

15 March 1993

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Also to:  
Margaret Windham Heffernan  
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Dear Tony,

As you will see from the attached correspondence, and as agreed with Andrea, I have instructed Gouldens to advise us and to act on our behalf in relation to the proposed Head Lease arrangements for Grand Union House, and to set up the subsidiary company when this becomes appropriate.

Gouldens have undertaken to do this work without charging us a fee, and will of course expect to be reimbursed for any direct expenses including the setting up of the company. The total cost of this should therefore be well below £1,000. (I also discussed this matter with D J Freeman, who were willing to do it for us for approximately £1,500 plus disbursements, etc.)

You will see from my letter to Irene that I have said that we would write to her with proposals for the guarantees which will be required by the Agency from the BFI. I will draft these up, with a view to circulating them to you at the beginning of this week, and would therefore ask you if you would be ready to respond to these fairly quickly by fax or telephone when they arrive. I would like to be in a position to get your advice, re-draft, put them in front of Gouldens, and write to Irene before the end of the week.

On other fronts relating to the building, I have raised the issue of funds required for capital and equipment both for the building at large, and for LFVDA's part of it. We need to do some further work on this with the architect, LVA, LFMC, and the BFI; however Irene has said that she would be able to offer LFVDA up to £10,000 from her 1994/95 budget towards equipment and finishing costs. However, we do not yet know what the funding gap is, ie what essential or important work will remain undone once the existing resources (BFI: £100,000; Sainsbury's: £350,000; and some contribution from the Foundation for Sport & the Arts grant to LVA and LFMC: £200,000) have been spent.

I have agreed with Irene that a practical study is needed on the management and operation of the building, and on the business planning of both LVA and LFMC. We are developing a brief for this, and will look at the needs for budget and the right kind of consultant to take this on over the next few weeks.

There will be a meeting with all of the parties involved and the architect at some point in the next two weeks to look at the disposition of the space within the building, as well as the costings referred to above. It would appear that, at the moment, plans for the upper floor have not really been considered in any detail. Most of the attention has gone into the arrangements for the cinema and video gallery.

Please contact me if there are particular concerns which you have about any of this. I do not propose to re-convene the working party at this point, unless there is an overwhelming demand for it.

With many thanks for the time you are spending on this.

Yours sincerely,



PP David Powell  
Acting Executive

cc Andrea Wonfor