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**From:** Polly Rance [REDACTED]  
**Sent:** 05 May 2013 09:22  
**To:** [REDACTED]  
**Subject:** Publicity Code Consultation  
**Attachments:** code response.doc; consultation response.pdf; cabinet report June 2011.pdf; district auditor letter.pdf

Dear [REDACTED]

Please find attached Hackney Council's response to the consultation on the Publicity Code, plus three appendices to that document.

Please confirm receipt

Yours sincerely

Polly Cziok  
Head of Communications and Consultation  
London Borough of Hackney

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16/05/2013



Tim Shields  
Chief Executive  
Hackney Town Hall  
Mare Street  
London E8 1EA

Tel: [REDACTED]

Email: [REDACTED]

02/05/2013

Dear [REDACTED]

Please find attached the London Borough of Hackney's response to the Department of Communities and Local Government consultation on protecting the independent press from unfair competition. This response outlines Hackney's position on this matter and details the detrimental effect that we feel this legislation could have on our borough, most specifically;

- a) Our ability to communicate effectively and in a timely fashion with our diverse communities
- b) Our ability to discharge our equalities duties with regard to communications
- c) Our ability to communicate in a cost effective manner and to safeguard the financial interests of council tax payers
- d) Our ability to effectively promote and protect the interests of the borough and its residents.

The response also makes the point that the Government is planning to legislate without having provided an evidence base for its actions. There is no evidence to support the assertion that Council publications are damaging the independent press and we would urge the Government to provide this evidence before legislating.

Finally, we consider the consultation period for this proposed legislation to be entirely inadequate at less than four weeks, given its far reaching effects. Furthermore it is a breach of the Government's own published consultation standards which state; "*Consultation exercises should not generally be launched during local or national election periods. If there are exceptional circumstances where launching a consultation is considered absolutely essential (for example, for safeguarding public health) departments should seek advice from the Propriety and Ethics team in the Cabinet Office.*"

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tim Shields'.

Tim Shields  
Chief Executive



## Protecting the independent press from unfair competition Consultation 2013

### Response to Department for Communities and Local Government consultation by the London Borough of Hackney

#### Background

Hackney Council serves a diverse borough with one of the highest levels of deprivation in the UK, and a higher than average level of digital exclusion. It produces a fortnightly newsprint publication, Hackney Today, to inform residents about local services. Hackney Today is clearly a council publication. It does not mimic the style or content of an independent newspaper.

Hackney Today carries the Council's statutory advertising (hence the fortnightly publication schedule), and provides a value for money solution to the Council's advertising and communications needs.

Recent Ipsos MORI research found that 73% of residents felt well informed about Council services – this is nearly 20% above the national average of 55%. Nearly 40% of Hackney residents use Hackney Today as their primary source of information about local services, more than the Council website (27%) or the local commercial newspaper (28%). 75% of Hackney Today readers agree that it contains a lot of useful information. 73% trust the information it contains.

Hackney Council has an excellent track record in providing value for money to its residents. It has frozen its Council Tax for eight consecutive financial years, the only council in the UK to have ever achieved such a record.

Hackney has observed all the requirements of the revised Code of Practice on Publicity, with the single exception of the requirement to restrict Council publications to quarterly frequency. This District Auditor wrote in February 2012, 'It is legitimate for a Council to depart from the Code of Recommended Practice of Local Authority Publicity where it has good reason for doing so. On the basis of the evidence I have seen on the specific issue of the frequency of publication of Hackney Today, I am satisfied that the Council has had regard to the Code and has taken external legal advice on the impact of the Code.'

#### 2. Statutory advertising and value for money

Councils like Hackney, which produce titles published at least fortnightly, are able to carry the councils own statutory advertising, thus allowing councils to save money





and control advertising spend. Councils are currently required by law to publish statutory advertising for planning, licensing, traffic notices etc in local newspapers. The LGA estimated that this requirement would cost local Councils £200 million between 2010-2014. The Government has made it clear that they have no plans to end what it is, in effect, an enforced taxpayer subsidy of a failing industry.

The Mayor of Hackney has repeatedly told the Secretary of State and his Ministers, both in person and in writing, that if the requirement to place statutory notices in newspapers is lifted, the Council will stop fortnightly publication of Hackney Today and reduce frequency.

In 2011, Hackney Council carried out a review of Hackney Today, in the light of the revised Code. The review found that to cut publication to quarterly and place statutory notices in the local commercial title would cost the Council more than it currently spends on its fortnightly publication and increase the Councils spend on communications and advertising. These findings were supported by the District Auditor, who wrote; 'The Council has considered value for money when reaching its decisions (to continue fortnightly publication of Hackney Today), which is based on its analysis that it considers shows its approach to cost less and reach more households in Hackney. I have not seen any evidence or information which contradicts the Council's analysis.'

The Council's calculations were based on a quote provided by the Hackney Gazette which gave the Council a massive discount of almost 80% off its rate card. If Hackney Today ceased publication they could, in effect, change what they liked as there is no local competition, which could force costs even higher. This is a particular danger in an area like Hackney where there is only one local commercial title that fits the legal requirements for publishing statutory notices, and where there is a local monopoly.

The Council's Director of Finance commented in the Cabinet Report of June 2011, which considered options for the future of Hackney Today 'There will be inherent risks in the procurement process with regard to advertising, particularly following the initial period of any contract, as the supplier is effectively operating in a monopoly situation and this is likely to cause additional cost pressures going forward. The costs of £182k provided through the market testing by the service are based on a reduction of nearly 80% from the standard rate card price.'

In the absence of a regular publication, the Councils printed communications costs could increase drastically. A single leaflet, delivered to each home in the borough would cost upwards of £10,000.

Details of those calculations can be found in the June 2011 Cabinet Report that is





appended to this submission.

*If enforced against Hackney, this legislation would have the effect of increasing Hackney's spend on advertising and communications, in a time of diminishing resources, and make it impossible for the Council to control its advertising spend in future years. This will have a direct impact on the budgets for planning, transportation, and licensing and thus on services.*

*It is entirely counter intuitive that the Council should be forced to place statutory advertising into a publication with a verified circulation of less than 6,000 a week, at a higher cost, and for which people have to pay directly, instead of into its own publication which is delivered to 96,000 homes and businesses.*

## **2. Unfair competition to local newspapers**

When the revised Publicity Code went before the Communities and Local Government Select Committee, the Committee found no evidence that Council newspapers have an effect on the viability of local newspapers: *"We found that there is little hard evidence to support the view of the commercial newspaper industry that council publications are, to any significant extent, competing unfairly with independent newspapers"*. Furthermore, respected media commentator and Professor of Journalism at City University, Roy Greenslade told the Select Committee *"To be absolutely frank about it, there is no data"*.

Indeed, the declining circulation figures of local newspapers are a national phenomenon and are reflected in a similar decline in readership and revenues of national titles. The Select Committee asked the Secretary of State to provide evidence of the impact of Council publications on local titles. He did not do, and has still not done so.

The London Borough of Hammersmith and Fulham complied with the Code and ceased publication of its fortnightly title in April 2011, transferring all its statutory and non-statutory advertising into the local commercial title. Had the Council's publication had a significant detrimental effect it might be expected that the commercial title would have flourished having had the so-called 'unfair competition' removed, and with a new and substantial income stream. On the contrary it has declined in printed circulation from more than 100,000 copies in 2010 to just over 60,000 in 2012 (source ABC) and no longer delivers to every address in the area.

***The alleged justification for this proposed legislation is entirely without foundation or evidence.***



### 3. Council newspapers support the newspaper industry

The vast majority of local titles are produced by national newspaper companies such as Trinity Mirror and Archant Group. For the past four years, Trinity Mirror has held the contract for printing between six council publications in London and the surrounding area.

