



**Haringey Council**

## **Appendix 1: Proposed model for marketing & communications functions in Haringey**

### **1. Introduction**

In February 2010 as part of the Support Functions Review (SFR), Chief Executive's Management Board (CEMB) agreed to review the organisation of the Marketing and Communications function within the Council. On 15 July 2010 Cabinet Advisory Board (CAB) endorsed proposals to create a council wide centralised shared service for Marketing and Communications . The report below is based on that agreement and sets out a proposed model for streamlining these functions.

### **2. Background information**

2.1 The proposed changes in the delivery of Marketing and Communications function were identified in :

- A VFM review of Marketing and Communications identified a number of actions many of which have or are being implemented. There were a number of findings which can now be addressed as part of this project, these are as follows:
- It was found that improvements could be made in terms of how Marketing and Communication Officers at the centre and in the Directorates work together.
- There was a lack of planning across the organisation on marketing and communications. It was recommended that this becomes an integral part of business planning using a best practice model which should enable improved planning, capacity building and prioritisation and cost efficiencies.
- The review found that there is no corporate consideration of marketing and communications posts or where they sit within the organisation, which means that there is no overall matching of work volume with staff resources.
- A follow up Value for Money review specifically of the Design and Print Service made the following recommendations :
- Introducing best practice – There needs to be formalisation of procedures and the provisions of appropriate tools to redress the current confused process and inconsistent controls that exist.
- Restructuring the business, by a staged closure of the in-house Print Team, changes to the roles of the marketing and communications team and an overhaul of the infrastructure of the design team.
- Improved Management Information: Improved central controls and records and the automation of time consuming administration and artwork generation



## **Haringey Council**

are essential to enable appropriate management of design and print through a central gateway and to increase capacity in the activity.

- Improving procurement - efficient, robust and competitive processes can deliver annual savings .
- Improving the quality of the service. Structured communication between clients, project managers and designers, coupled with transparent and auditable quality management procedures to deliver clear and measurable improvements in terms of quality of service and product.
- Enhancing brand management. Enhanced identity guidelines and a central system to enable effective monitoring of output to ensure design and print output serves to project a cohesive image of the council.

### **3. How is the Marketing and Communications Function in Haringey organised?**

3.1 The current vision of the Communications and Consultation Service is to promote the council's work in the most positive light to help build and protect our relationship with residents and our corporate reputation. The service is structured into the following sub functions:

- **Media relations:** responsible for all council media relations, including responding to press enquiries and writing press releases for both external and internal communication. This function is currently undertaken within the Communications and Consultation Service and there are no plans to change the current offering or the staffing structure.
- **Online communications:** the Communications Unit working with the Customer Services Function will be the overall owners for the strategic development of both the council's website and with Human Resources for the strategic development of the councils intranet site Harinet. The Internet site will be developed under the ownership of the Online Media Board recently created to drive changes in the way we transact as well as communicate with our customers, residents and stakeholders.
- **Consultation:** to be responsible for the consultation that the council carries out to ensure that the council consults when appropriate and follows legal obligations. This service is managed within the Communications and Consultation Service and no staffing or structural changes are proposed but the development and the analysis of the results of undertaking engagement and consultation needs to be promoted in conjunction with the future role of the Policy and Strategy Function.
- **Marketing and Communications:** to be responsible for fulfilling the clients brief by advising on and supporting the production of a wide range of publicity and display materials They interface closely with design and print suppliers both internally and externally to ensure that jobs are



completed on time and are value for money acting as account managers . The team ensures that messages are consistent, accessible and promote a positive and professional image of the council. Through workshops with both commissioners and practitioners this function has been identified as an area where the interface with services is seen as being confused with duplicated and bureaucratic processes and is the subject of proposed changes in this report.

