

CABINET

18 DECEMBER 2018

ADVERTISING AND SPONSORSHIP POLICY

Portfolio Holder:	Councillor Alan Jarrett, Leader
Report from:	Richard Hicks, Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive
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Summary

Members are asked to consider a draft policy on the carrying out of sponsorship and advertising activities by the Council.

This draft policy is two-fold, covering:

- The Council as an advertiser or sponsor; and
- The Council as an owner of an advertising platform or sponsorship opportunity which an external individual, group or organisation may wish to take up.

This report was considered by the Business Support Overview and Scrutiny Committee on 29 November 2018 and its comments are set out in section 7 of the report.

1. Budget and Policy Framework

- 1.1 The Council is keen to seek and develop commercial advertising and sponsorship opportunities that support the strategic delivery of corporate objectives both directly and indirectly. These arrangements may be made on a direct financial or non-financial basis.
- 1.2 To safeguard the reputation of the Medway Council, its Members, partners and officers and to ensure protection for service users, a set of guidelines is required for the carrying out of advertisements and sponsorship activities by the Council.

1.3 This policy aims to advise councillors, officers, partners and prospective advertising and sponsorship partners on what are, and are not, acceptable forms of advertising and sponsorship for the Council. The policy relates to current and prospective advertising and sponsorship opportunities connected to the Council's buildings, assets and physical resources and both new and existing products and services, including events.

1.4 Agreement of the policy is a matter for the Cabinet.

2. Background

2.1 At the July 2018 meeting of the Business Support Overview and Scrutiny Committee, Members considered a Member's Item regarding the sponsorship agreement between the Council and Gillingham FC and asked for a report to be submitted to the November 2018 meeting of this Committee detailing a draft corporate sponsorship protocol.

2.2 There are many benefits for the Council in entering into sponsorship and advertising opportunities. They provide the opportunity to raise the profile of the services we provide, engage better with the communities we serve, support local businesses to grow their operations, build relationships and reduce or enhance the cost of service provision for the Council.

2.3 Many departments of the Council already enter into individual advertising and sponsorship agreements as part of their work and this may increase as the Council becomes ever more commercial in its approach and capitalises on the wide range of assets we have to offer and opportunities to raise our profile and communicate with our residents and other stakeholders.

2.4 Introducing a corporate policy on advertising and sponsorship will enable us to:

- Uphold the Council's reputation and corporate identity
- Further the Council's strategic vision and support its priorities (by facilitating
- communication messages)
- Secure best value for money and maximise income
- Provide a framework and control measures
- Establish a corporate approach and standards
- Ensure compliance with legislation, advertising industry codes and other council policies
- Support development of commercial partnerships with the private sector
- Safeguard the image and environment of Medway.

2.5 The objectives of the proposed policy are:

- To ensure the Council generates and maximises opportunities to generate revenue or publicity through commercial sponsorship and advertising;
- To ensure the Council's position and reputation are adequately protected in the placing of advertisements and the entering into of sponsorship agreements and in particular to ensure that:

- the Council only deals with advertisers and sponsors which are sufficiently reputable so as not to undermine the Council's position as a public body; and
- the nature of any advertising provided or sponsorship accepted is appropriate given the role of the Council and does not contradict or conflict with any of the Council's policies.
- To ensure that the Council adopts and maintains a consistent and professional approach in its acceptance and provision of sponsorship and advertising;
- To ensure that best value is obtained and provided in sponsorship and advertising arrangements; and
- To protect Members and officers from allegations of inappropriate dealings or relationships with sponsors and advertisers.

3. Options

3.1 The options are to:

- Support the creation of a corporate advertising and sponsorship policy which will set down a clear corporate framework governing how we undertake advertising and sponsorship activities or to
- Not support the draft policy which could provide freedom to enter into any commercial agreements we might choose.

4. Advice and analysis

4.1 Many councils now have advertising and sponsorship policies to guide and advise on the decisions that are made and protect them whilst enabling a more commercial approach to business and given the potential growth in this area for the Council, it would may be an approach the Council wishes to consider.

4.2 A Diversity Impact Assessment has been undertaken on the Policy, as set out in Appendix 2 to the report and an equality statement has been added to the Policy accordingly.

