

Future of the Communications Function

LEADER OF THE COUNCIL

Date: 14 February 2023
Agenda Item: 8
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Key Decision? YES
Local Ward Members: All Wards

Lichfield
district council

CABINET

1. Executive Summary


- 1.1 How well or otherwise we communicate and engage with our residents, businesses, and partners over both how they can successfully transact with our services, and over our priorities for the district is key to our improving as a council and to what residents think about us.
- 1.2 This paper reflects on how well we currently communicate, what our residents currently think of us and proposes a new arrangement for our communications activities over the next five years.




2. Recommendations

- 2.1 That Cabinet approve transfer of the provision of communications functions to the Council's wholly owned trading company (Lichfield West Midlands Traded Services) for the period 2023 – 2028.
- 2.2 That Cabinet delegate to the Chief Operating Officer the ability to make minor changes to the scope of Communications services provided by the Company subject to any changes being funded from Approved Budgets.

3. Background

- 3.1 Lichfield District Council is no different to the rest of local government in that it faces the same challenges of managing demand for services alongside increasing pressure on costs and needing to forge a different relationship with its residents and communities.
- 3.2 A strong communications function, engaging with communities in ways they wish to, openly, regularly, and consistently is key to addressing these challenges. Our internal communications function has under-performed for several years and this is evidenced, in part, by the levels of overall satisfaction and trust in the council, along with residents' perceptions of how the council keeps them well informed about our services. While communications is not entirely responsible for these resident views, how we are perceived and how well we explain our story contributes to these overall views.

Measure	2021 Results	2022 Results	Direction of Travel
Overall satisfaction	60% of respondents stated they were either very (9%) or fairly (51%) satisfied with our performance	49% of respondents stated they were either very (6%) or fairly (43%) satisfied with our performance	

Keeping residents informed	54% of respondents indicated they felt very (8%) or fairly (46%) well informed about our services	48% of respondents indicated they felt very (6%) or fairly (42%) well informed about our services	
Value for money	34% of respondents agreed the council provides value for money (4% strongly agreed / 30% tend to agree)	24% of respondents agreed the council provides value for money (4% strongly agreed / 20% tend to agree)	
Trust in the council	62% of respondents expressed either a great deal (7%) or fair amount (55%) of trust in us	41% of respondents expressed either a great deal (5%) or fair amount (36%) of trust in us	

3.3 A Local Government Peer Review, conducted in November 2021 further identified there are opportunities for the council to better engage on major projects / service changes with communities and communicate the rationale more clearly. How projects are communicated and the narrative behind them is critical, and the Peer Team heard from residents and partners that this is something that is not always consistently done well by the council.

3.4 In January 2022, the Council introduced a change programme called Being A Better Council to start to address these views from our residents and is determined to be a council, by December 2024 that is:

- **Resident centric** – Our focus will have shifted to dealing with needs as well as wants, providing consistently outstanding customer services to drive improved satisfaction and trust. Our officers will see the world from our residents’ point of view in all our interactions. We will empower them to act on that understanding, to recognise and value the importance of keeping residents informed, and pro-actively engaging with them over service requests.
- **Commercially minded** – We will have reset structures, processes and working arrangements and shifted to a commercially minded, business focussed organisation. Our ethos will be getting things right, first time; being focussed on doing the things we need to do well, and not doing the things that we do not need to do or that add no value.
- **Data driven** – We will be solving problems and making strategic decisions based on data analysis and interpretation. We will gather, use, and examine data more effectively to better understand the wellbeing of our residents. This will help us in making informed decisions, identifying priorities for the district and planning, structuring, and managing our services to serve our residents.
- **Performance driven** – Our officers will understand how their roles impact the council and our residents. They will be committed to and accountable for a well-articulated common purpose and a clear set of performance goals. Engagement will be a habit, with information shared openly and transparently to aid alignment with our goals and objectives.

3.3 On the issue of how we communicate with our district, we have struggled to attract and retain staff with the appropriate skills and experience to build a modern and future-proofed communications function. The team, and its structure, have not developed or introduced new technologies and ways of engaging residents appropriately to meet the needs and provide best value for money or the required levels of service. In response to the resignation of both the previous manager and press officers earlier this year, the Chief Executive, with the authority of the Leader of the Council, introduced interim externalised support for the service in March 2022, which has resulted in significant improvements and a more proactive, agile, and focussed service.

