

Fife Cultural Trust

Financial Strategy 2015/16 to 2017/18

Review of Savings Proposals by the FCT Board

1 Background

- 1.1 Fife Cultural Trust (FCT) is about to publish its Annual Report on its second full year of operation (2014/15) during which FCT generated a turnover of £11m, £2.2m of which was through earned income on charitable activities. FCT received £8.2m of a management fee from Fife Council to deliver the contracted services which include libraries, museums and heritage services, theatres, archives, and arts services, with the balance of income secured through a range of external funding sources for specific projects. Nearly all the services FCT delivers are free of charge for customers.
- 1.2 Immediately following the establishment of FCT, Fife Council allocated a savings target to the organisation of £1.485m in its February 2013 budget, to which savings of £234,000 were subsequently added. The total savings of £1.7m represent a 19% reduction in the management fee from Fife Council to FCT by March 2018. Non Domestic Rates savings of £389,000 were generated through the establishment of FCT. These were retained by Fife Council.
- 1.3 FCT has delivered £906,000 of savings already with no impact on service delivery, has delivered total savings for Fife Council of £1.3m through its establishment (including annually recurring NDR savings for the Council of £389,000), with £813,000 of savings still to be delivered. Due to the business model of FCT where it incurs no property costs, and has legal restrictions on its ability to earn income, particularly through libraries and museums, the biggest cost to the organisation is staffing. The delivery of the remaining savings depends on further reducing staff costs which requires fundamental changes to the scale and nature of front line service delivery. FCT has unfunded annually recurring budget pressures of £200,000 for staff increments, income targets, and staff turnover which it is already absorbing. Additional pressures also now require to be managed totalling £180,000 per annum resulting from legal rulings on calculation of holiday pay and the abolishment of the pension rebate for national insurance.

2 Key Considerations for FCT

- 2.1 FCT is a company limited by guarantee with charitable status and is legally a wholly owned subsidiary of Fife Council. The Council is the sole member of the company with ultimate control over and responsibility for fundamental decisions regarding its governance and legal structure. The FCT Board takes its responsibilities as company directors and charity trustees seriously particularly in ensuring a balanced budget for the organisation, and guarding against trading insolvently.
- 2.2 FCT has been hit hard by the level of the savings required of it so soon after its establishment. However, the Board remains determined to respond to the financial challenges FCT faces, and to ensure a sustainable future for the organisation and cultural services in Fife.

2.3 In doing so, the Board recognises that any Financial Strategy for the organisation must relate solely to FCT's specific role and responsibilities, in order to ensure that it can deliver the savings required and ensure sustainability in the face of future cuts. The original savings proposals and the Board response to the public consultation and EQIA's are underpinned by this same guiding principle.

3 FCT's Financial Strategy

3.1 The Financial Strategy FCT developed is intended to deliver the remaining savings, and grow and develop the organisation. Further savings could not be delivered solely through further cost cutting, workforce planning and operational and efficiency measures within the required timescale. The Board therefore undertook a fundamental review of **all** services delivered by FCT against a **combined** assessment of the following criteria:

- Access to reasonable alternative provision
- Current and trend performance of services/facilities including footfall, numbers of transactions, and cost per transaction (trend information)
- The particular geography of Fife and maintaining a geographical spread across Fife of cultural services to ensure equity of access as far as possible
- The state of the physical asset and operational risk.

4 Proposals to Fife Council

4.1 The resulting Financial Strategy and savings proposals submitted to Fife Council set out a 3 year programme which the FCT Board was confident would increase the resilience of FCT as an organisation in the face of ongoing financial pressures and ensure the sustainability of the services it delivers. An element of these proposed savings, £347,037 (42%), related to the proposed changes to the library service. Libraries form the vast majority of the services delivered by FCT and we currently invest £5.5m of the management fee we receive from Fife Council in library services, which is 65% of the total. Should the current proposals be approved by Fife Council, we would still be investing this same proportion of the management fee in library services. There would be no associated reduction in the resources invested in library services within the remaining facilities so that we could continue to support the range of activities which take place across the library network.

