



Campaign to Protect
Rural England
CHESHIRE

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PRESS RELEASE

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CPRE says “Cut the VAT on building repairs!”

The Cheshire Branch of the Campaign to Protect Rural England[1] is issuing an urgent call to sign an online petition organised by the Federation of Master Builders[2] asking for VAT on building repairs and renovation to be cut to 5%.

Chancellor Gordon Brown could take up a European Union option to reduce VAT on building repairs and renovation, but he must request this by 31st March 2006[3]. The EU first made the offer several years ago, and eight countries took it up. The UK chose not to[4], but now CPRE is backing the builders’ trade association in calling for the Chancellor to take a different stance this time round.

Cheshire CPRE says the present whopping 17.5% tax on home improvements takes away the incentive to restore the 127,000 empty homes in the North West, leading to urban decay and increasing pressures for greenfield and greenbelt land to be used for housing and commercial buildings.

The Government’s latest forecasts[5] predict a big rise in numbers of households over the next 20 years, and CPRE says that if better use is not made of existing buildings, 16 square miles of countryside each year could vanish under concrete and tarmac[6]. They believe focussing as much development as possible on derelict or under-used urban sites, including the renovation of existing buildings, will encourage regeneration and protect the countryside, and that VAT reduction provides the essential motivation for much of this.

“The Government’s solution to the current housing crisis has been to remove VAT on new building, which means it is much cheaper to build new than to make existing buildings fit for use as homes and businesses. We do need more homes for our growing population, but if the latest projections were just taken as an instruction to build thousands of new homes, the environmental consequences would be enormous, with more pollution and road traffic in addition to the loss of open space[7] while potentially good buildings are left to decay,” said Cheshire CPRE Chairman, Richard Bass.

“In the country as a whole, 700,000 buildings stand empty – over 127,000 of them in our region[8] - while new ones are constructed further away from existing community networks, transport and other facilities, because it costs less under the current VAT regulations. Householders also face daunting bills if they want to keep their own homes in good order,” he continued.

“We are asking as many people as possible to sign the online petition before the deadline at the end of this month, telling Mr Brown to take this opportunity to reduce VAT on building renovation, and prevent the gobbling up of more of our countryside and the unnecessary destruction of existing buildings,” said Mr Bass.

The online petition is available at www.cutthevat.co.uk.

For more information on Cheshire’s Campaign to Protect Rural England, call 01606 835046, or visit their website at www.cprecheshire.org.uk.

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Notes for editors:

[1] The Campaign to Protect Rural England (CPRE) exists to promote the beauty, tranquillity and diversity of rural England by encouraging the sustainable use of land and other natural resources in town and country. CPRE has a National Office in London and a Branch in every county. Our National Patron is Her Majesty the Queen and our National President is Sir Max Hastings. For more information and archive of press releases see the CPRE Cheshire website at www.cprecheshire.org.uk and the national CPRE website at www.cpre.org.uk

[2] The FMB is the largest trade association in the UK building industry, and represents small and medium sized building operations. Their website is: <http://www.fmb.org.uk/>

[3] The 25 EU Member States agreed in January 2006 to allow lower VAT rates on repair, maintenance and improvement work until 2010. (FMB Press Release 27/2/06: <http://www.taforum.org/showarticle.pl?id=1504>)

[4] A reduced VAT rate for building repairs & renovations was taken up, but only for the Isle of Man : FMB info at www.cutthevat.co.uk states:

“The European Union has agreed to allow a reduced rate of VAT on building repair and renovation work for those countries whose governments ask for it by 31st March 2006. This is not the first time that they have given countries the option to have lower rates of VAT. Since 2000, an experiment with lower VAT rates has been in progress. When it was launched, eight European nations decided to enjoy the full benefits and sign up. The UK government decided at the time that the Isle of Man could have a reduced rate of VAT but the rest of the UK could not.”

[5] See ODPM Statistical Release 2006/0042 published 14 March 2006

[6] This estimate assumes 40 per cent of 209,000 new homes a year are built on greenfield sites (the Government’s target is for 60 per cent of new homes to be built on previously developed ‘brownfield’ sites) and that these homes are built at an overall density of 20 dwellings per hectare. This density figure assumes that homes continue to be built at today’s density levels, but takes into account the infrastructure that goes with large numbers of new homes – roads, schools, green spaces, health centres etc.

[7] According to Government estimates, the building of the average new home is responsible for emissions of greenhouse gases equivalent to 35 tonnes of carbon dioxide, production of 11.25 tonnes of solid waste and consumption of 60 tonnes of mineral aggregates. Once built and occupied, the average house will be responsible for 1.25 tonnes of solid wastes and 4.05 tonnes of carbon dioxide a year. It will also consume 180 tonnes of water and produce a roughly equivalent quantity of sewage effluent. These figures are based on a typical 90 square metre new home meeting current Building Regulations and occupied by three people.

[8] Statistics for 2005 from The Empty Homes Agency. www.emptyhomes.com

Total empty homes in England 2005: 680,412, 3.17% of homes

North West empty homes 2005: 127,473, 4.21% of homes in North West.

(The North West Region actually has the highest percentage of empty homes in England)

Further Information:

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