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| Title of Report | Financial Plan for the New Homes Programme (NHP), appropriation of land for planning purposes, and update on the 1,000 Homes for Social Rent Commitment | | |
| Key Decision No | CHE S644 | | |
| For Consideration By | Cabinet | | |
| Meeting Date | 26 January 2026 | | |
| Cabinet Member | Cllr Guy Nicholson, Deputy Mayor and Cabinet Member for Housing Management and Regeneration | | |
| Classification | <p>Open with Exempt Appendices</p> <p>By Virtue of Paragraph 3, Part 1 of schedule 12A of the Local Government Act 1972 Appendix 2, 3 and 4 are exempt because it contains information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p> | | |
| Ward(s) Affected | All wards | | |
| Key Decision & Reason | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 5px;">Yes</td> <td style="padding: 5px;">Significant in terms of its effects on communities living or working in an area comprising two or more wards</td> </tr> </table> | Yes | Significant in terms of its effects on communities living or working in an area comprising two or more wards |
| Yes | Significant in terms of its effects on communities living or working in an area comprising two or more wards | | |
| Implementation Date if Not Called In | 4 February 2026 | | |
| Group Director | Rickardo Hyatt Group Director - Housing, Climate and Economy | | |
| Report Author | Jane Havemann Head of Housing Delivery - North jane.havemann@hackney.gov.uk | | |

1. Cabinet Member's introduction

- 1.1 There are currently more than 8,500 households on the Council's housing register who are seeking a new home and over 3,500 homeless households living in temporary accommodation, which is one of the main reasons why the Council has committed to building thousands of new Council homes on Council owned land.
- 1.2 Since 2011, Hackney has been meeting this need and demand for homes head on. Through the Council's in-house, not-for-profit house-building programmes, regeneration partnerships, and by backing our housing association partners with funding and land, Hackney has built, and supported partners to complete, over 4,100 new homes. We have done this despite the impacts created by the then Government's 'austerity' policy, 14 years of Government under investment into the building of affordable homes, and multiple macro-economic shocks to the wider economy, ranging from Brexit and a pandemic through to the war in Ukraine, driving rising costs and raising interest rates. All of these combined have led to a 'crisis in construction' that has generated some of the lowest numbers seen in living memory of construction starts in the capital. Despite all this the Council has, and is, successfully building new Council homes for social rent and in a range of other tenures.
- 1.3 In 2022 the then Mayor of Hackney committed to putting together an ambitious programme of 1,000 new Council homes for social rent. At the time of writing this report, 972 new social rent homes are now in one stage of delivery or another.
- 1.4 Within this total of 972 new social rent homes, 237 social rent homes are currently under construction or in contract, Planning permission has been granted for a further 158, Planning applications submitted for another 194, a further 293 social rent homes are currently being designed for Planning, with a final 90 homes bought back into the Council's housing stock or in the legal process of being acquired.
- 1.5 Contributing to this total, Hackney's newest generation of Council housing through the New Homes Programme (NHP) is currently on track to deliver more than 400 new homes - 75% of them for social rent at Council rent levels. In 2022 when the NHP programme was approved, a commitment was made to return to Cabinet to set out the financial plan and funding arrangements for the NHP, and this Cabinet report fulfills that commitment.
- 1.6 Increased construction costs, labour shortages, higher interest rates and stretched public resources have added to the challenges of delivery. A

continuing cost of living crisis makes things tougher still, and is without doubt impacting on the demand side for homes in all tenures in the capital. But Hackney Council has continued to deliver, working closely with residents and contractors, and using every avenue available to bring on-stream new social and affordable homes for Hackney residents.

- 1.7 The Council's Housing Regeneration and Delivery team has a proud and impressive track record of delivery and unparalleled professional expertise. Since 2022, the team has completed award-winning new Council homes at Tower Court in Stamford Hill, and at Chowdhury Walk and Tori Anne Walk in Clapton Park. Construction of new social and shared ownership homes is now nearing completion at the Council's Wimbourne Street and Buckland Street projects in Hoxton West, and the residential phases of the Britannia masterplan in Shoreditch will complete this year, bringing new social and shared ownership homes alongside the award winning leisure centre and school. Construction is also in full flow at the Colville Estate also in Shoreditch, where the latest phase of new homes, a community hub and low carbon energy centre is scheduled to complete in early 2027. Enabling works have begun on the Council's ambitious regeneration of the Nightingale Estate, as well as the concluding phases of the Kings Crescent and Marian Court projects.
- 1.8 In 2025, the Council, in partnership with Berkeley Homes and Notting Hill Genesis, completed the Woodberry Down Phase 3 development, delivering social rent and shared ownership homes, and Phase 4 of Woodberry Down now has planning permission and is due to start construction this year. Phases 5-8 of Woodberry Down were approved via an updated masterplan in 2025 and will be developed over a number of years. As further support to our Housing Association (HA) partners, the Mayor of Hackney's Housing Challenge (MHHC), in place between 2018 and 2023, provided funding to support new affordable homes by HAs where previous Government restrictions prevented the Council utilising all its Right to Buy income on Council-led projects.
- 1.9 The Council is also investing in its existing housing stock. In response to the Regulator for Social Housing and the Housing Ombudsman it is implementing an ambitious corporate Housing Improvement Plan that targets investment into the Council's Housing Service's capacity and ability to provide a quality and efficient housing management and repair service for tenants and leaseholders, and deliver a capital refurbishment and renovation programme aligned to the regeneration programme.

