

Appendix 9b Budget overview

The proposed communications budget for **2015-16** is set out below.

Expenditure

Employees Total (salaries/fees)	£1,230,658.00
Transport-Related Expenditure Total	£2,000.00
Supplies & Services Total	£515,224.00
Third Party Payments Total	£350,212.00
Support Services Total	£456,334.00
Expenditure Total	£2,554,428.00

Income

Transfer / Recharges	£1,3205,428.00
EEL Income from external sales	£611,000.00
EEL Income from internal charging	£618,000.00
Income Total	£2,553,212

The current position

The annual communications budget is based on the previous year's real income / expenditure figures adjusted to account for, for example, savings from the Council's efficiency programme. The trend over the past five years has seen a real-terms reduction in the budget of 3-5%.

Communications spend currently falls in four main areas:

- **Corporate communications** delivered by the media, internal communications and digital teams. Associated costs are almost entirely for staffing and equipment in this area
- **Directorate communications.** Publicity budgets are currently held and segmented across individual council departments and services and principally spent on publicity activity such as print, design, marketing and advertising services. In general, the communications department are commissioned to deliver this work. This work is largely funded from services' own budgets. Initial analysis indicates that spend on design, print and publicity not delivered via East End Life or commissioned through the Communications service represented £5-700K in 2014/15.

- **East End Life (EEL)** represents a significant proportion of this budget and is planned on a cost-neutral basis. That is, the print, production, distribution and other costs of £1.2 million are matched by income from external advertising sales and internal charges for statutory notices and departmental publicity. **Statutory notices** are projected to yield **£228,000** representing **37%** of internal income or **19%** of total income generated by EEL
- **Mayor's media advisors:** The Mayor also commissions advisory support to advise him and the Cabinet on local community media including BMT and Bangladeshi media and to work with him to raise the national profile and awareness of Tower Hamlets and highlight the borough's investment and development programme. This includes training and supporting the Mayor and Cabinet Members in their roles as media spokespeople. This has been put out to tender to maximise value for money. It is envisaged that the cost for this support in 2015/16 will be £130K.

Budget review

A critical appraisal of all communications functions, resources and activities is proposed during the early part of 2015/16 as outlined in the best value plan. Improvements already planned include:

- Reviewing potential savings from increasing the digital focus of Council communications, including as alternative options for East End Life.
- Best value and cost-effective procurement driven through the council's new **print and design framework**, to be launched and embedded from April 2015. This will enable the council to strategically oversee all of its external print and design-related activity, including the estimated £5-700K currently being delivered outwith the corporate framework, and to ensure that all printed publicity and design is channelled through the Council's Communications team to ensure the output complies with procurement processes and the council's branding and communications protocols.
- All Directorate projects supported by a clear communications brief to ensure that any planned expenditure is fit for purpose in meeting the aims and objectives of the council and can be combined with other publicity projects where appropriate to reduce unnecessary print spend.

- Planning a steady reduction in the council's contribution towards its publicity and community engagement activities through the growing new and existing revenue streams from external sources.