

Member 5

From: Phil Morgan ([REDACTED])
Sent: 03 May 2013 17:15
To: [REDACTED]
Cc: Kim Roberts; Andrew Ross
Subject: Publicity Code consultation 2013
Attachments: CIPR - DCLG Response May 2013 FINAL.PDF

Dear [REDACTED],

Please find attached our response to the consultation on the publicity code.
Best wishes,
Phil

Phil Morgan MCIPR CMgr FCMI
Director of Policy and Communications



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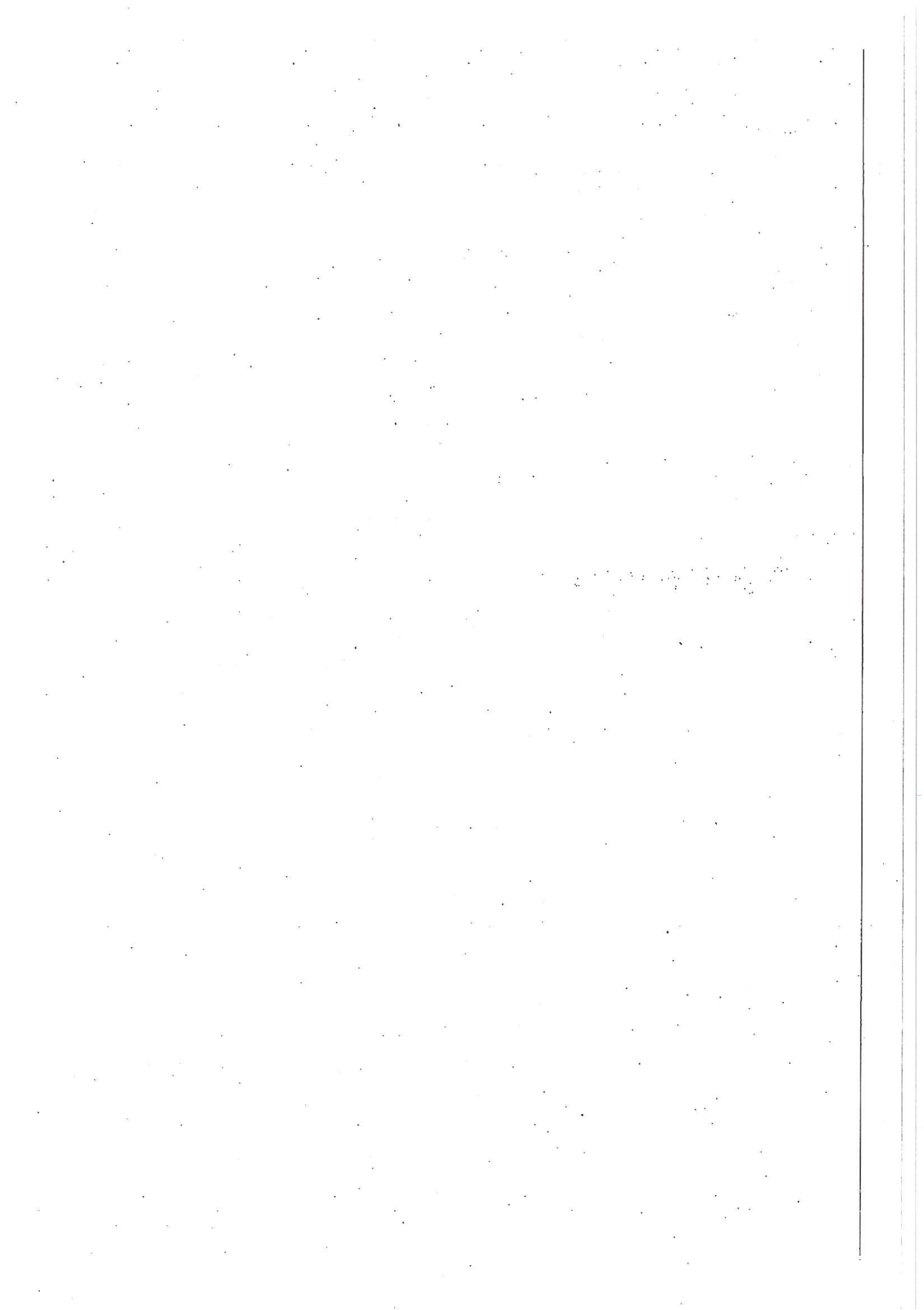
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16/05/2013



[REDACTED]
Publicity Code Consultation
Council Conduct and Constitutions Team
Department for Communities and Local Government
3/J1 Eland House
Bressenden Place
London
SW1E 5DU

3 May 2013

Dear [REDACTED]

Protecting the independent press from unfair competition

Please find below the response of the Chartered Institute of Public Relations to the consultation on 'Protecting the independent press from unfair competition'.

