

Appendix One



Belfast City Council

Review of Advertising Policy and Practices

Recommendations

March 2008

Executive summary - recommendations

Depending on what figures are considered, Belfast City Council spends between £1.25m and £2.2m per year on advertising (see under 'Cost effective way forward' below). There is no overall co-ordination of approach, or learning of good practice, shared among those responsible for managing advertising budgets.

Individual departments and sections within them have advertising budgets, which they deploy as they see fit. Up to seven advertising agencies are currently employed by different sections of the authority, for different purposes. The current arrangement within BCC is that advertising is managed and procured by budget holders in individual departments.

Without a clear policy as to when and where the council should advertise, and without central management of the budget, the current system of placing advertisements can be inefficient, both in terms of message delivery and finance.

The current position is:

- There is no overall council policy in relation to advertising;
- Advertising, such as public notices, licence applications, tenders, recruitment, event and campaign advertising and grants/funding applications are all approached separately by departments and sections.;
- There is no corporate guidance or advice available on targeting advertising or on the range of media available such as internal and external publications, billboards, television, radio, newspapers, event sponsorship and buses, as well as our own fleet;
- There is significant variation in costs and rates secured across the council;
- There are different approaches to the management of advertising across the council; and
- There is a clear need for improved co-ordination, planning and development of specialist skills; to be more effective in targeting messages in a changing media market; and to adopt a more cost-effective means of advertising.

The following recommendations are made to address these issues and improve the effectiveness and efficiency of Belfast City Council's approach to advertising

1. In order to deliver many of the recommendations, and make the consequential savings, it is highly recommended that the council creates an Advertising Manager's post to undertake a range of duties and initiatives set out in this report, as summarised below. Without such a post it is unlikely that many of the recommendations could be delivered. We recommend that the post should:
 - a) Identify and co-ordinate the council's advertising budgets, to ensure the authority maximises its buying power with media providers;
 - b) Provide advice on the best form of advertising to meet set objectives of campaigns and projects;
 - c) Manage corporate advertising contracts and frameworks;
 - d) Develop innovative ideas to raise income, through advertising and sponsorship; and

- e) Undertake feasibility studies to assess the potential of income generating projects such as advertising on the vehicle fleet;
 - f) Be self-financing, with the costs recouped from the savings identified elsewhere within this report.
2. Departments should outline their proposed advertising plans at the beginning of each financial year, detailing the campaigns and the amount to be spent. All sectional advertising budgets in excess of £50,000 per year, and all new bids for advertising campaigns in excess of £30,000 should be subject to scrutiny by the Head of Communications or proposed Advertising Manager, to ensure that a corporate view is given on the cost effectiveness of the proposed budget. In the longer term, consideration should be given to the establishment of a set corporate advertising budget for major campaigns and decisions on how this should be spent determined by council priorities and communication needs.
 3. It is recommended that at the expiry of the existing recruitment and public notice contract a new set of criteria is agreed for appointing a successor 'design and place' contract. This should reward innovation and value for money, rather than be based on a crude sharing of media discount formula.
 4. That an advertising framework is devised, whereby a maximum of three agencies are selected, from which all future non 'design and place' BCC contracts should be delivered, following appropriate procurement processes. The selection of the agencies appearing in the framework should be chosen by a small panel consisting the Head of Procurement, Head of Communications and one or two other significant large council advertising spenders.
 5. Once the proposed Advertising Manager is in post s/he should manage the relationship between the agencies, as outlined in 3 and 4 above, and the council.
 6. Each campaign should have clearly set objectives and include all the elements indicated above.
 7. It is important that the recommendations above are implemented in ways that avoid bureaucracy and time wasting.
 8. For the future, BCC should regard its website as the principal source of information about its job vacancies, and encourage all would-be applicants to do likewise.
 9. In the immediate term, continue advertising in the three local daily newspapers but agree the principle of reducing the size of job vacancy newspaper advertisements, focussing on essential information only, and directing would-be applicants to the website.
 10. In the longer term, subject to equality and legislative requirements, strongly consider limiting job vacancy advertising to the Belfast Telegraph only as all the evidence suggests that there will be no detriment to the quality or number of job applications and the council will achieve considerable savings. This clearly requires political consideration.
 11. Strongly consider ruling out, in the longer term, other more costly options that will have little effect on applications including:

- limiting job vacancy advertising to Northern Ireland's three daily newspapers only, as at present; or
- extending job vacancy advertising to the weeklies press, in addition to the three daily newspapers.

