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Boston Borough Council

**Chief Executive
Rob Barlow**

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Friday, 02 May 2025

Dear Councillor

Cabinet – Wednesday 7th May 2025

Please find attached documents for consideration at the Cabinet on Wednesday 7th May 2025, which were previously marked as to follow.

Agenda No	Item	
4	Waste Services Delivery Model	(Pages 29 - 42)
	(A report by Victoria Burgess, Assistant Director – Neighbourhoods)	
5	Sponsorship Generation in Boston	(Pages 43 - 50)
	(A report by Matthew Hogan, Assistant Director – Strategic Growth and Development)	

If you have any queries please contact a member of the Democratic Services Team (01205 314591 or demservices@boston.gov.uk).

Yours sincerely

**Rob Barlow
Chief Executive**

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Report To:	Cabinet
Date:	7 th May 2025
Subject:	Waste Services Delivery Model
Purpose:	To approve placing the order for vehicles required for the introduction of weekly food waste collections across the borough
Key Decision:	Yes
Portfolio Holder:	Councillor Butler, Portfolio Holder for Environmental Services
Report Of:	Jason King, Director of Communities
Report Author:	Victoria Burgess, Assistant Director – Neighbourhoods
Ward(s) Affected:	All
Exempt Report:	No

Summary

The Environment Act 2021 introduced the Waste Reforms Programme for England, which affects all local authorities waste collection and disposal arrangements. A central pillar of these reforms is 'Simpler Recycling' which requires waste collection authorities to provide a weekly separate food waste collection to all households from April 2026.

The Cabinet is being asked to support the recommendations to enable officers to place an order for 14 food waste collection vehicles in 2025/26 to meet the target introduction date of April 2026, and in doing so approve amendments to the Capital Programme subject to Council approval in May.

The Cabinet is also being asked to support the recommendation to change the current policy to collect up to four sacks of side waste per collection, to only allow presentation of waste within the wheeled bin provided by the council, to support the waste hierarchy and reduce the amount of waste presented.

Additional officer resource will be introduced to support residents during the roll out of the service, including where to present their caddy, providing information on food waste, waste minimisation, and recycling.

Recommendations

That the Cabinet:

1. Notes Option 1b as presented within this report for collecting food waste weekly from households;
2. Approves drawing forward £2.010m from the capital programme allocation for 2027/28-2028/29 to 2026/27 to fund the capital costs of purchasing food waste collection vehicles, subject to Council approval;
3. Approves slippage of £0.840m in the Capital Programme allocations for Food Waste for 2025/26 into 2026/27 to fund the capital costs of purchasing food waste collection vehicles, subject to Council approval;
4. Approves an addition of £0.130m to the capital programme in 2026/27 to fund the capital costs of purchasing food waste collection vehicles, subject to Council approval;
5. Approves the placing of an order for 14 food waste collection vehicles in June 2025 for delivery in 2026/27, subject to the budget being confirmed; and
6. Approves the changes to the current waste collection policy to remove the presentation of sacks alongside bins, requiring waste and recycling to be presented within wheeled bin containers provided by the Council.

Reasons for Recommendations

Enables the council to meet the legal obligation placed on local authorities to provide a separate weekly food waste collection.

Provides the most cost-effective option based on future annualised modelled costs.

Makes use of capital already allocated in the agreed capital programme for waste fleet renewal in 2028/29.

Promotes waste minimisation, increases the amount of recyclables collected, and improves the street scene by reducing the amount of additional waste presented in sacks at the side of wheeled bins.

Other Options Considered

Purchase of standard food waste collection vehicles for separate collection – this option has been discounted due to the modelled annualised costs for providing this method of service delivery being on average a year circa £615,000 pa above baseline from 2027/28 onwards, the potential impact on residents, and the impact on waste services employees.

Do nothing – this is not an option as the introduction of separate weekly food waste collections is a statutory requirement.