4.2 The proposals in relation to libraries impact on 8% of those registered to use library services, all of whom the Board is convinced could continue to have reasonable alternative access to library services on an ongoing basis. The decline in borrowing from libraries continued in 2014/15 with 1.68m issues compared to 1.83m issues the year before, a decrease of 8.5%. Visitors to libraries across Fife again fell by 10.1% and the use of public access PC's also decreased at a Fife level by 13%. Visitors, issues, and PC use did increase in a small number of individual libraries.

4.3 In developing its proposals, and specifically the criteria developed to undertake a strategic review of its services, the FCT Board took account of the strategic, legal, and contractual framework nationally and locally governing its delivery of cultural services.

- 4.4 Account was taken of the ‘How Good is our Public Library Service?’ framework from the Scottish Libraries and Information Council (SLIC), intended to support and inform the provision of universal public library services throughout Scotland. The proposals were also informed by the first National Strategy for Public Libraries in Scotland 2015-2020 ‘Ambition and Opportunity’ in which Fife features as a good practice case study. The services which FCT is charged with delivering are set out in detail in the Services Agreement with Fife Council which ensures that FCT delivers on the Council’s strategic priorities.
- 4.5 Whilst the proposed changes to the library service have understandably attracted the greatest attention, there are a number of other savings proposals that were contained within the Financial Strategy including changes to the opening hours at St Andrews Museum, a fundamental reshaping of the mobile library service, and a range of other operational efficiencies. The information made available to support the public consultation made it clear that FCT had reviewed all of its services to develop its savings proposals and in doing so had discounted a number of other options.

5 Impact of the Financial Strategy

- 5.1 Developing an appropriate Financial Strategy for the organisation has been a key focus for the Board for nearly 3 years and the organisation now requires clarity on its financial position. The Board has applied due diligence to the full range of savings proposals the senior team within the Trust brought forward, to ensure that the criteria and methodology underpinning the Financial Strategy and savings proposals were fit for purpose. The Board understands its proposals will be rightly challenged by both the public and Fife Council, but remains confident that the strategy developed is robust, will provide value for money, and comprehensive sustainable cultural services across Fife.
- 5.2 FCT works closely with the communities that it serves on a daily basis and the messages of support at such a difficult time offered to our staff are testament to the value which local communities and customers place on our services and the high regard they have for our staff. We are confident that to date we have made the best decisions we can in difficult circumstances, but never forget in doing so how communities may be affected by our proposals.

6 Consultation and Engagement

- 6.1 The FCT Board’s proposals were initially considered by the Executive Committee of Fife Council at its meeting on 23 June 2015. The element of the proposals relating to reshaping the library network to a hub and spoke model over the next 3 years, encompassed a proposal to close 16 libraries, an relocate a further 2. Fife Council has a statutory duty to provide adequate library services and therefore requires to approve any changes to these services, and also requires to approve any significant changes to service delivery of any kind by FCT. A public consultation exercise has been undertaken on FCT’s savings proposals led by Fife Council and the Council has also led the development of EQIA’s for each individual facility proposed for closure.

- 6.2 FCT held 55 drop in sessions across those libraries proposed for closure to set out for our customers why we are proposing the changes to libraries and to hear their views. We have provided support to Fife Council as required in developing the EQIA's.
- 6.3 FCT has attended meetings with communities interested in developing alternative models for providing library services and attended a range of Community Council meetings with Fife Council colleagues. Senior managers and Board members of FCT also attended each of the 7 Area Committees to discuss the savings proposals, and presented to the Education, Health, and Social Care Scrutiny Committee

7 Analysis of the Key Issues Raised and FCT Responses

- 7.1 The Board committed at the outset of this process to consider in detail the output of the public consultation, the EQIA analysis, and to consider all comments from the Area Committees and Scrutiny Committee. The Board acknowledges that the proposed changes to library provision in particular are challenging for people. Whilst the proposals were developed specifically to sustain these important services in the longer term, the Board accepts that the view of many is that they do not want to see any change in the provision of these services within their local communities, and certainly not the proposed library closures.
- 7.2 The FCT Board is pleased to see the level of engagement in the public consultation. A key point noted by the Board in looking at the analysis of this information is the significant number of issues raised about the wider impact on communities with library closures in prospect. In some cases this reflects wider historic developments or anticipated future plans. In particular, recent changes to or complete closure of other public services and community facilities such as banks and post offices, have been cited, as have planned new housing developments.
- 7.3 The Board has considered the issues raised, especially recurring themes, against a clear understanding of what FCT's specific legal responsibilities and duties are and what is realistically within its sphere of influence in relation to mitigating measures. It has not set out or committed to actions outwith these parameters. The results of the Board's considerations are set out in Table 1 below.

