

REPORT TO: CITY GOVERNANCE COMMITTEE – 27 FEBRUARY 2025

REPORT ON: THIRD PARTY PAYMENTS – CULTURAL SECTOR GRANTS AND UNESCO

REPORT BY: CHIEF EXECUTIVE AND DIRECTOR, LEISURE & CULTURE DUNDEE

REPORT NO: 62-2025

1.0 PURPOSE OF REPORT

This report outlines proposed funding allocations for cultural organisations and UNESCO for the financial year 2025-26.

2.0 RECOMMENDATIONS

Committee is asked to:

- a) approve the allocations of funding to the organisations set out in the table at para 5.8 for 2025-26;
- b) note the support currently in place in addition to the revenue grants set out at para 4.5 and contractual agreements in place for Dundee Science Centre and V&A Dundee at para 4.4;
- c) remit officers to engage with these organisations to look at how a minimum of 7% reduction in the overall revenue funding for 2026-27 and beyond could be delivered and if alternative funding opportunities could be identified; and
- d) remit the Director, Leisure and Culture Dundee to review the funding for UNESCO as set out at para 5.7 and report back to Committee.

3.0 FINANCIAL IMPLICATIONS

- 3.1 This proposal reduces the grants to three of the organisations resulting in savings of £68,000 (7.1%) in 2025/26 as set out in the table at para 5.7.
- 3.2 In addition to the grants paid there are also a range of other 'in kind' benefits the Council has provided. This includes three properties effectively rent free (V&A, DCA & Discovery Point), car parking income collection and capital funding to support key developments. The current additional support is circa £793k per annum and future capital investment of circa £4.5m. See more details at paras 4.5 and 4.6.
- 3.3 Two of the organisations have been advised that they will receive an increase in their multi-year funding from Creative Scotland as set out below:
 - DCA increases from current level of £666k to £1m in 2025/26 then further increase to £1.47m
 - Rep increases from current level of £1.9m to £2.6m in 2025/26 then further increase to £2.86m

4.0 BACKGROUND

- 4.1 Report 143-2024 on Third Party Grants to Cultural Organisations (Article II cii of City Governance Committee on 29 February 2024 refers) remitted officers to engage with these organisations to look at how a minimum of 7% per annum reduction in the overall revenue funding could be delivered where discretion allows. This would also give them time to look to reshape their provision, and to seek sources of alternative funding and/or revenue generation.
- 4.2 The Council has provided revenue funding to four cultural sector organisations listed in the table at para 5.6 for many years and subsequently then added support for V&A Dundee. The Council's grants account for, in total, less than 5% of their combined annual income (ranging from 9% to 1%).

4.3 The city benefits from a thriving cultural scene, and this has been a major contributing factor in the economic regeneration of the city. However, given the ongoing financial challenges the Council faces, all discretionary funding requires to be kept under review and £591,000 of this revenue funding falls into that category. Each organisation has a range of alternative grant funding and commercial income opportunities that significantly outweigh the Council's grant. Council officers will continue to work with these organisations to deliver inclusive economic growth. However, taking account of the ongoing financial outlook, it makes sense to signal that in future the sector cannot factor in an annual revenue grant from the City Council, with the exception of the contractual agreements in place.

4.4 For clarity the current contractual agreements are as follows:

- When establishing the Dundee Science Centre in 2000 and seeking support from the Millennium Fund it was agreed that, in lieu of setting aside a capital sum to provide an endowment income, the Council would commit to a minimum grant level of £15,000 per annum.
- In the business case for establishing the V&A Dundee, the Council committed to a minimum grant level of £350,000 for 10 years from opening. Due to this contractual agreement being in place no reduction can be made to this funding currently.

4.5 Further details on the other annual support costs, excluding the noted property leases at 3.2, are set out below:

DCA – Property costs covered total £430,615 includes water, gas & electricity costs

V&A – Property costs covered £262,659, Development Officer £69,721 and Others £29,654 and this totals £362,035.

