

LAWFUL USE APPLICATION STATEMENT

1. Introduction to St Giles International

St Giles International is a three generational family-owned business originally established in 1955, specialising in the teaching of English as a second language to international students. It comprises five year-round centres in the UK (London Central, London Highgate, Brighton, Eastbourne, and Cambridge), all members of English UK and accredited by the British Council for the teaching of English in the UK. St Giles also operates 8 summer camps for teens and whole families in the UK.

In 2015, St Giles International received a Queen's Award for Enterprise. We are one of the largest and most established private organisations offering high quality English language courses in the UK. Our mission statement is:

"To provide high quality courses for international students and trainee teachers in a positive and inclusive environment, focusing on the students' and trainees' real and practical aspirations.

To offer a range of student support services prioritising student welfare, safety, comfort and choice to enable our students to enjoy their courses to the full."

St Giles International also provides Cambridge University approved CELTA (teacher training course for Teachers of English as a Foreign Language). In 2023, around 8,000 students from over 100 countries chose St Giles for their English language learning needs. At our last annual student survey, 98% of our students after completing their courses said they would recommend St Giles.

2. Post-Covid Recovery in Demand for English Language Courses

In 2022, we received a Certificate of Lawfulness of Proposed Development confirming that our intentions to provide an additional 16 bedrooms to expand our residence hall provision on site, by way of converting the 3rd floor to accommodation for our students, ancillary to the main use of the building, was not development requiring planning permission.. The construction project was completed in early 2023 and has been extremely popular.

Table 1 below illustrates the decline in student numbers during the Covid years and the post-Covid recovery. As shown, by the end of 2023 the recovery in student numbers had reached around 86% as compared with 2019. However, further progress has been made in the year-to-date 2024 to over 90% of 2019.

Table 1: 'Student Weeks' for St Giles London Central

	2023	2022	2021	2020	2019
Student Weeks	12704	9018	3743	4190	14740

The 'student weeks' measurement is industry standard because most students taking English language courses study for periods of much less than one academic year, but of varying lengths. Many students take short courses of less than 3 months.

3. History of Use of the Building

St Giles International acquired the property at Southampton Row in 1996 and has since occupied all of the floors. The school does not sublet any space. After planning consent was granted for the redevelopment of the property, the split usage of the building was broadly 65% for educational purposes, and the remaining 35% for residential use.

Table 2: Original use

The original use of the floors was therefore as follows:

Lower ground (educational)	633.7 sqm
Ground (educational)	498.4 sqm
First (educational)	451.2 sqm
Second (educational)	429.7 sqm
Third (residential)	429.7 sqm
Front Part -Fourth (residential)	283.6 sqm
Rear Part - Fourth (educational)	98.1 sqm
Fifth (residential)	255.7 sqm
Sixth (residential)	191.8 sqm
Total floor area	3,271.9 sqm

Table 3: Current use

The current use of the floors provides approximately 73.2% of the property for educational purposes, and 26.8% for residential use. The current use of the floors is as follows:

Lower ground (educational)	633.7 sqm
Ground (educational)	498.4 sqm
First (educational)	451.2 sqm
Second (educational)	429.7 sqm
Third (residential)	429.7 sqm
Fourth (educational)	381.7 sqm
Fifth (residential)	255.7 sqm
Sixth (residential)	191.8 sqm
Total floor area	3,271.9 sqm

Table 4: Planned use

The new proposals, if approved, would modestly alter the current usage in relation to part of the 4th floor only, reinstating it more closely to its original planned use which was part educational and part student accommodation at that level, closer to the original 1997 application than is the existing pure educational use of this floor. The building would remain primarily for educational use with approximately 70% of the total floor area, and 30% for residential use. Therefore, the residential use remains below the original application we submitted in 1997, which of course was granted.

Lower ground (educational)	633.7 sqm
Ground (educational)	498.4 sqm
First (educational)	451.2 sqm
Second (educational)	429.7 sqm
Third (residential)	429.7 sqm
Front Part -Fourth (residential)	98.1 sqm
Rear Part - Fourth (educational)	283.6 sqm
Fifth (residential)	255.7 sqm
Sixth (residential)	191.8 sqm
Total floor area	3,271.9 sqm

Percentage of floor area (educational)	70.2%
Percentage of floor area (residential)	29.8%

