

London Borough of Tower Hamlets



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The sport is...
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Raine's boy stiles to silver in triple jump

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Jan's got it in the bag

And a ever runs through it...

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Party time at Artlee
100 years of suffrage

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You gotta train to gain!

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Dishing up a good deal for the Games

Olympic chiefs declare borough 2012 Curry Capital

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East End Life Review June 2011

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2. Summary and review recommendations

- 2.1 EEL was launched by the Council (then Liberal Democrat) in 1993 and has developed from a fortnightly 12 pages into its current 40/44-page weekly format.
- 2.2 It is one of only two weekly newspapers produced by a local authority in the UK. In 2010-11 a further 9 councils published fortnightly.
- 2.3 The current print run is 99,000 of which 83,277 are distributed door to door. The remainder is delivered to over 450 drop off points across the borough.
- 2.4 Editorial and advertising policies were agreed for East End Life by the Cabinet in 2007 after which the paper was given a re-design.
- 2.5 Content is currently produced in line with the Code of Recommended Practice on Local Authority Publicity (as amended in 2001). A new Code of Recommended Practice on Local Authority Publicity was approved by both Houses of Parliament on 31st March 2011. This paper reviews current practice and suggests a way forward to ensure the Council has regard to the code in its approach to publicity.
- 2.6 The average annual cost to the council of East End Life over the last five years has been approximately £268k per annum.
- 2.7 The total budget for East End Life in 2010-11 was £1.48m with £1.05m raised in advertising revenue. At the end of 2010-11 East End Life staffing levels were reduced from over 16 FTE to approximately 9 FTE.
- 2.8 The challenge of reducing publication frequency or the print run for East End Life in order to reduce cost is complicated by considerations of displacement costs and the impact on our ability to communicate effectively with residents. This is the balance the new code asks councils to consider.
- 2.9 East End Life plays a major role in showcasing efforts to tackle inequalities and also to promote inclusion.
- 2.10 Whilst audited and verified readership levels for East End Life are falling they are falling even faster for other local print media.
- 2.11 Of the 624 consultation responses received, 72% of respondents felt positively about East End Life, with 28% expressing a negative opinion.
- 2.12 Over half (53%) of respondents would like to see East End life continue as a weekly publication, however 13% wished to see East End Life abolished entirely. Almost 1 in 6 (16%) preferred a fortnightly edition and 4% wanted the publication limited to quarterly.
- 2.13 Five models are considered in this paper:-
 - reduced weekly (in size)
 - fortnightly publication
 - monthly publication
 - quarterly publication
 - abolish East End Life.
- 2.14 The review is recommending a weekly publication reduced in size and cost (option 1). In pursuing option 1 the following recommendations are made:-
 - 2.14.1 East End Life staffing arrangements including the £200k budget reduction agreed by council on 8th March 2011 should be conducted through the forthcoming phase 2 communications restructure.
 - 2.14.2 Further savings on top of a reduction in posts to include:-
 - Discontinue TV listings at a saving of £15k

- Experiment with reducing the number of editions from 50 to 48 by producing amalgamated editions by March 2012
 - Reduce the number of pages to 36 unless there is a significant boost from advertising prospects that week.
 - Discontinue the Get A Llife supplements unless it is paid for in advertising and that week's paper has also broken even.
- 2.14.3 The appended revised editorial and advertising policies to be agreed.
- 2.14.4 East End Life to have a redesign to further differentiate it from commercial papers.
- 2.14.5 By September 2011 East End Life should have a Pagesuite version available to encourage online usage. This will provide data on the most popular sections and will help drive forward a programme of online engagement.
- 2.14.6 The council to promote online access to information (including via My TowerHamlets) and to monitor progress such that when the majority of East End Life readers access material online, a decision can be made on reducing the publication's print-run.
- 2.14.7 To overhaul the existing advertising strategy to ensure new and existing businesses and community organisations in the borough understand East End Life's offer.
- 2.14.8 That all council directorates use East End Life as the primary outlet for its marketing and advertising needs and for its public and statutory notices.

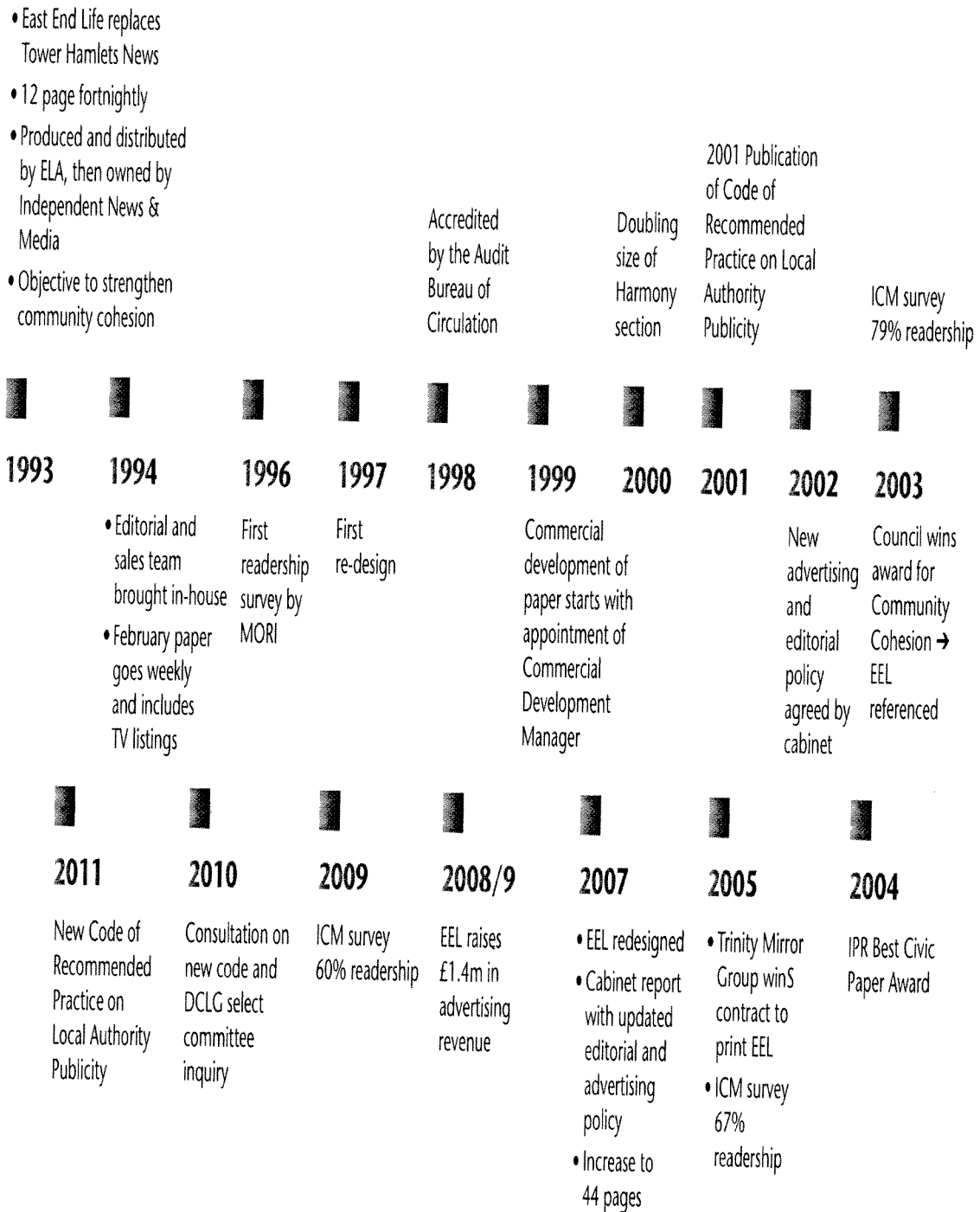
3. A history of East End Life

- 3.1 East End Life (EEL) was launched by the Council in 1993 which was then led by the Liberal Democrats. It was launched in response to the council's desire to promote the activities and services of the Council. There were also worries about the negative portrayal of the borough's diverse communities in the local press and the election that year of a BNP councillor in the borough.
- 3.2 As well as highlighting and promoting council services and activities, EEL aims to portray a positive image of the community, build and strengthen community cohesion and encourage engagement with residents.
- 3.3 EEL replaced Tower Hamlets News (THN), the previous council publication, and was initially produced fortnightly in partnership with the East London Advertiser (ELA).
- 3.4 As well as laying out the pages and printing the paper, the ELA's remit was also to sell advertising and make sure the paper was widely distributed.
- 3.5 The council decided to bring this work in-house after the first year or so because of the need to improve advertising sales and distribute the paper to its satisfaction. East End Life has been produced by an in-house sales and editorial team since then.
- 3.6 It has been printed by Trinity Mirror Group since 2005 and was previously printed by the Archant group which now owns the ELA. At the time EEL was launched the ELA was owned by Independent News & Media.
- 3.7 The print contract is won through a competitive tendering exercise and, when it was last up for tender in 2009, the shortlisted companies were required to take part in a reverse e-auction in which they bid anonymously against each other, driving down the price.
- 3.8 The current print run is 99,000 of which over 83,000 are distributed door-to-door under a separate contract with The Distribution Company based in Bow. Bulk distribution takes place to 'gated communities' and there are more than 450 public bulk drop venues including council offices, Idea Stores and libraries, community and voluntary organisations, hospitals and police stations.
- 3.9 In 1998 EEL became accredited with the Audit Bureau of Circulation (ABC) and has since had its door to door distribution independently audited every six months. Circulation is currently independently verified at 83,277 (Apr-Jun 2010).
- 3.10 This audit paved the way for the commercial development of the paper. The following year the council established the post of commercial development manager to fund the future development of EEL through increasing advertising revenues to cover the cost of expansion at no further net cost to the council.
- 3.11 The number of pages is generally not increased unless there is sufficient advertising to pay for their extra cost – however the current business model will need adjustment if the goal of a cost-neutral East End Life is to be realised.
- 3.12 Stories and features reflect the diverse nature of Tower Hamlets where almost half the population come from BME communities, with nearly one third Bangladeshis.
- 3.13 EEL carries a two-page Harmony section every week with news in Bengali and Somali, the two main community languages in the borough.

