

LDF SUBMISSION

Tenterden & Rural Sites DPD

Statement for the Examination in Public

Submitted on behalf of Imperial College London

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Savills (L&P) Limited
Sevenoaks
74 High Street
Sevenoaks
Kent
TN13 1JR
Tel: 01732 789730
Fax: 01732 789777



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1.0 Introduction

- 1.1 Savills (L&P) Ltd are instructed by Imperial College London (ICL) to represent their interests at the forthcoming examination in public for the Tenterden and Rural Sites Development Plan Document (TRSDPD). Accordingly we now submit our statement for the examination which covers the few final points raised within the councils Statement of Main Issues and the appointed Planning Inspector's Summary of Matters and Issues for the Examination.
- 1.2 The Planning Inspector has also issued a request for more detailed information in relation to the marketing campaign which has been undertaken by Savills and details of attempts by Imperial College London or other organisations to run agricultural or other courses at Wye. This is as detailed within the Inspector's Note No.2 and these further details are provided herewith.

2.0 Brief History of Wye College

- 2.1 To provide the Inspector with some further background on the situation at Wye, it was felt useful put together a brief history of Wye College, and how Imperial College London have been left in the current situation.
- 2.2 Wye College has been part of the London University since 1900 and a higher education institution since 1894. However it has been a place of learning since the mid 15th Century when a secular college for priests was founded by Cardinal John Kempe in 1447. By the late 1990's there were four academic departments at Wye College, namely: Agricultural Economics and Business Management; Environment; Agriculture; Biological Sciences and Horticulture.
- 2.3 In the 10 years or so prior to merger Wye College had been faced with two particularly difficult problems which in turn seriously affected its financial position; there was a declining interest in its undergraduate agricultural science courses and it had been severely disadvantaged by the funding regime introduced with the Research Assessment Exercise. The decline of interest in agricultural courses was not limited to Wye, but was a national phenomenon which was further exacerbated by both the BSE, and foot and mouth disasters. Similar decline in this sector was also witnessed in Kent at both the East Malling Research Centre and Brogdale Farm near Faversham.
- 2.4 As a small college this made it extremely vulnerable and it therefore, with full support from HEFCE, sought a merger with a larger institution. Imperial College was attractive because of perceived academic synergies and because a merger with Imperial would allow Wye College to remain within the University of London. For Imperial College the specialities for which Wye was so well known were seen as ones that were important if Imperial was to expand its expertise in environmental teaching and research. HEFCE encouraged Imperial and agreed to support any merger with financial assistance.



- 2.5 Royal Assent to the Bill effecting the merger was granted in 1999 and on 1 August 2000 Wye College's Royal Charter ceased and all the staff, students and assets were subject to Imperial College London's charter. The agreement between the two Colleges stated that, once two years had elapsed from the date of the merger activities at Wye would be subject to Imperial's normal review procedures

3.0 Financial Implications

- 3.1 Prior to the merger there were 100 academic staff at Wye with 500 undergraduates, and 250 postgraduates with a further 1200 (from 110 countries) taking distance learning and short courses. The annual recurrent income was £12.7M with 66% relating to rural development and 33% to student fees and overseas research contracts. The recurrent expenditure was £13.6M and Wye College was £1M in deficit with a further backlog of maintenance liabilities estimated to be at £8M. However this was offset in a small way by HEFCE providing a grant of £2.5m to facilitate the merger.
- 3.2 Academic activity in Wye became part of ICL's Faculty of Life Sciences (FoLS). In the four years following the merger, Imperial College effectively subsidised activities at the Wye Campus by between £2M and £3M per annum. Of the £3.5m pa deficit in the whole of FoLS at that time, the Department of Agricultural Sciences at Wye was responsible for £2.0M pa. The College had no option but to address these losses and also determine an academic structure that would allow FoLS to move forward.
- 3.3 The academic plan drawn up by the FoLS resulted in the Applied Business Management courses and the Distance Learning Programme being left as the only teaching activities at Wye, while research activities were moved to other College campuses. FoLS identified that the other seven courses at Wye were academically and financially unsustainable as between them they had recruited only 30 students in the previous year.
- 3.4 The lack of any academic sustainability and the continued deficit in financial affairs at Wye led to ICL's Management Board initiating a review of Imperial activities at Wye and in October 2004 an academic review of the Wye Campus was announced by the College. This review considered the long term options for Wye, starting from the position that Imperial College saw a future for Wye but that the activities to be located there might not be those that had been undertaken there in the past. It was recognised that, in order to develop new academic activities, substantial financial resources would be required. It was also agreed that funds for investment in the future at Wye would have to be generated there and that Wye's future as part of ICL had to lie in developing its research base.
- 3.5 This lack of significant academic activity became well known and ICL was approached at the end of 2004 by Kent County Council who were concerned that a university in South Kent was struggling to survive. The Council encouraged ICL to remain in the county. Accordingly a new initiative was proposed involving a 'science park' proposal for