1. Background

- 1.1 The Environment Act 2021 introduced the Waste Reforms Programme for England, which affects councils' waste collection and disposal arrangements. A central pillar of these reforms is 'Simpler Recycling' which requires local authorities to provide a weekly food waste collection to all households from April 2026. There is also a requirement for obligated businesses and non-domestic premises to arrange a weekly food waste collection from April 2025.
- 1.2 New Burdens funding is available in three pots to assist Local Authorities with the implementation of weekly food waste collections:
 - 1.2.1 *Capital New Burdens*. The Council has received £731,496 from Defra for the capital purchase of the additional vehicles and caddies required to provide a food waste collection.
 - 1.2.2 *Transitional New Burdens*. The Council has been allocated £230,796 from Defra for costs incurred in 2024/25 and 2025/26, to meet the transitional costs incurred to introduce the new food waste collection service such as procurement, project management, communications and engagement, route planning and container delivery.
 - 1.2.3 *Revenue New Burdens*. There is no further information regarding the amount the council can expect, however this funding will not be available to the Council until April 2026.
- 1.3 Working with colleagues within the Lincolnshire Waste Partnership (LWP), a countywide procurement exercise has identified a contract for 23 litre kerbside caddies for presenting food waste on collection day, and a smaller 5 litre kitchen caddy to store food waste in the home. The purchase order has already been placed for these in order to secure the best price for all Lincolnshire districts, funded through the capital New Burdens grant.

2. Report

Delivery model

- 2.1 The recent 'Policy Statement on packaging Extended Producer Responsibility' published by Defra on 27 February 2025 sets out key policy measures for EPR packaging policy; the expectation being that an efficient waste management service is one where costs are as low as reasonably possible, and from 2028 the Scheme Administrator will assess how effective a local authority's waste management service is. Payments will be calculated and distributed according to this assessment of an efficient and effective service.
- 2.2 Through the SELCP Waste Improvement Programme Board, the Council has completed a project to identify the most efficient way of collecting weekly food waste separately alongside the current twin stream recycling and refuse collections. Two options were considered:

- Option 1a - Collecting food waste separately from all households via a small 7.5t vehicle.
 - Option 1b - Collecting food waste in a refuse collection vehicle that has an integrated 'pod' on the front designed to collect food waste at the same time as refuse and recycling.
- 2.3 An assessment of the options is included in Appendix 1, which sets out the financial costs of each option, and the service delivery impacts on both residents and the current service.
- 2.4 This assessment has identified the most efficient way of delivering the service is to co-collect food waste weekly at the same time as refuse and recycling collections are made, using a separate integrated pod on the same vehicle; Option 1b.
- 2.5 The modelling and assessment undertaken identifies that:
- the annualised cost is on average circa £615,000 pa less than Option 1a, meeting the requirement for an efficient total waste management service
 - fewer HGV drivers are required, noting the widely reported shortage of HGV drivers nationally, and difficulty recruiting already being experienced by the service
 - fewer HGV vehicles are required enabling capacity in the Boston depot to accommodate future growth from new development across the borough
 - the quality of service to residents is maintained due to emptying food waste caddies on the same day, at the same time as the other bin is presented for collection
 - an optimum working environment for employees is provided from the larger vehicle cab size, and reduced need for manual handling.
- 2.6 The current delivery lead time for these vehicles is 40 weeks. An order for vehicles needs to be placed in June to enable delivery for April 2026/27, and before price increases take effect in July 2025.
- 2.7 Whilst the delivery model Option 1b is the most cost-effective option, it does require collection route changes for refuse, recycling, paper and card collections. This will mean that the majority of residents will have a change in collection day when the food waste service is introduced in 2026. A route review will be procured once the decision on food waste collection model is taken.

Communication and engagement

- 2.8 Across Lincolnshire there is a Communications Working Group comprising representatives from each local authority, with a jointly funded food waste communications officer to ensure consistency of messages to residents regarding the roll out of food waste collections across Lincolnshire. Additionally, officers from the Lincolnshire Waste Partnership's Strategic Officer Working Group have received support from WRAP to use their experience and national campaign materials.
- 2.9 Within the SELCP, internal communication plans are being developed for each council, and the engagement and communications plans are monitored through the Waste Improvement Programme Board. It is important that the service provides support to residents as the caddies are being delivered and as the new service is introduced.

Side waste

- 2.10 The Council's current policy allows up to four sacks of waste to be presented at the side of green and blue wheeled bins on collection day. This policy does not promote waste reduction measures, does not encourage all recyclable materials to be presented for recycling, and has a negative impact on the street scene by allowing the deposit of sacks on the pavement. Currently BBC has the second highest amount of waste collected at the kerbside in Lincolnshire per household at 701.17kg in 2023/24. Those authorities that do not have a side waste policy average 580kg per household per year.
- 2.11 Removing the side waste policy at the same time as introducing a separate weekly food waste collection, limits the impact on residents as additional capacity for waste becomes available in the green bin. Council officers will support residents through the wider engagement as food waste collections are introduced.

