

## **The Vale of Glamorgan Council**

### **Cabinet Meeting 30 April 2018**

#### **Report of the Leader**

### **Reshaping Services – Income Generation and Commercial Opportunities - Advertising and Sponsorship Protocol**

#### **Purpose of the Report**

1. To provide an update to Cabinet on the Advertising and Sponsorship activities being undertaken as part of the Council's Income Generation and Commercial Opportunities Strategy
2. To seek approval for the Council's Advertising and Sponsorship Protocol contained in [Appendix A](#).

#### **Recommendations**

1. That Cabinet note the contents of this report.
2. That Cabinet approves the Advertising and Sponsorship Protocol contained in Appendix A attached to this report.
3. That, subject to recommendation two, Cabinet delegates authority to the relevant Head of Service in consultation with the Leader, Managing Director and Section 151 Officer to promote and agree sponsorship and advertising opportunities and award necessary contracts in line with the Advertising and Sponsorship Protocol contained in Appendix A. Where it is deemed appropriate to do so, further reports to Cabinet on specific opportunities will be reported.
4. That Cabinet refers this report to Scrutiny Committee Corporate Performance and Resources for consideration.
5. That Cabinet approves the use of the urgency procedure, Section 14.14 of the Council's Constitution (urgent decision procedure), to enable the use of the Advertising and Sponsorship Protocol to be used to promote sponsorship opportunities associated with the summer events programme 2018

## Reasons for the Recommendations

1. To provide members with an update on the advertising and sponsorship activities being undertaken in line with the Council's Income Generation and Commercial Opportunities Strategy
2. To ensure that advertising and sponsorship activity is undertaken consistently in line with agreed processes.
3. To ensure advertising and sponsorship activity is managed in accordance with the Advertising and Sponsorship Protocol and, where in certain circumstances it is deemed to be appropriate to do so, that individual reports are brought to Cabinet in due course.
4. To ensure that the process for progressing any changes is undertaken efficiently and effectively in accordance with the Council's policies and procedures and that the views of the Scrutiny Committee are taken into account.
5. To enable the use of the Advertising and Sponsorship Protocol to promote opportunities associated with the summer events programme 2018 whilst Scrutiny Committee consider this report in order to maximise the opportunity to secure funding due to the time of the year and timetable of events.

## Background

3. As part of the Council's Reshaping Services Programme, Cabinet will be aware that a range of income opportunities are being actively pursued as a way of generating revenue at a time when the Council's budget is under significant pressure.
4. Cabinet approved the Income Generation and Commercial Opportunities Strategy in October 2017, which set out a framework for considering existing and new income streams.
5. The strategic approach to the identification, classification and implementation of income generation and commercial opportunities involves categorising potential opportunities into one of the three income categories; buildings, assets and physical resources, new products and services and existing products and services. There are three income or commercial approaches which are then explored to realise each opportunity; fees and charges, delivery models and sponsorship. The strategy's objectives and income principles are then considered and applied as appropriate to ensure that decisions made are consistent, robust and congruent with the delivery of the aim of the strategy.
6. To ensure that advertising and sponsorship activity entered into by the Council is undertaken consistently and in line with agreed processes and procedures an Advertising and Sponsorship Protocol has been drafted and can be found in Appendix A.

7. The protocol forms the basis for projects that aim to seek sponsorship or attract advertising from external organisations to generate revenue or reduce costs. This report outlines the key aspects of the Advertising and Sponsorship Protocol as well as providing an update to Cabinet Members on current projects that are being explored as sponsorship and advertising opportunities under this model.

