

DUNDEE CITY COUNCIL

REPORT TO: Leisure, Arts and Communities Committee - 24 March 2008
REPORT ON: Dundee Industrial Heritage Ltd - Revenue Support 2008-2009
REPORT BY: Director of Leisure and Communities
REPORT NO: 189-2008

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 2008-2009.

2.0 RECOMMENDATIONS

- 2.1 That the Committee approves the level of Revenue Grant funding amounting to £63,000 as set out in the report.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The funding recommended is £63,000 from the Leisure and Communities Department's 2008-2009 Revenue Budget as shown in the budget at Appendix 1.
- 3.2 The terms and conditions of Revenue Grant funding will be contained with a Service Level Agreement for 2008-2009 between Dundee City Council and Dundee Industrial Heritage Ltd.

4.0 MAIN TEXT

- 4.1 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 principle 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 for the education of the public.

4.2 Review of the year 2007-2008

Dundee Industrial Heritage (DIH) are forecasting a small surplus this year but this is much lower than they had originally budgeted for. A number of factors have contributed to this.

On the positive side trading income from retail, conferences and cafes has increased by 13% but against this visitor numbers and income has fallen by around 3%. Car park income has decreased significantly following the opening of the Greenmarket facility. This income line is 14% down on the prior year and by year end they expect to have lost £15,000 against 2006/2007.

They are mindful that their ERDF Marketing Grant ends of 31 March 2008 and have changed their marketing strategy by developing an improved web site, reviewing value for money marketing and reducing their spend wherever possible. They have introduced a new design for guide books and brochures this year.

DIH have been fortunate in getting significant TV and press coverage for both the

ship restoration work and the "Significance" awards. As well as for National Diabetes Day in conjunction with DCC.

Gift Aid continues to provide much needed income and they have opted for the "free admission for a year" system. Presently they are receiving 6% repeat visitors under this scheme.

They continue to monitor their overhead expenses closely and make changes to their supplier profile where this is beneficial.

A major revamp/maintenance programme is presently underway at Verdant Works which includes the buildings and gallery improvements. The total cost of this is £150,000 but they were fortunate in securing a major sponsor for £100,000 as well as smaller donations and the balance coming from their own funds.

Both RRS Discovery and her associated polar collections and the jute collections based at Verdant Works have become Recognised Collections of National Significance, a notable achievement for the Trust.

Work continues apace on the HLF funded Restoration Project aboard RRS Discovery. The project is now half way through its two year programme which as well as the essential conservation works to the ship also includes public lectures, tours, schools workshops and interpretation of new areas of the ship being opened up to visitors.

Dundee Industrial Heritage once again maintained their VisitScotland 5 Star Attraction status at both Discovery Point and Verdant Works.

Education and Outreach 2007/2008

The Education and Community Outreach Service provides a comprehensive programme of events and activities for schools, community groups and families. The schools programme, which included storytelling, Christmas crafts and Science Week activities, attracted 5,230 pupils during 2006/2007, with a further 600 benefitting from outreach visits to the classroom.

They have continued to provide informal sessions for local community groups, both at their sites and on outreach visits, including out-of-school groups, play schemes, adult learner groups, brownies, guides and scouts. Events for families in 2007/2008 included activities for Easter, Doors Open Day, Halloween and Christmas as well as workshop sessions during school holidays.

A performance of damage and song, "Weaving Tales", was presented at Verdant Works by the Dundee Rep Youth Theatre over the May Bank Holiday weekend, and was followed up by a full-length promenade production "Whit a Bummer!" that used the museum space to tell the story of Dundee's jute workers and life in the Mills.

Free admission is given to Dundee School children at Verdant Works.

4.3 Major Plans for 2008-2009

Dundee Industrial Heritage Trust are constantly striving to maintain and improve the facilities at their centres and plan to embark on a restructuring of the existing auditorium later this year. A number of other projects are planned for 2008-2009 and 2009-2010.

The derelict part of Verdant Works was placed on the market 6 months ago but after a fair bit of initial interest no offers have been forthcoming thus far. Their objective will be to develop the existing area between the two buildings in conjunction with a developer, with the proceeds of monies received from the sale.

They are expecting a difficult year ahead with visitor numbers unlikely to increase and although they are hoping for further growth from other trading lines this is unlikely to be as significant as for the past three years. Car park income in this and future years will be required to be maintained in order that they continue to have the resources to attract visitors to Dundee.

At present they are attracting 78% of visitors to Discovery Point from outwith the Tayside area, with Verdant attracting 51%. The loss of the ERDF Marketing funding will impact significantly on their bottom line. However they will endeavour to find ways to maintain a surplus year on year, without which they will not be able to sustain and continue the programme of improvements completed over the past five years.

- 4.4 Dundee Industrial Heritage Ltd sustain 21 full time equivalent jobs in Dundee during 2007-2008 and they are projected to achieve 90% of their income from non public services in 2008-2009.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6.0 CONSULTATION

- 6.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) and Head of Finance have been consulted on this report and are in agreement with its contents.

7.0 BACKGROUND PAPERS

- 7.1 None.

**STEWART MURDOCH
DIRECTOR OF LEISURE AND COMMUNITIES
4 MARCH 2008**

Dundee Industrial Heritage Limited**Appendix 1**

| | Out-turn 2007-2008 | Draft Budget 2008-2009 |
|------------------------------------|-------------------------------|-----------------------------------|
| Expenditure | | |
| Direct Costs | 400,212 | 416,000 |
| Indirect Costs | 763,800 | 760,220 |
| Total | 1,164,012 | 1,176,220 |
| | | |
| Income | | |
| | 257,212 | 271,000 |
| Admissions | | |
| Lettings / Catering | 404,901 | 422,000 |
| Retail | 187,873 | 202,000 |
| Car Park | 127,012 | 125,000 |
| Corporate Support / Fundraising | 10,071 | 10,000 |
| | | |
| Gift Aid Revenue | 43,431 | 41,062 |
| Total | 1,030,500 | 1,071,062 |
| | | |
| Grant Income | | |
| Marketing Grant (ERDF) | 46,625 | 5,000 |
| Dundee Heritage Trust Contribution | 33,354 | 35,000 |
| DCC - Revenue Support Grant | 28,926 | 30,000 |
| DCC - Quality of Life Grant | 33,000 | 33,000 |
| Friends Donations | 5,000 | 5,000 |
| Sub Total | 146,905 | 108,000 |
| Total Income | 1,177,405 | 1,179,062 |
| Surplus / (Deficit) | 13,393 | 2,842 |
| | | |
| Surplus Brought Forward | 27,584 | 40,977 |
| Surplus Carried Forward | 40,977 | 43,819 |