Understanding the Building Safety Levy in HE Estates: webinar summary

Sep 29, 2026

Richard Vaughan, Weightmans Solicitors – Richard.vaughan@weightmans.com
07394 001510

The Building Safety Levy applies to building control applications made on or after 1 October 2026, and new university halls of 30 or more bedspaces are not exempt. This note summarises the NWUPC webinar delivered by Weightmans LLP on 29 September 2026. It is a general overview, not legal advice on any specific project.

Three messages to take away:

- **Halls are caught.** New student accommodation of 30 or more bedspaces pays the levy, whoever owns or builds it.
- **The application date triggers it; the completion certificate enforces it.** No levy paid means no completion certificate, and in practice no occupation.
- **The reduced rate is worth securing.** On a campus site, the planning red line and your evidence can be worth a six-figure sum.

1. Why the levy exists

The levy is part of the funding for fixing unsafe buildings after Grenfell. The government says it needs to raise £3.4bn over about ten years, with rates set to raise around £400m a year.

When	What happened
1 Oct 2026	The levy goes live
Sep 2026	Amending regulations made (SI 2026/1034), including changes on student accommodation and previously developed land
Nov 2025	Building Safety Levy (England)

When	What happened
	Regulations 2025 made (SI 2025/1236)
2024	Grenfell Tower Inquiry final report; Remediation Acceleration Plan
Apr 2022	Building Safety Act 2022. Section 58 gives the power to impose a levy
May 2018	Hackitt Review finds the regulatory system not fit for purpose
Jun 2017	Grenfell Tower fire, in which 72 people lost their lives

The cost of remediation is spread across four sources:

- **Leaseholder protections** push historic costs up the chain to landlords and developers.
- **Developer remediation contracts** commit major housebuilders to fix buildings they were involved in.
- **The Residential Property Developer Tax** takes 4% of the profits of the largest residential developers.
- **The Building Safety Levy** is a charge on new residential floor space.

The key difference for universities: the developer tax falls on large developers' profits, but the levy falls on floor area. It applies to every project in scope, whoever builds it and whether or not it makes a profit. Charitable status makes no difference.

2. What the levy is and what it catches

The levy is a charge per square metre on new residential buildings in England. It is paid by the client and collected through building control.

- **Who pays:** the client, meaning the person the building work is done for. It is not the contractor, and it is not a building control fee: it pays for nothing on your project.
- **How it's priced:** a rate per square metre for each local authority area, halved on previously developed land.

- **How it's collected**: local authorities collect it for central government. No levy paid means no completion certificate.

Caught	Not caught
10 or more new homes, including staff and key worker housing	Teaching, labs, libraries, sport and research buildings
30 or more new bedspaces in purpose-built student accommodation	Refurbishment that creates no new homes or bedspaces
Conversions that create new homes or bedspaces	Social and supported housing, and work for non-profit registered providers
Communal space used by residents	Exempt building types, including school boarding accommodation, NHS hospitals, care homes and hotels

Student accommodation is counted by bedspaces, not flats. A block of 25 six-bedroom cluster flats has 150 bedspaces and is well over the threshold.

University halls are not exempt

Three common assumptions are wrong:

- **"We're a charity."** Only non-profit registered providers of social housing are exempt clients.
- **"Education is exempt."** The exemption covers school boarding accommodation only. It does not extend to universities.
- **"It's aimed at private developers."** Student accommodation is defined by use, not ownership. University-owned, partner-delivered and private halls are treated alike.

The 2026 amendments confirmed that student accommodation is counted by bedspaces rather than as homes. This treatment is deliberate.

3. When it applies and how it is collected

The trigger is the date of the building control application, not planning permission, contract signature or start on site.

- **Application before 1 October 2026**: no levy. This includes later variations and commencement notices that relate back to that application.
- **Application on or after 1 October 2026**: the levy applies.
- **Watch out**: an application rejected before 1 October and resubmitted afterwards is caught. A design change big enough to need a fresh application may also bring a project back into the levy.

The levy runs alongside building control in six steps:

1. **Apply.** Give preliminary levy information with the building control application.
2. **Commence.** Give detailed information at commencement: floor areas, and evidence if you claim the reduced rate.
3. **Assess.** The local authority has 5 weeks, or 8 weeks if it spot-checks. Authorities must spot-check at least 1 in 10 submissions.
4. **Notice.** The authority issues a levy liability notice, or a notice of no charge.
5. **Pay.** Pay before completion or first occupation, whichever comes first. A payment certificate follows, normally within 2 weeks.
6. **Complete.** Only then can the completion certificate be issued.

The local authority collects the levy on every building control route: local authority, registered building control approver, or the Building Safety Regulator for higher-risk buildings. For staged applications to the Regulator, the levy for the whole staged application must be paid before a completion certificate can be issued for any part of it.

If a contractor or agent submits the application, the client must still sign a statement confirming the levy information is accurate. If the design changes after commencement, the information must be updated.

4. How it is calculated

The levy is chargeable floor area, times the local authority rate, halved if the site is previously developed land.

- **Floor area**: gross internal area in square metres, measured to the RICS Code. For student accommodation, this is the bedspace accommodation plus communal areas used by residents.
- **Rate**: set for every local authority area in Schedule 3 of the regulations, weighted by local house prices.

