

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Corporate & Efficient Governance Committee : 30 September 2009

Subject: Review of West Dunbartonshire News

1. Purpose

- 1.1** This report considers the cost and value of producing the West Dunbartonshire News (WDN) and recommends changes to the frequency and format of the publication in order to maximise the cost effectiveness of the publication.

2. Background

- 2.1** 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.
- 2.2** 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 the Review.
- 2.4** The Council Newspaper ordinarily reaches 43,889 households in West Dunbartonshire. This is a higher circulation than that of any local newspaper.
- 2.5** 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. Any saving generated through ceasing production of the WDN would be offset by an additional £10,000 spend in local advertising.

- 24% of respondents did not remember receiving a copy of the WDN to their home

3.4 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 supplier present 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 Connect Communications, Clyde and Forth Press and Allan McCarthy Print. Connect Communications were able to reduce print costs of the 12-page newspaper and also offer advertising, editorial, online and design support. Furthermore they were able to provide options for magazine production and currently publish magazines for a number of Councils including Glasgow City Council, Edinburgh City Council East Dunbartonshire Council and Inverclyde.
- c) Publish an online version of WDN and reduce annual print costs to nil and use saving to advertise performance information in the local press.

3.5 Questions around the reliability of distribution were raised and therefore a review of alternative distribution methods was conducted over a 5 week period:

- a) Direct distribution through current supplier Cannot
guarantee access and delivery to tower blocks and premises with security entry.
Cost: £3,476
- b) Direct distribution through Royal Mail
This includes a folding service and guaranteed delivery to tower blocks and premises with security entry. 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 £9 per thousand, £3476)
- c) Retail via Menzies Distribution
Whilst this method would eliminate door to door delivery and would allow the Council to stock the WDN in local news retailers via Menzies, this would require WDN carrying a cover price. Under normal terms, Menzies retain approximately 50% of cover price with the retailer retaining a 25% margin. As WDN is a free sheet, this would not be possible. Further, all new publications taken on by Menzies Distribution are subject to a trial period, to assess

whether or not the title is commercially viable. The trial lasts until there are final sales information for three issues, at which point a decision is made based on the average sales efficiency: a title must achieve sales of 50% or more to be successful. It is not anticipated that WDN could achieve this level of penetration.

d) Supermarket placement

This would involve distributing the WDN through Self Select distribution and placing the West Dunbartonshire News in supermarkets across West Dunbartonshire within branded bins. However, the Council is not permitted to control placement and has no control over 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

e) Online only

Ceasing publication of the WDN in print would realise a huge cost saving in terms of print and production time, and would improve quality and frequency of news. This approach was taken by East Renfrewshire Council, but in response to complaints from local residents, 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 would need to be indentified to advertise performance information.

3.6 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 agreed. Postgraduate students will 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.

- 3.7 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.
- 3.8 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 much advertising revenue is currently being generated from other Council services and does not represent genuine advertising revenue.
- 3.9 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.

4. Personnel Issues

- 4.1 There are no personnel issues.

5. Financial Implications

5.1 Option 1 – Continue current arrangements reduced to 4 issues per year

Print	£ 2,419
Distribution	£ 3,476
In-house design	nil
Photography	£ 1,035
Less potential advertising revenue	-£ 2,540

Total Cost £17,560

5.2 Option 2 – Produce an online version of the Council Newspaper only

£5,000 in Year 1, reducing to £1,500 maintenance each year thereafter. An additional budget of £10,000 would need to be identified for advertising Council Performance Information, but this would still be within existing WDN budget.

5.3 Option 3 – Relaunch WDN as an evolved 12 page newspaper + online, 4 issues per year

Print (LWC)	£ 2,250
Royal Mail Distribution (Inc transport)	£ 3,476
Design and online set up	£ 1,500
Design, layout and subbing	£ 2,100
Less potential advertising revenue	-£ 2,540

Total Cost £27,144

5.4 Option 4 – Redesign and relaunch WDN in magazine format + online, 4 issues per year

This would enable production of a 16-page magazine, 4 times per year. It is anticipated that advertising could be increased through a magazine format.

Print (LWC)	£ 3,515
Royal Mail Distribution (Inc transport)	£ 3,476
Design and online set up	£ 1,500
Design, layout and subbing	£ 2,000
Less potential advertising revenue	-£3,500

Total Cost £27,964

6. Risk Analysis

6.1 To continue to publish the West Dunbartonshire News in its current format does not represent value for money 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 and production would have to be reduced to 4 issues per year.

- 7.2** 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 regularly communicating with local people. However, Council publications are only effective as a PR tool if editorial content is credible and objective and therefore it is recommended that the partnership with Strathclyde University be progressed in 2010.
- 7.3** Sourcing new suppliers for print and distribution can reduce production costs slightly and will improve quality and delivery rates. Therefore securing Connect Creative Communications to provide print and production support and the Royal Mail to provide delivery is recommended. This can be secured with or without additional re-design of the WDN and could continue publication in its current form.
- 7.4** In order to reduce production costs over the long term and improve the Council's daily news provision to local residents, it is recommended that an online version of the WDN is developed. Whilst a printed version will be published concurrently, WDN online will provide daily updates and national news feeds and will improve the overall quality of the Council's online communications. WDN online will be promoted through the Council website, the local media and through the printed publication.
- 7.5** In order to maximise advertising revenue and to respond to focus group feedback, the WDN will be re-designed and re-launched in magazine format. This will be carried out with a view to re-build reader loyalty over a 2 year period and then move readers to WDN online or towards a subscription-only option that will be delivered door to door, avoiding waste and providing the opportunity to re-visit Supermarket placement when the brand is more established.
- 7.6** In order to fully realise advertising potential it recommended that Council services are able to advertise free of charge in the WDN and all external revenue is generated through an advertising agreement with Connect Creative Communications with 60% of revenue being retained by the Council to offset production costs.

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Date: 16 September 2009

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Appendix: Report on Citizens' Panel Focus Group Research

Background Papers: None

Wards Affected: All