

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Corporate & Efficient Governance Committee: 26 May 2010

Subject: Competitiveness of Corporate Marketing, Design and Press Office Services

1. Purpose of Report

- 1.1** This report presents the current results, conclusions and a future action plan for competitiveness studies of the Council's Marketing, Design and Press Office services.

2. Background

- 2.1** A key part of the Council's response to the latest Audit of Best Value was the setting-up of new workstream group to address improving the Council's corporate approach to competitiveness. Its main aims are to oversee the development of better cost, activity and efficiency indicators and to benchmark these. This in turn will lead to a more robust basis for option appraisal of the most appropriate mechanisms for service delivery and ensure that the Council delivers quality services at an acceptable cost.
- 2.2** The Group is currently overseeing competitiveness reviews of 21 key services across the Council; five from each of the main service departments and one from the Chief Executives Department. The Group's action plan requires that each department submit a report on their competitiveness studies to respective service committees in May 2010 with the intention that (a) annual progress reports are submitted in the future and (b) more services are included – eventually leading to all services being under review constantly.
- 2.3** An initial Best Value Service Review of the PR and Marketing Service was carried out between August 2006 and August 2007. This used the Councils' 6-stage BV1-BV6 toolkit and by August 2007 the first four stages had been completed (Project Brief, Service Review, Consultation and Benchmarking). Interim results were discussed with the Departmental Director.
- 2.4** A significant degree of restructuring subsequently took place across the Council (as a response to a report from Brodies consultants on management structures) – leading to the appointment of a new post of Manager of Corporate Communications and Marketing in 2007. The Best Value Review was re-started in 2008, leading to several reports being considered by the Departmental Management team and also the CMT.

2.5 The BV Review of the Service and the recommendations from that were considered by Corporate and Efficient Governance Committee¹ on March 26, 2008. Committee agreed the following actions:

- Rebrand as Corporate Communications
- Restructure the team to provide distinct areas of responsibility between Press Officers and Marketing and Design and eliminate red-circles posts
- Appointment of a Marketing Officer
- Progress phase 1 of the centralisation of Marketing and Design Services
- Develop a Media Relations Protocol
- Develop Council-wide Branding Guidelines
- Develop a print procurement policy
- Centralise all non-recruitment media buying and participate in the ABC media buying consortium

2.6 Phase 1 of marketing and design centralisation included Arts and Culture, Leisure Services and Halls and Events. At the Council's budget setting meeting in February 2009, Council agreed to progress to full centralisation of marketing and design.

2.7 A review of the pilot areas was carried out to assess the benefits of a centralised corporate approach to marketing, design and PR. The reviews of Arts and Culture and Leisure Services have now been completed.

3. Main Issues

3.1 Service Profile

The Corporate Communications & Marketing team is located within the Chief Executives Department and provides three key services to the Council; namely Marketing/Design services, Press office services and a corporate focus for Internal Communications

3.2 Service Performance

The service has a number of performance indicators set-up in the Covalent system which are included in the Departmental service Plan

Percentage of local and national media enquiries responded to within deadline providing the Council's right of reply	Performance level was 95% in 07/08 and increased to 98% in 08/09. Target 98% in 09/10 – YTD results 99%
Estimated advertising value of positive media coverage generated by the Council	The 08/09 result of £117,000 exceeded its target and the 09/10 value is currently £300,000 exceeding the new target of £180,000

In addition a number of hourly cost-related data is now collected but these have yet to be collated as annual indicators in Covalent.

The Service also monitors the impact of improvements to marketing and publicity materials through the following Performance Indicators and is now commencing the collection benchmark data (using the Citizen's Panel) to set a base line and allow analysis of performance trends. Proposed indicators are:

- Percentage of Citizens' Panel who agree or strongly agree that it is easy to recognise services provided by the Council - 33% target
- Percentage of Citizens Panel respondents who agree or strongly agree that Council's external image is positive - 30% target
- Percentage of Citizens' Panel respondents who agree or strongly agree that their awareness of Council events has improved - 30% target

3.3 Consultation

A postal questionnaire was used in 2007 to gauge the extent of internal and external stakeholder satisfaction with the services provided by the PR and Marketing & Design team. 210 questionnaires were sent out with a response rate of 17% (35 responses). Although a small sample 93% rated the overall service as Good or Very Good

- 79%* rated their experience of using the Marketing/Design service as Good or Very Good
- 75%* rated the support and advice received from the Marketing design team with regard to Advertising as Good or Very Good
- 96%* rated the support received from the Press Enquiry service as Good or Very Good
- 92%* rated the support and advice received from Press Release service as Good or Very Good

*of the 35 responses

In September 2009 a customer satisfaction survey was carried out across all Council Services to test the effectiveness of the Press Office, Marketing and Design and Advertising Services, following the changes made to the Section. The online survey was issued to both internal services and external partners and media contacts.

130 internal surveys were sent out and generated 20 responses (approx 15.4% response rate). 56 external surveys were sent out, 6 responses (approx 10.7% response rate)

Overall the Internal results were very positive and showed a high degree of satisfaction with the Service:

- 85% of respondents considered the Marketing and Design Service to be very good or excellent
- 79% of respondents considered the PR advice provided was very good or excellent, 21% rated the advice as good.

- 83% said the response of the PR team to Service deadlines was very good or excellent.
- 63% of respondents said they have seen an increase in positive media coverage

Customer satisfaction questionnaires response rates were low therefore results may not be considered to be an accurate account. This process will be carried out annually and it is hoped that response rates will increase.

3.4 Benchmarking

Benchmarking has been carried out in two phases; the first in 2007 as part of the BV review and a second on-going phase using current cost rates.

