



Democratic Services

Location: Phase II
DDI: 01895 250185
CMD No: 2026/1665

**To: COUNCILLOR STEVE TUCKWELL
CABINET MEMBER FOR PLANNING, HOUSING
AND GROWTH**

c.c. All Members of the Residents' Services Select Committee
c.c. Dan Kennedy – Corporate Director, Residents Services
c.c. Mathieu Rogers / Julia Johnson – Residents Services

Date: 19 March 2026

Non-Key Decision request

Form D

Building Safety Levy Implementation

Dear Cabinet Members,

Attached is a report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such, the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

You should take a decision **on or after Friday 27 March 2026** in order to meet Constitutional requirements about publication of decisions that are to be made. You may wish to discuss the report with the Corporate Director before it is made. Please indicate your decision on the duplicate memo supplied and return it to me when you have made your decision. I will then arrange for the formal notice of decision to be published.

Liz Penny
Democratic Services

Title of Report: Building Safety Levy Implementation

Decision made:

Reasons for your decision: (e.g. as stated in report)

Alternatives considered and rejected: (e.g. as stated in report)

Signed Date.....

Cabinet Member for Planning, Housing and Economic Growth

Building Safety Levy Implementation

Cabinet Member & Portfolio	Cllr Steve Tuckwell, Cabinet Member for Planning, Housing, and Economic Growth
Responsible Officer	Dan Kennedy, Corporate Director of Residents Services
Report Author & Directorate	Mathieu Rogers, Head of Strategic Planning and Regeneration Julia Johnson, Director of Planning and Sustainable Growth
Papers with report	None

HEADLINES

Summary	To inform the Cabinet Member and approve set-up arrangements and allocation of £132,900 new burdens funding towards set-up costs in advance of the implementation of the new Building Safety Levy on 1st October 2026.
Putting our Residents First Delivering on the Council Strategy 2022-2026	This report supports our ambition for residents / the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents This report supports our commitments to residents of: A Digital-Enabled, Modern, Well-Run Council
Financial Cost	£132,900 new burdens funding will pay for initial internal set-up costs to cover staff and a back-office system. Ongoing Council costs associated with the Building Safety Levy implementation will be covered by the levy income.
Select Committee	Residents' Services Select Committee
Ward(s)	N/A

RECOMMENDATIONS

That the Cabinet Member for Planning, Housing and Economic Growth:

- 1) Notes the new Building Safety Levy Regime which will come into effect on 1 October 2026;
- 2) Accepts and agrees that the £132,900 new burdens funding be put towards set up costs associated with the implementation of the Building Safety Levy as set out in this report; and
- 3) Authorise the Director of Planning and Sustainable Growth to take all necessary decisions and actions to ensure that the Council complies with the new statutory requirements.

Reasons for recommendation(s)

Following Parliamentary approval in November 2025, the Building Safety Levy (England) Regulations 2025 have now been signed into law. The Building Safety Levy will come into effect on 1st October 2026.

The Regulations appoint local authorities with building control responsibilities as levy collection agents. The government undertook a new burdens assessment to determine the appropriate grant for local authority set-up costs for procuring new or updated systems, training staff, publishing notices about process changes, and recruiting new staff. The new burdens assessment considers both costs common to all councils and costs that vary by the level of housebuilding in different councils, rather than taking a per capita approach, therefore the government has arranged councils into groups - standard, large and very large - and will award grants on this basis under Section 31 of the Local Government Act 2003. Hillingdon has been awarded £132,900 new burdens grant payable from April 2026.

The introduction of the Building Safety Levy will create a new administrative burden on the Council. It will also create a new area that needs a degree of expertise, noting that the regulations are brand new and quite extensive. The Building Safety Levy is comparable in scale to the council's Community Infrastructure Levy (CIL), which is currently administered by 3.5 full time members of staff of different seniority. New work streams, which themselves have lots of individual tasks and different scenarios, include:

- Receiving levy information
- Calculating the levy charge
- Amending calculations due to changes to work
- Checking and investigating if accurate information has been submitted
- Receiving payment and issuing certification
- Issuing refunds where circumstances change
- Undertaking reviews and appeals
- Reporting on money collected
- Organising a revenue transfer of collected levy
- Evidencing and recovering administrative costs

It is therefore recommended that the council utilises all the new burdens grant to cover council costs associated with the Building Safety Levy.

Funding for local authorities acting as collection agents is split into two parts:

- Set-up costs provided via Section 31 grant in advance of the levy coming in into operation.
- Ongoing administration costs which will be recovered from levy revenue on a cost-recovery basis every quarter.