- 3.14 Published in full colour, East End Life has grown from a 12-page fortnightly newspaper to a 40/44-page weekly. Its peak in terms of size and revenue was in 2008-09. It carried 72 pages a week attracting advertising revenue of £30,000 per week and £1.42million per annum. Since then income has been flat at approximately £1.1m per year.
- 3.15 Until 2010, when LB Greenwich made its fortnightly Greenwich Time weekly, EEL was the only newspaper produced every week by a local authority in the country.
- 3.16 It is delivered door to door free to 83,277 households, with another 15,000 to businesses, community groups and partner organisations across the borough. It is also available by subscription for £50 a year. Currently 64 people chose to have it sent to them, mostly from outside the borough.
- 3.17 It is also available on tape or CD through Talking Newspapers for visually impaired residents, and stories and photos are uploaded on to the council website each week.
- 3.18 The newspaper currently costs 4.6p per copy.
- 3.19 EEL combines news from the council and its partners with community news, features on local people and leisure activities. This has led to high readership levels that may not have been reached had the newspaper only carried news about council policies, initiatives and services although it strives to ensure these are all presented in an interesting and accessible manner.
- 3.20 Content also meets the priorities of the Community Plan, highlighting initiatives by the police and health trusts, employment and training initiatives, and encouraging the concept of One Tower Hamlets by tackling inequalities and promoting inclusion.
- 3.21 Work experience opportunities are offered to local young people on the newspaper.
- 3.22 Editorial and advertising policies were agreed for East End Life by the Cabinet in 2007.
- 3.23 As well as giving the editor discretion over content, the editorial policy allows for letters pages and other means of a two-way dialogue between the council and residents. In practice this has recently been difficult to achieve, partly because of several local elections in the past year during which time content is restricted under the Code of Recommended Conduct on Local Authority Publicity (as amended in 2001).
- 3.24 Successive readership surveys (2009 ICM survey and 2010 residents survey) and the recent consultation exercise have shown EEL is well read, with readers particularly enjoying stories about local people.
- 3.25 It also has high readership levels among 13- to 17-year-olds, an age group traditional newspapers usually find difficult to engage with.
- 3.26 The role of East End Life in fostering good community relations has been noted over the years, for example in 2003 when Tower Hamlets became a Beacon Council for community cohesion.
- 3.27 In its report, the Home Office wrote: "Importantly, the newspaper includes sections originated and presented in community languages. The council uses this newspaper as an important tool in facilitating community cohesion, including celebrating the distinct cultural traditions of local communities."
- 3.28 EEL was also said to be instrumental in the council gaining subsequent Beacon awards for getting closer to communities and promoting racial equality.

- 3.29 The IDeA (now Local Government Improvement & Development) has also used EEL as an example of good practice in reaching out to different ethnic groups.
- 3.30 East End Life has also received the following awards and nominations:
- LG Communications Awards 2008 Reputation Award Best Civic Magazine/newspaper
 - IPR Local Government Group Excellence in Communications Awards 2004 Best Civic Magazine/newspaper – Winner
 - The Mayor for London’s Refugee Media Awards 2005 and 2007 – Winner in two categories
 - PSP Council Publication of the Year 1998 - in the in-house design category.
- 3.31 It has also been shortlisted three times in the former Commission for Racial Equality’s Race in the Media Awards (RIMA) in 2000, 2001 and 2003 in recognition of its significant contribution to understanding of race relations, diversity or multiculturalism.
- 3.32 The paper is regularly used by voluntary and community groups to promote services and events with many contributing to regular information and advice columns. NHS Tower Hamlets frequently work with the paper to promote issues relating to health and wellbeing.
- 3.33 Television pages were introduced to the newspaper by the East London Advertiser when it was initially producing East End Life. They have continued to be used as a way of giving the paper “shelf life” in residents’ homes.
- 3.34 Restaurant review pages were introduced in 2000 as a way of encouraging advertising from local eateries, many of which have requested to be reviewed and form an important part of our local economy. These are carried out anonymously.
- 3.35 The sports pages are widely used by local sports groups to publicise their activities. Many of these groups, particularly the junior teams, are not featured in other local newspapers which tend to concentrate on the better known sports, sports which charge a fee for admittance and teams with a national profile such as West Ham.
- 3.36 In recent months, there have been a series of features on the borough’s up-and coming young sports men and women, many of them Olympic hopefuls for 2012 and beyond. With Tower Hamlets’ role as an Olympic host borough, the paper carries many other stories and features around the Games.
- 3.37 A 2004 Competition Commission report examined the nature of the local newspaper market following an acquisition of a local title by a regional media company. The report found that East End Life was one of a group of newspapers offering a degree of competitive constraint on the newly acquired titles.
- 3.39 The recent Healthy Borough programme, managed jointly by the local PCT and the council, has been successful in raising awareness of the importance of healthy eating and lifestyles. Recent end of project reports have credited East End Life with a major role in this awareness-raising. For instance almost a third of the respondents who recalled the Healthy Borough campaign unprompted (28%) said they had seen the campaign promoted / advertised in East End Life.

East End Life Timeline



4. Summary of 2007 Cabinet Report and 2007 Re-design

- 4.1 In 2007 the council's cabinet received a report examining future options for East End Life. New editorial and advertising policies were also approved.
- 4.2 The report examined current performance, the goals and objectives of East End Life in borough context and identified three models for the future.
- 4.3 The following three options were put forward for consideration by the council:
- Continue as at present with planned improvements in editorial and advertising and reductions in cost to the council
 - Enter into a joint venture as proposed by the ELA (although the ELA later withdrew the proposal)
 - Explore other options such as an arm's length trading company.
- 4.4 In February 2007 the council decided to keep EEL in its existing format but to press ahead with the re-design. The grounds for the decision were firmly based on cost-effectiveness and value for money. This was in large part due to the nature of the local newspaper market and the cost of purchasing similar levels of advertising.
- 4.5 Following the Cabinet report in 2007 a re-design saw EEL consolidate council news and information in the newspaper in a strategic and targeted manner.
- 4.6 The redesign was intended to provide a clearer brand for the publication, further identifying it as a council publication, and to provide a stronger platform for council and community news.
- 4.7 For example, pages were introduced specifically with information about council services, meetings, contact numbers and planning applications.
- 4.8 A dedicated schools page was designed to showcase different activities and successes in the borough's schools, while the history page was to offer an understanding of the area's unique and diverse past.
- 4.9 Since 2007 the page has also carried recipes supplied by the PCT, the council's schools meals service and other similar organisations. This was designed to encourage healthy eating in line with the current emphasis on healthy living and reducing obesity.
- 4.10 The 2007 re-design also saw the introduction of the monthly Get A Life what's on supplement which was designed to highlight the borough's key visitor destinations.

5. The statutory and regulatory framework: The new code of recommended practice on local authority publicity

- 5.1 On 29th September 2010 the Department for Communities and Local Government (DCLG) issued a consultation on a new Code of Recommended Practice on Local Authority Publicity. This was an update of the 2001 code which itself updates the original 1988 code. The code is attached to the 1986 Local Government Act and local authorities are required under section 4 of the Act to have regard to the contents of the code when making decisions about publicity.
- 5.2 By s 2(1) of the Local Government Act 1986 local authorities are prohibited from publishing, or arranging for the publication of, any material which, in whole or in part, appears to be designed to affect public support for a political party. This prohibition applies at all times.
- 5.3 S 4(1) of the 1986 Act (as amended) states:
 “The Secretary of State may issue one or more codes of recommended practice as regards the content, style, distribution and cost of local authority publicity, and such other related matters as he thinks appropriate; and local authorities shall have regard to the provisions of any such code in coming to any decision on publicity¹.”
- 5.4 Case law clearly demonstrates that guidance such as that contained in the Code of Recommended Practice on Local Authority Publicity must be given due regard by the Council. However that case law also shows that it is permissible to depart from guidance where there is good reason to do so.
- 5.5 Tower Hamlets responded positively to the consultation (see appendix 2) and the seven proposed principles in the code:
- Be lawful
 - Be cost effective
 - Be objective
 - Be even-handed
 - Be appropriate
 - Have regard to equality and diversity
 - Be issued with care during periods of heightened sensitivity.
- 5.6 The final code, laid before Parliament on 11th February 2011, and approved on 31st March 2011, states that local authority publicity decision-making must give consideration to the ‘value for money that is being achieved.
- 5.7 Paragraph 28 of the code states that no local authority publication or expenditure should ‘seek to emulate commercial newspapers in style or content’. In addition no council publication should publish more than quarterly – with the exception of parish councils.
- 5.8 The council’s response (**appendix 2**) highlighted the nature of the local newspaper market in Tower Hamlets, the current readership figures for East End Life and the recognition of the publication in successive resident surveys.
- 5.9 The new code reaffirms that local authorities can communicate with their local communities on a range of important issues:

¹ S 6 of the 1986 Act defines publicity as “any communication in whatever form, addressed to the public at large or a section of the public”.

“Publicity by local authorities may seek to influence (in accordance with the relevant law and in a way which they consider positive) the attitudes of local people or public behaviour in relation to matters of health, safety, crime prevention, race relations, equality, diversity and community issues. “(para.31)

“Local authorities should consider how any publicity they issue can contribute to the promotion of any duties applicable to them in relation to the elimination of discrimination, the advancement of equality and the fostering of good relations.”(para.32)

- 5.10 Of the thirty five paragraphs in the new code all bar one are readily achievable by this Council and many requirements such as strict political neutrality during elections and examining the cost effectiveness of publicity are already undertaken.
- 5.11 The issue of publishing no more than quarterly is one that is examined by this review. In light of the proposed principles that local authority publicity should be cost-effective and should have regard to equality and diversity, and the guidance in paragraphs 10 and 32 of the revised code (as set out in paragraph 5.5 above), these are capable of being proper reasons for departing from the recommended limit on frequency of publication in paragraph 28 of the revised code.
- 5.12 According to the code local authorities ‘should be able to confirm that consideration has been given to the value for money that is being achieved’. Councils have a fiduciary duty to taxpayers which is set out in primary legislation. Cost comparisons for advertising in different media are examined in more detail in section 9 to help identify value for money.
- 5.13 Other key points in the code of relevance to this review include the following:-
- Clarification on the role of local authority publicity during referenda (paragraphs 5-9);
 - The purchase of advertising space should not be used as a means of subsidising voluntary, public or commercial organisations;
 - Local authorities can comment on government policies and proposals but this should not be perceived as a political statement;
 - Local authorities should not engage in publicity campaigns that seek to persuade the public of a particular view on a question of policy;
 - Where publicity addresses issue of political controversy the different positions should be presented in a fair manner;
 - The work of individual members of the authority can be publicised;
 - Local authorities can link to and host blogs/websites over which they have no control and they can include links to political parties;
 - All publicity should clearly be identifiable as from a local authority.
- 5.14 All councils have the public sector equality duties from 5th April 2011 by virtue of the Equality Act 2010. These general duties require the Council to have due regard to:
- the need to eliminate discrimination,
 - advance equality of opportunity and
 - foster good relations between groups .

- 5.15 The above duties form a significant part of this Council's revised Community Plan and the implications of this for council publicity is discussed at section 7.
- 5.16 Other legislation of significance includes the 1988 Local Government Act which provides the framework governing political balance and neutrality in council communications and publications. East End Life is also published in the context of the laws of defamation and libel and advertising best practice.
- 5.17 The Newspaper, Libel and Registration Act as amended by the Companies Act 2006 defines a newspaper as a publication that is published more frequently than every 26 days. However East End Life is not registered as this is only required if the publication is for sale or contains mainly adverts.
- 5.18 Given the shift in emphasis in the new code this review proposes a range of editorial changes to ensure the Council's practice remains in line with the seven principles.

