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15<sup>th</sup> April 2014

Councillor Bob Derbyshire,  
Cabinet Member for the Environment,  
County Hall,  
Atlantic Wharf,  
Cardiff,  
CF10 4UW.



Dear Councillor Derbyshire,

### **Cardiff Outdoors – Sponsorship**

As you will be aware the Environmental Scrutiny Committee are currently running a task and finish exercise titled 'Cardiff Outdoors – Land Management & Commercial Opportunities'. The inquiry cannot look at all aspects of the Cardiff Outdoors project; therefore, they have chosen a number of important themes on which to focus. These are set out in the bullet points below:

- Vegetation Management;
- Sustainable Land Management & Biodiversity;
- Sponsorship;
- Commercial Scope & Opportunities;
- Grant Management.

This letter sets out the comments and observations of the Members on the inquiry in relation to sponsorship opportunities relevant to outdoor services in Cardiff. When considering sponsorship the inquiry received evidence from:

- Stacey Davies – Transformation Services Manager, Torfaen County Borough Council;
- Louise Harrington – Commercial Development Manager, Cardiff Council;
- Melissa Knight Willis – Project Marketing & Sponsorship Manager, Cardiff Council;
- Thomas Foreman – Scrutiny Research Assistant, Cardiff Council.

On behalf of the Committee I would like to thank all of the witnesses who attended the meeting. Members found their input into the task & finish process very useful. After the meetings Members considered the evidence presented and made a number of comments, key findings and recommendations. The key findings and recommendations for sponsorship are set out below:

- **Key Finding 1** - A sponsorship policy was approved in January 2013 to ensure that standards are followed and that accurate records are maintained. This policy focused on creating sponsorship transparency and recommended a 'Sponsorship Agreement Register' to record all events.
- **Key Finding 2** - When a copy of the 'Sponsorship Agreement Register' was provided it only contained 10 entries; all of which were for the same service area. The earliest recorded agreement was for sponsorship agreed in January 2012 and the most recent entry was for December 2013.
- **Key Finding 3** - There was no evidence of a process to ensure that sponsorship events are recorded on the 'Sponsorship Agreement Register', for example, a series of documents on the Council's CIS system. For the 'Sponsorship Agreement Register' to work properly there needs to be a Council wide process that all directorates are aware of and are able to access. Effective use of the 'Sponsorship Agreement Register' would enable the Council to place a financial value on overall Council sponsorship agreements. Calculating the overall value of sponsorship income and associated benefits seems to be almost impossible under the current system; this means that the Council is unable to accurately determine if progress has been made in this area.

**Recommendation 1**

The Council should ensure that the 'Sponsorship Agreement Register' is

updated on a regular basis to ensure that all sponsorship events are properly recorded. Maintaining this document properly would enable the Council to accurately measure how much sponsorship income is received each year and, therefore, determine if the Council is making progress in terms of growing income in this area. Making sure that this document is properly kept up to date would create transparency in terms of who is sponsoring each event or service.

### **Recommendation 2**

All directorates should be reminded that the 'Sponsorship Agreement Register' exists and that it is important to enter all recorded sponsorship events on the document. To ensure that the process runs smoothly appropriate process documentation should be placed on the Council's CIS system; this would help to create a consistent approach in terms of reporting and recording sponsorship.

**Key Finding 4** - There is no defined structure for generating and targeting sponsorship across the Council. There are instances where the Council successfully achieves sponsorship; however, these are isolated examples that rely on individuals or small teams working on their own initiative. There does not appear to be any effective co-ordination or central guidance to support such work.

**Key Finding 5** - The Environment Directorate does not have a nominated individual with responsibility for generating sponsorship; neither does it have a sponsorship income target. It is clear that within the scope of services delivered by the Environment Directorate there is the potential to generate sponsorship income; there are instances where companies have contacted the directorate in the past to discuss sponsorship proposals.

**Key Finding 6** - There was no evidence of directorates undertaking an audit of all potential commercial / sponsorship opportunities. These could be

recorded on a register and used to form a part of a sponsorship business plan. Good ideas can come from any part of each directorate and staff should be encouraged to submit sponsorship and other commercial ideas through a recognised structure.

**Key Finding 7** - Sport, Leisure & Culture has just created a 'Business & Partnership Team'. This is to run on a twelve month trial basis. It aims to be proactive and identify commercial opportunities. Sponsorship opportunities could be considered by such a working group.

**Key Finding 8** - There are no sponsorship business plans or sponsorship targets for individual directorates. Equally there are no sponsorship registers to record potential sponsorship and other commercial opportunities.

**Key Finding 9** - There is no internal Council training for staff in relation to dealing with and generating sponsorship.

