

Agenda Item 7.

TITLE	Corporate Sponsorship Policy
FOR CONSIDERATION BY	The Executive on 29 June 2023
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance - Imogen Shepherd-DuBey

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

To secure Executive approval for implementation of the Corporate Sponsorship Policy and to inform the Executive of the commercial ambition for the council to generate income through sponsorship opportunities.

The subsequent sponsorship projects will contribute to the Council's ongoing revenue targets.

RECOMMENDATION

That the Executive adopt this policy to enable the Council to provide a support structure and governance for this opportunity to allow services to explore new revenue streams through sponsorship agreements and in certain circumstances to assist local business to market their services.

EXECUTIVE SUMMARY

INTRODUCTION TO THE POLICY

Sponsorship provides important funding to support the costs of services provided by projects and assets owned or managed by the Council, but it can also provide access to valuable expertise and in-kind support in areas where the Council may not have the skills or resources itself. It also allow the Council to provide marketing opportunity for local business.

Wokingham Borough Council has had some success in achieving sponsorship over the years albeit in relatively modest amounts, most notably roundabout sponsorship, but it can be uncoordinated across the organisation.

Sponsorship is much more than advertising, although there will be an element of branding as part of any sponsorship package. Sponsorship is about building a long-term partnership, promoting the values of the respective organisations, and about brand development.

This policy seeks to clarify the process of seeking sponsorship and create a mind-set in the organisation to be more proactive and receptive to sponsorship opportunities, to plan more effectively and to benefit more fully from existing and future corporate relationships.

The Council welcomes all opportunities to work in partnership with organisations which are aligned with the Council's strategic priorities and core values including local business.

The policy will introduce clear guidance, governance and processes for officers to follow in order to market, value and contract sponsorship agreements. As the council considers wider policies such as in respect of the climate emergency and/or pay arrangements, amendments will be considered to ensure our approach aligns to this work.

If approved, the policy can be implemented straight away and the Commercial Team will support service sot embed this activity, with the support of Finance and Legal as required.

OBJECTIVES OF THE POLICY

To ensure that:

- The Council optimises all suitable opportunities to engage with appropriate external organisations to secure commercial sponsorship for its assets, events, and programmes
- The Council's reputation is adequately protected in sponsorship agreements it enters into
- Constructive collaboration and best value for the Council and sponsor is achieved through all sponsorship negotiations
- A consistent approach to sponsorship is implemented across the Council
- Sponsorship is recorded, monitored and audited across all the Council's services
- The Council is protected from claims of inappropriate dealings or relationships with sponsors.

The recommendation is that the Executive adopt this policy as it enables the Council to provide a support structure and governance around an income generation opportunity, that will allow services to explore new revenue streams through sponsorship.

BACKGROUND

Due diligence has been undertaken to ensure that sufficient governance is in place with regards to the constitution, financial regulations and equality, diversity and inclusion considerations.

“Sponsorship” is defined as an agreement between the council and an external organisation, where the council receives money or a benefit for a council activity, event, or initiative from an organisation which in turn gains publicity or other benefit from the council.

The Policy applies if the Council uses an agency to search, negotiate and/or negotiate sponsorship on behalf of the council.

This policy would not normally apply to:

- Partnership arrangements with other public or statutory bodies to exercise functions jointly and share the cost.
- Concessions to sell food, drinks, or other products at events or from locations where the organisation pays the council for the concession and the concession is let competitively.

Donations to a council or activity run by the council where the donor seeks no credit, publicity, or benefit in return

The principles of the policy:

The Council welcomes all opportunities to work in partnership with organisations which are aligned with the Council’s strategic priorities and core values. However, the Council will not put itself in a position where it might be said that such a partnership has, or might, or may be thought to have:

- Influenced the Council or its officers in carrying out its statutory functions
- Received better terms from the Council in any business or other agreement as a result of a sponsorship discussion
- Aligned the Council with any organisation which has, in the Council’s reasonable opinion, conducted itself in a manner which conflicted with the Council’s values.

Officers should not consider association with any sponsor who:

- Might create a negative impression of the council or bring the council into disrepute in the minds of the public
- Is in financial or legal conflict with the council
- Is a lobby or pressure group or political party
- Promotes religious activities (unless an alliance is appropriate to the sponsored activity. For example, the sponsorship is in connection with a religious or community event supported by the council)
- Promotes or is involved in tobacco, pornography, weaponry, or similar activities
- Discriminates against people based on gender or gender reassignment, race, ethnicity, disability, nationality, sexual orientation, age, or religion/belief
- Might compromise the council’s duty of behaving impartially and independently, especially when exercising regulatory functions (e.g., deciding planning, building control or licensing applications).
- Has not passed trademark/financial checks

The above list is not exhaustive and the council must retain the right to decline sponsorship from any organisation which the council considers inappropriate. Officers should seek clarification from the relevant director or the legal team if unsure whether a sponsorship may be considered within the above categories.

Should the Council in the future consider its wider approach to matters such as those impacting the climate emergency and/or standard/minimum pay levels, this policy will be reviewed and where necessary revised to align to such standards and requirements.

Support will be provided by the Commercial Team to assist officers and members to assess the suitability of a sponsor.

Due diligence should be carried out at all sponsorship levels, to include:

- Companies house and/or credit check (Business Services)
- Sourcing the sponsor's EDI (Equality, Diversity, and Inclusion) policy (Officers)
- Any other relevant information pertaining to the sponsor's suitability (Officers/Commercial/Business Services)

An Equalities Impact Assessment has been completed.

BUSINESS CASE

Roundabout sponsorship currently generates £27K per annum with no dedicated resource and minimal marketing. As well as actively promoting the sites currently on the register, there are other roundabouts that could be added, with the potential of increasing this income to circa £60K in the short-term. We have expanded this review to look at other assets across the borough, partly based on research and partly through demand from services, such as libraries and country parks. The case to take a proactive approach to selling sponsorship is backed up by these statistics as well as case studies from other councils that have demonstrated a profitable business model. A total income projection for year-one is £80K.

Overall, our research has concluded that there is an opportunity to develop the income stream and take a proactive approach to creating productive partnerships with businesses seeking exposure and/or affiliation. We would work with each service to create a policy document to direct sponsorship to appropriate businesses and setting a framework for governance.

Subject to approval, sponsorship opportunities would initially include:

- Roundabouts
- Events
- Library assets
- Parks and open spaces
- Sports and sporting facilities
- Newsletters
- Council vehicles

Other benefits from sponsorship sales include:

- Enhanced customer experience
- Cost saving

- Increased reach/awareness
- Brand synergy
- Business relationships

Key risks of this policy not being adopted would be:

- Loss of revenue and cost savings that would be achieved from sponsorship and traded services.
- Progression of sponsorship across various services would be impacted.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	(£50k) will be included in future revenue monitoring as opportunities are confirmed	No funding required – income generation opportunity	Revenue
Next Financial Year (Year 2)	TBC		
Following Financial Year (Year 3)	TBC		

Other Financial Information

The Policy provides a structure and process to identify and progress income generation opportunities where aligned to the councils wider strategic and operational priorities. As opportunities are progressed they will be included in Revenue monitoring and future MTFP budget setting processes.

Stakeholder Considerations and Consultation

Engaged with:

- Strategy, Insight and Inclusion
- CEM
- Digital and Web
- Legal
- Finance
- Procurement and Contracts

Public Sector Equality Duty

EQIA has been carried out and signed off by the Inclusion team.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

N/A

Reasons for considering the report in Part 2

N/A

List of Background Papers

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