Table 1

Issue/Theme	Analysis	FCT Response
Loss of access to books, loss of learning opportunities for children and the withdrawal of encouragement for children to read	Concern that libraries are used for a range of education related purposes and also provide support to develop literacy skills, particularly for children and young people.	FCT will continue to run a range of services for children and young people, across remaining libraries throughout Fife. The Schools Library Service continues to offer support to schools across Fife offering a range of reading and learning resources – in 2014/15 135 primary schools (97%)

		<p>FCT will continue to respond to direct requests from nurseries and playgroups with regards to loans and visits by FCT staff</p> <p>A range of Fife wide services will continue to be delivered which are not restricted to static libraries for children and young people including the Big Book Brain Quiz, and Book Week Scotland Events.</p>
<p>Savings are small/negligible</p>	<p>The savings for individual libraries are too small to make a difference in delivering the savings</p>	<p>The actual savings proposed by the library closures are £347,037 (42% of total)</p> <p>65% of the management fee to FCT will continue to be invested in libraries. Some savings are small because the FCT staffing cost may not be significant but contributes to the overall savings target and allows a reshaping of the libraries network to ensure its long-term sustainability.</p> <p>In some cases the savings are being made because of the state of the fabric of the building, or operational constraints</p> <p>Some of the libraries proposed for closure are open very few hours per week</p> <p>Further savings are likely to be required in the future of FCT by Fife Council. The library network needs to be made more sustainable in the longer term.</p>

<p>Capacity in libraries identified as alternative provision</p>	<p>Concerns were raised regarding the capacity of the remaining libraries to cope with additional users following closures – the availability of parking facilities, nearness to bus and train stations (in terms of both distance and terrain).</p> <p>There were also concerns raised on the general nature of alternative libraries</p>	<p>The proposed staffing models in the remaining libraries will facilitate and cope with the additional users anticipated.</p> <p>For implementation of the Hub and Spoke model, a critical review of opening hours has been undertaken, which will inform greater consistency of opening hours and what services will be available when in which type of library. Opening hours of the remaining libraries will be informed by the feedback from the public consultation and future political and community engagement.</p>
<p>Public Access Computers</p>	<p>Concern about the current demand for PC access evidenced by level of demand at particular times in some libraries</p> <p>Given job search and benefit claiming requirements, concern about access to PC's in areas where libraries are proposed for closure</p>	<p>Public access PC use across Fife's libraries has increased consistently in recent years, although, during 2014-15, total bookings for public access PC's across Fife fell by 13%. There were still increases in individual library facilities and inclusion of wi-fi use shows a continued rise of 10%.</p> <p>There are 32 public access PC's currently in use across the 16 libraries proposed for closure.</p> <p>FCT is working with Fife Council, who own and maintain the PC's, to identify alternative locations for them.</p> <p>FCT is also exploring the possibility of wi-fi provision with Fife Council for mobile libraries (acknowledging broadband provision is not universal across Fife).</p>

