

Title of Report	New Homes Programme Tranche 1 sites - Appropriation of Land for Planning Purposes
Key Decision No	HCE S691
For Consideration By	Cabinet
Meeting Date	23 March 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 3 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.</p>

Ward(s) Affected	Haggerston and Hoxton West wards	
Key Decision & Reason	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	1 April 2026	
Group Director	Rickardo Hyatt Group Director - Housing, Climate and Economy	
Report Author	Jennifer Langton Development Manager jennifer.langton@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 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. 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.
- 1.5. As part of this commitment and through the NHP, in February 2026 the Planning Sub Committee resolved to grant planning consent for four NHP development projects. Combined, these will deliver 136 new homes, of which 104 will be for social rent and a further 32 for shared ownership.
- 1.6. The approval of the appropriation of land for these proposals will allow the delivery of the projects to progress, in turn ensuring that the Council delivers on its commitments to local people, building on the detailed work with stakeholders and residents to shape and influence the projects.
- 1.7. I commend this report to Cabinet.

2. Group Director's introduction

- 2.1. The New Homes Programme is a key plank in delivering the objective to deliver 1,000 new social rent homes, as set out in Hackney's [Strategic Plan](#)

[2022-2026](#). This report requests Cabinet approval to appropriate land for planning purposes at four of the fourteen development sites on housing estate land. This adds to three sites which Cabinet gave appropriation approval for in January 2026 (Key Decision [HCE S644](#)). The remaining seven NHP sites will come forward for appropriation following planning determination, with four of these currently in the planning system.

- 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 approval by Cabinet in January 2026 of the financial plan for the NHP ([HCE S644](#)), programme delivery has entered the procurement and pre-construction stages, with first starts on site scheduled for this spring. Cabinet's agreement of the January report also provided authorisation to appropriate land at the first three NHP development sites.
- 2.5. This report builds on that momentum, seeking approval to appropriate land at the next set of sites described herein, thereby enabling the Council to continue to effectively manage risks and secure timely and efficient delivery of much needed new social and affordable homes.

3. Recommendations

Cabinet is recommended:

- 3.1. 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 four NHP sites described in Section 6 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.**

- 3.2. To agree that following completion of the NHP developments noted at Section 6, 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.**
- 3.3. To authorise the Group Director - Housing, Climate and Economy, and Group Director - Finance & Resources, to effect the appropriations set out in Sections 3.1 and 3.2.**
- 3.4. 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). On 26 January 2026, Cabinet approved [Key Decision No HCE S644](#), which approved the funding arrangements and financial plan for the NHP and agreed to appropriate land for planning purposes for the first three NHP schemes to receive resolution to grant planning approval. The report also requested that further reports come forward in due course seeking approval to appropriate land for planning purposes at the remaining NHP sites.

- 4.2. Appropriation of land for planning purposes under section 122 of the Local Government Act 1972 ('the 1972 Act') provides the Council with a mechanism for helping minimise the delay or uncertainty associated with regeneration projects by ensuring that the proposed developments cannot be held up by injunctions in support of third party rights.
- 4.3. In order to de-risk the development of the NHP schemes, the appropriation of the land shown within the red lines at Appendix 1 is required.
- 4.4. The land relating to the NHP schemes, as shown in Appendix 1, is currently 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. Once the development has been completed, the land will be appropriated as housing land and transferred back to the HRA.

4.5. Subsequent to the transfer back to the HRA the Council will lose the benefits of the appropriation. The Council will not, however, lose the protection over whatever was built while the land was appropriated, and as such the newly built development would not be subject to an injunction (i.e. third parties whose rights have been injured as a result of the development will not be able to halt the development). The affected parties may, however, be able to seek compensation. Exempt Appendix 2 provides further background information.

5. Details of alternative options considered and rejected

5.1. A 'do nothing' approach has been rejected, as not appropriating the land would put the scheme at risk of delays and increased costs as a result of possible third party injunctions, and would diminish the commercial and market attractiveness of the project to prospective contractors.

6. Background

6.1. This report requests authority for the appropriation of land for planning purposes at the sites listed below, being those determined to date by the

planning sub-committee, and identified on the plans in Appendix 1:

- Cropley Court (NHP2.1) - area of public highway on Shaftesbury Street and subterranean parking structure plus associated podium at Cropley Court, Wenlock Barn estate, Hoxton West ward.
- Buckland Court (NHP2.2) - 52 garages at Buckland Court spanning St Johns estate and Cranston estate, Hoxton West ward.
- Fellows Court (NHP3.1) - two-storey car park structure, 5 garages and adjoining link bridge to 63-162 Fellows Court tower, Fellows Court estate, Haggerston ward.
- Weymouth Court (NHP3.2) - 14 garages and hardstanding at Weymouth Court, St Marys estate, Haggerston ward.