- 1.10 The Housing Improvement Plan identifies specific Housing Management and Service improvements, including improving response times for completing repairs and tackling damp, mould and leaks. It also commits to speeding up the responses to complaints, investing into fit for purpose back office systems and into the workforce to help manage the average 80,000 repair requests received each year.
- 1.11 However, the purpose of this report is to update the Council on the progress to deliver the New Homes Programme and to seek approval for the programme's funding arrangements and sign off on its financial plan.
- 1.12 In order to continue delivery of the New Homes Programme at pace, this report also seeks authority to appropriate land for planning purposes at the first three New Homes Programme sites, where Planning applications have been approved to date. The approval of this proposal will enable the programme to progress from Planning and procurement to construction on-site, ensuring that the Council continues to deliver on its social housing objectives.
- 1.13 I commend this report to Cabinet.

2. Group Director's introduction

- 2.1 This report provides an update on the Council's progress since the objective of bringing on-stream 1,000 new social rented homes was set in Hackney's [Strategic Plan 2022-2026](#). As a key plank in delivering against this target, this report requests Cabinet approval for the funding arrangements and financial plan for Hackney's New Homes Programme (NHP) of fourteen development sites on housing estate land, which are on track to deliver more than 300 new Council homes for social rent.
- 2.2 For over a decade, the Council has run a successful Housing Regeneration and Delivery programme, transforming underused Council-owned land, and regenerating estates with new homes, improved public facilities and community infrastructure. Currently, against a Strategic Plan objective of 1,000 new social rent homes, 972 are in delivery at various stages.
- 2.3 The Council recognises that regeneration is about more than just buildings. We have collaborated closely with our construction and development partners, professional consultants and civil society organisations, using regeneration and development to leverage training and employment opportunities for residents, and to support local businesses and community groups. We have invested in new and improved community spaces, public

realm and work spaces, ensuring both existing and new residents and local businesses benefit.

- 2.4 Following Cabinet approval in December 2022, significant progress has been made on the NHP, including site surveys, design development, technical and legal work, land assembly, extensive public engagement and consultations, grant funding bids, pre-application planning advice and formal planning applications. Most recently, the first tenders for construction works have been launched. Since October 2025 the first three NHP schemes have been approved by Hackney's Planning Sub-Committee.
- 2.5 This report requests approval of the funding arrangements and financial plan for the NHP as a whole, and will enable officers to proceed at pace from the planning and procurement stages to commence construction on site.
- 2.6 The report also seeks Cabinet authority to appropriate for planning purposes the land outlined in red on the plans at Appendix 1 for the first three NHP projects determined to date by planning sub-committee, being Nye Bevan, Morris Blitz and Blackwell Close. The appropriation is required in order to manage risks and enable the projects to come forwards in a timely and cost efficient manner, to meet Hackney's affordable housing commitments.

3. Recommendations

Cabinet is recommended

- 3.1 **To approve the Financial Plan and funding arrangements for the New Homes Programme (NHP) and its fourteen constituent development projects as set out in Section 9 of this report.**
- 3.2 **To note progress on the 1,000 social rent homes objective as set out in Section 10 of this report.**
- 3.3 **To authorise the Group Director - Housing, Climate and Economy, after consultation with the Group Director - Finance & Resources, to agree to enter into funding agreements, and any other necessary agreements, to enable Hackney to receive and spend grant, pursuant to any current or future national or regional grant funding programme(s) for which Hackney's Housing Regeneration & Delivery, and housing acquisition, programmes may be eligible, if they conform to and support the Council's objectives.**
- 3.4 **To authorise the Council to enter into a Deed of Variation in respect of an existing Grant Funding Agreement with the Greater London Authority (GLA), to update the agreement in order to confirm the award**

and acceptance of funds granted to the Council to date from the GLA Affordable Homes Programme 2021-26, pursuant to Hackney's Housing Regeneration and Delivery, and housing acquisition, programmes. This figure presently stands at £127.34 million.

- 3.5 To agree to the appropriation for planning purposes under Section 122(2A) and 123(2A) of the Local Government Act 1972 of the land at the first three NHP sites described in Section 4 and shown outlined in red on the plans at Appendix 1, to facilitate the carrying out of the development proposals in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
- 3.6 To agree that following completion of the NHP developments noted at Section 3.5, the land shown edged red on the plans at Appendix 1 will no longer be required for planning purposes, and to approve the appropriation of the land from the General Fund back to the Housing Revenue Account for housing purposes, where it will then be administered from. The appropriation will be in accordance with Section 122(1) of the Local Government Act 1972.
- 3.7 To request a further report(s) in due course seeking approval to appropriate land for planning purposes at the remaining NHP sites.
- 3.8 To authorise the Group Director - Housing, Climate and Economy, and Group Director - Finance & Resources, to effect the appropriations set out in Sections 3.5 and 3.6.
- 3.9 To authorise the Director of Legal, Democratic and Electoral Services to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in this report and to enter into any other ancillary legal documentation as required.

4. Reasons for decision

- 4.1 On 12 December 2022 Cabinet approved a report ([Key Decision No CHE S142](#)) to progress the Council's future house building programme, thereafter known as the New Homes Programme (NHP). This approval provided a £10m pre-development budget and suitable authorities to progress the design, planning, engagement and procurement processes for the NHP, and requested a further report (this report) providing the financial and funding arrangements ahead of construction contracts being let. The funding arrangements include assumptions regarding an amount of grant funding to be secured through the Mayor of London's Affordable Homes Programme

2021-2026 (see section 9), and any other or subsequent affordable housing programme that supports delivery of new social and affordable homes.

- 4.2 This report also recommends the appropriation of land for planning purposes for the first three NHP sites, being those determined to date by the planning sub-committee, and identified in Appendix 1 as Nye Bevan, Blackwell and Morris Blitz. The land appropriation process provides an important de-risking function for Council-owned land to be developed.