You will see from our response that we do not support the proposal in the consultation and we would argue that not enough time has been allowed for this consultation to be held properly. However, we are grateful for the chance to contribute to the Government's thinking on this subject and look forward to the eventual response from the Department.

With best wishes,



Phil Morgan
Director of Policy and Communications
Chartered Institute of Public Relations

Chartered Institute of Public Relations Response to DCLG Consultation:

"Protecting the independent press from unfair competition"

Background

1. The Chartered Institute of Public Relations (CIPR) is the representative body for the public relations profession. Our members are drawn from the public and private sector and our principle for admission to membership is that applicants undertake public relations as understood through our definition: *"Public relations is the discipline which looks after reputation, with the aim of earning understanding and support and influencing opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics."*
2. The CIPR has over 10,000 members and has an active and vibrant group representing public relations professionals who work for or in local public services.
3. From its foundation in 1948, the IPR/CIPR has been actively shaped by professionals in membership drawn from Local Government across the United Kingdom. It was awarded a Royal Charter in 2005.
4. In our recent response to the publication of the Leveson Report, the CIPR stated: *"The freedom and plurality of the press is fundamental to a thriving democracy, with this independence also being vital to the professional practice of public relations."*
5. We do not draw a distinction in this between the national and local independent commercial press. In our view, local democracy benefits from media scrutiny and local government corporately needs a vibrant local press as a channel to reach sections of their communities with important information about public services.
6. Where the Secretary of State asserts that *"...it is wholly inappropriate for taxpayers' money to be used to pay for material that could be perceived as political or competing with the independent press and media"*, he is conflating two separate issues – political communication by Councils paid for by the taxpayer and the use of taxpayers' money to compete with an independent press. We believe there is little evidence of the former and any element of this which is intended to affect public support for a political party is covered by the Local Government Act 1986. Of the latter, again, little evidence exists (see below).
7. However, we wish to reinforce the professional judgement of CIPR members in local government who call for the freedom for local authorities to communicate with their residents in the most appropriate manner to achieve the outcomes they identify as

important in the delivery of the objectives of the local authority and in the delivery of local public services as well as in their statutory duties. Effective communication in support of civic goals is cost effective (in many cases public information about services is intended to reduce waste and increase efficiency) and in the public interest. We believe the description of this as "acceptable" in paragraph 7 of the consultation document unnecessarily downplays the important role of communication between local authorities and their residents.

8. Moreover, the second principle of the Publicity Code states that local authority publicity should be cost effective. When there is a statutory duty for local authorities to bring certain notices to the attention of residents, by doing so through their own newsletters this can often control spending and may achieve greater reach where the delivery of such items to households exceeds the circulation of commercial newspapers. Whilst depriving commercial local newspapers of a guaranteed source of revenue from the sale of advertising space for statutory notices is not helpful in their plight, it is questionable whether this is the best use of taxpayers' money for the intended purpose.
9. Further, principle 6 of the Publicity Code commits local authorities to have regard for equality and diversity in their communications. It could be argued that regular free of charge hardcopy communication ensures accessibility to statutory information for those who have neither the internet nor an interest in local newspapers. Certainly, increasing the dependence of local authorities on commercial media for this purpose would take control of costs out of their hands. This needs to be carefully weighed against the responsibilities passed to local authorities, such as public health, which require considerable and effective communication on their part.
10. We note that the Secretary of State appears to be responding most specifically to the concerns of the Newspaper Society, who in July 2011 wrote to the Department of Communities and Local Government saying *"...we are concerned, given the well-publicised challenges facing independent commercial local newspapers in the midst of a crippling advertising recession, that many of the most aggressively competitive council newspapers have been allowed to continue unchecked..."*
11. Our understanding is that the challenges facing local newspapers relate most strongly to the current economic downturn, now in its fifth year and to the improvements in technology and connectivity which are creating a generational shift in media consumption habits. The combination of these factors has created an unenviable situation for local newspapers, with a decline in circulation and advertising revenue. Fragmentation of the media landscape, most strongly contributed to by the rise of social media platforms, presents a threat to the traditional newspaper publishing model but also an opportunity for journalism to enter a new era of news distribution. This is

particularly true for local news sources, where small online news hubs can take advantage of the widespread adoption of technology, particularly mobile technology, and the low overheads of online-only publishing.

