Borough Council of
King's Lynn &
West Norfolk

REPORT TO CABINET

DATE OF MEETING	23 July 2026
REPORT TITLE	Building Safety Levy: Proposal that CNC Building Control to administer
LEAD MEMBER	Councillor James Moriarty
LEAD OFFICER	Stuart Ashworth – Assistant Director – Environment and Planning
CONSULTEES	CNC Building Control, CNC partner authorities
WARDS AFFECTED	All
KEY DECISION	NO
DECISION MAKER	Cabinet
IS THE REPORT OPEN OR EXEMPT	OPEN

FINANCIAL IMPLICATIONS	YES
HR IMPLICATIONS	NO
POLICY IMPLICATIONS	NO
STATUTORY IMPLICATIONS	YES
RISK MANAGEMENT IMPLICATIONS	YES
ENVIRONMENTAL IMPLICATIONS	NO
EQUALITY IMPACT ASSESSMENT COMPLETED	PRE-SCREEN COMPLETED

SUMMARY OF REPORT

This report seeks Cabinet approval for CNC Building Control to administer the Building Safety Levy (BSL) on the Council's behalf, a new statutory requirement effective from October 2026.

The report outlines the legislative requirements, operational implications, and options available. It identifies CNC as the most efficient and lowest-risk delivery model, given its existing role in building control and established systems.

The proposal ensures the Council meets its statutory obligations in a cost-neutral way, with new burdens funding of £111,800 (minus any small administration costs to the council) transferred to CNC to support delivery, while retaining appropriate oversight and governance arrangements.

RECOMMENDATIONS

Cabinet resolves to:

1. Approve CNC Building Control to manage and administer the Building Safety Levy (BSL) on behalf of the Council;
2. Approve the transfer of the new burdens funding to CNC Building Control, subject to an agreed retention by the Council to cover its own administrative and oversight costs.
3. Delegate authority to the Assistant Director, Environment and Planning, in consultation with the portfolio holder for Planning and Licensing and Section

151 Officer to agree the financial arrangements (including retained costs and the operational and reporting protocols 4. Approve that CNC submits BSL returns on behalf of the Council, subject to the appropriate oversight and assurance arrangements agreed by the Section151 Officer.
REASON FOR DECISION
The Building Safety Levy is a statutory requirement which must be implemented by October 2026. Given that the levy is intrinsically linked to building control functions and that CNC Building Control already provides this service on behalf of the Council, it is considered that CNC are best placed to deliver this function efficiently and consistently across partner authorities. The proposal provides a robust, cost-effective and lower-risk solution subject to appropriate governance, financial oversight and assurance arrangements.

CORPORATE STRATEGY Our priorities | Corporate Strategy 2023 - 2027 | Borough Council of King's Lynn & West Norfolk	
Promote growth and prosperity to benefit West Norfolk	
Protect our Environment	
Efficient and effective delivery of our services	Collection of BSL through CNC will provide a consistent, efficient and cost-effective delivery model across partner authorities, minimising duplication and reducing administrative burden on the Council.
Support our communities	

REPORT DETAIL

1. Introduction

1.1 The Building Safety Levy (BSL) is a statutory charge introduced under the Building Safety Act 2022, to ensure developers contribute to the remediation of historical building safety defects. The levy is best collected through councils' building control teams, as it is focussed around the building control technical work area. Local authorities are designated as the official levy-collecting agents,

responsible for administering and returning quarterly payments to the Ministry of Housing, Communities and Local Government (MHCLG).

1.2 CNC Building Control is a consortium of 5 partner councils, that undertakes the building control function for those councils. The councils are Norwich City council, Broadland/South Norfolk councils, Fenland district council and the BCKLWN. South Norfolk council currently hosts and administers the CNC partnership, on behalf of the partners. The BSL is a completely new function, so is not currently set out in the agreement with CNC.

