

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Chief Executive

Corporate & Efficient Governance Committee : 25 November 2009

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**Subject: Review of West Dunbartonshire News**

### **1. Purpose**

- 1.1** This report provides additional cost options for revised production of the West Dunbartonshire News (WDN), following the continuation of a report to Corporate and Efficient Governance Committee held on 30 September 2009. The report recommends changes to the frequency and format of the publication in order to maximise the cost effectiveness of the publication.

### **2. Background**

- 2.1** At September Committee, a report was submitted by the Chief Executive recommending changes to the frequency and format of the West Dunbartonshire News publication in order to maximise the cost effectiveness of the publication.

The Committee agreed to continue consideration of this item pending a report being prepared giving further detailed cost options.

- 2.2** The Council Budget 2008-09 identified that a £15,000 cost saving should be delivered by reducing the production costs of the WDN. This reduced the budget from £33,400 to £18,400. This was agreed by Council on 14 February 2008. In order to achieve this, the editorial production & design of the newspaper was brought in-house to Corporate Communications realising a cost saving of £4,000 per issue.

- 2.3** At the Council's 2009/10 budget meeting on 11 February 2009, Council agreed to realise savings in corporate printing and production costs, including a review of the cost effectiveness of the Council Newspaper. Production of the WDN has been suspended during this review, which was completed in early August 2009.

### **3. Main Issues**

- 3.1** The Council Newspaper ordinarily reaches 43,889 households in West Dunbartonshire. This is a higher circulation than that of any local newspaper.

**3.2** Until April 2008, the budget for the WDN was held centrally under Miscellaneous Expenditure. At the request of Corporate Communications, this was incorporated within the Corporate Communications budget in 2008/09. At this time it was highlighted that the West Dunbartonshire News budget had been overspent in previous years:

- 2006/07 - Budget: £33,400,           Outturn; £67,280
- 2007/08 - Budget: £33,400,           Outturn: £55,682

**3.3** The true cost of producing the WDN was not fully realised until 2008/09. Production costs are detailed below and demonstrate that six issues of the newspaper cannot be delivered within a budget of £18,500, despite the saving of £4,000 per issue made on editorial and design.

- Print: £2419
- Transport: £24.00
- Distribution: £3,476
- Photography: £1035
  
- Total cost: £6,954 \* 6 issues = £41,724

**3.4** In 2009/10 a budget bid to increase the West Dunbartonshire News budget to £27,000 was successful to allow 4 issues of the newspaper to be produced.

**3.5** Any saving generated through ceasing production of the WDN would be required to be offset by an additional £10,000 annual spend in local advertising. Under the Local Government Act (2003), every council in Scotland has a duty to make arrangements for reporting to the public the performance of its functions. West Dunbartonshire Council has implemented this at a corporate level through the WDN – each issue contains a themed double page spread. This approach saves the Council £10,000 in central advertising costs per year.

**3.6** As part of the WDN Review, 2 focus groups were carried out by Hexagon Research and Consulting in July 2009 to examine the benefits of the WDN, current readership and overall views. This included a comparison with other Council newspapers and magazines. Full results can be found at Appendix 1. Recurring comments are detailed below:

- WDN promotes an overly positive image of the Council at the expense of providing a more balanced stance
- There is not enough focus on issues and events that directly affect local people and the communities that they live in
- Articles of performance reporting are not presented in an engaging format suitable for the average member of the public
- The production quality is poor
- Many of the articles are repeated in the local newspapers

- A move to a full, colour, glossy style magazine would be unanimously welcomed as a more effective way to engage people
- There are too many articles with photographs of Councillors and officials – which outweigh those which would be of help to the average citizen.
- 24% of respondents did not remember receiving a copy of the WDN to their home

### 3.7 Printing

Running concurrently with Focus Group research, a review of printing costs was carried out and a number of alternative print and production options were considered:

- a) Continue with the current supplier CCB at current print costs.
- b) Identify a new print supplier to potentially reduce print costs or improve production quality. This included generating proposals from other suppliers, including Connect Communications, Clyde and Forth Press and Allan McCarthy Print.
- c) Publish an online version of WDN and reduce annual print costs to nil. However, this option would require £10,000 of the saving generated to be retained by Corporate Communications to publish and promote the Council's performance information locally.

Connect Communications currently publish newspapers and magazines for a number of Local Authorities including Glasgow City Council, Edinburgh City Council East Dunbartonshire Council and Inverclyde. The company was identified as being able to reduce the current print costs of the WDN by £169 and was able to provide options for producing a magazine in response to Focus Group feedback.

### 3.8 Distribution

Questions around the reliability of distribution were raised following anecdotal feedback from residents and from the results of the qualitative research. As a result a review of alternative distribution methods was conducted over a 5 week period.

