

CABINET

Review of Communications & Marketing

20 January 2009

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT				
This report provides an update on the progress of the communications and marketing review. The review is now at the stage that a clear member view is required if it is to deliver the anticipated efficiencies and savings referred to in the report.				
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan	December 2008			
This report is public				

OFFICER RECOMMENDATIONS

- (1) That Cabinet approve in principle the restructuring proposal set out in Option 4 for improving the efficiency and effectiveness of the council's current Communications and Marketing function
- (2) That the financial implications of the restructuring be developed further for inclusion in the 2009/10 budget proposals

1.0 Introduction

1.1 Cabinet asked for a review to be undertaken during 2008/9 of the Communications/Management Team function, with a view to making efficiencies for next year's budget, equivalent to half a post. An initial review of the function identified that there were greater opportunities for more efficient ways of working and greater value for money, by broadening the review to examine the communications and marketing activity across the whole council.

1.2 As a result, work has been undertaken and on 29 September 2008, Corporate Management Team considered the findings arising from the research and staff consultation phase of the Review of Communications and Marketing (see Appendix A for summary of findings). Based on that evidence, there is a clear business case for creating a centralised communications, marketing and consultation unit that would deliver efficiencies and improved value for money.

1.3 This unit, if supported, would be responsible for developing, implementing and evaluating the marketing strategy for the authority and would bring together all related marketing budgets into a central provision.

1.4 The work undertaken so far has been co-ordinated by a cross service project team headed by the Corporate Director (Regeneration). The scope of the project can be summarised under the following headings:

- i) Identification of current types of marketing activity, mapped against customers/markets (internal, local, external)
- ii) Analysis of marketing posts across services using job evaluation findings
- iii) Identification of areas for efficiencies/improvements
- iv) Initial financial headlines
- v) Develop possible structure options

2.0 Proposal Details

2.1 Mapping of activity

Below is a list of the council's main areas of marketing activity. These diverse range of activities cover three key audiences – a) internal, b) local and c) outside of the district, although clearly there can be cross over between each.

Press & PR	Internal communications
Websites and e-marketing	Newsletters
Short lifespan/low quality print	Long life span/high quality publications
Sponsorship	Events/festivals/seminars
Market research	Consultation
Community Engagement	Merchandise/gifts
Photography/image library	Member/civic communications
Advertising – including recruitment, statutory adverts and non statutory	
Relationship marketing/referrals	Monitoring and evaluating

2.2 Findings from initial analysis of posts

The analysis of posts confirmed that:-

- Approximately 40 - 50 staff have some involvement in marketing activities, many with little expertise
- Outside of the current corporate team, there are only a small number of close to full time marketing posts – perhaps five
- A large number of posts appear to have a 20-30% time allocation to marketing.

It is clear from the above that there are opportunities to generate efficiencies and savings by rationalising the way that staff currently provide marketing activity within the Council. The challenge will be translating the potential efficiencies/savings into reality away from the current fragmented arrangements. To deliver these efficiencies/savings, it is clear that localised restructuring will have to be carried out so that the benefits can be realised and to reinvest in order to create the capacity required for an effective centralised team.

Notwithstanding the above, more detailed work with services is still required to check the accuracy of the information referred to above and establish the level of savings and efficiencies that can be achieved over a period of time.

2.3 Areas for efficiencies/improvements

The group has analysed the current main types of marketing activity undertaken across the council, and considered the benefits of a centralised marketing team in terms of efficiency, economy, and effectiveness. The main headlines are set out below but a full analysis is included in Appendix B:-

- A large number of staff, often inexperienced and with a 'day job' to do, are involved in the production of leaflets/adverts/fliers/newsletters, advertising, web, photography, merchandise etc. A centralised, dedicated and experienced team approach could deliver cross cutting benefits including cost savings, efficiencies, better targeted information, greater cross service communication and a rise in quality. This would assist services to focus more on delivering their business plan priorities.
- This approach would also improve the efficiency of the current central team by reducing the time spent on advising and monitoring marketing activity delivered by the services to the corporate agreed standard and quality.
- Centralising the web function, placing it in alongside marketing professionals and having just one council website, would achieve similar efficiencies, as well as adding creativity, flexibility and support to the function. However, to take advantage of the growing and important e-marketing opportunities, this function should be expanded to ensure the council is appropriately equipped. This would not only ensure more effective and targeted marketing but also produce savings in terms of print and distribution costs and officer time (and be more energy efficient).
- Although sponsorship is not a current activity for the council, it is an area being examined by some parts of the council. A corporate approach would offer efficiencies and financial benefits council-wide, rather than simply service by service.

