



Serving You

Business Support and Digital Overview and Scrutiny Committee

4 April 2024

Revised Advertising and Sponsorship Policy

Report from: Richard Hicks, Chief Executive

Author: Celia Glynn-Williams, Head of Communications and Marketing

Summary

This paper seeks approval to take to Cabinet proposed revisions to the Council's Advertising and Sponsorship policy which take positive steps to support the improvement of the health and wellbeing of Medway residents and our climate agenda.

1. Recommendations

1.1. The Committee is asked to consider the revised Advertising and Sponsorship Policy as set out in Appendix One to the report and submit any comments to Cabinet.

2. Budget and policy framework

2.1. This policy sits within the Council's suite of policies although there is no formal requirement for the council to have an Advertising and Sponsorship policy. The recommendations of Business Support and Digital Overview and Scrutiny Committee will be submitted to Cabinet to decide.

3. Background

3.1. Medway Council's Advertising and Sponsorship Policy sets out the Council's approach to seeking and taking sponsorship and advertising. The Council is keen to seek and develop such commercial opportunities and strengthen our relationship with public and private sector organisations. These also provide the opportunity to support the strategic delivery of corporate objectives directly and indirectly and allows us to raise the profile of the services we provide and engage better with the local communities we serve. The policy seeks to strike an appropriate balance of restricting inappropriate content and avoiding conflicts of interest whilst maximising the commercial, social and reputational benefits that advertising and sponsorship can have.

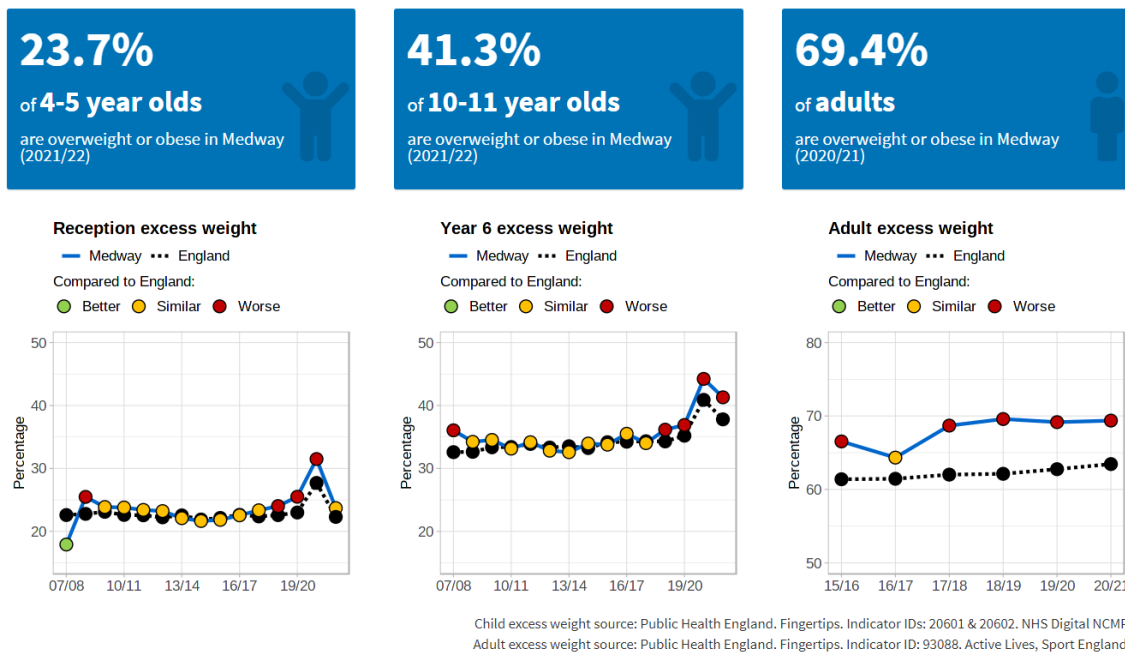
3.2. Since this policy was approved in 2018 there have been a number of developments within the Council that set health and wellbeing of local people

and climate response as key priorities for the council. The current policy allows for advertising content and sponsorship agreements that might come into conflict with these priorities and therefore a number of revisions have been proposed to ensure that we do not contradict our priorities in any advertising or sponsorship arrangements that might be entered into across the Council.

High in Fat, Sugar and Salt Foods (HFSS)

3.3. Obesity is one of the biggest health problems this country faces. Two thirds of adults are above a healthy weight and more than one fifth of children in England are overweight or living with obesity by the time they start primary school. This rises to one third when they reach 11 years old. Medway has a high level of obesity rates across both adults and children. Medway Council has a responsibility to implement programmes to reduce obesity along with the development of a Whole Systems approach to Obesity (WSO). Part of the WSO is to inject health into all policies (HiAP) by reviewing and recommending changes across all council policies to support the reduction in our Medway obesity levels.

