

SUBJECT
as to Mr. CF

File re CO
4177
Rw

17/7/81



10 DOWNING STREET

From the Private Secretary

15 June 1981

International Conference Centre

As you know, the Prime Minister held a meeting at 0945 this morning to discuss your Secretary of State's letter to the Chief Secretary of 3 June and the subsequent correspondence on this subject, ending with Mr. Heseltine's minute to the Prime Minister of 10 June. The Foreign and Commonwealth Secretary and the Chief Secretary were also present.

Lord Carrington said that when this subject was discussed by Cabinet on 17 July 1980, the majority had been in favour of building an international conference centre on the Broad Sanctuary site. The only question to be decided by the meeting was how to finance the construction of the centre.

In discussion, the Chief Secretary argued that Cabinet had agreed to the proposal for an international conference centre only if the construction of the centre could be financed by the private sector. Not only had the Cabinet agreed that public funds were not available for the project, their decision had also been that it should be a truly commercial development. The offer of finance from Pearl Assurance was not a truly commercial deal. The Government would be the landlord of the conference centre, as well as its sole tenant, and the lease would revert to the Crown after 125 years. The PSA would be responsible for the construction of the building. Pearl Assurance would simply provide the £54m. of capital for the construction, and on terms that exposed them to very little risk. The Government would be at risk on delay in construction, and for any overrun above £60m. Pearl Assurance were insulated from risk on rent by the promise of a rent review every five years. In short, the conference centre would be a Government project financed with a mortgage from the private sector. The Chief Secretary calculated that financing the project in this way would cost the Exchequer two to three times more than if it were financed by Government borrowing. As it stood the scheme would attract considerable public opposition, and the criticism of the Public Accounts Committee.

/Your Secretary of State

Your Secretary of State and Lord Carrington replied that the package negotiated with Pearl Assurance was a standard sale and lease back arrangement. The Government would be paying an initial rent of 6.1 per cent of the capital cost, and the first of the five yearly rent reviews would not fall due to 1991. It could not be said that these terms insulated Pearl Assurance from risk. Your Secretary of State acknowledged that the development was not a truly commercial project, with the private sector organising funding, constructing and operating the centre itself. But that was not what Cabinet had intended, and the terms of the Pearl Assurance offer were the best available from the private sector. A major new international conference centre was needed in London. Both Lancaster House and the Wembley Centre were not adequate alternatives. The construction of a new centre would not only meet the existing need, it would attract new conferences to London. These would earn useful foreign currency for the country, which should outweigh the costs of providing extra security and other services for these meetings.

The Prime Minister said she was concerned that not enough had been done to explore the alternatives to building a new conference centre. She pointed out that a new conference centre had just been constructed in the Barbican Centre. This might either be adequate for the Government's purposes, or be adapted for Government use at lower cost than the construction of the new centre. There might also be the possibility of adapting one of the large concert halls on the South Bank. These alternatives should be carefully considered. She agreed with the Chief Secretary that the Government would be seen as the owner and constructor of the conference centre if the Pearl Assurance offer was taken up. She was not convinced that the Government could defend the expenditure of about £3.5m per year in rent for a centre which might be little used. There could well be environmentalist opposition to the development of the Broad Sanctuary site and the Pearl Assurance offer would probably attract the criticism of the PAC. She was also concerned that the running of a Government conference centre might necessitate an increase in Civil Service staff numbers, even if a contract for the management of the centre was let to the private sector.

In conclusion it was agreed that experts from your Department, in consultation with the Foreign and Commonwealth Office, should consider whether the Barbican Conference Centre represented a realistic alternative to the construction of a Government centre on the Broad Sanctuary site.

I am copying this letter to Brian Fall (Foreign and Commonwealth Office), Terry Mathews (Chief Secretary's Office) and to David Wright (Cabinet Office).

Jeff Jacobs, Esq.,
Department of the Environment.

Original returned to Cabinet office.

CONFIDENTIAL

CABINET OFFICE	
0233
12 JUN 1981	
FILING INSTRUCTIONS	
FILE No.

MR WILSON

cc Mr Le Cheminant
Mr Franklin
Mr Wade-Gery

Prime Minister

wh
12/6

INTERNATIONAL CONFERENCE CENTRE

The Prime Minister is to discuss on Monday morning with the Ministers directly concerned the minute of 10 June to her from the Secretary of State for the Environment.