4.6 Given the DCA is over 25 years old now it is recognised that investment will be required to secure the future of the facility and it is expected that from 2024/25 to 2027/28 circa £4.5m of capital investment will be made. This work will see the replacement of mechanical and electrical infrastructure as well as considering energy efficiency and carbon reduction as part of the project (where practicable) reflecting the intention of the specific city council investment to tackle climate change.

4.7 Separately, Leisure & Culture Dundee manages and hosts the UNESCO team with revenue funding support from partners, including Dundee City Council. The current agreement is set out in Report No [340-2021.pdf](#) by the Director, Leisure & Culture Dundee (Article III of Policy and Resources Committee on 6 December 2021 refers) and is in place until 31 March 2025 as follows:

- Dundee City Council: £180,000 (£60,000 annually)
- Abertay University: £45,000 (£15,000 annually)
- University of Dundee: £60,000 (£20,000 annually)
- Northwood Charitable Trust: £90,000 (£30,000 annually)
- V&A Dundee: £45,000 (£15,000 annually)
- Total £420,000 over three years (£140,000 annually).

4.8 Also set out in the report is in kind support contributed by partners and others being:

- Leisure & Culture Dundee: £30,000 (£10,000 annually in-kind admin support).
- Creative Dundee: £9,000 (£3,000 annually in kind through steering group)
- V&A Dundee: £21,000 (£7,000 annually in kind through staff line management and steering group)

5.0 BUDGET CONSULTATION AND FUTURE FUNDING

5.1 As part of the Budget Consultation views were sought regarding this discretionary expenditure for four of the five organisations and is summarised below:

Dundee Science Centre - There were 3390 responses with the average impact rating suggested as medium (2.95/5.0).

Dundee Industrial Heritage Trust- There were 3369 responses with the average impact

rating suggested as medium (2.78/5.0).

Dundee Contemporary Arts - There were 3424 responses with the average impact rating suggested as medium (3.56/5.0).

Dundee Rep - There were 3390 responses with the average impact rating suggested as medium (3.44/5.0).

5.2 More detailed narrative feedback was received from 1631 people and common themes included:

- Many respondents believed that reducing funding for these cultural organisations would negatively impact community services, limiting access to arts, education, and social activities, supporting those with disabilities and mental health issues.
- There were strong concerns that funding cuts could harm Dundee's economy and tourism, as these organisations attract visitors and contribute to the city's cultural appeal. A sense that reducing funding could lead to the closure of these cultural institutions, which was stated as likely to be a substantial loss for the city.
- Some respondents suggested exploring alternative funding sources to mitigate the impact of reduced council funding with some stating that cultural organisations should explore ways to become more self-sufficient and less reliant on council funding. There are suggestions to look for other sources of income, such as private funding, grants, and donations. This could include charging higher fees for those who can afford it while offering lower rates for those with lower incomes, it was felt that this could help generate additional revenue without significantly impacting accessibility.

5.3 When asked what level of reduction to funding for the above organisations would be suggested, 3230 responses were received. In all cases the highest individual response rates were for a 0% reduction, however in most cases the overall majority indicated that some level of reduction to this funding could be taken with the most suggested after 0% being 10-20%.

5.4 In addition, to the consultation feedback an annual return is requested from each of the above five organisations in autumn each year. This return gathers: financial information including reserves balances, staffing levels and commitment to the Scottish Living Wage, visitor numbers and how they support the City's priorities

UNESCO

5.5 There were 3241 responses in relation to UNESCO with the average impact rating of 2.54/5.00, nearing medium. More detailed narrative feedback was received from 1079 people and common themes included:

- Many respondents stated the UNESCO City of Design status brings economic benefits particularly in relation to tourism and matched funding for projects.
- It was however suggested that alternative funding could be sought to reduce reliance on council funds.

5.6 There was also an open letter including a petition of 785 signatures received in support of the UNESCO designation and associated work.

5.7 Whilst the same level of funding is being provided to UNESCO for 2025/26, the Director, Leisure and Culture Dundee will review this to seek alternative funding to allow the contribution from the Council to be set at the same average level as the other partners going forward.

