

## About Vaillant

Vaillant is a global company with over 30,000 domestic installer customers in the UK alone, supplying heating and hot water appliances to over 350,000 homes and businesses annually. We have 150 years' experience in delivering innovation in the domestic heating market and are proud to be leading the way in developing low carbon technologies that deliver sustainable domestic energy solutions. We are committed to supporting the UK's transition to lower carbon heat in homes through our range of heat pump products.

We have invested over £50m into the manufacture of heat pumps, heat pump cylinders and installer training in the UK since October 2022. Our heat pump manufacturing line in Belper, Derbyshire, made us the first boiler manufacturer to serve the domestic heat pump market with on-shore manufacture. Our recent investment demonstrates our support of the Government's net zero ambition and at full capacity will have created 300 new, green jobs and apprenticeships for the local economy.

We maintain 6 specialised training facilities in the UK focused on the education and skill development of installers. Additionally, we have established partnerships with 4 other sites and are collaborating with 3 colleges, a number which is expected to grow in the near future.

Vaillant's four pillars inform our work and must be delivered if home heating is to be decarbonised in the UK.



Vaillant has identified three key areas where immediate policy action is required. These actions would support homeowners, businesses and installers to deliver low carbon heating, ensuring the deployment of heat pumps is maximised.



## Support for businesses and the green supply chain

The UK is a world leader in net zero. A competitive environment is crucial for attracting investment across the full supply chain for green industries, which will generate new green jobs and make decarbonised heating products more accessible for consumers.

To support business and the green supply chain, the Government should:

- Recognise the full supply chain in Green Investment Zones with favourable business rates and tax breaks to support opening warehousing spaces and expanding manufacturing capabilities.
- Extend the 0% VAT rate on heat pumps to other energy saving materials that are integral to low carbon heating systems i.e. high recovery cylinders.
- Lower the corporation tax for green investment.



## Support for homeowners

The most important thing the Government can do to move towards net zero and help families reduce their energy usage is to make it easier to fit low carbon heating systems.

Vaillant welcomed the September 2023 increased grant amount to the Boiler Upgrade Scheme, alongside the previously announced additional funding which supported the extension of the scheme to April 2028. However, we must go further to make low carbon heating more affordable and to improve public awareness of heat pumps and energy efficiency home upgrades.

To support homeowners, the Government should:

- Prioritise closing the price differential between gas and electricity to make electricity both the lowest carbon and lowest cost fuel.
- Provide additional support for low income households to help them install low carbon heating systems in their homes.
- Expand the availability of green finance, in particular green mortgages and other innovative policy measures such as green stamp duty, low interest or interest free loans and Property Linked Finance, to tackle the upfront cost to homeowners of purchasing and installing low carbon heating systems.
- Establish one stop shop advisory services akin to Home Energy Scotland or Your Home, Better to support consumers on their decarbonisation journey while dispelling common myths associated with heat pumps.



## Support for installers

Heat pumps will be a key technology to decarbonise home heating, however industry is in urgent need of more certified installers of low carbon heating systems. The installation of heat pumps requires comprehensive upskilling and retraining of the existing gas-safe registered installer base.

To upskill the installer workforce, the Government should:

- Develop a comprehensive upskilling strategy with annual targets. It is categorically important that manufacturers meet obligations under the Clean Heat Market Mechanism. However, with only 4,000 MCS-certified contractors, manufacturers risk being penalised because of installer workforce shortages.
- Reform the Apprenticeship Levy so it can be used for a wider range of training pathways, including courses to support the training and retraining of installers, and allow even greater transference of unused levy spend to SMEs.
- Provide further financing options for installers looking to upskill, while standardising accreditation to incentivise the workforce.
- Develop a standardised “skills card” that can track formal accreditations and competencies across all low carbon heating technologies and fossil fuel systems.

## Further information

We would be delighted to welcome you to our manufacturing facility in Belper, Derbyshire for a full tour and meeting to discuss our investment into heat pump production and ancillary componentry, our Aspire learning pathway to expand the heat pump installer base, our insights into the potential for hydrogen and how a business such as ours is adapting to the changing industry around us.

We would also be pleased to welcome you to one of our six training Centres of Excellence in Kings Hill, Elland, Farnborough, Belper, Bristol or Glasgow.

To set up a visit or for any further information, please contact Vaillant's Westminster-based team via email at [vaillant@connectpa.co.uk](mailto:vaillant@connectpa.co.uk).

