

# Sponsorship Guidance

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## Version Control

Version	Description of version	Effective Date
V1.0	Guidance for seeking and securing sponsorship	

## Approvals

Approved by	Date

## Associated Documentation

Description of Documentation
Appendix A Important Terms



## 1.0 Introduction

1.1 This guidance document sets out the Council's definition of "sponsorship" and the terms upon which the sponsorship may be both sought and accepted by the Council.

## 2.0 Purpose

- 2.1 In order to enhance, vary or reduce the cost of current activities, the Council may enter into a sponsorship agreement. This may involve either the Council granting sponsorship to a third party in the form of some benefit, or the Council receiving sponsorship in the form of some benefit from a third party.
- 2.2 When granting sponsorship, the Council must also consider the provisions relating to granting financial assistance contained in the relevant legislation.
- 2.3 Sponsorship can be advantageous for all parties. The Council must ensure all sponsorship agreements do not compromise or question the integrity of the operations or services that are provided and must not adversely affect the reputation of the Council.
- 2.4 The primary consideration must be how any arrangements support the delivery of the Council's Corporate Plan.

## 3.0 Aims and Coverage of the Guidance

- 3.1 This Guidance outlines the principles and procedures for acceptance and granting of sponsorship proposals and is concerned primarily with:
- a) assessing risk and managing potential conflicts of interest
  - b) public accountability and transparency of decision making
  - c) financial management and benefits
  - d) ensuring strong governance and consistency
  - e) that any arrangements are subject to review and evaluation of their contribution towards the Corporate Plan and other shared aims

## 4.0 What is Sponsorship?

- 4.1 "Sponsorship" is defined as "a business relationship of mutual benefit involving the transference of funds, resources or services from the sponsor to the sponsored party in return for an association and a set of rights which are to the mutual satisfaction of both parties". Sponsorship is not philanthropic, and a sponsor will expect to receive a reciprocal benefit beyond a modest acknowledgement.
- 4.2 Sponsorship is a significant business activity and companies seek sponsorship opportunities for a variety of legitimate business reasons including:
- to raise the company's image and public profile;
  - to improve public/community relations and instil goodwill;
  - to show creativity and public spirit;
  - to generate public exposure and media coverage;
  - to differentiate the company from its competitors;
  - to increase profits/market share.



- 4.3 Association of a company's name with Council events or activities can be particularly attractive in terms of the opportunities for media coverage and as a display of public spirit. In some cases, sponsors' motives or the benefits the sponsor anticipates may be less apparent. Careful consideration should always be given to understanding what a sponsor might gain from the arrangement, their objectives and the resources that will be used (which can be something other than financial).
- 4.4 The Council encourages the involvement of the private and voluntary sectors in the sponsorship of Council activities wherever appropriate. Sponsorship can help promote the commercial potential of the Council's non-tangible assets, allowing more productive use of existing resources and, potentially, reducing the cost to the taxpayer of Council activities.
- 4.5 Sponsorship should not be confused with advertising which can be defined as "any paid form of non-personal presentation and promotion of ideas, goods or services by an identified organisation".

## 5.0 Principles

- 5.1 All sponsorship agreements will be in the form of a written agreement and comply with principles and procedures outlined in this guidance.
- 5.2 The Council must consider whether the granting of sponsorship may require consideration of relevant legislation as it may be deemed as 'financial assistance'.
- 5.3 Sponsorship agreements must include a statement that that the Council's functions will continue to be carried out fully and impartially, notwithstanding the existence of a sponsorship arrangement.
- 5.4 There should be no conflict between the vision and key aims of the Council and those of the sponsor.
- 5.5 The agreement will include a statement to the effect that any attempted influence of the Council's functions will result in an automatic review and/or termination of the sponsorship agreement.
- 5.6 Any consideration given to the establishment of sponsorship agreements shall have regard to the following principles:
- a) it is not perceived to influence or hinder how the Council operates;
  - b) it does not impose or imply conditions that would limit or appear to limit the Council's ability to carry out its functions fully or impartially;
  - c) it must not fetter its future decision-making powers in any way or the way in which any services are delivered to the public or to the sponsoring company in the future;
  - d) it does not compromise the reputation, constitution and credibility of the Council;
  - e) the sponsorship is aligned with the stated aims of the Council which includes the Council's image;
  - f) it is not viewed as product endorsement;
  - g) agreements will be terminated if conditions of this guidance are not met;
  - h) agreements are formed with regard to public accountability and transparency with clear statements of objectives and benefits achieved;
  - i) are subject to a shared review process that ensures that the sponsorship arrangement is meeting the agreed objectives and in line with these principles.



