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Baroness Manningham Buller
Chairman of Imperial College Council
(sent by email)

Dear Baroness Manningham Buller,
Financing of Imperial West development and HEFCE grant

17th December 2012

Following the award by HEFCE of a £35m grant to the College in respect of the Imperial West development, we have been trying to obtain sensible answers to the question 'what difference will this make to the Financial Viability Assessment of the scheme?'

As you are probably aware, such assessments are routinely carried out by planning authorities to establish the quantum of affordable housing that a specific development can deliver, in meeting London's housing targets. In the case of Imperial West the FVA was carried out by the District Valuers Service. The document is confidential to the council, but a summary was included in the report to the council's Planning Applications Committee on July 25th 2012.

We wrote to John Anderson to enquire about the HEFCE grant. He confirmed that what was described in press releases on the HEFCE grant award as a 'Research and Translation Hub' at the 'Imperial West Technology Campus' was indeed the same thing as two of the buildings in the current plans for Phase 2 of the Imperial West development. In response to our question as to what difference the £35m grant made, he advised that it would allow the College to start these elements of the scheme earlier.

Subsequently we have obtained from HEFCE (in response to a FoI request) a redacted copy of the grant application made by the College for the £35m grant. It seems clear from this that HEFCE has been asked to contribute £35m of public funding to the construction and fitting out of Buildings C and D in the existing proposals as approved by the LBHF Planning Applications Committee in July.

The College's grant application to HEFCE states *'neither the development of the Imperial West Technology Campus, nor the creation of the Research and Translation Hub, would be possible using College income and funds alone'*.

It goes on to say *'The UKRPIF contribution towards the Research and Translation Hub would accelerate the development of the Imperial West Technology Campus. Without this contribution the College would be forced to postpone development of the Imperial West Technology Campus until the remaining funding required were to become available'*.

No such suggestion of postponement of the development through shortage of funds is made in the report to the LBHF Planning Applications Committee on July 25th. On the contrary, as

part of a four page analysis of financial viability, the report states '*officers are satisfied that the applicant will continue on from Phase 1 and fully implement any planning consent for Phase 2*'.

These two sets of statement about the financing of the development suggest that the College has been saying one thing to HEFCE, and quite another to the council's planning officers. The HEFCE grant application was made in August 2012, a month after the Planning Applications Committee report and decision. It is hard to believe that the situation on the financing of the scheme can have changed materially over this period.

You will understand why these issues concern this association and the wider public in the White City area. The low levels of affordable housing generated via the series of mixed use developments being promoted by LBHF has become an increasing source of public concern. This association has always taken the view that the level of commercial floorspace in the Imperial West development (which we accept as necessary in part to cross-subsidise the academic buildings) has been set too high and has led to serious and damaging over-development of the site.

Now an extra injection of £35m of public funds has become available for this development. Yet the public are being told that this will neither increase the number of affordable housing units in the 35 storey residential tower, nor will it allow for any reduction in commercial floorspace within the scheme. **So what exactly will it be used for, and what public benefit will result?**

Clearly, our association can have only a partial picture of the overall financial equation involved at Imperial West, as we are consistently denied access to more details.

From our previous attempts to put together a picture on the financing of the scheme, from the College's own records and published accounts, we see evidence of substantive profits being taken for the College Fund. We have never had a satisfactory explanation for the statement in the College's 2011/12 accounts which reads '*The College, through the College Fund, sold a 150-year lease over land at the Imperial West site for cash proceeds of £22 million and generating a profit on disposal of £18.2 million*'.

HEFCE are now told there is a £35m funding gap, which presumably private investors cannot be found to fill? Or is it simply of benefit to the College Fund and to Voreda to have to raise (and to repay in the future) £35m less than had previously been anticipated?

As we have said before, and in our meeting with Jeremy Newsum in May 2012, we would welcome a greater level of openness and transparency from the College, and from the council, on these financial issues. We will otherwise continue to seek to find information through the sources available to us.

The Information Commissioner has dealt with a number of appeals against non-disclosure, relating to Financial Viability Assessments carried out by planning authorities. The decisions on these appeals make clear that planning authorities need to be able to evidence the harm or adverse consequences that would result from disclosure, when applying the public interest test as required under the FoI Act and EIR Regulations. Simple statements that matters are 'commercially confidential' are not enough.

In response to our request on the College's grant application, HEFCE has said '*We have withheld information which could potentially harm the commercial interests of the University by releasing information which would either give an advantage to their competitors or by undermining the ability of the university to pursue commercial undertakings. Broadly the exempt information covers: details of potential collaborations and projects and financial forecast information.*

While we appreciate that universities now have to operate in a world where generating income has become more necessary, there is still a balance to be struck by public bodies, between the need for public accountability and that for commercial confidentiality. We are not convinced that the Information Commissioner would uphold these HEFCE's decisions on redactions, on appeal. It is not clear to us why financial forecast information on the Imperial West development should not be in the public domain.

Whether or not we appeal will depend on the responses that both the College and LBHF make to further FoI and/or EIR requests on the impact of the £35m grant on the financing of the Imperial West development.

Regards,

Henry Peterson
Chair St Helens Residents Association

Copies to
Jeremy Newsum, Imperial College
John Anderson, Imperial College
Peter Seddon, HEFCE
Cllr Alex Chalk, LBHF
Cllr Mike Cartwright LBHF
Rosemary Pettit Hammersmith Society,
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