1.3 Given the focus of the BSL on building control, CNC acting on behalf of its 5 partner authorities is therefore considered to be best solution to deliver a unified, robust and compliant levy administration service, due to CNC's established structure, technical expertise and existing financial reporting capabilities.

1.4 This report outlines the business case for CNC managing and administering the BSL, including legislative context, operational requirements and a potential alternative option for the council to manage and administer the BSL. It also proposes that the new burdens grant specifically for administering the BSL, that the Council will receive from the Ministry of Housing, Communities & Local Government (MHCLG), is transferred to CNC, whilst ensuring that any administrative work we may have through liaising with CNC, is properly accounted for, and there is no cost to this authority.

1.5 The CNC partners have previously agreed that the collection of the BSL on behalf of the government, is best undertaken by CNC.

2. Background

2.1 As stated above, the Building Safety Levy (BSL) is a statutory charge introduced under the Building Safety Act 2022 to ensure developers of certain qualifying schemes contribute to the remediation of historical building safety defects. The levy will apply to specified residential developments requiring building control approval and will come into force for applications submitted on or after 1st October 2026, following the draft Building Safety Levy (England) Regulations 2025.

2.2 The BSL is a key national measure to ensure developers, rather than leaseholders or taxpayers, fund the remediation of high-risk building safety defects. It aims to raise between £3 to 3.4 billion over 10 years. Local authorities are designated as the official BSL collecting agents, responsible for managing, administering and returning quarterly payments to the MHCLG.

2.3 The levy currently applies to developments meeting any of the following:

- Creation of 10+ dwellings

- Creation of 30+ purpose-built student accommodation bedspaces, or

- Net increase beyond these thresholds in mixed or phased developments.

However, it should be noted that MHCLG, in December 2025, consulted on the potential to raise the thresholds, as part of the package to ease burdens on SME developers. We await to hear the outcome of this consultation.

2.4 There are a number of confirmed exemptions in the scheme which include affordable housing, care homes, hospices NHS hospitals, armed forces accommodation, supported housing, children's homes, hotels, hostels and developments under 10 units. There is also a 50% discount for previously developed land (brownfield).

2.5 Through guidance MHCLG have confirmed that local authorities must:

- Receive and validate levy submissions
- Issue Levy Liability Notices
- Track commencements
- Conduct 10% mandatory checks on floor area calculations
- Take payment prior to the first completion certificate being issue
- Submit quarterly financial returns via the Delta financial system
- Retain approved administration costs from receipts

2.6 There is no formal enforcement mechanism for non-payment, and the primary enforcement method will be the withholding of the building regulation completion certificate for a development scheme, if the levy is not paid.

2.7 MHCLG have written to all building control authorities and advised that they will receive new burdens grant for the implementation of the BSL. This is in recognition that there may be the need to procure new or updated systems and recruit and train staff, as well as publish notices about process changes. This will be paid in the current financial year and this Council will receive £111,800. This grant can only be used for BSL purposes. The ongoing, longer-term burden of administering the levy is to be funded on a cost recovery basis, whereby councils will be allowed to retain the administrative costs from the BSL receipts which have been collected.

3. Proposal

3.1 It is proposed that CNC Building Control carry out the collection of the BSL, and subsequent transfer of the levy to government, on behalf of the council.

3.2 Collecting the BSL will be complex due to the various issues surrounding the proposed methodology for calculation, monitoring and collection, and the added

impact of collecting from developments which utilise Registered Building Control Approvers (RBCA's) rather than CNC.

3.3 A single point of administration will remove the risk of inconsistent interpretation of BSL criteria, ensure streamlined communication with developers, and standardise process maps, notices, checks and enforcement. CNC has also been preparing for the administration of the BSL, and is aware of exactly what is required. For example, it should be noted that aside from issuing notifications to developers on levy payments, the levy administrator will be required to send out exemption letters for developments or plots exempt from the levy.

3.4 The Finance Team at South Norfolk Council, who support CNC through their Financial Business Partner, already uses the Delta financial system. This pre-existing knowledge will enable the fast and efficient adoption of BSL reporting.

