

Building safety levy moves a step closer

Proposals for how developers would pay to fix unsafe buildings have been set out today by the government as it moves a step closer to imposing its new Building Safety Levy.

The government has now begun [consulting](#) developers and other interested parties on the plans, which will see an estimated £3 billion collected over the next 10 years.

Under the proposals drawn by the Department for Levelling Up, Housing and Communities, developers of residential buildings, regardless of their height, will have to pay the levy contribution as part of the building control process.

This will mean that unless the levy is paid, a developer could not move on to the next stage of the building process, which could lead to project delays and impact future revenues.

Minister for Local Government and Building Safety Lee Rowley said:

We have been clear that developers must pay to fix building safety issues and the Building Safety Levy is an important part of making that a reality.

Today's consultation will give industry and local authorities an opportunity to work with us going forward.

By having these plans in place, we can ensure that all leaseholders are protected, regardless of whether their developer has pledged to remediate or not.

The government's proposals include an option to alter levy rates depending on where in the country the building is, with lower rates in areas where land and house prices are less expensive. It also suggests that local authorities will be best placed to act as the collection agents as they have the necessary systems, data, knowledge, and relationships in place with the developer sector.

In order to protect the supply of affordable homes, it is proposed they be exempt from a levy charge. This is alongside a number of community buildings, including NHS facilities, children's homes and refuges, including those for victims of domestic abuse.

The levy will be reviewed regularly so that it can be adjusted to take account of changing circumstances, such as wider economic conditions. There are also plans to protect small and medium sized enterprises by excluding

smaller projects.

The Building Safety Levy will run alongside the developer pledges which were announced earlier this year. Under the pledges, 49 of the UK's biggest homebuilders have committed to fix life-critical fire-safety defects in buildings over 11 metres where they had a role in developing those buildings in the last 30 years. This amounts to a commitment of at least £2 billion.

The Building Safety Levy was first announced in February 2021 and plans to extend it to cover all residential buildings were confirmed in April 2022. The Building Safety Levy is one of the ways we will ensure that the burden of paying for fixing historic building safety defects does not fall on leaseholders or taxpayers.

The consultation seeks views on the delivery of the Levy, including how it will work, what the rates will be, who must pay, what sanctions and enforcement will apply, and who is responsible for collecting the levy.

The consultation will be open for ten working weeks from today (22 November) and seeks the views of all interested parties, especially developers of all sizes, building control professionals and local authorities. Their views will be taken into account before any final decisions are made next year.

Further information:

The consultation is available [here](#).