

**NORTH YORKSHIRE COUNTY COUNCIL**  
**CORPORATE AND PARTNERSHIPS OVERVIEW AND SCRUTINY**  
**COMMITTEE**

**15<sup>TH</sup> November 2010**

**REPORT ON THE FUTURE OPTIONS FOR NYTIMES**

**1.0 Purpose of Report**

- 1.1 To outline current issues surrounding council newspapers and outline possible future options for communication with residents, including NYTimes.

**2.0 Background**

- 2.1 The council introduced a resident newspaper in October 2006 and currently 11 editions of 20 pages are produced each year and distributed to 270,000 households and 30,000 businesses.
- 2.2 NYTimes replaced the previous Reporter magazine, which was issued every year in April and October. It was funded by a transfer from directorate recruitment advertising budgets along with smaller contributions from statutory notices and other advertising (both internal and external) and from the previous Reporter budget.
- 2.3 The primary purpose of NYTimes is to inform and consult the residents of North Yorkshire on county council services. In addition, the newspaper is used:
- to advertise widely some employee vacancies (as well as raise awareness and understanding of career opportunities);
  - to advertise statutory notices in a way that meets legal requirements and is cost-effective;
  - to carry information from partners on other services that affect residents; and
  - to provide information on events and activities that are of specific local interest.
- 2.4 NYTimes also aims to promote a change in resident behaviour, be that, for example, a direct need to collect concessionary bus passes from the County Council rather than a district, or more long-term in the need to increase recycling and reduce waste. These more intangible aspects of the newspaper are more difficult to measure and attribute costs to.

- 2.5 Both the frequency and distribution of the NYTimes is currently configured to meet the key requirements of statutory notices and recruitment advertising, as regularity and delivery to every household enables these two criteria to be met.
- 2.6 The Government's Coalition Agreement stated a commitment that the Government "will impose tougher rules to stop unfair competition by local authority newspapers", with less resource being expended on local authority newspapers and focused on frontline services instead.

### **3.0 Code of Local Authority Publicity**

- 3.1 On 29<sup>th</sup> September, 2010, the Government published a draft revision to the Code of Recommended Practice on Local Authority Publicity that proposes restrictions on council newspapers, along with a range of other restrictions. A consultation on the revision has taken place, closing on 10<sup>th</sup> November, 2010, with implementation of any new code from 1<sup>st</sup> January, 2011.
- 3.2 The proposals contain specific guidance on frequency, content and appearance of local authority newspapers; they must not appear more frequently than once a quarter, must only include material that is directly related to the business, services or amenities of the authority or other local service providers and should be clearly marked as being published by the local authority.
- 3.3 Other elements of the code introduce a ban on spending money on lobbying government through private sector lobbyists or through publicity directly related to council services. The code does not address the issue of councils being required to publish public notices in newspapers.
- 3.4 With implementation of any new code in January 2011, it is likely that guidance will be issued by the end of December 2010.

### **4.0 Review of NYTimes**

- 4.1 In light of the current budget pressures faced by the council, and the Government's consultation on the code of publicity, investigations have been under way into how NYTimes may continue in the future and the format, style and frequency of any direct communication with residents.
- 4.2 A range of options have been investigated, from continuing with the publication as it is currently configured, through to its complete removal. Within these options, there are a number of opportunities to meet the Government's proposals and make savings and continue to communicate with residents. The range of options set out in this paper provides an overview of those options.

4.3 Following a meeting of full council on 13<sup>th</sup> October, the Corporate and Partnerships Overview and Scrutiny Committee have been asked to review the progress of the review of the production and distribution of North Yorkshire Times.

