

The Rt Hon Andy Burnham MP
10 Downing Street
London
SW1A 2AA

27th July 2026

Dear Prime Minister,

Cc. The Rt Hon John Healey MP, Chancellor of the Exchequer

We write on behalf of the undersigned organisations to congratulate you on your appointment, and to raise an issue we hope will be an early priority: the future of the zero rate of VAT on the installation of energy-saving materials (ESMs), which is due to expire on 31 March 2027. We are seeking your reassurance that the Government will extend it.

The 0% rate on qualifying ESMs was introduced on 1 April 2022 and delivered via statutory instrument. It has played an important role in reducing the upfront cost of energy efficient home improvements for households and landlords across Great Britain. It has already been extended once, demonstrating both the precedent and the administrative simplicity of doing so again. We ask the Government to confirm at the earliest opportunity that it intends to extend the 0% rate beyond March 2027, and to set out the duration of any such extension.

Last week's welcome announcement on reducing electricity tax rates to 0% makes the case for retaining the 0% rate on energy-saving materials stronger still. Lower electricity taxes reduce the cost of consuming energy; VAT relief on ESMs reduces the cost of not needing it in the first place. Reverting to 5% would tax the measures that permanently cut consumption and bills, at the same moment the Government is removing tax from consumption itself. The two policies should pull in the same direction.

The scheduled expiry is already creating market uncertainty and risks depressing demand at the very point the Government is seeking to scale up activity through the Warm Homes Plan.

We would welcome the opportunity to meet with your Treasury officials to discuss this ahead of the next fiscal event.

Yours faithfully,

1. Dave Sowden, Chief Executive, Sustainable Energy Association
2. Derek Horrocks, Chairman, National Home Decarbonisation Group (NHDG)/National Insulation Association (NIA)
3. Chris Hewett, Chief Executive, Solar Energy UK
4. Dr Richard Hauxwell-Baldwin, Head of Research, Policy & Campaigns, The MCS Foundation
5. Dr Kerry J Mashford OBE, Chair, Trust Electric Heating Ltd.
6. Jon Warren, Director, Energiesprong UK Limited
7. Ed Matthew, Director of the UK Programme, E3G
8. Charlotte Lee, CEO, HPA UK
9. Kevin Tolson, General Manager, Etex UK Insulation Ltd.
10. Shaun Butler, Director, Energy2 Ltd.
11. Steven Heath - Technical Director, Knauf Insulation Northern Europe
12. Tony Gordon - Managing Director, Showersave WWHR
13. Charles Bradshaw-Smith - CEO SmartKlub Ltd
14. Stew Horne, Group Head of Sector Intelligence and External Affairs, Energy Saving Trust
15. Gabor Szabo, Smart Product Manager, SMS Energy Ltd
16. Tomoji Miki - Managing Director – Daikin Airconditioning UK Ltd
17. Michael Sweeney, Director, Union Technical Services Ltd
18. Jade Lewis, Chair, Healthy Homes and Buildings Group
19. Sarah Kostense-Winterton, Executive Director, Mineral Wool Insulation Manufacturers Association (MIMA)
20. Brian Canning, Managing Director, Evolve Home Energy Solutions Ltd
21. Chris Chapman, Strategic Accounts Director, Broad Oak Group
22. Stephen Melton, Managing Director, NAPIT
23. Gary Lawson, Managing Director, Sustainable Building Services (UK) Ltd
24. Phil Viner - Managing Director, Triton Showers
25. David Elton, Managing Director, Sustainable Energy Services (UK) Ltd
26. Nigel Watson, Managing Director, Permarock Products Ltd
27. Niamh Allen, Managing Director, Sustainable Smart Technologies Ltd
28. Nigel Donohue, Group CEO, The Installation Assurance Authority Group and The Installation Assurance Authority Federation
29. Charles Orr, COO, Fuse Energy
30. Phil Gilbert, Director of Net Zero Delivery, EON UK
31. Simon Storer Chief Executive Insulation Manufacturers Association
32. Fraser Hamilton, UK Regional Director, tado° GmbH
33. Matt Isherwood, Managing Director, Aira UK
34. Peter Park, Head of Retrofit, United Infrastructure.
35. Erik Coates, Energy Services Director PHS Home Solutions t/a 0800repair
36. James Sommerville - Director - Green Rose CIC
37. Zoe McLeod - Interim Co-Director - Sustainability First
38. Danielle Belton - Director - Saving Energy Ltd
39. Jim Driver - Managing Director - Cotality
40. Chris Foran - Managing Director - LMF Energy Services
41. Eliot Whittington - Executive Director of Corporate Leaders Groups - University of Cambridge Institute for Sustainability
42. Gillian Campbell, Director, Existing Homes Alliance Scotland
43. Russell Dean, Deputy Divisional Manager, Mitsubishi Electric
44. Philip Glanville, Director of Advocacy and Engagement - UK100.
45. Dan Marsden, Renewables Director, Wolseley UK

46. Steve Parlby, Investment Planning &
Sustainability Manager, Irwell Valley Housing
Association