What have we done differently with communications since March 2022

3.4 Significant progress has been made since the introduction of the interim external support. Whereas previously our communications had centred on written press releases, many reactive / after the event

and then summarised in the Resident's Bulletin, the team today is proactive and willing to market what the council is doing. The team now meets in a daily 'Buzz session' to ensure appropriate prioritisation of work and allocation of resource and skills. An off-the-shelf project management platform has been introduced and is ensuring all tasks are delivered on time and the relevant approvals sought and a triage system used to ensure that key messages are prioritised, non-essential requests are rejected, and appropriate resources are allocated.

- 3.5 Audience profiling and demographic research has been undertaken to ensure that we reach representative groups across the district through appropriate platforms including owned and earned social, digital newsletter, media relations, partnership engagement, printed collateral, and website updates.
- 3.6 We have increased digital engagement through the development of interactive blogs, podcasts, and the use of video to build audiences in new platforms including YouTube, TikTok and Instagram to reach a wider audience.
- 3.7 Engagement rates have improved dramatically, with surveys delivered through targeted communications meaning we have more data to support council decision making. An example of this is the recent Lichfield District 2050 (Together We...) consultation which received more than 7000 responses.

Proposal

- 3.8 Experience shows us a retained service 'in house' does not have the flexibility and capability to change and adapt, introduce new technologies and engage successfully with our communities. Conversely, the interim externalised support introduced in March has started to make a positive impact, as set out above. We are beginning to develop an effective communications strategy, to 'market' the Council and build a stronger council brand. Through this support we can continue to prioritise and direct the outputs of the communications function, whilst at the same time being more well-resourced, motivated, growing and technically well-equipped.
- 3.9 This current improved performance will need to be maintained and further built upon. We also need to engender an environment where commercial opportunities can be explored, to release some of the financial pressures on the council and where we can offer roles and personal development opportunities which can attract and retain skilled staff. It is understood there are several income opportunities for the service which are already successfully exploited by other councils which will assist to both reduce the financial cost of the service to the council and to generate additional income for the investment in the service going forward.
- 3.10 It is therefore proposed the best way for the communications function to continue to improve is for it to become the fourth activity to be transferred to the Council's wholly owned trading company (LWM Traded Services Ltd) and for the company to be commissioned to provide it to the council going forward. The services currently provided by the Council's company are 1) Talent Acquisition, 2) Corporate Landlord Services and 3) Project Management, Capital Works.
- 3.11 LWM Traded Services (previously Lichfield Housing Company) was refreshed this year as part of the Being A Better Council programme with the aim of it providing greater flexibility and freedom for the council to develop services and trade them, while still being overseen and governed effectively by the council.
- 3.12 The service can be transferred to the company without the need to tender under the 'Teckal' exemption. Whilst the company operates under an arm's length relationship with the Council as the only shareholder it is still able to exert influence over its activities and manage in a light touch manner. The arrangement provides a hybrid model between in and out-sourced services and being an arm's length independent company can be more flexible in its arrangements, having a greater flexibility in terms of staffing and trading arrangements which is an aid to staff retention, attraction, and

investment. The transfer of the service into the Council’s trading company will provide an opportunity for it to grow and develop to meet the needs of the council and demands and expectations of residents in a digital age.

3.13 If the proposal is supported, the company will be tasked with providing this service to the council, through an appropriate contractual arrangement to:

- Deliver timely, professional reactive and proactive marketing and communications across the council portfolio of activities. This will mean doing more of the things that add value to our residents, and stopping doing others, as set out in the table here.

Stop / Do less	Do more
Expensive printed design	Digital design to drive engagement
Promotion for individual businesses	Promotion of the whole district
No value / limited interest press releases	Educating residents about the work of the council
Reaching limited audiences	Tailored messaging to targeted audiences
Responding to external press stories wanting evidence to feed their own narratives	Digital engagement using other platforms such as Instagram and TikTok
Reactive communications to third party requests with little value added	Reaching younger audiences 18 - 45
	Engaging with influencers and referring platforms to extend the reach of Lichfield District stories
	Surveys and resident feedback
	Use of video and exploit new audiences to be found in YouTube
	Strategic positioning of the voice of the council
	Proactive research and requests for content to support trending subjects of interest to residents

- Achieve the following Key Performance Indicators to demonstrate efficacy of the service.

