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HEALTH AND SAFETY EXECUTIVE

The HSE Board

Commercial Strategy for Priced Publications

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Issue

1. This paper provides a commercial strategy for priced publications, commissioned in board paper B/04/035 (DIAS Review – Proposals for publicity, publications, and Internet/Intranet services).
2. The commercial strategy aims to meet the twin HSE needs of generating £5 millions of income in the SR 2004 years (2005/06 to 2007/08) and achieving the communications objective of reducing the number of priced publications and making more information available on the HSE website.

Timing

3. A short discussion at the Board on 2 February 2005.

Recommendation

4. The HSE Board is invited to agree the following:
 - i) that Annex 1 Section A reflects the categories of publications which HSE should continue to charge for, and Annex 1 Section B those which should now be made available free of charge;
 - ii) that a two-phase approach is required in order to reduce the number of priced publications, whilst still maintaining income (paras 10 and 11);
 - iii) CDS reports to the HSE Board in June 2006 with a progress report on the commercial strategy and costed proposals for making more priced information available free of charge (para 12);
 - iv) that CDS, in discussion with Communications Directorate, can identify a small number of new commercial publications each year, and develop these in consultation with the appropriate D/D or Sector;

Background

5. HSE's priced publications position is as follows:
 - currently have just over 1,700 priced publications;
 - prior to the moratorium introduced in October 2003, HSE was publishing in excess of 150 new priced publications each year;
 - approx. 80% of HSE's annual income is derived from the Top 100 best selling publications;
 - approx. 15% (ave. £1 millions) of income is gained from the sale of bulk packs of non-priced leaflets (with the bulk issue price set to cover storage and distribution costs);

6. HSE's publications are differentiated by 'categories'. These have been used to segment the publications for analysis (table at **Annex 1**). The table shows:
 - number of titles within each category (col 2);
 - how many of those titles had sales (col 3),
 - volumes sold (col 4);
 - recommendation to retain or discontinue as priced products (col 5);
 - associated income for those to be retained and discontinued as priced (Cols 6 and 7);
 - current stock and associated write off costs for discontinued priced stock (cols 8 & 9);

7. **Annex 2** provides the revised priced categories to be used within the commercial strategy and the associated income targets for each for 2005/06.

Argument

8. A consistent approach is needed to converting publications from priced to non-priced, hence the use of segmentation by categories. This also allows categories of publications with relatively low demand to be identified and considered first for transfer to non-priced web publications.

9. A two-phase approach to managing down the number of priced publications is needed to ensure that the:
 - **income targets are met**, ensuring sufficient priced products remain, and a small range of new products can be identified;
 - **workload is manageable**: in terms of converting significant numbers of publications from hard copy format to web based documents;
 - **approach is affordable**: that funds are available to provide for write offs and converting hard copy publications to web based documents;

10. **Phase 1** is to review the 1,103 publications listed for discontinuation in **Annex 1 Section B** to see if any can be withdrawn and subject to the resources being available, convert the remainder to the web by 31 March 2006.

11. **Phase 2** is to review the residual portfolio of priced publications to see if any can be withdrawn, or merged into single publications. This entails the relevant D/D or Sector, making resources available to undertake the reviews. CDS will prioritise this work and phase it over 2005/06 and 2006/07 and provide advance notice to their plans to the D/Ds and Sectors concerned.

12. There are strongly held views within HSE that the organisation's information should be freely available to those who need it. However, there is also a financial imperative within HSE's resource allocations to generate income. It is important that HSE does not charge for more publications than necessary. Therefore, CDS proposes to report back to the HSE Board in June 2006 to state progress against the commercial strategy and provide considered and costed proposals for making more priced information available free of charge.

Consultation

13. This paper has been produced following wide consultation within CDS, and has been agreed with Communications Directorate and PEFD.

Presentation

14. HSE's revised charging policy should be published on the HSE website.

Financial/Resource Implications for HSE

15. The conversion costs for transferring necessary publications to the web can only be broadly estimated at present, the final outcome of an exercise to contract this work out is awaited. However, the working assumption is that each document will take one day to convert at a cost of no more than £400. Not all will be converted, assuming 900 out of 1,103 provides a cost of some £360k. Some £40k will be met in the current year, with £320k to be found in 2005/06, and will be bid for in CDS's communications plan.

16. The potential write off costs for disposing of stocks of publications converted to the web is £152k (see Annex 1). The current CDS provision for such write offs is some £200k each year, and would initially be managed by CDS in-year. Opportunities will be examined for selling off residual stocks.