2. The case for an international conference centre on the Broad Sanctuary site was discussed by Cabinet on 17 July 1980 (CC(80)29th Conclusions, Item 4). The majority of the Cabinet were in favour of building a centre there. The Foreign Secretary, in particular, regards it as essential to have a Government conference centre in London both for meetings associated with the United Kingdom Presidency of the European Community 1987 and also for other international conferences. It was argued that the Broad Sanctuary site has been empty and an eye-sore for 30 years and that there can be no question of selling it for commercial development (as the Chief Secretary is now suggesting in his letter of 5 June to the Secretary of State for the Environment). No other suitable sites could be found within a 3 mile radius of Whitehall and to adapt existing buildings would cost more and take longer.

3. The Cabinet were not, however, willing to commit public expenditure to the project and agreed that it could go ahead only if it could be financed from the private sector. After lengthy consultations the Secretary of State for the Environment has now come up with a package summarised in his letter of 3 June to the Chief Secretary. The essential features are that Pearl Assurance would arrange for the financing of the building which it would then rent, mainly to the Government; the Government would lease the site to them for 125 years and the Property Services Agency would oversee the building of the centre.

4. Although the deal appears to be in line with the Cabinet's decision, and the rental is held to be satisfactory, the Chief Secretary opposes the scheme.

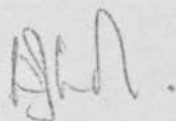
CONFIDENTIAL

He judges that the realities are that it will be seen as a Government project. The Government will be the main tenants, the PSA will be project managers, and it will be on a prime site where (whatever the details of the financing arrangement) people will assume that the Government is running the show. If, as is likely, there are construction delays and well publicised strikes, if there are large cost over-runs leading to increased rentals, and if PAC are critical of the deal, it will be the Government and not Pearl Assurance which will be in the dock. The Chief Secretary believes, therefore, that this deal is unsatisfactory.

He also points out that it would be cheaper to do it by direct public expenditure.

5. The Secretary of State for the Environment will no doubt argue forcefully that the Chief Secretary is seeking to overturn a decision of Cabinet (at which the present Chief Secretary was not present) and is presenting him with a catch 22 situation. There is no obvious method of private financing which is likely to meet the Chief Secretary's objections. It would be cheaper, and more defensible, to finance it by public expenditure: but there is no public expenditure available for it. So essentially the Chief Secretary seems to be saying that there should not be a conference centre at Broad Sanctuary, however financed, and that unless the site is given over to commercial development (to which some Members of Cabinet were opposed last year) it should be grassed over.

6. The Pearl Assurance offer is open to 15 June and the Prime Minister will wish either to rule that it should be accepted or, if she is persuaded by the Chief Secretary's arguments, that the whole question of the future of the Broad Sanctuary site and of the conference centre should be re-opened.



D J L MOORE

12 June 1981



PRIME MINISTER

INTERNATIONAL CONFERENCE CENTRE

You have had copies of my letter of 3 June to the Chief Secretary and his reply of 5 June about the financing by Pearl Assurance of the proposed International Conference Centre on the Broad Sanctuary site. We must now reach a decision on this matter very promptly, since the offer from Pearl Assurance is open until 15 June, and it may be very difficult to get an extension in view of changes in the financial markets.

Cabinet decided on 17 July last that there was a need for an International Conference Centre of this kind, and that the scheme could go ahead if it could be financed from the private sector. We now have the offer from Pearl Assurance on terms which our Agents (Healey and Baker) advise are acceptable. By this means we can acquire these facilities with no cost to public funds (other than consultants fees) until the building is completed in 1986. The initial rent will be at 6.1% and the first rent review will not fall due until 1991.

As the Cabinet minutes clearly state the majority of the Cabinet were in favour of a Conference Centre of this kind. We have an acceptable offer from the private sector to finance it. There is no prospect of public funds for the purpose in the foreseeable future. If we do not go ahead now another opportunity will be hard to come by and the UK will continue to have no adequate provision for international government conferences. In particular, we will be unable to accommodate the expanded EEC conferences at the time of the UK Presidency in 1987.



The Foreign Secretary sent you a copy of his minute of 5 June to the Chief Secretary, strongly supporting a decision to go ahead on the basis of the offer from Pearl Assurance. I agree too with the suggestion in his minute to you of 9 June that an early discussion would be the best way of carrying this forward, given the time constraint noted above.

