



Abolition of the COI

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The new Government has come to office committed to reducing the amount the public sector spends on advertising and marketing. In May 2010 the Government announced a freeze on advertising and marketing, with all new campaigns estimated to cost over £25,000 required prior approval from the Cabinet Office Efficiency and Reform Group. This decision reduced the revenue of the Central Office of Information, the government agency responsible for the majority of public sector marketing and advertising, by around 50%.

On 23 June 2011, following a review of government direct communication and the future of the COI, the Minister for the Cabinet Office Francis Maude stated that the Government would no longer retain the COI brand, and the COI would be closed by April 2012.

This Standard Note provides background information on the Coalition Government's decision to abolish the Central Office of Information (COI).

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1 Background

The Central Office of Information (COI) was formed from the wartime Ministry of Information in 1946. It was also established as an Executive Agency on 5 April 1990 and then as a trading fund on 1 April 1991, in accordance with the *Government Trading Funds Act 1973*, as amended. It recovered its costs from activity paid for by central government departments, agencies and NDPBs and other public bodies. It forms part of the Government Communications Network. Its role and remit is set out in the 2011 review into its work:

COI currently offers strategic advice, procurement, delivery and project management across the communications and marketing mix, with the aim of ensuring effectiveness and value for money. A list of its services is available at Appendix 11.7.

COI can work with any government organisation in receipt of public funds. These include central government departments, ALBs, non-departmental public bodies, local government organisations and police forces¹

Following the Phillis Review of Government Communications in 2004, the first Permanent Secretary for Government Communications was appointed.² Phillis made some major changes into government communications, but the COI as a separate body designed to assist government departments with the commissioning of produce survived. A review of the changes made by Phillis was undertaken by the House of Lords Communications Committee in 2009.³

The Central Office of Information made thousands of public information films during its history. Since February 2008, the BFI National Archive has been charged with the responsibility of managing the film library of the Central Office of Information, which is one of the largest the BFI have ever managed. The COI website currently summarises its history decade by decade.⁴

According to the COI's annual report and accounts for 2009/10 the total cost of communications to government was £1.01 billion, of which £540 million was direct communication activity through COI.⁵

In May 2010 the Government announced a freeze on public sector advertising and marketing activity, overseen by the Cabinet Office [Efficiency and Reform Group](#), which was tasked with approving all new advertising and marketing campaigns that cost over £25,000. In August 2010 the Cabinet Office announced that the freeze had reduced public sector spend on advertising and marketing by 52% in the first month alone.⁶

In August 2010 the Central Office of Information (COI) announced a redundancy and restructuring programme as a direct consequence of the Government's freeze on advertising and marketing activity. The COI stated:

¹ [Role of Government Direct Communication and the Role of COI](#) Cabinet Office March 2011

² For background, see [Library Standard Note 2594 Changes to Government Communications Machinery](#)

³ [Communications Committee First Report HL 7 2008-09](#)

⁴ [History of COI](#)

⁵ COI (2010) [Annual Report & Accounts 2009–10](#): London: The Stationery Office

⁶ [Millions saved by Government's marketing and advertising freeze](#), 3 August 2010, Cabinet Office

Total COI turnover on advertising and marketing is down an estimated 52% in June this year, compared to the same period in 2009, and the new government has made it clear that this reduction in spend should be expected to continue into the future.

Consequently, COI is restructuring to reflect the reduced volume of work and is to reduce its staff numbers by 40 per cent, with the loss of 287 jobs.⁷

On 26 November 2010 Francis Maude, Minister for the Cabinet Office, announced a review of the Central Office of Information (COI) and the coordination of cross-department marketing and communications. The review was conducted by Matt Tee, Permanent Secretary for Government Communications. Announcing the review Francis Maude stated that:

This Government has worked hard to cut down on unsustainably high spending on communications. The next step is to ensure that COI is well placed to respond to the needs of the future.⁸

Also on 26 November, Matt Tee announced that he would be leaving his post in March 2011, after the completion of the COI review. He said in an internal letter to his internal communications staff:

'The work to reconfigure parts of Government communication, including COI, and to make very significant savings in departmental communications will be very challenging. I recognise that it will be difficult to justify a Permanent Secretary role as head of a smaller communications profession and I am going to seek fresh challenges after overseeing the review of COI and the transition for Government communications.'⁹

2 Review of government direct communication and the role of the COI

In March 2011 the review of government direct communication and the role of the COI was published. The review recommended closing the COI and replacing it with a Government Communications Centre.

On the future of the COI the review stated:

COI's status as an ALB and its trading fund model, in which its income is derived from the work it undertakes for departments, puts it at a distance from government and amplifies departmental agendas over cross-government priorities. This has kept COI from being as close to the development of government policy and communication strategies as it would like to have been. There has been no mechanism that incentivises the pursuit of cross-government priorities.

That said, COI has successfully supported departments in carrying out effective and award-winning work over many years; and much of the skills and experience that will be needed for the GCC that I propose is present in the current staff of COI. I do also conclude that there is a place in the GCC for the sort of 'pay-as-you-go', direct service provision that parts of COI currently provide.