## 6.0 Risk Assessment

- 6.1 Each sponsorship proposal will be subject to a risk assessment. This includes:
- a) ensuring that the sponsorship benefits for the third party do not outweigh the level of sponsorship;
  - b) ensuring that the type or form of sponsorship is not inconsistent with the key aims or values of the Council (e.g. accepting free products simply because they are free but not of any perceivable benefit to the Council);
  - c) ensuring that any sponsorship proposal does not anticipate explicit endorsement of the sponsor or sponsor's products, as this form of proposal is not acceptable to the Council;
  - d) ensuring no conflict of interest arises from the sponsorship;
  - e) ensuring that the Council has sufficient capacity to meet the terms of the proposed agreement.
- 6.2 If the assessment concludes the risks are unacceptably high or the Council is receiving minimal value from the proposal, then no further consideration of the proposal will be made.
- 6.3 The Council should not accept sponsorship from parties subject to or likely to be subject to its regulation or inspection.
- 6.4 Every sponsorship proposal will be regularly assessed against the possibility of a conflict of interest and may be refused or terminated in any case where during the life of the sponsorship the sponsor:
- a) has a current development application or planning matter before the Council, or the Council is aware of the possibility of an application or matter coming before the Council in the near future;
  - b) is, or is likely to be, subject to regulation or inspection by the Council which may impose or imply conditions; and where the sponsorship may limit the Council's ability to carry out its functions fully and impartially.
- 6.5 In these circumstances, the reasons for accepting sponsorship must be clearly recorded by the approving officer. The agreement of sponsorship must clearly provide suitable provisions to deal with issue, which could include termination or suspension of the sponsorship agreement until the matter is resolved.
- 6.6 It is expected that any individual or organisation with a sponsorship agreement with the Council will disclose as part of the agreement if there is a current development application or planning matter relating to them, or if the individual or organisation is subject to regulation or inspection by the Council.

## 7.0 Council Granting Sponsorship

- 7.1 The Council can receive requests to 'sponsor' activities of an external party e.g. provide funding or resourcing of activities. In most cases, 'sponsorship' is actually a request for financial assistance or support. These requests must be assessed in accordance with the "Sponsorship Guidance".



## 8.0 Advertising for Sponsorship

- 8.1 It is accepted that the public interest is best served by the Council making sponsorship opportunities widely known through open tendering, although it is recognised that in certain circumstances this may prove impractical and requests for sponsorship may only be available by invitation.
- 8.2 Reference is to be made to the Council's Procurement Strategy and Framework which can be accessed at: [How to Buy and Supply](#) when determining the level of advertising required according to the monetary and/or benefits in kind to be raised. This will ensure that the Council is obtaining the best value from the sponsorship agreement. It is essential that these are followed and by way of summary only the following applies according to the value of the sponsorship agreement:

Classification	Value	Actions	Responsibility
Low Value	Up to £1,000	Obtain three quotations (if possible).	Budget Holder
Medium Value	From £1,000 to £25,000	Obtain three written quotations (if possible).	Unit Manager
Below Threshold	From £25,000 to OJEU threshold	Conduct Tender exercise.	Procurement

Above Threshold

Over OJEU threshold

Between £100,000 and the EU Services Threshold (currently £173,934) - at least four written tenders must be invited.

Over £173,934 – the European Directive applies and the Public Contract Regulations 2006 that implement them in the UK, with tenders to be invited in accordance with the European Directive and the Public Contract Regulations 2006.

- 8.3 Where a service area is looking to put in place a sponsorship agreement or undertake a sponsorship campaign and needs to undertake market analysis to identify suitable organisations to be invited to submit a quotation and tender in accordance with 8.2, then Commissioning and Procurement staff will be able to provide support and assistance during this process. This will include ensuring that the successful organisation is set up on the Council's corporate purchasing and payment system (AGRESSO).

## 9.0 Unsuitable Activities for Sponsorship

- 9.1 Without any limitation on the Council's ability to exercise its discretion, the Council does not consider the following companies, partnerships, organisations or individuals suitable for entering into sponsorship agreements with:
- Those involved in the manufacture, distribution and wholesaling of tobacco related products, alcohol, unhealthy food or lifestyles, weaponry, pornography and addictive drugs;
  - Those found guilty of illegal or improper conduct by any other legal authority;
  - Those which are involved in political fields [e.g. political parties];
  - Those whose services or products are considered to be injurious to health or are seen to conflict with the Council's policies and responsibilities to the community.



- 9.2 Offers of sponsorship or commercial advertising will not be accepted from any organisation that is in financial or legal dispute with the Council and the Council will show caution when accepting sponsorship where the organisation is:-
- a) in the process of a planning application
  - b) in the process of a tender application

This is not to be interpreted as preventing sponsorship from the District Council's regular suppliers or contractors.