I am copying this to the Foreign Secretary, the Chief Secretary and Sir Robert Armstrong.

msl

MH

10 JUN 81

1866 JUN 1981



BF 12. 15. 81

Arranged for
0945 on Monday
15 June
C-116

Carrington / Mr. fix. before 15/6
& NB the point
at X)
10/6
John
Fell.
Chapman

PRIME MINISTER

INTERNATIONAL CONFERENCE CENTRE

In July of last year, a majority of the Cabinet were in favour of building an International Conference Centre at Broad Sanctuary. The Cabinet were, however, concerned about committing public expenditure, and agreed that the project could go ahead only if it could be financed from the private sector (Flag A).

On 3 June, Mr. Heseltine wrote to the Chief Secretary (Flag B) asking him to agree that the Government should accept an offer from Pearl Assurance for financing the International Conference Centre. Mr. Heseltine also proposed to let a management contract in advance of completing the financial arrangements. He was strongly supported by the Foreign and Commonwealth Secretary who attaches great importance to having the building completed in time for the 1987 EC Presidency. The Pearl Assurance offer of finance runs out on 15 June.

X

The Chief Secretary has now replied to Mr. Heseltine (Flag C). He says that he cannot agree that construction should be financed on the proposed terms. He says that it would be two to three times more expensive to finance the construction by the proposed means than if it were built from public funds. He questions whether it makes sense to make private sector funds available for an essentially unproductive investment. He considers that Cabinet did not commit themselves to construction of the Conference Centre if the financing package did not seem sensible. He suggests that options for the development of the site on a truly commercial basis should be explored.

NOTE

Mr Heseltine
has now
written
as well (E)
asking
for a
meeting.

WR
12/6

Lord Carrington has now minuted (Flag D), saying that he cannot accept the Chief Secretary's objections, and asking for an opportunity to discuss the matter with you, Mr. Heseltine, and the Chief Secretary or Chancellor. Given the deadline of the Pearl Assurance offer, I see no other way in which this problem can be sorted out in the time available. Content for us to arrange such a meeting?

9 June 1981

Yes Mr.

JWS.
W. F. S. BICKETT



3 pps

PM/81/33

PRIME MINISTER

International Conference Centre

1. You may have seen the correspondence between Michael Heseltine and Leon Brittan about private funding for the International Conference Centre. As you know it was agreed in Cabinet last July that, while the majority of the Cabinet was in favour of building such a Centre on the Broad Sanctuary site, there were major objections to committing public expenditure for this purpose in present circumstances. It was therefore decided that the project could go ahead only if it could be financed from the private sector.

2. Michael Heseltine has negotiated excellent terms and I see no reason why the Cabinet should not now decide to proceed accordingly.

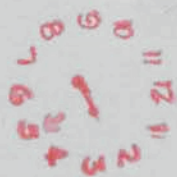
3. We really cannot afford to mess about any longer and I should be grateful for the opportunity of discussing the matter with you and Michael Heseltine, together with Geoffrey Howe or Leon Brittan, to whom I am copying this minute.

(CARRINGTON)

Foreign and Commonwealth Office

9 June 1981

29 JUN 1981





FCS/81/68

CHIEF SECRETARY

International Conference Centre

1. I am delighted to see from the letter which Michael Heseltine sent to you on 3 June that he has been able to negotiate excellent terms for private funding of the superstructure of the International Conference Centre.
2. You already know the importance I attach to having the building completed in time for the 1987 EC Presidency, so I hope the Pearl Assurance offer can be accepted without delay, in accordance with the decision we took last July. I very much agree with Michael Heseltine that there is no profit in further hesitation or exploring yet again the other supposed options which have been so exhaustively examined and rejected over the past thirty years.
3. I am copying this minute to the Prime Minister, Michael Heseltine and Robert Armstrong.


(CARRINGTON)

Foreign and Commonwealth Office

5 June 1981

F-4 JUN 1981





Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Michael Heseltine MP
Secretary of State
Department of the Environment
2 Marsham Street
London SW1P 3EB

5 June 1981

R. Michael,

INTERNATIONAL CONFERENCE CENTRE

Thank you for your letter of 3 June inviting me to agree that you should proceed with the recommended offer from Pearl Assurance for financing the construction of the Centre and that you should let a management contract in advance of finalising the financial arrangements.

I am afraid I cannot agree that construction should be financed on these terms. As I told you in my letter of 11 February the assessment by my officials of the proposal as it was then known suggested that it would be considerably more expensive to finance the construction by this means - perhaps 2 or 3 times more expensive - than if it were built from public funds. Cabinet decided that there were major objections to committing public expenditure to this project in present circumstances - in other words the scheme was of insufficient priority. It surely makes even less sense to finance the centre at a cost which, in present value terms, is two or three times higher.