6. A comparative analysis of Council Publications

- 6.1 A January 2010 Audit Commission report sampled 120 of 353 English councils with regard to council publications. It found that whilst 91 per cent published a periodical only 5 per cent published periodicals more than once a month.

Issues per year	Not known	1	2	3	4	5-9	10-12	13-24	25-52
Percentage of councils	1	2	10	20	38	13	9	1	4

- 6.2 Based on our own enquiries up until the end of 2010, and including East End Life, there were 11 local authority periodicals publishing either fortnightly or weekly.
- 6.3 A selection of the London-based titles is shown below:

London Borough	Frequency	Status
Barking and Dagenham News	Fortnightly Recently changed from monthly magazine.	Continuing
Greenwich Time	Weekly Changed from fortnightly to weekly in 2010.	Under review – possibility of ALMO
Lambeth Life	Fortnightly Changed from monthly to fortnightly	Ceased publication in March 2011
Hackney Today	Fortnightly Increasing pagination to increase advertising income	Under review
Hammersmith & Fulham News	Fortnightly	Council paper to shut New deal with local commercial paper to print council information each week. Value undisclosed.
Havering 'Living'	Fortnightly	Ceased – quarterly publication to start in the Summer
Redbridge Life	Monthly	Quarterly
Waltham Forest News	Fortnightly	Under review

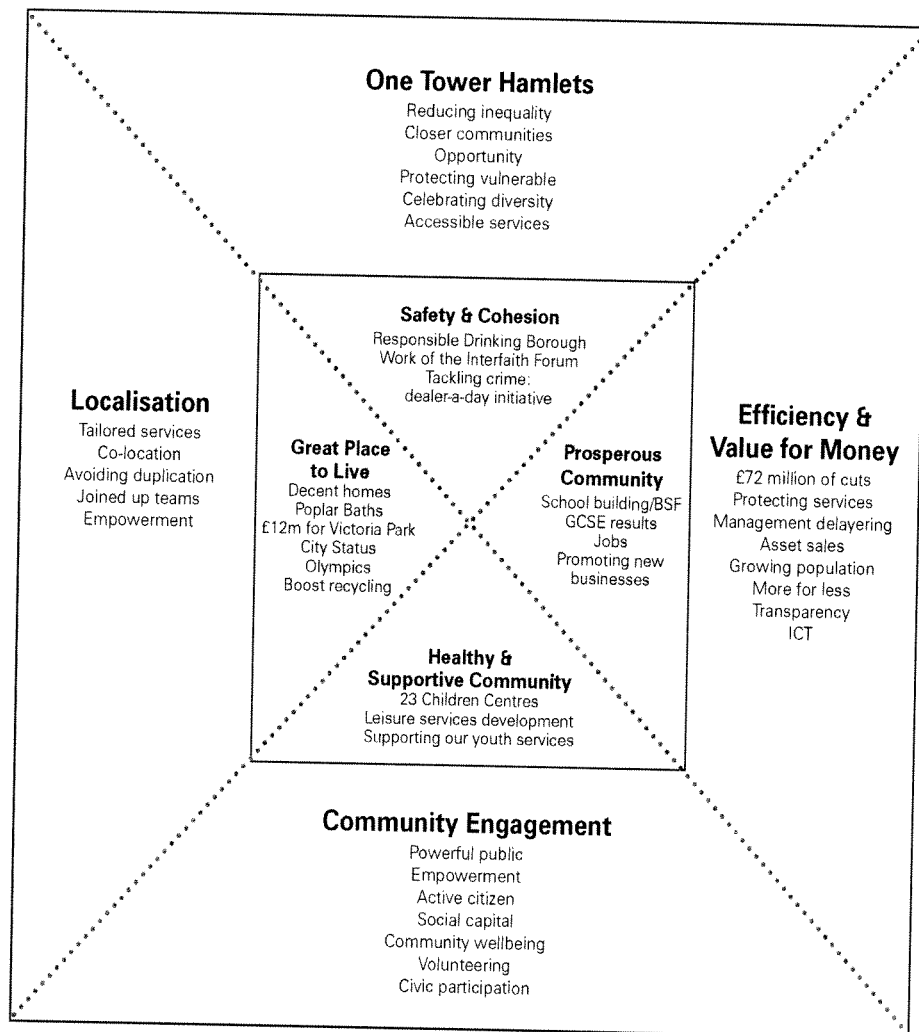
- 6.4 One of the key features of many of the London Boroughs listed above is the nature of the local newspaper market. Some boroughs moved to a fortnightly format relatively recently as their weekly commercial paper either did not have the circulation figures to justify advertising expenditure or they did not have the editorial space to carry information about council services.
- 6.5 A benchmarking report published by LGIU in May 2011 examined trends in council publications. Approximately a third of councils are proposing to cut the number of editions.
- 6.6 Looking at the detail of the report it is clear that East End Life is the most successful in terms of raising external revenue. In terms of cost per head of population as it is a weekly publication the cost comes out at approximately 98p per head of population. However in terms of cost per copy of the paper East End Life compares favourably at its current level of 4.3p per copy.
- 6.7 The options analysis at section 13 seeks to bring this figure down even further.

7. Purpose and goals of East End Life: A revised Editorial Policy

- 7.1 *East End Life* editorial policy was last updated in January 2007 as part of a wide-ranging cabinet report. In the light of the new Code of Recommended Practice it is appropriate that the policy be updated.
- 7.2 The updated editorial policy is attached as Appendix 4.
- 7.3 The policy seeks to embed the seven principles outlined in the new Code and to update the policy in light of the new mayoral system. Throughout the new Code and particularly in paragraphs 31 and 32 councils are encouraged to 'influence the attitudes of local people in relation to matters of health, safety, crime prevention, race relations, equality, diversity and community issues'.
- 7.4 The council is currently consulting on a final draft of the updated Community Plan but at its heart are five core themes:-
- A Great Place to Live
 - A Prosperous Community
 - A Safe and Cohesive Community
 - A Healthy and Supportive Community
 - One Tower Hamlets.
- 7.5 These Community Plan themes are not static or uni-directional. They require input and action from the residents of the borough. *East End Life* plays a major part in highlighting these strategic themes and seeks to support community efforts in building social cohesion.
- 7.6 Evidence that *East End Life* plays a role in this comes from successive annual resident surveys which demonstrate a linkage between feeling informed, satisfaction and readership of *East End Life*. LGA analysis of the Place survey data has also found linkages between satisfaction and feeling informed about council activities and services.
- 7.7 In 2010-11 a major campaign was launched to promote council activity on combating crime and anti-social behaviour. The January 2011 annual residents' survey reported a 4 point fall in concern about crime. Whilst it is impossible to directly attribute one event to the other it is likely the public were better informed about efforts to tackle crime including projects such as the 'Dealer-a-Day' initiative.
- 7.8 The Harmony pages in *East End Life* provide a valuable source of information to those residents with little or no English. It allows the council and the wider community to send messages to all sections of the community. If these pages were to be discontinued the council would need to think about how it could reach these groups via alternative routes.
- 7.9 The April 2009 Equalities Impact Assessment process into *East End Life* examined the role the paper plays in supporting the Community Plan goals of improving access to services, tackling inequality and promoting health. If the review were to recommend a change in frequency of publication or abolition a detailed EqIA would need to be completed to ascertain exactly the impact of removing this source of information as well as exploring mitigating actions.
- 7.10 The Council has recently published an Employment strategy to help stimulate a reduction in unemployment and support an entrepreneurial culture. *East End Life* often carries case studies of residents who have gained new skills or set up new businesses. Without *East End Life* alternative means of promulgating such attitudinal shifts would need to be found.

- 7.11 The next few years will involve a shift in the delivery of benefits as a result of central government welfare reforms. *East End Life* would be a key mechanism to support residents through that change.
- 7.12 The independent ICM surveys also show that proportionately more older White and Bengali residents read *East End Life*. This represents a significant proportion of the population and it is doubtful this group could easily find information through online routes.
- 7.13 Following the Council budget meetings in March 2011 East End Life included comment from each of the main parties. As a matter of course this approach should continue where practicable and at the discretion of the editor.
- 7.14 The Editor continues to have day-to-day control over the content of the publication and this is overseen by the Service Head for Communications and Marketing in a managing editor type role. Legal support is provided as required by the Assistant Chief Executive.

Interaction between Community Plan themes and examples of news/feature items to promote in East End Life



8. Financial Model and Performance of East End Life

- 8.1 The financial model for East End Life has been built upon the direct costs being met as far as possible by advertising income. Cost benefit analyses set out in previous reports identified that even if advertising income does not cover costs 100% it was still more cost-effective for the council to support East End Life. An updated cost benefit analysis exercise has been conducted using 2009-10 figures with the findings presented at section 9.
- 8.2 The 2010-11 full year gross budget book costs for East End Life amount to approximately £1.48m. The figures are set out below:-

Item	Cost
Staff costs (15.9 FTE)	£689,484
Print	£350,000
Distribution	£350,000
Ad design	£35,000
Freelance edit	£25,000
Talking EEL	£15,000
Other costs	£5,000
ABC (circulation verification)	£4,000
Pagesuite	£4,000
Transport	£2,000
Total	£1,479,484

- 8.3 The communications service underwent a restructure in January 2011 and the salary costs within the East End Life operation reduced considerably to £432,599 (8.9 FTE). Other costs also came in under budget and the actual cost of East End Life in 2010-11 was £1.34m.
- 8.4 Advertising income has been broadly flat over the last five years. Whilst it is true that the recession had an impact on advertising sales it is also true that the pattern of advertising has shifted so it is difficult to draw simple conclusions.