## Relevant Issues and Options

8. The Advertising and Sponsorship Protocol comprises the following sections;
  - A **Document Purpose** outlining the reason for the protocol and what it aims to achieve.
  - A section explaining how the protocol Links to the **Strategic Principles** of the Income Generation and Commercial Opportunities Strategy.
  - A section providing **Definitions** of both Advertising and Sponsorship for the purpose of the protocol.
  - A **Guiding Principles** section outlining the general principles that companies will need to follow when undertaking advertisement and sponsorship activities via the Council.
  - A section providing **Procurement Guidance** to support the process for decision making and the award of contracts
  - A **Roles and Responsibilities** section to explain how the process and protocol should be managed
  - A section outlining the proposed **Monitoring and Review** process for the protocol.
9. In line with the protocol in Appendix A, various project teams have been convened to explore opportunities for attracting advertising and sponsorship opportunities in respect of the Council's assets (website, pool cars, beach huts, parks and sports facilities), and services, for example, events. The following outlines the current activity that is taking place regarding sponsorship and advertising under the Council's Income Generation and Commercial Opportunities Strategy.

## Sponsorship of Summer Events Programme

10. The Council's Summer Events programme comprises a number of exciting and popular events including Transport Festival, Beats, Eats and Treats, Cadstock Mustic Festival, Barry Island Summer Weekenders and Penarth Summer Sounds Festival. Together these events attract more than 80,000 visitors annually.
11. With the Council's budget under increased pressure it seems prudent to seek financial support to ensure the sustainability of these events through the offering of sponsorship and advertising opportunities to external parties. It is proposed that the Council offers an exclusive sponsorship opportunity to a 'headline sponsor' at each event. This would give them naming rights and publicity through the Council's social media campaigns and website advertisements relating to the event, along with premier exhibition space at each event to use for promotional activity. It is

also proposed that smaller 'spot' advertising/marketing opportunities are offered at the council's events to target smaller and perhaps more local traders who would be interested in some advertising space.

12. A media pack will be created outlining all sponsorship and advertising opportunities relating to the Council's summer events programme and it is proposed that suitable organisations are targeted to ensure that sponsors are relevant and complementary to the activities of the event. This will be promoted and managed in line with the protocol.
13. Should the sponsorship of the Summer Events programme be successful it is proposed that a similar model is used for the sponsorship of events planned for Autumn and Winter including Christmas events.
14. Due to the time of year and timetable of the events programme, Cabinet is recommended to approve the use of urgency powers, Article 14.14 of the Council's Constitution (urgent decision procedure), to enable the protocol to be used for the summer events programme 2018, whilst Scrutiny Committee (Corporate Performance and Resources) consider this report and the Protocol.

### **Locations and Prime Sites**

15. Consideration will be given to developing opportunities associated with locations and prime sites across the Vale of Glamorgan which could be used to generate income as a result of securing sponsorship and/or advertising. The following outlines some of the early areas for consideration. Further work will be undertaken to investigate these opportunities in more detail, with further reports being brought to Cabinet as deemed appropriate, in accordance with recommendation 3 of this report.
16. The Beach Huts at Barry Island have become increasingly popular since their construction in 2014. With 388,000 visitors to Barry Island each year, an opportunity exists for the Council to partner with an external organisation to attract sponsorship for this popular asset. It is proposed that sponsorship of Beach Huts be explored and based on a three year contract to demonstrate the Council's commitment to working in partnership with a potential sponsor. A promotional pack describing possible branding/publicity options will be created and promoted in line with the protocol.
17. It is proposed that sponsorship opportunities of prime location sites in the Vale of Glamorgan are explored as potential sponsorship opportunities based on a "whole area" being sponsored. Examples of such sites include Barry Island and Penarth Esplanade.
18. It is believed that opportunities for further advertising and sponsorship could exist on the Council's gateways, interchanges and strategic routes. For example, Culverhouse Cross, stretches of the A48, Port Road and Five Mile Lane. The Council currently has a contract in place with Immediate Solutions who assist with current advertising on the Council's roundabouts. It is proposed that this contract is reviewed as consideration is given to additional opportunities in this area.

19. In a similar way to considering whether opportunities for sponsorship of other prime location sites in the Vale of Glamorgan exist, it is also proposed that the Council's parks are considered, due to their popularity and high footfall all year round.