I have expressed before my concern about the Government's involvement in this scheme. The Government would be the ground landlord, the main tenant throughout its life and the lease would revert to the Crown on expiry. The Government would be responsible for construction and, in the eyes of the world, would carry the responsibility if anything went wrong (even if we do safeguard ourselves against increases in costs).

It is not relevant that the money would come from the private sector. So it would if the Government were to carry the cost of building on public sector funds and finance the capital expenditure by increasing the Public Sector Borrowing Requirement.

The only differences in the case of this proposal are that the finance comes directly into the project and the total cost to the Government is two or three times higher. In my view therefore this is not truly a private sector deal at all.

I also question whether it makes sense to have private sector funds used for an essentially unproductive investment. We are all aware of productive investments, in both the public and private sectors, which cannot proceed because of our present financial constraints. Surely it would make better sense for Pearl Assurance to employ their money in more productive ways. As you say, they have competing investment opportunities. Should they not be allowed to pursue them?

Cabinet gave some thought last July to the alternative options for using the site if it were not used for the Conference Centre. It would be within the spirit of what I have said for the site to be developed commercially, either for private use or for public sector use if the funds are forthcoming. I would be willing to see options of this nature explored.

In short I think we must interpret the Cabinet decision as being that the Centre should be financed from the private sector provided that, in the light of the offers and the circumstances at the time it remains sensible to proceed. I do not think these provisos have been met.

I am sending copies of this letter to the Prime Minister, the Foreign Secretary and Sir Robert Armstrong.


LEON BRITTAN



- 5 JUN 1981

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Wm 8/6



2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

4 June 1981

Dear Mr Mathews

My Secretary of State wrote to the Chief Secretary on 3 June about the International Conference Centre.

Unfortunately there was an error in the penultimate paragraph on page 2 of the letter: it should have read £14,000 and NOT £41,000.

I am sorry for this error and hope it has not caused any inconvenience.

I am sending a copy of this letter to the Private Secretary to the Prime Minister, the Foreign Secretary and to Sir Robert Armstrong.

yours sincerely
S Raper

MISS S RAPER
Private Secretary

T F Mathews Esq

28 JUN 1981



2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

3 June 1981

ms
Prime Minister

4

Mr Heseltine seeks Mr Britton's agreement to accepting an offer of private finance for the construction of the International Conference Centre. The offer, from Pearl Assurance, expires on 15 June. Mr Heseltine argues that it is the best that can be achieved. This will be reported to Cabinet, but you may wish to be aware of it now.

Don Don

INTERNATIONAL CONFERENCE CENTRE

Following our correspondence earlier this year I commissioned Healey and Baker to invite, and advise me on, offers of private finance for the construction of the International Conference Centre at Broad Sanctuary. I have now received their report and I attach a copy.

After approaching 40 major institutions, and holding a Press conference for the national and professional press, they have secured and recommend a firm offer of finance from the Pearl Assurance Company. The salient points of this offer are:-

- a. a long lease of the Broad Sanctuary site (for 125 years) and a leaseback of the completed building;
- b. a total cost of £54m (including interest during construction and taking into account inflation in building costs);
- c. finance during construction at 10%;
- d. initial rent at 6.123% of the capital cost;
- e. 5-year reviews linked to rental movements of offices in Victoria, based on a notional office development of this site to the standards common in the Victoria area in 1981;
- f. a contingency drawing availability of £6m in the event of higher costs, at 10% interest during construction but with an initial rent of 7.123% on any such drawings.

You will see that this package is at the bottom end of the range I set out in the annex of my letter of 31 December; on the basis offered, the initial rent would be set at £3.3m a year. We now have to decide whether to proceed on the basis of the offer. Although Healey and Baker's report says that it is open until the end of May, I have been able to secure an extension to not later than 15 June. It is essential that we reach a decision before then, since it was clear from the negotiations with other institutions that there are competing investment opportunities and we cannot expect the Pearl to keep their offer open and funds earmarked for more than this period.

Healey and Baker, having received offers from three financing institutions, demonstrate that the offer from the Pearl is the best and they say that we cannot expect to improve on it. Nor is there any advantage in looking for some other form of private sector involvement; Healey and Baker confirm that they cannot recommend any alternative to lease and leaseback, with the PSA retaining responsibility for managing and development.