5. Details of alternative options considered and rejected

- 5.1 The "do nothing" approach has been rejected as it would hinder the Council's commitment to providing new social rented homes and the broad range of social, economic, health and quality of life benefits that come with them. In addition, it would mean all of the work completed to date on the NHP would stall.
- 5.2 The NHP aims to provide new social rent homes that the Council will own and manage. The Council's housing regeneration programmes include a wide range of projects of varying types and sizes, from large strategic estate regeneration projects through to brownfield developments and smaller infill sites replacing garages and car parks. The NHP comprises projects at the medium and smaller end of this spectrum. Maintaining this full mix of larger, longer term projects and smaller, shorter term schemes helps to ensure a robust pipeline which is able to withstand economic challenges. A 'do nothing' approach with regard to grant funding (that is, not applying for grant funding through the GLA Affordable Homes Programme, or any other grant programmes to support housing delivery, for example the Brownfield Land Release Fund administered by One Public Estate, and the Ministry for Housing, Communities and Local Government) would also not enable Hackney to maximise the quantum of affordable homes to be delivered.
- 5.3 With regards to land appropriation, a 'do nothing' approach has been rejected, as not appropriating the land would put the projects at risk of delay and increased costs as a result of possible third party injunctions, and would diminish the market attractiveness of the projects to prospective construction partners.

6. Background

Housing delivery by the Council and its partners

- 6.1 Hackney has an acute housing crisis. There are currently more than 8,500 households waiting for a new Council home on the housing register, and the

list continues to grow. Over 3,500 of these are homeless households living in temporary accommodation, including 3,700 children mainly of primary school age. Against this backdrop, the Council has committed to tackling the housing crisis by building new social rent homes for Hackney residents.

- 6.2 The Council's housing regeneration pipeline comprises three programmes on Housing Revenue Account (HRA) land. The Estate Regeneration Programme (ERP), launched in 2011, has redeveloped, and continues to transform, twelve life-expired estates with new modern, energy efficient homes and upgraded environments. The Housing Supply Programme (HSP), launched in 2016, is delivering additional new homes on brownfield land at eight housing estates.
- 6.3 Most recently, the New Homes Programme (NHP) approved by Cabinet in December 2022 ([Key Decision No CHE S142](#)) is bringing forward more than 400 new homes, 75% of which are for social rent, at fourteen underused sites on housing land.
- 6.4 In addition, Hackney's Britannia project is delivering new social and shared ownership homes, and our leasehold buyback programme is returning former Council properties to the borough's housing stock. The Council continues to work in partnership with Berkeley Homes and Notting Hill Genesis to deliver new homes for social rent and shared ownership at Woodberry Down, the largest regeneration scheme in Hackney.
- 6.5 Cabinet approved Hackney's updated Sales and Marketing Strategy in February 2020 (Key Decision NH Q50), supporting the continued release (via sale) of homes on specific sites where the Council is directly delivering private and shared ownership homes. This strategy is expected to apply to the limited number of for-sale homes in the NHP.

New Homes Programme (NHP)

- 6.6 The schemes included in the NHP are set out in the table below, providing a status position as at November 2025 of the number of homes to be delivered on each site, their tenure mix and project stage. Project boundary plans are provided in Appendix 1 and images of the schemes are provided in Appendix 2.

| Project | Ward | No. of new homes | | | | Current project stage^ |
|-------------------------------|-----------------|------------------|---------------|--------------|------------|------------------------|
| | | Social rent | Shared owner. | Private sale | Total | |
| Broadway (Orwell & Welshpool) | Haggerston | 30 | 0 | 56 | 86 | Planning application |
| Regents Court | London Fields | 38 | 0 | 0 | 38 | Planning application |
| Cropley Court | Hoxton West | 45 | 0 | 0 | 45 | Tender |
| Buckland Court | Hoxton West | 13 | 32 | 0 | 45 | Tender |
| Fellows Court | Haggerston | 28 | 0 | 0 | 28 | Tender |
| Weymouth Court | Haggerston | 18 | 0 | 0 | 18 | Tender |
| Wayman Court | Hackney Ctrl | 14 | 0 | 8 | 22 | Design Stage 3 |
| Cherbury Court | Hoxton West | 33 | 0 | 0 | 33 | Design Stage 2 |
| Blackwell Close | Kings Park | 18 | 0 | 0 | 18 | Tender |
| Nye Bevan Estate | Kings Park | 9 | 0 | 0 | 9 | Tender |
| Morris Blitz Court | Stoke Newington | 19 | 0 | 0 | 19 | Tender |
| Selman & Wellday | Hackney Wick | 22 | 0 | 0 | 22 | Planning application |
| Parkside Estate | Victoria | 19 | 0 | 0 | 19 | Design Stage 3 |
| Blandford Court | De Beauvoir | 13 | 0 | 0 | 13 | Design Stage 2 |
| Total | | 319 | 32 | 64 | 415 | |

^Notes on Current Project Stage

| | |
|----------------------|--|
| Design Stage 2 | Design development is at concept or outline stage |
| Design Stage 3 | Design development is at planning stage |
| Planning application | Planning application has been submitted and is under consideration |
| Tender | Procurement of construction works is underway |

6.7 The objectives of the NHP were set out in full in the 2022 Cabinet report, and are summarised as follows:

1. Meeting housing need
2. Contributing to Hackney's sustainability objectives
3. Creating better homes and neighbourhoods
4. Involving residents meaningfully
5. Making best use of Council resources
6. Securing value for money in the short and long term
7. Supporting an inclusive economy.

Appropriation of land for planning purposes

6.8 This report requests authority for the appropriation of land for planning purposes for the first three NHP sites, being those determined to date by the planning sub-committee and identified in Appendix 1.

6.9 Section 122 of the Local Government Act 1972 ('the 1972 Act') provides the Council with a mechanism to assist in minimising the delay or uncertainty associated with housing development projects, by ensuring that the proposed developments cannot be held up by injunctions in relation to third party property owner rights.

6.10 The land at each site is currently designated housing land, administered under the Housing Revenue Account (HRA). Following appropriation for planning purposes, the land will be transferred to, and administered from, the General Fund account. Once the developments at each site have been completed, the land will be appropriated as housing land and transferred back to the HRA.