## 10.0 Acceptable Types of Sponsorship

- 10.1 The Council can recognise its sponsors in a numbers of ways. The extent of such recognition is to be determined in relation to the level and nature of the sponsorship; and is subject to written agreement specifying the benefits, costs and shared outcomes.
- 10.2 Sponsorship recognition should be tasteful and discrete and must not create situations of potential embarrassment or criticism of the Council. Such forms of recognition can include, but are not limited to:
- a) appropriate signage;
  - b) media release acknowledging the role and contribution of the sponsor, invitations to selected Council functions, which may include hospitality, preferential seating, award presentation;
  - c) inclusion of sponsor's name and logo on Council publications and other external publications;
  - d) naming rights for an event, building etc. for the term of the sponsorship;
  - e) an award or trophy struck in the sponsor's name and publicly presented;
  - f) merchandising of goods at selected points of sale;
  - g) displays in Council buildings/facilities subject to approval in each individual case, in static displays or for an activity of the sponsor when not required for the Council's use;
  - h) an opportunity for the sponsor's name and/or logo to be promoted through appropriate general advertising by the Council;
  - i) annual print advertising campaign to acknowledge major sponsors.

## 11.0 Agreements

- 11.1 The Council's approved form of Sponsorship Agreement shall be used in all circumstances wherever possible. However, it is acknowledged there may be circumstances in which the sponsor may require its own form of agreement to be used. Notwithstanding this, every sponsorship agreement will require a written agreement incorporating conditions of contract which clearly set out:
- a) how the proposal meets the Council's Corporate Plan objectives and delivers against its priorities;
  - b) sponsors should confirm they meet the Council's standard on both ethical and equality policies
  - c) the benefits, including economic benefits available to the Council and the sponsor and the nature of the benefits e.g. naming rights;
  - d) any personal benefits available to the sponsor's employees and their relatives;
  - e) the form or forms of sponsorship acknowledgment which will be available;



- f) the scope and limitations of uses which the sponsor can make of the sponsorship arrangement;
- g) the term of the sponsorship and any conditions regarding renewal;
- h) consequences of change which may occur over time e.g. a shift in the relationship, new policies, new corporate values or aims;
- i) financial accountability requirements;
- j) an indemnity by the sponsor against all liability for personal injury and for loss or damage costs, claims and expenses however caused or incurred as a result of any act of negligence by the sponsor;
- k) provision for termination or suspension of the agreement.

11.2 The agreement must include a statement that that the Council's functions will continue to be carried out fully and impartially, notwithstanding the existence of a sponsorship arrangement.

11.3 The agreement must include a statement to the effect that any attempted influence of the Council's regulatory functions will result in an automatic review and/or termination of the sponsorship agreement in accordance with 6.0.

## **12.0 Public Register**

12.1 All Sponsorship Agreements are to be listed in a publicly accessible sponsorship register.

## **13.0 Approval of Agreements**

13.1 All sponsorship agreements shall be approved by the relevant Head of Service in consultation with the Strategic Director of Corporate Resources.

13.2 Sponsorship Agreements must be referred to Legal and Financial Services for review prior to signing.

13.3 All potential sponsors must be referred to this guidance when making an application for any form of sponsorship arrangement.

## **14.0 Access to Guidance**

14.1 The Sponsorship Guidance is to be included in the Council's document register and placed on the Council's website.

## **15.0 Public Accountability/Reporting**

15.1 The Council is committed to principles of open government and public accountability, transparency and accessibility. To meet these objectives, the Council agrees that:

- a) sponsorship agreements will be in the form of a written agreement;
- b) the Council's Sponsorship Guidance is publicly available and listed on the Council's website;
- c) a public register of sponsorship agreements is maintained by the Head of Finance for the Council.



## **16.0 Marketing and Media Relations**

- 16.1 The Council's Communications team must be notified in advance and before the outset of all sponsorship agreements to be entered into by the Council.
- 16.2 Media relations for all sponsorship agreements are undertaken by the Council's Communications teams, unless otherwise agreed.
- 16.3 All media information produced by the sponsor must be approved by the Council's Communications team before publication and/or circulation.
- 16.4 The use of sponsors' logos and other branding must not interfere or conflict with the Council's own corporate branding guidelines and logos.
- 16.5 The use of the Council's corporate logos or other images associated with any of the Council's services on any sponsor's publicity must be approved in advance and in writing by the Council's Communications team to ensure they are in line with the branding guidelines.
- 16.6 Clear and documented arrangements must be in place that restrict the ongoing use of any Council logo or image beyond the stated purpose in the agreement. The Communications Team will be responsible for monitoring the use of logos and completing a formal review of all arrangements on an annual basis. This review will be completed in consultation with the appropriate service area.

## **17.0 Disclaimer**

- 17.1 Acceptance of advertising or sponsorship does not imply any endorsement of the sponsor's products or services by the Council.

