

Rt Hon Jeremy Hunt MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

cc Rt Hon Grant Shapps MP  
cc Rt Hon Graham Stuart MP

7 March 2023

Dear Chancellor,

**Re: Accelerating the UK's small business community's transition to net zero with 'Help to Green'**

The energy price crisis has demonstrated that promoting greater energy efficiency and microgeneration among small businesses should become a long-term goal of the UK Government – shielding the UK's small firms from the volatility of the global energy market while ensuring the UK stays on track for net zero.

This is why on March 15th, you can take decisive action on energy efficiency, whilst empowering businesses to be part of the net zero transition, through the introduction of a 'Help to Green' voucher scheme. A growing coalition of business leaders and sectors are supporting this targeted intervention, which would empower swathes of small businesses in their transition to net zero.

First launched as part of the Federation of Small Businesses' (FSB) net zero campaign ahead of COP26, with early endorsements from the likes of the Institute of Directors (IoD), FSB and Coadec are now bringing together a larger coalition of trade associations to launch a UK-wide Help to Green campaign to mobilise small businesses with the help of Government support.

Despite growing enthusiasm and commitment to net zero, small firms face several challenges, ranging from information asymmetry to lengthy or uncertain return on investment or simply lack of capital and time. Research also shows that, when asked, 71% of small and medium sized businesses could not recommend a single web source for help on decarbonization. This is against the backdrop of a challenging economic period, and record low cash balances and investment capability in the UK's smallest firms.

The 'Help to Green' vouchers would have a suggested value of £5,000 and would be used by small firms to invest in green improvements to their premises, such as a heat pump, better insulation, solar panels, or digital tools that empower them to make green choices – helping them to cut emissions, reduce their energy bills or become more innovative.

The scheme would comprise two key elements:

- An online hub of practical information on how to reduce energy usage and environmental impact. This could be operated by the new, purpose-built Department of Energy Security and Net Zero. If firms could get access to an energy audit at the same time, this would make the scheme even more useful.
- A voucher/grant scheme, with a value of up to £5k per business, which would equate to a grant contribution to qualifying environmental goods and services. This would allow a small business to conduct an energy audit, to better understand their business's energy use, followed up by the opportunity to reduce their energy use by investing in energy efficiency or microgeneration.

A version of the 'Help to Green' proposal has already been adopted by Chris Skidmore's Net Zero review, and with less than two weeks to go to the Spring Budget, businesses are hoping that the Government would make the long-awaited commitment to offer more support on net zero and more importantly energy efficiency. The net zero transition must be undertaken by all businesses, so this scheme should not be limited by size thresholds or other restrictions that would see the smallest firms, who need this the most, excluded. It is also important to ensure that vendors of all sizes can apply to offer their products and services through the scheme.

Designed well, 'Help to Green' could be a powerful way of enabling British businesses to help decarbonise other British businesses.

The race to net zero and quest for greater energy efficiency are arguably the biggest strategic challenge businesses will face and must be tackled across the small business community. Today's coalition of the UK's trade associations remains steadfast in its commitment to help small firms proactively transition to a net zero economy.

