

DUNDEE CITY COUNCIL

REPORT TO: Leisure and Arts Services Committee - 19 March 2007
REPORT ON: Dundee Industrial Heritage Ltd - Revenue Support 2007-2008
REPORT BY: Director of Leisure and Communities
REPORT NO: 161-2007

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 2007-2008.

2.0 RECOMMENDATIONS

2.1 That the Committee approves the level of Revenue Grant funding amounting to £61,926 as set out in the report.

3.0 FINANCIAL IMPLICATIONS

3.1 The funding recommended is £61,926 comprising £33,000 from the Quality of Life Fund and £28,926 from the Leisure and Communities Third Party Payment Grant portfolio for 2007-2008 as shown in the budget at Appendix 1

3.2 The terms and conditions of Revenue Grant funding will be contained within a funding agreement 2007-2008 between Dundee City Council and Dundee Industrial Heritage Ltd.

4.0 SUSTAINABILITY POLICY IMPLICATIONS

4.1 Sustainability

Dundee Industrial Heritage Ltd facility 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.

4.2 Strategic Environmental Assessment

None required

4.3 Anti-Poverty

Dundee Industrial Heritage Ltd provide employment and develop employment prospects as well as provision concession rates for access.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

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

5.2 The funding agreement 2007-2008 will contain requirements that Dundee Industrial

Heritage Ltd practices 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 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.

6.2 Review of 2006-2007

It is anticipated that this current year will produce a small surplus, very similar to budget. Trading income from functions, catering and their cafes has increased significantly this past year, in spite of static visitor numbers, which have only increased marginally on the low figures recorded in 2005-2006. Dundee Industrial Heritage have also placed special emphasis on Verdant Works trading lines and the loss should be reduced by £15k this year.

The new gallery "Ocean Odyssey" was opened in April 2006 at a total cost of £120k. Dundee Industrial Heritage received a grant of £50k from Heritage Lottery Fund towards the cost of this. The retail area at Discovery Point was completely refitted in November at a cost of £48k.

Gift Aid continues to provide much needed income, although the new rules have affected Dundee Industrial Heritage adversely.

Staff and overhead costs have been monitored closely and a number of efficiency savings have been made. Significant savings were made by changing Dundee Industrial Heritage's insurance brokers. Utility costs have risen by 12% in spite of a relatively mild Winter.

The application of Heritage Lottery Fund for restoration works on "Discovery" has been successful and they are to fund 76.7% of the total project costs of £688k. Work starts shortly and will continue for a two year period.

Both centres were again awarded VisitScotland Five Star status.

6.3 Education and Outreach

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 weaving, storytelling, Christmas crafts and Science Week activities, attracted 6872 pupils during 2005-2006, with a further 500 benefiting from outreach visits to the classroom. Dundee Industrial Heritage 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 2006 included activities for Doors Open Day, Halloween and Christmas as well as workshop sessions during school holidays. Free admission is given to Dundee School children at Verdant Works.

6.4 Outlook for 2007-2008

The improvements made to Dundee Industrial Heritage facilities over the past two years have added to both the visitor experience as well as enhancing the conference, retail and catering facilities.

Further funding is being sought for the auditorium project.

Improvements at Verdant Works are currently underway to combine the reception and shop areas with the cafe. The cafe will be upgraded with the objective of further increasing trade. The old reception area will be turned into a temporary exhibition area and it is hoped with D C Thomson's assistance, to open a "Broon's" Exhibition. The administration offices are to be relocated to Discovery Point, which will free up additional space for both temporary exhibitions and conference facilities.

At Discovery Point Dundee Industrial Heritage will be making improvements to the Polarama area with a new concept of a "Living Floor". As visitors walk across the floor the audio/visual will give the effect of cracking ice to reveal penguins swimming under the broken ice.

Apart from the commercial benefits of this project there are enormous educational benefits as well and Dundee Industrial Heritage intend to work closely with Camperdown Wildlife Centre on this, whilst also exploring joint marketing initiatives.

Dundee Industrial Heritage are confident that these two additional attractions will increase their visitor numbers substantially which will also be of added benefit to the Dundee economy. Currently 72% of visitors to Discovery Point come from outwith the Tayside area.

Additional ERDF marketing funding (at the lower rate of 39%) has been secured to promote these new attractions in the forthcoming year. The marketing campaign will continue to target and attract visitors to Dundee, both from within and outside Scotland. All ERDF funding will end in March 2008.

There is a revised plan to develop the derelict part of Verdant Works for the University of Dundee, who are considering using it for their museum archives. However the "High Mill" will require major works to secure the roof within two to three years and Dundee Industrial Heritage are currently looking at other options, as the University are unlikely to make a firm commitment within this time period.

- 6.5 Visitor numbers for the current year are projected to be 56,387 at Discovery Point and 11,966 at Verdant Works. For 2007-2008 visitor numbers are projected to be 60,000 at Discovery Point and 12,000 at Verdant Works.

7.0 CONSULTATION

- 7.1 The Chief Executive, Depute Chief Executive (Support Services) and Depute Chief Executive (Finance) 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 & COMMUNITIES
6 MARCH 2007

Dundee Industrial Heritage Limited

Appendix 1

	Forecast 2006-2007	Draft Budget 2007-2008
Income		
Admissions	255,300	281,160
Lettings / Catering	360,391	417,389
Retail	158,037	169,295
Car Park	141,148	141,600
Corporate Support / Fundraising	13,035	14,000
Total	927,911	1,023,444
Expenditure		
Direct Costs	342,710	394,000
Indirect Costs	744,088	807,778
Total	1,086,798	1,201,778
Surplus/ (Deficit)	(158,887)	(178,334)
Grant Income		
Marketing Grant (ERDF)	51,421	50,460
Dundee Heritage Trust Contribution	29,027	21,352
DCC Council - Revenue Grant	29,060	29,060
DCC - Quality of Life Grant	32,500	32,500
Scottish Executive - Special Grant **	0	12,200
Friends Donations	4,000	5,000
Total Grant Funding	146,008	150,572
Surplus / (Deficit) before Exceptional Item	(12,879)	(27,762)
Gift Aid Revenue	40,463	44,053
Surplus / (Deficit) after Exceptional Item	27,584	16,291

** 50% funding for new Senior Museums Post for "Accreditation" and "Significance" work.