3.5 Whilst CNC will administer the levy on behalf of the Council, the statutory responsibility for collection and compliance remains with the Council. Formal governance arrangements will therefore be established, including:

- A formal agreement setting out roles and responsibilities;
- Clear reporting and monitoring arrangements; and
- Defined escalation routes.

3.6 The Section 151 Officer will retain oversight of financial management and reporting to Government.

4. Options Considered

Option 1

4.1 The only other option (given the legal requirements) is for the council to take on the administration itself. However, CNC would still need to be intrinsically tied to the process, given the links to the building control function, and would end up having to administer much of the process and provide information to the council. The benefit of this is that the council retains the new burden payment and more autonomy in administering the levy, although of course must deliver on the legal duty.

4.2 The risks and disadvantages of this are considered to be:

- fragmented operations, and many more hand offs between CNC and the council
- additional administrative burden on the council with potentially unknown future workloads
- potential increased completion certificate delays
- greater reputation risk for the building control service (CNC)
- likely higher cumulative costs

Option 2

4.3 The preferred option is that CNC administer the BSL on behalf of all the partners, including this council. The government has provided new burdens funding, so CNC would be able to get on with the task, that was always envisaged to be carried out within the building control function. Some of the details of CNC's administration of the BSL are set out above in section 3. However other key benefits are:

- reduced risk of certificate delays and non-payment of levy
- cost-neutral ongoing operation with no additional costs
- single training and system upgrade costs rather than 5 separate ones
- removes a time-consuming and new system to administer when time and attention will be limited, especially given Local Government Reorganisation (LGR).

5. Financial Implications

5.1 The Council will receive £111,800 in new burdens funding for the implementation of the Building Safety Levy. Across the CNC partnership, total new burdens funding is expected to be approximately £601,200, which will support the establishment of systems, processes and capacity required to administer the levy.

5.2 Under the preferred option, the majority of the Council's allocation will be transferred to CNC Building Control to enable delivery of a single, coordinated service across the partner authorities. A proportion of the funding will be retained by the Council to cover its own administrative and oversight costs, with the exact amount to be agreed through delegated authority. The proposal is expected to be cost-neutral to the Council overall, subject to agreement of these arrangements

5.3 There is a risk that, in the early stages of implementation, administration costs may exceed income recoverable from levy receipts. Whilst it is highly likely the pooled new burdens funding will cover this for a period, this will need to be

actively monitored and managed through the agreed financial framework across the CNC partnership.

5.4 The Section 151 Officer will retain oversight of:

- The application of both the Council's allocation and its share of the wider partnership funding;
- Ongoing cost recovery arrangements; and
- Financial reporting to Government.

6. HR Implications

6.1 There are no HR implications for the council.

7. Policy Implications

7.1 There are no specific policy implications of collecting the levy on behalf of government.

8. Climate Change and Environmental Implications and considerations

8.1 There are no specific climate change or environmental implications.

9. Statutory and Legal Implications

9.1 The Council has a statutory duty under the Building Safety Act 2022 and associated regulations to collect and remit the Building Safety Levy.

9.2 Whilst administration can be delegated, legal responsibility for compliance remains with the Council, and appropriate governance, monitoring and assurance arrangements must therefore be in place.

10. Local Government Reorganisation Implications

10.1 This will be part of the wider building control function currently carried out by CNC Building Control on behalf of the council (and other partners). The wider question over the impact of Local Government Reorganisation on a future building control function will need to be addressed separately.

10.2 In the event building control was carried out by another organisation in the future, there could potentially be an argument that any outstanding burdens payments could be returned.

10.3 The preferred approach minimises additional pressure on Council resources during a period of significant organisational change associated with Local Government Reorganisation.