Year	Advertising Income
2006/07	£1.01m
2007/08	£1.22m
2008/09	£1.43m
2009/10	£1.16m
2010/11	£1.05m
Average	£1.17m

8.5 The level of council support since 2005/6 is set out in the table below.

Year	Budgeted cost	Actual cost	Variance	Cumulative total against budget
2005/06	£333,000	£347,645	(£14,645)	(£14,645)
2006/07	£332,814	£263,794	-£69,020	-£54,375
2007/08	£339,000	£304,578	-£34,422	-£88,797
2008/09	£348,680	£118,551	-£230,129	-£318,936
2009/10	£348,200	£344,597	-£3,603	-£322,529
2010/11	£285,850	£230,574	-£55,276	-£377,805

- 8.6 East End Life has cost the council an average of £268k per year since 2005/06. The figures are derived from the general ledger end of year outturn.
- 8.7 There has been some debate about what constitutes a cost for East End Life. The review has used the costs identified and measured against the budget book projections each year. This is then netted off against income and verified at the end of each financial year.
- 8.8 In calculating costs account is not taken of corporate recharges (i.e. IT, accommodation and other corporate overheads) as these would not be saved even if EEL were closed. Equally staff who primarily produce content for the council website or for the media that is then used in East End Life do not form part of our direct costs for the publication. This activity would also continue if EEL were to be closed and as such could not be classified as a potential saving for the purposes of this review.
- 8.9 There are currently 8.9 full time equivalent staff working on the publication. Salaries are higher than in the local/regional commercial newspaper sector – this is a positive as the council is committed to paying a living wage.
- 8.10 East End Life is printed using a multi-council print framework agreement which was first awarded to Trinity Mirror in 2005 following a competitive tender process. It is designed to be flexible to take account of changing circumstances. This works both ways as the contract allows for cost increases associated with world paper supplies. The contract was again won by Trinity Mirror in 2009. The contract runs until 2013.
- 8.11 Distribution is currently managed by The Distribution Company on a rolling agreement as the original contract has run its course. This contract is worth up to £350k per year. Given the elections in 2010 the council suspended the tender process but will restart this once a decision has been made on East End Life's future.
- 8.12 Given the scale of government cuts to the Council's budget, on March 8th 2011 Council agreed to reduce the budget for East End Life by £200k. This review will attempt to identify ways of reducing cost to the council by aiming for a zero based budget for East End Life in 2012-13. Proposals for meeting the £200k saving are contained within the options presented at section 13.
- 8.13 A zero budget had been anticipated in the original 2013-14 East End Life business plan but this did not involve a significant lowering of cost but rather an increase in advertising revenue. Recent revenue performance has been flat at around £1.1m and it would be prudent to set estimates at this level – although this is not without risk partly due to the uncertainty of the advertising market itself and the pressure on council advertising practice.

- 8.14 East End Life's revenue comes from two distinct routes – internal and external income.
- 8.15 Internal income (representing 48% of the total in 2010-11) is split into three broad areas – public notices (22% of total income in 2010-11), Housing Choices (14.5% of total income in 2010-11) and general marketing/adverts (11.8% of total income in 2010-11).
- 8.16 Whereas in previous years job adverts had formed a considerable proportion of income (14.4% of total income in 2007-08 and top advertiser) by 2010-11 this had fallen to less than 2 per cent (8th ranked advertiser). It is clear therefore that this income has been successfully replaced as the overall income stream has remained largely flat over the last few years.

9. Price Comparison Exercise

- 9.1 An updated price comparison exercise was conducted to identify how much it would cost the council to advertise in a basket of local printed media.
- 9.2 The analysis provides costs for using all the media as there is no single mass circulation alternative to East End Life. The tables provide for using all media or a range of permutations to try to mirror the impact of mass circulation.
- 9.3 Council spend in East End Life is calculated by single column centimetres (scc) for the period 2009-10 and then compared with the equivalent scc in other local media.
- 9.4 The difficulty in our local media market place is in identifying and verifying the readership levels within the borough. For instance the ELA no longer use ABC to audit circulation with the last known figures published in mid-2010 which showed circulation at around 6,700 copies.
- 9.5 The local Bengali media are geared towards a wider national and international audience even though they are based in Tower Hamlets. In addition none of these publications are audited independently so it is difficult to ascertain a figure for value for money. As a proxy for ABC circulation figures we have used invoices citing the print run of each publication. This actually increases the challenge to the cost effectiveness for East End Life as a print run is rarely its full circulation figure.
- 9.6 Appendix 6 sets out the full details of the analysis.
- 9.7 The figures demonstrate that even in a straight comparison with only one generic news outlet (the East London Advertiser) it would cost £635,007 more to advertise than in East End Life. For a basket of publications the cost difference rises to £2.1m.
- 9.8 None of the publications has audited circulation and even with self-reported figures the total reach is short of that achieved by East End Life – whose circulation is audited.

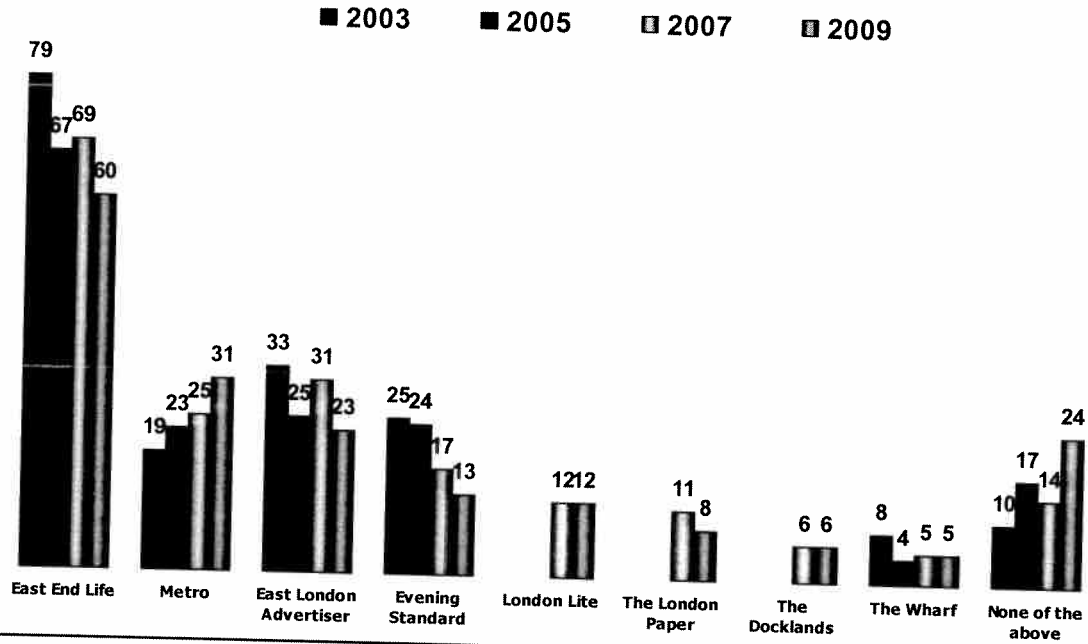
10. A new advertising action plan

- 10.1 Given that East End Life's external income has been flat over the last few years and public sector marketing is likely to enter a period of decline, it is important to consider the viability of the current approach to raising income.
- 10.2 For this reason East End Life should produce an advertising action plan to provide a framework for daily and weekly activity.
- 10.3 This plan will allow for better monitoring and review of financial performance so that sales tactics can be adjusted to meet targets.
- 10.4 The action plan will include a review of the existing customer base to encourage longer term bookings for East End Life.
- 10.5 For the time being public and statutory notices by law have to be advertised in a newspaper. A newspaper is defined as publishing more than once every 26 days.
- 10.6 In terms of reach it is clear that East End Life has the highest levels of circulation of all local media. Successive ICM surveys have for instance identified that 30% of readers view public notices (2009) in East End Life. If the council were to use a minimalist interpretation of the law it could advertise in the smallest circulation title and still be compliant. However there could be question marks about the ethics of restricting access to such information at a time when the borough is undergoing considerable change to its infrastructure.
- 10.7 Reliance on public notices makes the income stream vulnerable and it is imperative that East End Life continue to diversify and expand its external income streams.
- 10.8 To this end the review recommends that the advertising sales team identify and collate information from within the council about new businesses and organisations.
- 10.9 The advertising team should update its media pack to provide a welcome to East End Life and what it can offer. In addition it should work more closely with the inward investment and procurement teams within the borough and join with them on any marketing events being planned.
- 10.10 The new advertising action plan must be produced and operational by the end of August 2011.

11. Public perception and readership of East End Life

11.1 Since 2003 the Council has commissioned four independent (ICM) surveys into how *East End Life* is perceived by residents of the borough. Whilst the survey shows a decline in readership since 2003 it is still read regularly by 60% of respondents. It is also the most widely read of all local print media.

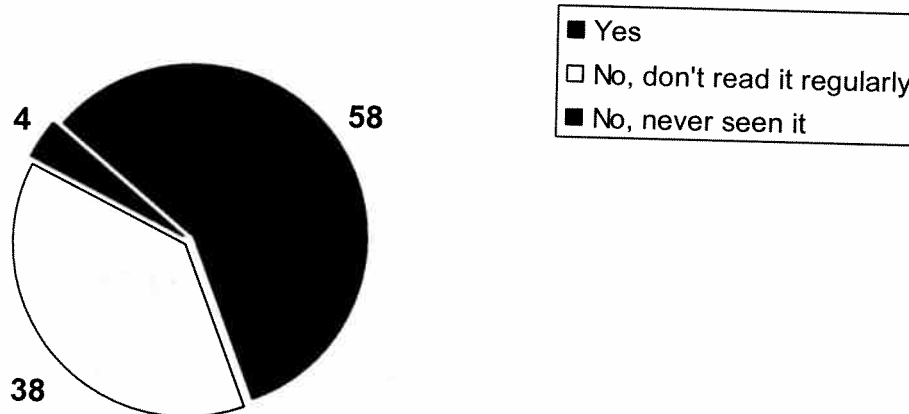
Local newspapers read regularly



Q3. Thinking about local newspapers you read, which of these, if any, do you read regularly?
 Base: All respondents (1,426)

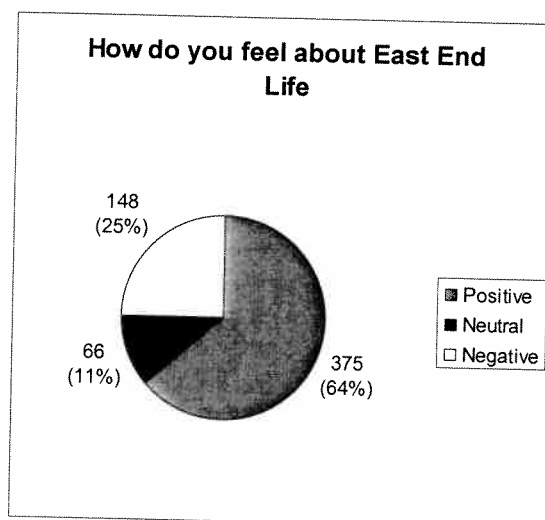
eastendlife

11.2 The January 2011 residents' survey conducted by TNS also shows readership levels at about the 60% mark.

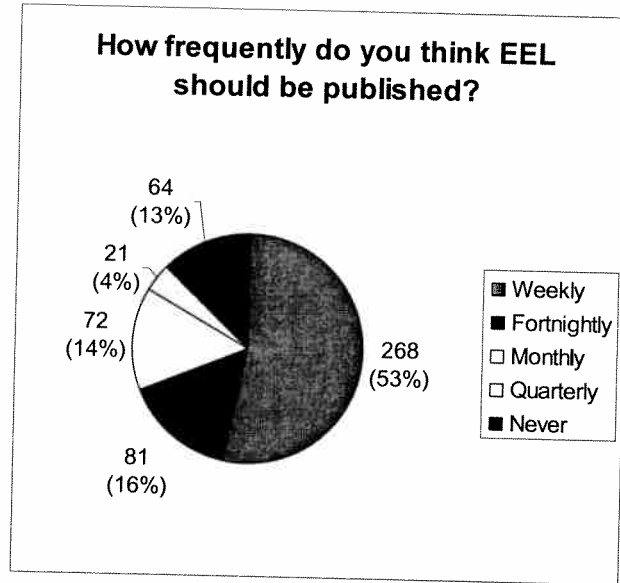


Source: Q11 you read the newspaper 'East End Life' regularly? By which I mean at least three weeks out of four on average. (1150)

