



Ministry of Housing,
Communities &
Local Government

Policy paper

Policy statement: a roadmap for Section 106 delivery in England

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The government has a clear manifesto commitment to deliver the biggest increase in social and affordable housebuilding in a generation and to strengthen planning obligations to ensure new developments provide more affordable homes.

Section 106 (S106) agreements are, and will remain, an essential mechanism for delivering social and affordable housing. They account for not only a significant proportion of affordable home completions, but also a significant share of total new home delivery. Without them, the development pipeline as a whole is at risk of contracting sharply.

The challenge

In recent years, the negotiation of S106 agreements has become synonymous with inefficiency and delay. To ensure the developer contributions system secures the supply and affordability outcomes we seek in the years ahead, we need to reduce its complexity and minimise negotiation friction.

To that end, the government intends to reset the market to provide for a simple, more transparent and more resilient S106 system. We are clear that this reset must involve improved transparency and consistency of pricing; greater clarity as to the standards that S106 units must meet so that they are constructed to a specification that works for Registered Providers; and better and earlier engagement and collaboration between Local Planning Authorities (LPAs), Registered Providers (RPs) and developers.

In the short term, we also need to act to deal with the detrimental consequences of a declining market for S106. A complex range of factors has led to drop off in demand for S106 units over recent years, with the result that thousands of constructed or consented S106 units are currently uncontracted and unsold. This state of affairs is delaying the build out of development sites across England and disrupting both affordable and wider housing supply. We must find a route to ensure S106 homes that have been built but are now sat empty with no realistic prospect of finding a suitable and willing RP buyer, can be sold and made available to families across the country in need of a home.

This roadmap sets out the steps the government will take to lay the foundations for a simpler, more transparent and more resilient S106 system, and deal with the legacy problem of existing unsold and uncontracted S106 units. We will provide an update to this policy document in spring 2026.

1. Immediate action to unlock legacy uncontracted S106 homes

LPAs already have the ability to renegotiate S106 agreements with developers where appropriate. This includes varying the number and/or tenure of social and affordable units to be delivered.

LPAs can also already draft “cascade” mechanisms into S106 agreements, which provide for the tenure of homes to be varied if buyers cannot be found for social and affordable units. These were popular in the past but have largely fallen out of use over recent years due to the loss of control they entail in relation to LPA housing delivery in their areas. The government is clear that we do not expect LPAs to adopt such cascades, except where it would work for their local circumstances.

The government has already taken a number of steps to support demand for S106 units, not least Spending Review measures designed to rebuild the capacity of RPs. As a result, we are seeing tentative signs of an improvement in appetite for acquiring S106 homes. However, despite this positive shift in sentiment post-Spending Review, we know that there are still housing schemes where developers remain unable to secure an RP buyer for the affordable homes set out in the original S106 agreement, and where LPAs and developers have not discussed or reached agreement on variations to planning obligations with the result that many of these sites are ‘stalling’.

To unlock such uncontracted and unsold S106 units and ensure they are made available to families who need them, the government is today publishing this Policy Guidance which sets out the steps we expect LPAs to

take where developers can demonstrate they have made all reasonable endeavours to find an RP buyer on the basis of the affordable housing requirement set out in the original S106 agreement but have been unsuccessful.

In such circumstances, we expect all LPAs to take advantage of existing planning flexibilities to renegotiate S106 agreements and allow the tenure of homes to be varied in order to secure a buyer. This can be effected by a deed of variation – making amendments/revisions to existing s106 agreements – either by agreement of the parties to the s106 or by formal application under s106A of the Town and Country Planning Act 1990. To ensure we target sites that are genuinely ‘stalled’, the following section sets out the conditions that LPAs should ensure are met, and the approach to negotiation they should take, where it is necessary to agree a deed of variation with developers holding uncontracted S106 units that have not found any suitable RP buyer.

This is a time-limited, emergency measure intended to support LPAs to exercise their ability to renegotiate planning obligations.

Conditions for accessing this time-limited process

LPAs are expected to consider re-negotiating S106 agreements when the following conditions are met:

- Developers should have exhausted all reasonable endeavours to find an RP buyer based on the affordable housing marketing, and any other relevant requirements set out in the original S106 agreement.
- Developers should have uploaded any uncontracted S106 homes onto the Homes England Clearing Service by 1 June 2026 to give a final opportunity for RPs to bid to purchase these homes. Any homes not uploaded onto the Clearing Service by this point will be outside of this process.
- Homes should be live on the Clearing Service for a period of 6 weeks from the date of the unit being uploaded (“the Clearing Service period”).
- The S106 homes should be due for completion on or before 1 December 2027, to be eligible for this time-limited approach; completion defined as when a home is ready for occupation or when a completion certificate is issued. Expected completion dates should be registered on the Clearing Service to guide LPAs on whether all above conditions are met.
- LPAs should seek to avoid tenure renegotiations for uncontracted s106 homes that have received reasonable offers from willing and suitable RP buyers, as is current practice, to avoid the loss of social and affordable housing to private sale.

