

**OPERA HOUSE, GLOUCESTER STREET,
ST. HELIER: GUARANTEE OF LOAN**

**Lodged au Greffe on 14th July 1998
by the Finance and Economics Committee**



STATES OF JERSEY

STATES GREFFE

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PROPOSITION

THE STATES are asked to decide whether they are of opinion:-

- (a) to authorise an unconditional guarantee by the States for the repayment of a loan of up to £5.5 million together with interest thereon from Barclays Bank Plc to the Jersey Arts Trust to allow the restoration of the Opera House to proceed without delay;
- (b) to authorise the Finance and Economics Committee to make the necessary arrangements in respect of such guarantee.
- (c) to authorise the Greffier of the States to sign the guarantee on behalf of the States.

FINANCE AND ECONOMICS COMMITTEE

Report

1. The Finance and Economics Committees report and proposition on the purchase of the Opera House (P.96/95) was approved by the States on 26th July 1995.

The Opera House has been a feature of St Helier and the theatrical life of Jersey for a very long time. Built in 1900 by Adolphus Curry on the site of an earlier theatre, it has survived both a fire in the auditorium in 1921 and also the attentions of Gaumont British in the name of cinema from 1938 to 1956. It is now bound by a covenant imposed by one of the former owners (the J. Arthur Rank Organisation) to be used solely as a theatre and never again as a cinema (whilst the Odeon in Bath Street is operated as a cinema). Alterations in the late fifties and in 1976 by the late Mr. T. C. Swanson gave the theatre back some of its character. The purchase of the theatre by the States of Jersey, on behalf of the people of Jersey, guaranteed its future as one of the cornerstones of the artistic life of our community.

2. The Finance and Economics Committee handed over the responsibility for the Opera House to the Jersey Arts Trust. Plans for the complete restoration of the theatre have duly been finalised, albeit later than anticipated, due to the delays surrounding the failed purchase of adjacent properties. This caused the plans to be changed on two occasions. Extensive exploratory work has been undertaken since the theatre closed and the complex refurbishment will include:
 1. Returning the auditorium to its original splendour.
 2. Improving the existing frontage, whilst retaining its essential character.
 3. Providing more space in the foyers for the comfort of the patrons.
 4. Improving the bar and catering facilities.
 5. Providing greatly enhanced disabled access.

6. Updating the mechanics of the backstage in line with today's technological advances; new flying, lighting and sound system, scenery etc.
 7. Providing much needed chorus and rehearsal facilities.
 8. Modernising of the dressing rooms and associated facilities.
 9. Creating better use of space in the wings and stage approaches.
 10. Enhancing the orchestra pit for the benefit of musicians.
3. The Arts Trust has produced a Business Plan for the Opera House that guarantees that local Arts clubs and societies will be able to use the theatre to the same extent as before the theatre was closed. Amongst these groups are: Jersey Amateur Dramatic Club, Jersey Green Room Club, St Martins Olde Tyme Musical Hall Society, Jersey Gilbert and Sullivan Society, Jersey Eisteddfod, Jersey Youth Service and the Good Theatre Company.
 4. The Arts Trust was requested by the Finance and Economics Committee to launch a fund-raising campaign for the refurbishment of the Opera House. The Arts Trust set up an Appeal Committee comprised of volunteers, who have given generously of their time, aided by a small team of Trust staff. The Opera House Restoration Appeal was publicly launched on 20th May 1997 with a target of £6 million, the estimated cost for the entire project. The Appeal has been running for fifteen months and has secured £1.5 million. In advance of the public launch, a donation of £0.5 million from the De Zille family was secured, for which the Trust is most grateful. After the launch a further donation of £250,000 was received from the Herbert and Jessie Godbolt Memorial Trust, to meet the costs of the disabled lifts and cloakrooms within the new Opera House.
 5. As part of the Appeal various schemes have been launched to raise funds. In October 1997 the "Hole in the Wall" scheme