Set-up costs

- £82,900 for internal resource including a new full-time member of staff to oversee the monitoring and implementation of the Building Safety Levy

- £50,000 for an updated monitoring and back-office system for processing the Building Safety Levy going forward. This will be done by adding a new module to the existing back-office system called Exacom, in conjunction with a new planning back-office system called Arcus, which will come online later this year.

Alternative options considered / risk management

The new Regulations appoint local authorities with building control responsibilities as levy collection agents; therefore, as there are no plans to change the arrangements regarding building control responsibilities, the council has no alternative option available.

Depending on the extent of the set-up cost, there may be an initial financial burden on the Council, noting that there will be a lag time between set-up and any levy revenue being collected, therefore the council should seek to clearly outline the complexity and amount of new work that will be required for ongoing management of the Building Safety Levy during the initial set-up period.

Additional cost recovery can also take place if there is a demonstrable deficit at the end of the financial year (i.e. administrative costs are higher than the sum collected) but this needs to be reported via the relevant government department.

Given existing workloads and software capabilities officers have identified the need for an additional member of staff and a new monitoring module to ensure that the council can fulfil this new statutory role. It would not be possible to accommodate this additional workstream within the existing staffing structure of the Planning Obligations team.

Select Committee comments

None at this stage.

SUPPORTING INFORMATION

1. Introduction

The Building Safety Levy is a new charge on new residential buildings, introduced under the Building Safety Act 2022 to help fund the remediation of unsafe buildings. The levy will be collected by local authorities, as local guardians of the building control process. The levy is payable on major residential developments (typically 10 or more new homes, or 30+ student bedspaces) and is calculated based on the amount of new residential floorspace created, using area specific rates set by Government.

Local authorities will collect the levy and pass funds to central government, with the aim of ensuring that developers, rather than leaseholders or taxpayers, contribute to the cost of improving building safety.

Following Parliamentary approval in November 2025, Samantha Dixon MBE MP (Parliamentary Under Secretary of State for Building Safety, Fire and Democracy) signed The Building Safety Levy (England) Regulations 2025 into law. The Building Safety Levy will apply to building control applications made on or after 1 October 2026.

2. Delivery of the Building Control Levy

From 1st October 2026, building control full plans applications, initial notices and high-risk building applications for works providing at least 1 dwelling or a bedspace in purpose-built student accommodation (PBSA) will have to include information for the purpose of the levy, otherwise their application may be rejected. Further information for levy calculation will be provided to the developer at commencement notice stage. Local authorities with building control responsibility will act as levy collecting authorities. Rates vary by local authority and whether the development is on previously developed land.

Affordable housing, supported housing and any housing built by non-profit registered providers (and their wholly owned subsidiaries) is exempt from the charge.

The levy charge is calculated by collecting authorities following provision of information and evidence at commencement notice stage. Payment must be made prior to the earlier of occupation and completion stage and must be made to the local authority acting as the collecting authority (the local authority where the proposed buildings are located).

If a residential developer wishes to dispute the levy charge, a refund amount or the decision not to issue a refund, they can request a review by the collecting authority within 28 days. If a developer remains in dispute they can appeal the matter to the First Tier Tribunal.

Failure to pay the levy will mean the building control authority will withhold the completion certificate or reject the final certificate.

3. How the Building Safety Levy is calculated

The government has set and listed levy rates (the ‘applicable area rate’) for each local authority area. This is the rate that is charged per square metre of chargeable floorspace in a chargeable development. In addition, the government has set levy rates for each local authority for development being constructed on previously developed land, sometimes known as brownfield land. The previously developed land levy rate is half that of the standard levy rate, recognising that the costs of building on this type of land are often higher.

If a building spans more than one local authority area, the levy rate for that building is the levy rate for the local authority area in which the greater part of the building is situated.

Hillingdon Rate:

Previously Developed Land levy rate	£27.33
Non-Previously Developed Land levy rate	£54.66

The rates differ per local authority based on the average house price within that authority, to attempt to reflect the viability of absorbing the charge within existing costs. As such, Hillingdon’s rate is lower than other West London boroughs.

Previously Developed Land

Chargeable developments which are constructed on previously developed land (PDL), sometimes known as brownfield land, will be charged using a 50% discounted levy rate, to reflect the often-higher cost of developing this type of land.

All chargeable development where planning permission is granted through permitted development rights will be charged using the PDL discounted rate.