Last July the Cabinet decided that the project could proceed only if the superstructure was privately financed. In my view, the Pearl offer represents a satisfactory deal. If we do not accept it, then the Conference Centre cannot be completed for the 1987 UK Presidency of the European Community. Colleagues in E Committee and in Cabinet accepted last year that the Broad Sanctuary plan represented the only practical solution to this need. I can see no profit in reopening this question, or exploring yet again various alternative options and locations, none of which has proved practicable in the past. I hope therefore that you will agree that I should accept the Pearl Assurance offer and that I should report to Cabinet colleagues accordingly.

My officials have already explained to yours the importance of going ahead now with the management contract for the Conference Centre to make the fullest use of the time available to complete the project by 1987. We have received a satisfactory tender that would allow us to terminate the contract at any time before the start of construction. Should we for any reason decide not to proceed, the nugatory expenditure is unlikely to exceed £41,000. I hope therefore that you will agree to my going ahead with this in advance of finalising the financing arrangements.

I am sending a copy of this letter to the Prime Minister, the Foreign Secretary and to Sir Robert Armstrong.

Yours
Michael Heseltine

MICHAEL HESELTINE



3 JUN 1987



Foreign and Commonwealth Office

London SW1A 2AH

2 June 1981

M O'D B Alexander Esq
10 Downing Street
LONDON SW1

Dear Michael

BARBICAN CONFERENCE CENTRE

Following our conversation yesterday, you will see from the attached Annex that the Barbican Conference Centre is basically part of a theatre, cinema and exhibition complex, open to the public. The facilities in the "conference area" are very limited and the raked floors in the Barbican Hall and the cinemas will prevent those rooms from being used for "round-the-table" meetings.

Like all commercial centres the Barbican lacks the offices needed for high-level or large-scale inter-governmental conferences: for instance, at a CHGM meeting 44 offices are now required for Delegations; by 1986, 39 offices will be needed at a European Council for visiting Delegations and the Commission. In addition to offices for Delegations, 20 to 30 offices may be needed for the International Secretariat, depending on the size of the Secretariat, including the number of translator teams required for a particular meeting. At commercial centres, including the Barbican, there will only be a handful of offices, for use by the conference organisers. It would be possible to build offices in the exhibition areas but this is always expensive and often unsatisfactory.

[AS EXPENSIVE AS AN UNUSED CENTRE? (sic)]

In a commercial complex open to the public it is not possible to provide the type of security needed at high level meetings.

I understand there will be very limited press facilities in the Barbican but not of course the world-wide media facilities currently provided at international conferences.

The location of the Barbican is inconvenient, as it is not well-placed in relation to Whitehall and Westminster or Diplomatic Missions.

Government conferences are frequently arranged at short notice so there is a particular problem about using commercial centres: many commercial conferences are arranged several years ahead and the managers of commercial centres are not prepared to cancel bookings made by their long-term clients in order to accommodate Government conferences.

NOT BIG

CONFERENCE?

/This



This was brought home to us all in 1975 when the Property Services Agency carried out an extensive investigation into the possibility of hiring commercial accommodation for the series of major meetings which took place in 1977. NO BARBILAN THEN.

Your ever

Roseala

Miss E B Chaplin
Protocol and Conference Department



THE CONFERENCE FACILITIES AT THE BARBICAN CENTRE

(due to open on a limited scale from July 1981)

1. The actual Conference area at the Barbican consists of:-
 - a. The Barbican Hall - seating 2,000 theatre-fashion: fixed seats on a raked floor.
 - b. 3 Cinemas - seating 280, 255 and 153 respectively: fixed seats on raked floors.

The above have six language interpretation facilities.

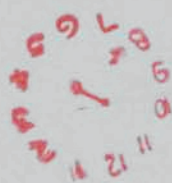
- c. 5 Conference Rooms - each seating up to 80 in rows: flat floors so the seating arrangements are flexible.

2. In addition it will sometimes be possible to hire the Barbican Theatre (normally used by the R. S. C.) or the premises of the Guildhall School of Music and Dancing.

3. There is one exhibition hall of 45,100 sq ft gross and one of 41,000 sq ft gross.

4. There are five restaurants (open to the public).

R.S.C. = Royal Shakespeare Company



-- 3 JUN 1981

City of London

**Barbican
Centre**
for Arts and Conferences



Administrator
Henry Wrong

Barbican
London EC2Y 8DS

2485

Telephone
National 01-638 4141
International +44 1638 4141

Telegrams
Barbican London EC2

JSH/SH/G.3.6.3.