- Design & Print: the Design team provide the graphic design on a wide range of publicity materials including brochures, leaflets and posters. Their work is supplied by the Marketing Communications team. The Print team provide the council's internal printing service. Both the creative designer and internal print functions have been reviewed and changes are proposed to reduce the overall cost of these functions in the future
- Translation & Interpretation: This sub function has not yet been reviewed within this project but the procurement of external translation and interpretation is being considered under a separate procurement project.
- Directorate Marketing and Communications. There are a number of officers spread unevenly across directorates who undertake mainly marketing and communications activities within their services including the commissioning of print and design and other activities. There are proposals that the role of these officers is considered within the changes to Marketing and Communications function.

#### **4. What are the drivers for change?**

4.1 Three areas for review and improvement were highlighted during the two Marcoms workshops and stakeholder interviews. From an organisational development perspective these can be best understood as:

- organisational effectiveness
- organisational relationships
- organisational strategy / processes

##### **4.1.1.Organisational Effectiveness**

- There is a desire, both centrally and within the business, to access and use a more strategic Marcoms function in order to:
  - Better understand who our residents/customers are, think, want etc.
  - Appropriately target communications to different audiences.
  - Pull together disparate communication activities into fewer, but more coherent and planned campaigns.



## Haringey Council

- The current central Marcoms function is primarily seen and used by the services as a design and print function. The role of the Marcoms function is poorly understood. The volume of demand for the service has made:
  - the team re-active in nature;
  - a commissioner of leaflets
  - underutilised in terms of its expertise.
- Services therefore judge Marcoms to be expensive, slow and bureaucratic, - an unnecessary layer between the commissioner and the actual design and print suppliers. Current costs are seen as high, examples around minor alterations, advertisements etc.
- At the heart of this tension there is confusion as to who the customer is – the service, the commissioner, the end user, or the residents of the borough.

### 4.1.2 Organisational relationships

Services recognise the importance of better forward planning. However, this will only be achieved if the centre:

- is able to work effectively with the services (right relationships)
- has an expertise/understanding of the services *and* Marcoms (right roles)
- is able to be proactive, influence, manage expectations, shape and deliver (right competences/skills).

### 4.1.3. Organisational strategy / processes

- There is a desire, both centrally and locally, to take a more strategic and planned approach to our marketing and communications with residents generally. With a clearer view of the customer, services will be less inclined to want to create their own service identity with a different look and feel to that of the Haringey brand.
- There was a general consensus that there needs to be an agreed communication strategy/plan in which priorities and key campaigns are clearly laid out.
- At present there is little challenge / oversight as to how money is being spent – or how the Council's brand used and deployed. The central function and the service areas both recognise the need to break down the 'them and us mentality' and the benefits of linking up campaigns across Haringey.
- Currently the E2E process is seen as cumbersome and bureaucratic, that the central team isn't able to meet clients expectations and deadlines (for leaflets) and that these leads to strained relationships (on both sides)



**5. What do customers of the function require?**

The table below captures the key themes of what Directorates want from a Marcoms function and its potential implications.

<b>Wants</b>	<b>Implications</b>
<ul style="list-style-type: none"> <li>Business partner / Account Manager relationship with Directorates</li> </ul>	<ul style="list-style-type: none"> <li>Freeing up resource so that they can become more pro-active and less re-active</li> <li>Do current staff have the capability of being more strategic and less operational?</li> <li>Challenge of current policy e.g. use of social media and influence change</li> <li>Ability to challenge directorates and say no when needed</li> <li>Ability to build relationships with the business, understand the business requirements, it's customer and the appropriate media to engage with</li> <li>Be involved at the start of a project / change etc to advise and give guidance on engagement</li> </ul>
<ul style="list-style-type: none"> <li>Professional advice on campaigns, content and design</li> </ul>	<ul style="list-style-type: none"> <li>Directorates want more guidance and advice on their campaigns, content, design and best use of media.</li> <li>Making links and joining up with other communications / engagement activities across the Council</li> <li>Having a holistic view on what is happening across the Council and within the Marcom function</li> <li>Holding intelligence on our customer's centrally</li> <li>Providing creative ideas and different approaches to campaigns.</li> <li>Quality control.</li> <li>Advice on branding and Corporate identity.</li> <li>Changing the perception of what the Marcom function is and what it does.</li> </ul>
<ul style="list-style-type: none"> <li>De-layering and simplify the sign-off process</li> </ul>	<ul style="list-style-type: none"> <li>Clear accountability and devolving the decision making</li> <li>Account manager to project manage client requirements from E2E and be accountable</li> <li>One point of contact, which spans the whole of the Marcom function</li> </ul>
<ul style="list-style-type: none"> <li>One centrally held and agreed Corporate communication</li> </ul>	<ul style="list-style-type: none"> <li>Priorities ascertained from Directorate plans, agreed and budgets allocated accordingly.</li> <li>Account manager to agree Business priorities and pro-actively engage with the business providing advice and guidance on marketing and</li> </ul>