- 11.3 The surveys also showed that proportionately more Bengali and older White residents read East End Life. Given our equalities duty and the goals of our Community Plan this potentially has a bearing on decisions regarding the future of East End Life.
- 11.4 The review panel sought the views of the public through a consultation exercise. The following responses were received through the following routes:
- Open response 108
 - Online Survey 444
 - Councillor workshop 7
 - Advertiser survey 14
 - My.TH survey 51
- Total 624**
- 11.5 Initially, the review was publicised through articles in East End Life and through the Council website. Readers were asked to submit their thoughts regarding the future of the newspaper by either e-mailing them to us directly or by completing an online form available through the website. It was also possible to write a letter and send it to us. In total, 108 people did so.
- 11.6 A simple survey was developed and placed online. Links to this survey were placed on the homepage of the Council website, on the homepage of the choice based lettings website and placed on our social media channels, including Twitter and Facebook. The link was also sent out to third sector organisations and local schools. In total 444 people took part in this survey, from a wide variety of backgrounds.
- 11.7 The Communications service ran two Members workshops. These sessions were attended by seven councillors (three Labour and four Conservative).
- 11.8 A short survey was sent out to all of the local businesses who advertise through EEL, asking them their views and how potential changes to the frequency of the paper might affect their business plans. 14 responses were received to this survey.
- 11.9 Towards the end of the consultation, the new My.TowerHamlets (My.TH) service became available for use. The same survey developed for Survey Monkey was uploaded to the My.TH system and was completed by 51 participants.
- 11.10 When combining results from all of these different methods of consultation, 72% of respondents felt positively about East End Life, with 28% expressing a negative opinion.

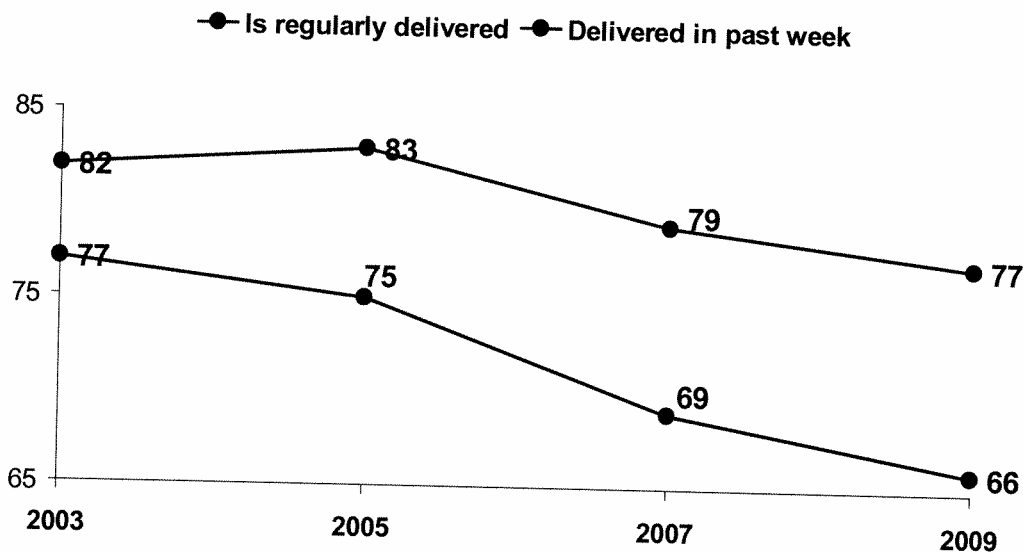


11.11 Over half (53%) of respondents would like to see East End life continue as a weekly publication, with almost 1 in 6 (16%) preferring a fortnightly edition. 4% would like to see publication limited to quarterly, with 13% wishing to see East End Life abolished entirely.



11.12 The delivery of East End Life also seems to be an issue for residents but it is a trend that has been increasing in prominence in recent years:

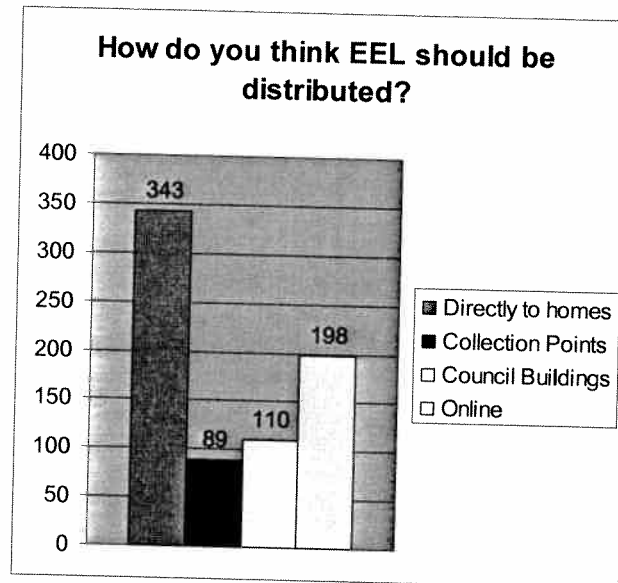
Delivery of East End Life



Q7. Is East End Life delivered regularly to your door each week? By regularly, I mean at least three weeks out of four on average?
 Q8. Has it been delivered in the past week?
 Base: All Tower Hamlets residents aged 18+ (1,426), interviewed face-to-face between 28th June and 31st July 2009

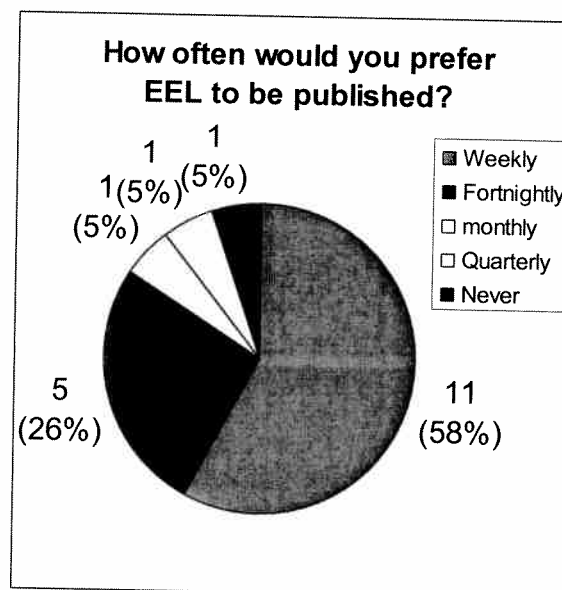
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- 11.13 Residents were also asked about their preferred method of delivery. The preferred method of distribution remains delivery directly to homes in the borough, followed by an online version being made available.



- 11.14 Responses received via open text were 70% positive about East End Life and wanted it to continue in its current weekly format. Some praised the role it played in promoting the Community Plan theme of One Tower Hamlets:
- “I think it is a valuable tool for strengthening Tower Hamlets as an inclusive and diverse community.”
 - “When one of our projects is featured the participants, children and adults, are very proud to see themselves in the paper and know that all their friends will see it too.”
- 11.15 Many respondents were aware of the need to make financial savings in the current local government climate, and felt that a reduction in frequency may be worth considering. The most common frequency cited was fortnightly, with 18.5% feeling this was a suitable option.
- 11.16 Although 27% of respondents expressed a negative view of EEL, many of these expressed an issue with the distribution of the paper rather than a concern regarding content. Typical points raised included moving all content online to enable news to be sent directly to readers, or working to ensure that home delivery was successful every time.
- “You have a website, please use it.”
 - “Unless the distribution can be organized much better then I think East End Life should be stopped.”
- 11.17 Over the course of the two member sessions, seven Councillors discussed their thoughts on the future of East End Life. It was felt that EEL has had successful history publishing local news to the wider community, and has been especially successful at promoting the work of schools.
- 11.18 Some members were very concerned at the impact of the new code produced by Eric Pickles, which offers guidance on how local authorities should communicate with their residents. It was felt that there may be potential legal

- issues to be faced should no changes be made, and that change may be forced upon the borough.
- 11.19 There was concern raised over the effectiveness of the current delivery mechanisms, with incidents being mentioned of households not receiving EEL regularly or in some cases at all. However, it was also discussed that the current readership of EEL is significantly higher than that of alternative local newspapers, which themselves are known to have limited circulation.
- 11.20 It was suggested that all non-essential content, such as TV listings and reviews, be removed in order to be seen to be cutting back on the scope of the paper. Many of these were said to be produced by private newspapers and should not be a part of a Council newspaper.
- 11.21 Solutions from councillors ranged from abolition to making the current service more efficient.
- 11.22 Fourteen advertisers responded and when asked "How often would you prefer EEL to be published?" 84.6% expressed a desire to see it continue to be delivered on a weekly basis. One participant felt that EEL should be abolished, another felt it should become a quarterly publication whilst a third felt a monthly edition would be more suitable.
- 11.23 72.7% felt that changing EEL's frequency would adversely affect their businesses' ability to communicate with customers, whilst 18.2% felt that no difference would be made.
- "We have tried most of these publications and do not get the kind of response we get from EEL. So we would not be using any of them."
 - "The replacements are all inferior and do not reach our target market as closely as EEL does"
 - "I am and have always been very happy with the East End Life for both as an advertising medium and as a local informational news paper. I would be very unhappy to see the loss of this within the community as it highlights all of the community from schools to elderly people and has much of interest and information."



12. Analysis of the local media environment

- 12.1 The council has a strong relationship with the local media and all outlets regularly cover council activities and press releases.
- 12.2 The impact of council publications on commercial local papers has been the subject of much discussion. Given that in 2010 there were 11 weekly or fortnightly council freesheets it is difficult to blame the evident decline in circulation of paid for locals on council publications across the country.
- 12.3 Whilst it is beyond the scope of this review to examine this question in detail it is of interest because, even if East End Life were to close, the question arises as to whether local commercial papers would be able to fill the gap and reach significant numbers of the population.
- 12.4 A recent select committee report finds little evidence to blame council publications for what many would describe as a structural shift in the news consumption patterns of the public.
- 12.5 The *Press Gazette* reported in February 2011 that 90 per cent of paid for weekly local and regional titles recorded year on year falls in circulation.
- 12.6 The trend is of course evident in East End Life as information consumption patterns shift away from printed media to electronic. However given the nature of East End Life's readership this decline is less marked than in other titles. This is covered in more detail in section 11.
- 12.7 The 2007 Cabinet report segmented the local print media into generic local print media (the ELA, The Wharf, Tower Hamlets Recorder and The Docklands) and national Bangladeshi print media published locally (Surma, Janamot, Notun Din, Potrika, Bangla Mirror, Euro Bangla); and other print media including Somali Eye.
- 12.8 The broadcast media can be split into radio and television. TV specific to local south Asian communities includes Channel S, Bangla TV, Vectone, Zee TV and others. Radio media has a more limited local angle with a 'Bangla' programme on the BME community station Sunrise Radio, Somali Voice, Bangla Radio, and the annual Radio Ramadan. There are, of course, a plethora of other TV channels and regional radio stations which local people may watch or listen to.
- 12.9 The generic local print media are divided into two media owners. Trinity Mirror plc publishes The Wharf and The Archant Group publishes the following newspapers as part of the East London series of titles:
- The East London Advertiser
 - The Docklands
 - Hackney Gazette
 - Newham Recorder
 - Stratford and Newham Express.
- 12.10 When Archant sought to increase its ownership locally, EEL was seen by the Competition Commission as being one of a few newspapers imposing a degree of competitive constraint on the dominant Archant titles.
- 12.11 Council publications are not immune from the change patterns in media consumption. Since 2003 the weekly readership of EEL amongst Tower Hamlets residents has declined from 79% to 60% in 2009 (ICM 2003 and 2009) and to 58% in 2010 (TNS annual residents survey 2010).