5.8 Funding proposals for 2025/26 are detailed in the table below:

Name	Current Grant	% of Income*	2025/26 funding	Reduction
Dundee Science Centre	£28,000	2%	£15,000	£13,000
Dundee Industrial Heritage	£26,000	1%	£26,000	£0
Dundee Contemporary Arts	£232,000	9%	£209,000	£23,000
Dundee Rep	£318,000	8%	£286,000	£32,000
V&A Dundee	£350,000	5%	£350,000	£0
Total	£954,000		£886,000	£68,000
UNESCO	£60,000		£60,000	£0
Overall Total	£1,014,000		£946,000	£68,000

6.0 POLICY IMPLICATIONS

- 6.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified and is noted within the Appendices. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of / mitigating factors for them is included as Appendices to this report.
- 6.2 A separate appendix is included for each of the three organisations who will receive reduced funding in 2025/26, being Dundee Science Centre, Dundee Contemporary Arts and Dundee Rep.
- 6.3 Given the overall level of support and other funding/income streams each of these organisations have there should be no or limited overall impact on provision. Each will be asked to ensure the impacts on outreach work and to vulnerable groups and communities are minimised.
- 6.4 Whilst general concerns were expressed regarding the risk of securing funding if the Council is reducing its discretionary funding, it is clear given the scale of the full support - revenue, property provided, property costs covered and others, that there remains a commitment from the Council to support this sector that they can reflect in any funding bids.

7.0 CONSULTATIONS

The Council Leadership Team were consulted in the preparation of this report.

8.0 BACKGROUND PAPERS

None.

GREGORY COLGAN, CHIEF EXECUTIVE

19 FEBRUARY 2025

JUDY DOBBIE, DIRECTOR, LEISURE & CULTURE DUNDEE

ANDREA CALDER, HEAD OF CHIEF EXECUTIVE'S SERVICE

Integrated Impact Assessment

Committee Report Number: 62-2025

Document Title: THIRD PARTY PAYMENTS - CULTURAL SECTOR GRANTS - DUNDEE SCIENCE CENTRE

Document Type: Other

Description:

Budget proposal

Intended Outcome:

Small reduction in grant

Period Covered: 01/04/2025 to 31/03/2026

Monitoring:

Annual follow the public pound interview questionnaire.

Lead Author:

Andrea Calder, Head of Chief Executive Services, Chief Executive's Services,

andrea.calder@dundee.gov.uk , 01382 434684,

50 North Lindsay Street, Dundee DD1 1NN

Director Responsible:

Greg Colgan, Chief Executive, Chief Executive's Services

greg.colgan@dundee.gov.uk, 01382 434431

50 North Lindsay Street, Dundee DD1 1NN

Equality, Diversity and Human Rights

Impacts & Implications

Age: Negative

Dundee Science Centre core service contributes to the education of school age children and their parents on STEM subjects. However, the reduction in grant represents less than 1% of their budget and the Council will continue to fund the centre in other ways including passing on a share of local DCC car parking income. DSC also charges entry and so could make up the difference through increased attendances.

Disability: No Impact

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregnancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty

Geographic Impacts & Implications

Strathmartine:	No Impact
Lochee:	No Impact
Coldside:	No Impact
Maryfield:	No Impact
North East:	No Impact
East End:	No Impact
The Ferry:	No Impact
West End:	No Impact

Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Carers: No Impact

Household Group Impacts and Implications

Lone Parent Families: No Impact

Single Female Households with Children: No Impact

Greater number of children and/or young children: No Impact

Pensioners - single / couple: No Impact

Unskilled workers or unemployed: No Impact

Serious & enduring mental health problems: No Impact

Homeless: No Impact

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: No Impact

Education & Skills: Negative

Impacts and Mitigations are as given for 'Age' above.

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: No Impact

Fuel Poverty: No Impact

Cost of Living / Poverty Premium: No Impact

Connectivity / Internet Access: No Impact

Income / Benefit Advice / Income Maximisation: No Impact

Employment Opportunities: No Impact

Education: Negative

Impacts and Mitigations are as given for 'Age' above.