*The regular production of printed Council publications supports the newspaper industry through letting valuable contracts to its printing operations.*

### 4. Reach and equalities

The Code states that Councils must always have regard for equalities in their communications. Hackney is a borough with one of the highest levels of deprivation in the UK. It has higher levels of digital exclusion than the UK average, at nearly a fifth of the population, and in particular vulnerable groups, the difference is even higher. 65% of pensioners in Hackney do not have access to the internet. This compares to 40% nationally. 65% of social housing tenants in Hackney do not have access to a computer at home (source MORI 2014).

If the frequency stipulation in the Code was enforced, it would significantly hamper the Council's ability to provide regular service information to disadvantaged and vulnerable people. It would hugely damage the Council's ability to effectively consult with all its residents. Hackney Today carries all the Council's consultations, which take place throughout the year and allow residents to have their say on matters of Council policy, ranging from controlled parking to changes to social care and benefits. For those with no online access, for those who are disabled or housebound, or cannot afford to buy a local newspaper, Hackney Today provides their only chance to access those consultations and make their views heard.

This year, the Council was threatened with Judicial Review over its proposed Council Tax Benefit scheme. The complainant cited inadequate consultation as grounds, as he was a Charedi Orthodox Jew, many of whom do not use the Internet for religious reasons. The Council was able to show that it had consulted adequately through Hackney Today, which goes to every home in the borough, and the Judicial Review was withdrawn. A restriction to quarterly publication would leave the Council unable to meet its equalities duties to communities who are digitally excluded, either by circumstance or through choice, and would not only disempower those groups but would leave the Council more vulnerable to legal challenge and costs.





Looking back at the previous three editions of Hackney Today, they included:

Issue 305: vital information on a major pedestrianisation trial including rerouting 11 buses, information about a new play scheme, details of how to access cheaper energy deals, information about food waste recycling, details of a new scheme to support disabled benefits claimants, and a charitable scheme to support unemployed men with mental health problems.

Issue 304: Trading standards warnings about unsafe skin lightening products and unlicensed medicines, a feature aimed at older people about fraud awareness and fire safety, information about welfare reform changes, information for small community groups about how to apply for grants, a feature celebrating the achievements of young people in education, information about becoming a foster carer.

Issue 303: A feature on how to access the Council's Ways into Work programme to help unemployed residents get into sustainable jobs, information for disabled people on accessing paralympic sports, a consultation on a new local school, a feature on becoming an apprentice, an article encouraging Hackney students to aim for Oxbridge, an article encouraging local businesses to tender for a council catering contract, information on accessing sexual health advice.

Via Hackney Today, this information reaches 96,000 homes. The Hackney Gazette sells fewer than 6,000 copies per week, and would not carry the majority of these stories, especially as it has now merged with the Islington Gazette and has far less space for very local information. This proposed legislation would hugely damage the Council's ability to communicate this information to its residents.

***Restriction of publication of Hackney Today to quarterly would exclude many thousands of vulnerable residents from access to information about public service, and make it extremely difficult and costly for the Council to discharge its equalities duties, as set out under the Code, and in other legislation.***

## 5. Public health

Like many other local authorities, Hackney has recently taken on responsibility for Public Health. This responsibility carries with it the duty to communicate directly with residents about public health issues and to carry out campaigns aimed at changing resident's behaviour in relation to their health. If the Council were to lose its regular publication as a medium for public health campaigning and messaging, it would incur significant extra costs in this area, which would divert public health funds away from service delivery and into communications.





*Hackney Today is widely recognised as the most effective medium through which to communicate with Hackney's diverse communities, which is why health partners buy regular advertising space in it, and why the City and Hackney Clinical Commissioning Group has commissioned Hackney Council to deliver its health campaigns through its channels.*

*By giving responsibility for public health to local authorities, the Government has increased the need for Councils to communicate regularly with residents, and at the same time is proposing to restrict the frequency with which it can do so.*

## **6. The propaganda claim**

The Secretary of State has frequently referred to Council publications as 'Town Hall Pravdas' and the Prime Minister referred to a 'war on council propaganda and waste' in his speech launching the Conservative local election campaign last month.

The Secretary of State has frequently implied that Councils who publish regular publications are doing so for political motivations. He has never produced any evidence for this. Hackney has received only two complaints from members of the public about the content of Hackney Today in the past five years, neither of which were upheld. Indeed the content of the newspaper was subject to a full review and amended in the light of the revised Code to ensure there could be no room for ambiguity on this point. Revisions included the removal of the regular column from Hackney's elected Mayor, despite the fact that no objection had ever been received from the public on this issue.

The District Auditor wrote 'On the issue of political publicity, I have read the 31 October edition of Hackney Today and a number of other editions. While the paper mentions councillors by name and in some cases their cabinet posts, I have not seen any evidence of the paper promoting any political party. The only occasion where this is not the case is where information is provided on how you can contact the Mayor or your local councillor; where all councillors and their political party is listed. I am satisfied that there has been no breach of the statutory prohibition on the promotion of political parties in the material I have seen.'

***There is no evidence for the 'Town Hall Pravda' accusations made by the Secretary of State. Where Councils do publish material that is inappropriately political, an impartial judgement can be made by the District Auditor. It is entirely inappropriate for that judgement to be made solely by a political Secretary of State.***



## 7. Wider implications

The Secretary of State's proposal to give himself powers of direction against authorities who breach any aspect of the Code, has implications far beyond the frequency of Council publications. The Secretary of State is proposing to give himself, and his successors, power to issue directions against any Council in breach of any part of the code, particularly those who publish material which he personally judges to be 'inappropriately political'.

Under the Code of Practice, councils are barred from publishing anything 'likely to be perceived as a commentary on contentious areas of public policy' or from 'mounting a publicity campaign whose primary purpose is to persuade the public to hold a particular view on a question of policy.' Currently, it is up to an impartial District Auditor to determine whether public funds have been misused in breach of the Code. Under these proposals it will be up to the Secretary of State himself. It will be up to the Secretary of State when and whether to issue a direction, and it will be up to the Secretary of State to decide which stipulations of the Code he feels to be 'particularly important.'

There is a very real risk that Councils could be gagged on the issues that mean most to their residents. Take Hillingdon Council's highly regarded and successful campaign to prevent a third runway being built at Heathrow, a campaign driven solely by that council's desire to protect the wellbeing of its borough: under this Code they would have been barred from publishing comment on this 'contentious' area of public policy. If this proposed law had been in place then, the Council would have been subject to the whim of a Secretary of State who may or may not have chosen to issue directions. Had he done so, and the Council continued their campaign, they would have been risking court action brought by, as the consultation delicately puts it, 'any interested party', in this case the powerful and wealthy airport industry. This is, of course, a hypothetical situation but illustrates the potential consequences of these profoundly misguided proposals.

To use a local example, in Hackney we have long campaigned for new powers for councils to allow them to control the proliferation of betting shops on high streets. Gambling is a highly contentious area of public policy and we have actively commented, campaigned and published information on this. This is an issue that we know concerns many in our communities, but technically this work could be seen to be in breach of the Code and subject to direction from the Secretary of State.

***This proposed legislation is potentially a devastating assault on the freedom of councils to promote the interests of the areas they serve.***

***The consequences of this are far-reaching and go way beyond the stated aim***



*of the proposals which is to 'protect the independent press from unfair competition.*

#### **8. Inadequate consultation**

A four week consultation period is entirely inadequate to consult on legislation with such wide ranging implications. The consultation was launched during local election purdah which, were a local authority to do it would be in breach of the Code. The launch during purdah is also in breach of the Government's own consultation standards advises against holding consultations during election periods, unless they are urgent, which this clearly is not.

