



LIVERPOOL CITY COUNCIL CORPORATE SPONSORSHIP (INCOMING) POLICY

Adopted: 26 May 2015

TRIM 219242.2014



LIVERPOOL CITY COUNCIL CORPORATE SPONSORSHIP (INCOMING POLICY)

1. TITLE

Liverpool City Council Corporate Sponsorship (Incoming) Policy

2. DEFINITIONS

CEO: Chief Executive Officer

Council: Liverpool City Council

Conflict of interest: A conflict of interest arises if it is likely that a private interest could conflict, or be seen to conflict, with carrying out a person's public or professional duties.

In-kind support: a non-monetary contribution, for example, goods and services, business expertise or advertising.

Sponsorship: Sponsorship is a commercial arrangement in which a sponsor provides a contribution in money or in-kind to support a Council activity or event in return for certain specified benefits. Sponsorship is not philanthropic. A sponsor expects to receive a reciprocal benefit beyond a modest acknowledgement. Sponsorship does not include:

- a) The selling of advertising space;
- b) Consultancies;
- c) Grants (in regard to received sponsorship);
- d) Joint ventures;
- e) Unconditional gifts, donations, bequests or endowments.

3. LEGISLATIVE REQUIREMENTS

Independent Commission Against Corruption Act 1988

Local Government Act 1993

4. PURPOSE/ OBJECTIVES

- 4.1 This policy aims to establish a single, coordinated and transparent approach to the way in which Council seeks, obtains and manages sponsorships from organisations and the business sector.
- 4.2 Council is responsible for delivering a large number of activities, programs and services under a wide range of legislation. Council also produces activities and events which contribute to the vibrant cultural life of the City of Liverpool and are normally free to the public. By seeking and receiving sponsorships, Council can provide additional resources with which to support specific activities or programs.
- 4.3 Through sponsorships, Council can enhance and extend the reach of current activities or programs, or develop new ones. This needs to be in accordance with

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relevant directions in Council's Community Strategic Plan.

4.4 This policy applies to all incoming sponsorships received by Council.

4.5 The scope of this policy does not extend to grants of any kind.

5. POLICY STATEMENT

5.1 Principles

- 5.1.1 A sponsorship agreement is only entered into by Council with an organisation or company whose image, policies and values support the public image, reputation, values and strategic directions of Council, as set out in Council's Community Strategic Plan, Code of Conduct, related Council policies and legislative requirements.
- 5.1.2 Council, as a regulatory authority, will not seek, or accept sponsorship from any organisation or company whose involvement in a sponsorship arrangement could compromise, or be seen or perceived to compromise, Council's ability to exercise its regulatory and planning functions or otherwise present a conflict of interest.
- 5.1.3 All parties must understand clearly that the acceptance of a sponsorship by Council has no bearing on Council's exercise of its regulatory functions. This requirement must be clearly stated and acknowledged in all documentation.
- 5.1.4 A sponsorship agreement should not impose or imply conditions that would limit, or appear to limit, Council's ability to carry out its functions fully and impartially.
- 5.1.5 All benefits received by Council from sponsorships must be used directly to support Council's community activities, events and projects.
- 5.1.6 Council will ensure that all members of Council staff involved in the negotiation of any sponsorship have no involvement in the regulation or inspection of the relevant party. All regulatory activities and inspections conducted by Council must be undertaken in a transparent, fair, accountable and impartial manner.
- 5.1.7 In making a decision either to accept or not to accept a sponsorship, Council should weigh up the best interests of the public, public accountability, public perceptions and the potential risks against any potential benefits. If there is doubt about a proposed sponsorship agreement, Council will err on the side of caution and not proceed.
- 5.1.8 Sponsorship arrangements entered into by Council will not involve the explicit or implicit endorsement of a sponsor or a sponsor's products or services.
- 5.1.9 Councillors, Council committee members, Council volunteers or members of Council staff, including contractors or consultants engaged by Council, must not derive a personal benefit from a sponsorship arrangement.
- 5.1.10 Council will endeavour to advertise and promote sponsorship opportunities in a way that does not confer an unfair advantage to some potential sponsors.
- 5.1.11 A sponsorship is only to be pursued if the time and resources used to obtain it

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does not exceed the value of the sponsorship.

5.1.12 An assessment of the benefits and cost of a sponsorship must be undertaken. This assessment should consider:

- a) The extent to which sponsorship extends the reach or impact of an initiative;
- b) The costs of servicing a sponsorship versus the benefits;
- c) Alignment of the Council's initiatives objectives with sponsor expectations;
- d) Potential for longer term partnership benefits to accrue to Liverpool.