3. Conclusion

- 3.1. Having completed an extensive modelling exercise to identify the best option for delivering weekly separate food waste collection across Boston Borough, this report makes recommendations to use capital allocated for fleet replacement in 2028/29, Defra capital grant funding for food waste, and additional capital funds to bring forward the fleet replacement programme to 2026/27, to enable the procurement of 13 waste collection vehicles with an integrated pod for food waste, supported by a 7.5t dedicated food waste vehicle for hard to reach areas. This model for delivery ensures that every property within the borough is visited weekly to collect food waste, by the most cost-effective means.

Implications

South and East Lincolnshire Councils Partnership

The current shared service arrangement with Boston Borough Council, where BBC collects waste, recycling, and paper and card, from properties in the south of East Lindsey is unaffected. The arrangement will continue with BBC collecting food waste from these properties but will include a separate weekly food waste collection as these are rolled out across the whole East Lindsey District.

Corporate Priorities

Implement the Environment Act and Extended Producer Responsibility as they come forward. A separate food waste collection, using the same vehicles as refuse and recycling collections to ensure a more efficient and effective waste management service aligns with this priority.

Staffing

All staff will need to be trained on the collection of food waste and associated health, safety and welfare implications. The Employee Relations (ER) team in PSPS attend the Waste Improvement Programme Board and are aware of the staffing implications. The Health and Safety team in PSPS work closely with officers and attend the Lincolnshire-wide waste health and safety group meetings. Attendees of the SELCP Joint Consultative Committee will be regularly updated and informed of implications for Union members.

Workforce Capacity Implications

There are workforce capacity implications from the new service, as drivers and loaders will need to be recruited to meet the additional capacity required. The ER team in PSPS attend the Waste Improvement Programme Board and are aware of the workforce capacity implications. Attendees of the SELCP Joint Consultative Committee will be regularly updated and informed of implications for Union members.

The Head of Customer Contact attends the Waste Improvement Programme Board and has identified the resource required from Customer Contact to manage the additional contact from residents during the implementation of the new collection service.

Constitutional and Legal Implications

The requirement to provide a weekly food waste collection service to every household will come into effect from 1 April 2026, as required under s45A of the Environmental Protection Act 1990, introduced by the Environment Act 2021.

Data Protection

None.

Financial

Increased annual costs from 2026/27 due to fleet replacement and service growth associated with Food Waste under either Option 1a or 1b. Financing, for the purpose of this report, is assumed to be via prudential borrowing resulting in Minimum Revenue Provision (MRP) charges and external borrowing costs to fund the upgrade of the fleet. Capital financing is shown in Appendix 2.

EPR should be considered as payments will be distributed to local authorities for the efficient collection and disposal of household packaging waste. Therefore, providing a cost-effective total waste management service to residents that supports increased participation in all recycling streams may have a positive impact on future external funding. EPR should be considered as an option for resourcing the increase in revenue costs within the service throughout the MTFS with £946,000 due in 2025/26, and continuing receipts are expected. Currently the EPR funding in 2025/26 has £473,000 committed against it.

Revenue	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	MTFS
Current Cost of Service	-	3,370,648	3,432,102	3,499,704	3,563,951	3,629,665	17,496,070
MRP	-	37,857	37,857	292,857	325,000	325,000	1,018,571
Cost of Borrowing	-	13,038	100,860	111,930	111,930	111,930	449,688
Total Revenue Cost of Current Service	-	3,421,543	3,570,819	3,904,491	4,000,881	4,066,595	18,964,329
Revised Cost of Service - Option 1B	-	3,600,752	3,686,370	3,774,130	3,864,083	3,956,285	18,881,620
Revised MRP	-	-	343,714	343,714	440,714	440,714	1,568,856
Revised Cost of Borrowing	-	118,375	118,375	151,782	151,782	151,782	692,096
Total Revenue Cost of Revised Service	-	3,719,127	4,148,459	4,269,626	4,456,579	4,548,781	21,142,572
(Less) Current Service cost	-	(3,421,543)	(3,570,819)	(3,904,491)	(4,000,881)	(4,066,595)	(18,964,329)
Net Impact of Revised Cost of Service	-	297,583	577,641	365,134	455,698	482,186	2,178,243
Revenue Funding Resources							
New Burdens (Uncommitted)	-	-	-	-	-	-	-
EPR (Uncommitted)	(473,000)	(946,000)	(946,000)	(946,000)	(946,000)	(946,000)	(5,203,000)
Total Revenue Funding Resources	(473,000)	(946,000)	(946,000)	(946,000)	(946,000)	(946,000)	(5,203,000)
Net funding resource	(473,000)	(648,417)	(368,359)	(580,866)	(490,302)	(463,814)	(3,024,757)

Risk Management

Funding - There is a risk that the New Burdens funding provided by Defra will not cover the revenue costs associated with implementing this new statutory service. Once confirmation has been received the financial implications will be identified, discussed with the S151 Officer, and a further report provided for Cabinet.