In 2007 a major exercise was undertaken to compare the service with the similar service provided by East Dunbartonshire Council (EDC) and also to a potential private contractor (the BIG Partnership). The study concluded that Corporate Communication's output was similar to EDC. The BIG partnership quoted spot rates for specific tasks and also a monthly retainer rate which was considered uncompetitive at that time.

An update of the external-rate comparison was undertaken in November 2009 – three external agencies were asked to quote to provide a Press Office and Marketing and Design service – which was compared to the in-house costs. Internal labour cost per hour rates (including overheads based on 2010/11 budget estimates) have been calculated (and verified by Finance Dept) as follows:

Press Officer	£35.46	
Marketing	£37.44	£90
Graphic Designer	£33.48	£90

Using these rates the in-house service compares favourably with the external quotes. Appendix 1 shows comparable costs for marketing and design services for both public and private sector. Comparable cost evidence for the PR service was not robust therefore a further comparison will be carried out in the next year.

Three external agencies were selected based on their public sector experience and status as recognised market leaders in communications and PR. The BIG Partnership was previously selected for benchmarking in the original 2007 Best Value Review and for continuity has been included in 2009/10. The BIG Partnership is one of Scotland's leading communications providers with a number of public sector clients including Scottish Enterprise, Scottish Government, Scottish Borders Council and NHS. Liddell Thomson was selected due to their reputation for providing first-class public sector communication solutions across PR, Marketing and Internal Communications. The company can provide 14 multi-disciplinary consultants with expertise in communication and

media strategy and organisational development and have delivered communications support for North Lanarkshire Council, South Lanarkshire Council, West Dunbartonshire Community Planning Partnership and Perth & Kinross Council. McGarvey Morrison PR was also selected as a market leader and due to their experience of delivering communication solutions in a political environment for clients such as Glasgow City Council and East Ayrshire Council.

3.5 Option Appraisal

The 2007 BV review concluded that the option of outsourcing the PR and Marketing Service was not the more effective and efficient option available. It also concluded that it would reduce local knowledge and accountability. There would be significant reputational risk in following this approach in terms of having sensitive information handled by an external resource. Due to the quick turnaround required by local and national press for media enquiries, the study also concluded that the Council requires a dedicated 24 hour resource which could only adequately be delivered by the in-house team. The report then recommended some further internal restructuring and vacancy filling.

The 2009 update review drew a similar conclusion and the new Manager has subsequently overseen the implementation of the new structure, has undertaken the refreshed benchmarking exercise and has also ensured that detailed cost comparisons and quotations are received at regular intervals and for specific outsourced jobs.

The Phase 2 of benchmarking still points to the current model of in-house service provision being the one that delivers Best Value. This comprises the current in-house team utilising external specialist design/printing services when appropriate and ensuring that competitive quotes are received and compared.

There is some merit in further investigating the option of joining up (or sharing elements of) the service with a neighbouring local authority such as East Dunbartonshire, Renfrewshire or Inverclyde.

The Corporate Communications service has highlighted the requirement for a corporate approach to print procurement to ensure that the Council's standing orders are being met in relation to buying print services. Although the service operates a strict 3-quote process when securing print for all marketing and publicity jobs, the total annual spend by Corporate Communications with each supplier may exceed the £50,000 limit. This issue has been raised with Corporate Procurement and further, does not take into account print procurement being carried out in other service areas within the Council. Further analysis will be required to assess departmental spend on print services. A recent Council decision to merge LARS reprographics and ICT printing services including the replacement and enhancing of existing equipment provides an opportunity to deliver all printing services internally in the future.

3.6 Action Plan

- 3.6.1 Continue with full centralisation of all marketing and publicity materials including the publication and implementation of corporate branding guidelines.
- 3.6.2 Compile a Tender specification(s) in conjunction with corporate procurement unit for the provision of design and printing services on an annual call-off basis, in absence of a Corporate Print Procurement policy.
- 3.6.3 Continue with Customer satisfaction surveys (to be carried out annually).
- 3.6.4 Investigate further the options of shared services with (or parts of the service) with that of a neighbouring authority.
- 3.6.5 Provide an update of progress to the Corporate & Efficient Governance Committee by May 2011.

4. People Implications

- 4.1 There are no personnel issues at this stage

5. Financial Implications

- 5.1 There are no financial issues at this stage

6. Risk Analysis

- 6.1 KPMG have issued a report on the Councils approach to competitiveness – which contains a number of improvement recommendations. There is therefore a risk that a failure to respond to these issues will draw criticism and the possibility that they may be given greater priority in future reports.

7. Equalities Impact

- 7.1 No significant issues are identified at this stage regarding potential equality impact of this study.

8. Conclusions & Officers Recommendations

- 8.1 **It is concluded that after comparing performance with both the public and private sector the current in-house service demonstrates areas of competitiveness and best value. Comparable cost evidence for the PR service was not robust therefore a further comparison will be carried out in the next year.**

- 8.2 Outsourcing of some design jobs at times of peak demand will continue (mainly when asked by services for a quick turnaround of design) – with a designated supplier selected through a robust tendering process.
- 8.3 Shared Services with neighbouring authorities will be investigated further.
- 8.4 Members of the Committee are asked to review and comment on the progress of the competitiveness study of Marketing and Design and the Press Office services.

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David McMillan
Chief Executive
Date: 14 May 2010

Persons to Contact: Louisa Mahon, Manager of Corporate Communications and Marketing
Tel: 01389 737503
E-mail: Louisa.mahon@west-dunbarton.gov.uk

Appendix 1: Comparable Costs for Marketing & Design Services

Background Reports

ⁱ [Best Value Review of Corporate Communications, Corporate and Efficient Governance Committee: 26 March 2008](#)