5.1.13 Any sponsorship arrangement entered into by Council must be formalised in a written agreement.

5.1.14 All sponsorship arrangements must be approved by the CEO or delegate, or Council, as set out in this policy.

5.2 Types of activities suitable to receive sponsorship

5.2.1 Council will generally only accept sponsorship for short term activities or programs such as:

- a) Author talks;
- b) Community or industry awards;
- c) Cultural activities;
- d) Education or recreation programs;
- e) Events;
- f) Festivals;
- g) Public education and community awareness campaigns;
- h) Public conferences, seminars and workshops

5.3 Types of activities not suitable to receive sponsorship

5.3.1 Council will not accept sponsorship for ongoing services and activities of Council, whether undertaken by members of Council staff, Council volunteers or Council committees.

5.4 Length of sponsorship arrangements

5.4.1 Council will generally only accept sponsorship of a short term nature, such as for events or programs of a limited time period (generally no longer than three years) as determined by the CEO (or delegate). The risks associated with sponsorships may be higher for longer term arrangements because:

- a) An assessment of a sponsor and associated risks can be made at a point in time, but circumstances may change;
- b) Short term sponsorships provide more opportunities for different sponsors over a period of time;
- c) There may be less perception that the sponsor is able to exert influence over Council for a sponsorship of a shorter time period;
- d) There is less chance for Council to be locked into an unsatisfactory arrangement.

5.5 Acceptable types of sponsorship

5.5.1 Sponsorship is acceptable through:

- a) Provision of funding (cash payments);
- b) Provision of goods or services (or vouchers for same);

c) Provision of discounts.

5.6 Acceptable benefits of sponsorship

5.6.1 Benefits are to be agreed in advance and form part of the sponsorship agreement, and may include:

- a) Access to the post event report
- b) Acknowledgement at events by the master of ceremonies or other speakers;
- c) Acknowledgement through social media channels including links back to sponsor pages;
- d) Defined, limited use of Council's name or logo by the sponsor;
- e) Discount tickets or venue hire;
- f) Display of goods or other material;
- g) Inclusion of sponsor's name or logo or other information on banners, leaflets, brochures, advertisements, newsletters;
- h) Invitations to VIP events;
- i) Market research opportunities;
- j) Media or promotional opportunities;
- k) Merchandising of goods at selected points of sale;
- l) Naming rights or category sponsorship for major events;
- m) Opportunities to speak at the sponsored event;
- n) Photography or film of an activity or event for use by the sponsor;
- o) Reference to the sponsor and the presence of the sponsor's logo on Council's website;
- p) Signage;
- q) Temporary reciprocal website links between Council and a sponsor;
- r) Use of event facilities which may include hospitality, preferential seats, the opportunity to speak or otherwise participate at an event.

5.7 Commercial material at Council facilities and on community noticeboards

Commercial or private promotional materials are not permitted to be displayed or distributed at Council facilities or on noticeboards etc., unless it is part of:

- a) A project principally for the benefit of a community group and has been approved by Council; or
- b) A sponsorship agreement with Council.

5.8 Restrictions on the type of sponsor organisations

5.8.1 Council will not accept sponsorship from organisations or companies that:

- a) Are involved in any current planning, regulatory or legal matter involving Council, or if it is reasonably known that such matters are likely to arise in the foreseeable future
- b) Are involved in, or associated with, products or services related to tobacco, gambling, pornography, armaments, or the exploitation of labour
- c) Are involved in alcohol products or services when the sponsorship is related to children, youth or sport, or
- d) Are otherwise perceived to be of a nature that is inconsistent with Council's values, policies and Communications Strategic Plan, or may adversely affect Council's public image or reputation, as determined by the CEO or delegate.

5.9 Value for money

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- 5.9.1 Council will endeavour to ensure that the sponsorship benefits for the sponsor do not outweigh the benefits to the Council. It is recognised that it is often difficult to place a specific value on sponsorship arrangements, especially the benefit obtained by the sponsor.
- 5.9.2 Council will also consider the nature of the activity being sponsored, the size of potential audience and the recognition provided to the sponsor, so as to ensure the benefits to each party are in proportion. A previous sponsorship or sponsorships may provide a guide to a new sponsorship arrangement.
- 5.9.3 Council may seek independent advice in relation to any sponsorship arrangement.

5.10 Conflicts of Interest

- 5.10.1 Every sponsorship proposal will be assessed against the possibility of a conflict of interest and, in particular, may be refused or terminated by Council in any case where, during the life of the sponsorship, the sponsor:
- a) Has a current development application or planning matter before Council, or Council is aware of the possibility of an application or matter coming before the Council in the near future; or
 - b) Is, or is likely to be, subject to regulation or inspection by Council which may impose conditions; and where the sponsorship may limit Council's ability to carry out its functions fully and impartially, or may be perceived to do so.

5.11 How sponsors are identified

- 5.11.1 Council will endeavour to seek sponsorship opportunities in a way that does not confer an unfair advantage on some potential sponsors over others. However it may not always be reasonable or practical to expect extensive processes to be undertaken for lower value sponsorships, or if the potential pool of sponsors is small or specialised.
- 5.11.2 For sponsorships where the value of funding or in-kind support to Council is \$50,000 (exclusive of GST) or less, Council may seek or accept sponsorship by dealing directly with the potential sponsor(s).
- 5.11.3 Sponsorships of a value greater than \$50,000 (exclusive of GST) must be sought either by an advertised process or by approaching multiple potential sponsors where appropriate.

