



**A GREEN BRITAIN
FOUNDATION REPORT**

THE CODE FOR SUSTAINABLE HOMES

JANUARY 2024



Summary note on the Code for Sustainable Homes

KEY FINDING

The Conservative Government's decision to scrap the [Code for Sustainable Homes](#) (the Code) in 2015 has led to higher household energy bills due to a weakening of building standards for energy efficiency.

The result was £2.6bn added to the energy bills of new build homes between 2015-2022.

In other words, the Government cost households £2.6bn by scrapping the Code.



CONTEXT ON THE CODE FOR SUSTAINABLE HOMES

The Code for Sustainable Homes (the Code) was first launched in 2006 as a voluntary national standard for the design and construction of new homes. It was the intention of the previous Labour Government that by 2016 all homes would be 'zero carbon' homes.

The Code measured the sustainability of homes against nine criteria:





Homes were then given a rating against these criteria, with Level 6 being the highest and equivalent to a 'zero carbon home'. It introduced a sustainability certificate for new homes similar to the Energy Performance Certificate (EPC) in use today.

In March 2014, the Government announced that the Code would be scrapped from 2015 onwards. This followed the Housing Standards Review, which aimed to loosen building requirements.

THE IMPACT OF SCRAPPING THE CODE

Scrapping the Code meant that new build homes in the UK are almost always built to a lower standard of sustainability and energy efficiency than otherwise, which in turn led to greater energy use and higher bills.



The result was

£2.6BN

added to the energy bills
of new build homes between **2015-2022**





COST SAVINGS FIGURES

Cumulative cost of energy bills for new
build homes between 2015-2022:

Average new build home
(i.e. not built under the Code):

£7.09BN

(£7,093,683,968.64)



Level 6 home
(i.e. built under
the Code):

£4.48BN

(£4,484,919,117.60)



Potential cost
savings:

£2.6BN

(£2,608,764,851.04)





ASSUMPTIONS AND CALCULATIONS

This research compares the energy efficiency of a Level 6 home (the highest standard under the Code and equivalent to a 'zero carbon home') versus the average new build home after the Code was scrapped.

It then calculates how much could have been saved on household energy bills if the new build homes built between 2015-2022 were built to the highest standard of the Code.

Calculation inputs

To calculate how much could have been saved on consumer energy bills if the Code wasn't scrapped, the research used the below inputs:



The number of homes built between 2015-2022 (i.e. from when the code was scrapped).

1,537,500 homes. *Source: ONS House Building Figures September 2023.*



The average energy use/efficiency of a new build home.

Source: Ofgem average electricity and gas usage numbers.





The cumulative cost of energy bills between 2015-2022 for these new build homes using market prices. Using this, the cumulative cost of energy bills for these homes was **£7.09BN** (£7,093,683,968.64).

Source: average power and gas prices for each year provided by Ecotricity. Note average market prices were calculated for each individual year.



The average energy efficiency of a Level 6 home (i.e. the highest standard under the Code).

Source: Level 6 home case study, The Building Services Research and Information Association.



The cumulative cost of energy bills between 2015-2022 for these new build homes if they were built to a Level 6 standard under the Code.

Using this, the cumulative cost of energy bills would have been **£4.48BN** (£4,484,919,117.60).

Source: average power and gas prices for each year provided by Ecotricity. Note average market prices were calculated for each individual year.

Using these inputs, it was calculated that scrapping the code added

£2.6BN
(£2,608,764,851.04)

to energy bills between 2015-2022.