

The Rt Hon George Osborne MP
Chancellor of the Exchequer & First Secretary of State
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

3 July 2015

Dear Chancellor

The recent European Court of Justice ruling on the UK's reduced rates of VAT for Energy Saving Materials is clearly an unhelpful outcome for those industries involved in the supply and installation of the measures potentially affected. We are aware that the Government is still considering the implications of the judgment, and recent answers to Parliamentary Questions have made clear that no decisions have yet been taken on what, if any, actions will ensue. Naturally, we would like you to find all legal means possible to preserve as many of the reduced rates as you can so that policy delivery is not compromised - particularly in respect of reducing household fuel bills, improving energy security, relieving fuel poverty, and reducing CO2 emissions. We also recognise that a proper decision on the way forward needs to be well-informed by evidence, with the likely industry, legal, and tax revenue impacts well understood. This process is likely to take some time.

However, uncertainty as to the timing of any changes is particularly unsettling for market and investor confidence. This is especially the case if the industry cannot obtain clear reassurance that nothing will change in the short-term whilst Government deliberates on what to do next. It would therefore greatly boost industry confidence if Ministers were to confirm that nothing (if anything) will change until the March 2016 budget at the earliest, and possibly considerably after. We would welcome a clear statement by a Minister to this effect as part of the package of announcements in next week's mini-budget.

A clear statement by a Minister next week would be a helpful confidence boost to the markets for the energy saving materials and technologies that currently qualify for the reduced rates. It would also help stem the uninformed and

commercially harmful press speculation that has been circulating since the Court judgment.

Yours sincerely



Dave Sowden
Chief Executive
SEA



Dr Joanne Wade
Director
ACE



Mike Nankivell F.Inst.R
President
Heat Pump Association



Alan Ward
Chairman
RLA



Stewart Clements
Director
HHIC



Paul Barwell
CEO
Solar Trade
Association



Neil Marshall
Chief Executive
National Insulation
Association



Rob Driscoll
Head of Commercial &
Legal, Solicitor and
Mediator
B&ES



John Alker
Director of Policy &
Communications
UKGBC



Nick Mead
President
CIBSE



Steven Jones
Director
Redsky Solar



John Sinfield
Managing Director
Knauf Insulation
Northern Europe



Kath Bowman
Managing Director
Downs Insulation &
Electrical Ltd



Nigel Brunton-Reed
Managing Director
Beco Energy
Solutions



Donald Daw
Divisional Commercial
Director
Mitsubishi Electric



Tim Minett
Chief Executive
CPL Renewables



Bill Rumble
Chief Commercial Officer
Mark Group Ltd



Kevin Knapp
Managing Director
Ecolution



Ken Munro
CEO
Superglass



David Pinder
CEO UK & Ireland
BAXI



Neil Stewart
Managing Director
GDC Group



Andrew Sheldon
Managing Director
Ice Energy
Technologies



Paul Hutchens
Managing Director
Eco2Solar Limited



Jonathan Bates
Managing Director
Photo Energy



Jim Moore
Managing Director
Vaillant Group UK Ltd



Nick Davies
Principal Engineer
And Chair of the Board
Narec Distributed
Energy



Ian Draisey
Managing Director
BayWa r.e Renewable
Energy



Charlotte Knott
Operations Director
ROCKWARM - Energy
Saving Solutions



Georgina Grieve
General Manager
Homesear



Mike Burge
Director
Chelsfield Solar



Nigel Rees
Group Chief Executive
& National Secretary
GK Strategy Ltd



Andrew Bissell
CEO
Sunamp



Sean Stevenson
Managing Director
Westville



Manjit Lall
Director
2RED Ltd



Andy Bradley
Director
DELTA Energy &
Environment



Mike Easdon
Acting Managing
Director
InBuild Solutions Ltd



Vince Crawley
Managing Director
Rateavon



Duncan Lee
Managing Director
Solar UK Ltd



Philip Chow
Managing Director
Medoria Solar



Nancy Jonsson
Commercial Director
Domestic Heating &
Renewables
Daikin UK



Robert G McLarrie
Director
MP Rendering Ltd



Jonathan Cape
Managing Director
iPower Energy Ltd