

ROYAL BOROUGH OF KENSINGTON AND CHELSEA

ENVIRONMENT SELECT COMMITTEE – 16 JANUARY 2024

DIRECTOR OF CLEANER, GREENER AND CULTURAL SERVICES

UPDATE ON OPERA HOLLAND PARK

PURPOSE

This report provides background information on the operations of Opera Holland Park (OHP) since it was transferred from Council ownership in 2015. A review of OHP's facilities and services was due in Autumn 2023, to consider their journey to become financially independent.

Officers have made a formal request for the OHP Business Plan, this has not yet been provided (A final formal deadline has been set of 1 Feb 2024, for the Council to receive the business plan). As a result, this will delay a formal decision on how to progress future arrangements between OHP and RBKC. The purpose of this report is therefore to update members to this effect and to comment or make recommendations as to how this matter is taken forward.

Once the OHP Business Plan has been received, a detailed review of the partnership between OHP and RBKC will take place and set out future performance and funding arrangements.

FOR DISCUSSION

1. EXECUTIVE SUMMARY

- 1.1 Prior to 2015, Opera Holland Park was part of the Council. The business and its related assets were transferred to OHP in October 2015 (Ref: 03588/11/T/A) as a fully independent company limited by guarantee with charitable status, to run in a more economically self-sustaining and long-term manner.
- 1.2 The arrangement comprised a Service and Grant Funding agreement and a licence for use of the Holland Park site.
- 1.3 The budget for this arrangement was £5 million, comprising the following:
 - £3,000,000 paid within five business days of the date of the agreement
 - £850,000 paid three months from the date of the agreement
 - £1,055,000 paid by 31 March 2017 once the decision *not* to proceed with a capital investment for a longer term structure was made
 - £95,000 for the Council's own costs arising from the process to transfer the business to the Organisation.
- 1.4 The 25-year Licence for each annual Opera Holland Park Season covers the use of the Holland Park site but not the additional spaces that OHP has also used such as Holland House, Pembroke Road, Hanwell Cemetery Chapel and

the Stable Yard. There is no income from this licence or the use of spaces by OHP.

- 1.5 Clause 3.1 of the Grant Funding Agreement requires a financial performance review of OHP and the facilities and services by 30 September 2023 with an intention for them to become financially independent. This was an ideal opportunity to formalise the property arrangements currently in place with OHP for all the Council sites currently in use, including the Pembroke Road office. Senior officers from RBKC met with the CEO of Opera Holland Park on 27 September 2023 to discuss the current financial situation for OHP and future arrangements. It was reported that, as with many other cultural institutions, the COVID pandemic had set them back two years in relation to finances. However, at that stage the OHP Business Plan was not available for scrutiny and so it was agreed that the review would take place at the December or January meeting of the Environment Select Committee.
- 1.6 Unfortunately the OHP Business Plan still has not been provided (as of 3 Jan 2024), so the Council is currently unable to review the plan and agree how best to proceed. A formal deadline of 1 February has been set for OHP to provide their business plan, otherwise the Council will need to progress its preferred approach.
- 1.7 An urgent request for the OHP Business Plan has been made, so Officers can review this and then develop future plans with OHP. The possible options available are:
 - OHP become financial sustainable as soon as possible and pay the agreed rental for Council assets used
 - Or
 - The current arrangement allowing OHP to use the Council's assets either rent free or subsidised continues for up to an additional 2 years (30 Sept 2025), due to the impact of COVID and after this, then OHP need to pay for the Council assets it utilises.
- 1.8 A property review of the assets being used by OHP is being conducted to ascertain the market value and indicative cost of any possible subsidy.

2. RECOMMENDATION(S)

- 2.1 To consider this update and decide whether the Committee wishes to make and comments or recommendations to the Leadership Team.

3. QUESTIONS TO CONSIDER

- 3.1 In light of the above, does the Committee want to comment on possible options available i.e. extend current arrangements by 2 years or start charging OHP for the use of Council assets?
- 3.2 Does the Committee wish to comment further on the outputs of OHP?

4. INFORMATION ABOUT THIS REPORT

- 4.1 Paragraph 1.5 above explains why this report has been brought to this Scrutiny Committee. In summary, OHP has been operating independently since 2015 and a financial performance review is now due. This report was intended to provide the committee with an opportunity to review OHP's current Business Plan and consider the added value it offers to the Borough and its residents, but unfortunately the Business Plan is not currently available.
- 4.2 It may also wish to comment on the current property arrangements in light of the Council's focus on reviewing the use of its property portfolio to deliver the best outcomes for residents either through the delivery of social value outputs, or through rental returns.
- 4.3 As mentioned in the Executive Summary, the Executive Director for Environment and Communities and Director for Cleaner Greener and Culture Services met with the CEO of Opera Holland Park on 27 September 2023 to discuss the current financial situation for OHP and future arrangements. It was reported that, as with many other cultural institutions, the COVID pandemic had set them back two years in relation to finances.

5. BACKGROUND

- 5.1 Opera Holland Park is a summer opera company which produces an annual season of opera performances, staged under a temporary canopy in front of the remains of Holland House, a Blitz-damaged building in Holland Park, west central London. The venue is fully covered but is open at the sides.
- 5.2 The canopy was installed in 1988 and was initially used for a variety of music. Concerns about noise levels led to an increasing focus on opera from 1989, with productions staged by a variety of small opera companies. As part of a drive to improve artistic standards "Opera Holland Park" was established in 1996 to produce all future productions, and in recent years the company has enjoyed a growing reputation. It is now considered one of the most accomplished non-state opera companies in the UK. The resident orchestra is the City of London Sinfonia.
- 5.3 OHP has the aim to "promote, improve and advance the education and appreciation of the general public in the Arts and in particular opera. It also has a history of providing social value including community and schools events and a very strong programme of making opera more accessible – see further details below.

Inspire and Community Work

Aims for each Season are:

- To make opera, music, the company and the theatre accessible, enabling people from all backgrounds to discover, experience and participate in opera
- To take opera out into the community for those unable to visit OHP
- To use opera to benefit the wellbeing of those living with dementia, Parkinson's and many other conditions.

6. TIMESCALE FOR CONSIDERATION

- 6.1 A review of the OHP arrangements by the Council was due in Autumn 2023, so an agreed way forward for 2024 onwards is now overdue and awaiting the OHP Business Plan to proceed. Once the OHP Business Plan has been received, a detailed review of the partnership between OHP and RBKC will take place and set out future performance and funding arrangements.

Beau Stanford-Francis
Executive Director, Environment & Neighbourhoods

Contact Officer: *Suzel Pitty, Arts, Filming and Events Manager,*
Suzel.Pitty@rbkc.gov.uk.