- As is currently expected, developers should inform LPAs of any, and all, bids they receive from RPs seeking to buy uncontracted S106 units. LPAs are actively encouraged to request that these details are provided.
- Assessing the reasonableness of bids is ultimately a matter for individual LPAs but, where available, they are encouraged to consider the following evidential sources: site level viability evidence; published commuted sums policies; grant rates; surveyor data; and recent S106 purchases in the locality.
- Given the Clearing Service will have provided an opportunity for RPs to identify and bid for unsold and uncontracted S106 units, LPAs are encouraged for this temporary period to take a pragmatic, time-limited, and light-touch approach to assessing bids, and any further information requests, for example evidence of marketing efforts or details of contact with prospective buyers in the locality.

In instances where there is a dispute between the LPA and developer over whether bids received are reasonable, they may also wish to seek a third-party view to support a resolution, as per an existing Alternative Dispute Resolution (“ADR”) procedure.

Guidance for LPAs on proceeding with deed of variation

LPAs should confirm their decision on proceeding to re-negotiate the S106 agreement as quickly as possible - with a guideline of no more than twelve weeks from the end of the 6 week period, and consider the following in negotiating to alter the tenure of eligible homes:

- LPAs are encouraged to take the following approach:
 - (i) seek alternative affordable housing or discounted market tenures in the first instance where possible;
 - (ii) if there is no buyer for such tenures, proceed through to private market rent or sale (with equivalent form of affordable housing provided on an alternative site within the LPAs’ area or, where this is not feasible, a financial payment made in lieu of onsite affordable housing).
- LPAs should include stipulations that make clear that if homes are not completed on time and by the deadline of 1 December 2027, schemes will revert to the tenure mix set out in the original S106 agreement. Renegotiated S106 agreements should provide for this without the need for a further deed of variation to be made.

- When considering phased development, LPAs and developers should agree a tailored approach with regard to the circumstances of the specific phases i.e. if the first phase will be completed by 1 December 2027, then a deed of variation should be considered in line with the policy set out in this statement. However, where phases contain units that are not expected to complete by this point, the terms set out in the original s106 should continue to be expected to apply.

In line with existing planning practice guidance on viability, site-specific viability assessment should not be used on schemes subject to the Golden Rules for the purpose of reducing developer contributions, including affordable housing. The government is currently consulting on a revised National Planning Policy Framework (NPPF)

(<https://www.gov.uk/government/consultations/national-planning-policy-framework-proposed-reforms-and-other-changes-to-the-planning-system>) which seeks views on the limited instances in which site-specific viability assessment may be justified.

This emergency route will be strictly time-limited, in order to target only those S106 units already built or very close to completion where a suitable and willing RP buyer cannot be found. We anticipate the stock of homes to be unlocked through this intervention will include those built in parts of the country without active RP buyers, or alternatively, those that have not been constructed to a physical specification that meet RPs' needs and business plans.

The government expects every part of the sector to work together during and after the end of this strictly time-limited intervention to ensure no further build-up of uncontracted and unsold S106 units occurs – starting from the next steps we are outlining in this roadmap today.

While this immediate action is necessary to overcome current challenges facing the S106 market in order to reduce disruption to housebuilding and sustain supply, we are clear that this is a time-limited, emergency intervention. The government's primary focus remains on long-term reform to 'reset' the S106 market and support effective S106 delivery of social and affordable homes and thereby honour our manifesto commitments.

The remainder of this roadmap sets out the steps we intend to take to provide for a simpler, more transparent and more resilient S106 system.

2. Supporting Local Planning Authorities to negotiate S106 agreements

We want to simplify and strengthen the process for agreeing developer contributions through S106 agreements at the application stage of new developments.