### **Recommendation 3**

The Council needs to review its approach to generating sponsorship income; this could involve:

- Looking at creating a clearly defined structure which could offer effective co-ordination or central guidance to support the creation of sponsorship income.
- Each directorate should have a sponsorship income target and sponsorship business plan.
- Each directorate should undertake an audit of all commercial and sponsorship opportunities. This could form the basis for a commercial opportunities or sponsorship business plan.
- All staff should be encouraged to submit sponsorship and other commercial ideas through a recognised structure, for example, via team meetings. Such ideas should feed into an audit of commercial

opportunities and a directorate sponsorship business plan.

- Consider the provision of training to help staff identify potential sponsorship opportunities and how to progress such prospects.

**Key Finding 10** - There are pockets of experience in terms of generating sponsorship income across the Council; however, they work in isolation. There needs to be some mechanism for sharing experience and practice as this could improve standards. Equally because there is no co-ordinated approach sponsorship efforts could be duplicated, for example, more than one part of the Council contacting the same potential sponsor promoting similar sponsorship opportunities.

**Key Finding 11** - Witnesses involved with generating commercial sponsorship felt that the Council is held back in terms of identifying potential sponsors and sponsorship opportunities because it does not use the two main industry data bases; these are called ALF and Get Me Media. The individual licence fee for each of the packages is £1500 per annum. ALF provides a list of advertising agencies and the brands that they represent. Get Me Media lists the opportunities available for sponsorship to advertising agencies that book adverts for the various brands, i.e. this is where organisations place sponsorship opportunities for the market to find.

#### **Recommendation 4**

The Council should review the business case for purchasing licences for ALF and Get Me Media. Such a review should be undertaken after directorate sponsorship audits have been completed so that a more accurate assessment can be made on the value that these data bases can add.

**Key Finding 12** - Parks & Sport has a Commercial Development Manager. As a part of her role she has a sponsorship target of £55,000 for 2013/14. The post was established in October 2012.

**Key Finding 13** - Cardiff Council has an events sponsorship team. There are three members of staff, two sponsorship co-ordinators and a Project Marketing & Sponsorship Manager. Last year they generated £47,000 of sponsorship income for major events and £9,000 of contra income. In the current financial year (2013/14) they have generated £25,000 of sponsorship income and £52,000 of contra income. The net value of the sponsorship income received to date is actually only £20,000 as £5,000 of the £25,000 has to be spent on specified advertising.

**Key Finding 14** - Sponsorship Valuation is based on:

- Marketing Benefits – Need to be clear on the benefits to the sponsor.
- Footfall – Cardiff is a high footfall city.
- Duration of event – length of event and when it takes place is important
- 5:1 ROI – Sponsors expect a return of £5 for every £1 spent on sponsorship.
- Bespoke Packages – Have to work with the clients to find out exactly what they want.

**Key Finding 15** - Members were told that the opportunity for business networking needs to be easier for Council staff, i.e. staff do not need to be tied down by red tape and process. They need to be able to focus on generating income.

**Key Finding 16** - Cardiff only seems to make available a limited number of sponsorship opportunities. The main ones identified were roundabouts through an external company, Capital Times adverts, Bus Shelters and sponsorship for events.

**Key Finding 17** - Admiral provides sponsorship for the uniforms of the road crossing staff in Swansea. The firm has its headquarters in Cardiff and a similar arrangement is not in place with Cardiff Council.

**Recommendation 5**

Cardiff Council should approach Admiral and ask if they would be willing to sponsor the uniforms of the road crossing staff in Cardiff.

**Key Finding 18** - Most comparator authorities were not particularly effective in generating sponsorship income. Only Newcastle who have generated £922,746 since 2008 seemed to make the process worthwhile; in Newcastle sponsorship income is generated by Council staff. Torfaen has tried to provide a wide range of opportunities for the market. They estimate that in 2013/14 they will generate approximately £61,000.

**Key Finding 19** - Best practice examples were Leeds & Aberdeen. Leeds generates £225,000 per annum; 72% of this income comes from roundabout advertising which was delivered by a specialist in house officer. Aberdeen generated £476,052 in 2012/13; £287,450 of this came from roundabouts. This was achieved through a mix of in-house and external resources.

**Key Finding 20** - There are lots of advertising companies who specialise in working with local authorities to generate sponsorship income. Examples of these include Clearview, Wildstone and Immediate Solutions.

I would be grateful if you would consider and respond to the comments, key findings and recommendations made in this letter. Should you require clarification or have any questions about any of this letter do not hesitate to contact me.

Regards,



Councillor Paul Mitchell  
Chairperson Environmental Scrutiny Committee

Cc to:

Jane Forshaw, Director for the Environment

Chris Hesse, Director for Sport, Leisure & Culture

Tara King, Assistant Director for the Environment

Paul Keeping – Operational Manager, Scrutiny Services

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Members of the Environmental Scrutiny Committee