2.4 Budget information

Determining the exact cost of providing the council's current marketing activity has not been possible so far. Consequently, it should be stressed that the financial information provided in the table below, and in appendix C, gives only a 'flavour' of the true marketing spend and must be treated with extreme caution. It should also be noted that marketing budgets are not always clearly identified within services. The headline figure does not include any staff related costs, expenditure which is often 'hidden' within other budgets (e.g. printing and stationery, sundry, etc), or discreet functions. Drilling down to ascertain the full picture for the council will require close working with services to calculate definitive figures.

However, using just the initial headline budget information as currently included in the draft revised and future years' budget for the following areas, it has been possible to identify estimated expenditure for 2008/09 to 2011/12 as summarised in the table below and detailed in appendix C:

	2008/09 Revised £	2009/10 Estimate £	2010/11 Estimate £	2011/12 Estimate £
General Fund	330,800	281,500	286,300	262,200
HRA	22,600	18,200	18,600	18,900
Total GF / HRA	353,400	299,700	304,900	281,100

This includes such budget headings as:-

- Miscellaneous Advertising
- Marketing & Promotion
- Exhibitions
- Employee Related Advertising
- Newsletters
- Photographic Materials
- Brochure Distribution
- Joint Marketing

Please note, particularly under the headings of misc advertising/marketing and promotion, that these will include some areas which also attract grant income (shown elsewhere in the budget) therefore netting off/reducing the expenditure budget mentioned above. These are marked by an asterisk in appendix C.

If Cabinet support the proposal to create a centralised Communications/Marketing team, additional work will be done to provide more accurate financial information and details of anticipated savings/efficiencies.

3.0 Details of Consultation

3.1 The review so far has been carried out under LAMP, the city council's project management process, and includes a cross service project team. In addition all staff involved in communications and marketing activities have been invited to two workshops and a briefing, and given opportunities to send in further feedback. More than 40 have attended in all. The project manager, executive and some project team members have visited three councils who have undertaken similar exercises and research has been carried out with several more councils. In addition the outcomes of a previous independent review of the council's communication and marketing functions have been considered, as well as advice from the IDeA, LGA and the national local government communications professional body.

4.0 Options and Options Analysis (including risk assessment)

4.1 The research with other authorities has already identified the following benefits achieved as a result of a centralised communications and marketing function:-

- Financial savings
- Less duplication and greater value for money
- A unified one council approach to marketing and consultation
- Rise in customer satisfaction levels
- Strategically driven campaigns, projects and consultation aligned to corporate priorities
- Common systems and support and consistent standards
- A strong and consistent brand
- Pooled experience/critical mass of skills
- Enhanced career progression for staff
- Increased staff morale and motivation

Consequently, a range of options for a centralised team have been prepared and a preferred officer recommendation is proposed.

Option 1

This would provide a centralised co-ordinated approach to all council marketing activity – internal, local and external. It is made up of the core team’s current areas of work plus:

- Management and co-ordination of all short lifespan leaflets, adverts, fliers, newsletters, together with distribution, monitoring and evaluating
- Management, co-ordination and development of all council website activity, including the development of the council’s e-marketing capacity (as described above).
- All council advertising
- All ‘external’ marketing activity (economic development, tourism, festivals/events)
- Corporate sponsorship
- Member, including civic, communications
- All marketing budgets will be pooled centrally.

This approach requires a core team sufficiently resourced to deliver within agreed time/quality levels, especially where service income targets are affected. A centralised function means a small residual function will still be required within the service to liaise with the corporate team. As is the case with each of the options, evidence demonstrates that a centralised function works most effectively where all officers are co-located.

Advantages	Disadvantages
Most closely mirrors the best practice models identified via the research phase of the review and likely to deliver the benefits the research identified (set out in 4.0 above)	This option must be fully resourced otherwise it risks failing services, in some cases impacting on their bottom line.
Most closely delivers the objectives set out in the review project plan	
Allows greater economies of scale	
Income opportunities via corporate approach to sponsorship	
Increases customer awareness and take up where appropriate	

Option 2

This option sees the centralisation of all marketing functions, as set out in option 1, plus tourism services and the whole festivals and events team.

