

Received: from punt-3.mail.demon.net by lfvda.demon.co.uk with SMTP
(AddMail/2.0b4) id ae9b97b9; Tue, 29 Oct 96 11:15:05 +0000
Received: from punt-3.mail.demon.net by mailstore for steve@lfvda.demon.co.uk
id 842026538:19049:1; Fri, 06 Sep 96 17:15:38 BST
Received: from stargate.bfi.org.uk ([194.130.64.1]) by punt-3.mail.demon.net
id aa18530; 6 Sep 96 17:14 BST
Received: by stargate.bfi.org.uk; id SAA00985; Fri, 6 Sep 1996 18:03:34 +0100
From: <CHRIS.CHANDLER@bfi.org.uk>
Received: from unknown(172.16.1.3) by stargate.bfi.org.uk via swap (g3.0.3)
id xma000983; Fri, 6 Sep 96 18:03:06 +0100
Received: from mr.bfi.org.uk by BFI.ORG.UK (PMDF V5.0-4 #11090)
id <01195ZRKBTGG8WW4WY@BFI.ORG.UK> for steve@lfvda.demon.co.uk; Fri,
06 Sep 1996 17:13:29 +0000 (GMT)
Received: with PMDF-MR; Fri, 06 Sep 1996 17:04:54 +0000 (GMT)
MR-Received: by mta ALLIN1; Relayed; Fri, 06 Sep 1996 17:04:54 +0000
Alternate-recipient: prohibited
Date: Fri, 06 Sep 1996 16:59:58 +0000 (GMT)
Subject: Hoxton Square/GOL
To: steve@lfvda.demon.co.uk
Message-id: <*D22ZWLXOELX9*/R=ALLIN1/R=A1/U=CHRIS CHANDLER/*@MHS.allin1>
MIME-version: 1.0
Content-type: TEXT/PLAIN
Posting-date: Fri, 06 Sep 1996 17:04:00 +0000 (GMT)
Importance: normal
Priority: normal
Sensitivity: Company-Confidential
UA-content-id: D22ZWLXOELX9
X400-MTS-identifier: [;45407160906991/108719@ALLIN1]
Al-type: MAIL
Hop-count: 1

Steve,

No reply from DNH today, unfortunately. However, Wilf will be back of his hole on Monday and hopefully will push for a response. In the mean time, please find below a blind copy of my doom and gloom EM designed to ginger up a little action.

Chris

Notes on the latest position of the Government Office for London over Hoxton Square.

Following the various correspondence between ourselves and the DNH, I feel that it is important to give a brief update on the situation as regards the ERDF grant which the Government Office for London has provisionally offered in support of the Hoxton Square project.

As you are aware, the GOL has been pushing LFVDA, and via them, the BFI, to confirm or reinforce the validity of our guarantee to the lease. This reflects a concern within GOL that without our support the project may not be sufficiently robust in the medium to long term. The need to reassure GOL on this issue is becoming critical for two reasons.

Firstly, a firm offer of funding from GOL will be needed before the project will be able to draw down any Lottery funding. If the building tender were to be let and work start before ACE was sufficiently satisfied to authorise payments there is an extreme risk (almost a certainty) that ACE would refuse to allocate funding for any work carried out before final agreement were to take place. Therefore, if GOL were not to make a formal offer before Christmas we would either have to delay construction start until then, or

face the risk of a month or more of the contract costs falling outside of the Lottery bid. Were GOL to turn down the project altogether then of course there would be insufficient matching funding in the project and the bid would have to be scaled down to c. £1 million (from £3 million at present).

Secondly, ERDF is budgeted on the basis of a zero year end - the entire budget must be allocated and disbursed within the financial year with no over- or under-spends or carry-overs. Underspent money will not only be lost from the current year but on occasions the budget for following year is reduced by an equivalent amount as well. GOL will therefore be very keen to achieve a final decision as soon as possible - the closer toward year end this is allowed to slip, the harder it becomes to reassign the allocated sum toward another eligible project should it fall through: there will come a point at which, however much GOL believe that RFI/DNH can resolve the issue eventually, GOL will feel compelled to withdraw the offer for that reason.

I think therefore that there is an urgent need to meet with an appropriate person within GOL to provide them with additional reassurance that the problem will be resolved soon - and perhaps to make a try at convincing them that the formal guarantee is in any case unnecessary for their purposes and that another form of assurance can be used to release money. I am of the opinion that this should by preference take place before the end of September (or at the latest in very early October - i.e. at around the 6 month stage in the financial year) and that in order to take place at a high enough level will need to involve Wilf.

CCh/6-9-96