I have carefully considered whether to retain the COI brand, recognising its strengths, especially outside government. I have concluded that, because what I am proposing in this review is a sufficient change in the way that government approaches direct communication, retaining the brand would suggest a greater continuity with the recent

⁷ [COI announces redundancy programme](#), 3 August 2010, Central Office of Information

⁸ [Review into the Central Office of Information announced](#), 26 November 2010, Cabinet Office

⁹ "'Permanent Secretary at Cabinet Office, Matt Tee, quits role" 26 November [PR Week](#)

past than I think is helpful. I have therefore concluded that on establishment of the GCC, the COI brand should cease to be used.¹⁰

The review also recommended that staff working in government communications across Whitehall should be transferred to the new Government Communications Centre, so all government communication could be managed centrally

Establish the GCC and aggregate direct communications professionals around six priority themed teams. However, the theme teams would be employed by GCN. Individuals would be moved from across GCN (departments, ALBs and COI) into the one single employer: GCN. They would be a flexible resource drawn from the best talent across GCN and deployed against the six priority themes according to demand and need.¹¹

3 The Government's response to the review of government direct communication and the future of the COI

The government response to the COI review, was published in a written ministerial statement on 23 June 2011. Francis Maude announced that the COI would close by April 2012:

I am today announcing reforms to the organisation of Government Communication. The changes, which will lead to the closure of the Central Office of Information, will further improve the effectiveness and efficiency of Government communications.

They follow the introduction of spending controls on advertising and marketing in June last year. This led to a 68% reduction in external spend through the COI from £532 million in 2009-10 to an estimated £168 million in 2010-11. In parallel, Government Departments have reduced their number of in-house communications staff by around a quarter, and their budgets by a half.

The reforms are designed to consolidate those reductions, while ensuring that the remaining spend on advertising and marketing is better co-ordinated and executed.

The changes will:

Strengthen central co-ordination, prioritisation and strategic planning of communications across Government;

Put in place a new governance structure to increase accountability and transparency and to drive collective responsibility. This will include the appointment of an executive director, and the establishment of a communications delivery board;

Create a specialist communications procurement unit under the leadership of the Government Procurement;

Enable Government to explore how they can best capitalise on the capability which exists in communications across Government, through a programme of reviews;

Explore the development of a shared communications delivery pool for certain specialist services; and for a small number of specialist marketing hubs.

¹⁰ [Review of government direct communication and the role of the COI](#), March 2011, Cabinet Office

¹¹ [Review of government direct communication and the role of the COI](#), March 2011, Cabinet Office

These proposals will constitute the Government's response to the former permanent secretary for Government Communication's "Review of government direct communication and the role of COI".¹²

The Government's response rejected the review's recommendation that all government communications staff be pooled into a central location. Government communication will be overseen by a Communication Delivery Board, chaired by Ministers and made up of Departmental comms directors.¹³ The response's main recommendations were summarised in the response as follows:

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create a specialist communications procurement unit under the leadership of the Government Procurement

enable government to explore how it can best capitalise on the capability which exists in communications across government, through a programme of reviews

explore the development of a shared communications delivery pool for certain specialist services; and for a small number of specialist marketing hubs.¹⁴

4 Responses to the closure of the COI

There have been mixed responses to the announcement that the COI would close. Prospect, the union representing government information professionals, was quoted in a June 24 2011 article in *Public Finance*, [Maude scraps Central Office of Information](#):

General secretary Paul Noon said: 'Staff are shocked and devastated. This has come completely out of the blue. Across government, ministers are centralising finance, human resources and procurement in order to save money and cut duplication. At COI a shared service that has worked well and is respected by the industry in which it operates is about to be chopped into little pieces. It makes no sense at all.

On June 23 2011 Matt Tee, the former Permanent Secretary for Government Communication apparently tweeted:

I might have a view on the Government's response to my COI review if anyone at Cabinet Office had had the decency to send it to me...¹⁵

Hamish Pringle, director general of ad agency trade body the Institute of Practitioners in Advertising, said in [an interview to the BBC](#) on 23 June 2011:

We can only hope that the new regime being put in place will never forget that the campaigns the COI, their clients in government and their agencies produced have saved many lives and saved millions in taxpayers' money.

¹² [Government publishes response to COI review](#), 23 June 2011, Cabinet Office

¹³ [Cabinet Office to close the COI and hand campaigns back to departments](#), 23 June 2011, PR Week

¹⁴ ["Government publishes response to COI review"](#) 23 June 2011 *Cabinet Office*

¹⁵ [@mattee](#), June 23 2011, Twitter

In a letter to the [Guardian](#) on 26 June 2011, former COI executive Mike Devereau branded the closure of the COI 'foolish vandalism'

The coalition has made much of the savings that can be achieved by efficiency improvements in the public service, and has spoken approvingly of centralised specialist procurement. It is odd, therefore, that the most effective procurement agency in the media and communications area, the Central Office of Information (COI), should be selected for abolition. The staff of COI have for over 60 years delivered huge savings to the Treasury, as shown by successive reports by the National Audit Office.

Public information films have not been a significant part of COI work for many years, as the use of advertising and new media became more effective. It may be that changes in the media that government uses to communicate with citizens call for changes to the structure and aims of COI, but to break up and disperse an efficient group of specialists dedicated to saving the taxpayers' money seems to be an act of foolish vandalism. A group of specialists in the Cabinet Office is very unlikely to ever have the experience, clout and motivation that made COI the toughest purchaser in the field. Government communication in the future will be less effective and more expensive.

On 7 July 2011 PRCA, the professional body that represents PR companies and consultancies in the UK welcomed the abolition of the COI. PRCA chief executive Francis Ingham stated:

The passing of the COI should be celebrated and we look forward to improvements in Governmental procurement of PR in the future.¹⁶

¹⁶ [The passing of the COI should be celebrated and we look forward to improvements in Governmental procurement of PR in the future](#), 7 July 2011, PRCA