

# Note 13: HMRC CCL Relief Reporting (previously State Aid reporting)

October 2024

## **1. Introduction**

Climate Change Agreements (CCAs) entitle companies to pay a reduced rate of Climate Change Levy (CCL) on electricity, gas and other fuels (see Note 01 for the list of fuels and rates applicable). The difference between the amount of CCL paid and the full rate is the ‘relief’ that a company benefits from, i.e. the value of the CCL discount to the company.

The relief is considered as a “subsidy”, i.e. a financial benefit that the Government is allowing certain companies to receive. HMRC is required to collect data from CCA scheme participants whose annual total CCL subsidy they received due to the CCAs is above a defined threshold.

The purpose of this guidance note is to explain how to calculate the subsidy, which companies are affected by this, and how to comply with the HMRC requirement.

If an organisation (defined by VAT registration) received more than **£100,000\*** of CCL discount during the period 1st January to 31st December 2023, then it must submit an online declaration to HMRC by 31<sup>st</sup> January 2025.

**\*£86,994** if registered in Northern Ireland.

Failure to comply could result in the entitlement to the CCL discount being removed.

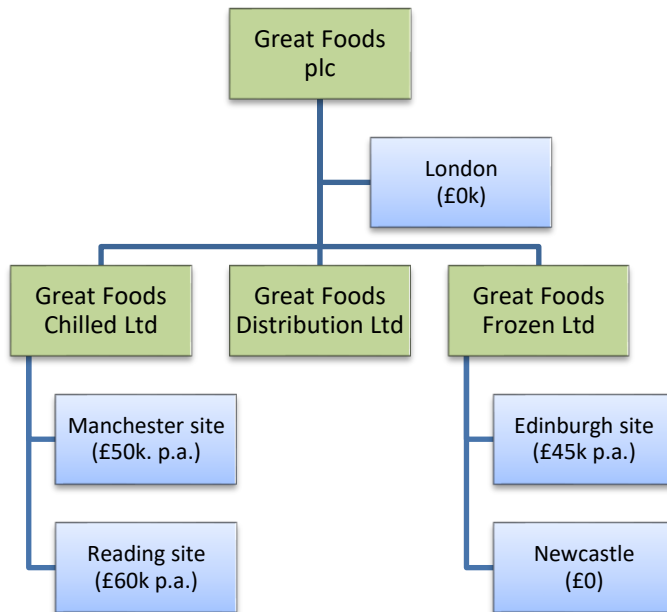
## **2. How to identify if a company needs to comply with this requirement**

- a) Identify all the sites with a CCA belonging to the same [VAT registered number or VAT divisional registration](#)
- b) Calculate how much CCL ‘subsidy’ (i.e. CCL discount) those sites received during the reporting period and if they are over the threshold.
- c) Report directly to HMRC before the [31<sup>st</sup> January 2025](#) after the end of the reporting period

Further information on each step is provided within this guidance note.

**a) Identify all the sites in your organisation that have a CCA and identify the VAT structure for each**

A VAT registered organisation could consist of one legal entity or more than one legal entity (a legal entity is a company with a unique Companies House Number).



The diagram and each **blue** box represents a site. The value in brackets after each site shows the CCL subsidy/direct discount received by each site.

If all legal entities are under the **same** VAT registration (Group VAT registration) then the entire organisation will need to assess whether it is required to declare the CCL subsidy received during the specified period. If required to report, the representative member should aggregate the subsidy and complete one questionnaire for the group

If all legal entities are **separate** VAT registrations, then each separate legal entity will need to assess whether it is required to declare the CCL subsidy received during the specified period. If required to report, each business should complete the questionnaire separately

If all legal entities are classed as divisions or businesses with **multiple** VAT registrations in the group (e.g. Divisional Registration) then the entire organisation will need to assess whether it is required to declare the CCL subsidy received during the specified period. If required to report, the body corporate should aggregate the subsidy and complete one questionnaire for the entire business

above shows the 'Great Foods' organisation, where each **green** box represents a legal entity,

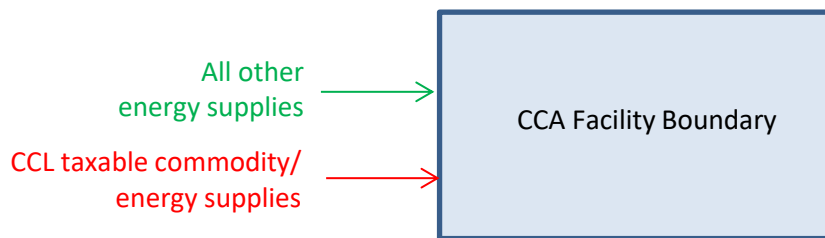
**b) Calculate how much CCL ‘subsidy’ (i.e. CCL discount) those sites received during the reporting period and if it's over the threshold**

Reporting Period

For 2023 you need to determine if you exceeded the threshold in the 2023 calendar year i.e. 1<sup>st</sup> January 2023 – 31<sup>st</sup> December 2023.