Many authorities have indicated to the LGA that they have been unable to respond to the consultation due to the election period.

*The consultation is entirely inadequate and in breach of the Government's own consultation standards.*

#### **Appendices:**

- Cabinet report June 2011 containing the full review of Hackney Today carried out when the Code was revised by the Secretary of State, including options appraisal and financial analysis.
- Letter from Mr PM Johnstone, District Auditor to Cllr Linda Kelly, 12/02/2012
- Hackney Council's response to the consultation on the revised Code of Recommended Practice, 10/11/2010.





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10<sup>th</sup> November 2010

Dear Ms Kendler

**Response from the London Borough of Hackney to the consultation on the Code of Recommended Practice on Local Authority Publicity**

I am pleased to provide a response from the London Borough of Hackney to the consultation by the Department for Communities and Local Government on proposals to amend the Code of Recommended Practice on Local Authority Publicity.

Our response sets out background information about the communications work that Hackney currently undertakes with its residents and the local media environment within which we operate. We then address the four questions on which the Government were particularly looking for responses.

**About Hackney Council's publicity**

Hackney Council uses a range of different channels to communicate with its residents. Hackney is a densely populated Inner London borough. It is a young borough and home to people from many different backgrounds. At the same time as being one of the capital's most vibrant cultural and creative places, on the doorstep to central London, it also has the second highest number of people living in poverty in the country. Our neighbourhoods are broadly mixed with no polarisation between rich and poor areas. These varied factors present numerous challenges in the way we communicate with residents.

The Council utilises a range of materials and mediums appropriate to specific communication campaigns and the residents we are trying to reach. This includes regular updates on the Council website; the use of social media such as Facebook and Twitter; mobile phone applications and alerts; posters and leaflets in public places; and leaflets and brochures distributed to residents. We also publish Hackney Today, on a fortnightly basis (see more information below).

The Council follows a strategic approach to communications, tailoring campaigns to the needs of a service and to the needs of residents. In this way we ensure that our publicity is cost-effective.

Our publicity supports the work that we are undertaking to achieve the aims of our Sustainable Community Strategy. Our vision is that by 2018, Hackney should be a vibrant working borough that values the diversity of its neighbourhoods, a borough of greater opportunity and prosperity for everyone, benefiting from being a host for the 2012 Olympic and Paralympic Games, and a green, cosmopolitan part of London with safe, strong and cohesive communities, and a shared sense of fairness, citizenship,





and social responsibility.

Our publicity materials are vital to informing residents of the day-to-day services provided by the Council and partner organisations. We also use publicity material to actively encourage residents to engage with Council business and in this way keep its work and decisions accountable to the local electorate.

#### About 'Hackney Today'

Hackney Council produces its own publication on a fortnightly basis, Hackney Today, which has a print run of 108,000 copies each issue. The official, Independent Audit Bureau for Circulations (ABC) figures for the first six months of 2010, show that 91,380 copies per issue were delivered door-to-door. Bulk drops of around 7,000 copies are also made to community centres, sixth forms, libraries, doctors' surgeries and supermarkets.

The publication provides a value for money format for the dissemination of local public service information. In common with other publicity material, its purpose is to inform residents about the services provided by the Council and partner organisations, as well as other community organisations, and how to access them. It also serves to inspire civic pride in the borough.

It contains vital information about forthcoming Council business and keeps residents informed about contact details and surgery dates for their ward councillors, as well as meetings of other groups such as local neighbourhood forums. In this way it promotes community leadership, encourages and assists residents to engage with the Council and supports democratic accountability.

Successive surveys carried out by the Council have found that residents value the publication. A survey in 2007/08 found that 89% of readers agreed the Council information it contained was useful; and 95% welcomed an increased community focus. Another survey in 2008/09, showed that more than half of readers 'felt better informed about the Council as a result of the information in Hackney Today'. A survey carried out in 2010, through a Chartered Institute for Public Relations award-winning e-panel, Hackney Matters, found that Hackney Today was the main source of information about local services and events for 73% of panel members.

#### About the local media environment

The Hackney Gazette is the borough's local independent newspaper, published weekly by Archant and sold for 60p. The Council has a good relationship with the Gazette, which regularly contains a variety of news stories about the Council. Nonetheless the Gazette does not regularly send reporters to cover Council meetings or decisions, and does not publish freely available information such as forthcoming public meetings held by the Council or partner organisations, or details of councillors' ward surgeries.

The Gazette no longer has an ABC audited circulation figure after it dropped below 10,000. ABC figures for the Gazette began in 1990 (22,326), and show a steady decline over a 20 year period till 2009 (7,593). Such a limited reach means the publication is no longer the most efficient or cost effective (in terms of paid-for advertising) way for the Council to communicate with residents.

Other publications in the borough include the Hackney Citizen newspaper and N16 and E8 magazines all with estimated circulations of around 10,000.

A project by Hackney's press office has increased coverage of Council business in Black and Minority Ethnic (BME) media from 2% to 19% of total media coverage during the past three years. This has meant identifying and targeting 82 local print, online and broadcast media aimed at BME communities, available within Hackney and carrying local news. These media outlets speak to small but significantly specific and sometimes hard to reach communities within Hackney including: Albanian; Azerbaijan; Bangladeshi; Brazilian; Bulgarian; Chinese; Francophone African; Ghanaian; Orthodox Jewish; Greek Cypriot; Kurdish; Lithuanian; Muslim; Polish; Romanian; Russian; Turkish and Turkish Cypriot; Urdu; and Vietnamese residents.



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## Our response to questions about the draft code of conduct

### 1. Do the seven principles of local authority publicity as laid down in the Code encompass the full scope of the guidance required by local authorities?

We welcome the seven principles outlined in the Code. We would also strongly recommend that the guidance should acknowledge the further principle that local authorities have an obligation to inform their residents of the business of the council and partner organisations and the services they offer so that residents can exercise their democratic rights, engage with shaping their area and local services and hold the local authority to account.

Our publicity campaigns and material already comply with virtually all the proposed principles in the draft Code. The main exception being the proposal to limit the frequency of any 'newssheet' to no more than once a quarter and to prevent such 'newssheets' from 'emulating a local newspaper in style or content'.

The look and feel of Hackney Today is similar to that of a newspaper, however the content, editorial tone, and 'news agenda' is radically different. The paper is very clearly branded as a Council publication on every page. Significantly, editorial judgements are made on the basis of what is useful information to residents, rather than what is news. Indeed, the publication often carries stories on Council and community initiatives and events that would never be covered by the mainstream media because they have no inherent news value, for example a front page story about a recycling campaign.

The publication has a listings section which offers free publicity for a vast array of community organisations and local businesses that organise events which residents may want to attend. However it does not carry the traditional bread and butter material of local newspapers such as wrap-around advertising promotions; classified adverts; property sections; TV listings; or sports reports. Instead, it has dedicated pages devoted to key issues for residents: young people; education; health; transport and the environment.

Under Part I of the Local Government Act 2000, Hackney Council has the power to do anything we consider likely to promote or improve the economic, social or environmental well-being of their area. We consider that our publication contributes to achieving this well-being power. The positive editorial tone promotes a sense of well-being and civic pride. The publication also informs residents about the events, services and activities that the Council and partner organisations are delivering to improve and promote well-being as well as decisions which we are taking about future projects to improve well-being.

In the current economic climate, we particularly welcome the Code's emphasis on cost-effectiveness and believe a free, fortnightly newspaper, which is distributed to nearly every home and business in the borough is the most cost effective method of communicating with our residents. As a local authority we have a legal obligation to achieve best value and we believe that our publication meets this requirement.

