

Warringah Council Policy

Policy No. PL 002 SPONSOR

Corporate Sponsorship Policy

1. The purpose of this policy

To document the general principles, and outline the mechanisms, that apply to the negotiation and implementation of agreements concerning the sponsorship of Council's activities.

2. Policy statement

Council is interested in developing sponsorship arrangements that will provide additional resources to the community.

These arrangements are of value to Council only if they provide funding over and above the normal operational funds that Council has available, and do not, at the end of the sponsorship, leave Council in a position where it needs to fund new activities from its operational funds.

Often, it is the private sector that can provide additional funds and expertise to ensure that Council can provide a better service to its community than would otherwise be possible.

Organisations or individuals may choose to support Council activities through sponsorship for many reasons eg out of a sense of social responsibility, because of the goodwill that may enhance their public profiles and businesses generally, or the opportunities that sponsorship provides for marketing and advertising.

However, it is fundamental that the public should also perceive that Council's decisions on sponsorship are made objectively, for the public benefit and without corruption.

3. Principles

Sponsorship is a commercial arrangement in which an organisation or individual provides a contribution in money or kind to support a Council activity in return for certain specified benefits.

Sponsorship does not include, and this policy does not apply to:

- selling advertising space
- joint ventures
- grants, gifts or donations.

Council acknowledges that a sponsor expects to receive a reciprocal benefit beyond a modest acknowledgment.

3.1. General

The General Manager, or an officer authorised by the General Manager, has the authority to seek and negotiate corporate sponsorship agreements.

A sponsorship arrangement must not impose or imply conditions that would limit or appear to limit Council's ability to carry out its functions fully and impartially, particularly in its regulatory role.

Sponsorship should not involve explicit endorsement of the sponsor or the sponsor's products, should make clear the range of uses to which the sponsor can put the sponsorship (eg advertising), and give Council an opportunity to review specific uses prior to release.

Council recognises that a process that is fair, equitable, timely, cost effective and efficient needs to be followed in seeking sponsors. It is expected that there will be due regard for fair market assessment and or comparative valuing of the sponsor where applicable and or available.

Where sponsorship involves the provision of a product or service, Council will evaluate the product or service against objective criteria to ensure it is the type and quality that meets Council's expectations.

It is also important that no employee of the Council or a Councillor receives, or is perceived to receive, any personal benefits from sponsorship, and therefore personal benefits that are part of a sponsorship arrangement, if any:

- must be offered to Council, not a Council staff member
- will be directed to Council staff as determined by Council, not by the sponsor
- cannot be directed to a Council staff member who is involved in a regulatory function (eg planning and development, health and safety) involving or affecting the sponsor.

Council's logo and other intellectual property can only be used with the written permission of Council.

Sponsorships not permitted under this Policy

Council reserves the right not to agree to a sponsorship proposal where the potential sponsor, their activities or their proposals, as the case may be and in Council's sole opinion:

- do not support or further, or conflict with, Council's values (including but not limited to the natural environment, cultural and heritage values of the area) or objectives
- are primarily in the political field eg. political parties
- involve the manufacture, distribution and sale of tobacco and tobacco-related products
- involve the manufacture, distribution and wholesaling of alcoholic products where the sponsorship would be related to services or activities for youth or children and families, unless Council is satisfied that there will be no express promotion of alcohol or alcohol-related products to youth or children
- create, or are likely to create, a conflict of interest between Council and the sponsor during the sponsorship application period or the intended term of the sponsorship arrangement where the sponsor:
 - is involved in the building industry in Warringah,
 - is involved in the real estate industry in Warringah, or
 - is involved in legal action with Council
- do not pass, or are unlikely to pass, Council's evaluation of quality and suitability of products and or services involved in the sponsorship
- do not demonstrate a genuine readiness and capability to carry out the obligations of the sponsorship
- are otherwise of a nature that Council determines is likely to affect Council's public image or reputation adversely.

In deciding if a proposal is unsuitable, Council may choose to consider the activities of any persons or organisations that appear to be involved in carrying out the sponsorship, even if they did not submit a proposal.

3.2. Seeking a sponsor

Suitable corporate sponsorship arrangements will be entered into with any organisation or individual wishing to participate, who is of good reputation and public image, and whose products and or services meet Council's expectations.

Sponsorship opportunities will normally be promoted to the open market. Where feasible, Council will publish a list of known sponsorship opportunities annually of services, functions and programs. The advertisement may contain the criteria against which expressions will be assessed.

Council may include criteria favouring businesses that are local to the Warringah or Northern Beaches area, for the purpose of encouraging local and regional economic development.

Exceptions to usual process

In certain circumstances Council may seek and enter into sponsorship arrangements without a fully open public process.

