

FAX - TO: DAVID POWELL
 FAX NO: 284 2801 PAGE: 1 OF 16
 ATTENTION OF: DAVID POWELL
 FROM: I. WHITEHEAD FAX NO. _____
 COMPANY: BFI DATE: 15.1.93
 Post-it Fax note Ref No. 7658

BRITISH FILM INSTITUTE



David Powell
 Acting Executive
 LFVDA
 5-7 Buck Street
 London NW1

15 January 1993

Dear David

BFI/GRAND UNION HOUSE: PUBLIC ENTERTAINMENTS LICENCE

Thank you for your letter of 13 January 1993. I thought it would be helpful if I sent to you some recent documentation which will give you an idea of where we have got to in our negotiations with Sainsburys in our leasing of Grand Union House. I attach a copy of our proposed Heads of Terms, Sainsbury's agents response to those Heads of Terms and recent letter to our solicitors setting out the problems as we see them currently.

You will know that we have organised a meeting of yourself, our solicitors, our quantity surveyor, Florian and me for Thursday, 21 January 1993. I hope that that will give us all an opportunity to review the state of play with the Grand Union House building, the problems which have yet to be overcome in terms of agreement between our various organisations and the legal obligations of the leaseholder.

You know that our current proposal states that the head lease will be held by London Film and Video Development Agency and guaranteed by the BFI. We have suggested this device because our Director wished to see some other body standing between the BFI and the sub-lessees [London Film-makers Co-op and LVA]. You will note from my letter to Michael Henry, however, that he acknowledges that there may be some mileage in the BFI, or one of its holding companies, taking the lease in the LFVDA's stead. I will be discussing this possibility with our Assistant Director in the near future.

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- 2 -

Assuming that the lease is held by the Lfvda, the BFI sees this as a technical mechanism to insert a "responsible body" between the LFMC and the LVA. The BFI would expect to cover not only the full rental of the Lfvda for undertaking such services, but also to subsidise the rental of the sub-lessees. We have agreed with both groups that they will pay no more than an additional 5% per annum for the next three years of their current rental. This means that, on a rental of £80,000 per annum, the BFI will be expecting to subsidise the three groups by some 50%. The Lfvda's contribution would be solely towards the service charge, the total of which has been estimated at some £10,000 per annum, on a per square metre basis, which should amount to approximately £2,000 per annum.

Clearly, legally, the Lfvda would have certain responsibilities as leaseholder not the least of which would be as licensee for the building. However, the BFI, sees itself as responsible for shouldering any financial responsibilities which might accrue from this service, and we are perfectly happy to express this responsibility to you in writing. I think we can discuss further implications for the Lfvda as leaseholder at the Monday meeting and then at the Thursday meeting.

In terms of the necessity to sign the Public Entertainments Licence Application, I do see this as an enabling device to ensure that the planning procedures are expedited swiftly. At the end of the day it will be possible to change the licensee details should the BFI or one of its holding companies decide to shoulder the responsibility for the lease directly. I appreciate your natural reluctance to sign a document the implications for which are not fully clarified, however, I am concerned that we get the ball rolling as quickly as possible to make sure that the necessary documents are in place for the BFI to have confidence in investing even more money in this project.

I look forward to seeing you and Andrea on Monday to discuss the matter further. I note that we need to talk about the delegation of clients, however, I hope

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15 January 1993

- 3 -

you appreciate that the means for transferring revenue funding to the LFVDA does not rest in my hands and is currently within the purview of another Institute Division, so there is probably very little I can do about it at the moment apart from additional information.

With best wishes

Yours sincerely

Irene Whitehead
Head of BFI Planning

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