Health: No Impact

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: No Impact

Transport: No Impact

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: No Impact

Adapting to the effects of climate change: No Impact

Resource Use Impacts

Energy efficiency & consumption: No Impact

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: No Impact

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: No Impact

Built Environment Impacts

Built Heritage: No Impact

Housing: No Impact

Is the proposal subject to a Strategic Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: Negative

With any proposed reduction in funding there is a risk of negative publicity and so reputational risk. Mitigation is the relatively small change in the overall funding that the Science Centre will receive and generate from a range of sources.

Economic/Financial Sustainability / Security & Equipment: Negative

Will have a minor effect on the Financial Sustainability of the Dundee Science Centre representing 1% of its budget. However it has various other sources of commercial income from parking, retail and entry ticket sales.

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

The risk implications associated with the subject matter of this report are "business as normal" risks and any increase to the level of risk to the Council is minimal. This is due either to the risk being inherently low or as a result of the risk being transferred in full or in part to another party on a fair and equitable basis. The subject matter is routine and has happened many times before without significant impact.

Integrated Impact Assessment

Committee Report Number: 62-2025

Document Title: THIRD PARTY PAYMENTS - CULTURAL SECTOR GRANTS - DUNDEE REP

Document Type: Other

Description:

Budget proposal

Intended Outcome:

Small reduction in grant funding

Period Covered: 01/04/2025 to 31/03/2026

Monitoring:

Annual follow the public pound questionnaire and membership of the organisations board.

Lead Author:

Andrea Calder, Head of Chief Executive Services, Chief Executive's Services,

andrea.calder@dundee.gov.uk , 01382434684,

50 North Lindsay Street, Dundee DD1 1NN

Director Responsible:

Greg Colgan, Chief Executive, Chief Executive's Services

greg.colgan@dundee.gov.uk, 01382 434431

50 North Lindsay Street, Dundee DD1 1NN

Equality, Diversity and Human Rights

Impacts & Implications

Age: Negative

The proposed reduction in funding may impact negatively on programmes delivered for children and young people. As the overall reduction is only 1% of the Dundee Rep's budget any impact is likely to be minimal.

A clear mitigation is an increase in funding the the Dundee Rep is due to receive from external sources from April 2025 onwards.

Disability: No Impact

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregenancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty

Geographic Impacts & Implications

Strathmartine:	No Impact
Lochee:	No Impact
Coldside:	No Impact
Maryfield:	No Impact
North East:	No Impact
East End:	No Impact
The Ferry:	No Impact
West End:	No Impact

Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Carers: No Impact

Household Group Impacts and Implications

Lone Parent Families: No Impact

Single Female Households with Children: No Impact

Greater number of children and/or young children: No Impact

Pensioners - single / couple: No Impact

Unskilled workers or unemployed: No Impact

Serious & enduring mental health problems: No Impact

Homeless: No Impact

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: No Impact

Education & Skills: Negative

Potential impacts and mitigations are as described under 'Age' above.

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: No Impact

Fuel Poverty: No Impact

Cost of Living / Poverty Premium: No Impact

Connectivity / Internet Access: No Impact

Income / Benefit Advice / Income Maximisation: No Impact

Employment Opportunities: No Impact

Education: Negative

Potential impacts and mitigations are as described under 'Age' above.

Health: No Impact

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: No Impact

Transport: No Impact

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: No Impact

Adapting to the effects of climate change: No Impact

Resource Use Impacts

Energy efficiency & consumption: No Impact

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: No Impact

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: No Impact

Built Environment Impacts

Built Heritage: No Impact

Housing: No Impact

Is the proposal subject to a Strategic Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: Negative

With any proposed reduction in funding there is a risk of negative publicity and so reputational risk. This can be mitigated through spreading knowledge of the increased funding the Dundee Rep is due to receive from other sources, which more than offsets the proposed reduction from the Council.

Economic/Financial Sustainability / Security & Equipment: Negative

There will be a marginal impact on Financial Sustainability of Dundee Rep but this is only a 7% reduction in a grant representing less than 1% of the organisation's annual expenditure. The Rep changes ticket prices and can make up the difference in sales and other grant sources. The report shows it has increased grant from other sources. In the organisation's annual report it identified Financial Sustainability as its top risk and has plans in place to mitigate this.