If interest for a particular sponsorship is poor, very limited, or it is a one-off opportunity that Council considers will bring considerable benefit and requires quick action, other approaches may be made using the most open process that is possible to make the sponsorship opportunities widely known. However, Council may deal directly with a single potential sponsor if Council determines that it is the most appropriate method.

Council may also choose to consider unsolicited proposals. An unsolicited proposal is one that is initiated by a potential sponsor and is not in response to any action that Council has taken.

3.3. Applications

Where Council stipulates a particular form of application, applicants must use that form.

Applications must respond to all essential criteria identified by Council, otherwise they may not be considered.

Where an applicant is a current or recent Council sponsor, Council may exempt that applicant from providing specified supporting information, to the extent that Council has previously received the information and it has not materially changed.

3.4. Assessment

All applications for sponsorship will be assessed according to this policy, and any criteria established for a sponsorship opportunity.

Applicants may be required to provide additional information on request.

Applicants must be willing to submit product samples or service demonstrations and or testimonials, if required by the sponsorship criteria or if requested by Council, so that Council may consider them as part of the assessment process.

Council will advise applicants about the outcome of their application as soon as practicable.

3.5. Risk Management

Before a sponsor is appointed or an agreement is entered into, Council will undertake a formal risk assessment. This will identify potential risks and how these will be managed. Examples of the types of risks associated with sponsorship agreements include:

- actual or potential conflicts of interest
- any activities (whether or not part of the sponsorship activity) of the sponsor that have the potential to embarrass Council or negatively affect Council's reputation

- perceptions that Council will exercise its functions differently or improperly due to the sponsorship
- perceptions that the sponsor will obtain benefit from access to privileged Council information
- the reputation of the sponsor including financial integrity and viability.

3.6. Recognising sponsors

Council may recognise its sponsors in a number of ways appropriate to the significance of the sponsorship.

Forms of recognition will be contractually agreed and may include:

- temporary signage that appears prior to an event and is removed a specified number of days following the event
- media release and seeking of associated media or promotional opportunities
- invitations to selected Council functions
- printing of the sponsor's name and logo in Council's Annual Report and other external publications where appropriate
- naming rights
- award or trophy struck in the sponsor's name and publicly presented
- right to use the sponsored asset, service, event, name and or Council's logo in sponsor's advertising and sales promotion
- use of event facilities, which may include hospitality, free preferential seats, event functions, award presentation, car parking, or VIP functions
- merchandising of goods and or services at selected points of sale
- static display in the foyer of Council's Civic Centre or other Council-owned facility
- professional footage and photography for use by the sponsor
- right to use an asset, service, event, name and or logo, in static displays or for an activity of the sponsor when not required for Council's use
- opportunity for sponsor's name and/or logo to be promoted through appropriate advertising by Council
- acknowledgment by masters of ceremonies and or councillors
- reciprocal website links.

3.7. Agreement

All sponsorship arrangements will be recorded in a written contract.

3.8. Monitoring

Council will establish a monitoring system to manage the sponsorship.

Council's monitoring will review the following aspects of the sponsorship:

- general compliance with the terms of the written agreement
- achieving the objectives of the sponsorship

- good management behaviour and record keeping
- timely submission of reports and attendance at meetings
- public statements about the sponsorship
- ongoing financial viability of the sponsorship
- ongoing cost and benefit of the sponsorship to Council and the community
- ongoing suitability of the sponsorship
- risk and safety issues concerning the sponsorship.

It is important that sponsors keep Council informed about how the sponsorship is progressing.

Sponsors will be expected to report regularly on the progress of the sponsorship or grant activities. Usually this will be every three months in writing, although it may be more frequently. Sponsors should provide a statement with their report that shows the income and expenditure of the sponsorship activities. This is part of the financial reporting under the written agreement.

Sponsors can also be asked to meet with Council staff in person from time to time, or allow Council staff to access their premises and records or to perform a formal audit of the sponsorship records.

If there is a management plan, sponsors will need to report against the requirements and milestones of that plan.

Details of major sponsorships may be acknowledged in the Council's Annual Report.

Council will maintain a database or central register of all sponsorships.

4. Who is responsible for implementing this policy?

Executive Management Team, Group Managers, Councillors.

5. Document owner

Deputy General Manager, Corporate Services.

6. References

Related Council policies are:

- Statement of Business Ethics
- Warringah Local Environmental Plan 2000 (LEP)
- Code of Conduct for Councillors, members of staff and delegates of Council

Other

Independent Commission Against Corruption (ICAC) *Guidelines to Sponsorship in the Public Sector* (available at www.icac.nsw.gov.au)

7. Review

This Policy was adopted by Council on 22 November 2011.

It is effective from 23 November 2011.

It is due for review on 23 November 2015.