Measure	2022 Baseline	2023/24 Target	2024/25 Target	Comment
Overall resident satisfaction	49%	75%	>80%	Contributing to. Surveyed twice annually
Keeping residents informed	48%	65%	>70%	Contributing to. Surveyed twice annually
Value for money	24%	60%	>70%	Contributing to. Surveyed twice annually
Trust in the council	41%	75%	>80%	Contributing to. Surveyed twice annually
Internal satisfaction with the service	>80%	>85%	>90%	Measured monthly
Reactive press releases per month	>15	>15	>15	Measured monthly
Proactive engagement / campaigns success	TBC Baseline	TBC Baseline +	TBC Baseline +	Set and measured monthly dependent on priorities
Uptake of Residents’ Bulletin	c. 30,000	>35,000	>40,000	Measured quarterly
Use of Council website as a tool for information by residents	TBC Baseline	TBC Baseline +	TBC Baseline +	Visits to website / Measured annually

Speed of response (internal support requests)	<1 working day	<1 working day	<1 working day	Measured monthly
Income generated / Savings to Council	-	>£50K	>£50K	Measured quarterly

Note: First four targets are taken from the Being A Better Council Strategy.

Alternative Options	<ol style="list-style-type: none"> 1. Retain and Develop the Service in house – there is a risk that key staff will not be attracted to or retained by the Council. The Communications function is not a ‘core ‘council service and the Council does not have the flexibility and focus to develop commercial opportunities and to invest in, develop and grow the Service. This option is not recommended. 2. Outsource to a Private Sector Provider – the service will need to be specified, tendered, and contracted requiring significant resource and time to complete. In addition, staff will be required to oversee and manage the relationship and the Council will exert little influence over the trading relationship and running of the company. This option is not recommended. 																																																
Consultation	<ol style="list-style-type: none"> 1. Formal consultation with employees on the proposed TUPE transfer has been undertaken and will be overseen by the Employment Committee. 																																																
Financial Implications	<p>The Approved Net Direct Budgets (excluding support services and recharges) for the Communications and Visitor Economy Team are shown below:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>2026/27</th> </tr> </thead> <tbody> <tr> <td>Salaries based on the Target Operating Model</td> <td>230,060</td> <td>238,180</td> <td>241,680</td> <td>245,320</td> <td>249,010</td> </tr> <tr> <td>Savings assumed in Being a Better Council</td> <td>(30,000)</td> <td>(89,000)</td> <td>(89,000)</td> <td>(89,000)</td> <td>(89,000)</td> </tr> <tr> <td>Sub Total - Salary based Budgets</td> <td>200,060</td> <td>149,180</td> <td>152,680</td> <td>156,320</td> <td>160,010</td> </tr> <tr> <td>Transport</td> <td>430</td> <td>430</td> <td>430</td> <td>430</td> <td>430</td> </tr> <tr> <td>Supplies and Services</td> <td>83,130</td> <td>71,160</td> <td>71,190</td> <td>71,220</td> <td>71,250</td> </tr> <tr> <td>External Income</td> <td>0</td> <td>(6,870)</td> <td>(7,030)</td> <td>(7,190)</td> <td>(7,190)</td> </tr> <tr> <td>Total Net Direct Budgets</td> <td>283,620</td> <td>213,900</td> <td>217,270</td> <td>220,780</td> <td>224,500</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The Approved Budgets have been updated to reflect the Target Operating Model. • The Approved Budgets include savings targets assumed from the restructure of the communications/visitor economy team included in the Being a Better Council project. • It is intended that the Company will only receive reimbursement from the Council for services provided. However, the Council must be mindful of transfer pricing requirements and therefore the actual approach to pricing to be adopted will need to be developed in consultation with the Council’s Tax advisors • There are pension implications for both the Council and LWMTS. As a company wholly owned by the Council LWMTS will be classed as a designated body and would be admitted into the scheme following a Company resolution to join. • This involves TUPE transfers of staff from the letting employer to the designated body. The designated body becomes a new participating Fund employer for and transferring employees remain eligible for LGPS membership and contributions under the Best Value Guarantee. • Liabilities for transferring active members will be calculated by the Fund actuary on the day before the outsourcing occurs, costs have been requested from the actuary for this. The designated body will be allocated an asset share equal to the value of the 	Description	2022/23	2023/24	2024/25	2025/26	2026/27	Salaries based on the Target Operating Model	230,060	238,180	241,680	245,320	249,010	Savings assumed in Being a Better Council	(30,000)	(89,000)	(89,000)	(89,000)	(89,000)	Sub Total - Salary based Budgets	200,060	149,180	152,680	156,320	160,010	Transport	430	430	430	430	430	Supplies and Services	83,130	71,160	71,190	71,220	71,250	External Income	0	(6,870)	(7,030)	(7,190)	(7,190)	Total Net Direct Budgets	283,620	213,900	217,270	220,780	224,500
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	<p>transferring liabilities. The admission agreement may set a different initial asset allocation, depending on contract-specific circumstances.</p> <ul style="list-style-type: none"> • There is flexibility for outsourcing employers when it comes to pension risk potentially taken on by the designated body. One option which may be agreed between a letting employer and a new contractor is participation via a “pass through” arrangement. Under this option the designated body pays a fixed contribution rate throughout its participation in the Fund and on cessation does not pay any deficit nor receive an exit credit. In other words, the pensions risks “pass through” to the letting employer. • The contribution rate payable by the designated body over the period of participation will be set equal to the total contribution rate payable by the letting authority (at the time of the contract award) and will not change for the duration of the new employer’s contract. Where the letting authority’s contribution rate is expressed as a percentage of payroll plus a monetary amount, the monetary amount will be converted to a percentage of payroll to determine the total contribution rate. • In 2022/23 the total contribution rate is 30.1% although this could change under the new Local Government Pension valuation from 1 April 2023. • The Company’s Business Plan is subject to approval by the Council on an annual basis or if material changes are proposed during the financial year to ensure proposed activity is transparent and has shareholder approval.
Approved by Section 151 Officer	Yes
Legal Implications	<ol style="list-style-type: none"> 1. The transfer of the Communications function to LWM Traded Services will be considered a TUPE transfer and as such certain employment law provisions will apply. 2. Consultation with HR and the Employment Committee has been undertaken to understand the necessary processes and procedures required.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> 1. Developing and investing in a more effective Communications Team capable of providing an enhanced level of service to the Council will support the ‘enabling people’ strategic theme and in particular the design and delivery of an effective communications and engagement strategy.
Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> 1. None as any staff transferring will be protected as part of any TUPE transfer.
Crime & Safety Issues	<ol style="list-style-type: none"> 1. Not Applicable
Environmental Impact (including Climate Change and Biodiversity).	<ol style="list-style-type: none"> 1. Not Applicable
GDPR / Privacy Impact Assessment	<ol style="list-style-type: none"> 1. A Privacy Impact Assessment has not been undertaken but as part of the transfer of the undertaking employee data will need to be disclosed. In accordance with the TUPE the transferor (current employer) is required to