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

The risk implications associated with the subject matter of this report are "business as normal" risks and any increase to the level of risk to the Council is minimal. This is due either to the risk being inherently low or as a result of the risk being transferred in full or in part to another party on a fair and equitable basis. The subject matter is routine and has happened many times before without significant impact.

Integrated Impact Assessment

Committee Report Number: 62-2025

Document Title: THIRD PARTY PAYMENTS - CULTURAL SECTOR GRANTS - DCA

Document Type: Other

Description:

Budget

Intended Outcome:

Small reduction in grant funding

Period Covered: 01/04/2025 to 31/03/2026

Monitoring:

Annual Follow the Public Pound questionnaire. Council represented on their Board.

Lead Author:

Andrea Calder, Head of Chief Executive Services, Chief Executive's Services,

andrea.calder@dundee.gov.uk , 01382434684,

50 North Lindsay Street, Dundee DD1 1NN

Director Responsible:

Greg Colgan, Chief Executive, Chief Executive's Services

greg.colgan@dundee.gov.uk, 01382 434431

50 North Lindsay Street, Dundee DD1 1NN

Equality, Diversity and Human Rights

Impacts & Implications

Age: Negative

The proposed reduction in funding may impact negatively on programmes delivered for children and young people. As the overall reduction is only 1% of the Dundee Rep's budget any impact is likely to be minimal.

A clear mitigation is an increase in funding the the Dundee Rep is due to receive from external sources from April 2025 onwards.

Disability: No Impact

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregenancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty

Geographic Impacts & Implications

Strathmartine:	No Impact
Lochee:	No Impact
Coldside:	No Impact
Maryfield:	No Impact
North East:	No Impact
East End:	No Impact
The Ferry:	No Impact
West End:	No Impact

Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Carers: No Impact

Household Group Impacts and Implications

Lone Parent Families: No Impact

Single Female Households with Children: No Impact

Greater number of children and/or young children: No Impact

Pensioners - single / couple: No Impact

Unskilled workers or unemployed: No Impact

Serious & enduring mental health problems: No Impact

Homeless: No Impact

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: No Impact

Education & Skills: Negative

Potential impacts and mitigations are as described under 'Age' above.

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: No Impact

Fuel Poverty: No Impact

Cost of Living / Poverty Premium: No Impact

Connectivity / Internet Access: No Impact

Income / Benefit Advice / Income Maximisation: No Impact

Employment Opportunities: No Impact

Education: Negative

Potential impacts and mitigations are as described under 'Age' above.

Health: No Impact

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: No Impact

Transport: No Impact

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: No Impact

Adapting to the effects of climate change: No Impact

Resource Use Impacts

Energy efficiency & consumption: No Impact

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: No Impact

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: No Impact

Built Environment Impacts

Built Heritage: No Impact

Housing: No Impact

Is the proposal subject to a Strategic Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: Negative

With any proposed reduction in funding there is a risk of negative publicity and so reputational risk. This can be mitigated through spreading knowledge of the increased funding the Dundee Rep is due to receive from other sources, which more than offsets the proposed reduction from the Council.

Economic/Financial Sustainability / Security & Equipment: Negative

The reduction in the grant of 7% will clearly have some negative impact but this will be marginal and represents less than a 1% reduction in the organisations annual expenditures in the most recent years. The organisation can and as the report shows has received increased grant from other sources. The Council will still be providing significant grant funding of nearly £216,000 and rent free use of the building. The Council is also planning a major capital investment of c£4.5 in the building including energy efficiency measures that should both help attract new business and reduce operational costs. It also has several commercial opportunities and is in an advantageous part of the city centre to attract trade.

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

The risk implications associated with the subject matter of this report are "business as normal" risks and any increase to the level of risk to the Council is minimal. This is due either to the risk being inherently low or as a result of the risk being transferred in full or in part to another party on a fair and equitable basis. The subject matter is routine and has happened many times before without significant impact.