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13.0 PRIVATE AND COMMERCIAL SPONSORSHIP

13.1 Introduction

13.1.1 The International Chamber of Commerce defines sponsorship as:

Any commercial agreement by which a sponsor, for the mutual benefit of the sponsored party, contractually provides financing or other support in order to establish an association between the sponsor's image, brands or product and a sponsorship property in return for rights to promote this association and/or for the granting of certain agreed direct or indirect benefits.¹

13.1.2 Sponsorship is a business arrangement where the sponsor can legitimately expect to benefit, usually by taking advantage of marketing opportunities as part of the sponsorship arrangement. Organisations are well aware of the benefits to be had from good community and public relations as a result of being involved with successful local events. As such, many are willing to consider requests for sponsorship of educational activities. The key to a successful sponsorship arrangement is that it must benefit both the sponsor and the sponsored, i.e. the school.

13.1.3 Concern is raised when sponsorship may lead to marketing directly to children. Schools must ensure that commercial sponsorship does not

- i. lead to inappropriate marketing to children and young people;
- ii. result in any educational resources provided being biased; or
- iii. encourage parents to shop for a particular brand.

13.1.4 Schools may approach potential sponsors following consultation with the Governing Body. There is nothing to prevent schools seeking sponsorship for a particular event through the local press in the form of an advance notice of the event itself.

13.2 Commercial Sponsorship

13.2.1 Commercial sponsorship can take the form of:

- i. financial sponsorship
- ii. in-kind or indirect sponsorship
- iii. promotions

13.2.2 Financial Sponsorship

In its simplest form, sponsors will provide school with cash resources in order to meet a stated aim i.e. an open day, concert or sports event. In exchange, the business would be able to advertise at the event, i.e. on a programme, banner or kit. Financial sponsorship could also be sourced for:

- a series of events such as a concert tour or drama festival;
- the underwriting of financial loss on an event/series of events;
- to cover travel expenses/special clothing/equipment;
- the commissioning of plays, musical works or works of art;

¹ ICC International Code on Sponsorship, Department of Policy and Business Practices, International Chamber of Commerce 2003

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- meeting the fees for conductors/directors/trainers of exceptional ability to work with teachers and pupils;
- financial support on a continuing basis to supplement a County activity such as through the organisation of “friends” of an orchestra;
- the purchase of advertising space in programmes/brochures; and
- contributions towards building projects.

13.2.3 In-kind or Indirect Sponsorship

This varies significantly. It might include:

- i. the direct provision of resources where a company might provide educational materials such as free software, books or posters. Banks commonly provide resources on money management while fuel companies may provide resources on climate change; or
- ii. prizes at events where the company is able to advertise their product or services at the event; or
- iii. the printing of leaflets, catering, technical help and advice.

13.2.4 Promotions

- i. Voucher schemes: consumers collect vouchers by purchasing a company’s product(s). These are then exchanged for items such as books, computers or other resources.
- ii. Loyalty/reward schemes: consumers collect points which can then be exchanged for goods or products that are part of the scheme.

13.2.5 Where sponsorship takes the form of financial assistance for activities organised and supervised by staff at educational establishments maintained by the County Council, either as curricular activities or approved extra-curricular activities, the existing insurance arrangements of the County Council will normally apply. If sponsorship takes the form of active participation by the sponsoring body (i.e. caterers using the premises) advice should be sought from the Insurance and Risk Section (see Chapter 23: Insurance for contact details).

13.2.6 In the event of the Governing Body allowing the sponsor to use the school kitchens, it is appropriate to inform kitchen staff to ensure that stocks of food and other materials are safeguarded when the kitchen is being used by the Hirer. Depending on the function for which the kitchen is being used, it may be appropriate to ask a member of the kitchen staff to be present for the duration of the function to ensure that the Hirer has put in place safe working practices and to ensure that the premises are left in a clean and hygienic condition. Further advice can be sought from the school’s catering manager.

13.2.7 Copyright regulations should be checked for any public performances of music or drama and whenever sponsorship is used for the commissioning of specific works.

13.2.8 Those involved with sponsorship arrangements are reminded that care should be taken to avoid situations where they may be placed in a position of receiving personal gain or inadvertently giving advantage to sponsors which might affect the position of the County Council under contracts with suppliers of goods or services. Attention should be paid generally to ensure that situations do not occur which could give rise to allegations of improper practices, however ill-founded. If irregular practices are suspected they should be notified immediately to the Chief Internal Auditor or the Principal Auditor (Children and Young People’s Service).

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13.2.9 The Head should ensure that all income due from sponsors is collected at the earliest opportunity. Possible disputes and loss of income may be avoided if the basis and terms of the sponsorship are agreed, in writing, in advance of the event or activity. Details of the Income collection arrangements are set out in Chapter 11: Income.

