

# Appendix: Review of Council Spending on Communication with the Public

## Introduction

Lord Carter's letter to the Audit Commission invited us to 'undertake a specific inquiry into the relationship between advertising in local authority and commercial newspapers, the prevalence of this practice, its impact and to make recommendations on best practice and if restraints should be placed on local authority activity in this field.'<sup>1</sup> However, the Commission's remit does not enable us to assess competition in the local media market or the impact of council activities on commercial entities.<sup>11</sup>

We have considered council periodicals<sup>111</sup> within the general context of council spending on communication with the public. This is because council periodicals are a vehicle for the same messages as other council communications, they share the same accountability framework, and all types of communication raise similar value for money considerations.

Communication is important to inform the public of the services that councils provide and the functions they perform. It is also important to explain to voters and council taxpayers the reasons for particular policies and priorities.

## Periodicals

### Few council periodicals have similar characteristics to commercial newspapers

91 per cent of English councils publish periodicals, but only 5 per cent of periodicals are published more than once a month (see Table 1). Twenty per cent of council periodicals have more than 30 pages.

Table 1: Frequency of publication:

Issues per year	Not known	1	2	3	4	5-9	10-12	13-24	25-52
Percentage of councils	1	2	10	20	38	13	9	1	4

<sup>1</sup> Letter from Lord Carter to Steve Bundred, 29 June 2009.

<sup>11</sup> Letter from Steve Bundred to Lord Carter, 24 July 2009.

<sup>111</sup> This note uses 'council periodicals' as an umbrella term for regular printed publications, such as newspapers, newsletters or magazines, covering a wide range of topics and aimed at the general population.

This wide spread of frequencies is broadly in line with research carried out by other organisations. We were able to carry out a direct comparison between the periodicals in our sample and the results recorded by the Newspaper Society for the same councils nine months earlier. This showed that council periodicals are currently becoming less frequent. Seventy were published at the same frequency as recorded by the Newspaper Society, six were published at greater frequency (two of which were new periodicals) and 28 were published at a lower frequency (two of which had stopped altogether, while another was suspended).

Statutory notices and employment advertising are a potential source of revenue for commercial newspapers, but only 5 per cent of council periodicals contained statutory notices (1 per cent outside London). Only 6 per cent contained recruitment advertising (3 per cent outside London).

The public regards council periodicals as an important source of information about councils (see Table 2), but research carried out for Ofcom shows that council periodicals are less valued for news in general than other sources.<sup>1</sup> Commercial local newspapers remain the most important sources of information about the performance of local public services.

Table 2: Survey data<sup>ii</sup> on sources of information on local public service performance:

	2002 (%)	Early 2003 (%)	November 2009 (%)
Council newsletter	3	12	25
Local newspaper	31	40	39
Friend, relative or neighbour (next highest answer in 2009)	4	6	6

Accepting advertising from private companies has received much attention. But there are other arrangements that benefit the private sector: for example, commercial newspaper presses print some council periodicals. There are also agreements for private sector distribution that include council periodicals published as a supplement in, or wraparound on, local commercial publications, a model that can combine cost-effective distribution with appropriate support for local publishers.

<sup>i</sup> Ofcom, *Local and Regional Media in the UK*, Ofcom, September 2009, pp 52-53.

<sup>ii</sup> Surveys carried out by Ipsos MORI for the Audit Commission.

Private sector advertising is a feature of 47 per cent of council periodicals; this includes periodicals with very limited or occasional private advertising content. A direct comparison between the periodicals in our sample and the results recorded by the Newspaper Society was not possible, because the Newspaper Society did not isolate private sector advertising from public sector advertising, so we cannot say whether this proportion has been changing recently. In interviews, however, communications officers expressed the view that the proportion of advertising content needed to be limited to maintain the clear identity of periodicals as a council publication.

Much public discussion of council periodicals has concentrated on a very small number of examples. The evidence from frequency and content suggests that these examples are unusual, and are not becoming more common. Advertising in council periodicals reduces the cost of council periodicals to the council taxpayer.

### **Councils should review their editorial policies to ensure that they are politically neutral and publicly defensible**

Some commentators suggest that council periodicals over-step the mark into propaganda. Such comments do not always recognise the public role of councillors or the recognition by the *Code of Recommended Practice on Local Authority Publicity* that councils need to communicate fairly and objectively about controversial issues. A duty on councils to secure involvement in the exercise of their functions, in part through the provision of information to representatives of local people<sup>I</sup>, came into force on 1 April 2009. The timing of a duty to promote the role of elected members<sup>II</sup> will be considered during the next Comprehensive Spending Review<sup>III</sup>.

The range of current practice in periodicals demonstrates that councils have taken different decisions about how to balance the community leadership role of all councillors, and the role of executive members in speaking for the council, against the risk that the periodical may be viewed as politically biased by some readers:

- Twenty six per cent of periodicals contained no mention of councillors.
- Thirty five per cent of periodicals either listed the contact details of all councillors or contained part of a series covering all councillors systematically over time (for example, ward by ward).
- Thirty three per cent of periodicals only featured members of the council's executive or cabinet, and 23 per cent of all periodicals contained 10 or more quotes from or photos of members of the executive.
- Only one periodical (from 120 councils) made it clear that it was overseen by a cross-party editorial board.