It sits outside the scope of the original project plan but has arisen out of concerns that separating tourism marketing from the tourism delivery function may be detrimental to the service delivery of that area. Option 2 therefore transfers the whole of those functions – festivals and events team, tourism and the TICs – so avoiding any potential downside caused by splitting the functions.

Advantages	Disadvantages
As in Option 1 – but extends the level of integration further.	Outside the scope of the project mandate
Avoids any potential negative impact that might be caused by splitting marketing away from the tourism/events functions	Potentially more complex and time consuming to deliver
Event management skills and expertise could be shared across the council	

Option 3

This consists of option 2, but would also include Customer Services

Again, it is outside of the scope of the original project plan but has been put forward by the project group in recognition that communications and marketing is interlinked with good customer service. Both are based around identifying our wide range of customers/service users, the information they require, providing that information in the formats and ways that suit them best. They are about ensuring no unnecessary contact, making customers aware of the services available and how to access them and supporting a smooth customer journey, ultimately driving up customer satisfaction. A view from members of the project group is that in examining the most efficient, coherent and corporate strategy for dealing with service users/customers, the review should also consider joining up all functions/sub-functions that interact with them.

Advantages	Disadvantages
As in Option 2 – but achieves the greatest level of integration	Outside the scope of the project mandate
Potentially enables a truly coherent corporate approach to customer communication	Much more work will need to be done to identify how workable this approach is. It will also be much more complex and disruptive to deliver
Gain a better understanding of our customers and their needs. This information can be used to shape future delivery of services council wide	It will take longer to deliver and if the decision is to go straight to option 3 in a non phased way it will delay the ability to bring about quicker benefits identified in options 1, 2 and 4
Supports the council's delivery around the Avoidable Contact National Indicator	

Option 4

This is basically Option 2. However, totally separate to the new Communications and Marketing Unit, the TICs would be managed by Customer Services which is consistent with the Access to Services project.

Advantages	Disadvantages
As in Option 1 and 2.	Effect of splitting TICs away from rest of tourism functions unknown
Avoids any potential negative impact that might be caused by splitting marketing away from the events function	
Event management skills and expertise could be shared across the council	
This option offers opportunities for the greatest efficiencies, equivalent at least to the saving previously required by Cabinet.	

5.0 Officer Preferred Option (and comments)

5.1 Option 4 is the preferred officer recommendation

This would provide a centralised co-ordinated approach to all council marketing activity – internal, local and external, maximise opportunities for efficiencies, and is consistent with the objectives of the current Access to Services project.

The research demonstrates such an approach will achieve significant benefits including financial and greater value for money, reduced duplication, a unified approach to communications, marketing, website and consultation, strategically driven campaigns aligned to the corporate priorities, a stronger brand, a rise in customer satisfaction, pooled expertise and greater career progression, service staff able to get on with the day job, increased staff morale, and more.

6.0 Conclusion

6.1 Officers believe option four will bring about the greatest benefits and efficiencies and recommend Cabinet support this proposal, in principle at this stage, pending further evaluation of the financial savings and efficiencies that would be achieved. The project group will then develop the proposal, to include a breakdown of affected posts and budgets, and report back. In addition the project group will begin discussions with Service Heads to:

- verify time allocations and assess the volume of work and staff numbers for the core team
- identify the true impact and better quantify savings/efficiencies
- clarify outstanding budget issues
- examine the practical implications of splitting marketing from service delivery functions for the relevant functions (Economic Development, Tourism and Festivals and Events)

RELATIONSHIP TO POLICY FRAMEWORK

The delivery of cost-effective services that provide value for money underpins the council's corporate plan priorities. In addition, this proposal would strengthen the council's branding and Every Penny Counts campaign, and assist in raising the profile of the council to increase customer satisfaction ratings.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

A centralised unit would improve communications and marketing across all of these areas. It's anticipated there would be a reduction in the amount of print work and improved partnership working.

FINANCIAL IMPLICATIONS

At this stage the identified costs included in the report and appendices are best estimates pending more detailed work. They do however give a flavour of the direct costs that are readily identifiable, and the potential for efficiencies and savings. Other costs and employee expenditure have not been included at this stage but would be included in the further work proposed.

SECTION 151 OFFICER'S COMMENTS

At this stage, the s151 officer has no further comments to add

LEGAL IMPLICATIONS

Legal Service have been consulted and have no comments to add

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Appendix A – Summary of research
Appendix B – Analysis of marketing activity
Appendix C – Advertising outturn budgets

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