

## Greener taxes

SIR – Britain is proud to host the G7 and Cop26 this year. Alongside the passing of the Government’s landmark Environment Bill, our country is perfectly positioned to lead the global charge on climate change. But to reach net zero by 2050, the Government must reduce emissions in the built environment, and should therefore remove VAT on the renovation and retrofitting of existing buildings.

Three quarters of the buildings we will work and live in by 2050 are already built. Most, however, are still energy-inefficient. Retrofitting of wall and roof insulation as well as double glazing windows in existing buildings will do more to reduce emissions than anything done to new buildings. By retrofitting one third of homes in Britain we could reduce household carbon emissions by 21 per cent.

Given the construction sector is the largest user of materials in Britain and produces the biggest waste stream, the VAT regime defies logic. The current tax system rewards a demolish-and-rebuild construction model, through zero-rate VAT for new-builds, while charging 20 per cent VAT on retrofits of existing buildings.

In today’s Budget, we urge the Chancellor to review this perverse incentive and reduce VAT to 0 per cent on renovations as a priority.

**Lord Tyler (Lib Dem)**

**Baroness Greengross (Crossbench)**

**Lord Knight of Weymouth (Lab)**

**Dr Mark Dobson**

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**Jo Allen**

Chief Executive, Frogmore

**Lord Stunell (Lib Dem)**

**John Higginson**

Founder, Nature 2030

**Alan Brown MP (SNP)**

**Lord Haworth (Lab)**

**Lord Jones of Cheltenham (Lib Dem)**

**Lord Hylton (Crossbench)**

**Caroline Lucas MP (Green)**

**Colum Eastwood MP (Lab)**

**Baroness Ludford (Lib Dem)**

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