



Martin Lugg  
22 Sutherland Place  
London W2 5BZ

6 August 1991

Dear Martin,

I am in receipt of your letter of 26th July 1991, and of subsequent information sent about the Saffron Hill, London EC1 premises. I have been fully briefed by Jim Pines, who has visited the premises and has had a number of conversations with you and your colleagues.

Your letter, written after the Executive meeting attended by Ian, Jim, Dave Curtis and me, as well as our RPM consultants, stated, albeit with some concern in terms of the cinema space, that the Co-op Executive had voted in favour of occupying the Dunn & Co. building. We have, therefore, been working towards this assumption for the past two weeks, incurring legal costs and consultancy costs. Because of your reservations about the cinema space, RPM has taken considerable trouble to engage the services of a structural engineer to look at the building. On his advice, they have been able to come up with new plans for the cinema which, we believe, fully meet the concerns expressed at the Executive meeting. These are attached.

On the matter of the Saffron Hill site, we have passed your figures and the details about the building to our consultants for their guidance. A copy of their report is attached. You will see that their reading of the financial desirability of the premises, from a BFI point of view, is at variance with your own. We have decided, therefore, not to investigate the option further but to continue with our negotiations over the Dunn & Co site. I am sure, with your experience, that you will appreciate that negotiations such as these are delicate affairs; they are not buttons to be pushed on and off - and we are now well down the path with, as we believed, a Co-op imprimatur (the LVA commitment has never been in doubt). Obviously, there is no telling what the legal process will throw up, but that is a risk we take on whatever building we go firm.

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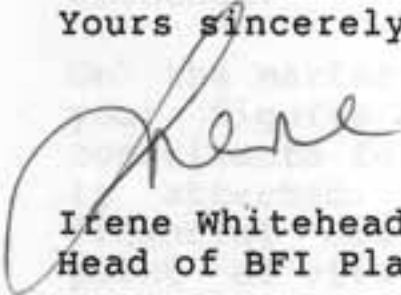
- 2 -

I have to say that I am extremely concerned by your actions of late. To receive notification of a majority vote approving the Dunn & Co. site and then to hear that the Chair of the Building Committee (which, I note, does not include staff representation) is organising what can only be described as a lobby to go against that vote, I find extraordinary. I appreciate that your personal view was antagonistic to the Dunn & Co. site but I would hope that you would not let this compromise your responsibility to the rest of the Executive and to the BFI, which is acting in the interests, we believe, of the Co-op as a whole.

I very much hope that we can continue to progress the Camden site with the Co-op as participants. RPM will continue to act for the BFI. We have full confidence in them and in their integrity. Communication with Karl and Jonathan must be made via the BFI (through Jim and me) - any other route is costly and leads to confusion. Both the Co-op and the LVA will be given adequate opportunity to determine the style and ambience of their respective (and joint) accommodation, but we must proceed in an orderly fashion, otherwise the project to find suitable premises for you both will simply fail.

I look forward to receiving a positive response from the Co-op. Jim and I would be pleased to meet with staff and Executive members in order to discuss how we move forward constructively.

Yours sincerely

  
Irene Whitehead  
Head of BFI Planning Unit

cc. Annabel Nicolson  
Steve Farrer  
Claire Barwell  
Tony Warcus  
John Tappenden  
Doug Foot (LVA)  
Dave Curtis (A/C)  
The RPM Company  
Ian Christie

Ilias Pantos  
Patrick Keiller  
Sandy Weiland  
Vicky Smith