Boston Borough Council – The modelled costs are predicated on both Councils using the same collection method. BBC's modelling also shows Option 1b as the most cost-effective model for annualised costs when compared to baseline.

Round review – the costs provided within this report are a result of the modelling exercise. Whilst actual financial information and tonnages have been provided for input into the model, the actual costs for budget setting purposes will not be known until a detailed round review has been undertaken.

Delivery timeframe – There is a risk that vehicle order and delivery times may be extended and delay the introduction of food waste collections by the target date for implementation of April 2026. Delivery dates will be monitored and any delay reported through the Waste Improvement Programme Board.

Defra's Waste Reforms Programme – There is a risk that separate weekly collections of food waste will be regarded by some members of the public as a costly initiative, increasing CO2e with more vehicles being used, resulting in less participation in our recycling collections. Collecting food waste using the same vehicle as waste, recycling, and paper and card collections, amounts to fewer vehicles and reduced visits to properties, particularly in rural areas. Clear communication and information regarding these benefits of the new service will lower this risk.

Stakeholder / Consultation / Timescales

The weekly collection of food waste is mandatory and therefore consultation has not been conducted, however the Portfolio Holder has been consulted on the operational implications of the Council collecting food waste. As a member of the LWP, the Portfolio Holder has received updates regarding the requirement for Simpler Recycling and its impact on local authorities.

As a member of the Lincolnshire Waste Partnership, and the countywide Senior Officer Working Group, Lincolnshire County Council as Waste Disposal Authority have had an active role in supporting the Waste Collection Authorities with their arrangements to deliver the food waste collection service. LCC has also invested in the Waste Transfer Station at Boston to ensure it can accommodate food waste.

Reputation

Failure to provide the service, or inaction, risks the Council's reputation as the service is rolled out nationally.

Contracts

None.

Crime and Disorder

None.

Equality and Diversity / Human Rights / Safeguarding

Existing waste policies such as assisted collections, and larger bins, will not be affected.

Health and Wellbeing

None.

Climate Change and Environmental Implications

Over ten million tonnes of food is wasted every year in the UK. Separate collections of food waste from every household will prevent contamination of other waste which could be usefully recycled, as well as ensuring that food waste can be sent to anaerobic digestion facilities. Directing food waste to these plants will generate more sustainable energy to power homes and businesses and cut down the more than 18 million tonnes of greenhouse gas emissions associated with this waste.

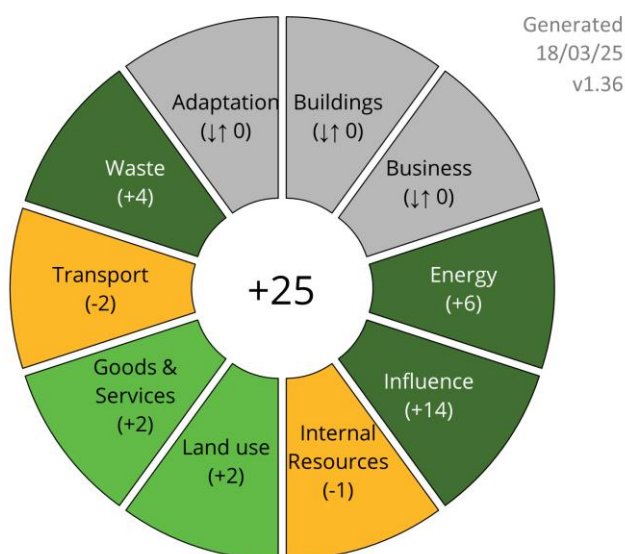
Lincolnshire County Council has secured disposal capacity for food waste collected within Lincolnshire via anaerobic facilities in Hemswell Cliff and March. LCC's Environment team have used the Greenhouse Gas Emissions model for waste collection and disposal following the introduction of separate food waste collections across Lincolnshire. Results show that with the introduction of separate food waste collection and disposal there is an improvement in the overall CO₂e position with a reduction of 4,412 of CO₂e emissions per annum.

