while also developing the cumulative view of the NHS V30 Basket in total. The NHS V30 Basket will also support the NHS net zero goal in the long term.

**Q2.22: Will the pricing be as other CCS Energy agreements based on an annual fee per meter?**

**A:** Yes, the pricing will be based on an annual fee per meter.

**Q2.23: Trusts with April 2024 expiry will transfer to a 12-month, fixed price deal until April 2025, what does that fixed price deal look like?**

**A:** All fixed price deals will be based on prevailing wholesale energy prices at the time CCS are asked by Trusts to add the sites to a fixed term contract. Trusts who wish to understand more about available contracts are advised to contact [info@crowcommercial.gov.uk](mailto:info@crowcommercial.gov.uk).

**Q2.24: Could you give an indication of what the trading strategy will look like for the NHSE V30 Basket? What happens if wholesale energy prices fall significantly?**

**A:** The trading strategy will be developed over the next few months and so more information will be made available.

**Q2.25: I understand that accurately predicting the price of future trades and therefore future £ per kWh is not possible, do you have anything simple that could be presented to a Trust Board to convince them that the NHS V30 Basket will be competitive, as well as reducing their risk?**

**A:** A template board paper will be uploaded onto the Hub shortly which sets out the background, benefits etc. of the NHS V30 Basket and should help Trust Boards understand the benefits of the NHSE strategy which has been designed to be competitive and help reduce Trust exposure to volatility in energy markets.

**Q2.26: Long Term Strategy seen as the best way to manage price volatility risk: this is true, however in the context of high energy prices it might not offer the best value for money**

**A:** NHSE believe the long term strategy is the best way to manage in-year and intra-year price volatility. While it is for individual Trusts to agree their energy procurement policy, the NHS V30 Basket provides a single, aggregated approach to enacting this strategy.

## Section 3: NHS V30 Basket Impact Assessment

### **Q3.1: How have the estimated savings £60m-£100m been calculated?**

**A:** In the last two financial years, NHS energy spend has more than doubled. The NHSE review into the way energy is purchased identified potential opportunities of saving up to £1bn over 10 years (£103m a year) from centralising energy purchasing and encouraging providers to proactively manage energy consumption, comprising: the use of a national energy procurement and risk management strategy to remove variations in Trust unit prices and standing charges, as well as the duplication of procurement resources between Trusts; and efficiencies from the use of dedicated energy managers across the NHS to manage energy consumption, drive energy efficiency and value for money from existing contracts.

### **Q3.2: My energy supplier gives me added benefits, I won't get that through this agreement.**

**A:** Bringing energy together as a national contract allows us to provide a number of benefits to all NHS trusts such as energy management support, spend analysis and recovery services and bureau services that many frameworks required to be purchased separately. Where you identify benefits provided by existing frameworks will not be available under the NHS V30 Basket, please contact the NHSE Energy mailbox (england.energy@nhs.net) to provide more details and this will be reviewed.

### **Q3.3: Can you provide a benchmarking/impact assessment for my Trust?**

**A:** The unit prices of the NHS V30 Basket and the financial impact of procuring via the NHS V30 Basket compared to alternatives can only be estimated at this stage and will be subject to change up to the delivery date. CCS are able to provide Trusts interested in joining the NHS V30 Basket with an impact assessment based on the existing CCS V30 Basket - which is the nearest comparative product - and Trust's consumption and metering profile, based on detailed completed from the NHSE Energy survey. Where Trusts have completed the NHSE Energy survey and wish to discuss impact with CCS, please contact info@crownccommercial.gov.uk.

### **Q3.4: Can we be given a value for each of the Baskets purchased by CCS in 2022/23, particularly V30?**

**A:** CCS can provide Trusts with comparative costs based on their current consumption and energy requirements and existing comparative energy products. Please contact info@crownccommercial.gov.uk.

### **Q3.5: Is there going to be a benchmarking exercise for each individual Trust comparing past performance of their broker / framework to CCS?**

**A:** The CCS V30 strategy is similar to other aggregated strategies used within the market but benefits from CCS (and the NHS's) total aggregated demand, preferential contract terms, market experience in volume management and economies of scale. CCS operates the largest aggregation of Public Sector energy demand in the UK at a combined 28TWh and delivered savings exceeding £1.2Bn over the last ten years. It is the V30 Basket's Risk

Management approach which is UK Government and HM Treasury approved for Risk Management of Public Money.