For other types of development, for the purposes of charging the levy, PDL is defined as land which either has a building on it, or had a building on it at any point on or after the 1st July 1948 (see regulation 21). However, land is not PDL if:

- the building on the land is used for agriculture or forestry,
- the building that was most recently on the land was used for agriculture or forestry,
- the land has been developed for minerals extraction, or
- the land has been developed for waste disposal by landfill.

The definition of 'agriculture' and that of 'building' is that used by the Town and Country Planning Act 1990.

In order to qualify for the PDL discounted rate, at least 75% of the land within the redline boundary of the development (as specified by the planning permission) in which the works are being constructed must meet the definition of PDL set out above – this is known as a 'previously developed site'. This is judged on the date the planning permission is granted (or if earlier the date development was begun). Where works in an application for building control approval form part of a wider development, it is the area of the planning permission for the wider development which is relevant to qualifying for the PDL rate.

Chargeable floorspace

Chargeable floorspace is the new residential floorspace that will be created as a result of the works in the application, or notice being carried out (see regulations 17 to 19). New residential floorspace (defined in regulation 10) is the floorspace of new dwellings, new PBSA and new chargeable communal areas (in whole or in part) (see regulation 11 and chapter 4.4), and is not the floorspace of social housing or supported housing. The floorspace of any exempt accommodation contained within the application or notice (see chapter 3.5 on exemptions) is not chargeable floorspace.

Floorspace should be measured using gross internal area (GIA) (see regulation 12). For guidance on how this should be measured and what areas of a building should be included in the GIA

Financial Implications

The council has received £132,900 new burdens funding through a Section 31 grant which will pay for initial internal set-up costs to cover new staff, a new monitoring module for Exacom and Arcus, and any other associated operational set-up costs. Ongoing administration costs which will be recovered from levy revenue on a cost recovery basis every quarter.

Additional cost recovery can also take place if there is a demonstrable deficit at the end of the

financial year (i.e. administrative costs are higher than the sum collected) but this needs to be reported via the relevant government department.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities

The income raised from the levy will contribute to fixing building safety defects across England, ensuring residents are safe.

Consultation & Engagement carried out (or required)

No consultation carried out in Hillingdon as this Building Safety Levy as it is a new statutory requirement

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance have reviewed this report and concurs with the Financial Implications set out above, noting the recommendations to approve the allocation of £133k New Burdens Funding to meet the set up costs associated with the implementation of the Building Safety Levy as identified in the report, alongside the authority for officers to take the actions set out in the report to ensure the Council complies with the new statutory requirements.

Furthermore, it is noted there are no direct Financial Implications to the General Fund, the £133k New Burdens Funding is sufficient to fund the identified implementation costs. Ongoing administrative costs to meet the statutory requirements will be fully recoverable from levy income on a quarterly basis, with a further mechanism available for additional cost recovery through the relevant government department's deficit process, subject to reporting requirements.

The implementation costs, ongoing administrative expenditure and associated levy income will be monitored through the established monthly budget monitoring cycle.

Legal

The Building Safety Levy (BSL) was introduced through the Building Safety Act 2022 and is implemented by the Building Safety Levy (England) Regulations 2025 (SI 2025/1236). This is a new regulatory regime.

Its purpose is to fund the remediation of building safety defects in England. The BSL applies to building control applications made on or after 1 October 2026 for major residential developments, defined in the regulations (Regulation 6) as creating at least 10 dwellings or at least 30 bedspaces in purpose-built student accommodation (PBSA). Regulation 12 sets out that it is calculated based on the gross internal area (GIA) of new residential floorspace, with local authority-specific rates and a reduced rate for previously developed land.

Regulation 7, 8 and Schedule 1 set out the exemptions to the BSL, including social and supported housing, hospitals, care homes, hotels, school accommodation, temporary accommodation for the homeless and domestic abuse refuges. Developments that are below the minimum 10-dwelling or 30-bedspace threshold are also outside the scope of the BSL.

Under Regulation 22, the duty to pay the BSL rests with the “named client” identified in the building control application. Schedule 4 makes provision about the levy-related information at the application or notice stage including an updated application. The levy becomes payable after works commence but before occupation or the submission and/or acceptance of a completion certificate (Regulation 53).

Local authorities acting as the collecting authorities are required to remit funds to the Secretary of State within 42 days of each financial quarter (Regulation 69).

The Regulations also include a formal refund mechanism with processes for reassessment, revised notices, and recalculated levy amounts. Under Regulation 74, the Secretary of State is also required to review the levy every three years once the regulations come into effect.

BACKGROUND PAPERS

[The Building Safety Levy \(England\) Regulations 2025](#)
[Building Safety Levy: Guidance.](#)