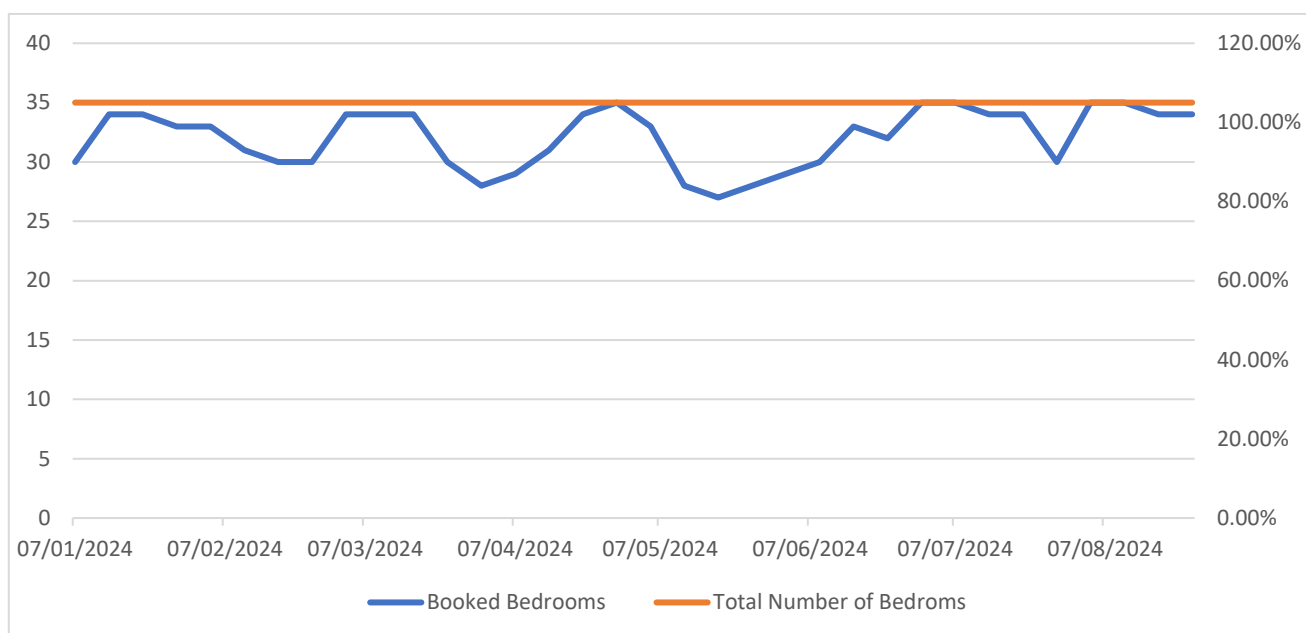
Our market research shows an increasing number of students preferring the more independent lifestyle afforded by residential as opposed to homestay accommodation. Students are attracted to the provision of our own residential accommodation within our mixed-use main building (compared with off-site residences), given the associated security and convenience of being able to live and study in the same premises without the expense or need to travel between their accommodation and the school. Furthermore, our students expressed a preference for official "St Giles accommodation" given our strong reputation.

Table 6 below illustrates the annual occupancy rates for the St Giles residence after the completion of the expanded development early last year, which opened in May 2023. We have to frequently turn down bookings for our own residence because for most or all of the students requested course dates, we have insufficient capacity. Therefore, it should be taken into account that we must (and frequently do) reject booking requests for our residence that span any week of 100% capacity. As a result, these potential students are directed to alternative accommodation or have to be offered alternative dates. In some cases, these alternatives may be unacceptable to the students and therefore we lose the whole booking, including of course the study course fees. Furthermore, it is not uncommon that we accept reservations for our residence on the condition that the student accepts that they will have to make a room change during their stay.

So, for many years, the demand for the St Giles internal residence has outstripped supply. This has led the college to outsource residential accommodation to a variety of other residence hall providers. However, the outsourcing process is far from ideal. As referred to earlier, students express a preference for our own accommodation within the school building. Furthermore, St Giles faces pressure from other residence hall providers and must compete with the much larger market from university students who tend to book out most of the bedrooms provided by private residence hall providers. The residence halls often prefer to take students from the universities as they are typically taking leases for 51 weeks of the year, whereas the English language schools deal with much shorter-term bookings averaging only 3 or 4 months (often shorter) leaving lower occupancy rates because bookings cannot always be back-to-back and there are greater administration costs dealing with higher student turnover. Hence, residence hall landlords will only offer language schools one or two-year leases for rooms where we guarantee the rent. We therefore either suffer losses due to variations in occupancy levels or have to reject bookings. Being in control of our own residence halls allows us to mitigate against the heavy financial risk of paying rental costs for empty rooms and gives us greater control over student rents to the benefit of the students. Even so, with or without the extra rooms provided by this expansion project in our own accommodation, we anticipate that we shall still need to take some leases with private residence halls to absorb the excess demand expected in the next few years.

Another benefit of this expansion project relates to the quality of our residence halls. Our current residence on the 5th and 6th floors of the main building at 154 Southampton Row is almost entirely with shared bathrooms, whereas there has been increasing demand for en suite facilities (as provided by many private residence halls). It is, therefore, proposed that the additional 6 bedrooms on the fourth floor will all be en suite.

Table 6: St Giles London Central Residence Occupancy Rates 2024 (post-2023 redevelopment/expansion)



4. Conclusion

In summary, there are several factors which have led us to the conclusion that it is in the long-term interests of the school to expand the use within the building for student residential purposes and reduce the overall educational floorspace. We wish to clarify that all the residential use within the new proposals is intended solely for the benefit of our own students and the college has no plans to offer any residential accommodation to non-St Giles students. In fact, we would be prepared to accept a special statement on the Certificate of Lawfulness which confirms that the residential use is solely intended for students of the College.

The overall characteristic of this building would remain primarily for educational use in terms of the overall floor area and is actually more in keeping with the original planning application in 1997 than is the current breakdown of space. We are confident that our revised business plans would enable the school to remain operational and viable, in the long-term interest of our staff and the students we serve. This will also help to continue to provide substantial business to the local high street community via the spending students make in local shops, cafes, restaurants, and tourist attractions.