Wye of a nationally significant scale. High level discussions were held with both ABC and KCC with a view to establishing the parameters of such a development at Wye. Accordingly a significant public consultation and master planning exercise was launched and progressed throughout 2005, but in the face of significant local opposition the local authority support for the venture was withdrawn and ICL were left with abortive costs of £1m in master planning and consultation fees.

- 3.6 ICL was continuing to subsidise activities at the Wye Campus by between £2M and £3M per annum. Student recruitment was difficult and standards had dropped causing wider concern within ICL that the ICL brand was being devalued. The one successful element at Wye, the Applied Business Management (ABM), was continuing but ICL recognised that it was not appropriate for it to continue to teach undergraduate students at Wye as it was neither academically nor financially viable to do so. ICL also approached HEFCE to discuss additional funding to support the maintenance of agricultural science teaching at Wye but HEFCE indicated that this discipline was no longer a funding priority.
- 3.7 Accordingly ICL began discussing potential teaching collaborations with the University of Kent (UoK), who wished to expand their activities in Kent. It was agreed that in exchange for the UoK taking over responsibility for the teaching of the ABM courses the existing 450 enrolled students would be transferred to UoK. From the 2007 intake, the ABM courses at Wye would become University of Kent degrees taught by former Imperial staff who would transfer to UoK but remain at the Wye campus. At that time 150 students a year were enrolling on the ABM courses and HEFCE funded student numbers were transferred from Imperial to the UoK. The HEFCE grant transferred to Kent for post graduate taught student numbers as well as undergraduates would have totalled about £900K 2010-11.
- 3.8 The first intake for the Applied Business Management (ABM) courses under the UoK's auspices took place in October 2007. Disappointingly the UoK recruited just 12 students to the ABM courses, a significant drop from the 150 students recruited by ICL the previous year. With applications for 2008 being at a similar level, UoK announced in December 2007 that it was no longer wise, viable or desirable for them to continue to run this course and that it wished to withdraw both from the agreement with ICL and from any activity at Wye at the end of the 2007/08 academic year. As part of their decision to withdraw UoK also cited the fact that a survey of their students had identified that overwhelmingly they did not wish to either be taught or to live in Wye and that they preferred Canterbury as their base for their residential and taught activities.
- 3.9 At the same time Canterbury Christchurch University, who were renting laboratory space for research activity at Wye also indicated that they no longer wished to continue with a presence at the Wye Campus.



- 3.10 During 2007 discussions were held with the University of London's, School of Oriental and African Studies (SOAS) who agreed to take on the distance learning programme at Wye which would involve the transfer of College staff to SOAS and SOAS entering into a lease with Imperial for two properties in Wye Village.
- 3.11 As a result of the withdrawal of teaching by the UoK an academic review was undertaken by ICL which recommended the closure of all agricultural research and the relocation of life sciences to other campuses. ICL also had no option but to announce that the teaching of the Applied Business Management courses at Wye would end by 30 September 2009. This was the date when the remaining cohort of ICL ABM students on the Campus, who then numbered about 110 in total, were due to have completed their degree courses, while UoK students were to be relocated to its main Campus in Canterbury. This would end the only teaching activity in Wye.
- 3.12 ICL have expended some £30m on the Wye campus which has incurred them a net loss of £24.8m in the period 2000 to 2009. Now that the majority of buildings in and around Wye are 'mothballed' Imperial are trying to act as a responsible landowner and have maintained a 24-hour security presence as well as a campus manager. The most vulnerable areas to intrusion and vandalism at Main Campus North have been protected with the addition of security fencing as well as the sensitive internal boarding of selected windows. However the holding costs alone still amount to some £300,000 per annum.
- 3.13 Accordingly ICL's financial commitments to Wye have been very substantial. Some parties who have expressed an interest as part of the marketing campaign for the campus, as considered below, seem to believe that ICL should be willing to hand over their landholdings and buildings at Wye for nothing. In light of the financial losses suffered by ICL at Wye, this would simply be unjustifiable for ICL who are partly a publicly funded institution.