12. BCC should complement recommendation 3 by:

- Establishing a 'jobshop' on the ground floor of Cecil Ward Building;
- Continuing to post details of all job vacancies to Training and Employment job centres in the Belfast travel-to-work area;
- Encouraging community centres and libraries to advertise the council's website as the principal source of jobs information, in free-to-use PCs in community centres and libraries;
- Agreeing to the proposal to fit out the foyer of Cecil Ward Building.

13. BCC should measure the effectiveness of this change in recruitment methods by instituting further rigorous rate response data from all applicants, particularly from successful candidates, with a view to continually improving the new initiative.

14. Only notices that are required to be published for legislative reasons, or that take account of government guidance, should be treated as 'public notices'.

15. In future, it should be the council that decides what constitutes a 'legal/public notice', not the newspaper; and it should not advertise in newspapers that attempts to dictate otherwise.

16. Where possible, the council should only advertise 'public notices' in newspapers that have audited circulation figures.

17. The council should publish smaller-sized 'public/ legal' notices in newspapers in future, highlighting the subject matter via a series of headings, and direct readers to its website or to a telephone number for more details.

18. Consider placing public notices only in weekly, not daily, newspapers

19. The council should signpost on its website and in City Matters, that full tender, legal and public notices are published regularly on the website.

20. Key aspects of the above recommendations should be incorporated in the specification for the tender for the new 'design and place' contract, which is due for retendering in April 2008.

21. It should be made clear in the specification for the new 'design and place' contract that only legal/statutory notices should be regarded as public notices and located in the classified section of the newspaper. All other notices should be treated as display advertisements, be located in the run of paper and be priced accordingly. The council should also make clear that it will reserve the right to decide what is and what is not a public notice and will not advertise in a newspaper that dictates where the advertisement is to be located.

22. The council should seek legal advice to ensure any changes proposed above cannot be legally challenged, successfully.

23. When considering promotional publications or campaign advertising, ensure the council's website is actively included in all plans.

24. All public-facing services within BCC are urged to examine the business case for routinely collecting e.mail addresses and mobile phone numbers from service users, in order to construct direct mail e.bulletins or using texting as a method of securing greater effectiveness and efficiencies in future service delivery.
25. Assess the outcome of the recent pilot to produce an edition of *City Matters* at no cost to the budget, from advertising revenue, and proceed to producing six fully funded editions per annum.
26. Consider increasing the number of *City Matters* per year to 10, though consideration would need to be given to employing a new member of staff to meet editorial output requirements.
27. BCC (Advertising Manager) should consider joining the Income Revenue raising Group, established by a number of UK local authorities, with a view to sharing best practice in developing sponsorship and advertising opportunities.
28. BCC should undertake a full survey and feasibility study of the council's vehicle fleet and properties, to determine the logistics, costs and position of advertising hoardings/stickers on its vehicles and properties.
29. BCC should consider joining the Income Revenue Raising Group, established by a number of UK local authorities, with a view to sharing best practice in attracting sponsorship and advertising for its own publications.
30. BCC's Head of Corporate Communications should note the progress of the Government's advertising review and keep abreast of its progress and outcomes.
31. BCC should note the findings of this review of UK and Ireland local authority advertising best practice, and contacts relevant people and authorities, as appropriate, in order to adopt best practice.

