

# Advertising, Sponsorship and Donations Policy

**DRAFT for approval** by Executive 3<sup>rd</sup> September 2024

Version 0.2

Review by 2<sup>nd</sup> September 2027

[www.eastherts.gov.uk](http://www.eastherts.gov.uk)





# Table of Contents

1	Advertising Policy.....	2
1.1	Introduction.....	2
1.2	Policy Statement.....	3
2	Sponsorship Policy.....	7
2.1	Introduction.....	7
2.2	Definition of Sponsorship.....	7
2.3	Policy Objectives and Operation.....	7
3	Donations Policy.....	10
3.1	Introduction.....	10
3.2	Definition of Donation.....	10
3.3	Policy Objectives and Operation.....	10
4	Standard Advertising Disclaimer.....	12
5.1	Disclaimer Notice.....	12

# 1 Advertising Policy

## 1.1 Introduction

1.1.1 The objective of this policy is to produce guidance on the type of advertisements which appear in our publications, on our web site, our intranet and other physical sites (including but not limited to: billboards/hoardings/lamp column banners/panels on litter bins/furniture/printed materials/vehicles etc.).



1.1.2 The policy is aimed at providing positive advice to East Hertfordshire District Council employees and prospective advertisers on what is and what is not acceptable forms of advertising for the council without being too prescriptive or detailed. It is not an exhaustive list and takes as its start point that all advertising falls within the rules and guidelines laid out by the Advertising Standards Authority (ASA) and upholds the rules laid out in the British Codes of Advertising and Sales Promotion and the Code of recommended practice on Local Authority publicity. The basic principles of the codes are that advertisements should be:

- i. Legal, decent, honest and truthful.
- ii. Created with a sense of responsibility to consumers and to society.
- iii. In line with the principles of fair competition generally accepted in business; and

iv. The spirit as well as the letter of the codes are applied.

1.1.3 A full copy of the codes is available on the ASA website.

## 1.2 Policy Statement

1.2.1 The values expressed in any advertisement must not directly conflict with the Council's vision and values, and acceptance of any advertisement does not imply endorsement by the council. The council retains the right to decline advertising from any organisation or individual or in respect of particular products which the council, in its sole discretion, considers inappropriate.

1.2.2 There are prohibitions on advertising for certain items which are listed in the table following paragraph 1.2.3. There are exceptions to the prohibited advertising items in consideration of commercial or other policy considerations affecting the council. For example, the council owns and operates BEAM Hertford, which comprises theatres, cinemas and social spaces, which is licensed to sell alcohol for consumption on the premises and therefore a total ban on advertising alcohol would not be commercially desirable. The council promotes the East Herts Community Lottery which supports good causes in East Hertfordshire District. The council could not promote the lottery without an exemption from the prohibition on advertising gambling. Any permission to allow for exemption and any restrictions relating to how the exemption may be used are noted in the list of items shown below. The reason for the exemption being granted is also set out below.

1.2.3 The council will not produce, endorse, or knowingly be associated with any form of advertising that positively promotes:

Item	Exemption
Alcohol	Yes, commercial exemption for BEAM Hertford and Parks and Leisure for on-premises sale and consumption of alcohol and/or to acknowledge sponsorship of events
Violence	None

Item	Exemption
Tobacco, rolling papers and filters	None
The sex industry	None
Gambling or betting	<p>Yes, for any part of the council to acknowledge any grants funded by the National Lottery.</p> <p>Yes, for Housing and Health to operate and promote the East Herts Community Lottery which benefits community groups</p>
<p>The direct consumption of fossil fuels or any product or service that principally consumes fossil fuels, except local public transport services e.g.: the advertising of battery electric vehicles would be allowed but not the advertising of any other vehicles; air or ground source heat pumps would be allowed but not gas boilers; Hertfordshire bus or train services would be allowed but not air travel.</p>	None
<p>Material which, in the council's opinion, may have a negative impact on groups in the community because of: their age; gender reassignment; being married or in a civil partnership; being pregnant or on maternity leave; disability; race (including colour, nationality, ethnic or national origin); religion or belief; sex; and/or sexual orientation.</p>	None

Item	Exemption
Any product or service that may inhibit the council's ability to achieve its policy objectives.	None
Any product or service offering unsecured credit at interest rates significantly above market norms.	None
Any material which may, in whole or in part, appear to be designed to affect public support for a political party, pressure group or trade union	Yes, for the council's recognised trade union, Unison, on internal notice boards and the staff intranet only, to advertise to East Hertfordshire District Council Unison Branch members union information. The council also permits the display of information to inform staff who are not members of the union about joining the union.
Organisations offering entry into a competition following completion of a form containing any personal information.	Yes, for Policy, Strategy and Communications so that they may offer entry into competitions to win shopping or other vouchers to incentivise the public to participate in surveys, consultation exercises or as an incentive to take part in campaigns, such as encouraging customers to pay by direct debit, which may use other suitable incentive rewards, such as placing a credit on the winner's account.

