

Subject: Newsletter Distribution Options **Status:** For Publication

Report to: Policy Development Overview and Scrutiny Committee **Date:** 20th July 2006

Cabinet 4th August

Report of: Communications Manager

Portfolio

Holder: Customer Services and E-government

Key Decision: YES

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 To seek the views of the Overview and Scrutiny Committee about the future distribution option(s) chosen to distribute the Rossendale Alive newsletter.
- 1.2 This report outlines the current distribution methods used by the Council and seeks to establish guidelines for the most appropriate methods to be used for future distribution arrangements. As part of these guidelines an options appraisal has been carried out to identify the most appropriate options for distributing the Council's Rossendale Alive newsletter.

2. CORPORATE PRIORITIES AND OBJECTIVES

- 2.1 **Customers** – Communication with local people is vital if the Council is to secure its Communication objectives and successfully deliver the Corporate Improvement Plan. The Rossendale Alive newspaper plays an important role in helping us to deliver our message to citizens in Rossendale.
- 2.2 **Promoting Rossendale** – Effective distribution methods will help the Council to promote the borough.

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- 3.2 No distribution method is 100% effective. All of the possible distribution options carry a degree of risk that some people will not receive the item being distributed. The option appraisal carried out for newsletter distribution takes into account factors such as cost, wastage (accuracy), traceability, penetration, accountability and amount of staff time. Through the option appraisal process the risk of an inappropriate distribution method being chosen is minimised.

4. BACKGROUND/REASON FOR REPORT

- 4.1 Distribution of a waste recycling leaflet earlier in the year did not achieve a satisfactory level of distribution. It is important that future distribution arrangements are made within the context of a clear policy framework with the full buy-in and support of Members taking into account the potential benefits and drawbacks of each method of distribution.

5. OPTIONS CONSIDERED

- 5.1 Ten options have been considered including options involving Council staff, delivery companies and the Post Office. In addition, some options combine more than one type of distribution. The ten options considered were:

- Option 1a Postcode Districts (big areas)
- Option 1b Postcode sectors (smaller areas)
- Option 2 Borough map
- Option 3a Addressed postal delivery (Mailsort 1400)
- Option 3b Addressed postal delivery (franked mail)
- Option 4a(i) Custom delivery rounds
- Option 4a(ii) Custom delivery rounds
- Option 4b(i) Custom delivery rounds with stamped mail infill
- Option 4b(ii) Custom delivery rounds with stamped mail infill
- Option 5 Postal walking rounds

6. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

- 6..1 There are no immediate financial considerations. Any costs have been contained within 06/07 budget resources.

7. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

- 7.1 None.

8. COMMENTS OF THE HEAD OF HUMAN RESOURCES

8.1 None.

9. CONCLUSION

9.1 Getting our distribution strategy right is important for the Council and will help it to achieve its communication and customer service objectives.

9.2 The Council currently utilises a wide variety of techniques and some of these have proved to be more effective than others.

9.3 When choosing the correct form of distribution it is important to have a clear idea of the importance of the material being distributed and other important factors such as cost and the importance of reaching as many homes as possible.

9.4 Clear guidelines are required in relation to the distribution options chosen by the Council for different types of distribution.

9.5 No perfect newsletter distribution system exists however the options appraisal can take a range of important factors into account and assist in choosing a final option.

10. RECOMMENDATION(S)

10.1 To recommend to Cabinet to approve the distribution hierarchy and recommended forms of distribution set out in Table 2 of the attached report.

10.2 To note the options appraisal for newsletter distribution set out in Table 3 of the attached report and to endorse Option 4b(ii) as the Council's preferred method of distribution, subject to the successful completion of negotiations with a distributor.

10.3 To recommend to Cabinet that in the future an Officer Scheme of Delegation Form is completed for all forms of distribution, noting the classification that the distribution falls into (essential, highly desirable, desirable) and the reasons for the chosen method.

11. CONSULTATION CARRIED OUT

- 11.1 Council Leader, Portfolio Holder, Chair of Overview and Scrutiny, Chief Executive and Deputy Chief Executive.

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Background Papers	
No background papers	

Report on Newsletter Distribution Options

Introduction

Distribution of the Rossendale Alive Newsletter and other important customer information for local residents and businesses is a vital part of our overall approach to customer service and communications. A wide range of individual Council departments have their own individual distribution needs which are summarised in Table 1.

Table 1

Item to be Distributed	Distribution Method	Frequency
Council Tax bills and Business Rate bills	Royal Mail Postal Delivery	Once a year – March
Electoral Register Returns	Hand Delivered by Staff	Once a year - August
Refuse Collection Information	Previously Hand Delivered by Staff Currently delivered by Distribution companies using postcode districts.	Collection calendar usually Nov/Dec
Rossendale Alive Newsletter	Currently delivered by distribution companies using postcode districts Previously distributed with a distribution company using mapped borough boundaries.	3 times per year
Promotional Literature	Various – usually by distribution companies using postcode information	
BVPI Survey and Feedback Panel	Postal Delivery	BVPI survey – every 3 years Feedback survey 4 per year
A to Z	To be decided	Once every 2-3 years

Distribution Options

As the review of current practice has identified there are a range of options for distributing Council information and publicity. In addition, there are alternative options that it is sensible for the Council to consider. The following section describes these options in more detail.