A cost effective way forward

It is difficult to be precise about how much BCC spends annually on advertising. Figures supplied by the council from individual 'advertising' cost centres indicate it spent over £2.2million, across all directorates in 2006/07. This sum, however, includes money spent on events, printed materials, design, photography and exhibitions. It has not been possible to breakdown the figures, to indicate exactly how much of it is accounted for by 'advertising', in the more widely accepted definition of the term.

Our research and discussions with staff engaged on advertising projects, also suggests that money is spent on advertising from other than advertising cost heads.

Having identified the seven large advertising/design agencies (see next section, for details) used by the council, what we can say with some certainty is that in 2006/07 the authority spent at least £1,073,205 with them alone. In addition,

council staff spent in the region of £178,000 buying/placing advertising directly with media, bringing the spend to in excess of £1.25million. As this report has made clear, the administration of advertising within Belfast City Council is at present, disjointed and not cost effective.

We believe that by adopting the recommendations within this report, the City Council could achieve gross annual savings of up to £236,000 in the short term, and in the region of £445,000 in the longer-term – as indicated below.

Potential short term savings

- Up to £136,491 on job advertisements (recommendations 9), but if recommendation 10 is accepted a spending reduction on last year of £190,961;
- At least £56,000 from closer control of the placement of 'public notices' (recommendations 14 and 17);
- Up to £44,000 by publishing public notices in weekly and not daily papers (recommendations 18 and 22);

Potential short-term costs

- Between £35-£50,000 Advertising manager post.

We believe that other, far greater – but at this stage unquantifiable – savings can be made by:

- Streamlining the selection and appointment of advertising agencies (recommendation 5);
- Having a professional input into the determination of budgets for advertisement campaigns (recommendation 2); and
- Maximising the use of council-owned and new technology advertisement media (recommendations 23-24).

The appointment of an Advertising Manager, reporting to the Head of Corporate Communications, is critical to implementing the above recommendations. By co-ordinating the council's advertising activity, the council should ensure that better value for money and a more consistent projection of council messages and priorities are achieved.

There are also a number of technical issues that would need to be addressed for the council to, corporately, benefit from the savings we have identified and projected.

Firstly, as we showed, when trying to establish the council's current advertising expenditure, the present use of 'advertising' cost codes and the source of advertising expenditure from other costs codes is not transparent. The council's finance teams will need to refine some of these expenditure patterns, so that there can be greater clarity about precisely how much is actually spent on advertising.

Having identified the sums, the council would then need to realise the savings (around £250,000 gross p.a.), in order to gain corporate benefit from this report's recommendations. The largest single area of savings, on recruitment advertising costs, should be fairly easy to identify and realise.

As far as other areas are concerned; in the shorter term notional target cuts could be made to all other advertising budgets (say 10%), and the sum retained corporately, until a more rigorous regime of corporate review of individual advertising contracts, via the Advertisement Manager is established. The tighter control of the use of agencies and closer supervision of contracts, together with the other, unquantified, savings identified, above, should be capable of achieving savings of at least £200,000 per year (net).

The brief for the current review asked us to identify "a small, separate budget to respond to requests to advertise in prestigious publications aimed at opinion formers (for example parliamentary magazines aimed at government ministers and MPs)".

We believe that such a budget could be easily funded from the savings identified, above. We do not have a view on how big this budget should be – but it should be subject to the same rigorous scrutiny as other council advertising budgets.

Although, most campaigns are known about well in advance, and can be budgeted for, in the main, in BCC they are not. At present, appropriate committees are simply asked on an ad hoc basis to approve campaigns and budgets with little or no thought to the council's wider, strategic issues or priorities.

We believe that in the long term the council should consider introducing more effective forward planning when it comes to advertising campaigns and budgets. Where possible, departments should outline their proposed advertising plans at the beginning of each financial year, detailing the campaigns and the amount to be spent. This should be subject to scrutiny by the Head of Communications or proposed Advertising Manager, to ensure that a corporate view is given on the cost effectiveness of the proposed budget. In the longer term, consideration should be given to the establishment of a set corporate advertising budget for major campaigns and decisions on how this should be spent determined by council priorities and communication needs.