<p>Concern about Mobile Library Services</p>	<p>Concerns about the routes, stops, and frequency of service and stops, internet connection, and space for groups.</p>	<p>The mobile library review has identified an additional 47% of capacity for future service delivery to support existing customers and those within communities where closures are proposed.</p> <p>The plan is to completely reshape this service to better meet the needs of current and future customers including changes to the routes, location, frequency, and length of stops. This will involve engagement with individual communities on proposed changes to ensure that these best meet the needs of customers.</p> <p>FCT is also exploring the possibility of wi-fi provision with Fife Council for the mobile libraries (acknowledging broadband provision is not universal across Fife).</p> <p>Mobile library units are also fitted with lifts for wheelchair users and those with restricted mobility.</p> <p>Space in the mobile libraries is available for up to two wheelchairs at any one time.</p>
<p>Health Concerns</p>	<p>Concern about potential eyesight damage caused by reading electronically rather than hard copy books</p> <p>Currently people are able to walk to their local libraries which offers a health benefit that would be lost if they have to go to an alternative library.</p>	<p>Hard copy books will continue to be made available to users via our remaining libraries, the mobile library service, and the housebound service.</p> <p>Some of the alternative library provision for communities affected by proposed closures is still within walking distance</p>

<p>Community Impact</p>	<p>Some libraries are centres providing a social hub, resources, local information, and events. In some local areas they are also cultural and heritage centres</p> <p>Space for meetings of clubs, groups, and events. Loneliness and boredom especially for older people</p>	<p>Facilities will also be available in alternative libraries and will be promoted in those communities impacted by closures.</p> <p>FCT will support Fife Council as it liaises with community groups to explore alternative library provision options, and is delighted that there have already been expressions of interest in this and that these discussions are progressing.</p> <p>FCT has reviewed the housebound service. Issues have increased by 58% in 2014/15. Capacity to grow this service and to help to mitigate the impact of proposed library closures has been confirmed through the review. An additional 57% of further capacity has been identified.</p> <p>The reshaping of this service will be informed by engagement with current users, and communities affected by closures.</p> <p>FCT is committed to strengthening housebound services to help lessen the impact for the most frail among the elderly and people with a disability.</p> <p>Increased marketing and promotion of the service will take place.</p>
<p>Access and distance to alternative libraries</p>	<p>Concerns people would no longer be able to walk to libraries, inc children by themselves, given longer distances to nearest library</p>	<p>Provision of the housebound library service will continue to be promoted and has sufficient capacity for new users.</p>

		<p>The reshaping of this service will be informed by engagement with current users, and communities affected by closures. FCT is committed to strengthening housebound services to help lessen the impact for the most frail among the elderly and people with a disability.</p> <p>There is a maximum of 5 miles to any alternative library in the proposals with far less travel involved for many users to the nearest alternative.</p> <p>The Schools Library service continues to offer support to schools across Fife which wish to use this service – in 2014/15 97% of Fife primary schools</p> <p>A range of Fife wide services will continue to be delivered which are not restricted to static libraries and are for children and young people across Fife including the Big Book Brain Quiz, and Book Week Scotland Events.</p> <p>The mobile library review has identified an additional 47% of capacity for future service delivery to support existing customers and those within communities where closures are proposed.</p> <p>Routes will be re-aligned to meet current and new demand. FCT will explore incorporating school routes, and engage with communities to best meets their needs.</p>
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Basis for the Proposed Library Closures

- 7.4 There was a significant number of comments regarding the proposed library closures which assumed that the sole basis for these proposals was performance of these individual libraries. In particular, comparisons were often made to performance of libraries which were not proposed for closure. However, the FCT Board has been clear from the beginning of this process that the savings proposals are based on a **combined assessment** of the 4 criteria underpinning the Financial Strategy. This can mean, in some circumstances, that libraries performing comparatively better are still proposed for closure.

Income Generation and Cost Cutting

- 7.5 There was a range of comments regarding the need for FCT to cut costs in other areas, diversify services, and do more to raise funds and income in a whole range of ways. In its 2 years of operation, FCT has reduced management staffing costs by 29% and overall staffing levels by 12%. We have increased our trading income by 39% due to improvements in generating rental and retail income in particular, and income generation generally continues to be a key focus for the organisation despite constraints in the business model.
- 7.6 Cost per theatre attendee has decreased by 43%, whilst at the same time we have increased the balance sheet value of the organisation by 14%. FCT is already an efficient and effective organisation after 2 years and, despite the financial challenges we face, is demonstrating the advantages of the Trust model and our development as an organisation.
- 7.7 All of these measures have contributed to the ability of FCT to deliver nearly £1m of savings to date without any impact on service delivery, and also to grow and develop the organisation.