## **18.0 Conflict of Interest**

- 18.1 Council officers and Elected Members are required to declare in advance if they have any personal interests, involvement or potential conflict of interest with any potential sponsor. In the event of a potential conflict of interest, that officer or member will take no part in the consideration of sponsorship with that particular organisation.
- 18.2 At all times the requirements of the Employee and Members Codes of Conduct must be observed, and advice requested from Human Resources and/or Legal Services should any potential areas of conflict arises.
- 18.3 If any inappropriate reasons or outcomes arise from any arrangements in place the matter must be raised immediately with the approving officer, Legal and Democratic Services and Organisational Development & Performance.
- 18.4 In addition a confidential report of malpractice or inappropriate arrangements can be reported using the Whistleblowing Policy and Procedure that is available on the intranet.

## **19.0 Guidance Review**

- 19.1 This guidance and associated documentation (check list, risk assessment, legal agreement templates) will be reviewed on an annual basis by the Head of Organisational Development & Performance for the Council.



## IMPORTANT TERMS

**Event sponsorship** - This involves the payment of a fee to the rights holder in return for promotional and branding benefits at an event (e.g. a sports event or conference).

**Licensing** - Licensing is a contractual arrangement between a third-party company (the licensee) and a Council department (the licensor), which allows the licensee to sell approved products carrying the licensor's branding into the retail market.

**Media sponsorship** - Sponsoring activity within specific media can be a good way of making messages accessible to your target audience. The audience will have an affinity with their chosen media and will trust the content of material used in the magazine, newspaper, website, radio station or TV programme.

**Advertiser-funded programming or branded content** - An advertiser-funded programme (AFP) is a television or radio programme that has received advertiser funding for its development or production. With a television AFP, the advertiser usually funds the production of the programme in return for sponsorship credits, off-air marketing, rights and content ownership. The advertiser cannot influence the content or scheduling in any way that affects the editorial independence of the broadcaster. It can be described as 'any means by which an advertiser can have a deeper relationship with programming product beyond traditional media activity'. The commissioning process for AFPs can be lengthy and there are no guarantees that the programme idea will make it on to television, radio or other media platforms. Best practice advice for developing cost-effective AFPs is to work with a specialist sponsorship agency that has relationships with broadcasters' commercial and commissioning departments.

**Radio promotions** - These are a specific form of branded content. They are interactive, competition based and usually short term. Radio promotions are placed within programming and are therefore perceived as station editorial rather than as commercial or advertising activity. Stations will publicise promotions within other radio programming, using live reads and pre-recorded trailers. They will also support the promotion through off-air activity, e.g. on station websites and through street marketing teams. AFPs and radio promotions are governed by the Ofcom Broadcast Code.

**Broadcast sponsorship** - This involves an advertiser buying branded idents surrounding a television or radio programme. It enables Council departments to communicate campaign messages via association with a specific television or radio programme or a collection of programmes.

Clear sponsor identification can provide effective cut-through within cluttered advertising breaks and can target messages at specific audiences. As regulated by Ofcom, sponsor identification must not contain advertising messages or direct calls to action. However, they can include a telephone number or web address without instructing the viewer to call the number or visit the website. Effectiveness of broadcast sponsorship is measured through viewing or listener figures for the programme as well as peaks in numbers of telephone calls or website hits in the period immediately after the programme (as well as ongoing during the campaign period).

**Digital sponsorship** - As penetration levels of digital access across the general public rise, so do the opportunities for advertisers to engage with their target audiences across various digital platforms. Online sponsorship can either run across an entire website or be limited to



specific content areas within a site. Evaluation can be monitored by way of exposure to unique users and by those interacting either directly or non-directly with the sponsorship opportunity. At present the digital arena is unregulated, but the Council will closely monitor developments on this and will comment as required. Digital sponsorship is not just confined to sponsorship within pages of websites, and, increasingly, opportunities to sponsor the likes of podcasts and IPTV (Internet Protocol Television) content will become available.

**Press sponsorship** - Press sponsorship is print advertising that is styled to look and feel like the house style of the publication in which it appears. This can take the form of advertorials, stand-alone supplements or sponsored editorial features. Press sponsorship is a good way of putting across a complicated message in an informative, interesting and innovative way. The media can be very targeted (e.g. regional press or ethnic media) or can reach a very wide audience (through national publications). Any call to action is easy to monitor, as an advertorial can be coded, and results analysed. PPA (Periodical Publishers Association) guidelines state that press sponsorship must be clearly marked as coming from a paid-for source.

**Product placement** - Product placement in a Council context involves the inclusion of a campaign within fictional or non-fictional media, e.g. a fire safety poster placed on the wall of a café in a major TV soap opera. Product placement can be difficult to achieve and involves lengthy negotiations with production companies and broadcasters, and again is regulated by Ofcom.

