

# Roundtable - S106 and the delivery of affordable housing

With Annie Gingell (Associate Director, Turley), Gareth Turner (Director - Development Viability, Savills) and Emma Ramell (Director of External Affairs, Home Builders Federation)

Chaired by Danny Beales MP  
Portcullis House & Online via zoom



## Introduction

With over 1.3 million households currently on social housing waiting lists and temporary accommodation costs soaring to £2.3 billion a year, solving the delivery of affordable housing is critical. Section 106 (S106) agreements have historically been a key mechanism for securing affordable homes, but their effectiveness is being challenged by shifting economic and policy constraints.

Registered Providers (RPs) are increasingly reluctant to take on S106 properties due to viability concerns, rising costs, and issues around build quality and design requirements. This reluctance is disrupting the supply chain, delaying developments, and further straining efforts to meet the government's target of 1.5 million homes.

This roundtable brought together key stakeholders from across the sector to examine these barriers and explore potential solutions. Discussions focused on how policy and financial frameworks can be adapted to ensure S106 continues to deliver affordable housing at scale while supporting broader housing delivery ambitions. This document outlines the key insights and recommendations from the discussion.

## Key Takeaways

- RPs are becoming increasingly cautious about taking on S106 properties due to a combination of rising construction costs, inflation, high interest rates, and increased operational costs. Many are prioritising direct delivery or grant-funded schemes where they have greater control over design, build quality, and financial risk. The lack of sufficient long-term funding streams and concerns over affordability criteria are further exacerbating the issue, leading to a slowdown in the uptake of S106 homes.
- The slowdown in S106 affordable housing delivery is not just affecting social housing but the wider housing market. With S106 agreements historically accounting for a significant portion of new affordable homes, any disruption in this mechanism has knock-on effects on overall housing supply. If solutions are not found, the government's ambition to deliver 1.5 million homes within the current parliamentary term could face significant setbacks, further widening the housing shortfall.
- The reluctance of RPs to take on S106 homes means many developers are struggling to fulfil their obligations, leading to delays in housing delivery and financial uncertainty. Some developers are seeking to renegotiate or convert affordable housing commitments into alternative forms of provision, which can further slow down the process. There is also growing concern that stalled S106 agreements may impact project viability, delaying the delivery of both affordable and market-rate homes.
- Differences in build specifications between developers and RPs can create challenges in delivering S106 affordable housing. For example, developers may install gas boilers as standard, while RPs—facing future retrofit obligations—prefer heat pump systems to align with net-zero targets. Early collaboration between developers and RPs on design, materials, and sustainability requirements could help ensure homes are future-proofed and meet both parties' needs from the outset.
- A more flexible and supportive policy framework is required to ensure that S106 continues to function as a viable delivery mechanism for affordable housing. Potential solutions discussed include allowing RPs to use government grants to acquire S106 properties, providing financial guarantees to reduce risk, and increasing tenure flexibility so that homes can be adjusted to meet changing local needs. A clearer pipeline of funding and a more predictable regulatory environment could help unlock stalled developments and boost confidence in the sector.
- A lack of consistency in planning policies, ongoing uncertainty over developer contributions, and varying approaches across different local authorities are creating unpredictability in the system. Developers and RPs alike are struggling with delays, renegotiations, and changing policy interpretations, making long-term planning difficult. A clearer, more streamlined approach—potentially including national guidance on S106 negotiations and obligations—could provide much-needed stability and improve delivery outcomes.

## Concerns and issues raised

- Many attendees raised concerns about the complexity and length of S106 agreements. The negotiation process often involves multiple parties and can be time-consuming, creating uncertainty and delays in starting projects. Streamlining the process and providing clearer guidance could help make these agreements more efficient and effective in delivering affordable housing.
- Smaller developers are finding it increasingly difficult to engage with S106 agreements due to the complex and expensive nature of negotiations and obligations. They often lack the resources and financial stability to meet S106 requirements, which could lead to reduced development activity or withdrawal from affordable housing schemes altogether. Supporting smaller developers with simplified S106 processes or alternative solutions could help maintain diversity in the housing market.

We would like to thank the members of our Advisory Board for their contributions and continuing support.



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