Marketing and Promotion

- 7.8 Some concern was expressed that marketing and promotion, particularly of library services, was not as effective as it could be. Since the establishment of FCT, marketing and promotion of all of our services, and increasing attendance and participation, has been a key priority. Libraries have been a key focus within that, and new welcome packs for libraries have been developed and distributed, with new and different ways to engage with customers about these key services being put in place.
- 7.9 This kind of marketing and promotion is only now beginning to have impact, where historically these services have not been as well promoted. Whilst they are unlikely, on their own, to address the decline in use of particular library services without the wider changes proposed, FCT will continue to ensure that marketing and promotion help to maximise participation in all of our services.

Charging for Library Services

- 7.10 The Board also noted that there were suggestions that we should charge for library services. Core library services legally require to be delivered free of charge, although where charging is possible, this is already done, for example in relation to attendance at specific events, and other such possibilities are actively being considered. Donation boxes are an existing element of FCT's funding development strategy, and we are happy to explore further the suggestion that these should be rolled out across libraries as well.

Areas for Specific Action

- 7.11 In addition to the mitigating actions set out in Table 1, FCT wants to respond more specifically to some of the comments and suggestions from the consultation and engagement process by setting out a range of actions it commits to progress. These are set out below:
- refine the hub and spoke model in terms of the opening hours for individual facilities to take account of the preferred opening times indicated as being most popular by the public through the consultation, as far as is possible within available anticipated financial resources.
 - maximise charging opportunities for library services outwith core statutory free services, and consider the possibility of donation boxes within libraries, whilst still ensuring that we meet our objectives of inclusion and affordability
 - further review the mobile library service taking account of feedback through the consultation and ensure that the plans to reduce from 3 to 2 mobile libraries will deliver a sustainable reshaping of the service which best meets the needs of customers, including those in communities potentially affected by closures
 - further review housebound services taking account of feedback through the consultation reshaping these services; market and promote the availability and nature of the service more effectively, in particular refining the operating model to improve efficiency and value
 - provide expert advice and support to Fife Council in working with those communities which have expressed an interest in potentially developing alternative delivery models for library services if the proposed closures are agreed
 - continue a concerted and creative focus on measures which will increase the unrestricted income and revenue streams for FCT, in order to help to alleviate the financial pressures for the Trust through reductions in public funding, within the business and contractual constraints the organisation must work within
 - continue to increase and improve the marketing and promotion of all services, with a specific focus on libraries
 - identify ways to develop more activities within libraries to attract more visitors and members (Book and Blether sessions, Bookbug) and ways to take services out to people (Walk ON, services to schools, etc)

Alternative Delivery Models for Libraries

- 7.12 The FCT Board welcomes the proposals received from Crail, Falkland, Markinch, and Lundin Links setting out potential proposals for alternative delivery models for library services, and hopes other such proposals may be forthcoming for those communities affected by proposed closures. FCT will continue to advise and support Fife Council in assessing the feasibility of such proposals and has been involved in meetings with all interested parties, including discussions regarding Townhill Library.
- 7.13 There is significant potential in all such proposals to ensure ongoing access to library services in some form across communities impacted by the proposed closures, and FCT is keen to play a part in that as far as possible, particularly given the ongoing pressures in relation to local government funding for such services.
- 7.14 It is important, however, to note that FCT does not own the buildings or IT infrastructure or have a say in their future application, has no capital budget of its own for any required redevelopments, and will be unable to sustain staffing support in such models, as that is the main way in which the required savings by FCT will be delivered.
- 7.15 The type of support that FCT can potentially offer includes service development support such as training and advice and guidance on delivering a range of library services, and potentially the donation of fixtures and fittings and book stock. This support will require to be the subject of detailed negotiations on a case by case basis.