Annex 1

Analysis of categories and summary of recommendations

Period used 1 August 2003 to 31 July 2004

1	2	3	4	5	6	7	8	9
Category	No of Titles in Category	No of Titles selling during period	Volumes sold	Retain or Discontinue	Associated Income <i>Retain</i> £k	Associated Income <u>Discontinue</u> £k	Closing stock units <u>Discontinue</u>	Current write off costs <u>Discontinue</u> £k
SECTION A <i>Retain as PRICED Publications</i>								
Accident Book	1	1	87,411	<i>Retain</i>	1,050	n/a	n/a	n/a
Factory Forms	19	12	11,689	<i>Retain</i>	57	n/a	n/a	n/a
Films/Videos & Multi Media	80	73	7,561	<i>Retain</i>	236	n/a	n/a	n/a
Guidance (inc Health and Safety Guidance (HSG))	384	275	179,993	<i>Retain</i>	1,581	n/a	n/a	n/a
Law Poster	1	1	163,267	<i>Retain</i>	1,252	n/a	n/a	n/a
Legal series	100	44	145,340	<i>Retain</i>	1,195	n/a	n/a	n/a
Posters	13	13	13,010	<i>Retain</i>	90	n/a	n/a	n/a
Sub Total	598	419	608,271		5,461	n/a	n/a	n/a
Leaflets priced packs (singles and multiple products)	295	229	174,481	<i>Retain</i>	1,028	n/a	n/a	n/a
SECTION B <i>Make available FREE</i>								
Approved List	8	2	19	Discontinue	n/a	0.2	590	0.3
Consultative and Discussion Documents	33	3	34	Discontinue	n/a	0.2	484	0.3
Forms	4	4	7,072	Discontinue	n/a	30	10,692	4
Information Sheets	7	7	100	Discontinue	n/a	1	4,262	8
Incident Reports	24	2	152	Discontinue	n/a	2	3,130	10
Methods for Determining Hazardous Substances (MDHS)	65	11	4,414	Discontinue	n/a	66	5,374	10
Reports	962	496	2,732	Discontinue	n/a	91	20,833	120
Sub Total	1,103	525	14,523			190.4	45,365	152.6

Analysis of proposed publishing categories within the priced publications commercial strategy

Category	Narrative	Income target 2005/06
Accident Book	Published by HSE on behalf of DWP to provide best practice for recording and managing workplace accidents. During the 12 months covered by the review, product sold 87,000+ units with income of £1,050k. Market share has been lost since October 2004 following TUC requirement that it be reprinted. It is unlikely that the product will regain its full market share.	£500k
Law Poster	Mandatory for employers to display the Health and Safety law poster within their premises. The poster bears the Royal Arms, the only HSE product to do so. Consistently HSE's best selling single publication.	£1,000k
Films/Videos/DVDs & Multi Media	Topic-based products produced over the past 10 years or so. Mainly videos, with best sellers being 'A Head for Heights' and 'Scratch and Sniff - Chemical Risks at Work' (each with sales of over 1,000 last year). 80 products in this category, which are being reviewed, some will be placed on DVD format and a new catalogue will be produced, to help promote sales.	£400k
Guidance	Range of generic publications on health and safety topics, an important category for HSE. The 384 titles in this category generated some £1.5 millions of income, but now falling off. The new publications which CDS identify, through the Comms Plan, will mainly fall within this category and stimulate sales.	£1,000k
Legal Series	The legal series which provides guidance to regulations, and Approved Codes of Practice.	£1,000k
Priced packs	These will be of two types: <i>i) Multipacks</i> bulk packs (more than 25) of a single non-priced product, which although available on the HSE website, there is a demand for bulk quantities by organisations (recover distribution costs); <i>ii) Themed Packs</i> packs of related priced and non-priced publications on particular Health and Safety topics. The pricing of themed packs will reflect a saving over the total value of the priced information contained in the pack, but will cover the production cost of the priced and non priced material, plus the associated distribution costs.	£1,000k
Posters	Posters (excluding the Law Poster) currently generate some £90k of income each year. However, feedback from booksellers and some Sectors indicates that demand is greater than this. In production terms they are low cost items, but are effective in getting a particular message across. Although there are a variety of sources for health and safety posters, it would seem that there is demand for posters bearing the HSE logo, providing HSE's important health and safety messages. CDS will explore marketing opportunities during 2005/06.	£200k
		£5,100k