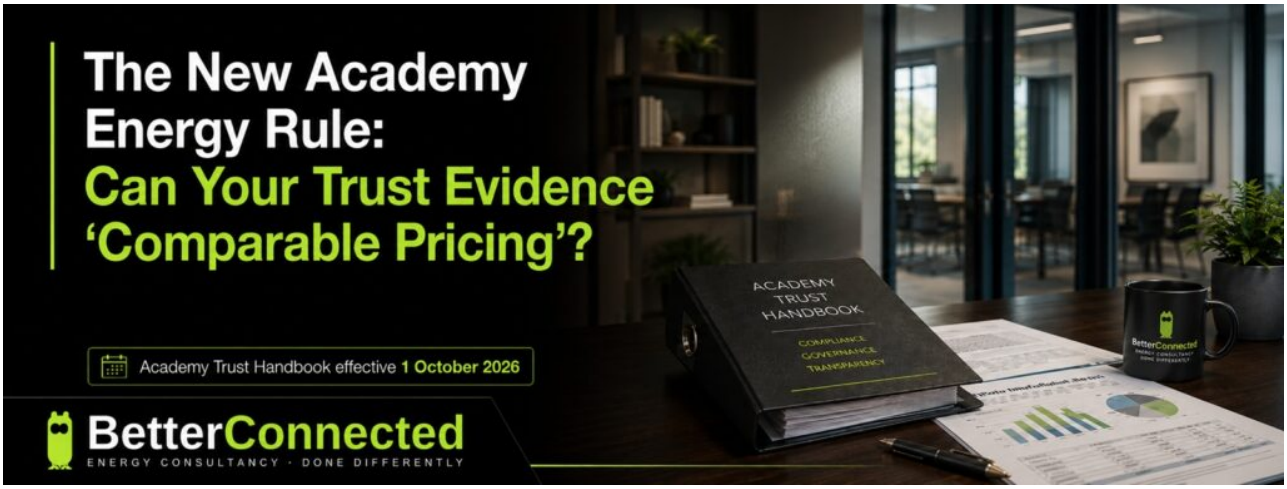
The New Academy Energy Rule: Can Your Trust Evidence ‘Comparable Pricing’?

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Academy Trust Energy Procurement

The New Academy Energy Rule: Can Your Trust Evidence ‘Comparable Pricing’?

A small paragraph in the new Academy Trust Handbook could have a significant bearing on how trusts approach their next energy renewal. The wording to pay attention to is “comparable pricing”.

New Academy Trust Handbook effective from
1 October 2026

The new Academy Trust Handbook comes into effect on **1 October 2026**.

There are numerous changes for academy trusts to work through, but one paragraph is particularly relevant to finance and procurement teams responsible for energy.

Paragraph 2.29

says trusts must use the Department for Education's Energy for Schools service or a DfE-approved energy deal when energy contracts are renewed unless an alternative agreement with comparable pricing has been sourced.

It is that final part which warrants attention.

For trusts choosing an alternative procurement route,
what does a good comparison actually look like?

And, just as importantly, what evidence will sit behind the decision?

This Is More Than a Question About Getting Three Quotes

Energy contracts are awkward things to compare.

A price that looks lower on the first page of a tender can sit alongside a different contract length, different treatment of non-commodity charges, different volume provisions or different commercial terms.

One offer might be fully fixed. Another might contain pass-through elements.

A 12-month price and a 36-month price are clearly not the same commercial decision.

The treatment of standing charges can differ. So can tolerance clauses, expiry provisions and the remuneration received by an intermediary arranging the contract.

Then there is the estate itself.

A trust may have electricity and gas contracts ending at different times. Academies may have different meter types. Some sites may carry substantial half-hourly demand while others are comparatively straightforward.

That is why **“comparable pricing”** deserves more thought than simply putting several pence-per-kWh figures next to each other.

The Handbook does not, in paragraph 2.29, set out a detailed formula for how an alternative energy agreement should be compared. What it does do elsewhere is reinforce the wider procurement responsibilities sitting behind the decision.

Trusts must be able to demonstrate value for money, have an appropriate competitive procurement process and apply relevant procurement requirements. They must also consider DfE purchasing opportunities and record their decision-making.

That makes the evidence behind an energy recommendation important.

Could Someone Reconstruct the Decision Six Months Later?

This is perhaps the most useful test.

Imagine a trustee, auditor or new finance director looking at the procurement file six months after a contract has been signed.

Would they be able to see what was considered?

Would they understand why one route was selected over another?

Could they tell whether the prices being compared covered the same period and the same supplies?

Would the treatment of additional charges be clear?