There are several pieces of legislation relating to planning, transportation, licensing and housing, which place an absolute requirement on local authorities to publish statutory notices in a local newspaper. A fortnightly publication schedule is the minimum necessary for carrying statutory notices in order to comply with application timetables that are prescribed in law.

In areas such as Hackney, where intense urban regeneration and work on the 2012 Games means councils need to publish thousands of such statutory notices, councils choose to use their own publications. In our case, this represents a significant saving to the local taxpayer.

In the 2009/10 financial year, the total cost of Hackney Today was £532,068. During that period, 1,509 statutory notices were placed in Hackney Today. The cost if we had placed them in the Hackney Gazette (according to its rate card) would have been £543,894. In comparison, the actual cost to the planning and transportation departments for this service was £219,558 – a saving of £324,336.





The cost of producing Hackney Today is covered by advertising from private sector organisations, third sector partners and Internal Council departments.

Last year, external advertising revenue for the paper was £154,491, leaving a net cost to the authority of little more than £50,000 for 24 issues over the entire year.

These figures relate solely to the publication of statutory notices which the Council is legally obliged to publish. If the model is extended to include additional costs that the authority would incur over the course of a financial year from taking out display advertising in the Gazette for other services which we want to publicise, our publication would be entirely cost-neutral.

This year, the budget for the newspaper has been reduced by 15% to £448,596 thanks to a number of efficiency savings that have been introduced. This means the paper's costs in 2010/11 could be entirely offset by this combination of savings and revenue. These cost-effective efficiencies include an innovative joint print procurement contract between six London councils, including Hackney, which has made savings of around £100,000 a year for each authority.

If the Council did not publish Hackney Today, we would have no choice but to use the Hackney Gazette as it is the only paper that meets the legal requirement for notices. Archant Newspapers could charge us what they liked, as they do in neighbouring boroughs. In Newham, for example, the local authority does not get any discount on their statutory notices, all of which are published in Archant's Newham Recorder.

This would in no way represent good value to the taxpayer, especially as the Gazette sells fewer than 7,000 copies a week, and Hackney Today goes to almost every home and business in the borough.

Unless the law is changed to allow the publication of statutory notices for free on the Internet to be considered equally legally valid as part of a planning, transportation, housing or licensing application, any move to restrict the frequency of council publications to anything less than fortnightly would be to the financial detriment of the local taxpayer. This change is, of course, one that the local newspaper industry would fiercely resist.

**2. Do you believe that the proposed revised Code will impose sufficiently tough rules to stop unfair competition by local authority newspapers?**

Inherent in this question is a presumption that local authority newspapers present unfair competition to the local press.

We are not aware of any evidence that the decline of the local press is attributable to the presence of local authority newspapers, which have very different news agendas. We are also not aware of evidence that suggests that local press circulation figures have been maintained or grown in areas that do not have local authority newspapers. There certainly seems to be no evidence to suggest that curtailing free local authority publications will drive residents to buy local newspapers instead.

In Hackney, ABC figures show that the Gazette's circulation dropped by 43.6% during the period 1990 to 2001, significantly more than between 2001 & 2009 (37.17%), the period when Hackney Today first came into existence in its current format.

The decline of the local press can be attributed to a range of other factors that are challenging all printed media on both a local and a national level. In particular the growth of the Internet and multi-media threatens the survival of paid-for newspapers and magazines, as a single source of information. Readers find information from a variety of sources, formal and informal, and advertisers (whose funding subsidises costs) follow those avenues.

Trinity Mirror, who have been one of the most vocal critics of council newspapers, bid for and won the £4million joint print contract from the six London boroughs (including Hackney) mentioned above. This demonstrates that some councils are continuing to inject funds into the newspaper industry even if they



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are no longer doing it through the traditional medium of regular advertising revenue.

The Council also supports Archant group through sponsorship of its business awards schemes such as the Thames Gateway Business Awards and the Archant Environment Awards.

Therefore we refute the suggestion that council newspapers present a threat to the local press.

**3. Does the proposed Code enable local authorities to provide their communities with the information local people need at any time?**

We believe that the proposed Code would restrict our ability to provide communities with the information they need at any time by placing restrictions on the style, content and frequency of any publication we choose to issue and residents choose to read.

The information published by the Council is information that residents need to be aware of, and receive in a timely fashion, so that they can successfully engage with services, the decision-making process and place shaping agenda. Delivery of this information to their door is crucial and other methods of publicity do not achieve the reach of a borough-wide, free publication.

Placing information in a local independent newspaper only reaches a small, self-selecting group of people who are prepared to purchase that publication. There is no evidence that limiting or ending a council newspaper would drive residents to purchase a local independent newspaper. Instead, in particular, residents on low incomes (who will be the most vulnerable and most in need of the information that we provide) will not want the additional expenditure. Other residents are unlikely to change their reading habits and incur expenditure purely to keep themselves informed of council business that may or may not affect them.

We will continue to use our website, together with leaflets and other publicity materials to provide information. However, information on the website will only reach the percentage of residents who have access to the internet and a computer and who choose to visit our website on a regular basis.

According to the Government's own figures, the UK has 40 million adult internet users. However, 9 million adults in the UK have never used the internet. Four million of these are among the most disadvantaged: 39% are over 65; 38% are unemployed; and 19% are families with children.

Due to Hackney's socio-economics, the borough's internet usage is lower than the national average. Calculations based on the Mosaic database in 2010 estimate there are 24,000 households in the borough that do not use the internet. This equates to over 25% of households.

A MORI residents survey in 2005, found that internet usage in Hackney was much lower among the elderly and lower socio-economic groups. These are precisely the groups of residents who most need information about the services that the Council provides. Of those who used the internet only 31% were aged 55-64, and 10% were over 65; while only 26% were in the DE socio-economic group, compared to 82% AB.

The same report found that 64 per cent of residents got their information from Hackney Today (compared to 2% from the Council website; 26% Hackney Gazette; and 46% Council leaflets). Also out of 13 different choices, the majority of residents said they would most like to be consulted via Hackney Today (34%).

Information about services can be distributed to homes in the immediate vicinity of an area where a service is available. However, the range of services that we offer and the frequency with which there are changes would require constant distribution of individual publicity materials. Not only is this environmentally unfriendly but residents would soon object to the amount of material which is coming through their door. It would not be cost-effective, indeed it would be prohibitively expensive.





We already comply with the requirement to notify residents in the immediate vicinity of an area which is subject to an application with a statutory notice so that they can participate in determining an application if they wish. However, some of these developments will have implications for the wider community and it is not feasible to send each notice to every household in the borough.

A single publication, distributed to all the homes and businesses in our borough, is the most cost-effective, environmentally friendly way to keep our residents informed of local authority events, business and services. Limiting it to a frequency of no more than quarterly will not enable us to effectively provide all residents with the information that they need to be aware of as changes happen. Fresh information will need to be provided more frequently than quarterly.

4. Is the proposed Code sufficiently clear to ensure that any inappropriate use of lobbyists, or stalls at party conferences, is clearly ruled out?

Hackney Council does not employ externally funded lobbyists. However, there is a need to research and interpret national Government and London wide legislation and assess its impact on the residents of Hackney with a view to protecting their interests. The Council's general powers would lead us to conclude that using experts in policy has benefits in supporting the political leadership in responding and proactively communicating with Government on issues of major concern.

However, the Council concurs with the spirit of the proposed Code that employing this resource through outside agencies is not appropriate expenditure by local authorities.

To conclude, while we acknowledge the need for an updated framework of guidance on local authority publicity, we remain concerned that the prescriptive and prohibitive nature of the current draft proposals flies in the face of the Government's commitment to localism and decentralisation.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Tim Shelds'.