4.0 Marketing Campaign

- 4.1 ICL were initially very hopeful that it would be possible to identify an alternative educational user for the main property assets at Wye. They commenced their search early in 2008 shortly after UoK decided to withdraw. ICL contacted 9 government departments including DIUS, DCSF, BERR, DEFRA and the Cabinet office, as well as SEEDA, Kent County Council, HEFCE and English Partnerships. None of these expressed an interest. Through their direct approach to HEFCE (Higher Education Funding Council for England) ICL effectively approached all 253 universities in the country. This is because HEFCE funds higher education, research and related activities in the English higher education institutions and further education colleges as follows:



- § 130 higher education institutions, (including University Campus Suffolk, a connected institution of the Universities of East Anglia and Essex)
 - § 123 directly funded further education colleges
- 4.2 Despite these targeted approaches ICL received no expressions of interest, and therefore progressed with full market exposure
- 4.3 ICL appointed Savills in June 2008 to undertake a full marketing campaign to identify alternative suitable tenants who might wish to lease the main campus from the college. This marketing process was coordinated by Mark Flemington MRICS FAAV a Director in Savills Sevenoaks Office. ABC were advised of the forthcoming marketing campaign and shown the property particulars during a meeting held with Richard Alderton on 13th June 2008. A further meeting with Richard Alderton on 26th September 2008 provided ABC with update on the initial responses from the marketing process.
- 4.4 The marketing campaign was launched at the beginning of July 2008. The property was offered on a leasehold basis on FRI terms for an indicative term of 10 years subject to appropriate flexibility according to the requirements of interested parties. Furthermore it was made clear to applicants that a freehold or long leasehold disposal was not anticipated at this stage and speculative interest on a “subject to planning” or similar basis would not be entertained. ICL were very clear in their assertion that they were seeking continued educational/institutional use of the campus.
- 4.5 A marketing brochure was produced, a copy of which can be found in **Appendix 1**. From these particulars it is clear that the marketing focused on the core buildings at Main Campus North, as given the dispersed nature of the landholdings at Wye it was considered that this was the best method of extracting focused interest from the market, rather than applicants being put off by the scale of the landholding, costs of upkeep etc. However it was recognised that the Withersdane site was of a sufficient size to be of interest to applicants but, given the sheer scale of buildings these two sites would provide, it was decided to focus marketing on Main Campus North and to then take a view on any interest which would inevitably be expressed on wider landholdings in and around the village. In this way it was felt that potentially interested smaller institutions such as private schools would not be dissuaded by the sheer scale of buildings they would have to manage and maintain.
- 4.6 A formal advertising campaign was undertaken which included advertisements of suitable size being placed in the following publications, specifically targeted at educational institutions:
- § Estates Gazette – 5th July 2008 (whole page)
 - § The Guardian (Education Supplement) – 26th June 2008 (8cm by 2 column feature)
 - § Financial Times – 25th June 2008 (10cm by 2 column feature)
 - § Chronicle for Higher Education – 20th June 2008 (8 1/8” by 5” deep)



- 4.7 Copies of these advertisements may be found in **Appendix 2**.
- 4.8 44 applications for property particulars were received from this marketing exposure and a similar number already listed on the Savills database were also sent the brochure.
- 4.9 Out of those potentially interested applicants Savills received only four formal requests for accompanied viewings, but nevertheless a series of pre-advertised block viewing times were still undertaken. A number of other parties also indicated that they were making external “drive-by” inspections.
- 4.10 Having let the marketing run for an initial period, expressions of interest were invited by 19th August 2008, in order that initial interest could be focused and the marketing process pushed towards a meaningful stage.
- 4.11 Seven expressions of interest were received at this time. Five of these were speculative developers looking at acquiring far more than an initial lease and going as far as expressing substantial offers for the freehold and/or long leasehold interest. The two other offers received were from educational/training providers, namely Silver Kettle and Phoenix Wye College (an alumni group). However neither of these bids were compliant with the marketing requirements for the following reasons:
- § They were without a credible educational covenant or links to any other existing educational establishment.
 - § They were without funding or backers.
 - § They were unwilling to sign a lease.
 - § They were without any history of running an educational establishment.
 - § They did not have any HEFCE registered student numbers.
 - § They were anticipating that ICL would provide substantial financial commitment to continue to maintain and run the operational activity for a number of years whilst they sought funding.
- 4.12 As a result of this poor response to targeted marketing, with no meaningful and compliant offers having been received, Main Campus North has remained available and on the market, with the Savills website still displaying property particulars and information. As a result a further 8 parties have been sent property particulars in the intervening time between September 2008 and June 2010.
- 4.13 Of these later enquiries three have resulted in more detailed discussions taking place. These three enquiries all related to the Withersdane site, and involved Kingswood Leisure, and Kent Police. Kingswood Leisure subsequently acquired an alternative site, Grosvenor Hall, Kennington, Nr Ashford, and Kent Police decided not to pursue the property any further having viewed both Main Campus North and Withersdane.
- 4.14 ICL are also aware of continuing interest from Phoenix Wye College who have publicised a recent agreement with the University of