**Q3.6: Will we be able to get an ongoing statement showing what we are saving so that individual Trusts can log Delivering Best Value savings? Where does Atamis fit into this?**

**A:** NHSE are keen to understand the savings generated from the energy workstream and will use existing price and consumption data to track changes over time and the savings derived as a result of the workstream, as well as providing insights to support targeted energy management activities. NHSE plan to track performance via Atamis.

**Q3.7: How can we budget when we won't know what the price will be until delivery?**

**A:** Energy prices are subject to fluctuation and have been particularly volatile over the past few years which can make budgeting a challenge. It may be helpful to create a budget that includes a number of scenarios i.e. low, medium, and high estimate for energy costs and then work to refine the budget once there is more certainty as the delivery period approaches.

## Section 4: Renewables Strategy

### **Q4.1: What will the energy source/fuel mix be for the NHS V30 Basket supply and associated carbon impact given the carbon emission reporting requirements for Trusts?**

**A:** All volume traded on the wholesale market is anonymous and so the generation source is unknown. Net Zero ambitions and the associated carbon impact will be addressed via a risk-managed strategy which will include over time a wider facilitation of the NHSE requirement for electricity from renewable sources.

### **Q4.2: Could you provide further detail about the green credentials of the new supplier or mechanisms being put in place to ensure this?**

**A:** Both suppliers meet the requirements of the PPN 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts (<https://www.gov.uk/government/publications/procurement-policy-note-0621-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts>). As part of the procurement process undertaken by CCS, both suppliers made Social Value commitments regarding Theme: Fighting Climate Change.

### **Q4.3: Where Trusts are looking to explore local arrangements with councils on green energy where would that sit within this framework?**

**A:** Consumption volumes in the NHS V30 Basket will vary year on year based on a number of changes including renewable energy generation and there is some flexibility within the trading strategy to accommodate changes. Trusts can continue to explore direct arrangements for renewable energy purchase together with increasing the extent of renewable energy. Other PPA arrangements are subject to Treasury controls, please contact [england.energy@nhs.net](mailto:england.energy@nhs.net) if you need further details.

### **Q4.4: What proportion of the energy supply will be renewable when the NHS V30 Basket goes live and over what timeframe it will reach 100% renewable energy? Are there plans to consider other technologies such as hydrogen for CHPs?**

**A:** The NHS V30 Basket is initially focused on developing a collective approach to purchasing energy. Trusts have typically utilised REGOs to meet the NHS renewable energy requirements and this has become increasingly expensive. With the grid becoming increasingly greener, the NHS Governance Board, based on prevalent market conditions and grid supply mix, will make the appropriate recommendations in the period(s) ahead of Power Purchase Agreements (PPA). The NHS V30 Basket will provide opportunities to develop over time and incorporate NHS strategy and aspirations around net-zero and sustainability, using tools such as energy generation, harnessing the NHS's purchasing power and size.

### **Q4.5: When will it be clear if the 2025 onwards Basket will include REGOs and if it doesn't then what will the alternative be in promoting green energy?**

**A:** All energy suppliers provide green energy typically through REGOs or Power Purchase Agreements (PPAs). Trusts have typically utilised REGOs to meet the green energy

supply requirements, which have seen significant recent price rises. The Government's commitment to 100% renewable electricity grid by 2035 is increasing grid mix of renewable energy. The NHSE CCS contract will implement a risk-managed strategy which will include over time a wider facilitation of the NHSE requirement for electricity from renewable sources.

**Q4.6: In terms of unlocking PPAs, how are the IFRS16 / CDEL limits / restrictions going to be addressed?**

**A:** It is anticipated that over time the NHS V30 Basket will support the position of the NHS in the development of PPAs. Trusts can continue to explore direct wire arrangements for renewable energy purchase together with increasing the extent of onsite renewable energy. Other PPA arrangements are subject to Treasury controls, please contact [england.energy@nhs.net](mailto:england.energy@nhs.net) if you need further details.

## Section 5: CCS Service Offering

### Q5.1: Why was CCS chosen and how will it provide best value?

**A:** CCS has been chosen to manage the route to market as they are:

- A trusted procurer of energy with experience of working with public sector entities across government
- One of the largest procurers of energy in the UK
- Have c. 50% of NHS organisations already procuring through their framework
- Offer a number of value-adding services (such as energy management, bureau services and bill validation)

### Q5.2: What level of service will CCS provide?

**A:** As part of the NHS V30 Basket CCS will provide procurement for the Trusts in line with the V30 trading strategy. CCS will also provide bureau management services and historical bill validation for Trusts who have not previously been supplied by CCS. Trusts will also have access to regular market insight/information through monthly position reporting.