8 Review and Revision of the Financial Strategy and Savings Proposals

- 8.1 As demonstrated above, the Board has carefully considered the outputs of the public consultation and the EQIAs and also feedback and comments from Fife Council elected members through the engagement process with various Committees. It has also listened to feedback from customers of our services. Having done all this, the Board remains of the view that the Financial Strategy and savings proposals that it developed and which were consulted upon remain the best way through which to deliver the significant budget savings required, ensure sustainable high quality library and cultural services for its customers, and minimise the impact on communities.
- 8.2 The Board is clear that other approaches to delivering on the budget savings would have had more severe adverse effects, and would not have delivered long term sustainability for services.
- 8.3 The Board tested the criteria that it used to develop the original Financial Strategy against the issues raised and this has informed the mitigating actions and responses set out at Table 1, and also the specific actions which the Board intends to progress in response to specific comments (para 7.11),
- 8.4 The view of the Board is that to change the Financial Strategy would require a change in the criteria applied. The Board recognises that it might be appropriate to apply different criteria in response to the issues being raised by some communities.

- 8.5 This specifically relates to issues raised regarding the wider impact of events such as the loss of a post office, bank, or other community amenities, issues of community economic development or regeneration, or future plans such as housing developments. These, however, are not issues which FCT has legally, contractually, or practically, any locus in, or influence over.
- 8.6 The Board did not, therefore, change its criteria, and the savings proposals remain the same. However, the Board recognises that elected members in taking a final view on FCT's savings proposals may require to take account of these wider issues and consider the Council's own approach to potential mitigation in accepting, amending, or rejecting our proposals.
- 8.7 The Board is content that the Financial Strategy and the additional package of measures which it has committed to implement, as set out within this paper, are those which best respond, to the best of our ability, to the views of communities, ensure the sustainability of cultural services, and recognise our duties and responsibilities as directors and charity trustees. The Board recognises that Fife Council may wish to implement a different approach through its contractual or legal relationship with FCT.
- 8.8 The underpinning assumptions for the Financial Strategy remain the same and are set out at Annex 2, including the potential requirement for capital investment by Fife Council to support the implementation of the hub and spoke model, or the development of alternative delivery proposals.

9 Implementation of the Financial Strategy

Timescale for Delivery of the Savings

- 9.1 Whilst the Board accepts the need for its proposals to go through the appropriate due diligence, consultation, and political consideration, the initial proposals were a managed 3 year programme of savings delivery which would now require to be delivered in 2 financial years if approved. This increases pressures in relation to implementing the necessary changes, particularly in relation to the proposed changes to the library network. All savings within the Financial Strategy are still deliverable but the timetable for achieving them needs adjusted. The intended re-profiling of the required savings is set out at Annex 1.

Implementation of the New Model for Fife Libraries

- 9.2 The original Financial Strategy set out the following timings for proposed closures:
- Glenrothes (Glenwood, Markinch, Pitteuchar, Thornton) September 2015
 - Kirkcaldy (Kinghorn) –December 2015
 - North East Fife (Freuchie, Falkland, Colinsburgh, Crail, Pittenweem) – March 2016
 - Cowdenbeath (Bowhill, Crossgates) – September 2016
 - Levenmouth – East Wemyss – December 2016; Lundin Links March 2016
 - Dunfermline (Abbeyview, Townhill) - March 2017;
- 9.3 The original proposed dates for closures in Glenrothes and Kirkcaldy have now passed, with the majority of the others due for closure in March 2016.

- 9.4 Subject to Fife Council approval of the closures, FCT would now intend to close Glenwood, Pitteuchar, Thornton, Kinghorn, Freuchie, Colinsburgh, and Pittenweem libraries on 1 April 2016. Bowhill and Crossgates libraries in Cowdenbeath would close as proposed in September 2016 and East Wemyss in December 2016.
- 9.5 Sinclairtown Library would close as planned by April 2016 prior to relocation to Kirkcaldy East Campus, and Anstruther in June 2017 prior to relocation to Waid Academy. Abbeyview and Townhill Libraries would close in March 2017 to allow for the development of Dunfermline Carnegie Library and Galleries as originally proposed.
- 9.6 FCT staff will work with Fife Council colleagues to progress discussions with those libraries proposed for closure where there are alternative delivery proposals.
- 9.7 This proposed approach assumes that FCT would continue to lease the library facilities for a period of 6 months post closures prior to handing them back to Fife Council (in line with the Services Agreement), and that all necessary processes could be delivered on time by Fife Council to process the related voluntary severance. All voluntary severance based on April 2016 closures must take place by 1 July 2016 for the required savings to be delivered (£420,000 in 2016/17).
- 9.8 This ensures that, despite the truncated timescale for delivery, the required savings can still be delivered. The timing for proposed closures is either later or in line with that of the original strategy, and there is no additional cost to FCT to deliver the closures in this way which would otherwise reduce the savings deliverable.
- 9.9 If the closures cannot be delivered within this adjusted timescale, then the Board would require to fundamentally review both the Financial Strategy and savings proposals to deliver the savings required differently, unless there was any reduction in the level of savings to be delivered by March 2018. Capital investment by Fife Council may be required for any required redevelopment of some remaining libraries to implement the hub and spoke model (as per Annex 2), or in relation to some of the alternative delivery proposals.

