

APPENDIX F

Communications and Marketing Review

Background

Prior to 2010 the council operated a centralised communications team which comprised corporate internal and external communications, with some individual services handling their own marketing.

At this stage the council employed the equivalent of 10.25 FTE on marketing related activity. This included dedicated officers (including the communications team and web officer) and other staff for whom marketing formed part of the 'day job'.

This was reviewed in 2010 and the current number of FTE has reduced to 5.4 (including a vacant post).

As well as highlighting areas of high activity and spend, the review also identified cases where there was little or no budget for priority areas of work, many of which link directly to customer satisfaction drivers. The merged centralised unit addressed this issue to ensure activity and spend is more closely aligned to council priorities.

In restructuring the marketing function into one team the following benefits were achieved:

- Financial savings (£61,000)
- 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

The Corporate Communications and Marketing team works closely with the rest of the function (destination marketing, events, VICs, Customer Service and corporate consultation), and across services, to carry out a number of functions that support all council priorities. This includes the development and implementation of all (non tourism) council marketing and communications plans to support the delivery of service objectives. Specific business areas include:

- The Platform
- Williamson Park
- Happy Mount Park
- Markets
- The Storey
- Inward Investment
- Filming
- Waste and recycling (production of annual calendars, customer information)

- Corporate campaigns (eg Take Pride)
- Salt Ayre Sports Centre
- Leisure development
- Press and PR
- Online service delivery (website, development of online opportunities etc to improve customer service and income generation)
- Marketing support (adhoc support for areas without dedicated marketing plans such as licensing)
- Internal Communications (incl News & Views)
- Corporate publications (YDCM etc)

The 2014/15 draft estimates total £266,500 split as follows:-

Staffing costs: £173,000

Marketing costs: £93,500

Review Options

In line with the Council's financial challenges, and in recognition that the results from the service reviews will likely lead to a reduction in service provision that requires marketing support, a two stage approach to identifying savings is suggested.

Stage 1

Identify immediate/short term savings which could be implemented from 1st April 2014 and continue to work towards moving more services online.

In total the budget for marketing purposes is £93,400.

Reductions to the overall marketing budget of £17,100 have been identified, primarily by identifying efficiencies and moving away from the 'traditional' to online forms of marketing.

In addition to the savings outlined above, reducing the council's residents' magazine to one edition a year would produce savings of £9,000. This would leave one edition a year (March edition) which also contains the annual Council Tax leaflet.

The deletion of a vacant post would produce additional savings of £7,700.

Together, if all taken forward, this would mean savings of £33,800.

Further savings will also be identified through the increased use of online technologies, particularly the introduction of the new Platform box office system, which enable marketing aims to be achieved at a lower cost.

Advantages	Disadvantages	Risks
This option achieves greater value for money while maintaining the ability to meet marketing aims, contributing towards	Smaller reduction in the savings available	Resources to support council services are already tight. Any further reduction in the marketing budget would have a

the council's business objectives and priorities. A unified one council approach to marketing		knock-on effect to other areas of the council and increase overall costs. The Platform, for example, relies on marketing to drive ticket sales. Spend on advertising, production of the brochure and other marketing activities support the delivery of the service. Further reductions would lead to fewer ticket sales, reducing income. Costs would therefore simply transfer from one centre to another.
A unified one council approach to marketing	Potential for a small reduction in the profile for the council and its services	
Strategically driven campaigns and projects aligned to corporate priorities		
Common systems and support and consistent standards		
A strong and consistent brand		
Pooled experience/critical mass of skills and flexible workforce		

Stage 2

As the outcomes of the service reviews become known, develop further options which reflect any reductions in service provision.

Fewer services will have a commensurate effect on the resources allocated to their marketing. By reviewing them in line with any change/narrowing of the council's priorities a measured reduction can be achieved, reducing the potential effects on these services and any income they derive.

Options could include:

i) No provision of communications and marketing

This option would mean the discontinuation of the communications and marketing function in its entirety.

