

Cabinet – 3 March 2026 – Update Sheet

Agenda Item 19 – National Planning Policy and Guidance consultation response

Appendix A – NPPF consultation – response to questions

Introduction

Appendix A sets out the proposed response to the 225 questions that have been asked by MHCLG as part of its consultation. Question 217 concerns the threshold for applying the Building Safety Levy and, in the response, ‘no comment’ is proposed in the published Appendix A. Whilst this relates to building regulations rather than planning, it is proposed that this response should be amended to include a position from Dorset Council on the application of the Building Safety Levy.

Context

The Building Safety Levy is a tax on new major residential developments in England, aimed at funding the remediation of building safety defects and shifting financial burdens away from leaseholders and taxpayers.

The Building Safety Levy is set to come into effect on October 1, 2026, as part of the Building Safety Levy (England) Regulations 2025. Its primary purpose is to ensure that the costs associated with fixing life-critical safety defects in residential buildings are borne by developers rather than leaseholders or taxpayers. The levy is expected to raise approximately £3.4 billion over a period of ten years to support building safety initiatives across England.

The levy applies to major residential developments, which include:

- New residential projects comprising 10 or more homes.
- Purpose-built student accommodation (PBSA) with 30 or more bedspaces.

For Dorset, the levy would be £17.24 per square metre (i.e. £1,724 for a dwelling with a floorspace of 100 sq.m) on previously developed land, rising to £34.48 per sq.m. (£3,448 for a 100 sq. m dwelling) on ‘greenfield’ sites.

The Government is seeking views on whether the current small development exemption should be extended to cover a wider range of sites and, if so, what an appropriate threshold might be.

Question 217 in the consultation document asks the following:

Do you have any views on whether the current small development exemption should be extended to cover a wider range of sites – indicatively to sites of fewer than 50 dwellings, or fewer than 120 bedspaces in purposebuilt student accommodation?

Proposed Response:

Dorset Council is concerned that the Building Safety Levy has a disproportionate impact upon housing development in our largely rural area, which has a very small number of high-rise buildings and a limited supply of previously developed land to meet its housing numbers. It could also hinder the regeneration of sites where the market has been unable to bring forward viable development. Dorset is a highly sensitive environment, with two National Landscapes, the country's only natural World Heritage Site, substantial areas of internationally recognised habitat designations, and 5 wetland catchments affected by nutrient loads. In addition, we are a coastal authority with significant areas affected by flood risk and vulnerability to climate change. This places a substantial financial burden upon development which directly impacts upon potential viability of much-needed development sites, while also limiting the scope to secure the necessary delivery of affordable homes in a part of the country which suffers from one of the highest ratios of house prices to income levels.

Whilst Dorset Council welcomes the Government's intention to rectify unsafe buildings across the country, it is likely to be a disproportionate burden for Dorset and may adversely affect our ability to deliver affordable homes in an area of significant need. It would also disproportionately affect smaller housebuilders, something which the Government is keen to promote.

Consequently, Dorset Council welcomes the proposal to increase the exemption to fewer than 50 dwellings or fewer than 120 bedspaces in purpose-built student accommodation.

However, we also wish to raise our concerns more broadly that the greenfield levy will continue to have a disproportionate impact for rural areas where opportunities for previously developed land are limited, environmental costs are high, and housing viability is marginal. In Dorset greenfield sites often require substantial mitigation measures in areas where the housing market is not sufficiently buoyant to deliver the homes we need. This should be recognised in the levy.

We would also raise our concern about applying the levy to regeneration areas where costs are high the housing market is weak without intervention. In these instances it is our view that there should be a further exemption to the levy.