Future Opening Hours for Libraries

- 9.10 The implementation of the proposed model for the remaining libraries, if the proposed closures are approved, requires changes to the opening hours of libraries as well as the operating model overall for library provision. If the proposed closures are agreed, the immediate priority will be delivering these.
- 9.11 Wider changes in relation to opening hours will not be implemented until 6 months after any closures as a full Managing Workforce Change exercise will be required for all library staff which will involve consultation and engagement with the trade unions and staff.
- 9.12 The Board has examined the feedback from the consultation in relation to opening hours and is committed to developing opening hours for libraries in the new model, if it is approved by Fife Council, which reflect this feedback as far as possible, within available resources.

- 9.13 The intention is to ensure greater consistency of both opening hours and services delivered across the different types of libraries, and also to reflect levels and patterns of use as far as possible, as well as putting in place a staffing model which is as cost effective as possible.
- 9.14 If the new library model is approved by Fife Council, the intention would be to engage with both elected members and communities prior to implementation of the new opening hours.
- 9.15 If the savings proposals are not approved in their entirety by Fife Council then a more fundamental review of opening hours across all facilities is likely to be needed to contribute to the delivery of the required savings.

10 Longer Term Planning

- 10.1 Nationally, libraries are in transition, continuing to support book-based services, whilst at the same time moving their library services online. Digitisation of information, literature, and learning resources requires a radical change in the way that people search for, and access this information.
- 10.2 During the first two years of its establishment, FCT would have valued the opportunity to engage with the public in a dialogue to shape the long term future of Fife's libraries in a way which could best meet the aspirations of current and future customers. Of necessity, the focus of FCT has been on delivering significant budget savings and doing so in a way which still delivers a sustainable future for the organisation and its services.
- 10.3 Looking ahead, FCT is an organisation with ambition. Immediate priorities once the decision by Fife Council on the budget proposals is known are clearly to implement the changes agreed. In doing so, the Board is clear that this must involve meaningful engagement with local communities on the hub and spoke model, particularly in relation to opening hours, and in relation to other key service changes for mobile and housebound services, as well as in delivering on the actions at Table 1 and para 7.11.
- 10.4 FCT would then want to engage in an ongoing dialogue with our customers, where financial and time pressures are not as significant, about the longer term shape and future of its services, particularly library services. This will present the opportunity to pick up on some of the wider elements of feedback from the public consultation, for example, in exploring other partnerships within local communities which will help to sustain services in the longer term.
- 10.5 Already FCT is alert to opportunities to co-locate libraries with other services, a frequent suggestion in the consultation, and is currently pursuing co-location of the library with the local office services in Burntisland, for example. Other opportunities to sustain library services will also be explored.
- 10.6 These potential developments will require recognition of comments through the public consultation and feedback that we also get on a daily basis from our customers. Face to face interaction with helpful, professional, and friendly library staff, remains highly valued by our customers.

- 10.7 The proposed reshaping of the library network is intended to continue to provide that opportunity for the vast majority of library users whilst ensuring long term sustainability of these key services
- 10.8 The FCT Board must make sure that it meets its responsibilities in delivering a balanced budget, ensuring a sustainable future for the organisation and the services it delivers, and making certain it is not in any danger of trading insolvently at any time. The Board plans to develop a five year financial planning framework, based largely around anticipated levels of Fife Council support and external grant funding with continually enhanced targets for our own income generation.