## **5.0 Options to Consider**

### **A - Retain current arrangements**

- 5.1 One option is to retain the existing arrangements for NYTimes; that is to publish a 20-page newspaper, 11 times a year for every household in the county. This would continue to meet the purpose, set out in 2.3 above and would continue with the existing contracts for NYTimes, namely the distribution by Royal Mail and printing by NWN.
- 5.2 The distribution contract was awarded in December of 2009 and the council currently has signed agreements and commitments in place to use Royal Mail until December 2011. This is due to the difficulty in securing countywide distribution at the start of every month, within a two-week period.
- 5.3 The print contract for NYTimes is held by NWN and expires in September 2012.
- 5.4 The appointment of the printing contract has achieved savings of approximately £60k within the 2010/11 financial year, without any changes to the current format. The funding required for NYTimes would therefore be approximately £400k per annum.
- 5.5 Retaining the current format will enable the continuation of statutory notices being included, replacing the need for other adverts to be placed; the inclusion of recruitment advertising and the highlighting of careers and other opportunities; as well as the publication of time critical consultations and other information, such as the schools admissions consultation and winter maintenance details. Retaining NYTimes in its current format will maintain a regular and direct channel to residents.
- 5.6 However, maintaining arrangements is unlikely to comply with the Government's code, should it be implemented in 2011.
- 5.7 In summary, the retaining of current arrangements is not an option, as there is a saving expectation and allocation for NYTimes as part of the current savings plans and the likely outcomes of the government consultation mean that continuation would not comply with the code of practice.

## **B - Removal of NYTimes**

- 5.8 Another option, at the other end of the spectrum, is the complete removal and cancellation of NYTimes.
- 5.9 This would involve the termination of the printing and distribution contracts and the redundancy of the editor post.
- 5.10 The implications of the termination of the contracts are a six month notice period on printing and a reducing scale of cancellation charges on distribution (which are in the region of £15k).
- 5.11 There will also be financial implications for redundancy for 1 FTE, unless alternative employment was available.
- 5.12 This option will ultimately save the council £389k, as income offsets the cost of NYTimes to a limited extent (either through public notices or external adverts).
- 5.13 In removing this channel of direct communication with residents, the council's ability to communicate directly on a countywide and regular basis will be removed and the ability to publish public notices and recruitment adverts. These public notices will need to be placed in alternative publications. On average, NYTimes provided a 25% savings on the rate card for public notices in local newspapers, providing a countywide distribution (as opposed to space in multiple newspapers to achieve the same coverage). The council spent, during last year, £38,000 on statutory public notices in NYTimes; it is estimated that instead, services would need to publish notices in multiple local newspapers, at increased rates, although it's not possible to estimate what level this would be.
- 5.14 In addition to the financial impact, removing NYTimes would remove the council's ability to provide information direct to residents, covering details on how to contact us, what our budget is spent on, services such as social care, libraries, adult learning, the budget and council tax, waste, support for children and schools, winter maintenance, etc. Without NYTimes, some services will need to provide this information in alternative formats, such as leaflets, publications, adverts, websites, some of which will need distribution direct to residents.
- 5.15 The newspaper provides a route for recruitment advertising, but increasingly this role has been to raise awareness and understanding of career opportunities, rather than recruit to specific roles. It also plays a key role in driving traffic to the website and highlights the details of the more hard-to-fill vacancies.
- 5.16 Feedback from directorates lists the following as key information which would no longer be able to be published in NYTimes and for which alternative information provision would be considered;

1. Customer service information on how to contact the council, where, opening times etc.
2. Essential (often statutory) consultations on budget and council plan, sustainable communities, equality impact, etc. and the overall duty to involve (including the council's engagement promise to actively involve communities) and promote democracy; as well as the statutory full-page notice on the council's school admissions policy.
3. Planning for emergencies, community and business resilience.
4. Winter maintenance information, as well as transport consultations.
5. Activities in local areas, often supported by area committees, including 'what's on' which receives significant contributions from residents for inclusion in the listings for each area.
6. Regular features on reducing waste (through recipes), advice from Trading Standards, youth activities (written by young journalists).
7. Important information on responding to consultations and proposals, reaching all parts of the county (as opposed to local newspapers, where some parts of the county are peripheral to their core readership, resulting in less coverage).

- 5.17 Consultation has always been an important element of the newspaper's content and in light of current budget pressures, other consultation and engagement activity is likely to be curtailed, thus NYTimes could increasingly be required to provide a channel of consultation with users and residents.
- 5.18 Although external advertising is only a very limited element of content for NYTimes, the council does have commitments from some businesses and partners (such as North Yorkshire Sport), which extend beyond a single issue. However, these commitments are not in the form of a formal contract and the removal or reduction of NYTimes will not have an impact on advertising agreements already reached.
- 5.19 Historically, external income (i.e. from sources outside the authority) has been received for NYTimes over the past few years. This has included advertising from other public sector partners, which is offered at a reduced rate and includes full-page adverts from the PCT, Police Authority etc. Current indications are that they will not have the budget in future to take out these adverts, and some will obviously not exist.

