



LEE VALLEY REGIONAL PARK AUTHORITY
ADDITIONAL AUTHORITY MEETING
26 MARCH 2015 AT 11:00

Agenda Item No:

5

Report No:

A/4202/15

AMENDMENT OF SPONSORSHIP POLICY

Presented by the Chief Executive

SUMMARY

The purpose of this report is to seek Member approval of an amended Sponsorship Policy, attached as Appendix A to this report. The amendments have been proposed to create a framework and guidelines for sponsorship agreements, in respect of the Authority's venues, to be undertaken by either the Authority or via a third party.

RECOMMENDATION

Members Approve: (1) adoption of the amended Sponsorship Policy attached as Appendix A to this report.

BACKGROUND

- 1 The Authority adopted a Sponsorship Policy in October 2010 (Paper A/4105/10) in response to the aim of seeking sponsorship from businesses in either cash or in-kind contribution to meet financial targets to generate additional income to assist in delivering the business plan in the short term and to reduce dependence on the levy over the longer term.
- 2 The Sponsorship Policy sets out the Authority's approach to seeking and accepting sponsorship and creates a framework and guidelines for creating sponsorship agreements.
- 3 Following the decision to adopt a new organisational model and for the Lee Valley Leisure Trust Ltd to assume day to day management of 14 Authority venues, the Contract Negotiation & Monitoring Working Group recommended that the Sponsorship Policy be reviewed to ensure it was robust for sponsorship in respect of the Authority's venues to be sought via a third party.

PROPOSED AMENDMENTS TO THE SPONSORSHIP POLICY

- 4 The aim included within the Sponsorship Policy has been updated to reflect that the legacy venues have been returned to the Authority.

5 The policy acknowledges that the framework and guidelines for creating sponsorship agreements in respect of the Authority's venues could be undertaken by either the Authority or via a third party.

6 Once adopted the policy will inform the work of the Lee Valley Leisure Trust.

ENVIRONMENTAL IMPLICATIONS

7 There are no environmental implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

8 In the event of success there could be significant financial benefit to the Authority.

HUMAN RESOURCE IMPLICATIONS

9 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

10 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

11 The Authority is a public body with a remit that is defined by statute and should not enter into a sponsorship or commercial arrangement with any partner whose commercial activities could call the suitability of the association into question.

12 The policy seeks to mitigate that risk by detailing the commercial sectors that the Authority will not accept sponsorship or commercial partnerships from.

EQUALITY IMPLICATIONS

13 There are no equality implications arising directly from the recommendations in this report.

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PREVIOUS COMMITTEE REPORTS

Executive Committee	E/146/11	Sponsorship & Commercial Rights Strategy	21 July 2011
Authority	A/4105/10	Sponsorship & Commercial Policies	21 Oct 2010
Executive Committee	E/80/10	Draft Sponsorship & Commercial Policies	23 Sept 2010

APPENDIX ATTACHED

Appendix A Sponsorship Policy

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Lee Valley Regional Park Authority

Sponsorship Policy

1 Aim

The Lee Valley Regional Park (the Park) has, in recent years, entered into a new and exciting phase. The development of four ~~Three~~ London 2012 venues being have been built on our land means that the eyes of the world will be focused on the Park. At the same time, the need to generate income and demonstrate value for money is paramount in the current economic climate. As part of a review of potential new external sources of income the Lee Valley Regional Park Authority (the Authority) wishes to have developed a strategic approach to sponsorship across its facilities and parkland.

This policy sets out the Authority's approach to seeking and accepting sponsorship, either itself or via a third party in respect of the Authority's venues which that third party operates on the Authority's behalf, and creates a framework and guidelines for creating sponsorship agreements.

The policy:

- Makes clear the purposes of seeking sponsorship.
- Outlines a framework for approaching potential sponsors.
- Makes a senior officer/staff member accountable for coordinating sponsorship and as part of that, ensuring that this policy is followed.
- Sets out an approval process.
- Sets out a plan to minimise any risk and to ensure that the Authority behaves in an ethical manner.
- Ensures that all sponsorship activities comply with the Lee Valley Regional Park Act 1966 (the Act) and the Authority's financial regulations and Standing Orders.
- Explains the use of marketing collateral.

2 Purpose

~~The Authority has set itself specific financial targets to generate additional income (£250K) to deliver the Business Plan over the next three years and longer term to reduce the dependence on the levy from 63% to 60% of the maximum chargeable.~~

~~In order to achieve this, a Head of Commercial Development (HCD) was recruited in February 2010. The work programme for the HCD has been set out elsewhere. In addition, commercial development activities are also being undertaken by the Communications Department and the Leisure & Environment Directorate.~~

~~Considerable investment is being undertaken~~ has been made in new facilities and continues to be undertaken in the maintenance and enhancement of our

existing facilities. It is envisaged that this investment will enhance the Authority's ability to generate new sources of revenue.

The Authority will seek sponsorship from businesses in either cash or in-kind contribution in order to contribute to its income target.

3 A framework for approaching potential sponsors and establishing senior officer responsibilities

The Authority will seek sponsorship and other forms of support from global, national, regional and local businesses.

One lead officer from the Authority (the Lead Officer), ~~the Head of Commercial Development (HCD)~~, will coordinate all sponsorship approaches to ensure that:

- The Authority gets maximum possible value from any sponsorship opportunities.
- A strategic and consistent approach is taken.
- No company or organisation is approached with more than one offer from us or by more than one person.
- Any other agreements that the Authority has restricting sponsorship are considered to ensure they do not conflict with any new proposals.

