

Appendix 3: Retain and Restructure; Indicative Options to Achieve Savings of £336k [Financial Plan savings target of £406k plus outstanding management saving of £60k less £130k already approved via Mobile Library review]

	Option 1	Saving	Costs	Net	Option 2	Saving	Costs	Net	Explanatory Notes
HALLS	Close large Civic Hall	-47,000	27,000	-20,000	Close three smaller Town Hall	-48,000	23,000	-25,000	The decisions on which Halls are considered for closure will be based on two linked criteria – use [occupancy rates] and financial efficiency [income generated as a percentage of expenditure].
PUBLIC LIBRARIES	Close one hub Library	-108,000	17,000	-91,000	Close three smaller branch Libraries	-114,000	21,000	-93,000	The decisions on which Libraries are considered for closure will be based on linked use statistics, eg visits and volume of lending. As various agencies and services move to a default position of 24/7 online self-help access closing sites will have an impact on the Council's ability to deliver on Welfare reform and the Scottish Government's digital inclusion and participation strategies. In towns where libraries are closed, the Mobile Library fleet could provide an alternative service. However, the contraction of the Mobile Library fleet, approved by Council in January 2014, reduces their capacity to substitute for branch libraries. It is likely that towns losing their library building would receive only one visit every 4 weeks.
SCHOOL LIBRARIES	restructure School Library Service by better aligning grades to duties and responsibilities	-20,000		-20,000	restructure School Library Service by better aligning grades to duties and responsibilities	-30,000		-30,000	
MUSEUMS	Close a large Museum and a smaller town Museum	-110,000	20,000	-90,000	Close four smaller town Museums	-80,000	20,000	-60,000	The decisions on which Museums are considered for closure will be based on use statistics (visitor numbers) and financial efficiency (income generated on site). NB When a site is closed the Council still retains the responsibility for the care of collections. Some of the museums that could close are also iconic buildings that could then become at risk.
COMMUNITY CENTRES	Close one large Community Centre	-45,000	15,000	-30,000	Close three smaller Community Centres	-66,000	27,000	-39,000	The decisions on which Community Centres are considered for closure will be based primarily on use [occupancy rates].
HERITAGE HUB	Reduce Opening Hours by 17%	-10,000		-10,000	Reduce Opening Hours by 17%	-10,000		-10,000	The Heritage Hub is the Archive and Local History Centre for the Scottish Borders. It was built, not just to provide the proper management and care of Council records and historical archives, but, equally importantly, as a 'treasury' local residents and visitors to the region to find out about their own family history and the history and heritage of the region. Reducing opening hours will undermine the Hub's role in driving the benefit of ancestral tourism across the whole region.
ARTS DEVELOPMENT	Pro-rata budget reduction	-20,000		-20,000	Pro-rata budget reduction	-20,000		-20,000	For every £1 the Service spends, it brings £2 to the Scottish Borders in external funding. A loss of £20,000 will compromise the Service's capacity to deliver that return on investment, and mean that some key areas of work will be lost.
HEART OF HAWICK	Pro-rata budget reduction	-10,000		-10,000	Pro-rata budget reduction	-10,000		-10,000	The Heart of Hawick delivers a huge economic impact – each year adding £3m+ to the local economy and safeguarding 50+ jobs. A further £10k budget reduction on top of a 10% saving made in 2011/12 will significantly reduce the Heart of Hawick's capacity to support local business.
MANAGEMENT	Central management and administration	-60,000		-60,000	Central management and administration	-60,000		-60,000	
	TOTAL	-430,000	79,000	-351,000	TOTAL	-438,000	91,000	-347,000	

OTHER ADDITIONAL PRESSURES

1. A Community Asset Transfer savings target of £70k, set in the 2012/13 budget round, will be achieved through the transfer of assets excluded from the above calculations and further savings of £100k from the closure of Halls and Community Centres will need to be identified from assets in scope in 2016/17.

