

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Council: 26 March 2008

Subject: Council's Local Advertising Contract

1. Purpose

This report considers the Council's current Advertising Contract and how this can be expanded to include all local media, maximise audience reach and remain cost-effective.

2. Background

2.1 A report to Corporate Services Committee on 30 March 2005 recommended that Council consider restricting local advertising to deliver a £120,000 cost saving on advertising spend per annum. The report suggested that this could be achieved by using the Clydebank Post and Dumbarton Reporter (Clyde and Forth Press). The Committee agreed:

- a) In light of the variation in rates, advertising be restricted to the most cost effective medium and this would be achieved by using the Clydebank Post and the Dumbarton reporter; and
- b) That officers be instructed to undertake negotiations with these newspapers for a six month deal that would allow evaluation of the service provided.

2.2 A discount of 50% off rate card was negotiated with the Clydebank Post and Dumbarton Reporter and is still in place as of February 2008; however an evaluation of the service or cost saving was not carried out.

2.3 Whilst the agreed recommendations addressed the cost of advertising, they did not consider the household penetration of local titles. This has implications in terms of the number of residents the Council reaches on a weekly basis. This is particularly important for Statutory Notices, when the Council has a duty to disseminate information as widely as possible. If the objective of Council advertising is to target as wide an audience as possible, the current Contract may not fulfil this need.

- 2.4 At Council Meeting – 30 January 2008, a motion was presented by Councillor George Black and agreed by Council.

“This Council is resolved to review the policy of excluding the Lennox Herald from publishing adverts and public notices on behalf of West Dunbartonshire Council. As it is generally accepted that this newspaper has the largest circulation of any of the local papers it is felt that it is not in the public interest to continue the practice of not using this publication for disseminating public information. We therefore instruct officers to report back to Council on how to best we can utilise all local media as a means of information for the people of West Dunbartonshire.”

3. Main Issues

- 3.1 The current Advertising Contract has not been reviewed since approval by Committee on 30 March 2005 and may not be meeting Best Value requirements in terms of communicating and consulting with as wide an audience as possible.
- 3.2 This contract is not inclusive of all local media and presently excludes the Lennox Herald - audited and confirmed as having the largest circulation of any local title in the Dumbarton area. This restricts the number of local residents that the Council reaches with Public Notices and general advertising messages. Detailed circulation information confirms that The Lennox Herald out sells the Dumbarton Reporter in Alexandria 5,211 copies to 1,800 copies and in Dumbarton 6,390 copies to 2,428 (Appendix 2).

Circulation – (WDC area only) Source: Audit Bureau of Circulation (ABC)
Jan – June 2006

Clydebank Post	10,161
Dumbarton Reporter	4,298
Lennox Herald	11,601

Readership – (WDC area only) Source: Joint (JICREG) Jan 2008

Clydebank Post	26,552
Dumbarton Reporter	11,565
Lennox Herald	29,206

- 3.3 Each local press title reports coverage against different geographical areas and therefore the number of potential households for coverage differs. This information indicates duplication of readership of the Clydebank Post and Dumbarton Reporter in Clydebank and Dalmuir (Appendix 1).

Household Penetration (total circulation) Source: Joint Industry Committee for Regional Press Research (JICREG) Jan 2008

Clydebank Post	54,665* potential households	24%
Dumbarton Reporter	40,256* potential households	10.5%
Lennox Herald	29,622* potential households	44.5%

- 3.4 Officers have negotiated a special Council rate with the Lennox Herald representing a saving of 40 – 61% from rate card, effective from February 4, 2008 (Appendix 3).
- 3.5 Officers continue to negotiate a special Council rate with the Clydebank Post and Dumbarton Reporter on an annual basis, representing a saving of 50% from Rate Card (Appendix 3).
- 3.6 The confirmed discount provides reduced SCC rates for Public Notices:

Lennox Herald:	£3.92
Dumbarton Reporter:	£2.88
Clydebank Post:	£5.20

Cost per thousand (total readership): Public Notice/Half Page

Clydebank Post	£11.55
Dumbarton Reporter	£10.75
Lennox Herald	£18.75

Cost per thousand (total readership): Run of Paper/Half Page

Clydebank Post	£13.02
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Dumbarton Reporter	£15.33
Lennox Herald	£14.60