Advantages	Disadvantages	Risks
Savings could be circa £266,500.	Loss of the press office could have potential reputational issues with no specialist capacity to deal with media related issues and therefore risks to council reputation.	Reputational risk to the council both in terms of not being able to respond to negative issues in the press but also on social media.
	Those services which remain would have no support for communications or marketing related activity potentially leading to a reduction in take-up, loss of income, reduced viability in the long run, potentially impacting on revenue or actually increasing costs elsewhere in the system	Reduction in the provision of information to customers risks reducing income and the viability of services that rely on marketing to attract paying customers (eg Platform, Williamson Park, Storey).
	Loss of the website would mean the inability to exploit online channels, leading to increased costs across the council.	
	Social media – increasingly customers are seeking their information via social media channels. With no staff council unable to reach these growing audiences	
	Back office functions would be severely effected and would require additional capacity to deal with additional enquiries from the public. This would effect both discretionary and statutory services.	
	The intranet would also effectively cease, meaning less information to staff, hampering business functions and staff dissatisfaction.	
	Customer dissatisfaction	

	Reduction in support for internal communications – employees feel less involved, reducing motivation	
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ii) Online only function

The website and other online channels are key to the council's future business needs. With more and more services moving online, and thereby reducing costs, online provision and related specialist advice is one area that is not recommended to remove. The current web budget is adequate, but does not provide for any future development, and there are therefore no additional savings.

Advantages	Disadvantages	Risks
Retains an inhouse web function to support existing and develop/exploit future areas for online delivery. There would be savings on all other areas of communications and marketing. Savings could be circa £219,600.	As above, save those related to the website	As above

iii) Retention of core communications function

Under this option the corporate communications, including press office and web function, would be retained to provide corporate communications.

There would also be limited capacity and expertise to advise and support council services with communications/marketing related activity, subject to business need.

Advantages	Disadvantages	Risks
Retains core communications function to deal with media related issues and also some support for council services on communications related issues which support service business plans	With a reduction in marketing staff, experience and expertise will be lost which helps support and deliver the council's priorities and services.	As above, save risk to reputational risks regarding media issues.
Retains an inhouse web function to support existing and develop/exploit future areas for online delivery.	Knock on effect for income opportunities eg Storey, Platform, Williamson Park, Salt Ayre	

There would be savings on all other areas of communications and marketing.		
Exploitation of social media channels (including free marketing) would continue	Reduction in take-up, loss of income, reduced viability in the long run, potentially impacting on revenue or actually increasing costs elsewhere in the system	
Limited marketing support and expertise for services on an ad hoc basis, mainly focussing on statutory areas.	Customer dissatisfaction	
Savings would be circa £149,600.	Services competing for support and undue pressure on limited resources	

iv) – Ensure resources reflect business needs now and in future.

As the council begins to slim its services a commensurate reduction in resources dedicated to communications and marketing those areas will take place. While budgets for some service areas would reduce significantly, staff resource would reduce accordingly.

Under this option the savings would relate directly to those business areas which have reduced. For example, if the council decides to reduce provision of Salt Ayre/Platform/Storey etc there would be a reduction in resources (both staff and budgetary) to reflect this reduction.

Advantages	Disadvantages	Risks
Retains marketing experience and expertise to help deliver the council's priorities in relation to marketing needs, increasing footfall/income for those services which remain.	Amount of savings dependant on service reviews	Some staff will leave as uncertain about their futures, reducing capacity
Strategically driven campaigns and projects aligned to corporate priorities		
Common systems and support and consistent		

standards		
Pooled experience/critical mass of skills and flexible workforce		
Strong and consistent brand		
Negates risk of loss of income for some service areas		

Conclusion

There are opportunities to make savings now which, while impacting on the provision of communications and marketing, will allow the continuation of a service to meet the council's current business needs.

As the outcome of service reviews becomes clearer these resources can be further reviewed to ensure the service continues to reflect the council's business needs and priorities.

Therefore the officer recommendation is to make the savings identified under Stage 1, while awaiting the outcome of the service reviews.