

## Peter Doble

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**From:** Peter Doble  
**Sent:** 20 July 2016 08:00  
**To:** 'Alex Rivers'  
**Cc:** Margaret Gallagher; Bob Souster  
**Subject:** RE: Spruce Hills Road - disposal process  
**Attachments:** Spruce Hills Road sales note July 2016.docx

Alex

I attach a note which I hope is helpful in setting out the process the College went through and the thinking behind the disposal

In summary:

- The College is an independent organisation responsible for its own business and financial affairs
- There is a requirement on the Principal and College Corporation to maintain the College's financial viability
- The sale of the land at Spruce Hills Rd was necessary for the College to maintain its financial viability and resilience
- Disposing of surplus land is common across further education colleges and the wider public sector and has been for many years
- The process we went through i.e. the pre -application letter followed by the open and public tender is standard and completely above board
- The College Corporation was appropriately advised and approved the process and decisions
- We did not consult with local residents and councillors because:
  - The business decision to sell the surplus land is a matter for the College Corporation – there is no requirement or purpose in consultation
  - The College was not developing the site and had no specific planning proposals to consult on
  - This is a planning matter - ultimately it is the responsibility of the planning authority to approve or otherwise any specific proposals in light of national and local planning guidance, and to protect the interests of local residents through the formal planning consultation process

If you need anything else please let me know .NB I am out of the office from 25<sup>th</sup> July, returning on 15 August

Regards

Peter

020 8501 8123

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**From:** Alex Rivers [mailto:Alex.Rivers@circle.org.uk]  
**Sent:** 19 July 2016 19:35  
**To:** Peter Doble  
**Cc:** Margaret Gallagher; Bob Souster  
**Subject:** Spruce Hills Road - disposal process

Hi Peter,

I wonder if you would be able to assist in responding to a repeated resident response to the consultation i.e that the College did not consult residents/cllrs prior to selling the land?

I appreciate that this is not a requirement for yourselves but it would be very helpful if you could briefly outline the processes the College went through to dispose of the site?

Your assistance would be greatly appreciated.

Many Thanks

Alex Rivers  
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# **WALTHAM FOREST COLLEGE**

## **SALE OF SPRUCE HILLS ROAD**

### **SUMMARY OF TIMESCALE AND PROCESS**

#### **Background**

In common with all Further Education colleges Waltham Forest College is an independent Corporation funded by government grants and fee income. It is entirely independent of the local education authority and has powers to manage its own financial affairs.

The College Corporation and Principal have a fiduciary responsibility to ensure the College remains solvent and financially sustainable and to ensure best value in the use of public funds. The College Principal has personal responsibilities for the financial health of the institution in her capacity as the College's Accounting Officer.

Like many colleges, Waltham Forest College is experiencing a very tight financial and cashflow position in the face of on-going public expenditure reductions. There is a requirement from the College's funding agencies (SFA and EFA) that colleges will take the necessary action to ensure their financial viability and sustainability. There is an expectation that colleges will dispose of surplus assets in order to help support their financial viability and to generate funds for re-investment back into the institution. This is a common approach across the public sector.

The sale of the land has enabled the College to have sufficient reserves to maintain its financial viability and sufficient resilience to manage adverse events. Without the sale of the land there was a high risk that the College would need to make severe cuts to its services and local further education provision. The College recognises its responsibility to be a good neighbour to local residents; the College would strongly contend this has been the case for many years.

The College also has a responsibility to the 8000 students who are trained and educated by the College every year. The College Corporation's view was that it was necessary for business reasons to ensure the College had sufficient financial stability to be able to continue to meet its responsibilities towards its current and prospective students. Taking business decision to meet this responsibility is not subject to local consultation.

The national Area Review process currently affecting all colleges is partly predicated on the view that colleges have too much real estate and that this can be rationalised to generate funds for capital investment and long term running cost savings. Many colleges are disposing of sites or parts of sites and have done so for many years. This is not new.

The College has an active property strategy to improve the Forest Road site - over £25 million has been invested in the site in the last five years largely funded by government grant which represents a significant amount of inward investment into the London Borough of Waltham Forest. The College is vacating leased satellite sites and is moving all its provision to Forest Road to ensure effective asset utilisation and an improved experience for all of its students.

#### **Timetable of Events**

In **January 2015** College managers identified 0.25 acres of land at the corner of the College site adjacent to Spruce Hills Rd as being surplus to the College's requirements and possessing the possibility of development. This is the only land on the site capable of development as the planning authority would not permit building along the Forest Road frontage and there is no public access to the rear of the College site to allow a development there.

In **January 2015** College managers, after discussion with the Chair of the College Corporation, sought advice from Deloitte LLP as to the feasibility of developing the site and the likely return. Their letter to the College indicated that the site had a potential value of up to £1 million subject to a number of planning related caveats.

The College commissioned Richard Hopkinson architects and Nathaniel Lichfield Planning consultants to consider options for the development of the site. The strategy was to submit potential options to the planning authority for pre-planning advice. This is a well-established practice for any potential development and enables a developer to establish the appetite of the local authority planners for any development before going to the expense of developing a full planning application. Waltham Forest Council offers this service for a fee.

The College was and remains mindful of the planning-related sensitivity of the site with regard to the density of the development, the proximity of neighbours, parking, the location of trees and the view across to the main College building. The College has worked to ensure that all these planning issues are fully identified and taken properly into account in its pre-application proposals to the Council's planning department.

The College is also of the view that ultimately it is the responsibility of the planning authority to approve or otherwise any proposals in light of national and local planning guidance, and to protect the interests of local residents. The College did not consult with local stakeholders during this process as it had no specific proposal on which to consult. Senior officials at the local authority were made aware of the College's property strategy.

On **23 March 2015** the College Corporation formally agreed that College managers should develop a strategy for the disposal of the surplus land adjacent to Spruce Hills.

The College submitted draft proposals for the development of the site to the planning authority in **April 2015** and this was followed by a pre-application meeting on **11 May 2015**. As a result of that meeting a revised scheme was submitted to the planning authority on **9 July 2015**. This was then followed by a formal pre-application letter from the planning authority dated **28 July 2015**.

The College Corporation was kept informed of progress at its meetings of **15 June 2015** and **28 September 2015**. At the latter it was agreed that, subject to the receipt of a positive pre-application letter from the planning authority, the College should proceed to market the site at the earliest opportunity. This approach to marketing was consistent with the advice previously received from Deloitte.

The comments in the pre-application letter were carefully considered by the College and further amendments were made to the draft scheme which was resubmitted to the

planning authority in September with a further response from the planners on **28 October 2015**. On the basis of this response the College was confident that the planning authority had provided sufficient assurance to potential purchasers of the land of their ability to secure a planning permission for a residential development on the site.

The College undertook a procurement exercise to appoint an agent for the sale of the land. The College received three proposals and appointed Glenny LLP as agents. This was reported to the College Corporation on **9 November 2015**.

Glenny undertook a formal open and public tendering exercise and commenced marketing of the site on **13 November 2015** and closing it on **18 December 2015**.

The College received nine bids for the site by **18 December 2015**. The top three bidders were asked for a full and final offer by **8 January 2016**. Circle Housing submitted the highest bid of £1.181 million subject to a number of technical conditions. Glenny submitted a tender report to the Corporation at its meeting on **25 January 2016**. The Corporation approved the sale of the land to Circle Housing at that meeting.

Subsequently the College satisfied the technical conditions of Circle Housing's bid and the land sale was completed on **31 March 2016**.