Figure 1. Current Obesity rates Nov.22 compared to the England average.



3.4. Regular overconsumption of food and drink high in calories, sugar and fat can lead to weight gain and, over time, obesity, which in turn has a significant impact on health and wellbeing and increases the risk of obesity related diseases. Poor diets which include high sugar intake is also one of the primary contributors to poor oral health and tooth decay, particular in children.

3.5. The child obesity epidemic affects more than just a child's physical health. The child obesity epidemic has implications for both the affected individual's

emotional and mental development, but also their social interactions. But it also has repercussions for the economy in terms of the wellbeing of a future workforce and the NHS. Recent estimates show that £66bn could be saved over the course of a child's lifetime if child obesity was brought down to 1980s levels. In 2018, the government committed to halving child obesity by 2030 and new legislation was introduced restricting the promotion of HFSS products by volume price and location. At that point, one in three children were overweight or obese by the time they left primary school and this is still the case today. That means a lot of work needs to be done over the next decade.

- 3.6. Advertising of HFSS products make them particularly appealing and influence people to make less healthy food choices. A 2018 Cancer Research UK study estimated that seeing just one extra HFSS advert per week led to the consumption of 350 additional calories. Unsurprisingly, there are associations between outdoor HFSS advertising and obesity. The advertising spend for cakes, biscuits, confectionary and ice creams is twenty times that of healthy food.
- 3.7. The proposed revisions to the policy would restrict the council from taking advertising from businesses or brands with the aim of promoting any HFSS products. It does not however prohibit the council from taking advertising of non-HFSS products, so a business that would normally advertise with us would be required to swap out advertising of HFSS products for non-HFSS products they offer.
- 3.8. The new prohibition would however mean that the council would not be able to enter into sponsorship agreements with businesses that are almost exclusively associated with HFSS food products and retailing as in most cases it is primarily their branding that become associated with the council and our sponsored events and activities. They could if the sponsorship was from a brand of a healthy product or service. Likewise the council would be prohibited from sponsoring any activity that was led by a business associated with HFSS products.
- 3.9. In terms of likelihood of the financial risk materialising, it should be noted that despite predictions of large revenue losses, after a Healthier Food Policy (High Fat, Salt or Sugar ban) was implemented across the Transport for London (TfL) network, their revenue actually increased. Some analysts had warned it would cost TfL as much as £35million per year and that TfL ticket prices would go up as a result. However, TfL confirmed that revenues had, in fact, gone up by £1million in the first quarter after the policy was implemented. Those figures were sustained over the first year of policy implementation, with TfL reporting advertising revenues had gone up by £2.3million. A number of other councils have now also implemented restrictions on HFSS advertising including Brighton, Bristol, Liverpool, Haringey, Merton, Southwark, Barnsley and many others.

Medway Council's Climate agenda

- 3.10. Consideration has been given as to whether the Council should introduce additional advertising restrictions in support of its environmental aims in line with the Declaration of the Climate Emergency in 2019 and its Climate Change Action Plan. In 2023, Climate Emergency UK assessed all UK local authorities on the actions they've taken towards net zero. One of the areas assessed was whether the Council had passed a motion to ban high carbon advertising. Medway Council does not currently restrict high carbon advertising through its Advertising and Sponsorship policy. High carbon advertising includes advertisements for products and activities that emit high amounts of CO2 emissions such as fossil fuels. Restricting high carbon advertising recognises the need to reduce demand for high-carbon activities to limit the impact of climate change and reflects the local authority's role in influencing more sustainable consumer behaviours.
- 3.11. Two UK local authorities have set a precedent by including low carbon principles in their advertising policy. In addition, three UK local authorities have passed a motion to investigate the possibility of amending restrictions within their policy. The approach is not as widespread amongst councils as the restrictions on HFSS at the moment.
- 3.12. The revision proposes that the council would not enter advertising or sponsorship arrangements with businesses whose products or services, in the reasonable opinion of the Council, conflict with the council's carbon reduction targets for Medway and Climate Change Action Plan. This would not prevent the council from entering into an agreement for example with a car dealership, but they would have to restrict promotions to electric vehicles only.

4. Options

- 4.1. Business Support and Digital Overview and Scrutiny Committee can choose to:
 - a) accept the proposed policy changes together with the other minor amendments and recommend the revised policy to Cabinet;
 - b) make alternative recommendations for changes to the policy to Cabinet or
 - c) propose to Cabinet that the policy remains as it is.