1a - Distribution by postcode district (big areas) using a distribution company

This is a common form of direct mail delivery. Distribution is undertaken by teams of distributors within specific postcode districts. A postcode district will typically have about 8,000 - 20,000 properties. In Rossendale the postcode district covering the biggest number of properties is BB4 although we also have properties in BB1 BB5, OL12, OL13, OL14, BL9 and BL0. Outlying and inaccessible properties are excluded with this type of distribution. It should be noted that postcode districts make a bad match with the Borough's administrative boundary and can lead to significant 'leakage' outside of the borough.

1b - Distribution by postcode sectors (smaller areas) using a distribution company

This is a common form of direct mail delivery, but is more accurately targeted than option 1a (postcode districts). Distribution is undertaken by teams of distributors within specific postcode sectors. A postcode sector will typically have between 1,000 and 3,500 properties. For example in the BB4 postcode district there are 6 postcode sectors – BB4 4, BB4 5 BB4 6, BB4 7, BB4 8, and BB4 9. Unfortunately outlying and inaccessible properties are excluded with this type of distribution. It should be noted that postcode sectors do not coincide with the Borough's administrative boundary and a small amount of 'leakage' outside of the borough will occur and some homes will not be included if they fall in a postcode sector that has more than 50% of its homes in another borough.

2 - Distribution by Borough map using a distribution company

This is a distribution solution much better suited to local government as it allows distribution to take place within the borough boundaries and minimises the amount of 'leakage' into neighbouring boroughs. Good maps are a prerequisite and staff time is required to produce the maps. Unfortunately it is still uneconomic for the distribution company to deliver to outlying and inaccessible properties. This distribution option is marginally more expensive than postcode distribution.

3a - Distribution by addressed postal delivery (Mailsort 1400) using the Post Office

Royal Mail offers a range of distribution options. With Mailsort 1400 each newsletter has to be individually addressed and sorted into the delivery rounds used by the Post

Office. The cost of individually addressing newsletters adds significantly to the production cost. The advantage is that a high level of distribution 'penetration' is achieved – about 99%. Distribution is undertaken by a postal delivery workers within 72 hours as part of their normal mail delivery duties.

Option 3b - Distribution by addressed postal delivery (franked mail) using the Post Office

This is the most expensive option and would also be very time consuming arranging for 29,500 envelopes to be filled, stamped and posted. These services can be bought in but would lead to a significant increase in production costs. Distribution is undertaken by a postal delivery worker as part of their normal mail delivery duties.

Option 4a(i) - Distribution by custom delivery rounds using Council staff

Using in-house GIS technology we would be able to develop a series of custom made delivery rounds and allocate these to staff who volunteer to deliver them for an agreed overtime payment. Each member of staff would have a list of streets and the range of house numbers on that street to deliver to. They would also have a map for each delivery round. Typically we would expect staff to deliver in the region of 1000 to 2000 items each. Accuracy and accountability would be high but a significant amount of staff time is required to establish and maintain the distribution systems. Outlying areas would still be at risk of being missed out.

Option 4a(ii) - Distribution by custom delivery rounds using Council staff with stamped mail infill

As option 4a(i) with the addition of a list of rural and outlying properties being identified which would then receive a copy of the item by post. This would increase the 'penetration' to about 97%.

Option 4b(i) - Distribution by custom delivery rounds using a distribution company

Discussions are ongoing with several distribution companies who have indicated a willingness to undertake door to door delivery using custom distribution rounds developed using our own in-house GIS technology. This would allow for a much higher level of accuracy and accountability and it would be easy to identify if the distribution has not been undertaken in a particular area. Distribution costs would be lower than paying Council staff overtime and less staff time would be taken overseeing the distribution. Each distribution round would include a list of streets and the range of house numbers on that street to deliver to. Each round would also have an accompanying map. Outlying areas would still be at risk of being missed out.

Option 4b(ii) - Distribution by custom delivery rounds using a distribution company with stamped mail infill

As option 4b(i) with the addition of a list of rural and outlying properties identified which would receive copy of the item by post. This would increase the 'penetration' to about 97%.

Option 5 – Distribution by Royal Mail Door to Door (unaddressed) using the Post Office

Royal Mail Door to door is marginally cheaper than stamped or franked mail but does not require each item to be individually addressed. Essentially the distribution is undertaken by postal workers within a 7 day period as part of their normal delivery duties. The service can be specified down to the level of individual postal walks of about 250 properties however some of these properties may fall outside the borough boundaries. A GIS mapping exercise is required to identify those postal walks where alternative distribution arrangements should be made so as to minimise leakage outside the borough although this service is provided by the post office. Accuracy and 'penetration' are in excess of 95%, but there will be some 'leakage'. Each postal delivery worker is required to sign to say that they have delivered 'x' copies of the newsletter in their delivery area so the degree of accountability and 'traceability' is reasonably high.

