

*promoting better local government*

*From the Chairman of the Association  
Councillor Margaret Eaton*

Local Media Review  
9C12  
Office of Fair Trading  
Fleetbank House  
2-6 Salisbury Square  
London  
EC4Y 8JX

31 March 2009

Dear Sir/Madam

## **LGA RESPONSE TO OFT LOCAL MEDIA REVIEW**

I write to respond to your discussion paper – *Review of the local and regional media merger regime* – on behalf of the Local Government Association, a cross-party organisation representing more than 400 local authorities and 20,000 elected councillors in England and Wales.

In Section six of your paper on public sector competition, you state that local commercial newspapers are facing increasing competitive pressure from public sector bodies that are developing their own media platforms to compete directly for advertising revenue, and that local authorities have argued this is necessary to communicate directly with the public and because of a responsibility to obtain value for money. The section concludes by asking the question: *Do you have further views or evidence relating to public sector news and information sources, with regard to their interaction with the merger and public interest regimes?*

I would like to begin by stressing that the LGA supports a successful and vibrant local media. It is essential for local democracy that journalists scrutinise the workings of local councils and help hold elected representatives to account.

As your discussion paper states, many local authorities also operate their own publications as a means of communicating with the public. The LGA has actively encouraged councils to do this since the launch of our Reputation Campaign in 2005. This campaign aims to encourage local authorities to improve their communications with residents, and sets out five basic core actions for councils that are proven to improve resident satisfaction when delivered well – one of which is to produce a magazine. More than 250 councils have signed up to the campaign.

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The Reputation Campaign was launched following independent research conducted by Ipsos/Mori that showed two-thirds of residents know nothing or next to nothing about local government. This lack of knowledge is not confined to the intricate workings of a town hall – it extends to the full range of services local councils provide.

One of the biggest complaints made about local government is that people feel a disconnect between what they see as ever increasing council tax bills and what they actually receive in return. Turnout in local elections also remains low. The reality is that a typical council is involved in 800 different activities, delivering a range of services that are vital to keeping local people safe and secure.

Effective communications with residents are proven to result in higher satisfaction levels with councils and council services. The government has commissioned regular research in each local authority area to determine the attitudes of residents towards their council – the Best Value Performance Indicator (BVPI). Analysis of the data for all local authorities in England <sup>1</sup> gives a fascinating insight into the key drivers of people's satisfaction levels. There is practically no relationship between resident satisfaction with services and resident satisfaction with their council, and council tax levels or increases have no overall correlation with overall satisfaction. Councils whose residents feel they get good value for money are the most regarded – and the strongest driver of satisfaction is effective information about council services. Put simply, effective communications – including council magazines – lead to higher levels of satisfaction with local authorities, encourage local accountability and help people access local services.

If residents only think their council empties the bins and issues parking tickets, this leaves them oblivious to the other 798 services their taxes pay for and is fundamentally unhealthy in a modern democracy. People deserve to know what their council tax is being spent on.

These services are not just those that people enjoy, like the local library or the swimming pool; many are absolutely essential for some of society's most vulnerable people – including support for victims of domestic violence or rape, mental health counselling and home help for the elderly.

Local authorities do not typically operate their own magazines in order to supplant the operations of the local media. A typical council publication is distributed four or six times a year, and does not operate as a rival or alternative to the local press. The growth of the internet has had a far bigger impact than council newspapers. Most councils would actually prefer more journalistic scrutiny, and do not like to see the press table empty at council meetings. But, with the best will in the world, the local media cannot provide

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<sup>1</sup> *The key drivers of resident satisfaction with councils – LGA analysis of BVPI customer satisfaction data for all councils in England*

the same amount of information about how to access services as a dedicated council publication can. Whether it is by providing a number to call to report nuisance neighbours, offering information on how people out of work can access training opportunities or featuring the work council staff do to keep the streets safe and clean, only council magazines can keep residents fully informed about the services on offer where they live.

Publishers have claimed that council print media platforms compete with them for advertising revenue. Every local authority wants to support local businesses and local jobs, but they also have a responsibility to provide value for money to council tax payers. The revenue councils receive from advertising in their publications helps offset the costs of printing, producing and posting them. It should also be noted that local authorities spend substantial sums of money advertising in the local media – particularly at times of the year when they are not producing a magazine of their own. Arbitrary public value tests or market impact assessments, which have been suggested by publishers, would be unnecessary. Councils are subject to the ultimate test and assessment through the ballot box, and are ultimately accountable to local people for all the decisions they take.

The LGA is pleased to have the opportunity to make these points to the discussion, and I would be grateful if you would accept this letter as the Association's official response.

Yours sincerely

A handwritten signature in black ink that reads "E. Margaret Eaton". The signature is written in a cursive, slightly slanted style.

Cllr Margaret Eaton OBE  
Chairman of the Local Government Association