

Review of Government direct communication and the role of COI:

Terms of Reference

1. Terms of Reference

To conduct a radical review of those parts of Government communication that are currently covered by the advertising and marketing freeze and to consider the role of COI. This will make proposals for the most effective and efficient way to plan, co-ordinate, procure and evaluate government's direct messaging campaigns (advertising and marketing). The review does not cover communications such as press and media relations which are traditionally provided in-house by departments, nor does it cover the announcement coordination role played by No10. For simplicity the review will be said to cover 'direct communication and the role of COI'.

The review will make recommendations to the Minister for the Cabinet Office as to the functions in relation to direct communication that Government should exercise, the role, status and funding of COI and the most appropriate governance of these communications.

2. Rationale for Review taking place

The new Government has a clear intent to have fewer, more effective communications, a greater devolution of responsibility to partners both commercial and civic and a greater use of non paid for channels.

In addition, the urgent need to close the fiscal deficit necessitates a far greater control of communication expenditure and closer attention to how communication is scoped and measured to deliver a return on the investment made.

Thirdly at a time when the Civil Service is shrinking in size and in particular attempting to cut its administration costs, making the most efficient use of resource within a reducing Government communications set up becomes increasingly important.

3. Background to Review

In May 2010 the government introduced a freeze on marketing and advertising activity. As a result the volume of communications activity by government commissioned through COI has fallen by over 50%. Subsequently COI has engaged in a redundancy programme to reduce its staff numbers by 40% from 737 to 450.

Following the spending review a number of departments are making plans for the next four years, including some marketing and advertising work. The marketing and advertising freeze has taught us a lot about both what marketing and advertising is particularly effective (through looking at what happens if you don't do it), and how best to use central controls to make the most effective use of marketing and advertising. A review now is therefore timely.

The review will cover the role of COI, within Government direct communications. COI has existed since 1946, being formed out of the wartime Ministry of Information. It is a non ministerial department, an executive agency of the Cabinet Office and a Trading Fund. This latter status defines its funding; it recovers its costs from activity paid for by central government departments, agencies and NDPBs and a wide range of public bodies.

4. Review Governance

The review will report to the Minister for the Cabinet Office, Francis Maude.

5. Review Process

The review will take place in three phases after terms of reference are agreed and the make-up of the roundtable is settled.

a. Evidence gathering:

- Current arrangements for direct communication in Government, including the current role of COI.
- Evidence of the effectiveness of Government direct communication.
- Departmental plans for future direct communication, including funding assumptions within spending review settlements.
- International models for Government direct communication, including the US Ad Council.

This part of the review will draw evidence from:

- COI.
- Government departments, especially those which have historically been heavy users of direct communications – including Health, Transport, Defence and HMRC.
- The advertising and marketing industry – suppliers to Government.
- Big brand owners, such as supermarkets and financial services providers – partners of Government.
- Media owners.
- Former heads of COI and the Government communication profession.

There will also be an open call for evidence and views.

b. Analysis

This part of the review will move from the accumulated evidence base to establish the principles that should guide Government direct communication and the functions that are required to meet the Government's need for direct communication within the principles.

c. Recommendations for the future organisation of Government direct communication and the role of COI

The conclusion of the review will be a report detailing recommendations on:

- Principles for Government direct communication and expected volumes of direct communication.
- Functions required within Government to deliver direct communication most effectively and at best value for money.
- How those functions should be organised – departmental function; shared service based in department; shared service based in centre; central directed function.

- The future role and organisational form of COI based on this arrangement of functions.
- The best funding arrangements to sustain these functions within Government.
- Outline implementation plan with milestones.

Annex 1

Questions for consultation and evidence gathering:

- What is your experience and opinion of Government direct communication and the role of COI?
- Given new Government's 'Big Society' approach to the relationship between Government and other players and the reductions in public expenditure, when should Government use direct communication, how should it change its approach to this and what principles should guide Government's use of direct communication?
- In seeking to communicate directly with citizens, what should Government's relationship be with brand owners; media owners; the advertising and marketing industry?
- What services should COI/central Government provide directly, if any – e.g. regional media, design?
- What views do you have of the organisation of the Government's capability in direct communication? Especially in relation to the centre/COI and departments?
- Could an 'Ad Council' style model work in the UK? How?
- How could government extend its use of payment by results?