6.11 Following transfer back to the HRA, the Council will lose the benefits of the appropriation, but protection will remain for the properties developed during the time within which the land was appropriated for planning purposes. The affected parties may, however, be able to seek compensation. Exempt Appendix 4 provides further background information.

Greater London Authority (GLA) grant funding

6.12 Grant funding for affordable housing from the Mayor of London / Greater London Authority (GLA) is critical to the financial viability of the Council's housing regeneration and delivery, and housing acquisition, programmes. Following recent progress securing funding approvals from the GLA's Affordable Housing Programme 2021-26 for both new homes delivery and buybacks, and as this current GLA fund nears its end, there is a requirement to formally update the Grant Funding Agreement in place between the GLA

and the Council, in order to authorise award and acceptance of funds for which funding decisions have been secured to date. This figure presently stands at £127.34 million.

- 6.13 The Mayor of London / GLA have recently announced a new 10-year capital funding programme for affordable housing, known as the Social and Affordable Homes Programme 2026-36 (SAHP 26-36). The fund will shortly open for 10-year pipeline bids from local authorities and other housing providers, enabling longer term planning and certainty compared to previous five-year funding programmes. This report requests delegated authority to enter into funding agreements, and to expend grant income, in relation both to SAHP 2026-36 and other affordable housing grant subsidy programmes at regional and national government levels, pursuant to Hackney's housing regeneration and delivery, and housing acquisition, programmes, where these align with the Council's objectives and values for inclusive regeneration and development.

7. Update on the delivery of the New Homes Programme

- 7.1 As the NHP has progressed since its inception in December 2022, a small number of amendments to the programme parameters have occurred. The shared ownership tenure was not initially included within the NHP, but has now been included at the Buckland Court project in lieu of homes for private sale. This alteration has enabled a more efficient proposal to be designed and additional Mayor of London / GLA grant to be sought, thereby improving both financial viability and affordable housing provision.
- 7.2 The original 'anchor' location at 161 Graham Road in Hackney Central ward was substituted, by approval of the Capital and Asset Steering Board (CASB) in September 2024, with a replacement site at Cherbury Court / Florence Bennett Centre in Hoxton West ward. The redline boundary of the replacement project site is provided in Appendix 1. This substitution has enabled the programme commitments to continue to be met whilst the statutory Crossrail 2 land safeguarding currently prevents the Graham Road site from being brought forward for development.
- 7.3 The following key milestones have been achieved since the launch of the NHP in December 2022:

Planning and design

- Extensive pre-application engagement has been undertaken with the Planning Service, utilising a programme-wide Planning Performance Agreement (PPA).
- An overarching S106 Unilateral Undertaking (UU) was noted by the Council's Planning Sub-committee on 5th March 2025 and is expected to be concluded early in 2026. This sets out in legal form the NHP's programme-wide planning obligations, including requirements for affordable housing, carbon and energy efficiency, highways improvements, and employment and skills..
- Ten planning applications have been submitted to date, with the first decisions made by the Planning Sub-Committee in October 2025.
- Designs have been developed for the remaining four projects, with planning applications expected to be submitted in spring 2026.

Community and stakeholder engagement

- Resident Steering Groups (RSG) have been established for seven of the NHP projects, where there has been sufficient resident interest, and the RSGs have typically met every two months since summer 2023, to monitor, discuss, and feed into proposals.
- Public engagement drop-ins and workshops have been held at every design stage across all fourteen projects, typically in the evenings and at weekends, along with targeted engagement with immediate neighbours, local schools, young people and youth groups, user groups and local organisations.
- Regular door knocking, leafleting and resident newsletters have been distributed for all projects, keeping local residents and stakeholders up to date at each project stage.

Construction procurement

- Cabinet Procurement and Insourcing Committee (CPIC) approved the procurement delivery strategy for the NHP's first nine projects (known as NHP Tranche 1) in July 2025, and the procurement strategy for the remaining five projects (Tranche 2) is expected to be received at the February 2026 meeting of CPIC.
- Procurement is underway for construction partners for the first seven projects, with further tenders for contractors to be launched from early 2026.

Employment and skills opportunities

- A range of formal and informal employment, training and apprenticeship opportunities have been secured with the Council's professional consultants and design teams working on the NHP, and work continues as further consultant services come on board. This includes 7 degree apprenticeships in architecture, surveying, engineering and property; 41 work placements at consultants' offices; and career drop-in sessions at schools around the project sites.

External grant funding

- Grant funding has been secured from the Mayor of London's Affordable Homes Programme 2021-26 for the first five NHP projects, totalling £23.3m.
- Discussions are ongoing with the Greater London Authority for the remaining NHP projects, and bids for a further £27.6m in grant funding are currently being considered by GLA under the 2021-2026 Affordable Homes programme.

8. Delivery model for the New Homes Programme

- 8.1 An holistic overall strategy has been prepared for the procurement and delivery of development works for the NHP. This strategy was approved for the first tranche of nine sites by Cabinet Procurement & Insourcing Committee (CPIC) at their meeting on 7 July 2025 (Key Decision No. CHE S571). for Tranche 1 sites, with Tranche 2 to follow expected in a report to CPIC in February 2026. Compliance with the new Public Procurement Act which came into effect in February 2025 has been a key consideration, in particular with regards to the emphasis on pre-market engagement and contract reporting, and flexibilities associated with the new Competitive Flexible Procedure route.

9. Financial Plan, viability and funding arrangements

- 9.1 The projected financial viability model of the NHP set out to Cabinet in 2022 is repeated in the table in Section 9.2 below. In order to achieve the ambitious provision of 75% social rent homes, the financial plan was projected to require a one-off investment of £70m from the Council, in addition to affordable housing grant funding from the Mayor of London / Greater London Authority (GLA). This investment enables the programme to 'break even' as a minimum over the Council's standard investment period (currently 50 years), thereby preventing financial pressure on the Housing

Revenue Account (HRA). The one-off investment is met from the proceeds of a historic stock transfer arrangement which were ringfenced to the NHP by the approval of Cabinet in December 2022 ([CHE S142](#)).

