Scottish Building Safety Levy: Technical Consultation

Scottish Government Consultation

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland. For information only England, Northern Ireland and Wales.

1. Executive Summary

The Scottish Government has launched a technical consultation on the operation of the Scottish Building Safety Levy (SBSL), which seeks views on the secondary legislation that will govern how the levy operates in practice. The consultation follows the enactment of the Building Safety Levy (Scotland) Act 2026 and covers matters including the calculation of chargeable floorspace, exemptions and reliefs, brownfield development, payment arrangements, and support for new residential homes sold on to first-time buyers.

The levy is intended to generate revenue to support Scotland's Cladding Remediation Programme. It will apply to most new residential developments while exempting social housing, affordable housing, island developments and providing an annual allowance of 29 homes to protect smaller developers. The Scottish Government intends to introduce the SBSL from April 2028 and estimates that the levy could raise between £360 million and £450 million over its lifetime to support Scotland's Cladding Remediation Programme.

Although local authority-led social and affordable housing developments are exempt from the levy, the proposals remain relevant to councils in their roles as planning authorities, strategic housing authorities, building standards verifiers and regeneration partners.

Responses are due by **Friday 9th October 2026**.

Click here for further information and to submit your response.

Click here to read the full report.

2. Overview

The Scottish Government has launched a technical consultation on the implementation of the Scottish Building Safety Levy (SBSL), seeking views on the secondary legislation that will underpin the practical operation of the levy. The consultation builds on the Building Safety

Levy (Scotland) Act 2026 and focuses on how the levy will be calculated, administered and enforced, rather than on the principle of introducing the levy itself. It also seeks feedback on proposed exemptions, reliefs and payment arrangements ahead of the levy coming into force on 1st April 2028.

A rate of tax will be set for each local authority area, considering a range of factors including average house prices and the estimated number of units developed. Indicative local authority rates for the SBSL, including the methodology used to calculate rates and an assessment of expected impacts are available here.

Policy context and rationale

The Scottish Building Safety Levy (SBSL) forms part of the Scottish Government's wider programme of building safety reform following the tragedy of the Grenfell Tower fire in June 2017, which led to a fundamental reassessment of building safety standards across the UK. Subsequent investigations identified the risks associated with combustible cladding systems and highlighted the need for a coordinated approach to identifying and remediating affected buildings. In Scotland, this has included the establishment of the Cladding Remediation Programme, alongside legislative measures such as the Housing (Cladding Remediation) (Scotland) Act 2024, which created the legal framework to support the assessment and remediation of affected buildings.

Recognising that not all costs can be recovered directly from those responsible for unsafe cladding, the Scottish Government has maintained the policy position that the residential development sector should make a contribution towards the costs of remediation. Following an initial consultation in 2024, the Building Safety Levy (Scotland) Act 2026 established the legislative framework for a new devolved tax on most new residential developments, with secondary legislation required to set out the detailed operational arrangements. The SBSL is broadly comparable to the UK Government's Building Safety Levy, which is due to commence in England on 1st October 2026.

The levy is intended to provide a long-term funding stream for Scotland's Cladding Remediation Programme, while complementing existing funding mechanisms, including direct developer remediation and UK funding arrangements. In doing so, it supports the Scottish Government's wider objectives of improving building safety, restoring confidence in Scotland's housing stock and ensuring the costs of remediating unsafe cladding do not fall on homeowners or the general taxpayer.

This technical consultation therefore focuses on the detailed provisions needed to implement the levy in practice. It seeks views on issues including the calculation of chargeable floorspace, exemptions and reliefs, treatment of brownfield developments, payment arrangements, compliance and enforcement, with the levy expected to come into force on 1st April 2028.

Why local authorities should engage

Although social and affordable housing developments are exempt from the levy, the consultation remains relevant to Scottish local authorities because of their wider statutory responsibilities and strategic interests in housing and development.

Councils act as planning authorities, building standards verifiers, strategic housing authorities and regeneration partners. The detailed design of the levy may therefore influence the viability and timing of private residential development, brownfield regeneration and mixed-tenure schemes, with potential implications for local housing supply and place-making objectives.

The consultation also provides local authorities with an opportunity to comment on whether the proposed arrangements are proportionate, practical and capable of supporting effective implementation while balancing the need to fund Scotland's building safety and cladding remediation objectives.

