

DUNDEE CITY COUNCIL

REPORT TO: Leisure, Arts & Communities Committee - 22 March 2010
REPORT ON: Dundee Ice Arena - Management Fee 2009-2010 and 2010-2011
REPORT BY: Director of Leisure & Communities
REPORT NO: 93-2010

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 the 2009-2010 and 2010-2011

2.0 RECOMMENDATIONS

That the Committee approves:-

- 2.1 an additional deficit guarantee of £25,000 for 2009-2010 and
- 2.2 the level of management fee for 2010-2011 amounting to £150,000 as set out in the report.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Should the additional guarantee of £25,000 for 2009-2010 be required this will be funded from the Council's General Fund balances.
- 3.2 The management fee recommended is £150,000 which is provided for in the Leisure & Communities Department's 2010-2011 Revenue Budget .
- 3.3 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 2009-2010

During 2009/2010 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 Junior World Championships and one of the skaters has now been chosen to represent GB at the Senior World Championships. 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 At its meeting on 23rd March, 2009 the Leisure, Arts and Communities Committee approved a management fee of £100,000 for Dundee Ice Arena for 2009-2010,

together with a deficit guarantee of £25,000. The reason for this guarantee was to help the company to maintain a positive financial position during the financial year.

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. Also, the bad weather over the Christmas/New Year period discouraged visitors. However it should be noted that in spite of the current national economic position the income levels from 2008-2009 are being exceeded showing that there is continued demand for ice sports. 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 2009-2010, even after the application of the existing guarantee. The Committee is requested to approve a further increase in the deficit guarantee for 2009-2010 of £25,000. This would bring the maximum amount payable to the company to £150,000 which is in line with the amount paid in 2008-2009.

4.4 Major Plans for 2010-2011

In 2010-2011 the Arena will be hosting several major events including the Scottish Recreational Ice Hockey Championships and Inter-Services Hockey Championships.

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.

Once again one of the resident coaches will be acting as a technical adviser for the World Figure Skating Championships having also advised at the Vancouver Olympics.

The Ice Arena are 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 13 full-time equivalent jobs in Dundee during 2009-2010 and they are projected to achieve 85% of their income from non City Council sources in 2009-2010.

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

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
3 March 2010

DUNDEE ICE ARENA**Appendix 1**

	Estimated Out- turn 2009-2010	Draft Budget 2010-2011
	£	£
Expenditure		
Staff Costs	266,000	240,000
Property Costs	434,000	457,000
Supplies and Services	304,000	311,000
Total Expenditure	1,004,000	1008,000
Income		
Playing Income	691,000	731,000
Rental Income	64,000	59,000
Events Income	14,000	14,000
Development Income	69,000	76,000
Operations Income	10,000	10,000
Other Income	1,000	0
Sub Total Income	849,000	890,000
Management Fee		
DCC	125,000	150,000
Total Income	974,000	1,040,000
Surplus /(Deficit)	(30,000)	32,000
Surplus/(Deficit) brought forward	16,000	(14,000)
Surplus/(Deficit) carried forward	(14,000)	18,000