5.12 Sponsorship plans

- 5.12.1 The member of Council staff responsible for the relevant activity or event must prepare a sponsorship plan relevant to each event or activity for which sponsorship is sought. The sponsorship plan and final contract must be approved by the Chief Financial Officer or delegate and must be consistent with Council's procurement procedures.
- 5.12.2 A sponsorship plan should describe the:
- a) Nature of the activity or event;
 - b) Level of sponsorship to be sought; and
 - c) Benefits to be offered to each sponsor in recognition of the sponsorship provided.

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5.12.3 The member of Council staff responsible for the activity or event must prepare a sponsorship package describing the:

- a) Nature of the event or opportunity;
- b) Level(s) of sponsorship;
- c) Type of sponsorship to be sought (monetary or in-kind); and
- d) The benefits offered to a sponsor(s) in recognition of the sponsorship provided.

5.12.4 In most cases, the public interest is best served by making sponsorship opportunities widely known. To this end, sponsorship should be sought using mechanisms not limited solely to invited sponsors. When, and in what form, a broadly-based process should be used depends on the nature of the market. If there is vigorous interest in sponsorship, the process should be competitive.

5.12.5 Sponsorship may be taxable for the purposes of the Goods and Services Tax. It is essential that, before finalising any sponsorship agreement, the Chief Financial Officer or the Manager Financial Management is consulted regarding compliance with relevant provisions of *A New System (Goods and Services Tax) Act (Cth)* 1999.

5.13 Approval of sponsorships

5.13.1 The Director Economic Development and Director Community and Culture have delegated authority to approve any sponsorship up to the value of \$10,000 (exclusive of GST) provided that the sponsorship meets all of the criteria set out in this policy.

5.13.2 The CEO has delegated authority to approve any sponsorship up to the value of \$50,000 (exclusive of GST) provided that the sponsorship meets all of the criteria set out in this policy.

5.13.3 Any sponsorship with a value of more than \$50,000 (exclusive of GST) must be approved by Council.

5.13.4 Any sponsorship over \$100,000 (inclusive of GST) or with a term over two years requires a public tender process under section 55 of the *Local Government Act* 1993.

5.13.5 Council's Director Community and Culture is to keep a central database of all sponsorship agreements, including details of the sponsored event, project, service or facility, sponsor details, sponsorship amount and the term of the sponsorship.

5.13.6 Councillors are to receive advice of any sponsorship approved by members of Council staff under delegated authority.

5.14 Form of agreement

5.14.1 All sponsorships will be documented in a relevant form of written agreement.

5.14.2 Sponsorship agreements should be prepared by a responsible member of Council staff and approved by their manager and Council's Governance and Legal Services unit.

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5.14.3 Sponsorship agreements should include the following details:

- a) The activity or the event being sponsored;
- b) Level of sponsorship including financial and/or in-kind contribution;
- c) Period of sponsorship;
- d) Rights and obligations of Council and the sponsor;
- e) Timeframes;
- f) Exclusivity or non-exclusivity of the sponsorship;
- g) Payment arrangements and schedules;
- h) Benefits to the company/ organisation;
- i) Benefits to Council;
- j) Commitment by Council;
- k) Insurance arrangements;
- l) Indemnity clause;
- m) Wet weather/ cancellation clause;
- n) Obligations of sponsor;
- o) Termination of agreement;
- p) Dispute resolution arrangements;
- q) Placement of material/ logo/ branding symbols.

5.15 Reporting

5.15.1 All sponsorships amounting to a value of more than \$5,000 must be recorded in Council's annual report.

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AUTHORISED BY

Council resolution

EFFECTIVE FROM

26 May 2015

DEPARTMENT RESPONSIBLE

Community and Culture

REVIEW DATE

26 May 2017

VERSIONS

Version	Amended by	Changes made	Date	TRIM Number
1	Council resolution	Original adoption	15 December 2003	092082.2006
2	Council resolution	Complete review	26 May 2015	219242.2014-006

THIS POLICY HAS BEEN ADOPTED AFTER CONSULTATION WITH

Corporate Services (Governance and Legal Services)

REFERENCES

Camden Council: Incoming Corporate Sponsorship Policy 2012

City of Sydney: Corporate Sponsorship Policy 2012

Division of Local Government: Developing a Council Community Events Policy: A Toolkit for Local Councils December 2011

Independent Commission Against Corruption: Sponsorship in the Public Sector May 2006

Leichardt Council: Sponsorship Policy (Incoming Sponsorship) 2012

Liverpool City Council: Code of Conduct

Liverpool City Council: Ethical Governance: Conflicts of Interest Policy

Liverpool City Council: Ethical Governance: Gifts and Benefits Policy