<p>plan</p>	<p>communications.</p> <ul style="list-style-type: none"> <li>• How does a business get support for a campaign that hasn't been agreed centrally, which has now become a priority?</li> <li>• Marcom budget sit centrally and is aligned to corporate plan and priorities</li> <li>• What happens to Directorates that are commercially driven and need to react to what their competitors are doing?</li> <li>• Local needs verses corporate needs, how do these potential conflicts of interest get resolved?</li> <li>• Building of local capability</li> </ul>
<ul style="list-style-type: none"> <li>• Project management system needs to fit what the new function is set up to do</li> </ul>	<ul style="list-style-type: none"> <li>• Print on demand</li> <li>• Ready to go templates</li> <li>• Central photo library</li> </ul>

**6. How will we deliver Marcoms to meet the needs of clients?**

**6.1 Introduction of Annual Planning Cycle.**

The introduction of an annual planning cycle is seen by the majority of those attending the workshops as a necessity for improving the management and the effectiveness of a joined up corporate marketing and communications function. This planning process will allow for the council as a whole to agree a set of marketing and communication campaigns that will build a one council approach linked to strategic outcomes and key priorities rather than be based upon disparate individual service campaigns. A proposed framework for the annual planning cycle has been developed which needs to become an integral part of the council's business planning framework. It will also reflect best practice in both private and public sector organisations.

It is also proposed that Marketing and Communication budgets including Print and Design are centralised under the budget management of the category manager currently Head of Communications and Consultation. Recreation Services will retain an annually agreed budget for commercial marketing activity although they will need to contribute to corporate campaigns which market their services and to participate fully in the annual marketing plan . This will require them to commission marcoms material through the centre so as to achieve maximum economies of scale. .

**6.2 Reorganising the Marketing and Communications activity.**



## Haringey Council

Within the Communications and Consultations Service, there is a small team of staff who form the Marketing and Communications team with responsibility to project manage all design and print and related activity. These staff are meant to act as account/business partners for specific departments, however there are staff in the departments who appear to undertake a similar role which is creating a confused process that appears to be overly bureaucratic, leading to duplicating activity and adding unnecessary cost to print and design jobs. This tension has been identified through the workshops detailed above. It is proposed that a new public information project officer function be created to streamline the activities currently undertaken within both individual services and the communications and consultation service.

This will involve the following activities:

- Defining clearly the role for publicity officers who will act as intelligent clients for services whilst being able to commission the activities necessary to undertake marketing and communication campaigns. They will formally be placed in the structure of the Communications and Consultations Service for reporting requirements but will be expected to work very closely with Directorates, senior managers to ensure that service needs are identified and can be delivered as part of the council's marketing and communication campaigns.