Establishing a Distribution Hierarchy

Now that we have identified a wide range of distribution options it is important to consider which of these are most suitable for different types of distribution.

Clearly some types of information are more important than others and the choice of distribution method chosen needs to reflect this. In order to establish clear guidelines it is important that we consider the relative importance of each type of distribution and which distribution method is most appropriate.

Table 2 sets out a distribution hierarchy which identifies three distinct categories of distribution activity and makes recommendations for preferred methods of distribution.

NB The options for newsletter distribution are ranked following the outcome of an option appraisal exercise which is referred to subsequently.

Choosing a distribution option for Newsletter distribution

The choice of distribution methods referred to in Table 2 reflect a range of factors including cost, wastage (accuracy), traceability, penetration, accountability and the amount of staff time involved and any legal requirements that apply. The most effective way to evaluate each of these options fairly is to undertake an options

appraisal exercise where all of the relevant criteria are assigned a weighting and then each option is scored according to how well it fits with the criteria. An option appraisal for newsletter distribution has been completed in Table 3 and indicates that Option 4b(ii) would be the best option for the Council. Associated costings used in this option appraisal are set out in Appendix 1.

Table 2 – Distribution Hierarchy

Distribution Category	Examples	Preferred Distribution Method	Less preferred alternatives (ranked)
Essential information	Council Tax Bills and Business Rates	Royal Mail Postal Delivery (Option 3b)	n/a
	BVPI Survey and Feeb@ck Survey	Royal Mail Postal Delivery (Option 3b)	n/a
	Electoral Register compilation	Council Staff Door to Door (Option 4a(i))	n/a
	Refuse collection arrangements	Council Staff Door to Door (Option 4a(i))	Distribution company using RBC distribution rounds (Option 4b(i))
Highly desirable information	Rossendale Alive Newsletter A to Z	Distribution company using RBC distribution rounds (Option 4b(i& ii))	<ol style="list-style-type: none"> 1. Council Staff using RBC distribution rounds (Option 4a(i& ii)) 2. Royal Mail Door to Door (Option 5) 3. Distribution company using mapped boundaries (Option 2) 4. Distribution company using postcode sectors (Option 1b)
Desirable Information	Other Promotional Literature Events Opt in' activity Resident questionnaires more than 5,000 homes	Distribution company using RBC distribution rounds (Option 4b(i))	Distribution company using mapped boundaries (Option 2)
	Resident questionnaires to less than 5,000 homes	Royal Mail Postal Delivery (Option 3b)	Distribution company using RBC distribution rounds (Option 4b(i))

Table 3 - Option appraisal matrix for newsletter distribution

Method	Distributor	Cost	Wastage (accuracy)	Traceability	Penetration	Accountability	Amount of staff time	Total /100
		Appraisal weighing						
		20	5	20	25	25	5	100
1a Postcode Districts (big areas)	Distribution Company	17	1	2	13	2	5	40
1b Postcode sectors (smaller areas)	Distribution Company	19	2	6	10	3	5	45
2 Borough map	Distribution Company	18	3	4	14	5	4	48
3a Addressed postal delivery (Mailsort 1400)	Post Office	3	5	13	23	16	3	63
Option 3b Addressed postal delivery (franked mail)	Post Office	1	5	4	24	10	1	45
Option 4a(i) Custom delivery rounds	Council Staff	9	4	17	21	24	2	77
Option 4a(ii) Custom delivery rounds	Council Staff	6	4	17	23	24	2	76
Option 4b(i) Custom delivery rounds with stamped mail infill	Distribution Company and Post Office	17	4	17	21	22	3	84
Option 4b(ii) Custom delivery rounds with stamped mail infill	Distribution Company and Post Office	15	4	17	23	22	3	84
Option 5 Postal walking rounds	Post Office	4	4	13	23	16	5	65

Appendix 1 - Estimated Newsletter Distribution Costs

Distribution Option	Details	Cost
1a Postcode Districts (big areas)	37,000 @ £42/1000	£1,554
1b Postcode sectors (smaller areas)	29,000 @ £46/1000	£1,334
2 Borough map	29,000 @ £51/1000	£1,479
3a Addressed postal delivery (Mailsort 1400)	£4,874.60 Plus additional packaging/addressing and sorting costs estimated at £435	£5,310
Option 3b Addressed postal delivery (franked mail)	29,000 @ £209/1000	£6,061
Option 4a(i) Custom delivery rounds using Council staff	Estimated	£3,122
Option 4a(ii) Custom delivery rounds using Council staff with stamped mail infill	Staff overtime as above in 4a(i) and postage – 2000 homes @ £0.21.	£3,542
Option 4b(i) Custom delivery rounds using a distribution company	Distribution Company 29000 homes @ £56/1000	£1,624
Option 4b(ii) Custom delivery rounds using a distribution company with stamped mail infill	Distribution Company 29000 homes @ £56/1000 and postage – 2000 homes @ £0.21.	£2,044
Option 5 Postal Door to Door		£5,029