- 9.2 The projected financial viability with 75% social rent homes as at December 2022 is summarised in the table below, demonstrating a Council investment requirement in the region of £70m to achieve a viable programme.

| Programme financial model set out to Cabinet in December 2022 | | | | | |
|---|------------|--------------|--------------------------|-------------------|--------------|
| No. of homes | Total cost | Sales income | Subsidy Investment | Net Present Value | Opening loan |
| 417 | £236m | £74m | GLA: £54m Total: £54m | £(70m) | £108m |

- 9.3 As of November 2025, the programme is currently achieving this objective, forecasting a modest positive position after contingencies and risk allowances.

| Programme financial viability as at November 2025 | | | | | |
|---|------------|--------------|---|-------------------|--------------|
| No. of homes | Total cost | Sales income | Subsidy Investment | Net Present Value | Opening loan |
| 415 | £267m | £66m | GLA: £77.5m <u>LBH: £70m</u> Total: £147.5m | £1.8m | £53m |

- 9.4 The key changes since 2022 are as follows:

- The number of homes has remained broadly in line with the original forecast, however the tenure mix has adjusted through the design process. The programme is currently projected to deliver 6 more social rent homes than originally foreseen, along with the introduction of 32 shared ownership homes in lieu of the same number of private sale homes.
- Detailed cost estimates have been prepared for each scheme through the design development process, and the full range of project costs including borrowing, construction, site risks and 'abnormal' costs, statutory utilities and planning contributions have been costed. On the basis of this detailed work, the total programme cost estimate is expected to be around £31m higher than the original forecast.

- Grant subsidy (both secured and forecast) from the Mayor of London / GLA has increased by £23m from the original forecast. Grant support has been negotiated and optimised through close working with the GLA, and the introduction of some shared ownership homes in lieu of private sale has allowed additional funding to come in, albeit sales income has reduced for the same reason.
- Overall long-term debt has therefore increased by £15m since 2022, but the long-term rental income from the homes the Council retains has also increased (by £38m), meaning the break-even position is maintained.

9.5 The NHP financial position in 2022 was based on a series of financial assumptions and projections over a number of years. The Council's underlying financial assumptions and metrics for new homes developments are annually reviewed, including a benchmarking exercise comparing Hackney's financial parameters to other London boroughs and housing associations. Updates in 2023 and 2024 have adjusted the underlying financial position of the NHP along with the wider housing regeneration pipeline.

9.6 Consistent with other housing regeneration programmes, the NHP is ultimately self-funding but does require forward funding during the development phase from HRA borrowing. This borrowing adheres to the Prudential Code. The amount of borrowing is reduced through the upfront use of the £70m LBH investment funding, followed by GLA grant funding which is currently received 75% at Start on Site with the remainder at Completion. After the homes are complete, sales income on completion reduces the borrowing to a long term debt position, which is repaid through the rental income of the affordable properties owned by the Council over the long term.

9.7 The programme is forecast to require £265m (excluding £2m of debt interest) in capital expenditure over its lifetime, of which approx £10m has been spent to date on pre-developments costs, in line with the Cabinet authority of December 2022. The capital budget being requested in this report is for constructing the homes, plus ongoing professional fees and other costs such as sales and marketing. The table below summarises the forecast expenditure from 2026/27 showing expenditure rising from 2026/27 as tranche 1 schemes start on site, increasing in 2027/28 when more schemes commence construction, before reducing in 2028/29 and 2029/30 as the new homes complete and residents move in.

| Financial Year | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|----------------|------------|-------------|------------|---------|
| Expenditure | 68,779,037 | 143,307,927 | 33,472,815 | 937,734 |

9.8 The HRA Business Plan includes the forecast capital spend and borrowing requirement for the programme, demonstrating that the programme remains fundable and affordable for the HRA within the current financial parameters. Exempt Appendix 6 sets out the detailed financial position of the NHP.

10. Progress on the 2022 commitment to deliver 1,000 new social rent homes

10.1 The Council's housing regeneration programmes are making strong progress despite challenging economic conditions. The cost of construction has inflated by at least 30% since 2021, and interest rates on the Council's borrowing have also increased. In addition, changes in building safety regulations and sustainability standards have required design changes to ensure schemes are compliant and future proof.

10.2 Despite these challenges, officers have secured an improvement in programme viability by taking every opportunity to increase external subsidy, whilst upholding the overall social housing commitments and maintaining high standards of quality, building safety and sustainability.

10.3 Hackney's Strategic Plan 2022-2026 includes a commitment to 1,000 new social rented homes, to be delivered through a range of Council-led development initiatives and the acquisition of existing homes into the Council's stock, including buybacks of former Council properties lost through the Right to Buy. An update on Hackney's acquisitions programme is provided in Appendix 5.

10.4 Against the 1,000 target, 972 new social homes are currently in delivery, broken down by the current stage of delivery as at December 2025

- 237 new social rent homes under construction and in contract.
- 158 new social homes with Planning permission granted.
- 194 new social homes for which planning applications have been lodged.
- 293 new social homes in the design and public engagement processes, being readied for planning.
- 90 homes bought back into the Council's stock, or in the legal process being acquired.

