



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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