

## 10. Wood-fuelled boilers

The reduced rate covers the installation of boilers designed to be fuelled solely by wood (including wood chips and pellets), straw or similar vegetable matter. Some boilers need hoppers to feed the fuel into the boiler. Where a hopper is integral to the installation of the boiler it is included within the scope of the reduced rate.

**Beware.** The reduced rate does not apply to installations of ‘multi-fuel’ or ‘dual-fuel’ boilers which are designed to burn other non-renewable fuels such as coal or oil as well as wood; nor does it cover stand-alone wood-burning stoves. The construction or conversion of buildings or extensions for use as log or fuel stores also falls outside the scope of this reduced rate.

Nor does it apply to the installation of other energy-efficient products, such as energy-efficient boilers (unless the installation is grant-funded), secondary or double glazing, low-emissivity glass, or energy-efficient fridge freezers.

### **Before any work is done...**

...make sure that you (or the owner of your home), and the installer understands that you should only be charged 5% VAT on any or all of the energy-saving materials as detailed here that he installs in your home.

Make sure you have been charged the correct amount.

The following example invoice is wrong.

Detail	Price	VAT rate	VAT
Installation of Loft Insulation	480.00	17½%	84.00
Installation of fully controlled Central Heating system with 7 radiators	2400.00	17½%	420.00
Total price	2880.00		504.00
Total VAT	504.00	Prices fictitious, for example only	
Invoice total	3384.00		

The next example is similar to what you should expect to see.

Detail	Price	VAT rate	VAT
Supply and Installation of Loft Insulation	480.00	5%	24.00
Supply and Installation of Gas-fired Central Heating system with 7 radiators	2000.00	17½%	350.00
Supply and installation of central heating and hot water temperature controls, and thermostatic radiator valves on 6 radiators	400.00	5%	20.00
Total price	2880.00		394.00
Total VAT	394.00	Prices fictitious, for example only	
Invoice total	3274.00		

Unfortunately some installers are unaware that they should be charging a reduced rate on the supply and installation of the energy-saving materials detailed in this leaflet.

**Make sure they see this if their invoice is similar to the top example above.**

**The CIBSE Domestic Building Services Panel would like to ask you...**

**...do you know?**

**The supply and installation of energy-saving materials in your home carries a reduced VAT rate of only 5% (not 17½%)**

**All of the following qualify for the reduced rate, providing they are installed as well as being supplied.**

1. central heating and hot water system controls
2. draught stripping
3. insulation
4. solar panels
5. wind turbines
6. water turbines
7. ground source heat pumps
8. air source heat pumps
9. micro combined heat and power units
10. wood-fuelled boilers

**Just remember that if you buy any of the above yourself, to have them installed by someone else, you will pay the full 17½% rate, so it is always best to have your installer supply and install the materials.**



***The reduced rate applies whether or not the installation is grant-funded and includes the price of the goods themselves.***

## **Installation**

Installation, in this context, means putting in place energy-saving materials.

This involves some process by which materials are permanently fixed in place, although loft insulation may simply need to be unrolled and positioned in place to be installed.

Any work undertaken as part of the installation process is eligible for the reduced rate.

This includes minor building works, such as planing doors or windows, enlarging loft hatches, and painting or plastering to make good.

The energy-saving materials covered by the reduced rate are:-

### **1. Controls for central heating and hot water systems**

These include manual or electronic timers, thermostats, mechanical or electronic valves, including thermostatic radiator valves.

### **2. Draught stripping**

Draught stripping products are strips that are fixed around windows, interior and exterior doors, and loft hatches to reduce draughts.

### **3. Insulation**

These materials are designed and installed because of their insulating qualities.

The reduced rate applies to installations of insulation for:

- walls;
- floors;
- ceilings;
- roofs or lofts; and
- water tanks, pipes or other plumbing fittings.

The reduced rate does not apply to essentially decorative products such as curtains and carpets.

### **4. Solar panels**

- Solar panels include all systems that are installed in, or on the site of, a building and that are:
- a) Solar Thermal collectors which use sunlight to heat water, such as evacuated tube or flat plate systems, together with associated pipework and equipment, such as circulation systems, pump, storage cylinder, control panel and heat exchanger; or
- b) Solar PV (photovoltaic) panels which convert sunlight into electricity, with cabling, control panel and DC/AC inverter.

### **5. Wind turbines**

The reduced rate covers the installation of all equipment essential to the operation of wind turbines, including mounting poles, electrical cables, battery banks and voltage controllers.

### **6. Water turbines**

The reduced rate covers the installation of all equipment essential to the operation of water turbines, including electrical cables, battery banks and voltage controllers.

### **7. Ground source heat pumps**

These transfer energy from the natural heat stored in the earth to heat the home and domestic hot water. They can also be used to augment existing heating systems in the same way as solar panels.

### **8. Air source heat pumps**

These use the air as a source of heat. Some air source heat pumps can be reversed so that they draw heat from inside a building, thus providing cooling during the summer as well as indoor heating for colder periods of the year.

### **9. Micro combined heat and power units**

These produce heat and hot water but, in addition, they also generate electricity.