Construction progress on projects in contract prior to the 2022 commitment

- 10.5 In addition to the 972 new social homes currently in delivery, Hackney has since 2022 progressed and completed the construction of a number of projects for which contracts were let prior to the 2022 commitment. We are proud to have completed the award-winning Council-led schemes at Tori Ann Walk and Chowdhury Walk in Kings Park, and the regeneration of Tower Court estate in Stamford Hill. Chowdhury Walk was shortlisted for the Stirling Prize, recognising the best in British architecture, and Tower Court won the Civic Trust's Special Award for Community Impact and a RIBA London Award, as well as being shortlisted for the RIBA Neave Brown Award which recognises the best new affordable housing nationally.
- 10.6 Construction will complete in the first half of 2026 at the Council's Buckland Street and Wimbourne Street developments in Hoxton West, bringing new homes and improved public realm, children's playspace and commercial uses.
- 10.7 Across the five Council-led projects above, a total of 267 new homes of all tenures have recently been built. The Council also works with our housing association partners to maximise the supply of new affordable homes for the borough. Through the ongoing partnership between Berkeley Homes, Hackney Council and Notting Hill Genesis, Phase 3 of Woodberry Down completed in 2025 and has delivered 117 homes for social rent, and a further 90 homes for social rent will be built as part of Phase 4, which is expected to start on site by summer 2026. Phases 5-8 of Woodberry Down will be developed in the coming years.
- 10.8 Beyond Council-owned land, Hackney seeks to provide an enabling environment to Housing Associations, working in partnership to maximise their delivery of social and other affordable homes. Between 2018 and 2023, the Council ran the Mayor of Hackney's Housing Challenge (MHHC), providing funding to support new affordable homes where Government restrictions prevented the Council utilising all its Right to Buy receipts on Council-led projects. The MHHC provided around £17 million in grant funding to eight Housing Association partners across ten projects, delivering 107 social rent homes, 30 Hackney Living Rent homes for key workers and 20 shared ownership homes.

11. Future housing pipeline

- 11.1 Whilst land supply is a key challenge within a densely populated urban borough, the Council is committed to continuing to deliver - and supporting partners to bring on-stream - the affordable homes that Hackney needs. Work is now underway to identify locations for future housing delivery, and to prepare for the Mayor of London's 2026-36 10-year funding programme which is expected to open for bidding from February 2026. The Council's asset review programme has identified potential future locations where underutilised land on estates may be able to be repurposed for new homes. This includes the potential for Hackney to roll-out the terraced housing design piloted at Nye Bevan Estate to other small Council-owned sites.
- 11.2 Temporary Accommodation (TA) continues to be a significant challenge for the borough, with more than 3,500 households currently living in TA, and the Council seeks to reduce its reliance on nightly paid accommodation by developing and acquiring Council-owned TA. With the recent closure and merger of several primary schools due to falling school rolls, options are being tested to develop TA and other forms of affordable housing on two of these sites.
- 11.3 Hackney has a number of housing estates where buildings are reaching the end of their economic life. A multi-departmental workstream is commencing to evaluate existing homes, in order to make informed and evidence-based decisions on investment and the potential for future regeneration and renovation.
- 11.4 The Council's emerging housing strategy identifies a wide and growing range of housing needs, including specialist and supported housing, and housing with care. Work has begun with partners to identify and diversify the range of housing solutions needed for Hackney's diverse demographics.

12. Policy context

- 12.1 The [Hackney Community Strategy 2018-2028](#) sets out the overarching vision and strategic direction for Hackney over the current decade, broken down into five key themes. The NHP, which will result in the delivery of more than 300 additional Council homes for social rent, will make a significant contribution towards meeting the objectives of the Community Strategy.
- 12.2 On 21 November 2022 Cabinet approved the Council's new [Strategic Plan, 'Working Together for a Better Hackney'](#), setting out its ambitions for the next four years, as well as the challenges we face and how we will respond. The Strategic Plan makes clear that maximising opportunities for developing

genuinely affordable housing, with a focus on the provision of Council social rent homes, is a key part of our overarching approach to responding to the housing crisis and meeting the objective of creating a fairer, safer Hackney. This includes prioritising the delivery of high quality homes and genuinely affordable housing in our growth areas and town centres, as well as continuing our partnership working with housing associations to maximise genuinely affordable homes.

- 12.3 The borough wide [Hackney Local Plan 2033](#), known as LP33, is the key strategic planning document used to direct and guide development in the borough up to 2033. LP33 sets out a range of policies relevant to the Council's housing delivery agenda, both thematically and in relation to specific site allocations.
- 12.4 The recently launched [Economic Development Plan 2025-35](#) provides the framework to deliver a more inclusive economy in Hackney, including by ensuring that regeneration and development is locally led, based on local community priorities and maximises the benefits of regeneration and development to our people and places.
- 12.5 In December 2024, Cabinet approved the [Housing Strategy Position Statement for 2024-2025](#). This statement ensures clear housing goals for the year and prepares for a new five-year housing strategy. It refers to the NHP as a key method for the Council to deliver new housing across the borough.
- 12.6 In March 2022, Cabinet approved the Residents Charter, as [Key Decision NH Q78](#), which was developed in partnership with residents, and underpins the New Homes Programme.

Equality impact assessment

- 12.7 An Equality Impact Assessment (EIA) has been completed to assess the equalities impacts of NHP. This assessment identifies opportunities to promote equality or avoid negative equality impacts as a result of the programme. On balance, the negative impacts are outweighed by the positive impacts on different equality groups.
- 12.8 The NHP and wider housing delivery pipeline provides a mix of different size homes and tenures to cater for a variety of household types and compositions. The Council is also committed to building new homes that are adaptable to the varying needs of occupiers over time, and that will enable people to live independently in their homes for longer. In line with planning

policy, the NHP is on track to deliver at least 10% of the programme's new homes as wheelchair accessible or adaptable dwellings, designed in line with best practice for accessibility and inclusion for people with limited mobility.