5. Advice and analysis

- 5.1. It is recommended that the committee choose option a, to accept the proposed policy changes together with other minor amendments and recommend the revised policy to Cabinet. The revised policy has been considered by various Directorate Management Team and circulated to other council officers and, following minor edits from the teams, after careful consideration, the advice to members is to accept the option of approving

the new policy. Additions to the existing policy will demonstrate to residents and the Council's partners its commitment to the health and wellbeing and the climate emergency. There is no evidence that revenue will be significantly reduced by implementing the revised policy, but there is evidence that it can have a positive impact on people's behaviour.

- 5.2. Badvertising and Adfree Cities published a [Low Carbon Advertising Policies toolkit](#) for local policy makers in February 2023 which outlined evidence for restricting advertising for high-carbon products (specifically polluting cars, airline industry and fossil fuel industry).

6. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Reduced revenue from advertising or sponsorship	There is a chance that revenue will be affected due to restricting some products being advertised on council platforms and sponsorship not being accepted, although this has not been reported by other councils	A baseline of income can be taken for sponsorship and advertising before the introduction of this policy and then monitored for any changes after a period of one year. Existing advertisers can switch their products promoted to the more healthy options. In addition, other healthy and climate conscious products and services and services may be more inclined to advertise and sponsor with the council as it aligns with their values. Teams seeking sponsorship and advertising could also approach the Council's Economic Development Team to also identify new businesses to link with.	CIII
Reputational damage	There may be a perception of the council not prioritising business and the economy over health and wellbeing and environmental concerns.	By not implementing the revised policy, the opposite is true, which may undermine our efforts to inspire our partners and residents to support these agendas. We are not completely banning these businesses,	CIII

Risk	Description	Action to avoid or mitigate risk	Risk rating
	We may damage existing long-standing relationships with some Medway businesses.	they have the opportunity to promote their more healthy/carbon reducing products and services with us instead. A discussion will be held with these businesses if the revised policy is agreed.	
Officer time to monitor and implement policy	To ensure the policy is adhered to and implemented fairly and consistently, attention will need to given to all possible advertising and sponsorship opportunities.	The policy will be communicated to all staff via an internal communication bulletin and sent to service managers directly for them to cascade to their teams. Advice will be available from the Communications and Marketing team, Public Health and Climate Response teams to help guide any decisions.	CIII

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

7. Consultation

- 7.1. No public consultation has taken place on the proposed revisions, but it has been reviewed at two council Directorate Management Teams.

8. Climate change implications

- 8.1. The Council declared a climate change emergency in April 2019 and has set a target for Medway to become carbon neutral by 2050. These amendments take positive steps to support those ambitions and lead the way in Medway.

9. Financial implications

- 9.1. Advertising and sponsorship has never been a major source of income for the council although in our current financial situation some services are looking to increase income sources to help support and cover the costs of

some service delivery. As the new restrictions only apply to certain content, they do not ban completely certain brands but allow organisations to promote their products and services to which no restrictions apply, for example electric car brands or healthy food alternatives.

- 9.2. Three years in from launch, the experience from the Transport for London ban on HFSS products saw food and drink advertisers continuing to advertise on the TfL estate promoting their healthier products and TfL's commercial media revenue increased by £2.3million during the first year of the policy.
- 9.3. More importantly consideration should be given to the longer-term potential positive impact on the health of Medway's population from introducing these restrictions and the potential reduction of reliance on healthcare services in the longer term. Research from the London School of Hygiene and Tropical Medicine examined data from two million grocery purchases of HFSS products to examine the impact of the policy in London. It found households purchased 1,000 fewer calories from HFSS products per week a reduction of 6.7 per cent. Chocolate and confectionary saw the largest decrease.

10. Legal implications

- 10.1. Badvertising and Adfree Cities commissioned a review in 2023, to assess any legal issues potentially arising from the introduction of high carbon advertising restrictions. The review concluded that it is within local authorities' power to adopt policies that include such restrictions. It considers the legal risks to be limited and the prospect of successful challenge to be low. The review also acknowledges that effective local authority precedents are already set and working in practice. Finally, it emphasises the strong legislative background to do so, given that the need to reach net zero carbon emissions is part of the UK's primary legislation, and that the UK's latest carbon budget makes explicit recognition of the need to reduce demand for high-carbon activities.

Lead officer contact

Celia Glynn-Williams, Head of Communications and Marketing, Gun Wharf. 01634 332 449.

Appendices

Appendix 1 – Revised Advertising and Sponsorship Policy

Appendix 2 - DIA

Background documents

[Badvertising and Adfree Cities published a Low Carbon Advertising Policies toolkit for local policy makers](#)