

Committee OVERVIEW AND SCRUTINY	Date 6th February, 2007	Classification Unrestricted	Report No.	Agenda Item No. 6.1
Report of: ASSISTANT CHIEF EXECUTIVE		Title: REPORT "CALLED IN" – East End Life Development Options (CAB 120/067)		
Originating Officer(s): Angus Dixon		Ward(s) affected: All		

1. SUMMARY

- 1.1 The attached report of the Assistant Chief Executive, Sara Williams, and Head of Strategic Communications Lead, Lorraine Langham, was considered by the Cabinet on 10th January, 2007 but has been "Called In" for further consideration by Councillors Tim Archer, Phil Briscoe, Emma Jones, Peter Golds and Rupert Eckhardt in accordance with the provisions of Part 4 of the Council's Constitution.

2. RECOMMENDATION

- 2.1 That the Committee consider the contents of the attached report, review the Cabinet's provisional decisions arising and decide whether to accept them or refer the matter back to Cabinet with proposals, together with reasons.

LOCAL GOVERNMENT ACT, 2000 (SECTION 97) LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "background paper"

**Cabinet report (CAB 120/067)
dated 10th January, 2007**

Name and telephone number of holder
and address where open to inspection

**Angus Dixon
020 7364 4850**

3. BACKGROUND

3.1 The attached report of the Assistant Chief Executive, Sara Williams, and Head of Strategic Communications Lead, Lorraine Langham, was considered by the Cabinet on 10th January, 2007. It however has been “Called In” for further consideration by Councillors Tim Archer, Phil Briscoe, Emma Jones, Peter Golds and Rupert Eckhardt, in accordance with the provisions of Part 4 of the Council’s Constitution.

3.2 The Cabinet after considering the attached report provisionally agreed:-

1. That the developments set out in the report (CAB 120/067) be noted and the improvements set out in Option one within Section 8 be implemented immediately; and
2. That the revised editorial and advertising policies attached at Appendix 1 and 2 to the report (CAB 120/067), be noted.

4. THE “CALL IN” REQUISITION

4.1 The reasons advanced in the “Call In” requisition are set out below:-

The Council has been publishing East End Life since 1993 as a free local newspaper providing stories to the people of Tower Hamlets. The size of the publication has increased over the years from 16 pages to the current 44 pages and its published 48 weeks a year.

The report that was placed before the Cabinet was incomplete, misleading and did not give an accurate picture of the performance of East End Life or the effect it is having on the local media sector.

We would highlight the following issues both in relation to the incomplete and misleading nature of the report and also broader issues related to East End Life:

- a) The last cost/benefit analysis carried out was in 2004/5. The figures used in this analysis were used to justify the recommendations in the report. If this was a full and complete review of East End Life in 2006/7, a fresh review of the cost/benefit should have been conducted reflecting the dramatically changing commercial environment and pressures on the Council.
- b) The report makes no reference to the fact that Council Officers are paid up to £50 per week of taxpayers money to conduct restaurant reviews, often taking a “friend” with them. This is an inappropriate use of council taxpayers money and has no bearing on the fulfilment of the Council’s aims and objectives.
- c) The circulation figures provided are at worst highly misleading and at best completely irrelevant. In section 4.2 the report seeks to highlight EEL performance in the context of audited circulation against the Wharf, East London Advertiser, Tower Hamlets Recorder and the Docklands. Of these papers, East End Life (with the exception of Docklands which has limited delivery) is the only one that is delivered free to resident homes – at Council taxpayer expense. To use circulation figures in this way is grossly misleading.
- d) Constantly through the report it refers to residents “choosing” East End Life as their favourite paper. This is blatantly untrue – they do not get a choice as to

whether they receive it. If East End Life wasn't delivered to them, they would "choose" another paper.

- e) Section 6.6 of the report is deeply inappropriate to be included in a Cabinet paper and betrays an underlying motivation in the production of East End Life. It refers to East End Life preventing Archant Group from having a monopoly in the area. It is not for a public authority such as the Council to see its role, nor in fact celebrate its role, in preventing commercial enterprises from achieving greater share. Those are entirely issues for the Competition Commission.
- f) The options summary provided in the report is vague and incomplete. It states:
 - a. "Other options such as changing the format and frequency have been considered and rejected by officers as they would not achieve communications objectives and do not provide value for money"The call-in members consider it impossible for Cabinet to have come to a sound judgement on the future of East End Life without full options being placed before them, including ceasing publication, changing frequency and format.
- g) Recent press reports have highlighted that Majority Group members have received representations from Bangladeshi media on lack of advertising spend by the Council. It is highly inappropriate to see a vague and ill-justified attempt to satisfy this in 7.6 and 7.7. The report states that there are no auditable figures to support further investment but that the Bangladeshi media "appears to punch above its weight". All expenditure by the Council should be based on robust data and represent "value for money" for Council taxpayers. This section leaves, wrongly or rightly, the impression with the reader of political direction in expenditure on advertising.
- h) The Council relies almost entirely on East End Life for advertising key community events and consultation. In a number of regards this is clearly failing to ensure the Council's key events and messages reaching key audiences. Call-in Members will not be alone amongst members in experiencing poor turnout at community events where the sole route of advertising the event has been East End Life. Despite protestations in the report, it is not read by the vast majority of people. Call-in Members have received significant amounts of feedback from residents that they see it as thinly disguised party political propaganda.

The Call In members therefore suggests the following alternative course of action for consideration:-

5. ALTERNATIVE COURSE OF ACTION

- 5.1 In accordance with the Committee's procedures, the "Call In" Members have provided an alternative course of action for consideration:-

"Councillors make the following recommendations:

A fresh report should be tabled for full Cabinet consideration. This report should detail over and above the current report:

- o A full option set for East End Life including supporting financial impact. These options should include, but not be limited to:
 - Ceasing publication
 - Amending the format from a commercial format to simply a production of statutory and information notices, with no editorial content
 - Frequency options that should include monthly production, quarterly production in both commercial and non-commercial formats

- An exit strategy outlining how the Council could exit East End Life with supporting timescales and financial impact.
- The range of commercial rates that would be available to the Council should it choose to place its advertising with commercial papers. This should include rate card costs but also the likely bulk advertising negotiations that the Council believes it could obtain.
- A more detailed consideration under section 5 of the Editorial Approach outlining how East End Life can be produced independent of Majority Group direction and ensuring balanced input from across all political groups. This should include how opposition councillors views and opinions on Council services can be incorporated in reports.
- The detailed budget and costs report for East End Life outlining current expenditure by accounts line. This should incorporate expenditure on temporary staff, consultants and contractors and all staff expenses, including entertainment costs.

6. CONSIDERATION OF THE “CALL IN”

6.1 The following procedure is to be followed for consideration of the “Call In”.

- (a) Presentation of the “Call In” by one of the “Call In” Members followed by questions.
- (b) Response from the Lead Member/officers followed by questions.
- (c) General debate followed by decision.

N.B. – In accordance with the Overview and Scrutiny Committee Protocols and Guidance adopted by the Committee at its meeting on 6 June, 2006, the “Call In” Members are not allowed to participate in the general debate.

6.2 It is open to the Committee to either resolve to take no action which would have the effect of endorsing the original Cabinet decisions, or the Committee could refer the matter back to the Cabinet for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

7. RECOMMENDATION

7.1 That the Committee consider the contents of the attached report, review the Cabinet’s provisional decisions arising and decide whether to accept them or refer the matter back to Cabinet with proposals, together with reasons.