Tim Shelds  
Chief Executive





## Partners' views about Hackney Today – November 2010

### From the East London Business Alliance

"Hackney Today is a hugely valuable tool to reach residents and communicate key initiatives. ELBA works to engage City and Canary Wharf member companies in supporting the needs of the East London communities and a number of ELBA initiatives have been publicised through Hackney Today. We know that it will have the widest reach as it gets to parts of the Hackney community who do not necessarily access other forms of media. ELBA also relies on it to keep up to date with key initiatives and views. It would be sad if this publication ended."

*Louise Muller, Hackney Programme Director, East London Business Alliance*

### From Hackney Community College

"At Hackney Community College we see ourselves as at the heart of our local community which means that we need to communicate effectively with local people. *Hackney Today* gives us a strong channel of communication – both in its professional approach to editorial, and with our paid-for advertising. *Hackney Today* reaches all community groups across the borough. We value this aspect enormously and feel that it is important for us to have this alternative to our commercial local paper."

*Ruth Lomax, Assistant Director: Marketing & Communications, Hackney Community College*

### From Hackney Homes

"*Hackney Today* is a vital tool for Hackney Homes to ensure that we communicate with all 32,000 residents in the borough.

As service providers to a large proportion of Hackney's elderly and vulnerable residents, we can ensure that vital information reaches them in a timely and direct way.

Using *Hackney Today*, which also means that we don't have to spend money on posters and leaflets to advertise events and services and we can quickly and easily update residents about vital changes to the services that they receive. For example, during the cold winter months, *Hackney Today* was essential to update residents who were trapped at home about the services that they can access via the phone and what the Council is doing to support them.

The suggestion of swapping to online communications is not feasible for our residents as a majority of them do not have access to emails and the printed *Hackney Today* is a lifeline to feeling in touch and up to date with what is going on locally.

*Olade Oyekunmi, Head of Communications, Hackney Homes*

### From City and Hackney NHS

"NHS City and Hackney frequently uses *Hackney Today* as an integral part of its engagement with the local community. It has played a part in a number of our health campaigns over the years, losing it would decrease our ability to target as many of our public as we do now."

*Jacqui Harvey, Chief Executive, NHS City and Hackney*

### From Homerton University Hospital NHS Foundation Trust

"The hospital enjoys working with the *Hackney Today* editorial team on health and related features. We would be sorry to lose a frequent opportunity to reach every home in Hackney to pass on important health information.

"During the measles outbreak in Hackney, the paper allowed key safety messages to be distributed direct to people's homes. Details of out-of-hours health services are also included that help ensure people know when and where to go for health care."

*Nancy Hallett, Chief Executive of Homerton University Hospital*  
ends



INVESTORS IN  
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A Host for 2012







**TITLE OF REPORT:** Code of Recommended Practice on Local Authority Publicity

**FORWARD PLAN NO:** CE6 E33

<b>CABINET MEETING DATE</b> 20 <sup>th</sup> JUNE 2011	<b>CLASSIFICATION:</b>  If exempt, the reason will be listed in the main body of this report.
<b>WARD(S) AFFECTED</b> All	
<b>CABINET MEMBER</b> Mayor Jules Pipe	
<b>KEY DECISION</b>  Yes  <b>REASON</b>	
<b>CORPORATE DIRECTOR</b> Tim Shields	

## **1. CABINET MEMBER'S INTRODUCTION**

- 1.1 Hackney Today has been produced by the Council since 2001. Its original primary purpose was to be a cost effective vehicle for the borough's statutory advertising, which by law has to be carried in a newspaper which is published at least fortnightly. Since then, the newspaper has developed in terms of size and content to become the borough's main source for public service information, not just for the Council but also its partners. Hackney Today's free door to door delivery means that this information reaches residents across the borough's diverse communities, including those on low incomes or with no or limited access to the Internet.
- 1.2 In the light of the new guidance from the Secretary of State for Communities and Local Government, which restricts local authority publications to quarterly, and the authority's obligation to give it due regard, a full review of Hackney Today has been carried out to ensure that it still represents the best solution for the Council's communications and advertising needs and the best value for taxpayers.
- 1.3 This review has shown that Hackney Today is well read and received by residents, and that is their primary source of service information, and that it still represents the best value way for the Council to fulfil its statutory advertising obligations and to get public service information to all its residents. The Government's suggested alternative of a quarterly publication, plus the costs of placing statutory notices in another local newspaper would cost almost exactly the same amount as producing Hackney Today, and the Council would get significantly less for its money, meaning extra money would need to be spent to communicate with residents.
- 1.4 The Government has stated that 'local authority publicity is important to transparency and to localism, as the public needs to know what their local authority is doing if they are to hold it to account.' The new Code of Practice also states that 'in relation to all publicity, local authorities should be able to confirm that consideration has been given to the value for money that is being achieved.' In the current financial climate, it would be irresponsible of the authority to take action that would almost certainly lead to an increase in spend on advertising and communications, at the same time as reducing the frequency, quality and reach of those communications.
- 1.5 The retention of Hackney Today as a fortnightly publication, produced with regard to the seven principles of the new Code, will ensure that local residents get the information they need in the most cost effective format, and that the many diverse communities of Hackney continue to have access to vital public service information.

## **2. CORPORATE DIRECTOR'S INTRODUCTION**

- 2.1 This report seeks to set out the Council's communications policy in light of the new Code of Recommended Practice on Local Authority Publicity from the Department for Communities and Local Government (DCLG) (see appendix 1), which came into effect on 31 March 2011.
- 2.2 The new Code focuses on seven principles that local authority communications should:
1. be lawful
  2. be cost-effective
  3. be objective
  4. be even-handed
  5. be appropriate
  6. have regard to equality and diversity
  7. be issued with care during periods of heightened sensitivity.
- 2.3 Specifics in the Code include a prohibition on using 'lobbyists'; limiting council publications to no more than four per year; ensuring all publicity is politically balanced and factually accurate; and a duty to demonstrate that consideration has been given to value for money when making decisions about publicity.
- 2.4 Guidance on local authority communications during periods of heightened sensitivity (leading up to and during elections and referendums) remains essentially unchanged.
- 2.5 This report specifically addresses the future of the Council's publication Hackney Today, which is currently produced 24 times a year, in the light of the revised guidance that such publications should be produced no more than four times a year. The Government's own cited objectives in revising the Code state that 'for a community to be a healthy local democracy, local understanding of the democratic process is important, and effective communications is key to developing that understanding. Local authority publicity is important to transparency and to localism, as the public needs to know what their local authority is doing if they are to hold it to account.' This report considers the most effective way for the Council to meet this objective and ensure that local information is accessible across all its citizens and communities.
- 2.6 Guidance from the Department of Communities and Local Government has been issued clarifying the legal status of the Code. It should be noted that the Code is statutory guidance and there is an obligation for councils to show they have considered it in making decisions concerning publicity. It is important to note that the Code has been the subject of affirmative resolutions in both Houses of Parliament. However there is no direct sanction for a failure to comply with the Code, and indeed compliance with the Code is not as such a legal

obligation. The legal obligation is to have regard to the Code. CLG state: "The Department's view is that there is no power in the 1986 Act to provide for any enforcement mechanism in response to any purported breach of the Publicity Code. If members of the public consider that an authority has failed to have regard to the Publicity Code, they should raise their concern with the local authority directly, or contact the authority's auditor." Explanatory Memorandum CLG. 11/02/11.