CCS suppliers have dedicated CCS customer service representatives whose contact info will be shared with Trusts once they have joined the NHS V30 Basket. Suppliers should be contacted in the first instance for any supply related queries. CCS also has an energy specialist team which is made up of 8 energy experts who are Trusts' designated first point of contact for any escalated queries they may have.

### Q5.3: What is the energy manager support and how can this be accessed? What role will Energy Managers play?

**A:** Funding will be provided to develop energy management expertise within the NHS. Energy Manager support will work with system organisations in the development of energy management and efficiency schemes to support in-year savings and longer-term strategies and programmes, aligned to individual Trust and NHS-wide strategies. This support is designed to be in addition to the Energy Manager resources currently employed by NHS Trusts. The national roll-out is designed to embed capability within the NHS & help coordinate subject matter expertise and best practice between organisations. The programme will commence in Q4 with the aim of supporting the development of programmes for 2024/25.

### Q5.4: My Trust already has an energy manager – what does this mean for me?

**A:** ICSs will receive support through funding for energy management. If you already have an energy manager in place, you will still benefit from the agreement with CCS. This support will be by way of knowledge sharing, enhanced training and dissemination of best practice.

### Q5.5: Can I use a bureau service or a bill validator?

**A:** Yes, however CCS has specific processes in place restricting information provided to third parties regarding our customers. CCS are only able to communicate with third parties if there is an approved, valid Letter of Authority (LOA) in place - and even then, we

can only allow access to billing and consumption data. This is in line with terms in the CAA and public sector procurement legislation.

Trusts are also able to select a bill validation service via another CCS Framework aligned to RM6251 and further information can be obtained on request to; [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk)

**Q5.6: How will the bill validation and bureau service work where elements of this are already being provided by another organisation? Internally we have been streamlining our supplies (removing obsolete supplies and addressing historic issues) which is time consuming. Will CCS take on/over this role for us if we provide background?**

**A:** Bill validation and bureau services will be provided by CCS as part of the NHS V30 Basket and Trusts should contact CCS to discuss their specific requirements - [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk). Where Trusts already procure these services, they may choose to opt out. On-going management of energy provision to the Trust will continue at a Trust responsibility, though Trusts will be able to draw on energy management support as part of the NHS V30 Basket.

**Q5.7: What will the bureau services entail, how will the bill validation process work and will Trusts be provided with forecasts? What software/portals will be included to support Trusts in their energy management?**

**A:** Trusts will be provided with a monthly price forecast. The CCS framework includes access to EDF and Total portals that support Trusts to gather data and insights around energy use and performance.

**Q5.8: Is the bill bureau service (for current bills) included in the V30 offering or do we have to procure this service separately? Is this service being carried out by CCS in-house? What is the specification relating to the bureau bill energy processing facility?**

**A:** Bill validation and bureau services will be provided as an additional service, paid by the Trusts. The services will be provided by suppliers on a framework agreement, information regarding the current framework for bureau services can be found at the following link: <https://www.crownccommercial.gov.uk/agreements/RM6313>. CCS are in the process of establishing a new framework for bureau services, more information can be found at the following link: <https://www.crownccommercial.gov.uk/agreements/RM6305>.

**Q5.9: What does Forensic analysis of historic costs entail? What information would you require?**

**A:** CCS will make available the provision of a cost recovery service where it will conduct a forensic review and look to recover over or erroneous energy payments. CCS will require historical energy payments covering the 6 years up to and including FY 2023/24.



## Section 6: Governance

### **Q6.1: Who is the NHSE lead and representatives for the NHS V30 Basket?**

**A:** The NHS V30 Basket has been developed by NHSE and CCS but oversight of the strategy and performance of the NHS V30 Basket will be through and rely on NHS Trust representatives on the Governance Board.

### **Q6.2: Who will be on the NHS board, we don't want to end up with a non-proactive group who might prevent us making advancement.**

**A:** Trading for the NHS V30 Basket will be performed by CCS traders in line with the NHS V30 Basket Trading Strategy, in order to meet the volume requirements of Basket members and in line with similar CCS V30 Basket purchasing strategies, which are a mixture of long, medium and short-term trading. Oversight of the strategy and trading will be provided by a quarterly oversight board, comprising membership from NHS Trusts, NHSE and CCS and chaired by an independent energy expert. We will be seeking nominations for the 8 NHS Trust members.