**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 6 Summer camps in the UK offering Juniors courses for young students aged 5 to 17 years at several venues throughout the UK, including London, Oxford, Bournemouth, Brighton, Canterbury and Windsor.

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 2019, around 10,000 students from over 100 countries chose St Giles for their English language learning needs. At our last annual student survey, 97% of our students after completing their courses said they would recommend St Giles.

## 2. Reduction in Demand for English Language Courses

Unfortunately, since the outbreak of the Covid-19 pandemic, the overall demand from international students for English language courses in the UK has diminished. In fact, for several years prior to the outbreak of Covid, there had been some contraction in the UK market which was partly exacerbated by market saturation during the past 12 years followed by school closures plus increased competition from other native English speaking countries. Consequently, we have found it necessary to revisit our business plan and significantly modify it to meet the shifts in demand and supply which have affected the industry during the last few years, looking ahead in the short to medium term.

The Table 1 below shows the drop in the number of 'student weeks' completed by our students during the past 5 years and the decline exacerbated by Covid:

**Table 1: 'Student Weeks'**

| | 2017 | 2018 | 2019 | 2022 | 2021 |
|---|---|---|---|---|---|
| Total student weeks | 18000 | 16486 | 15546 | 3932 | 3669 |

*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. Accommodation Bookings – Shift in Demand

On average, during the past five years (2017-2021) 55% of our students at St Giles London Central opted for accommodation to be arranged by St Giles, whether including homestay, hotel, or residence hall (see Table 2). That figure had been slightly declining over the years, but in the first quarter of 2022 there is an indication that students in the post-Covid era are reversing that trend and may prefer the school to secure their accommodation. Against this backdrop, Table 4 below indicates that resident hall accommodation remains the most popular form of accommodation for our students. Table 5 reconfirms the growing popularity of residences. Furthermore, we are confident that the additional capacity proposed by this application would provide the school with a unique "no-travel residential option" which could offer St Giles the opportunity to enhance its operations and competitiveness.

Additionally, the tables below show that there has been a long-term shift and reduction in the demand for homestay accommodation, which is also a key part of the accommodation provisions that we make on behalf of our students.

This is illustrated by the figures in table 5 below, which show an analysis of accommodation bookings over the last five years. As shown, residential bookings accounted for 68.4% in 2021, up from an average of 44.6% pre-Covid. Homestay bookings accounted for just 31.1% in 2021 down from a pre-Covid average of 51.6%.

**Table 2: Percentage of TOTAL students in St Giles arranged accommodation:**

| | **2017** | **2018** | **2019** | **2020** | **2021** | **Q1 2022** |
|---|---|---|---|---|---|---|
| Hotel | 3.1% | 2.0% | 1.7% | 0.9% | 0.2% | 2.1% |
| Homestay | 30.1% | 32.2% | 31.6% | 23.0% | 13.7% | 19.7% |
| Residence | 30.0% | 26.4% | 25.1% | 26.9% | 30.1% | 24.9% |
| No Accom. Requested | 36.9% | 39.4% | 41.6% | 49.2% | 56.0% | 53.3% |

**Table 3: Breakdown of students requiring accommodation (by type of accommodation provided), including number of students who did not require accommodation:**

| | **2017** | **2018** | **2019** | **2020** | **2021** | **Q1 2022** |
|---|---|---|---|---|---|---|
| Hotel | 83 | 52 | 42 | 7 | 1 | 6 |
| Homestay | 809 | 845 | 778 | 177 | 61 | 57 |
| Residence | 806 | 691 | 618 | 207 | 134 | 72 |
| No Accom. Requested | 992 | 1034 | 1025 | 378 | 249 | 154 |

**Tables 4 & 5: Percentage of accommodation type (from students who booked St Giles arranged accommodation):**

| | **2017** | **2018** | **2018** | **2020** | **2021** | **Q1 2022** |
|---|---|---|---|---|---|---|
| Hotel | 83 | 52 | 42 | 7 | 1 | 6 |
| Homestay | 809 | 845 | 778 | 177 | 61 | 57 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Residence | 806 | 691 | 618 | 207 | 134 | 72 |
| Total | 1698 | 1588 | 1438 | 391 | 196 | 135 |

| | | | | | |
|---|---|---|---|---|---|
| Hotel | 4.9% | 3.3% | 2.9% | 1.8% | 0.5% |
| Homestay | 47.6% | 53.2% | 54.1% | 45.3% | 31.1% |
| Residence | 47.5% | 43.5% | 43.0% | 52.9% | 68.4% |

### 4. 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. 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 (educational) | 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 |

The new proposals, if approved, would alter the current usage in relation to the third floor only, reinstating it to its planned use consistent with its original 1997 application. Hence, the new use would be as follows, but the building would remain primarily for educational use on 5/8 of the total floors and 73% of the total floor area.

| | |
|---|---|
| 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 |
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| Sixth (residential) | 191.8 sqm |
| Total floor area | 3,271.9 sqm |

In fact, the original application in 1997 approving the mixed educational and residential use for the college's own students also included part-residential use on the fourth floor, which was subsequently amended in a later approved application to full educational use.

Our evidence shows an increasing number of students prefer the more independent lifestyle afforded by residential as opposed to homestay accommodation. Furthermore, 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. Table 6 below illustrates the annual occupancy rates for the St Giles residence for the last 5 years (excluding data for the periods of time when the St Giles residence was closed due to Covid). Given the variation of our booking start dates and length, it is almost impossible to obtain 100% occupation; however, this does not mean that our existing capacity is adequate, quite the opposite. 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.

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 and the security of supply. 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 cost for empty rooms. 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 additional (post covid) demand expected in September 2022. In fact, we are already in discussions with a residence hall in Highbury for 20 study bedrooms, with the possibility of increasing the number of bedrooms requested if there is an unexpected surge in bookings.

Another benefit of this expansion project relates to the choice of residence halls. Our current residence on the 5$^{th}$ and 6$^{th}$ 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 proposed that the additional 16 bedrooms on the third floor will all be en suite thereby providing students with a higher quality option.

**Table 6: St Giles Residence Existing Occupancy Rates**

| | **2017** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|---|
| Ensuite occupancy | 96.9% | 97.3% | 94.1% | Closed | 97.8% |
| Standard occupancy | 91% | 93.1% | 95.7% | closed | 94.5% |

On the supply side, we have also had to reconsider our overall accommodation provisions post-pandemic in the face of a reduction in our homestay capacity due to homestay hosts withdrawing from our network. We believe this is in part due to homestay hosts pursuing, perhaps, more profitable alternative options for renting out their homes or spare bedrooms using websites such as Air B&B, which allow families to rent empty bedrooms on a temporary basis without having to prepare meals for students. Some hosts unfortunately have also become more wary about providing accommodation to international students due to the potential continuing risk of Covid exposure.

## 5. 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 capacity. 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.

Nevertheless, even if our plans were supported by Camden Council, the overall characteristic of this hybrid building would primarily remain for educational use in terms of the overall floor area and is actually more in keeping with the original planning application in 1997. 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, and also provide substantial business to the local high street community.