27 May 1981

The Rt Hon Mrs Margaret Thatcher MP
10 Downing Street
London SW1

Dear Prime Minister

You will be interested to know that the Barbican Centre for Arts and Conferences has now started its programme of events which will culminate in the official opening next spring. I have had the pleasure of entertaining a number of your colleagues here including, recently, Paul Channon. I know that your Government will not be unaware of the Centre's importance to the Capital and to the National as an earner of foreign currency, an aid to the City's activities, a venue for arts and entertainment, a creator of jobs and, perhaps most exciting of all, a brave new venture at a time of recession.

I have no doubt that you, as Prime Minister, will be asked to honour events in the Centre, particularly in the opening period, and it is my pleasure to anticipate such invitations by asking you to visit the Centre in the near future. I would like to offer you a tour of the building followed by lunch with some of my colleagues, together with Mr Henry Wrong, the General Administrator. Naturally, I would be very pleased if Mr Thatcher will accompany you and delighted to extend the invitation to any of your colleagues who might be interested in the Centre. Meanwhile, I am sending you some photographs and information on the Centre.

*See
envelope
attached to
inside of
file.*

*Yours Sincerely
J S Henderson*

J S Henderson
Chairman
Barbican Centre Committee

Encs

cc David Wolfson Esq



The Barbican Hall

The Barbican Concert and Conference Hall has been designed to meet the high standards required by international orchestras and conference organizers. The consultant architects have worked in collaboration with the London Symphony Orchestra from the early stages of planning in order to ensure that the design and accommodation meet the orchestra's requirements.

The auditorium, seating 2026 in three curved, raked tiers, provides excellent sightlines combined with a degree of intimacy not usually to be found in a hall of this size. All the seating is contained in the main body of the auditorium — there are no boxes. The interior decor of wood (pine wall panelling, wood block floor, and canopy above the stage) contrasts with the dark-toned fabrics used to cover the seating.

The acoustic design of the hall is under the supervision of Hugh Creighton ARIBA, the acoustic consultant. Before plans were finalised, a 1/8th scale model of the auditorium was constructed by the Building Research Establishment and was tested extensively at the Cambridge University Department of Architecture. The fabric of the hall incorporates acoustic baffles, and reflectors both above and behind the platform and lining the side walls of the auditorium. The ceiling is hung with over 1600 perspex spheres which serve an acoustic and decorative function, some of which are also equipped as light fittings.

The conference facilities reflect the best aspects of the leading conferences centres in Britain and Europe. Technically, for example, the hall is equipped to provide most of the modern sophisticated requirements of national and international meetings. The audio-visual facilities include equipment for 16mm and 35mm films, slide, multiscreen and television projection. Control rooms for lighting, sound and projection are situated at the rear of the stalls along with the facilities for six language simultaneous interpretation which is supplied by a radio induction loop system.

Backstage, the dressing rooms will accommodate a full symphony orchestra, with separate rooms for soloists and the conductor. There are rehearsal and changing rooms for a choir as well as offices for visiting managements, instrument store, music library and green room for resident and visiting orchestras. Also included backstage there are permanent control facilities for use by recording and broadcast companies.

The Barbican Theatre

The theatre will be the new London home of the Royal Shakespeare Company.

The auditorium consists of a raked stalls area, seating 687, and three narrow circles of only two rows of seats each jutting forward one above the other towards the stage. The three circles connect to small side circles on either side, 'papering' the walls with people, and together will provide a further 471 seats; with an additional 4 places for the disabled together with their companions, the total seating capacity is 1,166.

The stage lies in front of, rather than behind, an arch and the acting area is the focal point of every seat in the house. The most distant seat is only 65 feet (19.8 m) from the "point of command".

The front three rows in the stalls may be removed to create an orchestra pit and there is provision for a proscenium for use by visiting companies. This configuration would reduce the seating capacity to 1,000.

Above the stage is a double-height flytower rising 109ft (33.2 m) to enable the maximum repertoire storage to take place. The scene dock is situated directly behind the stage area.

Under the auditorium are two large rehearsal rooms, one of which will be used as a studio theatre, the Pit, with flexible seating for up to 200. The Pit can be reached from the foyers by staircase and lift and there are again facilities for the disabled.

Beneath the stage are a scenery and property workshop (linked by lift with the scene dock), stage management offices, a Green Room and refreshment bar, a further smaller rehearsal room and a soundproof band room.

Above the stage and surrounding the flytower are the dressing rooms and associated baths and showers. Integrated into the dressing room area are rooms for the repertoire storage of costumes and wigs, together with laundry, maintenance wardrobe, make-up and wig room and a small production wardrobe. Three quick-change dressing rooms are provided directly off the stage area.