

## **DUNDEE CITY COUNCIL**

**REPORT TO:** Policy and Resources Committee - 31 October 2011

**REPORT ON:** Service Fee to Leisure & Culture Dundee

**REPORT BY:** Chief Executive

**REPORT NO:** 482-2011

### **1.0 PURPOSE OF REPORT**

1.1 To gain committee approval for the payment of a Service Fee to Leisure & Culture Dundee for 2011/2012.

### **2.0 RECOMMENDATIONS**

It is recommended that the Committee:

2.1 approve the proposed release of the Service Fee to Leisure & Culture Dundee for the remainder of 2011/2012.

2.2 approve the payment of the Service Fee, on the basis of quarterly in advance.

### **3.0 FINANCIAL IMPLICATIONS**

The service fee to Leisure & Culture Dundee for the part year from 1 July 2011 to 31 March 2012 is £5,942,289 and can be contained within the Chief Executives Departments 2011/12 Revenue Budget.

### **4.0 BACKGROUND**

4.1 Reference is made to Article II of this Committee on 10 February 2011 where it was agreed to establish a Leisure & Culture Company to operate Leisure and Culture facilities owned by the City Council.

4.2 Reference is also made to Article VIII of the meeting of this Committee on 14 March 2011, where it was agreed to establish the Leisure & Culture Company as a Scottish Charitable Incorporated Organisation (SCIO) to take forward the delivery of Leisure, Culture and Library facilities for the City Council and Appendix IX of the meeting of this Committee on 25 April 2011 where it was agreed to approve the constitution of the SCIO and to name it as "Leisure & Culture Dundee".

### **5.0 MAIN TEXT**

5.1 Work has now been completed on the development of a detailed budget for Leisure & Culture Dundee for 2011/12, equivalent to the approved 2011/12 Revenue Budget for the facilities operated by Leisure & Culture Dundee.

5.2 The budget is based on outline plans for the expected income and expenditure, the services, improvements and other expenditure plus the level of financial commitment agreed. The level of fee is consistent with the savings of £334,000 in 2011/12 and £422,000 in a full year, approved at this Committee of 10 February 2011, associated with the establishment of Leisure & Culture Dundee. See Appendix 1 for a summary of the budget.

5.3 It is therefore proposed that the sum of £5,942,289 is paid to Leisure & Culture Dundee as a part year service fee payment made quarterly in advance.

5.4 Future agreements on the Service Fee for Leisure & Culture Dundee and will be approved as part of the normal budget process.

### **6.0 POLICY IMPLICATIONS**

6.1 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.

**7.0 CONSULTATION**

7.1 Depute Chief Executive (Support Services), Director of Finance and Director, Leisure and Communities have been consulted on this report and are in agreement with its contents.

**8.0 BACKGROUND PAPERS**

None

**DAVID DORWARD  
CHIEF EXECUTIVE  
19 OCTOBER 2011**

**LEISURE & CULTURE DUNDEE TOTAL BUDGET 01 JULY 2011 -31 MARCH 2012****GROSS EXPENDITURE**

LEISURE & SPORT	£3,969,913
LIBRARY & INFORMATION SERVICES	£2,621,098
CULTURAL SERVICES	£1,351,984
SUPPORT SERVICES	£768,749
IRRECOVERABLE VAT	£92,516

**TOTAL GROSS EXPENDITURE** **£8,804,260**

**INCOME**

FEE & CHARGES ETC	£2,894,881
SERVICES FEE	£5,942,289

**TOTAL INCOME** **£8,837,170**

NET EXPENDITURE\* **-£32,910**

\*Note - Net Expenditure figure is a surplus of (£32,910) which reflects the Dundee Leisure budget surplus for the period 01 August 2011 - 31 March 2012