11. Health and Safety Implications

11.1 There are no specific health and safety implications.

12. Consultees

12.1 No other consultees aside from CNC Building Control.

13. Equality Impact Assessment

13.1 A pre-screening EIA assessment is attached to this report.

14. Risk Management Implications

14.1 Key risks associated with the implementation of the Building Safety Levy include:

- Failure to implement a compliant system by October 2026, resulting in statutory non-compliance;
- Insufficient operational capacity or systems leading to delays in levy collection or reporting;
- Financial risk if administration costs exceed available funding or recoverable income;
- Reputational risk arising from delays to completion certificates or inconsistent application of the levy;
- Governance risk where responsibilities are shared between organisations.

14.2 These risks are considered to be significantly mitigated under the preferred option through:

- A single delivery model via CNC;
- Established expertise and systems; and
- Clear governance and oversight arrangements

15. Conclusion

15.1 The Building Safety Levy must be implemented from October 2026.

15.2 The preferred option, for CNC Building Control to administer the levy on behalf of the Council, provides the most efficient, cost-effective and lowest-risk approach, aligned to existing service delivery arrangements.

15.3 Subject to appropriate governance, financial oversight and assurance, this approach ensures the Council can meet its statutory obligations while minimising additional administrative burden.

LIST OF APPENDICES
N/A

LIST OF BACKGROUND PAPERS
Building Safety Act 2022 Building Safety Levy (England) Regulations 2025

PRE SCREENING EQUALITY IMPACT ASSESSMENT

Borough Council of
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For equalities profile information please visit Norfolk Insight - Demographics and Statistics - Data Observatory				
Name of policy/service/function	Proposal for CNC Building Control to administer and collect the Building Safety Levy (BSL) on behalf of the council			
Is this a new or existing policy/ service/function? *(tick as appropriate)*	New	✓	Existing	
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service is rigidly constrained by statutory obligations, and identify relevant legislation.	The BSL is a levy that must be collected for qualifying developments after 1 October 2026. The levy is then paid direct to government on a quarterly basis. Yes – there are specific developments that will need to pay the BSL. It is covered by the Building Safety act 2022, and the subsequent Building Safety Levy (England) Regulations 2025			
Who has been consulted as part of the development of the policy/service/function? – new only *(identify stakeholders consulted with)*	CNC Building Control, and the other CNC partnership councils. No other consultees			

Question	**Answer**				
1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service? Please tick the relevant box for each group. NB. Equality neutral means no negative impact on any group. ***If potential adverse impacts are identified, then a full Equality Impact Assessment (Stage 2) will be required.***		Positive	Negative	Neutral	Unsure
	Age			X	
	Disability			X	
	Sex			X	
	Gender Re-assignment			X	
	Marriage/civil partnership			X	
	Pregnancy & maternity			X	
	Race			X	
	Religion or belief			X	
	Sexual orientation			X	
	Armed forces community			X	
	Care leavers			X	
	Health inequalities*			X	
	Other (eg low income, caring responsibilities)			X	

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*For more information on health inequalities please visit The King's Fund					

Please provide a brief explanation of the answers above: The collection of the levy itself and transfer to government will have no discernible impact on equalities groups. There may potentially be a positive impact long-term, if the levy helps to remediate substandard buildings, which could include low-income residents.

Question	Answer	Comments	
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No		
3. Could this policy/service be perceived as impacting on communities differently?	No		

If 'yes' to questions 2 - 3 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:

Decision agreed by EWG member: ……..

4. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	Yes / No	**Actions:** N/A - statutory duty to collecting the levy, with no discretion for the council.	
		Actions agreed by EWG member: ……	
5. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No	**Please provide brief summary**: N/A – as above.	

Assessment completed by: Name	**Stuart Ashworth**	
Job title	**Assistant Director – Environment & Planning**	
Date completed	**26/5/'26**	

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Reviewed by EWG member	**Claire Dorgan**	**Date**	**27/5/'26**
✓ **Please tick to confirm completed EIA Pre-screening Form has been shared with Corporate Policy** (corporate.policy@west-norfolk.gov.uk)			