

# ACCELERATING THE DECARBONISATION OF BRITAIN'S HOMES

How salary sacrifice schemes can boost growth and support the net zero transition



**Salary  
Sacrifice**  
for clean  
technologies

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# Executive Summary

The transition to net zero homes is moving at far too slow a pace.

This is not because of a lack of support from the wider British public.

In the DESNZ public attitudes tracker of 2024, 74% of the British public agreed with the statement “I have the ability to make changes in my life that could help reduce climate change.”

In the same survey, installing low carbon heating systems at home was seen as the most effective action an individual could take to mitigate climate change with 42% of the public opting for that.

So why aren't we moving quickly enough. It's simple. Affordability.

At a time of economic uncertainty for families and businesses alike, the high costs of electric assets like heat pumps and home solar is holding back householders from making the switch. With an upfront investment cost in the region of £10,000 and a payback period of roughly 10 years, it's no wonder that working families are opting to prioritise other expenditure.

The solution to this is simple – salary sacrifice.

**This removes the high upfront costs as it spreads it on to equal monthly payments and allows working families to pay for these from their gross salary – thus making them much more affordable.**



**Thom Groot, CEO and Co-Founder**



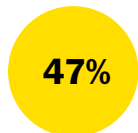
# Salary Sacrifice

## – a record of delivery

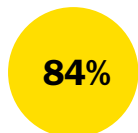
**We are not asking you to take this on blind faith – the numbers on salary sacrifice are in the public domain and they work.**



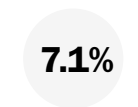
In the field of Electric Vehicles, the introduction of salary sacrifice in this space is widely credited in playing a significant part in achieving 1.4m EVs on the road in the UK.



Figures from the British Vehicle Rental and Leasing Association show a 47% increase in year-on-year sales of vehicles through salary sacrifice



with 84% of cars sold through salary sacrifice being battery powered.



This is compared to a year-on-year increase of only 7.1% through personal contract hire.

**People with access to a salary sacrifice option are almost 4 times more likely to switch to an electric vehicle than somebody who doesn't.**

Replicating those numbers across the home heating industry has the potential to turbocharge the progress that we have made in this area whilst driving economic growth the length and breadth of the country.



# What do we need from government?

**Our request of government is a simple one – expand the qualification criteria for salary sacrifice to include those products listed on the [Treasury's Energy Saving Materials list](#).**

The economic benefits of this are enormous and we detail those below.

However, we recognise that there is a cost associated with this proposal. A cost which we are hoping will be borne in the short term through the warm homes plan.

Our team is working with officials at HMT to discuss the adoption of this proposal and would welcome the possibility of discussing further with others.



# The benefits – climate

The benefits of this policy being successfully rolled out speak for themselves but nonetheless, the numbers are startling.

The government has a target to have a net zero electricity system by 2030. Our proposal gets us there and dramatically reduces emissions.

**30**  
Tonnes

**58**  
Tonnes

Over their lifespan a single set of solar panels would reduce carbon emissions by **30 tonnes** and a single heat pump by **58 tonnes**.

**4x**  
Uptake

Based on what we know – salary sacrifice increases take up by almost **4x**, we are confident that it will deliver **230,000 home solar installations** and roughly **600,000 heat pump installations** by 2030.

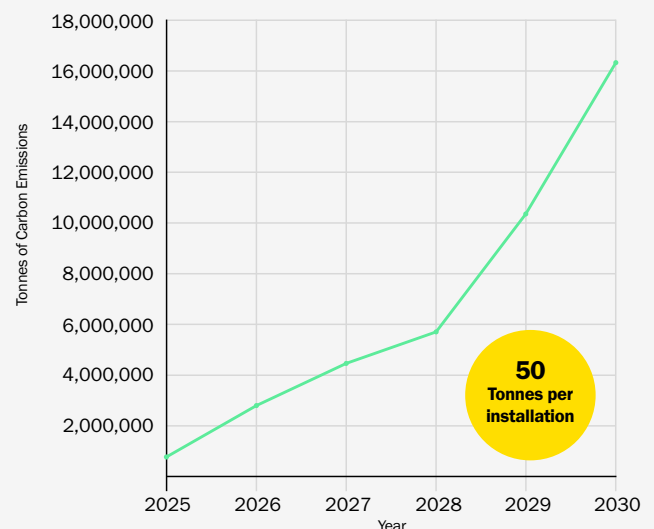
Based on these figures, industry experts have predicted that these measures could contribute to a lifetime reduction of over **40 million tonnes of CO2 emissions by 2030**.

Whilst at the same time, delivering enormous economic benefits.

A reduction of  
**40M**  
Tonnes of CO2  
emissions  
by 2030

GRAPH 1

**Carbon emissions avoided in tonnes (cumulative, lifetime of units) over the next 5 years**



Source: Energy Saving Trust, 58 per Heat Pump, 30 per Home Solar

# The benefits – jobs

The home heating sector is one which has the potential to create the jobs of the future and kickstart a manufacturing renaissance in Britain.

Unlike many other sectors, the success of this industry will be felt nationwide. The map below illustrates the extent of the sector's footprint.

