

Business Coalition calls for Energy Saving Stamp Duty Incentive

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The Energy Efficiency Infrastructure Group (EEIG), a coalition of industry groups, businesses and charities, has written today to the Chancellor, calling on the UK Government to support a long-term, revenue neutral Energy Saving Stamp Duty Incentive – to encourage homeowners to future-proof their homes against high energy bills.

The looming energy price crisis has brought the UK's dependence on imported gas into stark relief. COP26 also highlighted the need for action to reduce emissions from homes, which have risen over the last 6 years and now account for 20% of the UK's carbon emissions.

An Energy Saving Stamp Duty would incentivise the 19 million owner occupier households to insulate their homes and install energy efficient heating systems such as heat pumps.

The EEIG's proposal for an Energy Saving Stamp Duty, as part of its Better Buildings Investment Plan, can be revenue neutral and allows more public funding to be directed towards those that don't have the means or access to finance.

The tax incentive is backed by a broad range of consumer, retail, builder and business groups representing tens of thousands of businesses, professionals and consumers. The incentive would encourage people to either purchase a more energy efficient home or incentivise them to make it more energy efficient after it had been purchased, for example by installing insulation or a heat pump. Households would be charged a lower level of stamp duty for doing so.

David Adams, EEIG spokesman comments, "Government should focus on how people could be rewarded for saving energy. Circa one million homes change hands in the UK every year. Stamp Duty already exists and, for owner occupiers that have means or access to finance, an Energy Saving Stamp Duty Incentive would complement or sit comfortably alongside a grant programme whilst also being revenue neutral. It could be transformational."

Sarah Kostense-Winterton, EEIG Chairman further comments, "With so many millions of homes to retrofit, this long-term structural incentive is necessary to engage and prepare the market, with businesses and government working together to create a thriving industry, building a resilient supply chain and boosting energy security. Crucially, millions of homeowners will have their energy bills slashed and benefit from warmer, more comfortable homes which use less energy and cost less to run."

For more information please contact David Adams: david@theeeig.co.uk / 07841 781162

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Notes to editors

1. The EEIG is a broad-based coalition made up for industry groups, insulation manufacturers, energy companies, retailers, retrofit experts and charities. www.theeeig.co.uk
2. This letter to the Chancellor has been supported by 41 major organisations across the built environment sector and can be found at: <https://www.theeeig.co.uk/media/1122/eeig-energy-saving-stamp-duty.pdf>
3. Please note the position taken by the Energy Efficiency Infrastructure Group (EEIG) does not necessarily reflect the views or priorities of all members.
4. The heat and power associated with owner occupiers that are not fuel poor represents circa 12% of the UK total emissions
5. The Committee on Climate Change, Assessment of the UK Net Zero Strategy October 2021: “significant delivery risks remain, notably for energy efficiency in the 60% of UK homes which are owner-occupied but not fuel poor”
6. Martin Lewis of Money Saving Expert: “Energy price cap to rise by 51% on 1 April”