

REPORT TO: CITY GOVERNANCE COMMITTEE - 29 FEBRUARY 2024
REPORT ON: CONSULTATION PROCESS: LEISURE AND CULTURE SERVICES
REPORT BY: CHIEF EXECUTIVE
REPORT NO: 287-2024

1 PURPOSE OF REPORT

1.1 This report seeks approval to consult on proposals to change the services provided by Leisure and Culture Dundee.

2 RECOMMENDATIONS

2.1 It is recommended the Committee:

- (a) agrees to consult on the proposals set out in section 5 of this Report;
- (b) authorises the Chief Executive to make arrangements to undertake the consultations and to report back to the Committee with the findings and appropriate recommendations; and
- (c) agrees that Officers work with Leisure and Culture Dundee to maximise usage of libraries, in addition to identifying ways of ensuring the service delivers a sustainable model across the City for the longer term, with a report being presented to a future meeting of the Committee.

3 FINANCIAL IMPLICATIONS

3.1 Leisure and Culture Dundee face a budget shortfall of £1,086k in 2024/25. This is primarily attributable to the impact of inflation (especially in relation to pay) and income streams that have not recovered after the Covid pandemic.

3.2 As part of the options that the Board of Leisure and Culture Dundee have identified to close this budget gap are proposals to change services. However, as the Council prescribes the services that Leisure and Culture Dundee must provide it is for the Council to determine whether to implement these proposals. It is therefore recommended that, given the nature of these proposals, that the Council carries out public consultation.

3.3 If these proposals were all implemented, they would realise savings of £455k for Leisure and Culture Dundee in a full financial year. In addition, there would be a further cost of £50k in 2024/25 due to the cost of extending the existing ground maintenance contract for Caird Park golf course. Depending on the future use of these properties savings of up to £30k could also accrue to the council.

4 BACKGROUND

4.1 Leisure and Culture Dundee is Scottish Charitable Incorporated Organisation that was established in 2011 to provide services on behalf of the Council through a Service Level Agreement. Services are funded through income generated by the organisation together with a management fee paid by the Council.

4.2 In addition to the management fee the Council has supported Leisure and Culture Dundee through the pandemic, in recognition of the impact of Covid on income.

4.3 The table below shows the overall level of funding provided in recent years and reflects a flat funding position for 2024/25 on the basis that the organisation will, like the Council and Health and Social Care Partnership, require to meet its own budget pressures.

Year	Management Fee £000	Covid Support £000	Total Funding £000
2021/22 (actuals)	7,896	2,100	9,996
2022/23 (actuals)	8,476	814	9,290
2023/24 (projected)	9,176	1,588	10,764
2024/25 (planned)	9,176	-	9,176

- 4.4 As part of their budget setting Leisure and Culture Dundee has identified potential savings of £455k that could be realised by:
- (a) ceasing to operate of Caird Park golf course (£335k);
 - (b) ceasing to operate Mills Observatory (£40k); and
 - (c) ceasing to operate Broughty Castle Museum (£80k).
- 4.5 If these proposals were implemented, they could also realise annual property savings for the Council as follows: Mills Observatory (£13k); and Broughty Castle (£17k). However, it should be noted that these savings would not be fully realised until any surplus buildings have been disposed of or reallocated.
- 4.6 Due to the nature of these options, it is recommended that the Council undertake public consultation in relation to Caird Park Golf Course, Mills Observatory and Broughty Castle Museum, on the basis set out in Section 5 of this report prior to determining whether and if so how to proceed with any of the proposals and that it be remitted to the Chief Executive to make the necessary arrangements to carry out the consultations with service users and other interested parties and report back with recommendations for the Committee's decision in due course.
- 4.7 It is further recommended that Officers should work with Leisure and Culture Dundee to maximise usage of libraries, in addition to identifying ways of ensuring the service delivers a sustainable model across the City for the longer term, with a report being presented to a future meeting of the Committee.

5 DETAILED PROPOSALS

5.1 Caird Park Golf Course

What is proposed: Leisure and Culture Dundee would cease to operate the golf course and the consultation will explore options for the future of the facility including:

- community asset transfer, with the course becoming community owned and run;
- an alternative operator taking on the running of the course;
- closure of the golf course which could mean Caird Park becoming an open space managed by the Council; and
- any other suggestions identified through the consultation process.

Why is this being proposed: Leisure and Culture Dundee has an estimated budget deficit of £1,086k for 2024/25 and the cost of operating the course is increasing with each round being subsidised at a cost of £9.10. This proposal could contribute £335k towards this. If the outcome were to be that the land becomes an open space, managed by the Council then there would be a cost to the Council, estimated at £27k per year in maintaining the open space once the course has closed.

Who will be consulted: The consultation will include members, affiliated clubs, and users of the golf course, potential alternative operators as well as the wider community.

5.2 Mills Observatory

What is proposed: Leisure and Culture Dundee would cease to operate the observatory on the current basis and the consultation will explore options for the future of the property including:

- community asset transfer, with the observatory becoming community owned and run;
- an alternative operator taking on the running of the observatory;
- securing new funding, for example by way of grants or sponsorship, to support maintaining the service by Leisure and Culture Dundee or another organisation;
- the closure of the building, with the council continuing to maintain its fabric; and
- any other suggestions identified through the consultation process.

Why is this being proposed: Leisure and Culture Dundee has an estimated budget deficit of £1,086k for 2024/25. This proposal could contribute £40k towards this. The Council spends around £13k per year on the property and this would continue unless the building transferred to another organisation, for example via a Community Asset Transfer.

Who will be consulted: The consultation will include users of the observatory, potential alternative providers as well as the wider community.

5.3 Broughty Castle Museum

What is proposed: Leisure and Culture Dundee would cease providing a Museum within the Castle. The consultation will explore options for the future of the property, noting that this would require the agreement of Historic Environment Scotland. These could include:

- a community organisation taking on a lease or sub lease of the Castle and working in partnership with Leisure and Culture Dundee to provide a community museum;
- securing new funding, for example by way of grants or sponsorship, to support a community run facility;
- the Council ending its lease with Historic Environment Scotland and returning the property to them. Collections in the Castle Museum would go into storage and become available for future exhibitions elsewhere in the city; and
- any other suggestions identified through the consultation process.

Why is this being proposed: Leisure and Culture Dundee has an estimated budget deficit of £1,086k for 2024/25 and the current lease with Historic Environment Scotland comes to and end on 31 October 2024. This proposal could contribute £80k towards the budget shortfall. If the property is returned to Historic Environment Scotland the Council would also save £17k per year in property cost. Depending on future arrangements there could be some costs storing the collections.

Who will be consulted: The consultation will include users of the museum as well as the wider community.

6 CONSULTATION PROCESS

6.1 Each facility identified will be the subject of a separate consultation, with each setting out the details of what is being proposed and asking a number of questions.

6.2 Consultees will be able to respond to any of the consultations online via the Council's website. It is important that all users of the facilities and the wider communities have a fair and equal opportunity to take part so paper copies that will be made available at the facilities affected by the proposals and other Leisure and Culture premises.

6.3 The results of each consultation will be made available for consideration by the Council when they are considering any recommendations following the conclusion of each consultation.

7 POLICY IMPLICATIONS

7.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services, or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

7.2 Once the consultation process is complete Integrated Impact Assessments will be prepared that take account of any issues raised in responses. These will be submitted to the Council alongside any recommendations.

GREG COLGAN
CHIEF EXECUTIVE

Date: FEBRUARY 2024