The SELCP's Climate Change and Environment Impact Assessment outcome for Option 1b is shown in Figure 1 below, and gives a positive value of 25. This indicates that the estimated benefits of introducing a weekly food waste collection outweighs the costs of doing so.

The infographic shows the relative costs and benefits of the decision on 10 different categories with respect to the climate: Buildings, no net effect. Business, no net effect.

Energy, plus 6. Influence, plus 14. Internal Resources, minus 1. Land use, plus 2. Goods & Services, plus 2. Transport, minus 2. Waste, plus 4. Adaptation, no net effect.

Figure 1: Assessment outcome



The Partnership has committed to being Net Zero by 2040 (14 years and 9 months away).

Acronyms

WIPB - Waste Improvement Programme Board

WRAP – The Waste and Resources Action Programme (a global environmental action NGO delivering programmes that reduce CO₂, waste, restore nature and change people's behaviour)

pEPR – Extended Producer Responsibility for packaging waste

Defra – Department for Environment, Food and Rural Affairs

LWP – Lincolnshire waste Partnership

LCC – Lincolnshire County Council

CO₂e - Carbon Dioxide Equivalent

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1 – Assessment of delivery model for weekly food waste collections

Appendix 2 – Capital financing table

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

A report on this item has not been previously considered by a Council body.

Report Approval

Report author: Victoria Burgess, Assistant Director – Neighbourhoods
victoria.burgess@e-lindsey.gov.uk

Signed off by: Jason King, Director of Communities
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Approved for publication: Councillor Callum Butler, Portfolio Holder for Environmental Services
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Appendix 1 – Assessment of delivery model for weekly food waste collections

Impacts	Option 1a – using a separate collection vehicle	Option 1b – using the same vehicle as other waste streams
Financial (revenue)	<ul style="list-style-type: none"> Modelled annualised costs are on average £615,000 pa through the MTFS above Option 1b 	<ul style="list-style-type: none"> Modelled annualised costs are on average £615,000 pa through the MTFS below Option 1a
Financial (capital)	<ul style="list-style-type: none"> £625,000 for 7.5t food waste collection vehicles £2.010m allocation in capital programme for 2027/28 for waste fleet renewal 	<ul style="list-style-type: none"> £2.010m of the allocation in capital programme for 2027/28 waste fleet renewal to be brought forward to 2026/27 Slippage of £0.840m in the capital allocation for food waste in to 2026/27 Additional capital required of £0.130m in 2026/27 (see Appendix 2) Capital receipts will be received from sale of current vehicles
Vehicles	<ul style="list-style-type: none"> No change to current vehicles collecting residual, recycling and paper and card in 2026/27 Additional 6 x 7.5t food waste vehicles to be purchased for 2026/27 	<ul style="list-style-type: none"> All vehicles currently collecting residual, recycling and paper and card in 2026/27 will change. Garden waste vehicles will be unaffected 13 new ‘pod’ vehicles and 1 x 7.5t food waste vehicles will be purchased as food waste collections are introduced
Employees	<ul style="list-style-type: none"> Additional 10 HGV drivers required 	<ul style="list-style-type: none"> Additional 2 HGV drivers required Crews able to share manual handling demand with bin emptying
Infrastructure	<ul style="list-style-type: none"> 18 x HGV based at Louth depot in 2027/28, plus sweeper and Neighbourhoods vehicles Additional vehicles required on Operators licence Space for additional employee’s cars required No capacity for further increase in vehicles required due to future development Additional maintenance costs 	<ul style="list-style-type: none"> 14 x HGV based at Louth depot in 2027/28, plus market vehicles, sweeper and Neighbourhoods vehicles Space for additional employee’s cars available Capacity retained for further increase in vehicles required due to new development
Residents	<ul style="list-style-type: none"> Caddy presented with waste/recycling bin. Caddy potentially emptied at different day/times to wheeled bins New rounds to be developed for food waste collections Round changes required to residual waste collections resulting in some changes to current collection days for residents 	<ul style="list-style-type: none"> Caddy presented with waste/recycling bin. Caddy emptied on the same day at the same time as wheeled bin All collections rounds will be changed resulting in changes to current collection days for residents

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Appendix 2 – Capital financing

