



National Section 106 Affordable Housing Engagement Guidance

S106 Cross-Sector Working Group

Purpose



The guidance is a shared, voluntary collaboration standard developed by home builders, local authorities, and registered providers (RPs) to drive more efficient, effective and consistent outcomes across the S106 lifecycle and deliver better homes and places for residents.



It intends to promote best practice, foster shared understanding of each party's roles and constraints, and strengthen trust across the sector for the benefit of residents.

Shared Principles

Early collaboration
and multi-party
dialogue

We seek to engage early and maintain open, transparent communication and collaboration throughout the planning and development process – particularly at local plan making, pre-application, viability assessment, construction, handover, aftercare and management stages.

Recognition of
broader system
challenges

We recognise that successful S106 delivery depends not only on collaboration and standards but also on financial capacity of RPs, viability for home builders, delivery of high-quality homes, and the resourcing of local planning authorities.

Commitment to
follow-through

In every collaboration, we aim to see S106 agreements through, honour commitments and timescales, and address issues constructively, practically and in good faith.

Partnership
facilitation

Local authorities play a key role in shaping tenure mix and housing types to meet local needs and align with RP purchasing strategies. They also connect housebuilders and RPs to match S106 opportunities or acquire S106 homes directly.

Statement of Collaboration

- We will work collaboratively as home builders, local authorities, registered providers and sector representatives.
- We will engage early in the land, planning and design process, act with clear intention to follow through on our commitments, and maintain open, constructive communication throughout the entire delivery journey and aftercare.
- Together, we will deliver homes and places that meet local needs and that residents can take pride in: well-designed and built to recognised quality standards, managed with accountability and integrity, and maintained to ensure they remain sustainable and resilient for the long term.

This statement and the guidance is endorsed by:

- *National Housing Federation (NHF)*
- *Local Government Association (LGA)*
- *Home Builders Federation (HBF)*
- *Chartered Institute of Housing (CIH)*

Development of this Guidance

This guidance was developed by the S106 Cross-Sector Working Group which brought together home builders, local authorities, and registered providers (non-profit and for-profit) from across England, and endorsed by HBF, NHF, LGA and CIH. The Ministry of Housing, Communities and Local Government (MHCLG), Homes England, and the Greater London Authority observed the meetings and the development process.

The guidance will remain adaptable, allowing for review and iterative improvement based on evolving policy, market conditions, as well as feedback and evidenced outcomes.

It sits alongside wider work by Government and sector partners to improve S106 affordable housing delivery, such as standardising template S106 agreements and the use of the Homes England's Clearing Service, as set out in the government's published [roadmap](#).

At its core the guidance reinforces the importance of the S106 system and the need for key partners to be engaged at all stages of the process – from the development of local plans informed by housing needs assessments, through the planning of individual schemes, to the handover of new homes to RPs. While home builders deliver new affordable homes through S106 agreements with local authorities, the type and tenure of new homes are driven by locally identified housing need, while the long-term ownership and management of these properties sit with RPs. S106 homes must therefore meet local need, be sustainable for RPs, and be financially viable and practically deliverable by home builders.

Much of the practice set out in this guidance is already taking place between home builders, local authorities and RPs. Its purpose is to provide best practice principles around key points of discussion, to support collaboration and early engagement, and help ensure the delivery of much needed affordable homes the sector is committed to providing.

S106 delivery operates within a wider market context, where financial capacity and scheme viability are significant factors in influencing delivery. It is important that these pressures are recognised and reflected in government policy frameworks to support the effective improvement of S106 affordable housing delivery. The representative bodies are committed to working collaboratively with government, the sector, and wider stakeholders to address these issues.

The HBF, the NHF, the LGA and the CIH are committed to continuing this collaborative work, including sharing best practice and supporting documents to facilitate discussion and engagement throughout the S106 process.

S106 Affordable Housing Delivery Journey

The following areas influence all partners across the S106 affordable housing delivery journey. For ease of review, the delivery journey is set out across five categories below; however, these matters should be discussed openly and, wherever possible, agreed at an early stage, in line with the shared principles set out in this guidance.

This list is not comprehensive and not intended to prescribe outcomes; rather, it highlights key topics of discussion to inform early partner engagement at the local level.

Pre-planning and scheme requirements

Early discussions between RPs, local authorities and home builders are critical to influencing tenure mix and housing type. This helps ensure proposals align with business plans and meet local needs, increasing the likelihood that homes delivered reflect genuine, viable demand from RPs. Early discussion opportunities arise both during local plan-making stage and as new sites come forward.