- 5.20 However, the likely saving of £389k would be delivered by removing NYTimes.

### **Option B.i**

- 5.21 A variation to this option would be to remove the production of a printed version of NYTimes, delivered to every household and instead produce an electronic version, available on the council website.
- 5.22 This would allow the same regularity and volume of content to be provided (as currently) using the services of an editor, without the significant costs associated with physical production.
- 5.23 However, this option would reach only those residents with online access and assumes that residents would access the newspaper when visiting the website. Costs would be in the region of £45k.

### **C – Changes to Pagination and Print**

- 5.24 NYTimes is currently a 20-page publication. In reviewing options to reduce costs, a smaller publication will deliver some savings. This would be in terms of print and in distribution. Reductions could provide a 16, 12 or 8-page newspaper.
- 5.25 For distribution, this would reduce the price (for a 12 or 8-page newspaper) and save £66k per annum. There would be no saving on distribution at 16 pages.
- 5.26 The printing cost per edition would reduce for a 16, 12 or 8-page newspaper, with no charge or penalties for reducing the pagination on the remainder of the existing print and distribution contracts.
- 5.27 Overall, this would translate to a saving on printing of approximately £19k on a 16-page newspaper, £94k on a 12-page newspaper and £106k on an 8-page newspaper.
- 5.28 In reviewing the printing of the newspaper, the weight of the paper can be reduced, without affecting the final product, thus reducing the overall weight and delivering a lower distribution cost (as set out in 4.23 above, ensuring it falls into the next weight category for Royal Mail distribution).
- 5.29 The use of black and white printing is also being investigated, with colour only being used on certain pages. Options such as moving to a 4-page outer of the newspaper in colour and the remainder in black and white is being considered by the printer and a price is not yet available, but it is anticipated savings will be limited, given the printing processes involved.

- 5.30 The removal of 4, 8 or 12 pages from the paper would curtail the amount of information within the paper and reduce the opportunities for the breadth of content; there may also be an impact on space for recruitment and public notices.
- 5.31 However, this would maintain a regular monthly publication, removing the need for alternative resident campaigns and communication, whilst being able to carry some (if not all) public notice adverts, avoiding the need to buy more costly space in external media. It would still enable the council to meet most of its aspirations as set out in 2.3 above.

#### **D – Changes to Frequency**

- 5.32 The current publication is produced 11 times a year and one option would be to reduce this frequency to six times a year or to quarterly or move to an annual publication.
- 5.33 A reduction in frequency would result in the re-negotiation of the distribution contract and inevitably a level of fine, given that some of the contracts would need to be terminated. The cost would depend on the level of reduction in frequency. Similarly, if a reduction in the printing requirement took a period of 6 months to implement, then fines are unlikely.
- 5.34 A reduction to six times a year would incur some level of fines on distribution, but would save £167k on distribution and print.
- 5.35 A reduction to quarterly would again incur some fines on distribution, but would save £226k. (This assumes the changes would take place from April 2011.)
- 5.36 A reduction to an annual publication is likely to require a re-negotiation on printing, rather than a pro-rata reduction on printing cost, which has not yet been discussed with the suppliers.
- 5.37 A reduction in frequency will reduce the council's ability to communicate regularly with residents, as outlined in 4.12 and 4.13 above, and will have an impact on the inclusion of public notices and recruitment advertising. The inclusion of public notices will pose particular problems and is likely to result in the purchase of space in local newspapers, but the level of this expenditure is difficult to predict.
- 5.38 However, the continued existence of a newspaper will enable the council to meet some of its aspirations and a quarterly publication would comply with the guidance issued by the Government that is currently out to consultation.

## **E – Partnership opportunities – Public Sector**

- 5.39 Previously, NYTimes has been used by other public sector partners to communicate with residents, with updates on their progress or programmes or consultations. Efforts have also been made to share a publication with districts but issues with distribution and matching postcodes, as well as a consistency of approach across the county, has always proved impossible to overcome.