was launched with people “buying bricks”. To date this scheme has raised £3,108, from 1,315 people. The Opera House Supporters Group was set up in February 1998, and to date has attracted 600 individual members. In total, over 2,000 individuals have given to the Appeal, together with fifteen corporate donations and four donations from private Trusts. The following local Arts clubs and societies have raised £21,676.81 - Amity Singers, Dramawise, First Tower School of Dancing, Good Theatre Company, Helier Morris Men, Helvetia Ladies Choir, Island Games Association, Jersey Accordion Band, Jersey Amateur Arts and Crafts Group, Jersey Amateur Dramatic Club, Jersey Gilbert and Sullivan Society, Jersey Island Singers, Jersey Symphony Orchestra, Jersey Youth Service, Les Conteurs Singers, St. Martin’s Olde Tyme Music Hall Society, Songsmiths and Two-Way Theatre.

6. The Arts Trust Centre Association supports the Opera House Restoration Appeal. With the closure of the Opera House, the Arts Centre has fulfilled the additional temporary role in accommodating some of the larger events of the local Arts Calendar, including major musicals by the local theatre groups and the Jersey Eisteddfods Autumn Festival. This has put considerable strain on the Arts Centre with 72.8 per cent of the 1997 theatre usage devoted to local groups and only 24.8 per cent for visiting professional events. The Arts Centre acknowledge that they have insufficient space to accommodate all requests to use the theatre, and as time passes there will be increasing disappointment expressed by groups for whom space simply cannot be found.
7. The Opera House has traditionally been of importance to tourists visiting the Island, and the Arts Trust have been told by hoteliers and regular visitors of their disappointment that the theatre is closed. The Jersey Hospitality Association has written to the Trust to express support for the restoration of the Opera House and acknowledge the important role it plays for visitors to the Island.
8. The Arts Trust feels that in order for further funds to be raised by the Appeal, the building contract must commence. Many

potential donors want proof that the project will happen before contributing funds to the Appeal. Tenders have been received and it is recommended that the building contract be entered into by the Arts Trust without further delay. The tender that will be accepted is from Stansell QVC Limited in the sum of £5,290,449. The mechanical and engineering installations will cost a further £627,142, with additional costs for the main contractors due to the length of the mechanical and engineering sub-contracts of £69,640. Professional fees will be £800,051 for the project. The total cost of the project has come in at £6,963,232 and this will be a fixed term contract to prevent any overspend.

9. The Jersey Arts Trust, together with officers of the Treasury have been in negotiations with several financial institutions in order to secure the best terms of a loan. A number of financial options have been examined and the Finance and Economics Committee recommend that the proposal from Barclays Bank plc be accepted. The loan will be over a period of 20 years, with interest only being repaid in the first five years. Provision for repayments has been made in the Cash Limit of the Finance and Economics Committee for 1999. Barclays Bank plc have not only offered the most attractive terms, but they were notably the first major corporate donor to the Appeal with a donation of £50,000.
10. Under the financial arrangements, the Appeal money will be spent first and only that part of the £5.5 million loan required drawn down. Therefore it is important that the Appeal remains open at least until the theatre is reopened. Potential donors have signified their intention to give to the Opera House Restoration Appeal providing that the States will make a contribution and/or that the project will actually be completed. This is very much in line with what is happening in the United Kingdom with the appeals for the restoration of both the Royal Opera House and the Royal Court Theatre. The Opera House Restoration Appeal Committee is very conscious that the greater the support from the public, the less money will need to be borrowed from the bank, and it will maintain its efforts to secure support from the public of the Island.

11. A first class team of professionals has been assembled and has brought the project through to tender stage. Tenders have been received and are valid until 31st July 1998. Therefore it is essential that the contract be signed by 31st July 1998. Failure to do so will no doubt incur significant cost increases, meanwhile the boarded up building continues to deteriorate.

12. Summary
The States have bought the Opera House for the community.
Restoration and modernisation is essential.
The Appeal has raised £1.5 million.
The States are asked to guarantee a loan from Barclays Bank Plc to the Jersey Arts Trust of up to £5.5 million.
Financing of the loan has been provided for in the Cash Limit of the Finance and Economics Committee.
An 82 week contract will enable the Opera House to open again in the Spring of the year 2000.