6.2. The location and tenure mix of each of the projects is set out in the table below and images of the project proposals are provided in Appendix 2.

Project	Ward	New homes
Cropley Court (NHP2.1)	Hoxton West	45, all social rent
Buckland Court (NHP2.2)	Hoxton West	13 social rent plus 32 shared ownership

Fellows Court (NHP3.1)	Haggerston	28, all social rent
Weymouth Court (NHP3.2)	Haggerston	18, all social rent

- 6.3. 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.
- 6.4. 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.
- 6.5. 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 3 provides further background information.

Equality, inclusion, diversity and belonging

- 6.6. An Equality Impact Assessment (EIA) has been completed to assess the equalities impacts of the 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.
- 6.7. The NHP 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

- 6.8. 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. The schemes within this report have planning consent and therefore have been assessed against these requirements.

6.9. 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." Copley, Buckland and Fellows Courts are aiming to achieve Passivhaus.

6.10. 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.

- 6.11. Recycling construction waste and the development of a Site Waste Management Plan (SWMP) will be produced as a planning condition. The principal contractor will be required to produce a full SWMP and minimise construction-related disruption to residents and other neighbouring buildings during the construction period.
- 6.12. In line with Hackney's Cycle Parking and Storage Standards, the scheme encourages sustainable transport through the provision of secure cycle spaces and will be car-free, encouraging pedestrian/cycle movement through the development. The location also has good access to public transport.

Consultations

Resident Engagement

- 6.13. 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.
- 6.14. In line with the Council's Residents' Charter agreed by Cabinet in early 2022 and the Housing Services' 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.
- 6.15. 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 NHP, including across the schemes

submitted in this report; such as Fellows & Weymouth and Regents 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.

6.16. 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. 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.

6.17. On all schemes, at each RIBA stage, information boards have been produced as well as the information provided online, and residents have been invited to feedback via surveys, with their reviews recorded and forming part of a consultation

report to further inform the design development of each scheme.

Internal Stakeholder Engagement

- 6.18. 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 teams. 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.
- 6.19. 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.

6.20. 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.

6.21. 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.

Risk assessment

6.22. The key programme risks and issues are as follows:

- 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.

6.23. A risk register per project, scheduling project and technical risks, is maintained, updated and reported on a quarterly basis. Any major risks are escalated as appropriate. One such risk contained within project risk registers is that not appropriating the land could result in an adverse cost and programme impact to each regeneration scheme.

7. Comments of the Group Director of Finance and Corporate Resources

- 7.1. The appropriation of land has no direct cost but is crucial for mitigating significant financial risks to the New Homes Programme. By enabling the use of Section 203 of the Housing and Planning Act 2016, it reduces the likelihood of third-party injunctions, which is critical for ensuring the programme proceeds without delay.

- 7.2. While the appropriation converts some injunction risks to compensation claims, the assessed level of potential compensation is considered minimal. All associated costs, including the premium for external insurance against claims like Right of Light, will be managed within the total scheme cost budgets. Notably, the land transfer itself creates no cost to the General Fund, with all compensation paid directly from the HRA project budget.

- 7.3. Overall, the New Homes Programme is in a strong financial position with a positive Net Present Value (NPV), demonstrating long-term value to the HRA. The appropriation is a necessary measure to reduce the risk of legal action, which would lead to delays and increased costs. Taking this step is vital for maintaining the overall financial viability of the programme.

Financial Implications prepared on behalf of the
Group Director Finance & Corporate Resources
by Adam Jauncey, Group Accountant
Email: adam.jauncey@hackney.gov.uk
Date: 27/2/26

8. **VAT implications on land and property transactions**

- 8.1. 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.
- 8.2. Assuming the Council enters into the shared ownership 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.wallen@hackney.gov.uk
Date: 03/11/25

9. HR/OD implications

9.1. There are no HR/OD implications.

HR/OD implications prepared on behalf of the Director of HR/OD by Manjit Dhillon, Strategic HR and OD Business Partner
Email: manjit.dhillon@hackney.gov.uk
Date: 27/2/26

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

10.1. 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).

- 10.2. 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.
- 10.3. 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.
 - (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.”

- 10.4. 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.
- 10.5. 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.
- 10.6. 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: 26 February 2026

Appendices

[Appendix 1 - Site Plans](#)

[Appendix 2 - Images of Project Proposals](#)

Appendix 3 (Exempt) - Reasons for decision to appropriate land for planning purposes

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

- Residents Charter, March 2022, [Key Decision No NH Q78](#)

- New Council House Building Programme and 1,000 Homes for Social Rent Commitment, December 2022, [Key Decision No CHE S142](#)
- 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](#)
- 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, January 2026, [Key Decision No HCE S644](#)
- Procurement of Design and Build construction contracts for five Council housing development projects comprising Tranche 2 of Hackney's New Homes Programme (NHP), February 2026, [Key Decision No HCE S670](#)