- **Mixed-use buildings:** only the residential part is charged. Shared communal space is attributed according to who uses it.

Example: 1,000 m² in Manchester at £28.44 per m² gives a levy of £28,440, or £14,220 on previously developed land.

Ask your design team early for a levy-ready area schedule showing residential floor area, resident communal areas and shared space separately.

Local authority	Standard rate (£/m²)	Previously developed land (£/m²)
Trafford	39.83	19.92
Stockport	30.69	15.34
Salford	30.35	15.18
Manchester	28.44	14.22
Warrington	25.88	12.94
Cheshire West and Chester	24.85	12.42
Cheshire East	24.77	12.39
Wirral	22.23	11.12
Liverpool	21.61	10.81
Lancaster	20.44	10.22
Bolton	20.15	10.07
Westmorland and Furness	19.79	9.90
Preston	15.19	7.59
Cumberland	14.63	7.31

For comparison, the highest rate in England is Kensington and Chelsea at £100.35 per m², and the lowest is County Durham at £12.70 (Schedule 3).

5. The reduced rate and a worked example

The levy is halved if the site meets the previous development condition, in one of two ways:

1. At least 75% of the land inside the planning red line is previously developed land.
2. Planning permission was granted through permitted development rights, such as some office-to-residential conversions. These qualify automatically.

Previously developed land broadly means land occupied by a permanent building, with its curtilage. The 2026 amendments confirmed that areas of man-made materials count, but wholly underground buildings and unlawful development do not.

Likely to count	Unlikely to count
Existing and former buildings	Playing fields and lawns
Car parks and hard surfaces	Parkland and farmland
Service yards and plant areas	Wholly underground buildings

On a campus, the red line matters. The same hall drawn with a tight red line might be 80% previously developed and pay half rate. Drawn generously to take in a playing field for landscaping, it might drop to 60% and pay the full rate. Where there is a genuine choice, involve your planning and cost consultants before the red line is fixed. Build an evidence pack early: a plan with developed areas shaded, the percentage calculation, historic maps, aerial photos and planning history.

Worked example

Scheme	Floor area	Levy at standard rate	Levy on previously developed land
Manchester, 600 beds	15,000 m²	£426,600	£213,300
Liverpool, 800 beds	20,000 m²	£432,200	£216,100
Lancaster, 400 beds	10,000 m²	£204,400	£102,200

Illustrative only, assuming about 25 m² of chargeable floor area per bed. That works out at roughly £250 to £700 per bed in the North West: a one-off cost and a small fraction of a year's rent. The reduced rate is worth a six-figure sum on each scheme.

6. What it means for your projects

Scenario	Caught?	Who pays	Key action
University-led hall: 400 beds on campus, design and build	Yes	The university	Cost plan, brownfield test, practical completion terms
Partner-led hall: 600 beds on the developer's land, university takes nominations	Yes	The developer, legally	Raise it early; settle who carries it in the nomination agreement
Existing buildings: refurbishment with no new beds	No	Not applicable	None for the levy
Existing buildings: conversion to 200 studios	Yes	The client	Permitted development schemes get the reduced rate automatically
Joint venture company	Yes, if in scope	Usually the JV company	Settle how partners share it in the JV agreement

Cost and viability

The levy is an extra, unavoidable cash cost, paid before completion. It adds to existing pressures: higher-risk building costs and time, construction inflation, finance costs and sector finances. It will show up in four places:

- **Cost plans**: a separate, visible line, timed for the end of the project in your cash flow.
- **Business cases**: shown expressly in council and investment committee papers.
- **Partnership deals**: partners may seek to recover it through rents, nomination fees or lease terms. That is a negotiation, not a given, and is best raised before prices are agreed.
- **Rents**: small per bed, but student affordability is under scrutiny.

Procurement and contracts: five questions

1. **Who is the client?** The client pays: usually the university on design and build, often the developer on a development agreement.
2. **Is it in the tender and call-off terms?** Say who carries it and give a pricing line, so bids are comparable. Framework terms written before the levy was finalised may be silent.
3. **Do the contracts and appointments deal with it?** A general "all fees and charges" clause may not cover it, so be express. Put preparing the levy information, measured areas and brownfield evidence clearly in someone's scope. For new contracts, the levy is a known cost, not a change in law.
4. **What do the development agreements say?** Cover who pays, when, what happens if the notice is higher than expected, and who provides the information.
5. **How is practical completion defined?** Many university contracts make the building control completion certificate a condition of practical completion. If the client has not paid the levy, the certificate cannot issue, which is likely to be an employer delay under JCT or NEC4.

Programme: no levy certificate, no students

No levy certificate means no completion certificate. A higher-risk building cannot lawfully be occupied without one, and for any building, occupation without one is a risk insurers, funders and governors will not accept. For a hall opening in mid-September, work backwards:

Stage	Timing
Accurate levy information submitted	At commencement, often 18 months or more before opening

Stage	Timing
Liability notice	Within 5 weeks, or 8 with a spot check
Levy paid	By early August
Payment certificate	Within 2 weeks of payment
Handover	Late August
Students arrive	Mid-September