Capital Programme	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	MTFS
Current							
Vehicle Replacement scheme	840,000	-	1,785,000	225,000	-	-	2,850,000
Capital Financing							
Current MRP	(265,000)	-	(1,785,000)	(225,000)	-	-	(2,275,000)
External Grant	(575,000)	-	-	-	-	-	(575,000)
	-	-	-	-	-	-	-
Revised							
Vehicle Replacement scheme - Option 1B	-	2,981,000	-	679,000	-	-	3,660,000
Capital Financing							
Revised MRP	-	(2,406,000)	-	(679,000)	-	-	(3,085,000)
External Grant	-	(575,000)	-	-	-	-	(575,000)

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Report To:	Cabinet
Date:	7 th May 2025
Subject:	Sponsorship Generation in Boston
Purpose:	To consider a proposal in respect of how the council may look to increase revenue from sponsorship, to support council-led activity
Key Decision:	No
Portfolio Holder:	Councillor Dale Broughton, Deputy Leader of the Council
Report Of:	Matthew Hogan, Assistant Director – Strategic Growth and Development
Report Author:	Matthew Hogan, Assistant Director – Strategic Growth and Development
Ward(s) Affected:	All
Exempt Report:	No

Summary

This report sets out a proposed approach through which the authority could seek to maximise and enhance delivery of activity through revenue derived from sponsorship. It sets out the potential benefits of adopting such an approach, coupled with a recommended set out next steps if members are minded to pursue such an objective.

The strategic outcomes sought through the initiative are as follows;

- **Enabling the council to access a more diverse set of funding streams to support council activity.** For example, in the context of town centre events, raising finance to pay towards all or some of the costs involved in organising, reducing the reliance upon council funds. In the context of investment in street furniture etc, using sponsorship to diversify the source of capital funds to make improvements to the town.
- **Additionality and ‘added value’.** Using sponsorship to supplement council funds to ‘add value’ to existing programmes of work. For example, in the context of community events, using sponsorship to increase the financial resources available, to enhance the events beyond what is currently affordable, and also to introduce new events.

- **Commercial approach.** Sponsorship has the potential to allow Boston Borough Council to create commercial opportunities and be seen to be pro-active, embracing, involved, and engaging even more with local businesses, forming meaningful community partnerships.

Recommendations

1. That members consider, and give approval to, a programme of pursuing the generation of sponsorship to support council activity. This is with a view to seek to deliver the expected benefits as articulated within this report;
2. The members give consideration to the recommended resourcing strategy for such a programme (i.e. the procurement of a contractor) as articulated within the report; and
3. That authority is delegated to the Assistant Director Strategic Growth and Development, in conjunction with the Deputy Leader of the Council, to conclude contractual matters associated with the report recommendations.

Reasons for Recommendations

To enable the council to pursue a programme of sponsorship generation activity, with a view to deliver the expected benefits as articulated within this report.

Other Options Considered

Do nothing – Under this option the recommendations do not proceed, meaning that the opportunity and expected benefits as articulated within this report do not materialise.

1. Background

- 1.1 Boston Borough Council, like many authorities across the country, is always seeking opportunities to deliver impactful activity to support businesses, residents and places within the context of a challenging wider fiscal context. To this end, recent discussions between members and officers have focused on the extent to which, through working with both local, regional and national sponsors, the authority might be able to generate income to support council-led activity.
- 1.2 Whereas any sponsorship generation activity could have a broader ranging focus, these conversations have very much been framed initially around sponsorship activity that could support the delivery of the council's Town Centre Strategy (e.g. sponsorship for town centre events, street furniture, planting displays etc...).

1.3 In exploring this as a concept, officers and members have been evaluating the following themes;

- The type of strategic outcomes that sponsorship generation activity could deliver for the authority i.e. the overarching benefits that such an approach could potentially provide
- The guiding principles through which such a programme should be managed, if adopted
- The differing means through which the resourcing of a programme of sponsorship generation could be resourced, coupled with the relative merits of each in the context of those guiding principles
- The financial and cost models that could be adopted to fund the resourcing associated with such activity

1.4 The report sets out the position reached in respect of all of these themes, in bringing forward a proposal for member consideration.

2. Report

2.1 Strategic Outcomes

2.2 In evaluating the strategic outcomes that a programme of sponsorship generation could deliver for the authority, three key outcomes have been identified. These are;

- **Enabling the council to access a more diverse set of funding streams to support council activity.** For example, in the context of town centre events, raising finance to pay towards all or some of the costs involved in organising, reducing the reliance upon council funds. In the context of investment in street furniture etc, using sponsorship to diversify the source of capital funds to make improvements to the town.
- **Additionality and 'added value'.** Using sponsorship to supplement council funds to 'add value' to existing programmes of work. For example, in the context of community events, using sponsorship to increase the financial resources available, to enhance the events beyond what is currently affordable, and also to introduce new events.
- **Commercial approach.** Sponsorship has the potential to allow Boston Borough Council to create commercial opportunities and be seen to be pro-active, embracing, involved, and engaging even more with local businesses, forming meaningful community partnerships.