### **Assets**

20. In a similar way to Beach Huts, it is proposed that consideration is given to attracting sponsorship and/or advertising on the Council's fleet of vehicles to include pool cars and other fleet vehicles. Given the visibility of these vehicles, both in and around the Vale of Glamorgan and regionally it is thought that the Council could consider selling advertising space on these vehicles or seek sponsorship for groups of vehicles. A project team has been established to consider opportunities in this area.
21. On 25 April 2016 Cabinet approved a proposal to offer advertising space on the Council's English language website and associated microsites through a contract with the Council Advertising Network (CAN). The income generated to date from the contract is towards the bottom end of the projections provided by CAN and a project team has recently been developed to consider additional opportunities to further enhance this.
22. The project team will consider opportunities that have been explored in other local authorities and share learning to enhance our current offering.

### **Resource Implications (Financial and Employment)**

23. The Income Generation and Commercial Opportunities Programme has sought to identify a range of opportunities to contribute towards its Reshaping Services target of £275k for 2018/19.
24. Financial targets will be assigned to each of the sponsorship and advertising projects above, with a £70k target currently assigned to sponsorship of events.
25. The Income Generation and Commercial Opportunities Programme is on-going and will continue to identify and progress further opportunities to meet the savings target.

### **Sustainability and Climate Change Implications**

26. There are no specific sustainability and climate change implications associated with this report.

### **Legal Implications (to Include Human Rights Implications)**

27. All sponsorship bids should be approved by the relevant Head of Service, liaising as required with the Council's Leader, Managing Director and Section 151 Officer. All Advertising and Sponsorship Agreements must be referred to Legal & Financial Services for review prior to agreement where the value exceeds £1,000 or where

any queries relating to the potential appropriateness of the sponsoring/advertising company exist.

### **Crime and Disorder Implications**

28. There are no specific crime and disorder implications associated with this report.

### **Equal Opportunities Implications (to include Welsh Language issues)**

29. An Equality Impact Assessment Scoping exercise was completed and determined that a full Equality Impact Assessment was not required.

30. Section 5 of the Advertising and Sponsorship Protocol attached in Appendix A states that “advertisers and sponsors should confirm they meet the Council’s standard on both ethical and equality policies”.

31. Website advertising currently only appears on the Council’s English Language site as the advertising content is managed by an external company and is not currently available in the Welsh Language. However, consideration will be given in the future to the potential for provision of Welsh Language advertisements.

### **Corporate/Service Objectives**

32. This project forms part of the Reshaping Services transformational change programme and as such contributes to the Council’s Corporate Plan 2016-2020.

### **Policy Framework and Budget**

33. This is a matter for Executive decision by Cabinet.

### **Consultation (including Ward Member Consultation)**

34. Due to the corporate nature of this report, no specific Ward Member consultation has been undertaken.

### **Relevant Scrutiny Committee**

35. Corporate Performance and Resources

### **Background Papers**

Income Generation and Commercial Opportunities Strategy 2017 – 2020

[http://www.valeofglamorgan.gov.uk/Documents/ Committee%20Reports/Cabinet/2017/17-10-23/Appendices/Income-Generation-Commercial-Opportunities-Strategy-2017-2020-Appendix-A.pdf](http://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Cabinet/2017/17-10-23/Appendices/Income-Generation-Commercial-Opportunities-Strategy-2017-2020-Appendix-A.pdf)

Website Advertising Report

[http://www.valeofglamorgan.gov.uk/Documents/ Committee%20Reports/Cabinet/2016/16-04-25/Reports/Reshaping-Services-%E2%80%93-Income-Generation-Project-Update-Cabinet-Report.pdf](http://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Cabinet/2016/16-04-25/Reports/Reshaping-Services-%E2%80%93-Income-Generation-Project-Update-Cabinet-Report.pdf)

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