

DUNDEE CITY COUNCIL

REPORT TO: Leisure and Arts Services Committee - 20 February 2006

REPORT ON: Dundee Industrial Heritage Ltd

REPORT BY: Director of Leisure and Arts

REPORT NO: 121-2006

1.0 PURPOSE OF REPORT

1.1 To submit to the Committee a request for renewal of revenue grant funding to Dundee Industrial Heritage Ltd, for the year 2006-2007, and an additional payment drawn from the Council's Quality of Life Fund submission to the Scottish Executive.

2.0 RECOMMENDATION

2.1 That the Committee approves the level of revenue grant funding amounting to £29,060 for the year 2006-2007.

2.2 That the Committee further approves a payment of £33,000 drawn from the Council's Quality of Life Fund submission to the Scottish Executive, as approved in Policy and Resources Committee Report No. 596-2005, 14 November 2005.

3.0 FINANCIAL IMPLICATIONS

3.1 The funding recommended, as shown in the Budget at Appendix 1, is £29,060.

3.2 This expenditure will be met from the Department's Revenue Budget 2006-2007.

3.3 The sum of £32,500 has been identified in the Council's submission to the Scottish Executive Quality of Life Fund for the enablement of free access by Dundee school children to Verdant Works.

3.4 The terms and conditions of revenue grant funding will be contained within a Funding Agreement 2006-2007, between Dundee City Council and Dundee Industrial Heritage Ltd.

4.0 LOCAL AGENDA 21 IMPLICATIONS

4.1 Dundee Industrial Heritage's facilities at Discovery Point and Verdant Works allow access to services which are not achieved at the expense of the environment and which are accessible to all.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 The organisation's principal activities are the provision of museum and heritage services for all the public, the encouragement of visitors to Dundee, and the safeguarding of the city's rich industrial heritage.

5.2 Additional external funding from the Quality of Life Fund will enable free access by Dundee school children to Verdant Works.

5.3 The Funding Agreement 2006-2007 will contain requirements that Dundee Industrial Heritage Ltd practises equal opportunities in respect of its public and staff.

6.0 MAIN TEXT

- 6.1 Dundee Industrial Heritage Ltd operates two of Dundee's premier tourist attractions, Discovery Point and Verdant Works. It is a charitable company and is the trading body of Dundee Heritage Trust. The principal activity of the company is the restoration and exhibition of articles deemed to be important and relevant to the conservation of the City of Dundee's industrial heritage, and to the education of the public.
- 6.2 It is anticipated that this current year will produce a small surplus, very similar to the budgeted figure. On the other hand, visitor numbers and income will be lower than both budget and prior year actual figures. This is due in some part to the ongoing roadworks and difficulty of access to both centres. However, the income from catering and conference lettings and car park income have increased, as has income from the Gift Aid On Admissions scheme. Staff and overhead costs are being monitored closely and a number of efficiency savings achieved. Utility costs continue to increase.
- 6.3 An application to secure further ERDF Marketing funding through to March 2008 has been successful. The marketing campaign will continue to target and attract visitors to Dundee, both from within and outside Scotland.
- 6.4 The education and community outreach service offers a year-round programme of events and workshops at both sites, including Science Week, weaving, recycling, creative writing and storytelling, and Christmas arts and crafts. There is a wide range of curriculum-based activities available for schools, both for visiting groups and for use in the classroom.
- 6.5 New and improved gallery and auditorium project works are well advanced and these, together with the improvements to the cafe and conference facilities at Discovery Point, will improve the visitor experience. A major upgrade to the Auditorium facilities has been completed with the help of the Wright Health Group and the new Forgotten Years gallery, which is jointly funded by Heritage Lottery Fund, and internal sources, will be completed ahead of the new high season starting in April. Improvements to the retail area at Discovery Point are planned for November 2006.
- 6.6 The application to Heritage Lottery Fund for 90% funding of the Ship Restoration work has been submitted and, if successful, work on this project should start late 2006. The project will be ongoing for a period of three years at a total cost of just under £1m. The original plan to develop the derelict part of Verdant Works for student accommodation has been put on hold following an approach by the University of Dundee who are considering using it for their museum archives. Negotiations with the University are continuing.
- 6.7 Both centres have recently been inspected by VisitScotland and re-awarded Five Star status.
- 6.8 Visitor numbers for the current year are projected to be 55,750 at Discovery Point and 11,713 at Verdant Works, and for 2006-2007, 64,000 at Discovery Point and 15,000 at Verdant Works.

7.0 CONSULTATION

- 7.1 The Chief Executive, Depute Chief Executive (Finance), Depute Chief Executive (Support Services) and Assistant Chief Executive (Community Planning) have been consulted on this Report and are in agreement with its contents.

8.0 BACKGROUND PAPERS

- 8.1 None.

**STEWART MURDOCH
DIRECTOR OF LEISURE AND COMMUNITIES
26 JANUARY 2006**

**Dundee Industrial Heritage Ltd
(Appendix 1)**

	Projected Out-turn 2005-2006	Projected Budget 2006-2007
Expenditure	£	£
Direct costs	348,120	361,000
Indirect costs	746,503	779,000
Total	1,094,623	1,140,000
 Income		
Admissions	256,061	300,000
Lettings / Catering	348,720	360,000
Retail	150,486	160,000
Car Park	143,250	115,000
Corporate Support / Fundraising	15,025	10,000
Sub Total	913,542	945,000
 Grant Income		
Marketing Grant (ERDF)	52,740	52,000
Dundee Heritage Trust Contribution	21,520	23,000
Dundee City Council Revenue	28,704	29,060
DCC - Quality of Life Grant	32,500	33,000
Friends' Donations	4,000	2,000
Sub Total	139,464	139,060
 Total Income	1,053,006	1,084,060
 Surplus / (Deficit) before Exceptional Item	(41,617)	(55,940)
Gift Aid Revenue	45,256	50,000
 Balance carried forward after Exceptional Item	3,639	(5,940)