Sustainability and climate change

- 12.9 Addressing Hackney's housing crisis and the climate emergency are core Council priorities. The Council, like other housebuilders, adheres to national, London, and local policies. The NHP projects are designed and will be constructed in line with the Council's commitment to address the Climate Emergency, and responsive to Hackney's [Climate Action Plan 2023-2030](#) (CAP). The Council is committed to ensuring that the NHP contributes to Hackney's environmental sustainability and carbon objectives, and supports and strengthens existing neighbourhoods, as well as reducing fuel poverty by reducing energy demand.
- 12.10 Across the NHP, the aim has been to achieve the best practice Passivhaus Certification where this is feasible and financially viable on a project by project basis. The Passivhaus standard is a construction standard for comfort and energy efficiency of buildings. Passivhaus buildings minimise energy consumption and carbon emissions and are the first step to net zero carbon. As an independently certified standard, Passivhaus is the most successful framework to ensure that "targeted" building performance aligns with "energy in-use."
- 12.11 Where Passivhaus standards cannot be met, projects will always seek to improve upon the prevailing energy efficiency regulations set out in the Building Regulations (Part L) and in the London Plan. Where Passivhaus is not feasible for a particular project, the Association of Environmentally Conscious Buildings (AECB) standard is being targeted instead, so that all projects are delivered to provide the "best possible" energy efficiency within technical and financial constraints.

13. Consultations

Resident Engagement

- 13.1 In accordance with the long-standing commitment to delivering new homes alongside the people they impact and benefit, the Council has sought to ensure this programme of new housing projects is informed by the views and priorities of the Hackney community. In early 2022 the Council undertook a borough-wide engagement exercise to gather input on the principles of a

new housing programme. Following this, in summer 2022 the Council undertook dedicated engagement with residents and local stakeholders at the 15 sites that had been identified as having the potential to accommodate new homes, with over 400 residents formally sharing their views.

- 13.2 In line with the Council's Residents' Charter agreed by Cabinet in early 2022 and the Resident Engagement Strategy 2022-2025, all NHP projects are being delivered through close collaboration with local residents from start to finish and, as such, extensive resident engagement has been a key component of the NHP projects since their inception.
- 13.3 Resident Steering Groups (RSGs) have been formed to foster more intensive resident involvement and engagement across a number of sites, where there was sufficient resident interest. In total, nearly 50 meetings have been held to date, across the seven Resident Steering Groups (RSGs) that have been established at Nye Bevan, Fellows & Weymouth, Broadway, Regents, Parkside, Wayman Court and Blandford Court. The project teams have taken a balanced approach to membership, promoting groups whose membership is representative of the surrounding residents as far as possible, particularly in terms of tenure. The RSGs have met on a regular basis, supported by an Independent Tenant and Leaseholder Advisor, to review plans and input into the design development process, providing valuable input for project teams and design teams in terms of local knowledge.
- 13.4 Additionally, wider community engagement has been conducted at each work stage of every scheme with additional door knocking, and targeted sessions with immediate neighbours, young people, local schools, nearby businesses and community organisations. In total, around 50 public drop-in engagement events have occurred across all sites to date. Tenant and Resident Associations (TRAs) on estates are actively engaged and updated at each stage. The feedback received at these meetings and events has been used to inform the design of schemes where possible and residents have been told how they have influenced schemes at follow up events.
- 13.5 At each RIBA stage, information boards have been produced as well as links to the information provided on line, and residents have been encouraged to feedback via a survey, with their reviews recorded and forming part of a consultation report to further inform the design development of each scheme.

- 13.6 Regular meetings have been held with TMO Boards and officers. Representatives from the relevant TMOs have also been invited to resident engagement events and focused engagement sessions.

Internal Stakeholder Engagement

- 13.7 Throughout the design development stage, the delivery teams have also engaged with internal stakeholders within Housing Services, and more widely within the Housing, Climate and Economy directorate, as well as Property Services, Legal, Finance and Procurement. Ongoing discussions are also occurring with colleagues with regards to estates where other investment is planned on existing buildings, to ensure that interventions on estates are coordinated, minimising the disruption for residents and neighbours.
- 13.8 An overarching Planning Performance Agreement (PPA) is in place with the Local Planning Authority for the NHP, and project teams have sought pre-application planning advice at each work stage. Consultation with statutory consultees such as Transport for London, the Highways authority, and the Lead Local Flood Authorities has also occurred. As above, an overarching Section 106 Unilateral Undertaking (UU) is also being developed to acknowledge the principle of the programme approach to housing delivery. Statutory consultation will also be undertaken as schemes are submitted to planning.
- 13.9 Within the Housing Regeneration & Delivery team, each scheme has been peer reviewed by the Regeneration Design Advisory Group (RDAG), an independent panel of professionals in the built environment sector (for example architects, landscape architects, urban designers). RDAG provides independent scrutiny and guidance in an informal capacity and forms an invaluable resource for schemes in design development to test, review and ensure the project potential is fully realised.
- 13.10 Hackney's in-house employment officer within Regeneration, alongside the Hackney Works team, has also been key to the success of provision of employment and training opportunities through consultant teams, and in preparing for social value to be realised through main construction contracts, for example through local labour and apprenticeship opportunities.

14. Risk assessment

14.1 The Housing Regeneration and Delivery programme maintains a risks and issues register of internal and external influences on the Council's house building programme. The register is monitored and mitigations are updated on a monthly basis, with significant risks being escalated to the Divisional Risk Register which is managed and monitored at Director level.

14.2 The key programme risks and issues are as follows (detailed risks and issues, and mitigation measures are set out in Appendix 3).

- Financial
 - Build costs exceed projections
 - Projected sales values not achieved
 - Increase in interest rates on Council borrowing
 - Reduced levels of subsidy available
 - Contractors go into liquidation

- Reputational
 - Resident opposition to proposals
 - Loss of Member support for plans
 - Investment in existing homes alongside new build
 - Negative customer and resident experience

- Timely delivery
 - Complex site or construction issues or abnormalities arise
 - Unforeseen planning constraints
 - Change in regulatory requirements
 - Inefficient programme management and lessons learned.