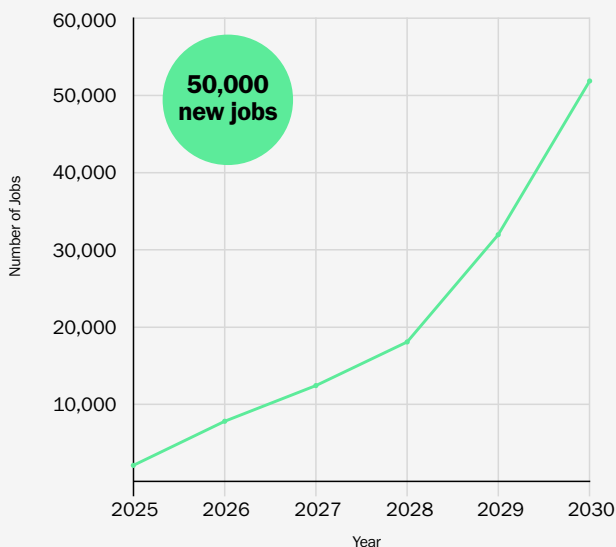
The introduction of salary sacrifice in this space will have the same impact it did on EVs. When that happens, the sector will need to expand rapidly in order to cater to demand.

**This will generate over 50,000 new jobs by 2030.**

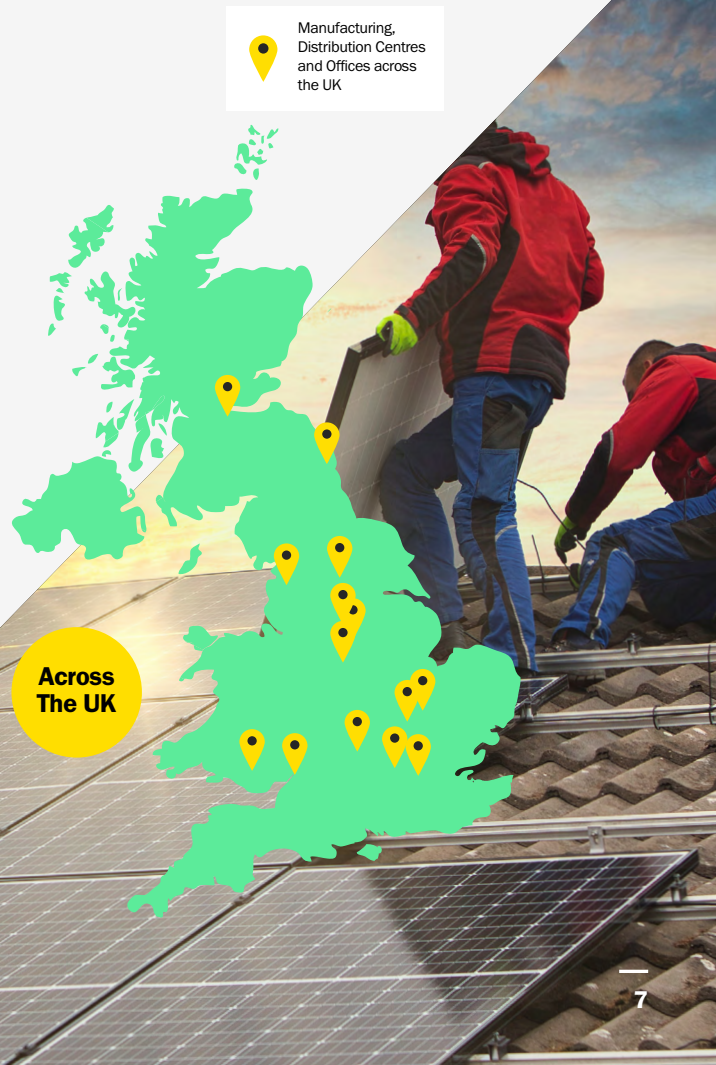
**Jobs that are highly skilled and well paid.**

GRAPH 2

**Number of jobs created by Heat Pump and Solar installations over the next 5 years**



Source: Energy Saving Trust, Office for National Statistics, MCS Certified, Net Zero Benefits analysis





# The benefits – UK plc

Heat pumps and home solar are nascent industries. They stand on the cusp of making a meaningful and lasting contribution to our mission to net zero, and our desire to deliver sustained economic growth. The increase in demand generated from this one simple measure will have a transformative impact on the sector.

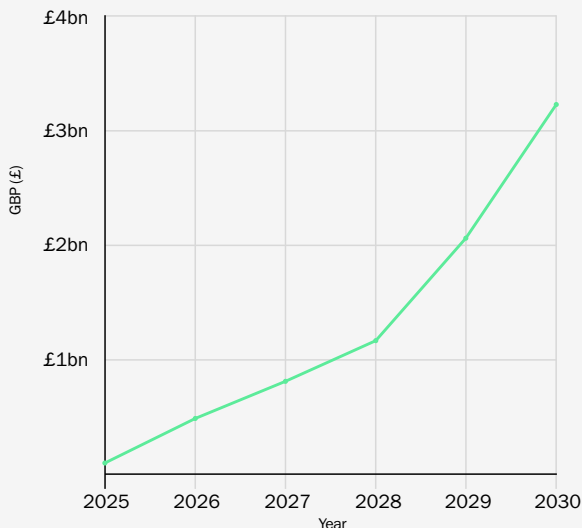
Manufacturing capacity in the UK will have to expand dramatically. Trained installers will be required up and down the country. And maintenance engineers will be required for decades into the future to service the equipment.

The topline impact of this is 50,000 jobs created by 2030. These are overwhelmingly jobs that are well paid.

The combined impact of these job creations and other economic benefits, mean that by 2030, the United Kingdom will be benefitting from an £8bn effect on GDP from this one measure alone.

GRAPH 3

## Estimated Impact on GDP of Salary Sacrifice Schemes over the next 5 years



**£8bn**  
Impact on  
GDP

Source: Energy Saving Trust, Office for National Statistics, MCS Certified, Net Zero Benefits analysis



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