- We committed in our manifesto to strengthening planning contributions and this must start at the plan-making stage. Local plans should clearly set out the contributions expected from development, including the required levels and types of affordable housing alongside other infrastructure. The proposed new NPPF (<https://www.gov.uk/government/publications/national-planning-policy-framework-2>), currently out for consultation (<https://www.gov.uk/government/consultations/national-planning-policy-framework-proposed-reforms-and-other-changes-to-the-planning-system>), places a stronger emphasis on considering development viability at the plan-making stage rather than at the application stage, to provide greater certainty on the contributions expected from development.
- At the planning application stage, the proposed new NPPF (<https://www.gov.uk/government/consultations/national-planning-policy-framework-proposed-reforms-and-other-changes-to-the-planning-system>) is intended to clarify the limited circumstances in which a viability assessment to inform decision-making is justified to ensure that a proposed development makes the maximum possible contribution to affordable housing and other infrastructure. It also highlights the importance of good quality pre-application engagement between applicants and LPAs to identify and resolve key matters, including planning obligations for the development. This will enable the head of terms for the S106 agreement to be agreed as quickly as possible once the application has been submitted.
- Today, we are also confirming our intention to publish a standardised template S106 agreement to help speed up the process of drafting and agreeing new S106 agreements. Town Legal LLP have been formally awarded the contract following a successful procurement process conducted by the Planning Advisory Service. It is intended that a standardised S106 template for medium sites will be issued as a first priority. The template will set out the foundational elements and clauses expected in the majority of S106 agreements for sites below 50 units, and we will engage widely with all relevant parts of the sector to ensure it is as effective as possible. This will provide LPAs a solid starting point for new agreements, speeding up the drafting process and freeing up capacity. Sector-wide training opportunities will also be provided to authorities as part of this wider package.

3. Setting clear sector expectations to guide S106 delivery

We want to provide greater clarity and certainty to facilitate the more effective delivery of S106 homes. We will, through new guidance seek to foster early engagement and collaboration between RPs, developers and LPAs, setting out the following:

- Clarity on the standards S106 homes must meet and the role that should be afforded to RPs in ensuring S106 homes meet the standards required of social housing to inform the design and build of all future S106 units. This will build on regulatory standards and seek to bring together the additional requirements some RPs have already published – with the aim of providing clear, certain, proportionate, standards that all developers (big and small) can be confident in meeting.
- An agreed framework for how the sector will work together to deliver S106 agreements – including earlier and better engagement and collaboration on design and build of S106 units, to ensure homes meet the specifications they require. This will build on work already commenced by some LPAs and explore options to ensure sufficient engagement and identification of an RP for S106 units at the planning application stage, to ensure RPs can have a greater role in the development of units that will meet future tenants' needs. We will engage with the sector to identify the best way to support stronger RP involvement in the design of S106 homes at the planning stage.
- Standardisation across the market in respect of how pricing is negotiated so as to provide more certainty for RPs and developers on what they can expect to pay for S106. This will include learning lessons from LPAs who publish transfer rates for S106, providing all RPs and developers operating in an area more certainty and transparency over the prices they may be expected to accept and pay for S106 units, to explore best practice and whether there is merit in encouraging this approach nationally.
- Working with small housing providers to make the S106 process more accessible and increase their capacity to deliver.

We will publish this guidance before the time-limited, emergency route, to unlock uncontracted and unsold S106 units is closed, to ensure all stakeholders are clear on their responsibilities in the market going forwards – and to prevent a build-up of unsold S106 units in the future.

4. Expanding financial capacity to revive the market to deliver for S106 homes

We recognise the essential importance of rebuilding the sector's financial capacity to unlock greater investment in S106 delivery and will support this

through the following measures, alongside exploring ways to strengthen and expand the S106 market:

- Low-interest loans will be made available to Private Registered Providers of social housing. They will be administered by the National Housing Bank, and the Greater London Authority in London. Up to 10% of the £2.5 billion low-interest loan scheme for Private Registered Providers will be available to support the delivery of social and affordable homes via S106. Further detail on low-interest loans is set out in our Decade of Renewal update.
- To make clear our expectation that S106 units continue to be delivered alongside land led development, the Social and Affordable Housing Programme prospectus confirmed the bidding process will include a requirement for RPs to share data on the number and type of homes that are being delivered through Section 106.
- Following reforms to the Right to Buy system, councils can use their Right to Buy receipts to purchase S106 directly and can also use funding through the Local Authority Housing Fund to do so. The government is separately considering what more can be done to support LPAs to calculate and use commuted sums more effectively, including through the recently published NPPF consultation (<https://www.gov.uk/government/consultations/national-planning-policy-framework-proposed-reforms-and-other-changes-to-the-planning-system>).
- We will explore the creation of bringing RPs together as consortia to be able to bid and purchase S106 homes together, pooling their capacity and purchasing power. This will be alongside leveraging the role of Established Mayoral Strategic Authorities more proactively in the S106 market.
- Building on the recently extended Affordable Homes Guarantee Scheme 2020, and confirmation of its use for S106, we are continuing to explore how government can crowd in additional private investment to enable the purchase of unsold S106. This is with the aim of bringing them into use while retaining them as regulated affordable housing, for example through an affordable housing acquisition vehicle supported by debt guarantees which is able to buy Section 106 homes.
- We are proposing changes to National Planning Policy through the recently published consultation (<https://www.gov.uk/government/consultations/national-planning-policy-framework-proposed-reforms-and-other-changes-to-the-planning-system>), to add military affordable housing to the definition of affordable housing and allow military housing to be delivered as part of affordable housing requirements – including ensuring MoD have access to S106 homes. The consultation will be open until 10 March 2026.