provide the transferee (new employer) with certain Employer Liability Information including personal data. In these circumstances the GDPR condition for the lawful processing of personal data will be satisfied as it is necessary to comply with a legal obligation. In order to avoid any data protection breach issues all employee data will be anonymised at the outset.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Attracting Staff	Likelihood – Yellow Impact – Red Risk - Red	Transferring the function into the trading company will allow more flexibility in negotiating employment packages	Likelihood – Green Impact - Green Risk - Green
B	Retaining Staff	Likelihood – Yellow Impact – Red Risk - Red	Transferring the function will allow more flexibly in terms of employment packages. This together with providing a more focused unit with the opportunity to grow and develop other opportunities will create a more dynamic and attractive environment	Likelihood – Green Impact - Green Risk - Green
C	Technological Change	Likelihood – Yellow Impact – Red Risk - Red	The Council’s communications are currently still heavily focused on print and the transfer of the function will allow it to fully embrace the digital age by attracting new skilled resource and investing more in web services and digital technologies	Likelihood – Green Impact - Green Risk - Green
D	Service	Likelihood – Yellow Impact – Red Risk - Red	Transferring the function into a stand-alone business unit will provide a competitive tension and competitive edge by which business is won and retained through not only being competitive but delivering excellent service. Whilst the service has been outsourced the Council given it has been transferred to an arm’s length Council owned company still has some oversight/control as shareholder to ensure that as its primary customer the Council’s priorities are met and delivered.	Likelihood – Green Impact - Green Risk - Green
E	Pension implications related to TUPE staff are not fully understood and managed	Likelihood – Yellow Impact - Yellow Risk - Yellow	To commission relevant Actuarial assessments to understand costs and implications for LWMTS and Council	Likelihood – Green Impact - Yellow Risk - Yellow
F	The requirements for Civil Contingencies Act and multi-agency working are not adopted by the Company	Likelihood – Yellow Impact - Yellow Risk - Yellow	An on-call officer will be adopted by the Company to deal with such emergency issues	Likelihood – Green Impact - Green Risk - Green
G	Transfer pricing requirements are not considered when setting charges	Likelihood – Yellow Impact - Yellow Risk - Yellow	Advice will be sought from tax advisors	Likelihood – Green Impact - Yellow Risk - Yellow
H	The requirements for politically restricted communications posts are not adopted by the Company	Likelihood – Yellow Impact - Yellow Risk - Yellow	The same approach taken by the Council for politically restricted posts will be adopted by the Company	Likelihood – Green Impact - Green Risk - Green

Background documents

Any previous reports or decisions linked to this item

None

Relevant web links

Any links for background information which may be useful to understand the context of the report

None