Buckingham (UoB) to provide backing for the re-establishment of higher education at Wye on the basis of being an independent and self funded university. Indeed the Vice Chancellor of UoB Dr Terence Kealey has been down to Wye and viewed the main buildings in January 2010. However no formal expression of interest has been received from the University of Buckingham. This is despite a letter from Savills requesting this, sent to Dr Terence Kealey on 14th May 2010, which followed a letter from the Rector of ICL direct on 24th February 2010. Copies of the relevant correspondence can be found in **Appendix 3**. To date we can confirm that no formal offer has been received from the University of Buckingham.

4.15 To summarise the position ICL have had to make the decision to withdraw and mothball the Wye Campus, as a consequence of:

- § the falling numbers of students
- § the withdrawal of UoK from teaching at Wye
- § the transfer of distance learning to SOAS
- § the failure of the research/science park proposals
- § the lack of any credible response both nationally and internationally following the marketing exercise
- § the lack of interest from Government departments and other universities.

5.0 ABC's Statement of Main Issues

5.1 The Statement of Main Issues published by ABC has been reviewed, and the basis of our previous representations has not altered as a result of sight of this document.

5.2 We maintain that we are yet to have sight of any detailed justification from ABC as to why this overly restrictive holding Policy WYE3 has been imposed. There are clear facts available now to make a firm and positive decision on the future of these historic buildings. The closure of the Wye campus to all educational research and teaching has left a significant void in the village and there has been no credible educational user come forward since the commencement of the marketing campaign in July 2008. Alternative uses and employment options need to be openly explored now. Accordingly ICL should not be restricted by Policy WYE3 for a further four years during which these important buildings are likely to remain dormant and will only suffer as such.

5.3 The potential release of WYE3 raises the issue of housing allocations for the village, with the adopted Core Strategy stating that 110 new dwellings are to be provided in the village up to 2026. As noted in the Inspectors Report for the Core Strategy Wye village is very constrained in terms of options for future housing development unless surplus College land becomes available. ICL land which is previously developed is available east of Olantigh Road and should be allocated in advance of the less sustainable greenfield sites WYE1 and WYE2 which are currently proposed by ABC.



6.0 Planning Inspector's Matters & Issues for the Examination

- 6.1 The appointed Planning Inspector for the Examination has released a list of main issues which she considers affect the soundness of this DPD.
- 6.2 All the points raised in the section (5) above also apply to the questions raised by the Inspector at Section 8 of her document. However in addition we would like to state that we believe a masterplan approach for all the dispersed sites listed under Policy WYE3 is an unrealistic approach for the estate. Clearly this may be a useful process through which the future of the historic buildings at Main Campus North could be guided but it is unreasonable to suggest that all the peripheral, outlying and spatially separate sites that form the wider estate should be included in this process purely on the basis of land ownership.
- 6.3 ICL's landholdings should be treated individually where they are spatially separate from Main Campus North and the opportunity taken now to release the estate from the overly restrictive Policy WYE3, for the long term benefit of the village.

7.0 Conclusions

- 7.1 We believe this statement provides a detailed account of the marketing process which has been undertaken in relation to the Wye Campus of Imperial College London. The property has been formally available and on the market for a period approaching two years, and prior to this was the subject of targeted marketing by ICL themselves. To date no credible offers have been received to continue using the site as an educational establishment, and it is clear to see that the ongoing liability of the buildings is a significant cost to bear for ICL.
- 7.2 Given that ICL have already incurred losses of £25m (having invested over £30m) in trying to re-establish Wye as a higher education centre it has to be concluded as highly unlikely that there will be any future for higher education at the campus. Those offers which have been received through the marketing process were either reliant on ICL continuing to bear the ongoing maintenance liability of the buildings or on ICL simply handing over the estate for nothing. None were able to show a track record of providing higher education. Given the costs already incurred by ICL at Wye it is simply unrealistic to expect the site to be handed over to a third party.
- 7.3 We believe decisive action should be taken now on the future of ICL's landholding at Wye and that this advanced stage of TRSDPD provides the ideal platform from which a fair hearing can occur and a firm decision can ultimately be progressed.

Signed on behalf of Savills (L&P) Ltd.

A handwritten signature in black ink, appearing to read "Guy W. Dixon".

Guy W. Dixon BA(Hons) DipTP MRTPI