3. Consultation Questions

The consultation questions are categorised as follows:

Topic	**Questions**
Floorspace methodology	1
Communal areas	1
Brownfield relief	8
Conversions	2
Payment flexibilities	1
Support for first-time buyers	5

The consultation questions are available in full below:

1. Do you agree that floorspace should be calculated using Gross Internal Area (GIA)? Please explain your answer.
   Yes; No; Don't know

2. Do you agree that communal areas of a building should be excluded from being charged? Please explain your answer.
   Strongly agree; Mostly agree; Mostly disagree; Strongly disagree

3. Do you agree that, for the purposes of introducing a relief for units built on brownfield land, the definition of 'brownfield' should include land that is occupied by a building? Please explain your answer.
   Yes; No

4. Do you agree that, for the purposes of introducing a relief for units built on brownfield land, the definition of ‘brownfield’ should include land which is considered contaminated land? Please explain your answer.
   Yes; No

5. Do you agree that, for the purposes of introducing a relief for units built on brownfield land, the definition of ‘brownfield’ should include land which contains large, fixed, surface infrastructures, such as roads or car parks? Please explain your answer.
   Yes; No

6. Do you agree that, for the purposes of introducing a relief for units built on brownfield land, the definition of ‘brownfield’ should include land that was developed for agricultural or forestry purposes? Please explain your answer.
   Yes; No

7. Do you agree that, for the purposes of introducing a relief for units built on brownfield land, the definition of ‘brownfield’ should include land that was developed for minerals extraction? Please explain your answer.
   Yes; No

8. Do you agree that, for the purposes of introducing a relief for units built on brownfield land, the definition of ‘brownfield’ should include land that was developed for waste disposal by landfill? Please explain your answer.
   Yes; No

9. Are there any other criteria not captured above that should be considered when defining brownfield land for the purposes of a relief? Please explain your answer.
   Yes; No

10. What percentage rate of relief do you think should be applied to units built on brownfield land? Please explain your answer.

11. Do you agree that a further relief or exemption should be provided for conversions? Please explain your answer.
    Strongly agree; Mostly agree; Mostly disagree; Strongly disagree

12. If you agree that a relief or exemption should be applied for conversions, should this relief apply to the conversion of non-residential buildings, residential buildings, or both? Please explain your answer.
    Conversion of non-residential buildings only;
    Conversion of residential buildings only;

Both types of conversion;
Don't know

13. Do you agree that build to rent (BTR) and purpose-built student accommodation (PBSA) developments that have been granted a building warrant before 5 June 2025 should be given the option to make payments over a period of up to three years? Please explain your answer.
Yes; No; Don't know

14. What are your views on the introduction of a full or partial relief for taxpayers responsible for completed units that are sold on to first-time buyers? Please explain your answer.
Strongly agree; Mostly agree; Mostly disagree; Strongly disagree

15. What are your views on the conditions that would have to be met in order to qualify for a first-time buyer relief?

16. What evidence would a taxpayer be able to provide to evidence their sale of a property onto a first-time buyer?

17. If implemented, do you think that such a relief would benefit first-time buyers, for example through proportionately lower house prices or more housing stock? Please explain your answer.
Strongly agree; Mostly agree; Mostly disagree; Strongly disagree

18. What other mechanisms should the Scottish Government explore to help support first-time buyers?

4. APSE Comment

APSE encourages Scottish member authorities to engage with the Scottish Government's technical consultation on the Scottish Building Safety Levy. As of June 2026, 4,469 residential buildings of 11 metres or higher had been identified as having unsafe cladding through UK Government remediation programmes, with 53% having either started or completed remediation works. Ensuring that appropriate funding mechanisms are in place to support the remediation of unsafe cladding is an important part of improving building safety, protecting residents and maintaining confidence in Scotland's housing sector.

While the exemption for social and affordable housing developments is welcomed, APSE recognises that the wider operation of the levy has the potential to impact local authority priorities through its relationship with housing supply, planning, regeneration and development activity. Councils play a key role in shaping local places, supporting the delivery of new homes and working with partners to address housing challenges, meaning that changes affecting the wider residential development sector may have implications for local communities.

As the Scottish Government develops the detailed arrangements for implementing the levy, it will be important that the system is proportionate, transparent and straightforward to administer. The levy should support the objective of funding building safety improvements while avoiding unintended consequences for housing delivery, regeneration activity and the viability of developments that contribute to local housing strategies.

APSE encourages member authorities with responsibilities across housing, planning, building standards and regeneration to consider the proposals and respond to the consultation where they may have implications for local authority operations, development activity or strategic priorities.

APSE members may also wish to take cognisance of the resource implications of the levy. Whilst APSE supports the principles of the proposed building safety levy in Scotland, as evidenced by the earlier introduction of a Building Safety Levy in England, local authorities may need additional resources such as software systems, which may need to work effectively with other legacy systems on planning and building safety, to support the implementation of the levy, as well as ensuring staff training and staffing resources are in place before the proposed implementation deadline. It will also be necessary to effectively communicate the changes with developers and support local authorities in explaining and implementing the levy. A multidisciplinary approach including finance, planning and building safety teams alongside communications team will be necessary in most authorities.

Discussions on the way forward with building safety and sharing of best practice takes place in APSE Scotland's Housing, Construction and Building Maintenance Network. Network meetings are free to attend for APSE members. Previous presentations are available online here and upcoming meetings are listed here.

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