# Delays in Section 106 agreements extend planning by 20%, stalling UK housing delivery



The planning landscape in the UK faces significant challenges, as new research reveals alarming delays in the negotiation of Section 106 agreements. A report by the Home Builders Federation (HBF) indicates that the average time taken to finalise these agreements has risen to 515 days in 2024, marking a 20% increase over the past two years. This surge in timelines not only reflects the inefficiencies within local authorities but also highlights the broader implications for housing delivery, with home builders enduring extended waits due to the complexities of these agreements.

Section 106 agreements are critical to the planning process, facilitating essential infrastructure contributions from developers to support community needs. These contributions can include funding for schools, roads, and affordable housing. However, the HBF's findings demonstrate that these negotiations are dragging on longer than ever, with over a third of agreements taking more than 12 months to complete. One particularly staggering case reported a timeline of 2,679 days, or nearly seven years, for finalisation.

Neil Jefferson, chief executive of the HBF, underscored the detrimental impact of these delays, stating, “The delays in negotiating Section 106 agreements are a clear example of how a lack of capacity in local authorities and inconsistencies in the planning process are affecting the delivery of much-needed homes.” Jefferson pointed to staffing shortages as a significant factor, with estimates suggesting that 80% of local planning authorities (LPAs) are operating below full capacity. The HBF has calculated that an additional 2,200 planning officers are necessary across England and Wales to address this shortfall.

Adding to the complexity is a concerning trend regarding the demand for affordable housing units, which are often facilitated through Section 106 agreements. A recent survey found that around 13,000 homes with planning permission are currently uncontracted, primarily due to difficulties for developers in finding housing associations to take on these units. This has further exacerbated the backlog in housing delivery, halting some developments entirely due to an inability to meet affordable housing obligations.

The HBF's 'Bid Farewell' report highlights that nearly 17,500 units with detailed planning permission remain uncontracted, driven by several factors including inflation, cash flow issues for housing associations, and necessary remediation works. As a consequence, the efforts to tackle the ongoing housing crisis in the UK are being undermined, with unmet demands further complicating the situation.

In response to these challenges, the Ministry of Housing, Communities and Local Government acknowledges the staffing constraints and is taking steps to alleviate bottlenecks in the planning process. However, industry leaders are calling for more decisive action to enhance capacity in local authorities. With home builders contributing over £7 billion annually through Section 106 agreements, stakeholders are emphasising the urgency of reforms that would expedite the planning process and ultimately ensure the timely delivery of homes.

As the situation evolves, it is clear that addressing the administrative and capacity issues within local planning authorities is critical not only for the real estate sector but also for meeting the pressing housing needs of communities across the UK.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.bdonline.co.uk/news/section-106-agreements-lengthen-planning-process-by-16-months-housing-body-finds/5136288.article), [[4]](https://www.hbf.co.uk/newsletters/parliamentary-briefing/hbf-parliamentary-newsletter-spring-2024/)
* Paragraph 2 – [[1]](https://www.bdonline.co.uk/news/section-106-agreements-lengthen-planning-process-by-16-months-housing-body-finds/5136288.article), [[2]](https://www.building.co.uk/focus/what-does-the-collapse-in-section-106-demand-mean-for-housing-delivery/5131120.article), [[5]](https://www.hbf.co.uk/research-insight/bid-farewell/)
* Paragraph 3 – [[3]](https://www.hbf.co.uk/research-insight/bid-farewell/), [[6]](https://www.hbf.co.uk/newsletters/parliamentary-briefing/hbf-parliamentary-newsletter-spring-2024/)

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## Bibliography

1. <https://www.bdonline.co.uk/news/section-106-agreements-lengthen-planning-process-by-16-months-housing-body-finds/5136288.article> - Please view link - unable to able to access data
2. <https://www.building.co.uk/focus/what-does-the-collapse-in-section-106-demand-mean-for-housing-delivery/5131120.article> - This article discusses the decline in demand for Section 106 affordable housing units, highlighting that developers are facing challenges in finding housing associations to purchase these units. A survey by the Home Builders Federation revealed that approximately 13,000 consented homes lack housing association purchasers, with many scheduled for construction this year. The piece also explores the impact of this decline on private development, noting that some developments are halted due to the inability to meet affordable housing delivery requirements.
3. <https://www.hbf.co.uk/research-insight/bid-farewell/> - The 'Bid Farewell' report examines the crisis in Section 106 affordable housing, revealing that nearly 17,500 units with detailed planning permission remain uncontracted. The report attributes this to factors such as remediation works, inflation, and reduced cash flow for housing associations. It also discusses the broader impacts, including the undermining of efforts to tackle the housing crisis and the failure to meet the needs of those requiring new homes.
4. <https://www.hbf.co.uk/newsletters/parliamentary-briefing/hbf-parliamentary-newsletter-spring-2024/> - In the Spring 2024 newsletter, the Home Builders Federation (HBF) highlights the challenges in delivering affordable housing through Section 106 agreements. The newsletter reports that as of March 2024, nearly 13,000 units with detailed planning permission are uncontracted, with over a third due for completion in 2024/25. It also notes that 38 sites are currently delayed due to uncontracted units, emphasizing the need for swift action to support the delivery of these homes.
5. <https://www.hbf.co.uk/research-insight/bid-farewell/> - The 'Bid Farewell' report examines the crisis in Section 106 affordable housing, revealing that nearly 17,500 units with detailed planning permission remain uncontracted. The report attributes this to factors such as remediation works, inflation, and reduced cash flow for housing associations. It also discusses the broader impacts, including the undermining of efforts to tackle the housing crisis and the failure to meet the needs of those requiring new homes.
6. <https://www.hbf.co.uk/newsletters/parliamentary-briefing/hbf-parliamentary-newsletter-spring-2024/> - In the Spring 2024 newsletter, the Home Builders Federation (HBF) highlights the challenges in delivering affordable housing through Section 106 agreements. The newsletter reports that as of March 2024, nearly 13,000 units with detailed planning permission are uncontracted, with over a third due for completion in 2024/25. It also notes that 38 sites are currently delayed due to uncontracted units, emphasizing the need for swift action to support the delivery of these homes.
7. <https://www.hbf.co.uk/research-insight/bid-farewell/> - The 'Bid Farewell' report examines the crisis in Section 106 affordable housing, revealing that nearly 17,500 units with detailed planning permission remain uncontracted. The report attributes this to factors such as remediation works, inflation, and reduced cash flow for housing associations. It also discusses the broader impacts, including the undermining of efforts to tackle the housing crisis and the failure to meet the needs of those requiring new homes.