The role of the new post will undertake the following activities:

- Relate to the business – engage with senior managers and views them as clients; talks their language; knows and understands who the key stakeholders are and what their business requirements are.
  - Diagnosis – make links between annual council plans for Marketing and Communication and business units' priorities; identifies key data to inform thinking/activity; challenges / influences thinking both at the centre and in the business.
  - Shapes – proactively influence and shape the marketing and communication plan; identifies critical issues for the centre and the business; develops structured recommendations & strategies and identifies costs and; resources / expertise needed within the revenue budgets available.
  - Contracts with the business – dotted line reporting to business head solid line corporate function and jointly agreed performance targets for the year.
  - Delivers – focus on realising objectives, initiate and ensures good communication between centre and business.
  - Evaluates – ensure outcomes of the campaigns achieve expected benefits, learn from success and failures.
- All current posts identified within departments will be deleted and a number of new posts created to take on the new role. This will include posts identified within all services. The key roles currently undertaken





within the services will need to be undertaken by the new team created as part of this reorganisation. The communication staff within the BSF programme have been excluded as the programme is time limited and due to complete within the next year when the current posts will no longer be required.

- In future consideration needs to be given to projects where communication skills are required and whether this should be provided within the corporate offering or within the project itself.
- These changes will help address the issues identified in the workshops and also ensure that an improved service offering is achieved at a cheaper cost.
- The creation of the new posts, deletion of current posts and recruitment process will be in line with current council procedures. A timetable to achieve the implementation will be developed and form part of the documents for formal consultation.

### **6.3 Implementation of changes to the Print and Design Service**

6.3.1 The current print and design function works on a trading account basis which requires the service to charge out the full costs of both direct delivery and overheads to clients. This leads to a situation where the Print and Design service needs to generate enough work to achieve a breakeven on its costs and income. This means that the level of work that needs to be generated, may not match the needs of the organisation and currently leads to no control over whether the volume of activity and output from the print and design work produced adds value to the councils overall delivery of services. In summary nobody currently oversees the total spend on design and print, the quality of output and the impact upon delivering the desired outcomes. It is left to individual business units to spend their budgets as they see fit.

6.3.2 The impact of the current trading account is to add 16.5% oncost to all work undertaken by the Print and Design service in order to cover its costs which is chargeable to individual services commissioning the work. This appears to those who commission print and design to make work undertaken expensive when compared with external prices.

6.3.3 It is proposed that the trading account model for the service is abolished and charges for those staff in the new marketing and Communications team allocated as a recharge similar to other central services. Individual jobs are charged out at direct costs only. The impact of these changes will be to reduce the administrative burden of running a trading account releasing resources to undertake a more structured commissioning of campaigns and quality assurance of the outputs produced. It will also prevent the need to generate work to ensure the trading account does not make a loss.

### **6.4 Options for review of Print Room service.**





## Haringey Council

6.4.1 The council currently operates its own printing facility based in Station Road. A review was undertaken of the operation of the current print room operation and options for moving forward in the future. In summary the current Print Room operated in 2008-09 at a trading account loss of £141,000 per annum. A number of changes to rationalise working practices were implemented in December 2009, and we have also reduced the charge out rates from 55% to 16.5% in line with the charge out rate as those services purchased from external suppliers; this has still generated a loss on the operating margin of £79,000 during the first quarter of 2010.

6.4.2 Three options have been identified for moving forward:

- Option 1 Retain the capability and capacity of the current plant and fund an operating loss of £250,000 plus per annum.
- Option 2 Reduce the capacity of the plant used and relocate to move the remaining plant to accommodation within the Marketing and Communications team. This would reduce the operating loss to £53,000 per annum.
- Option 3 Close the print shop and outsource all work will lead to the abolition of the current operating loss of £250,000 per annum.

6.4.3 This report recommends that the decision is taken to close the print shop facility. This would lead to the need to redeploy or make redundant 3 members of staff. The staff saving generated by closing the unit are estimated at £100,000. However consideration needs to be given to the requests normally through Democratic Services for urgent reports for Cabinet /Committees and whether the retention of a capability to meet this demand is cost effective in light of the financial pressures on the council. It must be borne in mind that the turnaround time for council papers and other key documents can be very short and there could be the need to retain one Docutech printer and a part time operator to service such needs. Appendix 1 provides further detail.

## 7. Financial Implications

7.1 The introduction of the project management system in December 2009 for the design and print activities has already led to the delivery of efficiencies, SAP records show a 51% reduction in invoice charges paid to external suppliers of design and print despite an increase in the activity during the period Jan – April 2010.