Would they know what the adviser or broker was paid?

Most importantly, would the reasoning make sense without relying on the person who originally ran the tender being in the room to explain it?

That is the difference between having a price and having a decision trail.

What Might a Useful Energy Comparison Include?

There is no benefit in creating paperwork for its own sake.

But where a trust is considering an alternative agreement, several points are worth making visible.

Scope

Which meters and sites are included? What is the expected consumption? Are all academies being tendered together or are different renewal dates being handled separately?

Term

Comparing a short agreement against a much longer contract without acknowledging the difference risks creating a misleading picture.

Contract Structure

Are non-commodity costs fixed or passed through? What happens if consumption moves materially from forecast? Are standing charges and other fixed costs included?

Commercial Conditions

Are there specific expiry or termination provisions, tolerance clauses or other contractual differences which could materially affect the comparison?

Intermediary Remuneration

If a consultancy or broker is being paid through commission included within the unit rate, the trust should know what that arrangement is expected to cost.

Decision Evidence

The important assumptions, commercial differences and reasons supporting the final recommendation should be clear enough for someone else to follow.

None of those questions requires a hundred-page procurement report.

They require the important assumptions to be visible.

The objective is not more paperwork.
It is clearer evidence of how the decision was reached.

The Timing of the Change Matters

The new Handbook applies from 1 October.

That date comes very early in the academic year, when finance teams, leadership teams and trustees are already dealing with the pressures that arrive with September.

For trusts with energy agreements approaching renewal, that makes it sensible to establish the position before the contract end date becomes urgent.

Which contracts are affected?

When do they expire?

What procurement route is being considered?

If an alternative arrangement is under consideration, how will comparable pricing be established and recorded?

These are easier questions to answer before a tender is live than while a supplier price is sitting on somebody’s desk with a short acceptance deadline.

It also follows directly from a wider point covered previously on School Supply Store: an energy contract end date should be treated as the deadline for completing the procurement process, not the day on which the process begins.

The new Handbook gives academy trusts another reason to start earlier.

Better Connected: Make the Reasoning Visible

Better Connected tenders individual school supplies across ten or more suppliers and multiple contract lengths, rather than treating a multi-site estate as a single undifferentiated renewal.

The full option set and the reasoning behind its recommendation are then presented to leadership before sign-off.

That approach becomes especially relevant where the trust needs to understand whether different commercial options are genuinely being compared on an equivalent basis.

Better Connected also publishes its remuneration model. Its advisory retainer is incorporated within the unit rate for the duration of the contract and is disclosed in writing before an agreement is signed.

For trustees and finance teams, that means the discussion can cover more than the supplier headline rate.

What was tendered?

What alternatives were available?

How did the contract structures differ?

What is the adviser being paid?

Why is this option being recommended?

Those are sensible questions under any procurement process. From 1 October, the wording of the Academy Trust Handbook makes them particularly difficult to ignore.

Do Not Wait for the Renewal Quote to Ask the Question

The change should not make energy procurement unnecessarily complicated.

Nor does it mean every trust needs to choose the same route.

What it does mean is that academy trusts choosing an alternative energy agreement should understand the new Handbook wording and be comfortable with the evidence supporting their decision.

For trusts with renewals ahead, now is a sensible time to find out where those contracts sit and how the next procurement exercise will be documented.

Because by the time the quote arrives, the most important work should already have been done.

Questions for Academy Trusts Ahead of Their Next Renewal

1. 1

   Do we know which energy contracts will next be affected?

2. 2

   Have we reviewed the DfE routes available to us?

3. 3

   If we are considering an alternative, how will comparable pricing be demonstrated?

4. 4

   Are the prices genuinely being compared on the same basis?

5. 5

   Will trustees and leadership be able to see the reasoning behind the recommendation?

6. 6

   Is any broker or consultant remuneration clear before the decision is made?

Expert Insight

Better Connected

Expert insight provided by **Better Connected**, an advisory-led energy and carbon consultancy supporting schools and multi-site estates with energy procurement, market intelligence, contract review, billing audits and ongoing energy advisory.

The Academy Trust Handbook remains the authoritative source for academy trusts, and trusts should consider their own procurement and governance requirements when making purchasing decisions.

Energy Advice for Academy Trusts

Speak to Better Connected

If your trust has an energy renewal approaching and you want to understand how the available options can be compared and presented clearly to leadership, speak to the Better Connected team.

For advice on energy procurement, contract timing and understanding the options available to your school or trust, contact Better Connected.

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How Better Connected Can Help

Energy procurement

Contract timing

Market comparison

Consumption analysis

Metering and billing

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