2.3 In short, a successful sponsorship generation programme has the potential to support the authority in deliver increased investment in a number of areas, be it investment to support town centre events (both scale and number), investment in street scene and public realm enhancements (e.g. planting and greening), and funding to support council participation in conferences and events.

2.4 Key guiding principles

2.5 In evaluating the guiding principles through which such a programme should be managed, if adopted, the following have been identified;

- **Account and client relationship management.** A successful sponsorship scheme will depend heavily upon effective account and client management of relationships with sponsors. Developing long term relationships with sponsors which drive repeat business will be a key factor in long term success.
- **Effective customer service delivered through a ‘whole council’ and co-ordinated approach.** In turn for their paid sponsorship, sponsors will expect a high degree of customer service. Delivery of effective customer service will be derived from timely and successful delivery of the sponsorship ‘product’ on behalf of the sponsor. Delivery of the product will require a co-ordinated and ‘whole council’ approach. In other words, such an initiative will require other parts of the council to work alongside those charged with generating sponsorship income. This will include the teams leading on the initiative that the council is using sponsorship to commercialise (e.g. council led event team, parks and grounds teams, property teams), coupled with the services through whom involvement is required to deliver the sponsorship product (e.g. PSPS Graphics and Design team, SELCP Communications team, PSPS Finance).
- **Preservation of the council’s reputation as a delivery partner.** The strength of the Council’s reputation in acting as a reliable delivery partner for sponsorship will be critical in determining the long-term success of such a programme. Not delivering the agreed outputs to customer expectation would quickly undermine reputation, which would undermine delivery. Similarly, the council will need to be mindful of sustainability and ethical considerations associated with the types of businesses it sought to partner with through sponsorship. A council sponsorship policy would be required to govern the latter.
- **A need for commercial insight.** Raising sponsorship will require an element of commercial insight and targeted ‘sales’ work, to identify and target sponsors. These skills around sales, alongside understanding the commercial value of the sponsorship product (i.e. the fair market value for the sponsorship being product provided), needs to be considered when considering the options around resourcing and delivery.
- **The importance of utilising local knowledge.** Strategic targeting of sponsors would be supported significantly by being underpinned by a good degree of local knowledge. Any model needs to consider how strength of local knowledge might be built into the approach.
- **Not constrained to sources of sponsorship arising solely within the Boston Borough Council area.** Given the primary focus on ‘sales’ and revenue generation, any approach to generating sponsorship income needs to have the flexibility to source sponsorship from a wider market area, as well as local sources. For these reasons, any approach need not (and should not) be constrained solely to sourcing sponsorship within the geography of the Borough Council.

2.6 Resourcing models for sponsorship generation

- 2.7 In evaluating the resourcing models for sponsorship generation, this process has concluded with the view that the authority would need to create both *capacity* and *capability* to undertake such a programme. This includes securing resources with the right skill sets to deliver maximise sponsorship income through sales activity, coupled with a dedicated focus on engaging with prospective sponsors to generate 'leads'. Consequently, when considering resourcing, officers have considered a) skill sets, b) likely capacity demands, c) differing approaches to appointing a resource, and d) the most advantageous cost model which could be adopted.
- 2.8 In the context of skill set, it is considered that any resource working on sponsorship generation would need to be able to bring the following skills and competencies to the role;
- Strong customer service and client management skills
 - Strong sales and marketing skills
 - A proactive and resourceful approach
 - A commercial competency (e.g. understanding the 'value' of any sponsorship offer, developing commercially viable sponsorship packages)
 - Excellent planning, communication and organisation skills
- 2.9 In terms of capacity, the scale of demand for sponsorship is currently unknown and untested. This lends itself to a resourcing approach that allows flexibility to scale up/scale down depending upon demand. However, it is envisaged that initially the resource requirement is likely to be comparable to a part time role (as opposed to full time).
- 2.10 In terms of approaches to appointing a resource, two models have been considered; a) the recruitment of an employed officer under fixed term contract, and b) procuring an external contractor. These two approaches have been considered and evaluated at length, with a clear officer recommendation toward a procured external contractor.
- 2.11 The rationale for this is that a procured independent contractor, working under a cost model which has a direct link to targets and performance in the role, provides the best balance of risk management, scalability and flexibility. By comparison, the employed officer on a fixed salary route provides less flexibility in terms of scalability, aligning remuneration with performance, risk sharing, and flexibility.
- ### 2.12 Financial and cost models
- 2.13 In terms of cost models, a procured independent contractor route presents an opportunity to develop an approach whereby remuneration is linked to targets and performance in the role. Under this approach, a cost model is proposed which is structured around a fixed annual retainer which 'tapers down' to zero over 24 months, supported by a commission earning percentage which 'tapers up' over the same timeframe. The benefit of a tapered fee approach is that it ensures that risk is shared in early years, leading to a point where the resource is wholly funded through commission on sponsorship at the point of maturity (e.g. start of year 3).
- 2.14 It is proposed that, as part of any procurement of a contractor to deliver this work, the authority would seek competitive proposals structured around such a financial model.