- a) Direct distribution through the current supplier provides flexibility and allows for editorial delays but cannot guarantee access and delivery to tower blocks and premises with security entry.  
Cost: £3,476
- b) Changing our direct distribution to the Royal Mail can reduce our distribution costs should the Council move to magazine production and can provide the same cost for improved newspaper delivery. Royal Mail provides guaranteed

delivery to tower blocks and premises with security entry and includes a folding service. The Council can also benefit from Royal Mail's Boundary Matching service to ensure all households are covered as an option to distribute the publication. This service will provide greater control and avoids postcode overlap by combining unaddressed mail (Door to Door) and addressed mail.

Cost: £3080 per issue. (If newspaper - folding charge add an additional £9 per thousand, £3476)

- c) Distribution through local retail outlets would eliminate door to door delivery and would allow the Council to stock the WDN in local news retailers via Menzies. However, this would require WDN carrying a cover price with Menzies retaining approximately 50% and the retailer retaining a 25% margin. Further, all new publications taken on by Menzies are subject to a trial period, to assess whether or not the title is commercially viable and final sales information for three issues can be assessed: a title must achieve sales of 50% or more to be successful. It is not anticipated that WDN could achieve this level of penetration in 3 issues.
- d) Supermarket placement would allow the Council to distribute the WDN at local supermarkets through Self Select Distribution. The company arranges placement of publications within branded bins. However, the Council is not permitted to control placement or the amount of copies that are picked up. The Council would be responsible for all top up and maintenance  
Cost: £720 per issue but Council may incur hidden maintenance and top up charges.

### **3.9 Editorial Production**

The review also considered editorial production and how to improve the quality and credibility of editorial. A partnership with Strathclyde University, School of Journalism has been developed and provisionally agreed. This will allow Postgraduate students to produce and file news stories for the WDN, print and online, within their MLitt/Postgraduate Diploma in Journalism from January 2010. Online news production is of particular interest. This will include:

- Examining how national issues impact locally  
Looking at issues of national significance and developing news items with the local community, including vox pops and resident opinion.
- Editorial campaigns  
Developing campaigns, in partnership with communities and local stakeholders, to support local improvements and find solutions to issues of local concern.
- Online content

Developing daily news content for the West Dunbartonshire News online.

The delayed decision on the Report may impact on the timescales for involving the University in January.

### **3.10 Advertising**

The WDN generates advertising revenue from other Council Services, partners such as the Community Planning Partnership and from external advertisers. On average, each issue can generate up to £3,000 in advertising revenue to offset production costs.

The past 2 issues of the West Dunbartonshire News have generated approximately £5,000 in advertising revenue and this can be sustained to offset production costs; however the majority of advertising revenue is currently being generated from other Council services. This does not represent genuine revenue and may not be sustainable in the current financial climate coupled with a freeze on all non-essential spend.

To grow external advertising revenue further would require an investment in the product in terms of quality and more accurate benchmarking of delivery and potential readership. Entering the local advertising market may impact on local advertising revenues for Scottish & Universal Newspapers and Clyde & Forth Press and damage relationships between the Council and both newspaper groups.

### **3.11 WDN Online**

An online version of the West Dunbartonshire News can be developed to replace the newsroom section on the Council Internet. This will be hosted separately from the Council website and will be accessed from a breaking news link on the Council home page. This will provide a daily up-dated news presence online and will encourage readers to move from the printed version to online, reducing production costs over time. This can be produced with or without a print version.

Ceasing publication of the WDN in print would realise a significant cost saving in terms of print and production time, and would improve frequency of news. This approach was taken by East Renfrewshire Council, but in response to complaints from local residents around accessibility, the printed magazine was later re-introduced.

There are a number of suppliers who can provide this service. The mechanics of set-up and remote access have been agreed with ICT.

Cost: initial £5,000 set up and annual maintenance of approximately £1,500,

however additional budget of £10,000 per annum would be required to cover the costs of publishing and promoting the Council's performance information.

However, it is also worth noting that a Public Information Portal (PIP), similar to myjobscotland, is presently being piloted in a number of authorities. The intention is to introduce legislation to allow local authorities to use this where they would otherwise have had to advertise. This would mean that within the next 2-3 years, the 10k cost of advertising PIs will no longer be needed and at this time an online version of the WDN would be advantageous.

#### 4. Personnel Issues

4.1 There are no personnel issues.

#### 5. Financial Implications

##### 5.1 Option 1 – Produce 12-page WDN in newspaper format with current suppliers

Print	£2419
Distribution	£3476
Transport:	£24
Photography:	£1035
In-house design	nil
<b>Cost per issue</b>	<b>£6954</b>
<b>2 Issues</b>	<b>£13908</b>
<b>4 Issues</b>	<b>£27816</b>

##### 5.2 Option 2 – Produce 12-page WDN in newspaper format with new suppliers

Print	£2250
Royal Mail Distribution (Inc transport)	£3476
Photography, design, layout and subbing	£1000
<b>Per issue:</b>	<b>£6726</b>
<b>2 issues:</b>	<b>£13452</b>
<b>4 issues:</b>	<b>£26904</b>

##### 5.3 Option 3 – Produce 16-page WDN in magazine format

This would enable production of a 16-page magazine, in response to feedback from Focus Group and benchmarking research.