Editorial policy is a matter for local decision within the accountability framework described below. Councils should review their editorial policies to ensure that they are politically neutral and publicly defensible.

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<sup>I</sup> Local Government and Public Involvement in Health Act 2007, section 138.

<sup>II</sup> Local Democracy, Economic Development and Construction Act 2009, section 1.

<sup>III</sup> Hansard, 16 Dec 2009: Column 1288W.

## Finance

### Recorded council spending on public communication is a small and falling part of overall council spending

Each council's annual statement of accounts gives information about spending on publicity.<sup>I</sup> The total spending recorded in the publicity notes to annual accounts for 2008/09 was £390 million. However, this total includes spending on staff recruitment advertising. We addressed recruitment advertising as part of a study looking at a range of workforce issues in local government in 2008<sup>II</sup>. We do not address it further here; all other figures for communication spending exclude staff recruitment advertising.

Councils recorded spending £257 million on public communication in 2008/09; this is less than one third of 1 per cent of council spending. The total spend on communications has fallen recently, both in absolute terms and as a proportion of all council spending (Table 3).

Table 3: Council spending on communication.

Year	2004/05	2005/06	2006/07	2007/08	2008/09
Communication spending (£m, 2008/09 prices) <sup>III</sup>	216	236	257	269	257
Communication spending as percentage of total council spending	0.329	0.337	0.351	0.342	0.327

### Different levels of spending on communicating can reflect councils' decisions about their roles in the economic life of their communities.

One of the largest sources of variation in councils' recorded communication spending is the amount spent on promoting tourism. Councils also have a role in providing information to local businesses and the general public about support available in relation to acute challenges, such as severe flooding or the economic downturn. Our research on council action to support local businesses, jobseekers and households through the economic downturn found that providing information and promoting available support were among the most common measures implemented<sup>IV</sup>.

<sup>I</sup> Publicity is defined as "any communication, in whatever form, addressed to the public at large or to a section of the public" (Local Government Act 1986, section 6). Because of this definition, the terms 'publicity' and 'communication with the public' are interchangeable in this note.

<sup>II</sup> Audit Commission, *Tomorrow's People: building a local government workforce for the future*, Audit Commission, June 2008.

<sup>III</sup> Adjusted for missing data (for example where a breakdown between recruitment and non-recruitment spending is not available).

<sup>IV</sup> Audit Commission, *When It Comes to the Crunch... how councils are responding to the recession*, Audit Commission, August 2009, pp 26-32.

Appropriate use of council powers to trade and to own companies can both provide revenue and support the local economy. The council that recorded proportionally the highest communication spending (5.2 per cent of total spending in the district council for 2008/09) included a substantial sum for publicity for a council-owned conference centre. Promotion is important for the success of such an enterprise.

### **There are limits to what is included in the published financial information**

We noted in 1995 that the government had not clearly defined communication spending.<sup>i</sup> This is understandable: there is no simple dividing line between communication and other functions, for example in the provision of services online. It means, though, that recording has not been consistent between councils. Auditors have ensured that individual council practice in relation to compiling their publicity accounts is consistent between years, with clarity in the accounts about any changes.

Financial information on council periodicals is particularly limited. The cost of periodicals is specifically described in around 10 per cent of council accounts. These accounts record average spending of £68,000 per council. A Local Government Association survey found broadly the same figure.<sup>ii</sup>

The accounts data is net of income from the periodicals. Private sector advertising has been discussed in the section on periodicals above. Councils can attract income from other local bodies wanting to communicate with the public and they can accept paid advertising from public sector partners. Some periodicals are jointly produced with public sector partners rather than being solely a council's publication. Such approaches are likely to provide value for money.

National requirements for financial information are limited. However councils need to understand their spending and income sources in order to assess value for money.

### **Impact**

Evaluation of council communications, including periodicals, is important for ensuring value for money spent on them. Assessment of impact and effectiveness is best carried out locally, and in relation to specific campaigns with well-defined objectives. This is true both as a matter of principle (local accountability) and because of the practical difficulties involved in any overall analysis.

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<sup>i</sup> Audit Commission, *Talk Back: Local Authority Communication with Citizens*, Audit Commission 1995

<sup>ii</sup> Local Government Association, *Survey of local authority newsletters/magazines 2009*, Local Government Association, May 2009, p. 3.

## **Claims about the value achieved by communication spending are not well supported by evidence**

Competing claims have been made about the generally wasteful or generally beneficial nature of council communication. Our analysis of the relationship of council communication to a number of impact measures suggests that neither claim is well supported by the evidence. This is not surprising given the range of information and the varied messages that are being communicated, which aim to have an equally wide range of impacts.

We cannot draw strong conclusions at the national level about the value for money and impact of communication spending from the data available. There is not a significant relationship between levels of recorded communication spending and a number of different outcome indicators<sup>i</sup> drawn from the Place Survey or earlier Best Value Performance Indicators. Some commentators have cited relationships in a single year, for example between how well-informed residents feel and the extent to which they think the council provides value for money, as evidence of the importance of council communication spending. However, there is no relationship between changes over time in key variables, undermining any conclusion that council communication spending has a demonstrable causal impact. Frequency of periodical publication is also not significantly correlated with key outcome measures such as satisfaction with the way that councils run things.

