

## **DUNDEE CITY COUNCIL**

**REPORT TO:** Leisure, Arts & Communities Committee - 25 April 2011

**REPORT ON:** Dundee Ice Arena - Management Fee 2011-2012

**REPORT BY:** Director of Leisure & Communities

**REPORT NO:** 210-2011

### **1.0 PURPOSE OF REPORT**

1.1 To submit to the Committee a request for approval of the management fee to Dundee Ice Arena for 2011-2012.

### **2.0 RECOMMENDATIONS**

It is recommended that the Committee:-

2.1 remits the Director of Leisure and Communities, on behalf of Dundee City Council, to update the Management Agreement with Dundee Ice Arena, subject to ongoing monitoring and evaluation as to its efficiency, economy and effectiveness.

2.2 remits the Director of Leisure and Communities to keep these arrangements under review and amend as appropriate.

2.3 approves the level of the management fee for 2011-2012 amounting to £225,000 as set out in the report.

### **3.0 FINANCIAL IMPLICATIONS**

3.1 The management fee recommended is £225,000 which is provided for in the Leisure & Communities Department's 2011-2012 Revenue Budget.

3.2 The terms and conditions of these payments are contained within a Management Agreement between Dundee City Council and Dundee Ice Arena

### **4.0 MAIN TEXT**

4.1 Dundee Ice Arena provides ice time for all major ice sports including ice hockey, figure skating, speed skating and curling. It also provides regular facilities for public skating.

#### **4.2 Review of 2010-2011**

During 2010/2011 the Ice Arena continued to host Scottish Premier and National League ice hockey and a full range of curling competitions. Extensive junior development programmes were delivered for hockey, curling, figure skating and speed skating. Children from various local schools attended the day time curling classes as part of the partnership agreement with the Royal Caledonian Curling Club. Figure Skating continued to progress at all age levels culminating in two Dundee skaters competing at the European Championships and one of them has now been chosen to represent GB in the World Championships. A junior member of the Speed Skating Club was chosen to represent Great Britain at his age level and two players from Dundee Stars Ice Hockey Team were included in the GB squad. An Adult Learn to Skate programme has been introduced and will continue over the summer period. The facility's versatility, convenient location and unrestricted parking is demonstrated by the increasing business for its function suites and conference rooms.

- 4.3 Despite the best efforts of management, it has not been possible to reduce energy consumption although in conjunction with Dundee City Council technical officers investigations are ongoing into energy saving systems and the use of alternative energy supplies. A strategy has been put in place whereby cheaper night time power charges can now be utilised more effectively and the arena's main air conditioning system will be used only in predominantly humid conditions resulting in a considerable reducing in power consumption. Also, the bad weather over the Christmas/New Year period discouraged visitors.. To generate savings, the company has taken the opportunity to review its staffing structure and also now undertakes many repairs in-house.

In spite of these actions, it is anticipated that a deficit of £30,000 will arise for 2010-2011 even after the application of the existing guarantee.

#### 4.4 **Major Plans for 2011-2012**

In 2011-2012 the Arena will be hosting several major events including the Scottish Recreational Ice Hockey Championships. The facility having been chosen as the most suitable venue by the governing body and competing clubs. The RAF Ice Hockey Championships will again be held in Dundee this year with teams from around the UK being involved.

A programme of figure skating and ice hockey schools will, once again, be held during the school holidays which will involve international coaches from around the world. There are now several junior competitors who have come through the development ranks in their respective sports since the Arena opened, attaining national and international recognition.

The Ice Arena is working with the Council's 'Active Schools Programme' in terms of a partnership approach to ice sports tasters.

The Scottish Short Track Speed Skating Competition will again be hosted at the Arena.

- 4.5 Dundee Ice Arena sustained 16 full-time equivalent jobs in Dundee during 2010-2011 and they are projected to achieve 75% of their income from non City Council sources in 2010-2011.

#### 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 were no major issues.

#### 6.0 **CONSULTATION**

- 6.1 The Chief Executive, Depute Chief Executive (Support Services), Assistant Chief Executive and Director 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 & COMMUNITIES**  
**11 APRIL 2011**

**DUNDEE ICE ARENA****Appendix 1**

	<b>Estimated Out- turn 2010-2011 £</b>	<b>Draft Budget 2011-2012 £</b>
<b>Expenditure</b>		
Staff Costs	249,000	242,000
Property Costs	424,000	437,000
Supplies and Services	275,000	271,000
<b>Total Expenditure</b>	<b>948,000</b>	<b>950,000</b>
<b>Income</b>		
Playing Income	568,000	611,000
Rental Income	28,000	31,000
Events Income	19,000	18,000
Development Income	69,000	72,000
Operations Income	9,000	7,000
<b>Sub Total Income</b>	<b>693,000</b>	<b>739,000</b>
<b>Management Fee</b>		
DCC	225,000	225,000
<b>Total Income</b>	<b>918,000</b>	<b>964,000</b>
<b>Surplus /(Deficit)</b>	<b>(30,000)</b>	14,000
<b>Surplus/(Deficit) brought forward</b>	16,000	(14,000)
<b>Surplus/(Deficit) carried forward</b>	(14,000)	0