Summary

This roadmap sets out a clear plan to address the legacy of declining demand for S106 units over recent years and to provide for a simpler, more transparent and more resilient S106 system that will secure the supply and affordability outcomes we seek in the years ahead.

The government is now calling on all parts of the sector to help us deliver this plan. Section 106 agreements are, will remain, an essential mechanism for delivering social and affordable housing. We have a collective responsibility to ensure the systems work effectively on an ongoing basis.

We will be tracking S106 delivery more closely over the coming months through monitoring the number and location of unsold and uncontracted S106 units uploaded to the Homes England Clearing Service as part of the time-limited, emergency intervention, as well as collecting additional data on planned S106 delivery through the SAHP bidding process. Effective oversight will also be provided by the strengthened joint governance and accountability mechanisms which we intend to establish as per our progress update on social and affordable housing renewal.

Post S106 January announcement FAQs

Does the temporary measure apply to Section 106 agreements less than five years old, which can be varied by deed of variation, as well as those varied through the S106A route?

Yes, eligible units can be renegotiated regardless of when the S106 obligation was completed.

As made clear in the policy statement, they can be varied by way of a Section 106A application or by mutual agreement with the local planning authority.

Any modified agreement should include all required safeguards, including reversion to the original S106 agreement if homes are not completed by 1 December 2027.

If the units have been listed on Homes England clearing service previously for a minimum of 6 weeks, do they have to be listed again now the guidance has been updated?

No, units do not need to be re-listed.

However, given the government has announced a series of significant policy changes since the Clearing Service was first launched, through our Decade of Renewal plan (<https://www.gov.uk/government/publications/delivering-a-decade-of-renewal-for-social-and-affordable-housing/january-2026-progress-update-delivering-a-decade-of-renewal-for-social-and-affordable-housing>) – including confirmation of a 10-year social rent settlement with convergence, and new 10-year, £39 billion Social and Affordable Homes Programme (SAHP) - developers should review and update all existing listings to ensure they remain accurate and compliant with the updated planning guidance.

As part of this review, developers should update the ‘date amended’ field, even if no material changes are required. This confirms the listing has been reviewed and updated. Not updating the ‘date amended’ field may delay LPA decisions on cascade, as they require confidence that information is current.

All units, whether previously or newly listed, must be listed on the clearing service for 6 weeks before becoming eligible for S106 renegotiation under the new planning guidance. This is to ensure RPs and LPAs have sufficient time to review the listing and/or express an interest in any sites in light of wider policy changes.

As such, existing listings will remain listed for 6 weeks from the point the ‘date amended’ field has been updated following review, and, if necessary, any amendments that were required. New listings will remain listed for 6 weeks from the point they are listed. Given the date the new planning guidance was announced, the earliest date on which any site will become eligible for S106 renegotiation under the new planning guidance will be 12 March 2026.

Do the provisions apply to Grey Belt sites?

Through the revised National Planning Policy Framework (NPPF) published in December 2024, the government introduced ‘Golden Rules’ for major development involving the provision of housing on land within or released from the Green Belt – grey belt schemes are not exempt from the ‘Golden Rules’.

Currently, Planning Practice Guidance (PPG) is clear that viability assessment should not be used for the purpose of reducing developer contributions, including affordable housing, on schemes subject to the ‘Golden Rules’. We recently consulted on a new NPPF which sought views on the limited circumstances in which viability assessment may be justified.

Given the aim of the ‘Golden Rules’ to ensure that Green Belt schemes deliver tangible benefits to communities – including the provision of higher levels of affordable housing – and the current restriction on the use of site-specific viability assessment, the government it is clear that it would not be appropriate for schemes which are subject to the ‘Golden Rules’ to be in scope of this policy. In any case, we consider it highly unlikely that sites subject to the ‘Golden Rules’ would meet the criteria set out in the policy statement, which are focused on S106 units already built or very close to completion where a suitable and willing RP buyer cannot be found.



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