

Documents which support the Constitution

Part G

SPONSORSHIP ARRANGEMENTS PROTOCOL

General Provisions

1. The Council recognises the need to encourage sponsorship and other income generating initiatives which assist the Council with the delivery of effective services to the community.
2. The Council must ensure, when considering any sponsorship arrangement, that it can demonstrate transparency in its dealing with sponsors and that it has taken care to ensure that the connection between a sponsor and the Council does not place the Council in a compromising position.
3. The guidance and principles set out in this protocol are designed to assist officers and councillors at Surrey Heath in their consideration of sponsorship initiatives in a responsible way during the identification, negotiation and management of such initiatives. In addition, officers must also comply with the Council's Financial Regulations and their general obligations set out in paragraph 19 of the Code of Conduct for Officers.
4. All proposed sponsorship initiatives must always be fully documented and referred to the Chief Executive at an early stage so that there is awareness at senior management level of any potential sponsorship arrangement which is being considered. Financial Regulations at Part 4 set out the arrangements for offers of sponsorship with a value of less than £1,000. Offers of sponsorship over £1,000 must be approved by the Leader/Executive.
5. Where sponsors are actively sought by the Authority, reasonable effort should be made to approach more than one potential sponsor so that a variety of proposals may be evaluated and considered before the most appropriate sponsor is finally chosen. To assist with deciding the number of sponsors to be considered, officers should use as a guide the number of estimates or tenders to be obtained for each financial level set out in the Contracts Procedure Rules at Part 4 and adopt the same principles, according to the relative value of the sponsorship required.
6. Where sponsorship is not actively sought but is offered to the Council by a sponsor, arrangements must comply with the requirements set out in the Council's Financial Regulations which govern acceptance of sponsorship initiatives and the protocols contained in this document.
7. Whether sponsorship initiatives are sought by the Council or offered voluntarily by sponsors, officers must always satisfy the Head of Service, after consultation with the Chief Executive and appropriate Portfolio Holder, in respect of those with a value of less than £1,000, and the Leader/Executive in respect of those with a value of more than £1,000, that the proposed sponsorship opportunity offers value for money to the Council and its community and does not place the Authority in a position which is likely to:-
 - a) compromise the integrity of the Council

- b) fetter its future decision-making powers in any way or the way in which any services are delivered to the public or to that organisation in the future; or
- c) be seen as detrimental to the Council's corporate image

If officers have any doubts on any of the above mentioned points they should seek advice from the Council's Monitoring Officer.

Financial Considerations

8. Where sponsorship arrangements may commit the Council to any revenue implications, or where the arrangement concerns property belonging to the Council or requires permissions, consents or approval from the local authority, the sponsor must be made aware of the need to obtain the consents from the relevant regulatory service within the Council and the sponsorship arrangement must be approved in accordance with Financial Regulations before any commitment is entered into.
9. Where sponsorship is being offered the officer must:
 - a) ask the Head of Corporate Finance to carry out checks in the case of a company to establish its current financial position and its business connections with other companies or subsidiaries;
 - b) seek confirmation from the Head of Corporate Finance whether enforcement action is pending or being considered against the potential sponsor or any associate companies.
 - c) consult the Council's Insurance Officer to confirm whether the proposals are covered by the Council's Insurance Policy or that arrangements can be made to cover any additional liability.
10. Any agreed sponsorship funds must be exclusive of VAT. If part of the sponsorship arrangement includes the provision of services or goods, the officer must consult the Executive Head of Finance to establish any potential VAT implications for the Council before any agreement on sponsorship is concluded.

Legal Implications

10. All sponsorship agreements with the Council must be in writing and signed by all parties before the Council should accept any funds, goods or services from the sponsor. The Council's Contracts Procedure Rules must be followed regarding the signing of contracts.
11. All sponsorship agreements should be limited to a maximum period of four years. This does not preclude entering into a further and subsequent sponsorship agreement with the same sponsor, provided the arrangement is reviewed in accordance with this protocol on the expiry of each four year period.
12. A sponsorship agreement must include a break clause in the event that the Council needs to discontinue its arrangement with a sponsor due to the arrangement no longer complying with the spirit of this protocol.
13. Where the sponsorship arrangement involves the supply of goods to the Council, which are to be retained by the Council after the sponsorship period has ceased, the Council must ensure:

- a) title to the goods will vest in the Council at the conclusion of the sponsorship arrangement
- b) the Council does not need to account to the sponsor for the future use or disposal of the goods

Reporting

- 14. The Council's Monitoring Officer will be notified of all sponsorship arrangements which are entered into by the Council.
- 15. Financial Regulations require that offers of sponsorship of less than £1,000 be reported twice yearly to the Leader/Executive. Offers of sponsorship of over £1,000 must be approved by the Leader/Executive. In addition an annual report on sponsorship initiatives will be reported to and considered by the Standards Committee.
- 16. This protocol was adopted on 14 July 2010 and will be monitored by the Council's Monitoring Officer, with a full review of the terms being made every three years.