### **3. RECOMMENDATIONS**

- 3.1 That the Council recognises the need for a Code on publicity and endorses the seven principles of the new Code:
- 3.2 That it is the intention of the Council to deliver pro-active communications that seek to inform residents, promote access to services, change behaviour, improve the reputation of and economic well-being of Hackney, and engage the whole of our community. The Council will do this within the law and with regard to the guidance contained within the Code.
- 3.3 The Council will note the specific requirements of residents and duties under other legislation, which means that while it will have regard to the code, it will act as local circumstances demand, in the interests of Hackney's residents and in line with legislation.
- 3.4 Agree that the Council will continue to publish 24 editions of Hackney Today a year, based on the available evidence and in the best interests of our residents.
- 3.5 Note that editions of Hackney Today will be reviewed by the Council's Corporate Director of Legal, HR and Regulatory Services to ensure that it complies with the principles of the Code.

### **4. REASONS FOR DECISION**

- 4.1 **Value for money**  
The Council has a duty to communicate with its residents and to do so in the most cost effective way, reaching the broadest possible local audience across all sections of our communities.
  - 4.1.1 Hackney Today represents excellent value for money and is a low cost vehicle for the Council's communications messages, as well as for its statutory advertising requirements.
  - 4.1.2 The cost of Hackney Today in 2010/11, including print, distribution and staffing was £496,836. The external advertising revenue for 2010/11 was £161,530, making the net ongoing cost to the Council £335,306.



4.1.3 If Hackney Today were to be changed to a quarterly magazine publication, in line with the new guidance, the costs to the Council would be increased. Current legislation requires Councils to publish statutory advertising in a newspaper which is produced at least fortnightly. If Hackney Today were to go quarterly, this advertising would have to be carried in the Hackney Gazette as the only other eligible local publication. The Council would require at least two pages a week to cover its requirements for statutory advertising, it would need to budget for three pages to cover additional statutory notices and any other essential advertising currently placed in Hackney Today. The annual cost of this to the Council, based on a quote recently received from the Hackney Gazette, would be £182,000 for three pages a week. This solution would also require a 0.5 FTE of officer time to co-ordinate the statutory notices for publication, liaise with the Gazette, check notices for accuracy etc. This would cost an additional £20,000, including all on-costs. These duties are currently covered within the existing Hackney Today staffing structure.

4.1.4 The cost, based on market testing, of producing a quarterly publication to carry vital service information to residents, as recommended by the Government, would be approximately £135,000 based on a range of costs as set out in paragraph 5. This includes print, distribution, staffing and photography.

4.1.5 The total cost of replacing Hackney Today with a quarterly and running statutory advertising in the Hackney Gazette would be approximately £337,000. This is before the cost of additional communication materials, which would be needed to replace Hackney Today to promote events, consultations and services.

4.1.6 We produce 108,000 copies of Hackney Today each fortnight with an ABC audited door to door circulation of 90,848 per issue (average 05 Jul 2010 - 02 Jan 11)

4.1.7 This is in comparison to the Hackney Gazette's last ABC audited circulation figures of 7,593 per issue (average 29 Jun 2009 - 03 Jan 2010). Not only is Hackney Today cheaper for the Council, but it also provides a far wider reach into our communities, ensuring essential information and statutory advertising reaches far more of our residents, and providing far better value for money than the alternative option.

## **4.2 Effective communications and local wellbeing**

Hackney Today exists to promote access to local services, and to improve the social, economic and environmental wellbeing of the area. Its purposes are:

- To inform residents about the services provided by the Council and partner organisations, and how to access them

- To provide a value for money format for the dissemination of local public service information
- Promote a positive narrative for Hackney and its communities, inspiring civic pride in the borough, and promoting inward investment
- Promote community leadership and democratic accountability.

4.2.1 Therefore editorial policy on content is not governed by traditional 'news values' but by what would be considered to be useful information for residents on everything from recycling services to community events, ensuring local people have the information they need to access services, and encouraging civic pride. It provides a vehicle for public sector agencies, social enterprises and charities from across the borough to disseminate news and information. It provides cost free editorial space for partners in the health and education sectors, plus discounted advertising to all partners, and is highly valued across the strategic partnership as a key communications tool. Hackney Today reaches almost every home in the borough (fortnightly independently audited circulation shows average 97% distribution) and provides all our residents with access to information, whatever their economic status, background or housing tenure.

4.2.2 Hackney is a diverse area with high levels of deprivation. Communicating in such an area presents many challenges. Digital connectivity remains low in such areas, meaning that reliance on on-line communications is not yet an option, especially for our most vulnerable resident groups.

#### 4.3 Resident satisfaction

Regular readers' surveys and resident consultations have found that Hackney Today is widely read and that the majority of residents rely on it as their chief source of information about local services.

A Hackney Matters e-panel survey carried out in May 2011 showed that:

- 81.9% of respondents (353) felt that the Council kept them fairly or very well-informed about the services and benefits it provides
- 48.7% read all, or most of Hackney Today and a further 28.7% read some of it
- 77.3% strongly agreed, or agreed that 'Hackney Today gives me useful information about the place where I live.'
- 68.9% strongly agreed, or agreed that 'Hackney Today is my main source of information about local public services'
- 51.9% strongly agreed, or agreed that 'the news and features in Hackney Today make me proud to live in Hackney.'

A Hackney Today readership survey in 2010/11 showed:

- 70.2% strongly agreed or agreed that 'Hackney Today gives me useful information about the place where I live'

- 72.3% strongly agreed or agreed 'I am better informed about the Council as a result of the information in Hackney Today'
- 67.1% said 'I acted on something I read (e.g. went to an event)'
- 89.2% said 'It's good to hear about community news'
- 78.1% said 'The content is well written and interesting'
- 72.5% said Hackney Today was their main source of information about the Council
- 72.4 % said they were very satisfied or satisfied with the information they receive from Hackney Today.

#### 4.4 Equalities

An Equalities Impact Assessment has been carried out (see appendix 2) and has concluded that to reduce the frequency of Hackney Today to quarterly would have a negative equalities impact; chiefly on older people, social care users, and low income families. The Council would also lose a valuable channel through which to promote equalities messages, celebrate diversity and promote community cohesion.

#### 4.5 London 2012

Hackney, along with the other five host boroughs has a unique challenge in communicating with its residents in the run up to and during the 2012 Olympic and Paralympic Games.

4.5.1 There will be a complex set of messages about access, parking, public transport, security, service delivery and events that will need to be communicated regularly and frequently from now until September 2012. No service will run the same as it does now, no access route will be untouched and no assumptions can be made about the ability to move about the borough or park within it.

4.5.2 A number of strategic organisations, apart from the Council, such as the GLA and LOCOG are expecting to be able to use host borough publications to communicate to people living and working near to the Olympic Park so that the Games can run smoothly and any disruption and inconvenience will be kept to a minimum.

4.5.3 From the Council's perspective and those of its Olympic delivery partners Hackney Today is a key tool in ensuring that the borough and its residents have a positive experience of the Games and are able to enjoy them fully. Specifically from the Council's point of view it will be vital to let residents know about any disruption to services, transport and road access well in advance of the Games and during the Games period itself. It would be impossible to do this with a quarterly publication and therefore extra cost would be incurred in producing and distributing additional communications materials.

4.5.4 Having Hackney Today available as a fortnightly communications tool will enable the Council to deliver vital Olympics-related messages from the Council and the Olympic bodies.

#### 4.6 Public Health

The proposed Government changes to the NHS will see local authorities taking responsibility for public health in 2013. This will include public health communications on issues such as smoking cessation, sexual health and vaccination. It is unlikely that councils will receive additional funds to deliver this work and in an area with high levels of health inequality such as Hackney, it will be more vital than ever to have access to a high quality, low cost, regular communications vehicle through which to promote these messages without incurring additional costs to the authority.