OTHER OPTIONS AND CONSIDERED AND REJECTED

1. **The closure of a Service in its entirety.** Withdrawing, for example, the Arts Development Service would generate a single saving of £200k. However, even this severe an action would only produce one half of the required saving and would lose significant leverage of funds drawn into the Borders
2. **Ending support for the third/voluntary sector.**
3. **Partial closures.** Closing all Libraries and Museums one day per week would only save c£50k pa and closing all museums from November through to March would only save c £13k pa. This option was rejected because of the low level of savings it would generate and the significant impact it would have on other services, which would then have to pick up a disproportionate part of the savings target.

IMPACT

The current operating model for Cultural Services is local delivery from local sites, where each of the Services maintains a presence and contributes to the local economy and community and cultural life in each of the Scottish Borders network of small towns. With the scale of budget savings that the Services are tasked with making, site closures are inevitable. The closure options presented above propose, in general, either withdrawal from a hub facility or from three or more smaller facilities. Either action will disrupt the current broad coverage across the Borders of these Services. **Option 1 – withdrawing from a hub/large facility** – will risk the key Service activities that take place and are run from the hub – e.g. collections management and storage, education and outreach activity. **Option 2 – withdrawing to hub facilities** – will result in some smaller towns losing a substantial part of their provision – not just a library but possibly also a museum and/or public hall and/or community centre. To achieve the savings target, up to 13 facilities may have to be closed.

METHODOLOGY AND ASSUMPTIONS

1. No redundancy costs have been included
2. Costs include Rates – three months free then 90% payable; therefore no reduction assumed and mothballing costs assumed at around 30% of rates bill. Rates and mothballing savings will become available as and when properties are sold/divested/ demolished
3. The facilities have been grouped into categories and using financial year 12/13 as a baseline, the average net expenditure for the facilities in each of these categories has been calculated and that figure used to estimate the saving delivered from closure.
 - **Halls:** The larger Civic Halls are Kelso Tait Hall, Hawick Town Hall, Selkirk Victoria Halls and Galashiels Volunteer Hall. The Town Halls are the Ormiston Institute/Corn Exchange [Melrose], and Old Gala House (shared with the Museum Service). The smaller Town Halls are Stow, Lauder, Graham Institute West Linton and Rodger Hall/Town Hall Coldstream. Out of scope are : Burgh Hall, Chambers Institute Peebles because it is part of the Chambers Trust , Jedburgh Town Hall, Volunteer Hall Duns and Memorial Hall Innerleithen because there is active local interest in their transfer to community management; Newlands Hall as it is already mothballed.
 - **Libraries:** The Hub Libraries are Galashiels, Hawick and Peebles. The smaller branch libraries are Selkirk, Eyemouth and Melrose. Out of scope are the integrated Library/Contact Centres (Duns, Jedburgh, Innerleithen, Kelso and Coldstream) and Earlston Library which is housed in the High School because it is integrated into the everyday life and operation of the school.
 - **Museums:** Because of its operating budget only Borders Textile Towerhouse and Harestanes Countryside Visitor Centre are in scope as a large museum. Tweeddale Museum in Peebles is of a similar size and operates as an area hub but has been included in the smaller town class because its operating cost are comparable with this group The other smaller town museums are Mary Queen of Scot's House and the Castle Jail, Jedburgh, Old Gala House (shared with Halls), St Ronan's Wells, Innerleithen, Coldstream Museum, Halliwell's House, Selkirk. Out of scope are Hawick Museum, Jim Clark Room and Sir Walter Scott's Courtroom because they are the subject of current or future substantial investment funding bids
 - **Community Centres:** The large Community Centres are Abbey Row Kelso, the Drill Hall Peebles, Eyemouth and Southfield, Duns. The smaller Community Centres are the Argus Centre Selkirk, the Focus Centre Galashiels, Newcastleton No 8 centre, Newtown and Tweedbank. Out of scope are: the Community Centres integrated with schools (St Ronans, Coldstream, Philiphaugh and Burnfoot). Langlee Community Centre and Langlee Complex are excluded as they are an important provision in an area of deprivation. Chirnside is also out because it is the subject of an active bid to bring it into community management.