Early agreement on mortgage protection clauses support RPs to secure lending, helping to avoid funding delays and the need for disruptive and costly deeds of variation later.

Consideration should be given to the commercial and delivery requirements necessary to maintain scheme viability and support continued and sustainable housing delivery.

Suggested discussion topics

- Tenure mix (e.g. social rent, affordable rent, shared ownership, supported housing)
- Home size and mix (e.g. number of bedrooms and occupancy levels, such as two-bed, three person; housing types including apartments and houses; and accessibility requirements)
- Mortgage protection clauses
- Payment profiles and delivery structures

RPs and local authorities are strongly encouraged to engage during the development of local planning policies, to ensure that subsequent S106 agreements are aligned with local policy objectives and meet local need.

S106 Affordable Housing Delivery Journey

Design and specification

Discussing these matters early is critical to understanding whether a scheme is fundamentally workable, including its long-term affordability for residents and management costs. It helps align expectations on design, standards, costs, and ongoing maintenance, while reducing the risk of redesign, delays, renegotiation, or changes to legal agreements once delivery is underway. Early agreement provides greater certainty for all parties.

This is an area where engagement across all parties is important, particularly in relation to local planning policies for open space, public amenities and other key local planning policies which may affect the design of a site and its long-term management requirements.

All S106 homes are delivered in accordance with regulatory standards.

Suggested discussion topics

- Viability of the scheme
- Space and design standards, including amenity and play space
- Building regulations and other standards
- Specification, including what is covered within the price and any optional upgrades
- Employer's requirements and technical compliance
- Service charges – transparent early estimates and opportunities to reduce costs (e.g. ease of maintenance for external and internal communal areas; the local authority's approach to the adoption of public amenities and assets; design of spaces that remain unadopted (e.g. woodland, ponds); and choices around mechanical and electrical systems)
- Building systems and controls (e.g. open protocol compatibility)
- Community heating system or heat network requirements and specifications where appropriate
- Warranties (such as NHBC)

S106 Affordable Housing Delivery Journey

Other considerations

Agreeing these legal positions early helps to bring clarity if delivery does not go to plan. It sets expectations, while reducing the risk of disputes, or reopening contracts later.

Suggested discussion topics

- Delivery timelines, including provisions to deal with delays if they occur
- Portfolio approach (e.g. packaging of small sites to create a scalable opportunity)
- Marketing restrictions
- Collateral warranty format
- Nomination agreements (discussions between local authorities and RPs)
- Variation and cascade – in specific circumstances, discussions may include cascade mechanisms, which would be undertaken by the local authority with required democratic processes to review the S106 agreement

S106 Affordable Housing Delivery Journey

Construction

Shared visibility during construction builds confidence, supports smoother handover, and improves overall delivery outcomes. Agreeing access arrangements early helps issues be identified sooner which reduces delay, possible remedial works later or dispute.

Up to date information throughout the construction period allows RPs to forecast spend and milestones, including handovers.

Suggested discussion topics

- Access arrangements (e.g. site visits) for partners to safely inspect works in progress, witness commissioning of building services, and confirm readiness for handover

Handover of homes

Agreeing handover arrangements early is important to align expectations and enable a timely, efficient handover, reducing delays by addressing issues in advance rather than after completion.

Suggested discussion topics

- Approach to phased handover (e.g. minimum and maximum homes per week)
- Home demos
- An agreed lead-in period for snagging and de-snagging
- Building documentation requirements (e.g. registration completion, format for maintenance systems or for Home User Guides, Gateway 3 certification for higher-risk buildings, statutory and planning compliance including Regulation 38 and confirmation of planning and S106 condition discharge, and completed Health and Safety File)

S106 Affordable Housing Delivery Journey

Aftercare

Clarity around aftercare arrangements helps save time and cost by reducing the risk of costly, protracted disputes once homes are occupied.

Suggested discussion topics

- Defects liability period, rectification process and sum retention arrangements
- Damage cover
- Definitions of snags and defects and consequences if standards are not met
- Timescales for providing information, sourcing materials for repairs, triaging and addressing defects, and resolving complaints in line with RP's complaints policy and Housing Ombudsman's Compliant Handling Code

Maintenance

Clear and well-defined maintenance and management arrangements help ensure homes and shared spaces are effectively looked after over the long term, supporting a positive resident experience and reducing the risk of disputes or unclear responsibilities.

Suggested discussion topics

- Management arrangements, including appointment and responsibilities of managing agents
- Cleaning, caretaking, and maintenance responsibilities of shared areas
- Transparency in housing management processes