15. Comments of the Group Director of Finance and Resources

15.1 The New Homes Programme (NHP) is financially viable, demonstrating a positive Net Present Value (NPV) of £1.8 million, which includes £70 million funding from an historic stock transfer arrangement. This ensures the programme is cost-neutral to the Council. The total estimated cost has increased by £31 million to £267 million. While sales income has decreased due to a shift towards delivering more affordable housing, this has been largely offset by a £23 million increase in GLA grant funding, bringing the total of GLA grant funding to £77.5 million. The programme's opening loan requirement is £53 million. Although long-term debt has increased by £15 million since 2022, this is covered by a greater increase of £38 million in long-term rental income from the affordable properties retained by the Council.

- 15.2 The NHP is projected to require £265 million in capital expenditure over its lifetime, including contingency but excluding interest. Of this, £10 million has already been spent on project management, design, planning, consultation and procurement. Future capital expenditure is expected to rise from £68.8 million in 2026/27 to £143.3 million in 2027/28, before decreasing as schemes are completed. The program is ultimately self-funding, utilising forward funding from HRA borrowing, LBH subsidy and GLA grants. The HRA Business Plan confirms that the programme remains fundable and affordable within the current financial parameters.
- 15.3 The program's financial risks are subject to continuous review, with a risks and issues register monitored and control mitigations updated on a monthly basis, and significant risks escalated to the Divisional Risk Register for management and monitoring at the Director level.

Financial Implications prepared on behalf of the Group Director Finance & Corporate Resources by Julie Curtis, Assistant Director of Finance - Housing and Regeneration
Email: julie.curtis@hackney.gov.uk
Date: 23 October 2025

16. VAT implications on land and property transactions

- 16.1 For new dwellings being constructed any build costs will not incur the addition of VAT as they should be zero rated. The development will take place on land already owned by the Council and therefore any VAT should be limited to professional services costs such as architect fees etc, assuming these are separate and not part of a design and build contract. Any VAT that is incurred by the Council will be attributable to the onward supplies made. The onward supply of the social rent dwellings within the Council's HRA will be a non-business supply so any VAT will be recoverable in full.
- 16.2 Assuming the Council enters into the shared ownership sales and private sales the sale will be zero rated as the first grant of a major interest by the person constructing the dwellings. Accordingly, any VAT that is incurred on attributable costs should be recoverable in full. Any subsequent rental of the shared ownership will be exempt from VAT so any costs associated with maintenance etc will be exempt input tax (assuming this is not HRA) and will need to be included in the Council's partial exemption calculation.

VAT implications prepared on behalf of the Group Director Finance & Corporate Resources by Orlene Wallen, Taxation and Compliance Advisor,

Email@ orlene.wall@hackney.gov.uk
Date: 3 November 2025

17. HR/OD implications

17.1 There are no HR/OD implications.

HR/OD implications prepared on behalf of the Director of HR/OD by Manjit Dillon, Strategic HR and OD Business Partner
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Date: 23 October 2025

18. Comments of the Director of Legal, Democratic and Electoral Services

18.1 Appropriations of land are an executive function under the Local Government Act 2000 and so any decision to appropriate land is to be taken by Cabinet (as further provided for by Rule 15.14 of London Borough of Hackney's Financial Procedure Rules).

18.2 The Council is authorised by Section 122 of the Local Government Act 1972 ("Section 122") to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement. Where land has been appropriated for planning purposes, the consequence is that the erection, construction or carrying out of any building or other works or future uses on such land is authorised, if done in accordance with planning permission, notwithstanding that it may involve interference with third party rights.

18.3 In order to appropriate land "for planning purposes" the Council must be satisfied that this will:

- (i) "facilitate the carrying out of development or improvement on or in relation to the land" by being likely to contribute to the achievement of any one or more of the following objectives, namely:-
 - (a) the promotion or improvement of the economic wellbeing of the Borough; (b) the promotion or improvement of the social wellbeing of the Borough; or (c) the promotion or improvement of the environmental wellbeing of the Borough. or
- (ii) the land is required for a purpose which it is necessary to achieve in the interests of the proper planning of the area in which the land is situated."

- 18.4 Before the land can be appropriated under Section 122, the land must no longer be required for the purpose for which it was held immediately prior to appropriation, which has been fulfilled as set out in paragraph 18.3 above.
- 18.5 By virtue of appropriation under Section 122, Section 203 of the Housing and Planning Act 2016 provides a statutory power for the Council to override third party easements and other rights. This will apply to building or other works to be constructed or maintained on the land or future uses where these are in accordance with a planning permission for the development of the land.
- 18.6 The power contained in Section 203 does not remove the rights of those persons having the benefit of the easements or other third party rights to compensation arising from the interference with such rights, but it does remove the potential for such persons to delay the development by obtaining an injunction to prevent interference with such rights.

Legal implications prepared on behalf of the Director of Legal, Democratic & Electoral Services by: Georgia Lazari, Team Leader (Places)
Email: georgia.lazari@hackney.gov.uk
Date: 3 November 2025

Appendices

Appendix 1 - Site Plans

Appendix 2 - Images of Project Proposals

Appendix 3 - Risks and Issues Summary

Appendix 4 (Exempt) - Reasons for decision to appropriate land for planning purposes

Appendix 5 (Exempt) - Hackney's Acquisition Programme update

Appendix 6 (Exempt) - Financial summary of New Homes Programme

Reason(s) for exemption

By Virtue of Paragraph(s) 3 of Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority

holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Background documents

- Regeneration Sales and Marketing Update, February 2020, [Key Decision NH Q50](#)
- New Council House Building Programme and 1,000 Homes for Social Rent Commitment, December 2022, [Key Decision No CHE S142](#)
- Residents Charter, March 2022, [Key Decision No NH Q78](#)
- Procurement of Design and Build construction contracts for nine Council housing development projects comprising Tranche 1 of Hackney's New Homes Programme (NHP), July 2025, [Key Decision No CHE S571](#)