- 12.12 It is important to note that whilst EEL's residents' readership has dropped by 25% over six years so have nearly all national, regional and local newspaper readerships. From 2003 to 2009 in Tower Hamlets the East London Advertiser has lost a third of its readership down from 33% to 23%, The Evening Standard halved its readership from 25% to 13% (although since going free this is reversing), The Wharf dropped 38% from 8% to 5%, The Docklands remained flat at 6% and the Metro has bucked the trend to increase its readership by a quarter from 19% up to 31%.
- 12.13 Among the Bangladeshi community there has been a similar loss of readership of Bangladeshi papers from 2005 to 2009. Bangla Mirror lost nearly half its readers down from 15% to 9%, Weekly Bangladesh down 38% from 8% to 5%, Surma down 57% to 3%, Euro Bangla down 40% from 5% to 3%, Bangla Post down 14% from 7% to 6% and the rest of the Bangladeshi papers scoring an insignificant readership.
- 12.14 Relatively new entrant London Bangla has achieved an 8% readership. However looking at the 2009 data the Bangladeshi TV stations all performed strongly; with Bangla TV doubling its viewers in Tower Hamlets from 26% in 2003 to 50% in 2009, Channel S has also done well more than doubling its viewers from 15% to 35%, and a 400% increase for ATN Bangla from 5% to 22%, and a 500% increase for NTV from 4% to 20%. The UK edition of Al Jazeera achieves a reach of 14% reach.

13. East End Life Options analysis

13.1 Option 1: Continuation of weekly title

This model loses the three TV pages, deletes a post, and reduces to a 36 page paper to absorb the £200K saving.

Staff* = £409K
 Print = £270K (inc 2010 paper cost increases) 36pp
 Distribution = £350K
 Ad design = £35K
 Freelance edit = £25K
 Talking EEL = £15K
 Other costs = £5K
 ABC = £5K
 Pagesuite = £4K
 Transport = £2K
£1,120K = £22.4K per issue

* Current reduced staff numbers minus one

Income - £1,120k (needs to increase by 60k on 2010-11 performance)

Expenditure - £1,120K

Net cost = 0 = 0p per copy

Cost per copy calculated upon 99,000 copies x 50 issues per annum = 4,950,000 copies per annum. Population estimated at 234,000 (2009 estimated figures).

13.2 Option 2: Fortnightly title

This model loses the three TV pages, deletes a post, merges the editorial roles, and reduces to a 36 page paper to absorb the £200K saving.

Staff* = £295K
 Print = £135K (inc 2010 paper cost increases)
 Distribution = £175K
 Ad design = £25K
 Freelance edit = £15K
 Talking EEL = £7.5K
 Other costs = £5K (no more PA costs for TV etc)
 ABC = £5K
 Transport = £2K
£664.5K = £26.5K per issue

*Staff costs (inc on-costs)

7 FTE

Expenditure = £664.5K

Income = £589K (55%) retained on 2011/12 projection

Net cost = £75.5K = 3.1p per copy or 32p per head of population per annum

Cost per copy calculated upon 99,000 copies x 25 issues per annum = 2,475,000 copies per annum. Population estimated at 234,000 (2009 estimated figures).

Note: Three posts are deleted and replaced by one new post.

13.3 Option 3: Monthly

Staff* = £95K

Print = £65K (inc 2010 paper cost increases) 36pp

Distribution = £84K

Production design = £21K (Tower Design)

Ad design = £9K

Freelance edit = £10.5K

Talking EEL = £3.5K

Other costs = £3K

Transport = £1K

£292K = £26K per issue

* Two FTE

Expenditure = £292K – 40pp x 99,000 copies

Income = £268K – 25% retained income projection

Net Cost = £24K = 2p per copy or 10p per head of population per annum

Cost per copy calculated upon 99,000 copies x 12 issues per annum = 1,188,000 copies per annum. Population estimated at 234,000 (2009 estimated figures).

13.4 Option 4: Quarterly

The quarterly model is the government's preferred option. It presumes that much of our statutory notices and housing options advertising would be delivered via the commercial sector or online, where legally possible.

Staff* = £38K

Print = £28K (inc paper cost increases) 40pp – no 'Get A Life'

Distribution = £28K

Production design = £7K (Tower Design)

Ad design = £2K

Freelance edit = £3K

Other costs = £1K

Transport = £.5K

£107.5K = £26.88K per issue

* 0.8 FTE

Expenditure = £107.5K – 40pp x 99,000 copies

Income = £56K – 5% retained advertising income projection

Net Cost = £51.5K = 13p per copy or 22p per head of population per annum

Cost per copy calculated upon 99,000 copies x 4 issues per annum = 396,000 copies per annum. Population estimated at 234,000 (2009 estimated figures).

Additional costs:

Statutory notices = £215k

Housing Choices = £156k

13.5 Option 5: Closure of East End Life

This option would save the £230k loss incurred for 2010-11 but there are increased additional costs associated with replacement publicity. Identifying these costs depends on which basket of commercial publications the Council chooses to advertise in. A range of estimates are provided in Appendix 6.

The legal requirement is to publish statutory notices in a 'newspaper' and it does not specify a minimum circulation. In 2010-11 the council spent £228k on statutory notices and £170k on Housing Choice. Purchasing these in the commercial sector would increase costs significantly if we wished to achieve the same contact rate achieved through East End Life.

The cost of closure of East End Life would need to factor in one off redundancy costs for a team of nine which is estimated at circa £300k.

Net replacement cost = estimated at between £600k and £2.1million

14. Options not developed further

- 14.1 The question of setting up an Arms Length Management Organisation was considered briefly by the review team. The financial and legal complexities of this option and the lack of effective comparator models meant that the review panel could not invest a great deal of time taking this option further.
- 14.2 The outsourced model pursued by Hammersmith and Fulham, or a variant of it, was not explored partly because of a lack of data and partly because of the lack of a viable free and mass circulation paper.
- 14.3 Another option could have been to produce a mainly digital edition and produce fewer printed copies which are delivered via council workers in the course of their duties and also to the 480 drop off points. The difficulty with this option was that even those respondents to our survey who responded online (the vast majority) only a minority wanted an online only version.

15. East End Life in the Digital Era

- 15.1 Like many local authorities Tower Hamlets is approaching the issue of reduced resources by looking at ways of increasing efficiency and considering a move to a more self-service model utilising technology where possible.
- 15.2 This process is only just starting and it is too early to say what impact this might have on resident preferences in terms of accessing information. A pragmatic approach would be to stimulate access to information and key community interest messages online but only consider switching once a critical mass was accessing information in this way.
- 15.3 The use of My.TowerHamlets will provide useful benchmark data of early travel in this direction but this news distribution and survey tool has not even been formally marketed to residents. It will be a year before useful data can be analysed.
- 15.4 Research studies into consumer behaviour have shown that patterns of consumption of information can be mixed. For instance people might want to view a paper catalogue but they then might make a purchase online. This could explain the preferences of the 80 per cent Housing Choices residents who find the property they wish to bid for in the pages of East End Life but then bid online.

16. Conclusions and Recommendations

- 16.1 The Code of Recommended Practice on Local Authority Publicity requires local authorities to have regard to the principles contained within it. There are seven key principles and no indication of the weighting that should be applied between each principle. It is for local authorities to ensure that all these considerations are taken into account when reaching a decision.
- 16.2 It is recommended that Cabinet resolves that adherence to the tenets of the Code of Recommended Practice on Local Authority Publicity be made explicitly a cornerstone of the editorial policy. See Appendix 4 for more detailed consideration.
- 16.3 This Review Report sets out a number of factors that have influenced the recommendation to continue to publish *East End Life* weekly.
- 16.4 In particular less frequent publication would oblige the Council to publish statutory notices in other newspapers, at additional cost to the Council. It would also reduce the effectiveness of *East End Life* as a means of communicating with those residents who are dependent on Council services and who are less likely to have access to the internet.
- 16.5 As the most widely-read local newspaper including material in Bengali, and the only one containing material in Somali, reduced publication could deprive certain sections of the community of an important source of timely information about public services.
- 16.6 When discussing the recommendations the review panel considered the following factors which they rated as the main issues in seeking to achieve a balance between value for money and keeping residents informed:
- the lack of cost-effective alternatives with sufficient reach for statutory notices and Housing Options
 - the need to communicate with residents about changes to service provision, transport disruption and events in the run up to the London 2012 Olympics
 - the need to keep residents informed about service provision
 - the lack of a significant mass circulation alternative for community news and for delivering community plan priorities such as:
 - Supporting residents through welfare reform
 - Fostering enterprise and entrepreneurship
 - Reducing fear of crime
 - Fostering greater community cohesion
 - Helping people to live healthier lives
 - the ability of residents in Tower Hamlets to get access to a PC.
- 16.7 The panel also considered the weight of views from residents which was in favour of saving money but also strongly in favour of keeping a weekly council publication.
- 16.8 In addition the following value for money factors suggest improving the current weekly format provides the optimum balance between cost effectiveness and the need to keep people informed:
- the findings of the latest price comparison exercise;
 - the lack of a costed commercial alternative (i.e. similar to the Hammersmith and Fulham model) from local media despite initial enquiries being made;

- options involving a significant reduction in publication frequency are not cheaper due to the impact on advertising income and the cost of replacement in a commercial title.
- 16.9 Given the factors at 16.6 above, the need to deliver the Council's Community plan and the weight of consultation evidence the review is minded to recommend the reduced weekly model (option 1 on page 30) with no net cost to the council.
- 16.10 In pursuing option 1 the following recommendations are made:-
- 16.10.1 East End Life staffing arrangements including the £200k budget reduction agreed by council on 8th March 2011 should be conducted through the forthcoming phase 2 communications restructure.
- 16.10.2 Further savings on top of a reduction in posts to include:-
- Discontinue TV listings at a saving of £15k;
 - Experiment with reducing the number of editions from 50 to 48 by producing amalgamated editions;
 - Reduce the number of pages to 36 unless there is a significant boost from advertising prospects that week.
 - Discontinue the Get A Life supplements unless it is paid for in advertising and that week's paper has also broken even.
- 16.10.3 The appended revised editorial and advertising policies to be agreed.
- 16.10.4 East End Life to have a redesign to further differentiate it from commercial papers.
- 16.10.5 By December 2011 East End Life should have a pagesuite version available to encourage online usage. This will provide data on the most popular sections and will help drive forward a programme of online engagement.
- 16.10.6 The council to promote online access to information (including via My TowerHamlets) and to monitor progress such that when the majority of East End Life readers access material online a decision can be made on reducing the publication's print run.
- 16.10.7 To overhaul the existing advertising strategy to ensure new and existing businesses and community organisations in the borough understand East End Life's offer.
- 16.10.8 That all council directorates continue to use East End Life as the primary outlet for its marketing and advertising needs and for its public and statutory notices.