7.2 Suppliers on the framework agreement and those providing ad hoc other services have access to input and maintain their own pricing structure thereby eliminating the need to obtain individual quotes from a chosen group of suppliers for each element of a job. This allows suppliers to offer reduced rates to reflect the reduced amount of work required of them to provide speculative estimates. Suppliers on the framework have been given improved transparency and equality of opportunity as a result of the project management system.



## Haringey Council

7.3 Concern has been raised by a number of officers and members about the volume of print and design activity undertaken by the council which appears to be undertaken widely across the council with little thought or control to the total cost and impact of this spend. As part of the need to identify efficiencies in the future, it is proposed to reduce the proposed expenditure in future years by a further reduction of £500,000 in volume of activity currently undertaken. The budget for all areas will be centralised and managed on a corporate basis.

7.4 The impact of this would be to strengthen control over spend on Marketing and Communications within an approved budget. Spend would be approved based upon the campaigns agreed as part of the annual planning process. It will become the responsibility of the publicity officers and their manager to manage this budget in the future on behalf of their clients.

7.5 The current staffing budget for Marketing and Communications function for the council including staff within the Communications and Consultation Service and in directorates is approximately £800K per annum made up of 20 staff. The future staffing budget for the reorganised Marketing and Communications function is estimated to be £400K generating a saving of £400K in staff costs in a full year. (There are 2 further posts within CYPS which undertake marketing and communication roles but are funded by external grants which are due to end in 2011. Action will need to be taken by CYPS to deal with this loss of funding)

7.6 What are the Benefits to the organisation of these changes?

- **Smarter Procurement Savings:** £800,000 savings in the cost of procuring print and design services by the council arising from the implementation of a project management system. This needs to be offset against £260,000 savings already built into the 2010/11 budget and £266,000 surplus on the Print and design trading account, leaving a net saving of £274,000 per annum.
- **Volume/Quantum Savings ;** The initial rationale behind the review of print and design was based upon a view that there were instances of marketing and communication activity undertaken by the council that was unnecessary, and whilst the judgement of what is appropriate, required and vital to services is in the gift of the commissioner, it is recommended that a further £500,000 efficiency saving is taken on the quantum of print and design jobs undertaken. Additionally the controls of the annual planning framework and centralised budget allocation will bring a stronger discipline to control of expenditure.
- **Staffing Savings:** Staffing savings arising from the reduction in staff numbers as a result of the changes to the bringing together of staff into a corporate Marketing and Communications team and possible staff changes following the review of the future of the in-house print operation and the reduced amount of Publicity the council will



undertake . This saving estimated at £400,000 will be made for full implementation by March 2010/11. It is proposed to reduce the number of staff delivering the service from 20 to 10 in the future ..

**Table 1- Impact upon budgets and expenditure for Print and Design from proposed procurement and volume savings (The budget for Haringey People is considered in a separate report)**

<b>Area of Spend</b>	<b>Total Expenditure 2009/10</b>	<b>Less Procurement and Volume Savings</b>	<b>Less Pre-Agreed Savings and deletion of Trading Account</b>	<b>Revised Centralised Budget 2010/11</b>
	£	£	£	£
<b>Public Information and publicity</b>	2,741,000	774,000	526,000	1,441,000

## 8. Legal Implications

8.1 There are no specific legal implications concerning the model to be adopted by the Council for Marketing and Communications function. The proposals set out in this report are ones that fall within the remit of the Council's policies concerning organisational restructuring and redeployment in respect of the implications for staff employed by the Council. Consideration should be given in order to confirm the proposals for the appropriate pools for redundancy selection and the selection criteria to be adopted. The proposals are at such a stage that statutory consultation under the provisions of Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 should be undertaken, in addition to appropriate consultation with the employees affected by the proposals. This consultation should be carried out while the proposals are still at a formative stage and where no final decision has been made.

## 9 Proposed timetable

An indicative timescale for the implementation of the proposed model is shown below.