Print (LWC)	£3515
Royal Mail Distribution (Inc transport)	£3080
Design, layout and subbing	£2000

<b>Per issue:</b>	<b>£8595</b>
<b>2 Issues:</b>	<b>£17190</b>
<b>4 Issues:</b>	<b>£34380</b>

**5.4 Option 4 – Produce an online version of the Council Newspaper**  
Initial Set up costs £5000

**Online only**

Year 1:	* £15000
Annual costs thereafter	* £11500

**Online and Print**

Year 1:	£5000
Annual maintenance thereafter	£1500

\* *Differential is cost of advertising Council Performance information*

**6. Risk Analysis**

- 6.1** To continue to publish the West Dunbartonshire News in its current format does not represent Best Value due to high production costs, local perceptions and poor door-to-door delivery rate.
- 6.2** However, to cease production of the West Dunbartonshire News completely will cost the council a minimum of £10,000 per year in external advertising costs and will impact on the volume of positive news coverage that the Council can release to local residents.

**7. Conclusions & Officers' Recommendations**

- 7.1** The West Dunbartonshire News cannot be produced at a rate of 6 issues per year within the current budget irrespective of format. However, a successful budget bid for 2009/10 will allow ongoing production of a reduced number of issues.
- 7.2** Due to the importance of building up readership and improving the newsworthiness of the WDN it is not recommended that less than 4 issues per year be produced. It is not possible to maintain regular dialogue with communities, compete with local news and media, and build loyalty and credibility if production falls below this rate. Further, there needs to be flexibility in production dates to allow the newspaper to 'go early' or 'wait for' important Council news.
- 7.3** Option 1 will allow the newspaper to carry on in its current format at 4 issues,

within the existing budget, however significant changes to design and editorial will be required to improve how the newspaper is received by residents. This option does not meet the recommendations made by the Focus Groups.

- 7.4** It is recommended that in order to reduce print costs and improve delivery rates that Connect Creative Communications and the Royal Mail are selected to replace current suppliers - Option 2. This will allow the newspaper to carry on in its current format at 4 issues, within the existing budget. Significant changes will still be required to design and editorial will be required to improve how the newspaper is received by residents. This option does not meet the recommendations made by the Focus Groups.
- 7.5** It is recommended that the partnership with Strathclyde University be progressed in 2010 and the WDN is opened up to include news and views generated by the local community. The majority of Councils' across Scotland produce their own Council magazine or newspaper to support media relations and promote Council initiatives and events. This is a cost-effective way of engaging in regular dialogue with local people. However, Council publications are only effective as a PR tool if editorial content is credible and objective and up-to-date.
- 7.6** Publishing WDN online – Option 4, will deliver a cost saving overall, however approximately £10,000 will be required, per year for around 2 years, in order to publish and promote the Council's performance information currently carried out via WDN. However, should the Public Information Portal (PIP) be introduced across all Council's, the £10,000 cost of advertising PIs will no longer be needed. Online publication would also raise a number of accessibility issues due to low levels of access to pc and internet in the area. There may also be some specific groups of people who may be less likely to access online information such as the elderly. It would be possible to alleviate these problems by having a limited print edition available in libraries and Council Offices and by building a subscription database for the printed publication. The printed version could also be translated into community languages as required and presented in large print. WDN is available on audio tape and this will continue.
- 7.7** It is recommended that an online version of the WDN is published concurrently with a printed version. WDN online will provide daily updates and national news feeds and will improve the overall quality of the Council's day-to-day communications and online news resource. WDN online will be promoted through the Council website, the local media and through the printed publication. This approach can reduce production costs over the long term as segments of our local population shift to online news consumption.
- 7.8** Overall, it is recommended that WDN is re-designed and re-launched in



magazine format – Option 3, supported by Option 4. Whilst this is the most expensive option and will require additional investment in 2010/11, this will maximise the opportunity for generating advertising revenue to offset production costs and will respond to focus group feedback. This investment will be required for 2 years to allow reader loyalty to increase. The aim over the 2 years will be to move readers to a subscription-only option for print that will be delivered door to door or solely to WDN Online. This will reduce production costs over the long term without compromising quality or frequency.

- 7.9** In order to fully realise advertising potential it recommended that Council officers investigate the possibility of an advertising arrangement with Connect Creative Communications. This would involve a % of advertising revenue, normally 60%, being retained by the Council to offset production costs.

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**David McMillan**  
**Chief Executive**  
**Date: 12 November 2009**

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**Appendix:** Report on Citizens' Panel Focus Group Research

**Background Papers:** Report to Corporate & Efficient Governance Committee on 30 September 2009

**Wards Affected:** All