

The Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 1HQ

21st November 2013

Dear Chancellor,

Cut the VAT Campaign Coalition submission – Autumn Statement 2013

As members of the Cut the VAT Campaign Coalition, we urge you to reduce VAT on all housing renovation and repair work from 20% to 5% as part of your suite of announcements at the forthcoming Autumn Statement on 5th December.

By levying VAT at 20% on all housing renovation and repair work, the Government is exacerbating a number of serious economic, environmental and social problems. Introducing a reduced rate of 5% VAT is a simple and extremely effective way of achieving a number of the Government's goals.

At a time when economic growth is still tentative, a cut in VAT would provide a huge economic stimulus. Independent research by Experian showed that a targeted reduction in VAT to 5% would provide a total economic stimulus of over £20 billion by 2020¹. The same research by Experian stated that this reduction would create more than 32,000 extra full-time equivalent construction jobs by the end of 2015.

Equally as pressing is the need to bring down the cost of living for individuals and families. A single cut in VAT on housing renovation and repair work would help millions of households to upgrade their homes to make them more energy efficient. Without such help to reduce energy use, the number of households living in fuel poverty will continue to grow as more and more people struggle to protect themselves against this latest increase in energy prices. This would not only reduce the cost of living but also help the Government meet its carbon reduction targets by reducing the emissions from our existing housing stock.

This is why an alliance of more than 60 charities, trade associations and business groups behind the Cut the VAT Campaign are calling for a reduction in VAT to 5% on housing renovation and repair.

Yours sincerely,

Andrew Chalk, Director of Operations

Brian Berry, Chief Executive

Elizabeth Bridge, Secretary

Emeritus Professor Cliff Hague, Chairman

Henry Robinson, President

Iain McIlwee, Chief Executive

Ian Henderson, Chief Executive Officer

Jenny Saunders OBE, Chief Executive

British Blind and Shutter Association

Federation of Master Builders

Joint Tax Committee of Construction

Built Environment Forum Scotland

Country Land & Business Association

British Woodworking Federation

Shawbrook Bank

National Energy Action

¹ Experian (December 2011), *The effects of a reduction in the rate of VAT on the labour element of housing repair, maintenance and improvement*, available via the [Cut the VAT campaign website](http://www.fmb.org.uk)

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Julia Goodwin, Editor	House Beautiful Magazine
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Loyd Grossman OBE FSA, Chairman	The Heritage Alliance
Mark Warren, Managing Director	Lister Trade Frames
Martin Clarke OBE, Chief Executive	British Precast Concrete Federation
Mike Leonard, Director	Modern Masonry Alliance
Neil Baxter, Secretary and Treasurer	Royal Incorporation of Architects in Scotland
Nigel Rees, Chief Executive	Glass and Glazing Federation
Noel James, Director	Historic Towns Forum
Paul King, Chief Executive	UK Green Building Council
Paula Higgins, Chief Executive	HomeOwners Alliance
Phil Buckle, Director General	Electrical Safety Council
Ray Horwood CBE, Chief Executive	National Federation of Roofing Contractors
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