#### 4.7 Reach

Hackney is one of the most diverse local authority areas in the country (with over 100 languages spoken) and also has some of the highest levels of deprivation. The Council therefore needs to be able to decide what is the most cost effective and efficient way to reach its many different communities.

- The local paid for weekly newspaper, Hackney Gazette, no longer has an ABC audited circulation figure because it has dropped below 10,000
- Other titles in the borough include: Hackney Citizen Newspaper (which estimates its readership at 30,000), N16 magazine (which estimates its circulation at 12,500), and EastEight magazine (which is distributed to all 15,000 homes in the E8 postcode).
- There are a number of print, online and broadcast media aimed at Black & Minority Ethnic (BME) communities, available within Hackney and carrying local news, plus national BME media such as the Voice, Eastern Eye, or Weekly Gleaner, but all with limited reader numbers.
- If the Council was to advertise, or seek to place editorial, in these publications, it would still not reach anything equalling Hackney Today's official independently audited door-to-door delivery of 90,848 copies per issue. Also the cost of advertising in so many publications would be prohibitive.
- The Internet is as yet, no substitute for print in the borough. Nine million adults in the UK have never used the Internet. Four million of these are among the most disadvantaged: 39% are over 65; 38% are unemployed; 19% are families with children (Source: race online 2012, HM Government). Based on Hackney's socio-economics (with the second highest number of people living in poverty), the borough's Internet access/usage would be lower than the national average. Calculations based on the Mosaic database (a consumer research tool) in 2010, estimate there are 24,000 households in the borough that are Internet non-users, this equates to over 25%.
- The most vulnerable resident groups in Hackney are the least likely to have access to the Internet, but most likely to need access to services.

4.7.1 Therefore a free, recognisable, Council branded product, written in plain English, which is distributed to every home and business in the borough is the most cost-effective and widely accessible method of communicating with the maximum number of residents.

## 5. BACKGROUND

### 5.1 Legislative background

Local government publicity and communications is governed by the following legislation. The basis for publicity work is the 1972 Local Government Act. Section 142 of the Act empowers authorities in the 'provision of information relating to matters affecting local government' including:-

- Provision or publication (within their area) of 'information' concerning the services available within the area of authority provided either by the authority, or by other local authorities, or by government departments
- Publication within their area of information relating to the functions of the authority
- Lectures, discussions, pictures, film, exhibitions etc

5.1.1 Following public concern about 'party political' publicity in the 1980's new legislation was enacted. Section 2 of the Local Government Act 1986 states, '2(i) A local authority shall not publish material which, in whole or in part, appears to be designed to affect public support for a political party'.

5.1.2 Section 4 Local Government Act 1986 adds '4(i) .....local authorities shall have regard to [the Code of Recommended Practice on Local Authority Publicity] in coming to any decision on publicity'.

5.1.3 The Code of Conduct on local authority publicity was originally introduced in 1988 and amended by the last Government in 2001. The revised Code applies to England only. The purpose of the old Code was to ensure proper use of public funds for publicity.

5.1.4 The Local Government Act 2000, formalised the role of the Executive, and gave local authorities powers to promote the 'well being' of the community and recognised the role of the authority as a community leader. This increased the scope for public communications activity. This was strengthened by the Local Government Act 2000 giving local authorities powers to act for the 'social, environmental and economic well being' of the area. It should also be noted that the general power of competence in the Localism Bill could extend local authority powers to market and promote the area and services, and will replace some of the powers in the 2000 Act.

5.1.5 In summary, there is a clear legislative basis for comprehensive communications with residents, visitors and the public to promote personal well being, the work of the Council and the reputation of the local authority area. The new Code, as guidance supplements, but does not alter, statute and should be taken as guidance in implementing communications with the general public. The Council has taken external legal advice based on precedent which has stated that whilst the Code has the status of guidance, the Council must have

'cogent' reasons for choosing to depart from any section of the code. The Council should not choose to depart from the Code simply because it disagrees with the underlying policies, which have been approved by Parliament. Any departure should be justified by "cogent" reasons arising out of the local situation in Hackney.

## **5.2 Options analysis**

The new Code restricts publication of Council newspapers or magazines to four times a year. Before recommending that Hackney continues to publish fortnightly, the following options were considered:

### **5.2.2 Option A: To continue publishing HT in its current format and frequency, but in the full spirit of the code's seven principles.**

This is the option that has been recommended in this paper, for the reasons outlined; value for money, ensuring broadest possible reach of public service information, and equality of access to public service information.

Total Cost of Option A (based on 2010/11 net expenditure): £335,000

### **5.2.3 Option B: To continue publishing in a way that conforms to the new code including prescriptions around format, content and frequency. This means the publication:**

- can't look like a newspaper
- won't carry external advertising or statutory notices
- generates no revenue
- only contains information directly related to Council & partner services
- is only published 4 times a year.

Initial costings for a quarterly magazine were:

- Print: £75,959 to £89,012 - depending on paper quality
- Staffing: 0.5 FTE at PO4 = £23,243 (including NI and pension)
- Photography: £7,500
- Distribution: £16,920.67 to £25,214.60

Total production cost = £123,623.07 to £144,969.60

Publishing quarterly would mean that the Council would have to find an alternative outlet for its statutory advertising. The only viable alternative is the Hackney Gazette, who have quoted £182,000 for three pages of space each week. This cost also needs to be factored into option B, plus an additional £20,000 for a 0.5 FTE office post to deal with the administration requirements of publishing statutory notices (these duties are currently absorbed into the Hackney Today staffing structure).

Total cost of Option B: £337,000

**4.2.4 Option C: Explore other avenues in order to continue publishing HT without restriction by Government; these could include supporting the creation of a community interest company or mutual society to produce a similar publication, outside the control of the Council, the profits from which were re-invested in the organisation and community it serves.**

This option was explored but it was considered that such a venture would be time consuming to set up, and could carry significant financial risk. It would also give the Council insufficient control of the publication in terms of ensuring all necessary content was carried and therefore the authority could end up in the position where it was the primary funder, through advertising, of a product which did not meet all its communications needs.

Total cost of Option C: this option has not been costed as this would be difficult to do without a fully worked up business model, a significant project that would only be undertaken if the principle was accepted as viable.

Please note that the code, and its implications for local authority publicity, has not been considered by another committee of the Council before, nor is it due to go before full Council. Please also note that a number of other local authorities have made the decision to continue publishing their magazines or newspaper at a higher frequency than that set out in the Code.

### **5.3 Policy Context**

Hackney Today supports the delivery of the Council's policy framework as laid out in the Constitution and all 6 priorities and 18 outcomes detailed in Hackney's Sustainable Community Strategy (2008-18).

### **5.4 Equality Impact Assessment**

See appendix 2.

### **5.5 Sustainability**

The continuation of Hackney Today in its present form and frequency would not create any new impact on the physical and social environment. The publication is already printed on 100 per cent recycled paper. The newsprint comes from Aylesford Newsprint which holds an ISO 14001 Environmental Management System and OHSAS 18001 Pollution Prevention & Control permits for papermaking and energy production. The printer, Trinity Mirror, also holds an ISO 14001, an Energy Efficiency Accreditation Award from the Carbon Trust, and is part of the CCL (Climate Change Levy).

Newsprint is a more sustainable medium than the midweight paper that would be needed for a quarterly magazine format.

## **5.6 Consultations**

### **5.6.1 Resident consultations**

The Council carries out regular consultations and audience research exercises to ensure that Hackney Today is well-received by residents and is providing the information they need.