13.3 Costs and Benefits of Commercial Sponsorship

13.3.1 Schools should weigh up the costs and benefits of sponsorship before proceeding as they will be linking their name and goodwill with that of the sponsors so it is important to bear this in mind when deciding whether or not to accept sponsorship from a particular source.

13.3.2 The following table lays out some of the costs and benefits of commercial sponsorship:

	Potential Benefits	Potential Costs
Pupils and parents	<ul style="list-style-type: none"> • Improved resources in schools • Improved understanding of the private sector • Better links with local businesses and employers 	<ul style="list-style-type: none"> • Undue influence on consumer behaviour • Impact on vulnerable consumers • Receiving conflicting messages, i.e. on healthy eating • Pester power
Schools	<ul style="list-style-type: none"> • Improved resources in schools • Providing added value • Improved understanding of the private sector • Better links with local businesses and employers 	<ul style="list-style-type: none"> • Giving conflicting messages to pupils, i.e. on healthy eating • Negative media coverage • Hidden costs, i.e. insurance and VAT • Little or no choice of resources • Feeling indebted to the company
Sponsors	<ul style="list-style-type: none"> • Increased sales and customer loyalty • Ability to access pupils directly • Enhanced image and reputation 	<ul style="list-style-type: none"> • Negative media coverage • Success is often dependant on the performance of the school, i.e. event management

13.3.3 Schools should be clear as to their approach when it comes to sponsorship in terms of coordination, monitoring and evaluation so as to minimise potential costs. Drawing up a written agreement or having an exchange of letters ensures that both sides are clear about the extent and limitations of the sponsorship relationship. It is also an opportunity to clarify what the sponsor hopes to gain from the arrangement. Evaluating the success of the sponsorship afterwards is worthwhile in that identifying what went well and what did not work so well means that such areas can be addressed at the start of any future sponsorship planning.

13.4 Principles of Commercial Sponsorship in Schools

- i. The benefits to pupils should outweigh the costs

Bear in mind:

- the hidden costs i.e. impact on staff time
- any insurance or VAT requirements
- any on-going maintenance/licencing costs of equipment provided by the sponsor

- ii. Commercial sponsorship must not undermine health promotion

- the British Code of Advertising, Sales promotion and Direct Marketing (aka CAP Code) states that commercial sponsorship must not lead to the advertising or promotion of alcohol to under 18s or products to under 16s that are high in fat, saturated fat, salt and sugar
- the Portman Group Code of Practice on the Naming, packaging and Promotion of Alcoholic Drinks states that sponsorship by alcohol companies is not appropriate if those under 18 make up more than 25% of the participants, audience or spectators
- the Tobacco Advertising and promotion Act 2002 prohibits the advertising, promotion and sponsorship of tobacco products and it is illegal to enter to any agreement with a tobacco company or any company that would promote a tobacco product

- iii. Extra care should be taken because sponsorship leads to marketing to children and young people

- The Consumer Protection from Unfair Trading regulations 2008 bans the direct encouragement of under 16s to buy advertised products or to persuade their parents/other adults to buy them (pester power)
- The CAP code also prohibits the commercial sponsorship that leads to the advertising or promotion of products or services that are likely to result in physical, mental or moral harm to children, or which could be seen to exploit their vulnerability or lack of experience

- iv. Marketing activity should be proportionate

- By ensuring that commercial sponsorship is open to more than one potential sponsor, the school is reducing the impact of marketing messages by showing that it is not biased to one over another
- Marketing should not directly state that the school endorses a particular company or product
- Any marketing over and above basic publicity in a programme or brochure, such as the display of advertising material at the event should be done

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discretely and should not have the effect of identifying one event mainly with the sponsoring organisation rather than the school

- Sponsor logos should be small and should never be larger or more prominent than the school logo or name
 - Explicit sales messages should be avoided, i.e. "Number one in our field"
 - Sponsors should not be allowed to make claims that their product is superior to others on the market
 - Information should not suggest that the sponsor is the only supplier of a particular product
- v. Commercial sponsorship should be used for additions or improvements, not for funding core things such as salaries or buildings
- vi. Sponsorship must support the curriculum and provide added value to children's learning. So where sponsors are supplying educational material schools should ensure that the resources:
- Are relevant and appropriate to the ages and abilities of the pupils who will use them or come into contact with any advertising
 - Are relevant to curriculum guidelines
 - Give a balanced view of an issue and acknowledge the existence of alternative views
 - Use up to date and accurate information and data
 - Distinguish clearly between factual statements and matters of opinion
 - Avoid express or implied prejudice
 - Acknowledge where the sponsor's market interests lie to help pupils/staff identify where bias may be present.

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13.5 Flow Chart: Making Decisions about Commercial Sponsorship