Appendix 2: East End Life Review Terms of Reference January 2011

1. Introduction

At a meeting of the Council's Cabinet on 12th January 2011, Mayor Lutfur Rahman asked officers to conduct a review into the future of East End Life:-

"I have asked officers to draw up a full range of options for the future of East End Life. East End Life helps the Council fulfil its duty to communicate with residents and many rely on it for information on lettings. But in these tough times we need to be sure that all our services are providing value for money. So I promise to scrutinise all the options carefully, and in consultation with members, the public and other stakeholders to ensure an outcome that makes the necessary savings but still meets the requirement to keep residents up to date with what the Council is doing."

2. Guiding Principles

The review will apply the following as guiding principles for its work:-

- Value for money including a cost benefit analysis
- Community plan themes and the mayor's priorities
- Views of residents, and their usage of East End Life, will be a key consideration
- Statutory functions
- Duty to promote services, health, social cohesion, crime prevention and racial, sexual, gender and disability equality
- Ensuring that all residents have access to information about services and public/statutory notices.

3. Specific elements to be examined

- Brief history, context and role of East End Life
- Developments since the 2007 Cabinet report on East End Life
- Statutory and regulatory framework including the pending publication of the Code of Recommended Practice on Local Authority Publicity
- Desktop comparative evaluation of other local authorities approach to Council publications
- Views of residents, members, partner agencies and stakeholders
- Editorial approach including advertising guidelines
- Role of East End Life in the digital era
 - Residents use of social media and mobile technology
- Development and exploration of different options for the future of East End Life including exploration of format, content and frequency
- Finances
 - The financial model including the balance of internal and external advertising
 - Costs of running East End Life since 2006/07
 - Impact on financial and advertising model of different options.

4. Membership of the review

The review will be sponsored by Chief Executive, Kevan Collins and chaired by the Service Head for Communications and Marketing, Takki Sulaiman. Representation will be drawn from Legal Services, Finance and Service Heads from key service directorates.

Factual and evidential material will also be provided by a range of staff who are involved in the production process of East End Life.

5. Methodology and approach

The review panel will invite submissions from the public, members, partner agencies and other stakeholders. This will take the form of written submissions and some interviews but for members will also include a workshop session. The panel will also seek to use the communications and consultation channels available to the council in order to gauge public opinion on the options for East End Life. This includes, but not exclusively, East End Life itself.

The panel will explore options for best practice with due regard to statute, regulation and value for money. The business model for East End Life will be thoroughly examined and will include an exploration of using alternative routes to publicity and publication of public/statutory notices.

6. Budget

To keep costs to a minimum the review will be conducted predominantly through desktop research and analysis, workshops on council premises and interviews.

7. Timetable and dependencies

The review will commence from February 2011 and will present a final report to the Executive Mayor in April 2011 with submission to cabinet in May 2011. A key dependency is the publication date for the Code of Recommended Practice on Local Authority Publicity.

The schedule is suggested as follows:-

Activity	Date
Invite views on East End Life	January 31st 2011
Two review panel meetings	February 2011
Workshop for members	March 2011
Expected publication of Code of Publicity	March 2011
Final panel meeting	End March 2011
Submission to the Executive Mayor	April 2011
Submission to Cabinet	11th May 2011

Appendix 3: CLG consultation on the new Code of Recommended Practice on Local Authority Publicity – response from London Borough of Tower Hamlets

Introduction

Local authorities deliver a wide range of different services and are well placed to support the conversation about how citizens can play a more active role in local democracy and service delivery and design. The London Borough of Tower Hamlets (LBTH) has a long history of using communication tools to engage and listen to stakeholders and residents. Our recent 'You Decide' campaign is a good example of involving residents in budget-making decisions.

The communication tools we use include working with the local, regional, BME and national media, marketing campaigns, web campaigns, citizen panels and since 1993 a weekly community newspaper East End Life (EEL). The publication is intended for the borough's residents, partners, businesses and stakeholders.

The paper has won a number of awards including:

- 2008 LG Communications, Reputation Awards, Publication Gold Award
- 2004 Excellence in Communications Awards Winner Best Civic Newspaper/Magazine
- 2007 Mayor of London, Local Press Awards, Reporting Asylum
- 2006 Mayor of London, Local Press Awards, Reporting Asylum
- 2005 Mayor of London, Local Press Awards, Reporting Asylum

In 2005 the Idea 'Connecting with Communities' best practice examples highlighted EEL as an example of how local authorities can connect and communicate with their communities. Tower Hamlets has won a number of prestigious Beacon Awards and EEL was highlighted as a significant factor for the council in its appraisal of the following awards:

- Community Cohesion 2003/04
- Getting Closer to Communities 2004/05
- Promoting Racial Equality 2004/5

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?

The seven principles as highlighted in paragraph 4 of the consultation code of recommended practice is generally supported by LBTH. It provides a sufficiently far-reaching yet flexible framework by which to judge the effectiveness of communications activity. There may be issues about how to measure the interaction of the principles if and when they compete. For instance the principle of increasing recycling rates is one shared by central government but paragraph 16 could be construed as preventing positive council run behaviour change campaigns that most of the local population might support.

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

This authority does not necessarily believe there is any nationally consistent evidence that local authority newspapers demonstrate unfair competition. In 2004 the Competition

Commission's report on the acquisition by Archant Limited of Independent News & Media Limited's London newspapers examined the east London newspaper market in considerable depth. The result was that the acquisition was allowed because local authority newspapers in east London did provide some competitive restraint on Archant Limited, which otherwise would itself be dominant in the market.

Many local newspapers already operate in either actual or virtual local monopolies, which are detrimental to market choice and competition for advertisers and readers. Whilst some local papers have ceased publication over the past decade not one has been closed in an area where there is competition by a local authority newspaper. Instead such papers which have closed have been in areas where the local authority does not publish a frequent residents' publication affecting the local newspaper market.

Given that there are only nine local authority publications that publish weekly or fortnightly it would be stretching the argument to blame local authorities for what is probably a structural shift in news consumption amongst the public. This then begs the question, in the absence of a strong local newspaper market, how local authorities can provide news and information on a regular basis to residents and stakeholders.

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

Our response is based on local experience and we would suggest the code should allow for variations based on specific local circumstances. For instance East End Life continues to be the best-read paper in Tower Hamlets, with a weekly 60% readership among all adults, and 71% among all Bangladeshi adults. (ICM Research June 2009).

East End Life is at the core of the council's communications with its residents each week, allowing the council to respond quickly to community issues and provide positive community leadership. East End Life also allows the council to keep residents up to date about both front-line services and long-term plans in a direct personalised dialogue with local people and stakeholders.

Local partners and stakeholders, from the police and fire brigade, to the PCT and hospital trusts, the third sector and local businesses from Canary Wharf to Brick Lane all make full use of East End Life to deliver their message to, and engage with, the people, businesses and organisations in Tower Hamlets. As such EEL is integral to the council and its partners in the Tower Hamlets Partnership (THP) in delivering their Community Plan.

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

LBTH does not make use of lobbyists or stalls at party conferences and as such has no comment on this matter. The vast majority of what could be termed public affairs activity is conducted through local authority associations such as London Councils and the Local Government Association.

10th November 2010

APPENDIX 4

East End Life Objectives and Editorial Policy

(updated May 2011)

Objectives of the council's weekly publication:

- To support the delivery of the council's Community Plan which seeks to:
'Improve the lives of all those living and working in the borough'.
- To communicate the council's policies, Community Plan priorities, initiatives and services including promotion of the Community Plan theme of One Tower Hamlets
- To enhance residents' ability to access local services by providing information about services, meetings, advice and in a language or format which they can access
- To contribute to the elimination of discrimination, the advancement of equality and the fostering of good community relations
- To influence attitudes in relation to supporting healthy lifestyles, crime prevention and fear of crime, race relations, equality, diversity and community cohesion
- To develop a shared sense of identity and promote a positive image of the community and the borough
- To support residents through national and local welfare reform changes
- To promote economic well-being and foster enterprise and entrepreneurship
- To create an understanding of the responsibilities and work of the directly elected mayor, the council and of councillors.

Editorial Policy

The editorial policy sets out the principles and process by which editorial content is decided upon:

- 1) Editorial is defined as news, features, information, anything that is not a paid-for advertisement. Whereas an advert is usually guaranteed a place in a specific issue of the newspaper, copy submitted as news is not.
- 2) East End Life operates within the Code of Recommended Practice on Local Authority Publicity (as amended in March 2011). East End Life will operate according to the seven key principles outlined in the code and incorporated into this editorial policy.
- 3) Discretion over topics covered, style, content and presentation rests with the editor, and in her absence, the deputy editor, with the approval of the head of communications and/or the assistant chief executive.
- 4) Judgments are made within the constraints of all relevant legislation, statutory guidance, regulation and council policy. It includes, but is not limited to, the following:-
 - 4.1 the Local Government Act 1988;
 - 4.2 the Code of Recommended Practice on Local Authority Publicity as issued under section 4 of Local Government Act 1986

- 4.3 All councils have the public sector equality duties from 5th April 2011 by virtue of the Equality Act 2010. These general duties require the council to have due regard to:
- the need to eliminate discrimination,
 - advance equality of opportunity and
 - foster good relations between groups .
- 5) The council has agreed that East End Life should function with professional independence, within the objectives set out above and with the oversight of the head of communications and/or the assistant chief executive.
 - 6) Vetting of stories or features before they are published is impractical on a weekly publication, although standard fact-checking is carried out and a reasonable oversight given when appropriate.
 - 7) East End Life is designed within the style of the corporate identity and has an agreed editorial 'house' style for copy.
 - 8) There is also a recognised photographic content and style in line with editorial policy. Use of pictures is designed to reflect the multi-cultural and diverse nature of the community.
 - 9) Stories are selected on their news value and also the information they give residents about key issues as set out in sections 31 and 32 of the Code of Recommended Practice i.e. the promotion of 'health, safety, crime prevention, race relations, equality, diversity and community issues.'
 - 10) News and information is published on the Harmony pages in Bengali and Somali each week with priority given to council stories.
 - 11) There is no guarantee that an article or feature will appear in a specific issue although content is planned within the framework of a forward plan of features based around the council priorities, agreed with the directorates.
 - 12) Paragraph 20 of the code (as per 2 above) states that it is acceptable to promote the work of individual members of the authority – particularly where the individual is the face of a campaign.
 - 13) No political material is accepted in East End Life. The publicity code (as per 12 above) in paragraphs 6-9 details restrictions on publicity during referenda and paragraphs 33-35 details restrictions on publicity during periods of heightened sensitivity such as elections.
 - 14) In addition to the mayor's fortnightly column, articles may be published giving advice and information on council and other services deemed appropriate to the council's own priorities. Other "guest writers" or councillors, MPs and representatives may also contribute topical columns or comments on specific events and issues where suitable. Publication is at the editor's discretion.
 - 15) Court stories are used where appropriate with details of defendants published in accordance with the law. Reports of anti-social behaviour orders are also published in accordance with the law which allows for juveniles to be named. The council has a policy to name perpetrators.