While publicity account data has been published in the past alongside adverse comment, our research highlights that we cannot draw the simple conclusion that higher spending is bad. However, neither can councils assume from national evidence that higher spending is necessarily beneficial.

## **Councils should ensure they review the value for money of their spending on communications, including on periodicals**

Councils need to assure themselves of the quality of their communications and the value of their communication spending. In 1995<sup>ii</sup> we made recommendations aimed at improving local assessment of value for money; in the intervening period bodies like LGcomms (a body of council communications officers), the Local Government Association, and the public services group of the Chartered Institute of Public Relations have provided guidance and support to councils.

Interviews revealed variable practice in targeting communications for maximum impact as well as in evaluating impact, so further improvements can be made in the value for money of council communications. We will continue to encourage good practice through an emphasis on the outcomes achieved by communication in our local assessment work, published in Oneplace.<sup>iii</sup>

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<sup>i</sup> For example, satisfaction with the local area as a place to live, satisfaction with the way the local authority runs things, residents feeling fairly or very well informed about council services.

<sup>ii</sup> Audit Commission, *Talk Back: Local Authority Communication with Citizens*, Audit Commission 1995.

<sup>iii</sup> <http://www.direct.gov.uk/oneplace>

Where sufficient contextual information is available and the comparator group is carefully selected, comparisons of communications activity can be useful to councils in reviewing their activity. The Audit Commission is part of the Public Audit Forum, which is currently working on voluntary value for money indicators for central communications functions. Draft indicators will be piloted in the first half of 2010. A final version will be made public in the summer so that local public bodies who wish to use the indicators to collect data on a consistent and comparable basis will be able to do so.<sup>1</sup>

## Accountability

### The current accountability framework provides adequate safeguards

The existence and nature of council periodicals is subject to a proportionate, but robust, accountability framework, with four inter-related elements:

- democratic control by elected members;
- a statutory *Code of Recommended Practice on Local Authority Publicity* ('the Code');
- transparency, through the obligation to account for expenditure and freedom of information legislation; and
- opportunities for recourse to independent auditors and the courts via judicial review.

This accountability framework is common to all council communication with the public. It is important to consider the ways in which the different elements of this framework work together, rather than expecting that all concerns should be resolved by any single element. For example, it is not appropriate for either the courts or auditors to intervene in legitimate political decision-making or to adjudicate between different political arguments.

Evidence about the operation of the different elements and the recent changes in periodicals and other communications activity, suggest that the framework is operating effectively.

The elected members of councils are accountable to the electorate. The overview and scrutiny function provides an additional check on the executive actions of councils. The recent high profile of council communications provides evidence that this mechanism is working effectively: in one authority close scrutiny led to a proposed periodical being abandoned. Council communication activity and spending have been raised during local elections, and some of the recent changes in the nature and frequency of periodicals followed local elections.

Councils are legally obliged to have regard to the Code. This sets out the general legal background to council communication with the public and makes statements about a wide range of elements of practice. The Code has a high profile within council communications departments, and the people we interviewed considered that confirming with it was an important part of their role. It has been successful in ending the high-profile council campaigns on issues beyond their functions that prompted its creation in the late 1980s.

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<sup>1</sup> More information about the Public Audit Forum and the value for money indicators is available at <http://www.public-audit-forum.gov.uk/index.htm>.

It is in the nature of public communications activity that the products of it are in the public domain. The requirement to keep a publicity account has added transparency to this aspect of communications activity since 1988 and this information has been used in both local and national debates. Recently, transparency has been enhanced by the general provisions of the Freedom of Information (FOI) Act.

The ultimate route for enforcement of the various legal requirements, including those relating to the Code, is through judicial review. Local electors have been provided with an additional way of challenging council activity through the independent auditor appointed by the Commission, where they believe their council may have incurred, or may be about to incur, unlawful expenditure. This mechanism is free to the elector, as the costs are borne by the council; however, because of this, auditors exercise their function proportionately to the seriousness of the issues brought to their attention and the level of expenditure involved. Auditors who have registered concerns about council communication spending (for example, on a campaign related to local government reorganisation) have generally resolved the concerns at an early stage of contact with the council.

There are a variety of mechanisms whereby council communication spending can be held to account in relation to local concern. These mechanisms are working effectively without imposing a disproportionate cost on local taxpayers.

## **Conclusion**

The money being spent by councils is not unreasonable, though councils should always consider whether it provides good value. Few council publications are published sufficiently frequently to be viable media for most local advertising.

## **Methodology**

We reviewed the nature and content of the periodicals published by 120 councils in the second quarter of 2009 (128 issues, maximum of four per council). Information on the publication frequency of the periodicals was updated in December 2009 and January 2010. We collected and analysed council publicity accounts for the years 2004/05 to 2008/09. We conducted telephone interviews with finance officers and heads of communications at nine councils in autumn 2009.

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Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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