### Police

- 5.40 The police, like most other areas of the public sector, are facing significant budget reductions and have seen activities such as the policy pledge (which was previously covered in NYTimes) abolished. The role of police authorities is also unclear with the likelihood that they will also be replaced at some point in the future.
- 5.41 However, the police are still interested in public sector communication in North Yorkshire and communicating with residents on a shared basis, even though they face the added complication of communicating with York residents also. They have expressed an interest in investigating this further and would like to use the council's resident publication in future. However, the commitment of any specific budgets is not possible at this stage.

### PCT

- 5.42 The PCT have also previously used NYTimes, in addition to joint information being published, on activities such as the Joint Strategic Needs Assessment. With the likely forthcoming abolition of the PCTs, some of the previous partnership work undertaken with the council will move elsewhere – to GP commissioners or to the local authority. It is unlikely that there will be opportunities to work with PCT while they continue to exist, as they have been unable to identify any budget.
- 5.43 Until replacement operations are in place, it is difficult to make an assessment of the potential usage of NYTimes, other than the expectation that the council will itself become responsible for some of the messages previously issued by health to local residents.

### Districts

- 5.44 A number of discussions with other local authorities have identified some interest in joint publications. However, each authority, faced with similar financial pressures is looking at their options. Therefore, it has not been possible to get a consensus on a joint publication; indeed Craven, Harrogate and Richmondshire don't currently produce a newspaper and therefore any commitment to a joint resident publication would need to go alongside a reduction in their other publicity expenditure, requiring a more fundamental review of their



publicity activity. By its very nature, this could not be achieved quickly and there is no indication that there would be a political will to introduce something at this stage.

- 5.45 There may be options to introduce district editions, but the lack of a consistent approach means this would apply to certain areas of the county. Some districts are interested in versions which integrate the whole of the newspaper and others are interested in pull-outs; this allows the flexibility of having joint publications only on certain occasions, rather than every time the county produces something.
- 5.46 The Royal Mail distribution for a district-based publication poses significant challenges. The matching of postcodes for different boundaries, along with simultaneous distribution across the whole of North Yorkshire breaches internal Royal Mail rules on “competing products” (i.e. different council newspapers); alternatives do exist from Royal Mail but the cost for this alternative service is significantly higher.
- 5.47 Each district leader and chief executive has been contacted for their views on partnership working in this area and the council is awaiting a response.

#### **F – Partnership Opportunities - Local Newspapers**

- 5.48 The council is exploring closer links with the national newspaper groups who own the majority of titles within the county area, covering significant parts of North Yorkshire.
- 5.49 This discussion is exploring an arrangement which would result in the production of local information, in local newspapers, (both paid-for and free-sheets), at a reduced cost to the usual purchase of advertising space, giving access to a large number of newspapers across the county.
- 5.50 Whilst the newspaper group cannot deliver the exact penetration rate, in terms of distribution and reach, they feel that they can reach a significant number.
- 5.51 The initial indications are that the costs would be lower than that of NYTimes, but would be dependent on the amount of space and frequency required by the council. The content would be written and edited by ourselves (i.e. requiring the need for an editor).
- 5.52 In addition, these discussions have explored the increased use of local newspaper websites for consultation and engagement with residents, to support the council in these activities. It is likely that an arrangement would enable more effective use of their websites for our consultation activity.

- 5.53 As part of these discussions, rates for public notices and recruitment are also being discussed.
- 5.54 Such an option obviously meets the spirit and intention of the new code of practice, brings a closer relationship with the local media and saves on some of the cost of NYTimes.
- 5.55 There are, however, drawbacks, not least the penetration in terms of coverage and readership of local newspapers, which continue to see readership decline. The volume of information communicated by the council would obviously be reduced. The frequency of information could actually improve, with most newspapers publishing on a daily or weekly basis, but if residents don't purchase a newspaper on that day, they will have missed the opportunity to read the information – NYTimes has a long shelf life, which is not usually the case for local newspapers. The issue of public notices has also not yet been resolved.
- 5.56 Initial advice from procurement is that pursuing this option would be subject to a call for competition because it is over the EU threshold of £156k and the council must follow a formal tender process. Further advice is needed on the impact of any procurement on this option.

## **6.0 Recommendations**

- 6.1 That the Corporate and Partnerships Overview and Scrutiny Committee offer their views on the progress of the review of NYTimes and options being explored.

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