<b>Activity</b>	<b>Timescale</b>
Discussion with Directors and Assistant	July – August 2010



Directors to finalise the service offer	
An Equalities Impact Assessment carried out	July- September 2010
Formal consultation	From 6 <sup>th</sup> September 2010
General Purposes Committee	23 September 2010

## **Appendix 1 Detailed proposals for change within the Marketing and Communication Function**

### **1. The future of the Print Unit**

- 1.1 The VFM review completed in September last year identified inefficiencies and failings in working practices and the process for supplier selection. It highlighted an operating loss of £142K sustained by the Print Room in 2008-09 and recommended changes to the work flow processes and infrastructure to enable the Print Room to increase its working volumes and therefore its income.
- 1.2 The project management system and new working practices were implemented in December 2009. The new system automates most of the administrative tasks previously carried out and further automates the creation of standard artwork and the estimating process for in-house and outsourced print. This has freed the Print Room staff to spend more time operating presses and to focus on directing in house any work which their plant can print.
- 1.3 The Print room has also reduced its prices by 55% to bring its prices in line with those tendered by printers on the council's framework agreement. In house charges are now subject to the same mark up (16.5%) as those purchased from external suppliers to bring grater parity.
- 1.4 Despite these changes and improvements there remain fundamental concerns in relation to the operating cost of the Print Room relative to the value and volume of work it prints. The Print Room remains unable to recoup its costs through its charges and continues to operate at a loss of £79,000 in the last quarter of 2009/10.
- 1.5 The three machines used in the print are not used to manufacturers' capacity and are only operated on the basis of a 9-5 hr day usage period.
- 1.6 The comparison of costs of the machines used in house against commercial operators is as follows :

<b>Machine</b>	<b>Print Room Cost</b>	<b>Commercial Costs</b>
<b>Docu tech</b>	<b>5.6p per A4 single sided</b>	<b>1.5p per A4 single sided</b>
<b>Colour Digital</b>	<b>14.29p per A4 single</b>	<b>9.0p per A4 single</b>



<b>Printer(Oce)</b>	<b>sided</b>	<b>sided</b>
<b>Ryobi Litho press</b>	<b>£422 per 5000 sheets of letter headed paper</b>	<b>£150 per 5000 sheets of letter headed paper</b>

1.7 There are three options identified in the review for going forward:

- Option 1 Retain the capability and capacity of the current plant and continue to fund an operating loss Of £250,000 plus per annum.
- Option2 Reduce the capacity of the plant used and relocate to move the remaining plant to accommodation with the Marketing and Communications team .This would reduce the operating loss to £53,000 per annum.
- Option 3 Close the print shop and outsource all work will lead to the abolition of the current operating loss of £250,000 per annum.

1.8 The most financially advantageous would appear to be Option 3, but further consultation is required.

## **2. Marketing and Communications reorganisation**

The outcome from the workshops combined with the expected reduction in the expenditure on print and design, the efficiencies brought about by the implementation of the project management system and the forward planning of Marketing and Communication campaigns leads to a conclusion that the current number of staff employed by the council is unsustainable. It is proposed to delete the current posts involved within Marketing and Communication both in the Corporate Communications and Consultation unit and those within Directorates identified as part of the diagnostic work undertaken through the Support Functions Project .

It is recommended to implement the proposed staff changes which will include a reduction in staff number of 10 posts from the 20 staff currently identified as undertaking this work within the council subject to consultation with staff and services. This will result in an estimated staffing saving of £400,000 in a full year . The table below sets out the impact upon each Directorate and the Central Communications and Consultation Service.

	<b>Current Staffing Numbers for Marketing and Communication Service</b>	<b>Future Staffing Numbers for Public Information Service</b>
<b>Communications and Consultation Service</b>	12	10
<b>Children and Young People Service</b>	3	0



**Haringey Council**

<b>Adults , Culture and Community Service</b>	2	0
<b>Urban Environment</b>	1	0
<b>Corporate Resources</b>	1	0
<b>PPP&amp;C</b>	1	0
<b>Total</b>	20	10