

DUNDEE CITY COUNCIL

REPORT TO: Leisure and Arts Services Committee – 19 April 2004

REPORT ON: Dundee Industrial Heritage Ltd

REPORT BY: Director of Leisure and Arts

REPORT NO: 297-2004

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 2004-2005, 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 £28,350 for the year 2004-2005.

2.2 That the Committee further approves a payment of £32,500 drawn from the Council's Quality of Life Fund submission to the Scottish Executive, as approved at the Policy and Resources Committee Report No. 352-2003, 30 June 2003.

3.0 FINANCIAL IMPLICATIONS

3.1 The funding recommended, as shown in the Budget at Appendix 1, is £28,350.

3.2 This expenditure will be met from the Leisure and Arts Department's revenue budget for 2004-2005.

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 2004-2005, 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 2004-2005 will contain requirements that Dundee Industrial Heritage Ltd practise 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 organisation is heavily dependent upon earned income and is therefore particularly vulnerable to changing conditions in a competitive market. Visitors from abroad account for 25% of visitors and 87% of visitors come from outwith Dundee.
- 6.2 A grant of £60,000 received from the Scottish Executive at the end of financial year 2002-2003 enabled the organisation to record a net surplus on the year of £25,000, and to continue to show a positive bank balance throughout the financial year 2003-2004.
- 6.3 The revised Business Plan adopted and implemented last year has maintained admission numbers and revenue income, including increased income in trading activities. Payroll and overhead costs in 2003-2004 are £45,000 below 2002-2003 levels.
- 6.4 To maintain its VisitScotland 5 Star rating at both Discovery Point and Verdant Works, Dundee Industrial Heritage has included the costs of large scale maintenance in both its museum and trading areas in its Budget 2004-2005. Planned maintenance costs for RRS Discovery are also included.
- 6.5 Major capital projects of ship restoration, new auditorium and other museum improvements would amount to £1,350,000. Dundee Heritage Trust will seek grant funding from various sources to enable this work to be carried out. The Trust has engaged the services of a consultant fundraiser as well as an events company who are organising "Discovery Week" in June.
- 6.6 The Lord Provost's Corporate Friends of Verdant Works Scheme, set up last year, has been very successful in encouraging local businesses to support Verdant Works by donating skills, time and goods in order to assist, in kind, with the running costs of the organisation.
- 6.7 Major events and activities planned for 2004-2005 include
- "Whaling from South Georgia" an exhibition of photographs running until May in Discovery Point.
 - "Dundee and the Suffragettes" until June at Verdant Works.
 - "Jute Journeys – a Celebration of Indian Culture" looking at the long-standing links between Dundee and India, including a weekend of traditional Indian arts, dance, drama, crafts and food, in May at Verdant Works.
 - "Discovery Week 2004" a nine day event in June featuring mixed family and youth events at various locations in the city.
 - Continuing education work with schools and community groups, including free access to Verdant Works for Dundee's school children.

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

**STEVE GRIMMOND
DIRECTOR OF LEISURE AND ARTS
25 MARCH 2004**

APPENDIX 1

Dundee Industrial Heritage Ltd

Budget 2004-2005

	2003-2004	2004-2005
Income		
Admissions	267,753	291,161
Lettings/Catering	210,942	226,881
Retail	138,083	154,759
Car Park	<u>83,878</u>	<u>102,000</u>
Total	700,656	774,801
Corporate Support/Fundraising	<u>6,395</u>	<u>12,000</u>
	707,051	786,801
Direct Costs	205,438	270,807
Indirect Costs	606,055	644,711
Net Operating Profit/Loss	(104,442)	(128,717)
Grant Income		
Marketing (ERDF)	35,000	48,300
Dundee Heritage Trust Contribution	5,600	17,500
DCC Revenue Grant	28,000	28,350
DCC Quality of Life Grant	32,500	32,500
Miscellaneous	2,000	500
Friends Donations	<u>2,000</u>	<u>1,650</u>
Total Grant	105,100	128,800
Surplus/Deficit	658	83