Only designated staff should be involved in seeking, negotiating or approving sponsorship and they should act with integrity and in a fair, honest and open way.

In the event that other Authority staff are approached by companies or other bodies seeking to sponsor the organisation financially or by the siting of signs, advertisements or logos, the request must be referred to the ~~Head of Commercial Development~~ Lead Officer.

The Lead Officer~~HCD~~ will be free to approach any company in any industry sector subject to the provisions of paragraph 3.2.2 and pursue such enquiries to the point at which due diligence should be exercised.

The Lead Officer~~HCD~~ will keep Senior Management Team apprised of all key potential partners.

3.1 Approval processes

Management Team will give the final approval to all sponsorships.

A legal contract between the Authority and the sponsor will support all sponsorship activities. It will include the timescale, financial conditions and other benefits. It must be signed in accordance with the Authority's Standing Orders and Financial Regulations.

This agreement will include termination provisions which will provide for the right of the Authority to withdraw from the sponsorship arrangement should

conditions of the agreement not be met, specifically but not exclusively, if any new actions or information compromises the Authority's position, status or remit in any way that is due to its association with the sponsor.

No activities should start until a contract is in place.

The Authority will nominate a named officer to act as the main contact with the sponsor throughout the duration of the sponsorship agreement. The named officer will provide regular updates to the ~~Head of Commercial Development~~ Lead Officer to ensure the sponsorship deal is working for the Park.

3.2 Minimising risk and behaving in an ethical manner

The Authority is a public body with a remit that is defined by statute and should not enter into a sponsorship arrangement with any partner whose commercial activities could call the suitability of the association into question. The Authority should only seek to enter into a sponsorship agreement with a business whose values, practices and products support and promote the Authority's remit, policies and ethos.

Before entering into a sponsorship arrangement with any partner the Lead Officer ~~HCD~~ will check that any warm or interested parties do not have any legal or financial conflicts with the Authority or would connect the Authority to any group which may adversely affect the aims and objectives of the Authority or our partners. They will assess that a link with an interested party will not bring the Authority into disrepute. Checks will be made with any existing contractual arrangements such as funding agreements to ensure that any potential conflicts are resolved or necessary consents obtained. In addition, the Authority should evaluate the risks that may either:

- a) Cause existing sponsors to withdraw their sponsorship, or
- b) Create a situation that makes it unlikely that other brands will want to be associated with LVRPA or any of its venues.

Officers will ensure that the remit, image and integrity of the Authority is not compromised in any way through any sponsorship.

3.2.1 Commercial Agreements

Sponsorship agreements must not be regarded by any third party as a means of gaining favourable terms from the Authority in any other business agreements – the Officer and Member codes of conduct and financial regulations must always apply for business transactions.

The Authority will not enter into sponsorship agreements with any business or organisation which is in legal or financial conflict with the Authority. In the event that an existing sponsor enters into financial or legal conflict with the Authority the ~~Head of Commercial Development~~ Lead Officer will be consulted to assess the implications of such action and advise on an appropriate course of action.

3.2.2 Ethical partnerships

The Authority will not normally enter into agreements with companies that produce or promote

- Tobacco products
- Arms/defence equipment
- Political parties
- Pornography
- Sensitive areas where further consultation is required may include commercial partners whose main business is the manufacture and design of pharmaceutical products, products that promote unhealthy lifestyles and products that are aimed at children – particularly in connection with the sponsorship of child-targeted events or facilities and also include financial or investment companies that have holdings in any of the above. Any decision on sponsorship relating to companies whose activities fall into these categories will be reported back to the Executive Committee before any agreement is made.
- Any decision on sponsorship relating to companies associated with gambling or alcohol will be reported back to the Executive Committee before any agreement is made.

4 Regulatory

All sponsorship activity will ensure compliance with the Act, with the aims and objectives of the Authority and with all relevant laws and regulations including the regulations of national and international governing bodies.

The Authority will enter into sponsorship contracts with companies that set out clearly what benefits accrue to the sponsor and to the Authority.

In all sponsorship transactions officers will act in accordance with the Authority's Financial Regulations and Standing Orders which also contain the Member and Officers' Code of conduct.

5 Marketing collateral

All media relations, PR and marketing related to sponsorship agreements, whether being issued by the sponsor or jointly with LVRPA will be approved by the Authority's Head of Communications before any external parties view it. These could include, for instance, announcements of partnerships, PR, printed and web materials.

The Authority will undertake to approve all materials within a reasonable timeframe.

a) Use of the Authority logo. The logo may only be used as determined by the contract.

b) Use of the Authority name. Appropriate use of the Authority name should be used at all times. Any copy which refers to the Authority, the joint project or initiative must be approved by the Authority before it is used.

c) Acknowledgements. The type of acknowledgement that the sponsor will receive will be discussed before the sponsorship agreement is finalised. This could take the form of wording such as 'working with' 'in association with' 'supported by' 'sponsored by' 'made possible by' accompanied by the sponsors' logo.

d) Written material. LVRPA retains a veto over all materials produced in connection with a joint activity/initiative. Sponsors should be aware of LVRPA's identity guidelines, house style, use of language and positive images.

e) Company contacts. LVRPA is happy to work with a company directly or their nominated contacts – eg PR, marketing, advertising or sponsorship agencies.

f) Press relations. Press releases, statements etc are to be written in collaboration. Sponsors may not issue press releases relating to the joint activity/initiative without prior agreement. All press and PR activity must be signed off by sponsors and staff in the LVRPA Communications team in advance of activity.

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