1.2.4 When officers use the commercial exemption in relation to alcohol, they are required to record this on a Commercial Exemptions Register, which will be reported to the Executive at least annually. This allows the Executive to balance the commercial interests of the council with the potential harm that

may arise from promoting alcohol so that the commercial exemption is kept under annual review. The Head of Operations will be the responsible officer for the maintenance of the register and for ensuring compliance with recording all commercial exemptions as the services able to use the exemption come under the Operations Service. The Chief Executive may designate an alternative officer to be responsible in the event of any changes to the council's staffing structures.

- 1.2.5 Several items that appear in the list may be part of a stage production or a cinema film. For the avoidance of doubt, the prohibition list does not apply to the content of any stage or screen production and/or its associated advertising.
- 1.2.6 This advertising policy applies to advertisements on East Hertfordshire District Council's websites. Advertisers may not copy or duplicate content from any of East Hertfordshire District Council's websites except where copyright licence has been obtained. Advertisers may not use any of the District Council's trademarks, including logos, without prior written consent. Advertisers should also ensure that they do not infringe any third-party intellectual property rights. Advertisers must not create a link to any of East Hertfordshire District Council's websites content in a way which would make it seem it is their own website. Advertisers must not imply East Hertfordshire District Council is endorsing their website, their products or services without express written permission from East Hertfordshire District Council.



## 2 Sponsorship Policy

### 2.1 Introduction

2.1.1 This policy sets out our definition of 'sponsorship' and the terms upon which sponsorship may be both sought and accepted by East Hertfordshire District Council.

### 2.2 Definition of Sponsorship

2.2.1 For the purposes of this policy, sponsorship is defined as:

“An agreement between East Hertfordshire District Council and the sponsor, where the council receives either money or a benefit in kind from an organisation or individual which/whom in turn gains benefits and publicity.”

### 2.3 Policy Objectives and Operation

2.3.1 This policy aims to:

- i. Ensure that our position and reputation are adequately protected in sponsorship agreements.
- ii. Ensure that we adopt a consistent and professional approach towards sponsorship.
- iii. Ensure best value is obtained and provided in sponsorship arrangements – including any arrangements made where we receive either money or a benefit in kind.
- iv. Protect Members and individual officers from allegations of inappropriate dealings or relationships with sponsors.

2.3.2 We will actively seek opportunities to work with both local and national organisations by identifying sponsorship opportunities of mutual benefit and which are in keeping with our strategic priorities and core values. We welcome all opportunities to work in such partnerships.

2.3.3 We will not, however, put ourselves in a position where it might be said that such a partnership has or might have or may be thought to have:

- i. Influenced the Council or its officers in carrying out its statutory functions to gain favourable terms from the council in any business or other agreement.
- ii. Aligned the Council with any organisation which conducts itself in a manner which conflicts with our values.

- 2.3.4 Sponsorship agreement partners should not be in direct conflict with the list in the Advertising Policy, unless an exemption has been granted and again, where sponsorship is a commercial fact, that this is noted in the commercial exemptions register. The council retains the right to decline sponsorship from any organisation or individual or in respect of any particular products which it, in its sole discretion considers inappropriate.
- 2.3.5 East Hertfordshire District Council will agree with the sponsor the nature and content of any publicity and will retain the right to approve all publicity and advertising materials.
- 2.3.6 East Hertfordshire District Council has two strong brands it operates under- East Herts Council and BEAM. No publicity or advertising materials must detract from these brands.
- 2.3.7 East Hertfordshire District Council will always comply with our procurement policy and procedures and may, in accordance with those procedures, advertise a sponsorship opportunity to potential sponsors. Certain types of sponsorship relating to BEAM, for example tiered standard sponsorship packages which are the industry norm, will be advertised for general sale to the public.
- 2.3.8 Wherever possible standard sponsorship and donation packages will be created for general sale to simplify the process involved – e.g., placing a plaque bearing a name on a seat will be a standard package. The council may offer naming rights to buildings/parts of buildings and/or events and shows. These will be standard packages but may be offered for bidding to interested parties if there is sufficient demand.
- 2.3.9 Before seeking sponsorship, Council officers must consider this policy document and seek the involvement of both Strategic Finance and Legal. All financial costs must be identified, including the equivalent monetary value of any sponsorship in kind. The sponsorship package being proposed must provide value for money for the Council Taxpayer.
- 2.3.10 Normally the council will be offering sponsorship or donation packages that have been developed within the council. Where a third-party approaches officers offering a sponsorship package it is essential that officers thoroughly understand why the sponsorship is being offered and what are the “red lines” in terms of benefits back. As the VAT treatment of sponsorship and donations is unlikely to be commonly known outside of the charity

and local government sectors then you should refer potential sponsors to HMRC VAT Notice 701/41 – Sponsorship.

