

Zero VAT on Energy Saving Materials for village halls



New regulations for reduced VAT on ESMs (Energy Saving Materials) came into force on 1st February 2024.

Village and community halls are brought in line with domestic and residential property in that installation of ESMs will be zero VAT rated until 31st March 2027, and then revert to 5%.

The changes also expand the scope of relief to include additional ESMs: water-source heat pumps, certain electrical storage batteries, and certain smart diverters.

Groundworks necessary for the installation of ground source and water source heat pumps is now also included. For full details read the updated VAT notice 708/6 here:

<https://www.gov.uk/guidance/vat-on-energy-saving-materials-and-heating-equipment-notice-7086>

Detail of the changes is available on the Gov.uk website [here](#) and you can read the full Statutory Instrument here: <https://www.legislation.gov.uk/ukxi/2024/24/made>

Thank you to all the halls who contributed to ACRE's survey to support evidence to Government calling for the change. This will help village halls make improvements to their building, save on energy bills and contribute to Net Zero. You can read ACRE's original briefing here: <https://acre.org.uk/briefing-vat-relief-on-energy-saving-materials/>