11 Conclusion

- 11.1 The view of the FCT Board is that it is not appropriate for it to build into the initial criteria it developed any recognition or assessment of issues raised through the consultation and EQIA's which are outwith the legitimate sphere of influence and scope of responsibilities of FCT, and it is confident that the original criteria and strategy are robust. Consequently, the Board is proposing no changes to its original Financial Strategy or savings proposals.
- 11.2 The Board acknowledges that Fife Council may wish to take account of the wider issues raised regarding public service delivery, community regeneration, and economic development, and that this will necessarily inform the Council's response to FCT's proposals.
- 11.3 The Board is committed to responding to the consultation and feedback, however, within the scope of its own role and responsibilities, and therefore commits to progress the actions set out in Table 1 of this paper and para 7.11 to specifically respond to issues and concerns from the public and elected members which FCT can legitimately and reasonably respond to. The Board is also committed to ensuring that FCT supports Fife Council in exploring the proposals received already for alternative delivery models and any which may be received in future.
- 11.4 Given the slippage on the original timescale for the implementation of the savings proposals while Fife Council conducts its own due diligence, there is a need to compress the original timetable, and a re-profiling of the original savings is set out at Annex 1 to reflect this and ensure FCT can still deliver on the required savings by March 2018. This includes a key pressure in 2016/17 to deliver £420,000 of the total savings.

Professor Stuart Cross, Chair
On Behalf of the FCT Board
27 November 2015

Proposed Budget Savings Options	In year Savings	Full year Savings
	£'000	£'000
<u>2015/16</u>		
Voluntary Severance	43	91
Operational Efficiencies **	1	5
Total	44	96
<u>2016/17</u>		
Operational Efficiencies **	5	7
Mobile Library Review	28	37
Implementation of Library Hub and Spoke Model – change of closure date (1)	200	222
Implementation of Library Hub and Spoke model – original closure date (2)	21	44
Seasonal Adjustment of Opening Hours at St Andrews Museum **	22	42
Voluntary Severance	105	191
Total	381	543
<u>2017/18</u>		
Implementation of Library Hub and Spoke Model – original closure date (3)	81	81
Workforce planning and operational efficiencies **	50	83
Voluntary Severance	10	10
Total	141	174
TOTAL 3 YEAR SAVINGS	566	813

(1) Glenrothes Cluster (Sep 15), Kinghorn (Dec 15) NE Fife (Apr 16) Sinclairtown – April 2016

(2) Levenmouth - East Weymss (Dec 16), Cowdenbeath Cluster (Sep 16)

(3) Dunfermline Cluster (Abbeyview , Townhill) (April 17). Anstruther (Jun 17)

** - these savings do not require Fife Council approval for implementation

Underpinning Assumptions

There are a range of underpinning assumptions based on which the FCT Board has developed its financial strategy. These are:

- Savings will mainly be delivered through reductions in staffing as this comprises the majority of the FCT budget
- Staffing cannot be reduced, given the scale of the savings required without fundamental changes to the shape and nature of service delivery as staff ratios are related to the range of front line services currently delivered and particularly the number of facilities
- Any fundamental changes to the shape and nature of service delivery to deliver the staffing savings require approval by Fife Council as per the Services Agreement
- Voluntary severance will be the main mechanism to deliver the savings and there will be sufficient volunteers in the right areas of the business or appropriate opportunities to move staff around the business to effect the savings
- The cost of any resulting redundancies or voluntary severance to effect the proposed changes will be funded by Fife Council as per the Services Agreement
- Fife Council will make additional savings as a result of the changes being proposed by FCT but these are not accounted for within the financial strategy
- The timescale to deliver the savings will be informed by the nature and length of consultation which Fife Council requires to carry out as well as the logistical planning to empty buildings, arrange storage, and catalogue and relocate stock
- Any alternative provision which Fife Council may wish to put in place is likely to require capital investment by Fife Council e.g. alterations to premises (FCT does not have a capital programme)
- FCT will have no remaining staff capacity to support alternative provision once the savings are delivered