### **5.6.2 Government consultation and Select Committee Inquiry**

The new Code has been produced in response largely to concerns of the Newspaper Society and local newspaper industry. Ministers consider some local authority publications are competing in style, content and frequency with local newspapers and constitute 'a threat to local democracy' and unfair competition. As a result, the Code recommends that Council newspapers should be issued no more frequently than quarterly and that they should not seek to emulate commercial newspapers in style or content. Before making this change DCLG carried out a public consultation from September to November 2010. The Council contributed to this consultation, along with other local stakeholders (see appendix).

5.6.3 Following the consultation close, the Communities and Local Government Select Committee examined the proposed new code in Dec 2011, which Mayor Pipe, as Chair of London Councils gave evidence at.

5.6.4 The Select Committee's report, published in Jan 2011 was strongly critical of the revised code. It made two recommendations, which were not followed by DCLG before the code was subject to parliamentary approval.

## **6. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES**

6.1 In 2010/11 the publication of Hackney Today incurred a net cost to the Council of £335k after the receipt of external income which is set out in the table below:

<b>Hackney Today costs in 2010/11</b>	<b>£'000</b>
Employees	195
Printing costs	139
Distribution	131
Other running costs	32
<b>Total Expenditure</b>	<b>497</b>
Less External Income	162
<b>Net Expenditure</b>	<b>335</b>



- 6.2 The alternative option of advertising in a local newspaper on a weekly basis and publishing a quarterly magazine has been estimated to cost in the region of £337k as set out below:

Cost of Alternative Option	£'000
Employees	44
Weekly advertising	182
Printing and distributing quarterly magazine	111
<b>Total net cost</b>	<b>337</b>

- 6.3 As can be seen from the two tables the current ongoing cost of Hackney Today are very similar, although slightly less, than the initial anticipated costs of the alternative approach.
- 6.4 The estimated costs of the alternative are based on initial market testing of both the advertising and the printing and distribution process together with an estimate of the minimum staffing level required to manage and administer the processes.
- 6.5 The actual costs will be based on formal contracts which will need to be put in place and which will require detailed specifications and negotiations, this will result in variations to the final price.
- 6.6 There will be inherent risks in the procurement process with regard to advertising, particularly following the initial period of any contract as the supplier is effectively operating in monopoly situation and this is likely to cause additional cost pressures going forward. The costs of £182k provided through the market testing by the service are based on a reduction of nearly 80% from the standard rate card price.
- 6.7 A further financial risk is that there are likely to be occasions when the Council will want to communicate with a wider range of residents than can be accommodated by the weekly advertising and the timing does not coincide with the quarterly magazines which would cause additional cost pressures.
- 6.8 A key consideration will be value for money particularly as the initial cost of the alternative is so close to the current ongoing costs of Hackney Today. As part of this process the qualitative elements of Hackney Today i.e. the delivery of information to significant numbers of Hackney residents needs to be considered. However on a purely financial basis the unit cost of delivery based upon the audited circulation as set out in the report and the annual cost shows that the alternative (87p per delivery) is approximately six times as costly as Hackney Today (15p per delivery).
- 6.9 The current operation of Hackney Today relies on two significant external contracts for printing and distribution which are mid way

through a four year term. As set out in the legal comments there may be difficulties in exiting the print contract at this early stage without incurring further costs for which no supply would be received, this would incur additional costs in the first year of operation of any new arrangement.

- 6.10 If the option of the alternative approach were taken there is a risk of redundancy for the existing members of staff which would incur additional one off costs which would further add to the increased cost of the operation in year one.
- 6.11 In setting out the financial consequences of the decisions for recommendation in this report these comments have been prepared with regard to the legal advice of the Corporate Director of Legal, HR and Regulatory Services as well as the advice of leading Counsel, which indicates that the Council in adopting the approach set out in the report is acting legally as this report sets out cogent reasons for the decision to be taken in relation to the code.

## **7. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES**

- 7.1 Local authorities have legal powers under S142 Local Government Act 1972 to provide information to the community about services. Local authorities may also fund the provision of information about services in their areas.
- 7.2 Information provided by local authorities under the 1972 Act may include:
- information about services
  - functions of the authority
  - lecture, discussion, picture, film, exhibition etc.
- 7.3 In the 1980s, following concerns about the way some local authorities were managing publicity in their area, the 1986 Local Government Act was passed. Section 2 of the Act provides that:
- 'A local authority shall not publish material which, in whole or in part, appears to be designed to affect public support for a political party'.*
- Section 4 of the Act provides that local authorities shall have regard to the Code of Recommended Practice on Local Authority Publicity when considering issuing publicity.
- 7.4 As stated in this report, the Government has issued a new Code of Recommended Practice on Local Authority Publicity that came into force on 1 April 2011.

- 7.5 When considering issuing publicity, the Council is legally obliged to consider the Code as required by Section 4 of the Local Government Act 1986. However, the requirement to consider the Code is not the same as a legal duty to follow all parts of the Code. If an authority has cogent reasons for deviating from any aspect of the Code, then they can legally do so.
- 7.6 Leading Counsel's opinion has been sought in this matter. He advised that the Council must consider the 2011 Code when issuing publicity. If the Council intends to deviate from any section of the Code, it must have cogent reasons (based on the situation in Hackney) for doing so.
- 7.7 Having looked at the reasons given in this report for recommending Option A to Cabinet, Leading Counsel is satisfied that the Council has put forward strong and valid reasons, in the best interests of its community, for not following the requirements for quarterly publication. There are compelling reasons for a more regular fortnightly publication to keep residents, visitors and those who work and study in the borough informed of the rapidly changing borough. It is important that residents receive regular communication about those changes to enable them to keep abreast of the changes. Similarly, in the current climate of financial pressures, there is a strong argument, on the value-for-money aspect of the reasons for a frequently produced Council paper that carries statutory notices.
- 7.8 The Council could face legal challenge by a local resident or the newspaper industry, for example. However in Leading Counsel's view, whilst there would be a degree of litigation risk, the decision would be defensible on the basis of the reasoning behind the decision to adopt Option A, if Cabinet so decide.
- 7.9 The Council is midway through contracts on the current print and distribution of Hackney Today. If the newspaper ceases production in its current form and frequency there will be implications for the Council's contractual obligations.

**7.9.1 Print:** The Council's print contract is with Trinity Mirror via a multi-authority agreement led by LB Tower Hamlets. Under this contract there is limited scope for early termination of the arrangement. Clause 7.2 allows LBH to terminate on one year's notice. The contract does not enumerate the penalty for termination without such notice, but there would be a cost to the Council to negotiate an early exit from the contract.

**7.9.2 Distribution:** This is a framework contract with London Letterbox Marketing led by LB Greenwich. As such, there is no express obligation on a party to purchase goods/order services from the other. Therefore rather than terminating the agreement, LBH could simply 'not use it'. The result is the same as if terminating the agreement, i.e. LBH does not incur costs.

Clause 29.1 states that the Council gives no guarantee as to the level of services it will require the contractor to provide. Also, clause 29.3 excludes any liability for LBH for any failure to place the volume of orders anticipated by the contractor.

## APPENDICES

- Appendix 1 - Code of Recommended Practice on Local Authority Publicity  
<http://www.communities.gov.uk/documents/localgovernment/pdf/1878324.pdf>
- Appendix 2 - Equalities Impact Assessment

## BACKGROUND PAPERS

In accordance with Section 100D of the Local Government Act, 1972 - Access to Information a list of Background Papers used in the preparation of reports is required.

Description of document	Location (ie Service or section)	Date
Local Government Act 1986	<a href="http://www.legislation.gov.uk/ukpga/1986/10">http://www.legislation.gov.uk/ukpga/1986/10</a>	1986

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