5. Risk management

5.1 By not having a policy in place potentially leaves the council open to risks that would result from not achieving the objectives set out at paragraph 2.4 above. However, implementing a policy could restrict the council from being able to take up different and interesting opportunities that present themselves to us and may not be covered by the policy.

6. Consultation

6.1 No external consultation has been undertaken on the proposed policy. Consultation with Members has taken place via the Business Support Overview and Scrutiny Committee prior to consideration by Cabinet, details of which are set out in section 7 of the report below.

7. Business Support Overview and Scrutiny Committee – 29 November 2018

7.1 Members considered a report regarding a draft policy on the carrying out of sponsorship and advertising activities by the Council.

7.2 The draft policy covered:

- The Council as an advertiser or sponsor; and
- The Council as an owner of an advertising platform or sponsorship opportunity which an external individual, group or organisation may wish to take up.

7.3 There was general support from Members for the policy. A Member queried whether the policy would be mandatory in nature or whether its purpose was to provide guidance, commenting that the Council should not be bound by a policy which prevented creative and flexible decision making in the future.

7.4 The following suggestions were made which sought to improve the draft policy or add clarity:

7.4.1 There should be a reference to the Purdah period.

7.4.2 In section 7, the reference to “imminently” regarding a procurement process with the Council was too vague and there should instead be a definitive timescale to provide clarity.

7.4.3 Not permitting advertisements or the acceptance of sponsorship from trade unions and pressure groups was seen as problematic as there would be occasions where this would be appropriate. In addition, excluding organisations with a political purpose was seen as too broad as many issues would have a political purpose but would not be party political in nature, the latter being clearly unacceptable. This could also lead to events which could be funded or partly funded by an external organisation having to be funded wholly by the Council. It was suggested that instead of ruling out organisations with a political purpose, including trade unions and pressure groups that consideration should be given on a case by case basis.

7.4.4 In terms of the financial cost/value of advertising or sponsorship arrangements, the Gillingham FC sponsorship deal showed that non-financial considerations could be an important factor and it was suggested that these references in section 9 should be re-worded to refer to the “total reward of the contract”.

7.4.5 Section 7 should be amended to include individuals as well as organisations, excluding any Director of a company who had been declared bankrupt or was part of group of companies which had gone bankrupt.

7.4.6 The Policy should make it clear that, in the interests of transparency, any company seeking to advertise with the Council or enter into a sponsorship arrangement where a Member of the Council was involved with the company would not receive special treatment. Advice was given that the Member Code of Conduct also provided a safeguard against such a situation.

7.5 The Committee agreed to forward all of the above comments and suggested changes in wording to the draft advertising and sponsorship policy to Cabinet for consideration.

8. Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive Comments

8.1 The suggestions proposed by members of the Business Support Overview and Scrutiny Committee have been accepted and built into the draft policy as tracked changes together with some amends. This includes a criteria whereby advertising and sponsorship may be permitted on a case by case basis.

8.2 Minor amends have been made to Section 7 Restrictions to reflect latest legislation and the Medway Fair Trader scheme.

9. Financial implications

9.1 There are no direct financial costs from the implementation of this policy but its implementation will support the council's drive to become more commercial and increase income opportunities within a structured framework.

10. Legal implications

10.1 The policy sets out requirements for all advertisements to comply with all relevant legislation, regulation or code of practice and must adhere to the codes of conduct laid down by the Advertising Standards Authority in both letter and spirit. Legal liability for the content of any advertisement placed will rest with the advertiser whether this is the Council or the client.

10.2 Advice should be sought from the Category Management team before entering into any sponsorship arrangement, to ensure compliance with the Council's Contract Procedure Rules.

11. Recommendations

11.1 The Cabinet is asked to consider the comments and recommendations of the Business Support Overview and Scrutiny Committee as set out in section 7 of the report.

11.2 The Cabinet is asked to approve the Advertising and Sponsorship Policy, as set out in Appendix 1 to the report.

12. Suggested reasons for decision

12.1 Introducing an advertising and sponsorship policy will allow us to take a consistent and corporate approach to undertaking these growing opportunities with established standards. It will provide a clear framework and control measures, ensure we comply with legislations, industry codes and other council policies and secures best value for money in all we do.

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Appendices

Appendix 1 - Draft advertising and sponsorship policy

Appendix 2 – Diversity Impact Assessment

Background papers

None