



Ministry of Housing,
Communities &
Local Government

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Our ref: BSL/LA s31
Your ref:

Council Chief Executives,
Building Safety Levy Collecting Authorities

18 June 2026

MEMORANDUM OF UNDERSTANDING **Building Safety Levy – New Burdens (Set-up Funding)**

Between

The Ministry of Housing, Communities and Local Government (MHCLG)
and South Kesteven District Council (The Council)

1. Background

The Government is introducing the Building Safety Levy (the levy), which will come into force on 1 October 2026. Councils are designated as levy collecting authorities. MHCLG is providing funding under Section 31 of the Local Government Act 2003 to support set-up costs.

2. Purpose of this Memorandum of Understanding (MoU)

This MoU sets out the shared understanding, principles, and expectations between MHCLG and the Council in relation to the payment of this funding. It is not legally binding and creates no legal obligations.

3. Purpose of the Funding

Funding supports preparation for levy implementation, including staffing, systems, IT and processes.

4. Principles for Use of Funding

The Council has flexibility in the use of funding. Funding is designed to support implementation of the levy and must represent value for money. The CDEL capital grant allocation is for capital expenditure.

5. Underspends and Ongoing Costs

Where efficiencies are found, underspends may be used for levy administration. No further set-up funding is expected.

6. Engagement and Information Sharing

The Council will engage with MHCLG and participate in readiness activities. MHCLG will provide support and guidance.

7. Monitoring and Evaluation

No formal reporting requirements are imposed for set-up costs. For administrative expenses incurred as a collecting authority after levy commencement, the Levy Regulations require quarterly returns of management information.

8. Duration

This MoU takes effect upon signature and remains in place until levy implementation is complete or until both parties agree that it is no longer required.

9. Amendment

This MoU may be amended by mutual agreement.

10. Signatures

Signed on behalf of MHCLG:

Clare Clark

Name: Clare Clark
Title: Deputy Director
Date: 18 June 2026

Signed on behalf of South Kesteven District Council:



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Name: Richard Wyles
Contact details: richard.wyles@southkesteven.gov.uk
Title: Deputy Chief Executive and s151 Officer
Date: 3 August 2026