**REA Press Release**

**3 March 2021**

**For immediate release**

**REA welcomes new UK Infrastructure Bank and regional investment, but says Budget misses opportunity for a ‘green’ recovery**

* **REA welcomes establishment of £12 billion UK Infrastructure Bank**
* **Hydrogen hub in Holyhead; wind manufacturing investment in Humberside; and new funding for Aberdeen Energy Transition Zone all cited as positive projects, but Budget should have been more ambitious in delivering major ‘green’ projects in every country and region of the UK**
* **Positive move over Longer Duration Energy Storage Demonstration innovation competition for first of a kind plants, but disappointment over VAT rates for domestic energy storage and other clean technologies**
* **Future on Green Homes Grant still unclear; no new measures for Electric Vehicles, Heat or Geothermal**

The Association for Renewable Energy and Clean Technology (REA) has welcomed the headline announcements in today’s Budget, but say the opportunity to embrace a ‘green’ economic recovery was missed.

The REA says that the establishment of a £12 billion UK infrastructure Bank could help finance infrastructure projects which will move the UK towards its net zero targets, as well as driving regional economic growth. There were also new measures such as green retail savings through National Savings and Investment and the establishment of Carbon Markets Working Group with the City of London. Wider policies such as the deduction for capital allowance may provide a stimulus to businesses in the renewable energy and clean technology sector too.

New money for the Hydrogen hub in Holyhead; wind manufacturing in Humberside; and the Aberdeen Energy Transition Zone was also highlighted as a positive move. However, there was disappointment that the government was not more ambitious in delivering a range of major ‘green’ projects in every country and region of the UK.

Concern was also expressed at the omission of key sectors such as electric vehicles, biomass and geothermal. While supporting the Longer Duration Energy Storage Demonstration innovation competition for first of a kind plants, calls to reduce VAT on domestic energy storage and other clean technologies went unanswered.

The future of the Green Homes Grant also remains unclear leaving businesses and consumers in limbo.

**Dr Nina Skorupska CBE, Chief Executive of the Association for Renewable Energy and Clean Technology (REA), said:**

*“There were certainly a number of announcements in today’s Budget that we can be very positive about. The UK Infrastructure Bank could unlock investment for major renewable energy and clean technology schemes, and extra boosts through green retail savings, deductions for capital allowance and significant funding for schemes in Humberside, Aberdeen and Holyhead are welcome.*

*“However, I can’t help but feel that, despite the mitigating circumstances, this Budget was a missed opportunity for our country. It lacked the detail to provide a watershed moment for businesses in our sector and new ‘green’ projects are limited to only a few regions and countries of the UK.*

*“There are straightforward measures that could and should have been taken. The reduction of VAT on a range of renewable energy and clean technologies; clarity over the future of the Green Homes Grant; and a targeted extension of the Renewable Heat Incentive to boost bioenergy, geothermal and other renewable heat schemes.*

*“The Chancellor had the opportunity to make a bold statement with regards to the UK’s Net Zero ambitions, but this budget shows that much more needs to be done to put the green agenda at the heart of Government.”*

**—ENDS—**

**For more information or to request an interview, please contact:**

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**About the Association for Renewable Energy and Clean Technology (REA)**
The Association for Renewable Energy and Clean Technology (known as the REA) is the UK’s largest trade association for renewable energy and clean technologies with around 550 members operating across heat, transport, power and the Circular Economy. The REA is a not-for-profit organisation representing fourteen sectors, ranging from biogas and renewable fuels to solar and electric vehicle charging. Membership ranges from major multinationals to sole traders.

For more information, visit: [www.r-e-a.net](http://www.r-e-a.net)