Calculating the CCL subsidy

*The CCL subsidy includes all the CCL discount received on energy sources supplied to the **CCA Facilities** and excludes any CCL subsidy claimed via other schemes (e.g. CHPQA).*



The ‘CCA Facility’:

- When a site passes the 70/30 rule, the ‘CCA Facility’ is often the entire site and the CCL subsidy/discount is claimed on all the energy supplied. When a site fails the 70/30 rule, the CCA Facility will only be that part of the site covered by the CCA.
- The value of CCL subsidy/discount received can be calculating using supplier invoices. The subsidy is the difference between how much CCL the site has actually paid at the reduced/discounted rate and what it would have paid at the full rate. Please refer to Guidance Note 01 : What is a CCA for a list of which energy supplies are classed as CCL taxable commodities and the full rates of CCL.
- Our annual data collection spreadsheets give an approximation of how much the CCL discount is worth to each site annually but will not include CCL discount on combusted fuels if the site is in UK ETS. The spreadsheets also do not account for any April changes in CCL rates so should not be used as a definitive source of data. You would need to refer to your supplier invoices for the source data.

UK Emissions Trading Scheme (UK ETS):

- A CCA facility may also include activities covered by the UK ETS, this does not change how the subsidy should be calculated.
- If energy is used within an UK ETS installation and that installation is within the CCA Facility boundary, then all subsidy/discount claimed on the energy provided to the UK ETS installation will be included in the calculation of the total CCL subsidy received.

## **Thresholds**

When a company adds all the CCL subsidy received during the reporting period (i.e. for all sites in the reporting entity), if it is over the threshold then it must report to HMRC. Thresholds are published on the [Gov.UK website](#)

### **If you're registered in England, Scotland or Wales:**

The threshold is **£100,000** for 2023.

### **If you're registered in Northern Ireland:**

The threshold is **£86,994** for 2023.

Note: For N.I. the threshold is €100,000: The GBP financial threshold may vary slightly from year to year depending on the exchange rate. If not published, you will need to check the official [HMRC foreign currency exchange average rates](#), using the UK Integrated Online Tariff for the calendar year being reported.

### **To Report:**

Refer to the example of Great Foods illustrated on page 2 of this Note:

- If the entire organisation is under one Group VAT registration, then the total CCL discount received by all the companies within the Great Foods organisation will be required to declare their CCL subsidy received for 2023.
- If each legal entity within the organisation has its own VAT registration, then only 'Great Foods Chilled Ltd' would have an obligation to declare the CCL subsidy received for 2023.
- If the entire organisation is under Divisional VAT registration, then the total CCL discount received by all the companies within the Great Foods organisation will be required to declare their CCL subsidy received for 2023.

## **c) Report directly to HMRC before 31<sup>st</sup> January**

If your business has received an annual tax subsidy award exceeding the reporting thresholds, please complete the online form by 31 January 2025. You can access the online form at the following link:

<https://www.gov.uk/guidance/climate-change-agreements-information-to-report-to-hmrc>

If you're a representative of the company — you'll need the Government Gateway user ID and password. If you do not have a user ID, you can create one the first time you sign in.

If you're an agent — you'll need the Government Gateway user ID and password you used when you registered for the Agent Services Account. If you do not have an Agent Services Account, you will be asked to enter the Agent details manually.

**Information asked for in online report:**

- Is your business a participant of a Climate Change Agreement?
- What is the name of the business?
- What is the VAT number for the business?
- Is the business registered in Northern Ireland?
- Does the business have 250 or more employees?
- What type of business activity was the subsidy mainly used for? (Trading in goods, Providing services or an equal split between these)
- Which sectors were the business activities mainly in? (Select from list of various activities that were subsidised through CCL relief in 2023)
- Where in the UK most benefitted most from the subsidy? (England, Scotland, Wales, Northern Ireland, All of Great Britain or All of UK)
- How much Climate Change Levy subsidy did the business receive in 2023?
- What is your full name?
- What is your role in relation to the business?
- Consent to communicating with you by email (if no, only the confirmation of submission will be emailed to you)
- Declaration/Submission

Any queries should be sent to [energy.taxes@hmrc.gov.uk](mailto:energy.taxes@hmrc.gov.uk)

***For further information please contact SLR’s FDF CCA helpdesk:***

+44 (0)844 800 1880

[fdcca@slrconsulting.com](mailto:fdcca@slrconsulting.com)

or visit <https://www.fdf.org.uk/fdf/what-we-do/environmental-sustainability/climate-change-agreements/>

The full suite of FDF CCA Guidance Notes are listed below and can be accessed via contacting the helpdesk or visiting the website.

Guidance Note	Title
1	What is a CCA
2	Applying for a CCA
3	FDF CCA Administration Charges
4	Completing HMRC PP10 and PP11 Forms
5	Timetable of FDF CCA Activities
6	Obligations under your CCA including audits
7	Reporting data at each Target Period
8	How CCAs interact with other schemes
9	Glossary and Abbreviations
10	What happens if...
11	NOVEM targets
12	NOVEM Calculation Spreadsheet
13	HMRC CCL Relief Reporting
14	Penalties for non compliance
15	Application Documentation