12. On this issue, The Independent newspaper commented in an editorial on 24 April 2012 that:

"This is one of those instances in which it is far easier to set out the problem than to suggest a solution. The problem is that the internet can do most of what local newspapers have been doing for decades, such as telling people what is on at the cinema or giving them a medium through which to buy or sell a car. What the web has yet to acquire is the ability to monitor the council the way that the local reporter in the press gallery once did. But though the newspapers may all vanish, for the sake of our democracy local journalism must survive."

13. Relating to the central question of the decline of advertising revenues and unfair competition, we note the comments from the Office of Fair Trading recorded in the report of the Communities and Local Government Select Committee ("Proposed Code of Recommended Practice on Local Authority Publicity, January 2011"):

*"The extent to which this is a really harmful problem in the market is something we have struggled to understand. The local newspaper market is about £3 billion a year. Our estimate is that there is about £50 million of local authority expenditure in this area, so that might be a measure of the size of the self-supply, and the decline last year I think was close to half a billion in the local newspaper advertising, and about a billion over the last five years, so that decline is quite rapid. So I think there is a risk that the issue about what local authorities are doing in this space, while contributing to the problem, is not in fact as big an issue as the internet and the decline in demand generally facing newspapers."*¹

14. We agree with the conclusion of the Select Committee, which found:

*"Very scant evidence... which would sustain the claim that local authority publications have contributed significantly to the decline of local newspaper advertising revenues or sales. There do appear to be isolated examples of where there may be a local relationship between the development of a local authority publication and the decline of a commercial publication, but these examples are extremely limited. There is no evidence of a widespread problem of unfair competition on this basis."*²

Specific questions in the consultation:

15. Views on the proposed legislation – does it fully deliver the commitment to greater force to the Publicity Code by putting compliance on a statutory basis?
- CIPR considers the proposal would amount to direct interference in local authority communications which is wholly unwarranted by the issue outlined in the consultation.

CIPR disputes the central assertion that local newspapers are subject to unfair competition from local authority magazine or newspaper-type publications. We believe the basis of the apparent decline in the fortunes of local newspapers has more to do with wider social and technological changes. It would appear that Publicity Code has little to offer in this context. In fact, the question of the relationship between local newspapers and local democracy goes further than the frequency of the circulation of Council publications and we do not consider that legislation to put the Publicity Code on a statutory basis to be proportionate response to what is at worst a contributing factor among many in the decline of local newspapers.

16. Is there an alternative to the power of direction, how will this meet the aim of improved enforcement of the code?

- a. CIPR would urge the Secretary of State to not intervene in local government communications but instead to urge local newspapers meet the challenges of the digital and social revolution in media and communications and to adapt their business models so that they may continue to meet the demand for local news, information and scrutiny.

Concluding comments:

17. The CIPR feels more time should have been allowed for a consultation about a key element of public sector and public interest communications. We question the decision to run the consultation during the 2013 Local Government Elections.
18. In general, we believe the proposal is disproportionate and that it will not protect local newspapers, which are subject to greater threats and challenges than competition from local authority communications.
19. We add that the proposals in the consultation give the Secretary of State power far beyond 'protecting the independent press from unfair competition'. The proposals would allow the Secretary of state to make directions on any aspect of the Publicity Code, not just on the frequency, style and content of council publications and the recommendation that they should be quarterly (or monthly for parish councils). We do not believe this is justifiable on the evidence presented.

For more information please contact:

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¹ Proposed Code of Recommended Practice on Local Authority Publicity - Communities and Local Government Committee Select Committee – Par 37

<http://www.publications.parliament.uk/pa/cm201011/cmselect/cmcomloc/666/66606.htm>

¹¹ IBID