- 3.7** A contract, tendered by the Authorities Buying Consortium (ABC) is currently in place with Barkers Scotland to provide a media buying service for 6 Councils in Scotland – of which West Dunbartonshire is one (see Appendix 4). The contract began June 2007 and was due for renewal June 2008. The contract has been extended until June 2009. This contract is not currently being utilised by West Dunbartonshire Council for general advertising purposes, but is used for recruitment advertising.
- 3.8** Councils' that use Barkers Scotland under the ABC contact are not charged a fee from Barkers for day-to-day services. Barkers act as an intermediary between each Council and the local and national media and can provide each Council with additional discounts. Because Agencies help the media to rationalise the whole process of communication and space booking, the media give Agencies commission of between 10 and 15%. Agencies therefore derive their basic income from the media and not from the client companies. The use of Barkers Scotland does not cost the Council any more than if they approached the media direct.
- 3.9** Under the ABC contract with Barkers Scotland, the Council could receive a further discount on top of the existing special Council rates with local media. Officers can confirm that for national advertising where 15 % commission is offered, Barkers will retain 4% and the Council will receive 11%. For local advertising where 10 % commission is offered, Barkers will retain 4% and the Council will receive 6%.
- 3.10** The council newspaper West Dunbartonshire News reaches 46,000 households in West Dunbartonshire but due to infrequent publication dates, the newspaper is not regularly used by departments for advertising purposes and does not maximise potential advertising revenue.
- 3.11** There are three options that the Council can consider:
- a) Maintain the current advertising contract with Clyde and Forth Press and restrict council advertising to the Clydebank Post and Dumbarton Reporter;
 - b) Discontinue use of the Dumbarton Reporter based on circulation and household penetration figures in favour of advertising in the Lennox Herald. Restrict council advertising to the Clydebank Post and Lennox Herald;

- c) Discontinue the current advertising contract in favour of utilising all local media on a needs basis, dependant on individual campaign objectives, type of advertising and the target audience.

4. Personnel Issues

- 4.1 There are no personnel issues.

5. Financial Implications

- 5.1 Based on an estimated set advertising schedule over the period of a year;

Option A - represents no additional financial implication

Option B – additional expenditure of £44,950

Option C – additional expenditure of £51,655

- 5.2 The increased costs of Option B and Option C would be met from existing departmental budgets.

6. Risk Analysis

- 6.1 There is no requirement to carry out a risk assessment.

7. Conclusions

- 7.1 The Advertising Contract has not been reviewed since March 2005 to ensure Best Value and does not consider variations between the current circulation figures or household penetration of local titles.

- 7.2 If the Council wishes to reach the maximum audience numbers for public notices, recruitment and general advertising, a mix of local media would be required. Current restrictions mean that in the Dumbarton area, the Council is reaching 11,565 local readers, but could potentially reach 29,206 local readers.

- 7.3 Advertising rates for the Lennox Herald are more expensive than those of the Dumbarton Reporter but the Lennox Herald reaches an additional 17,000 readers in West Dunbartonshire.

- 7.4 The Council is currently not benefiting from available discounts within the ABC Contract currently in place with Barkers Scotland. Advertising is currently booked

directly by Corporate Communications, and therefore the Council does not receive the additional % rebate from Agency Commission.

7.5 The West Dunbartonshire News, reaching 43,889 households, is not currently reaching its full potential for recruitment and general advertising purposes.

8. Recommendations

8.1 It is recommended that:

- a)** Discontinue the current Advertising Contract, which restricts Council advertising to the Clydebank Post and Dumbarton Reporter, resulting in a fairer distribution of Council advertising expenditure across all local media and added value in terms of audience penetration. This will involve the inclusion of the Lennox Herald as part of the media mix (Option C).
- b)** Officers manage advertising arrangements based on both target audience, type of advert (PN, RoP) and cost on a campaign by campaign basis, to ensure added value and maximise the response rate to advertising for each Department.
- c)** Officers utilise the Barkers ABC Contract to place recruitment advertising and general advertising in order to benefit from additional Agency discounts with local and national media, with immediate effect. This will involve all advertising spend being co-ordinated by Corporate Communications and placed with Barkers.
- d)** Officers develop new rate card prices and publication dates for West Dunbartonshire News to increase flexibility and maximise the potential for Departments to use this medium as part of their overall advertising spend.

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Date: 18 March 2008

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Appendix: Local Newspaper Detailed Readership Profile
ABC Report for Local Press in West Dunbartonshire
Barkers Scotland Acceptance Schedule

Ratecard Discounts

Background Papers: Report on Council's Advertising Contract – Corporate Services Committee, 30 March, 2005

Wards Affected: All