

**REPORT TO:** CITY GOVERNANCE COMMITTEE - 29 FEBRUARY 2024

**REPORT ON:** THIRD PARTY PAYMENTS - CULTURAL SECTOR GRANTS

**REPORT BY:** CHIEF EXECUTIVE

**REPORT NO:** 143-2024

## 1.0 PURPOSE OF REPORT

This report outlines proposed funding allocations to a number of cultural organisations for the financial year 2024-25 and proposes a review of future funding levels for 2025/26 and beyond.

## 2.0 RECOMMENDATIONS

The Committee is asked to:

- a approve the allocations of funding to the organisations set out in the table at paragraph 4.1 for 2024-25.
- b remit officers to engage with these organisations to look at how a minimum of 7% (circa £67,000) reduction in the overall revenue funding for 2025-26 and beyond could be delivered and if alternative funding opportunities could be identified.
- c note the additional supports currently in place in addition to the revenue grants and contractual agreements in place for Dundee Science Centre and V&A Dundee.

## 3.0 FINANCIAL IMPLICATIONS

- 3.1 There are no implications of this proposal for the Culture Sector grants during 2024.
- 3.2 In addition to the grants paid there are also a range of other 'in kind' benefits the Council has provided. This includes three properties effectively rent free (V&A, DCA & Discovery Point), car parking income collection and capital funding to support key developments. The current additional support is estimated at £844,000 per annum.

## 4.0 BACKGROUND

- 4.1 The Council has for many years provided an annual grant to five cultural sector organisations listed in the table below. The Council's grants account for, in total, less than 5% of their combined annual income (ranging from 9% to 1%). The Council also supports these organisations in other ways and with benefits in kind.

**Table 1. Culture Sector Grants Current**

Organisation	Current Grant	% of Income	2024/25
<b>Dundee Science Centre</b>	£28,000	2%	£28,000
<b>Dundee Industrial Heritage</b>	£26,000	1%	£26,000
<b>Dundee Contemporary Arts</b>	£232,000	9%	£232,000
<b>Dundee Rep</b>	£318,000	8%	£318,000
<b>V&amp;A Dundee</b>	£350,000	5%	£350,000
<b>Total</b>	<b>£954,000</b>		<b>£954,000</b>

- 4.2 When establishing the Dundee Science Centre in 2000 and seeking support from the Millennium Fund it was agreed that, in lieu of setting aside a capital sum to provide an endowment income, the Council would commit to a minimum grant level of £15,000 per annum. Similarly, in the business case for establishing the V&A Dundee the Council committed to a minimum grant level of £350,000 for 10 years from opening.

- 4.3 The city benefits from a thriving cultural scene, and this has been a major contributing factor in the economic regeneration of the city. However, given the ongoing financial challenges the Council faces, all discretionary funding requires to be reviewed and £589,000 of this revenue funding falls into that category. Each organisation has a range of alternative grant funding and commercial income opportunities that significantly outweigh the Council's grant. Council officers will continue to work with these organisations to deliver inclusive economic growth.
- 4.4 It is recognised that the culture sector is still recovering from the pandemic and the cost-of-living crisis will affect paying audience numbers. However, taking account of the ongoing financial outlook, it makes sense to signal that in future the sector as a whole cannot factor in an annual revenue grant from the City Council, with the exception of the contractual agreements in place. This will allow the organisations time to look to reshape their provision, and to seek sources of alternative funding and/or revenue generation.

## **5.0 POLICY IMPLICATIONS**

- 5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.
- 5.2 Following engagement/consultation with key stakeholders any issues raised will be considered through our Integrated Impact Assessment process and as appropriate this will be reported with any future recommendations for consideration to Committee.

## **6.0 CONSULTATIONS**

The Council Leadership Team were consulted in the preparation of this report.

## **7.0 BACKGROUND PAPERS**

None.

GREGORY COLGAN  
CHIEF EXECUTIVE

DATE: FEBRUARY 2024

ANDREA CALDER  
HEAD OF CHIEF EXECUTIVE'S SERVICE