The authority will then be able to assess the financial viability of proposals received from the market, before making any final decisions as to whether to enter into contract. Capacity funding available to support the development of the council's activity around the Plan for Neighbourhoods Fund (i.e. the £20m over 10 years fund) is one potential source of funding to support the financing of this initiative, if a procurement process returns a suitable and viable contractor for the authority to consider.

2.15 Key considerations

2.16 Whereas there are a number of benefits sought from this initiative, there are a number of risk considerations associated with the programme too. These include;

- The scale of demand for sponsorship is currently unknown and untested. Therefore, enlisting a resource tasked with raising sponsorship income carries with it risk. However a resourcing approach structured around a contractor, which allows flexibility to scale up, scale down or end depending upon demand, can seek to mitigate the council's risk exposure.
- The programme is dependent upon securing successful appointment to the role through a procurement process, securing a contractor with the the right skill sets and competencies to perform as required in the role. The availability of a suitable contractor has not yet been formally market tested but will be done so through a full and open procurement process.
- Similarly, a proposed cost model (a retainer which tapers down, with a commission fee which tapers up) has not yet been market tested. Consequently, the cost to the authority of securing a contractor on terms agreeable to the authority will not be known until the conclusion of the procurement process. However, it is possible for the council to test the market prior to formalising any decision to enter into contract.

2.17 If members are minded to approve the report recommendations, procurement of a contractor will be progressed, with any final decisions to contract taken in conjunction with the lead Portfolio Holder.

3. Conclusion

3.1. This report sets out a proposed means through which the authority might be able to generate income to support council-led activity.

Implications

South and East Lincolnshire Councils Partnership

None

Corporate Priorities

The report recommendation supports a range of council partnership priorities, including the Sug-Regional Strategy and the Growth and Prosperity Plan

Staffing

Whereas the report recommends to not contain direct staffing implications, the procurement of a contractor will bring about contract management responsibilities for the authority which will need to be met through the council's existing staffing resources.

Workforce Capacity Implications

Whereas this report sets out an approach to enable the council to maximise opportunities linked to revenue from sponsorship, it is important to note that the delivery of sponsorship activity will be dependent upon a range of council functions beyond solely the resource tasked with raising sponsorship revenue. This will include functions across communications, finance, and the services through which opportunities for sponsorship will be led (e.g. the council's events team). The capacity impacts of this work will need to be kept under close review.

Constitutional and Legal Implications

None

Data Protection

None

Financial

As part of any procurement of a contractor to deliver this work, the authority would seek competitive proposals structured around such a financial model. The authority will then be able to assess the financial viability of proposals received from the market, before making any final decisions as to whether to enter into contract. Capacity funding available to support the development of the council's activity around the Plan for Neighbourhoods Fund (i.e. the £20m over 10 years fund) is one potential source of funding to support the financing of this initiative, if a procurement process returns a suitable and viable contractor for the authority to consider.

Risk Management

None at this stage, beyond the risk considerations associated within the report. Risk matters associated with active delivery of any sponsorship programme will require active risk management throughout.

Stakeholder / Consultation / Timescales

No consultation undertaken

Reputation

None at this stage

Contracts

The report recommendations would see the authority enter into contract with a contractor to perform the tasks relating to sponsorship generation. This will be dealt with as part of the conclusion of any procurement process.

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

These have been considered, and at this stage there are no issues arising

Health and Wellbeing

None

Climate Change and Environment Impact Assessment

Not undertaken

Acronyms

None

Appendices

None

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report

Chronological History of this Report

A report on this item has not been previously considered by a Council body

Report Approval

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