The Code of Recommended Practice on Local Authority Publicity: compliance with the seven principles

Principle 1 – lawfulness

A number of legal rules relate to local authority publicity, including rules relating to referendums, and material designed to influence people in deciding whether or not to sign a petition relating to an authority's constitutional arrangements. Plainly, publication of East End Life will adhere to legal requirements.

Principle 2 – cost effectiveness

As stated above it is necessary to be able to confirm that consideration has been given to value for money considerations. It can be seen from the East End Life Review that consideration has been given to such considerations. Financial matters are dealt with in particular in sections 8, 9 and 13 of the Review and in section 7 of the June 2011 Cabinet Report. Officers' view is that ample consideration has been given to value for money considerations and that it has been demonstrated that the production of East End Life is and will remain cost effective.

Principle 3 – objectivity

It is necessary to ensure that publicity relating to central government policies and proposals is balanced and factually accurate. It is permissible to set out the authority's views and reasons for holding those views, but the publicity should avoid anything likely to be perceived by readers as constituting a political statement or being a commentary on contentious areas of public policy. Furthermore, publicity regarding the authority's own policies should be objective and fact-based, and should not attempt to persuade members of the public to hold particular views on matters of policy. In this regard, it is important to note that the objectives for East End Life (set out in Appendix 3 of the Review) includes communication of the council's policies, initiatives and successes, and to create an understanding of the work of the council. In other words, it is not editorial policy to be persuasive, merely descriptive.

Principle 3 also involves that paid for advertising must be clearly identified as such and that advertisements for staff recruitment should reflect the political impartiality of local authority staff. By incorporation of the Code into the editorial policy, this will be explicitly achieved.

Principle 4 – even-handedness

This principle requires that in areas of political controversy, publicity should seek to present the opposing arguments fairly. Publicity may explain the work done by individual members of the authority, but must make it clear when the positions of the individual and the authority diverge.

Principle 5 – appropriate use of publicity

The Code states that authorities should not publish newsletters which seek to emulate commercial newspapers in style and content. Publicity should clearly identify itself as a product of the local authority. The Conclusions and Recommendations in section 16 of the Review make it clear that East End Life is to have a redesign to further differentiate it from commercial newspapers. It is not considered that a redesigned East End Life will be confused with a commercial newspaper. It will identifiably be a free-sheet produced and distributed by the local authority.

The Code also recommends that the publicity should not be issued more than quarterly. In this respect, the Cabinet is asked to resolve to depart from the Code for the several reasons set out in the June 2011 cabinet report at sections 3, 4, 7 and 8. It is important to emphasise

the important role that East End Life plays in promotion of equality and community cohesion. This is dealt with at several points in the Review, for example in paragraphs 3.20, 3.26-3.28, 7.5, 7.7 and in the revised Editorial Policy at Appendix 4 of the Review. This important contribution to the promotion of equality and cohesion is in and of itself a significant reason justifying this limited departure from the Code.

Principle 6 – equality and diversity

The Code permits publicity to seek to influence the attitudes of local people in relation to health, safety, crime prevention, race relations, equality, diversity and community issues. Authorities are also to consider how publicity can contribute to the fulfilment of their own public sector equality duties. It is a core principle of East End Life that it should achieve these objectives. For example, the third stated objective is to celebrate the diversity of the borough and to promote racial harmony and community cohesion. It is considered that this principle is strongly promoted by the publication, and indeed by the weekly publication, of East End Life.

Principle 7 – care during periods of sensitivity

By incorporation of the Code into the editorial policy of East End Life, plainly this principle will be observed.

It is considered by officers that, with the limited adjustments to the editorial policy of East End Life, it will promote all of the key principles in the Code. There will be a limited departure from one aspect of the Code in that it will be published more frequently than the Code recommends. However, it is considered that a departure is justified in this case for a series of reasons, including economic, practical, social and in order to promote equality, diversity and social cohesion in the borough.

APPENDIX 5

East End Life Advertising Policy (updated May 2011)

Purpose

Commercial Operations, the in-house sales team for East End Life, accepts internal and external advertising on a commercial basis from customers directly and through their recognised agents.

The aim of this service is to generate revenues, to support a high quality, cost effective medium to reach the majority of the borough's residents. Therefore enabling the council to communicate directly with its residents and helping to achieve delivery of a range of Community Plan themes and priorities.

East End Life has a policy of ethical selling, this means transactions by its sales people will be honest, transparent and professional in all transactions with customers. The paper's ethical policy extends to the categories of business to which it sells advertising space. East End Life does not accept advertisements from any business engaged in the sexual services industry.

Income generated from sales of advertising space in East End Life aims to covers the costs of printing and distribution of the paper, and as much of the staffing costs as possible.

Organic growth on a cost reduction basis

East End Life operates commercially on a cost reduction basis. It aims to reduce costs through organic growth of advertising, which generates increases in income over and above the costs of additional pages required. Where and when revenues do not grow or meet targets the size and scope of the paper is reduced so as to not expose the paper (council) to unnecessary costs, and to maintain cost efficiencies. Unit costs for pagination and print run increases are monitored and advertising rates, targets and 'tipping points' to enable such increases, or further cost reductions are regularly monitored, reviewed, and implemented.

Advertising Rates

Advertising Rates are set with regard to current market conditions locally and nationally. The advertising rates are adjusted when and where applicable so as to maximise income for the council without reducing revenue streams through becoming priced out of the local market place. These are then published with the 'Rate Card', which is made freely available to all advertisers and their agents, and applied transparently.

Discounts and Agency Commission

The Advertising Manager in consultation with the Service Head as required sets any customer discount rates and 'agency commission'. Both of these are then published with the 'Rate Card', which is made freely available to all advertisers and their agents, and applied transparently.

Terms & Conditions of Acceptance of Advertising

East End Life has Terms and Conditions of Acceptance of Advertising (in the process of being updated as at May 2011), cleared by the Council's Legal Service. A copy of this is available to advertisers. These Terms and Conditions of Acceptance of Advertising are regularly reviewed in light of operational and legislative changes.

All advertising is accepted in compliance with the Advertising Standards Authority published Code of Advertising Practice and Sales Promotion. Registered charities may seek an exemption from VAT by completing the relevant VAT exemption form as supplied by the Inland Revenue.

Advertising Confirmation and Cancellation

All advertisements and inserts booked into East End Life must have an auditable 'written' confirmation. This can be done by; customer purchase order, letter, fax, memorandum or e-mail, or on a confirmation form supplied by East End Life.

Advertising agencies may supply verbal confirmation, as this method is industry standard using a named agency person, sometime followed by a verbal or written purchase order number, which all legitimate 'bonded' agencies will honour.

Cancellations of advertising bookings are only accepted in writing giving, verbal cancellations are not accepted. Long term contracts are subject to a notice period, which is notified to the sales customer during negotiations and is clearly displayed on East End Life's booking forms.

Advertising Booking & Copy Deadlines

Advertising booking and copy deadlines are set by the Service Head, in consultation with the editor and production manager of the paper, and are published for sales customers and their agents.

Advertising Rate Card

An advertising rate card is published, and regularly updated containing advertising rates, discounts, mechanical data and other necessary information required by both advertisers and their agents. The advertising rate card is made freely available to both advertisers and their agents. In both paper and electronic format.

Advertising Revenues Pagination Schedules

The Commercial Development Manager, and or the Advertising Manager decide the pagination of the paper each week, in consultation with the Editor, based upon the advertising revenue booked into the paper against the costs for print & reprographics and distribution.

Appendix 6: East End Life – Price comparison FY2009/10

Council spend in East End Life by single column centimetres (scc) for the period 2009/10, and then priced at rate card. Compared with equivalent scc in other local media and also priced at their rate card rates.

	EEL	ELA	London Bangla	Bangla Mirror	Docklands
Recruitment	£ 14.00	£ 36.72	£7.30	£6.00	Incl in ELA
SCC	8,393	12,589	11,190	11,190	Package or
Cost	£ 117,502	£ 462,268	£81,687	£ 67,140	= cost solus
SCC CPT*	£0.13	£0.87	£1.38	£1.09	
Public Notices	£ 14.00	£ 17.33	£7.30	£ 6.00	£ 18.11
SCC	16,786	25,179	22,381	22,381	25,179
Cost	£ 235,004	£ 436,352	£163,381	£ 134,286	£ 455,992
SCC CPT	£0.13	£0.41	£1.38	£1.09	
Run of Paper	£ 7.50	£ 8.00	£7.30	£ 6.00	£ 7.50
SCC	19,754	29,631	26,338	26,338	29,631
Cost	£ 148,155	£ 237,048	£192,267	£158,028	£ 222,232
SCC CPT	£0.07	£0.19	£1.38	£1.09	
TOTALS	£ 500,661	£ 1,135,668	£ 437,335	£359,454	£ 678,224

	ELA	EEL	Cost Difference
Cost	£ 1,135,668	£ 500,661	£ 635,007
Total CPT	£26,848	£4,535	
	ELA & Docklands	EEL	Cost Difference
Cost	£ 1,813,892	£ 500,661	£ 1,313,231
Total CPT	£34,032	£4,535	
	ELA, Docklands and Bangla Mirror	EEL	Cost Difference
Cost	£ 2,173,346	£ 500,661	£ 1,672,685
Total CPT	£36,962	£4,535	
	ELA, Docklands, Bangla Mirror & London Bangla	EEL	Cost Difference
Cost	£ 2,610,681	£ 500,661	£ 2,110,020

All the above are based upon full rate cards costs, but exclude any mark up for colour and special positions which vary from title to title, though please note EEL has no colour mark-up cost as it is printed in full colour throughout. These are therefore indicative of the cost differential between papers, which would remain even if all papers offered incentivised (discounted) rates for volume buying.

The net cost of EEL after all internal & external advertising is £231K per annum (average of 2008/09 - £118K and 2009/10 - £344K)

*CPT – cost per thousand, the advertising industry standard cost weighting of reaching each media's audience per thousand.