- 2.3.11 Sponsorship is subject to VAT at the Standard Rate and therefore the Net Cost, the VAT amount and the Gross Cost must be clearly stated for all sponsorship packages. It is essential that all corporate sponsorship agreements provide a VAT invoice or a VAT receipt so that the corporate sponsor and the council are able to evidence compliance with the VAT rules. Where the sponsorship involves a benefit in kind supplied to the council then VAT only invoices will need to be exchanged and paid by the council and the sponsor for every fiscal year for which the agreement is in place.
- 2.3.12 Donations are not subject to VAT but the scope of acceptable benefits is very much lower. If you are not clear about the HMRC sponsorship and donations definitions and the VAT treatment of an agreement do not attempt to negotiate without Legal and Finance being present. It is possible to have package that include both sponsorship and donation but these will be subject to HMRC scrutiny and must be carefully constructed based on value and benefit to avoid HMRC penalties and the potential for the sponsor/doner withdrawing as they could be faced with a substantially increased VAT amount to pay.
- 2.3.13 The early involvement of Legal will ensure the correct procurement route is followed and that legal terms and conditions can be discussed and agreed as part of the sponsorship negotiations.
- 2.3.14 Sponsorship agreements must be referred to Legal and Finance for final review prior to signing. . All sponsorship deals should be approved by a Head of Service.

### **3 Donations Policy**

#### **3.1 Introduction**

3.1.1 This policy sets out our definition of 'donations' and the terms upon which donations may be both sought and accepted by us.

#### **3.2 Definition of Donation**

3.2.1 For the purposes of this policy, donations are defined as:

“An agreement between East Hertfordshire District Council and the doner, where the doner freely gives the council either money or a benefit in kind and receives nothing but an insignificant benefit in return.”

#### **3.3 Policy Objectives and Operation**

3.3.1 We will actively seek opportunities to work with both local and national organisations by identifying sponsorship opportunities of mutual benefit and which are in keeping with our strategic priorities and core values. We welcome all opportunities to work in such partnerships.

3.3.2 We will not, however, put ourselves in a position where it might be said that such a partnership has or might have or may be thought to have:

- i. Influenced the Council or its officers in carrying out its statutory functions to gain favourable terms from the council in any business or other agreement.
- ii. Aligned the Council with any organisation which conducts itself in a manner which conflicts with our values.

3.3.3 Donation agreement partners should not be in direct conflict with the list in the Advertising Policy, unless an exemption has been granted. The council retains the right to decline donations from any organisation or individual or in respect of any particular products which it, in its sole discretion it considers inappropriate.

3.3.4 Before seeking donations, council officers must consider this policy document and seek the involvement of both Strategic Finance and Legal. All financial costs must be identified, including the equivalent monetary value of any donation in kind. The donation package being proposed must provide value for money for the Council Taxpayer.

- 3.3.5 Normally the council will be offering donation packages that have been developed within the council. Where a third-party approaches officers offering a donation package it is essential that officers thoroughly understand why the donation is being offered and what are the “red lines” in terms of benefits back. As the VAT treatment of sponsorship and donations is unlikely to be commonly known outside of the charity and local government sectors then you should refer potential sponsors to HMRC VAT Notice 701/41 – Sponsorship
- 3.3.6 Any donations with negotiations must have representatives from Finance and Legal present as there is a fine line between donations and sponsorship and the very different VAT treatments. It may be to the advantage of both parties to construct a deal that contains sponsorship and donation elements. These deals will be subject to HMRC scrutiny to test the value given and received.
- 3.3.7 Donations are treated as Exempt from VAT. If sponsorship is misclassified as donations then there will be severe VAT penalties to pay and the doner will have to be sent VAT invoices to pay which would undoubtedly sour relations between the council and the donor. The reputational damage might also affect the willingness of others to donate in the future. treatment wrong could lead to very severe and costly VAT penalties if sponsorship is incorrectly classified as a donation.

## **4 Standard Advertising Disclaimer**

### **4.1 Disclaimer Notice**

4.1.1 To make it clear that acceptance of advertising or sponsorship does not imply endorsement of products and services by East Hertfordshire District Council, all council publications which include advertising or corporate sponsorship, must carry the following disclaimer:

Whilst every effort has been made to ensure the accuracy of advertisements contained in this publication, East Hertfordshire District Council cannot accept any liability for claims made by advertisers or any errors and omissions. The inclusion of advertisements and sponsorship in (name of publication) should not be taken as an endorsement of the advertisers, sponsors and/or their products by East Hertfordshire District Council.'