



## COUNCIL CABINET MEMBER MEETING FOR LEISURE AND DIRECT SERVICES – 11 SEPTEMBER 2006

Report of the Environment Commission

### Recommendations arising from the Commission's Review of Sponsorship for the Arts and Events Programme

#### RECOMMENDATION

1. That the Council Cabinet member for Leisure and Direct Services encourages Council Cabinet to adopt the recommendations of the Commission

#### SUPPORTING INFORMATION

- 2.1 At its meeting on 5 December 2005 the former Culture and Prosperity Commission resolved to undertake a review of sponsorship for the Arts Events programme in Derby.
- 2.2 The objective of the review was intended to investigate how the Council might improve the ways in which it seeks sponsorship for its Arts Events programme and to develop practicable recommendations for doing this.
- 2.3 The recommendations of the Commission are listed in Appendix 2 of this report. A copy of the Commission's report can be obtained from the Co-ordination Team.

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**Background papers:** Appendix 1 – Implications  
**List of appendices:** Appendix 2 – Recommendations of the review

<b>IMPLICATIONS</b>
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**Financial**

1. None arising from this report. If implemented the recommendations should generate funding for the Arts Events programme

**Legal**

2. None arising from this report.

**Personnel**

3. None arising from this report.

**Equalities impact**

4. Improved sponsorship will be of benefit to all Derby people

**Corporate Objectives, Values and Priorities**

5. This report has the potential to link with the following Corporate Objectives,
  - Improve the quality of life in Derby's neighbourhoods
  - Deliver excellent services, performance and value for money

**1.6 Recommendations**

- 21 The following recommendations have been developed by the Commission to address the issues that it has identified in the course of its review of sponsorship for arts events.
- 22 For the purpose of the review, the Commission focussed on sponsorship for arts events, but it should be noted that many of the recommendations made here could be applied to sponsorship for any event.

**Recommendation 1**

To address the fact that there is currently no dedicated officer within the Arts Team who is responsible for seeking sponsorship for arts events. This should be done in one or a combination of the following ways:

- a. To create a post for an Arts Events Sponsorship Officer, that should be self-financing from the sponsorship obtained.
- b. To employ a sponsorship agency, the fee for which would be based upon a percentage of the income received.

**Reasons 1**

- 23 The Commission noted that in March 2006 the Council Cabinet agreed to finance a post for a funding officer within Sports and Leisure. A funding officer post created in 2002 within Parks, has attracted over £1m per year from external funds that are being invested in parks and other facilities. It is considered that a similar approach could be taken to seeking sponsorship for arts events.
- 24 The Commission learnt that at its meeting on 6 June 2006 the Council Cabinet had agreed to authorise the Director of Corporate and Adult Social Services, in consultation with the Directors of Regeneration and Community and Resources and the Cabinet Member for Planning and Transportation, to negotiate and complete a contract with a sponsorship company to raise income on highway infrastructure through sponsorship by partnering a company called Immediate Solutions.
- 25 There is currently no dedicated officer within the Arts Team who is responsible for seeking sponsorship for arts events. Sponsorship is not part of any arts team members' job description, although two arts team officers have attended the one-day sponsorship seminar held by Arts & Business.

- 26 The Commission has been told that in order to pursue sponsorship successfully, an organisation needs to have in place a committed person who is passionate about the Arts and capable of building long term relationships with organisations.
- 27 There is a need to avoid a repeat of the situation experienced between November 2004 and 2005 when a Sponsorship Consultant, who was employed on a fixed fee contract, failed to develop any new sponsorship relationships for the Arts Events programme.
- 28 The Commission recognises that the Arts Events Team has continued to secure sponsorship for many of its events, including Darley Park Weekend, the Family Fun Run and the Christmas Lights. However it has learnt that the amount of cash contributions have been increasingly replaced by 'in-kind' support and considers that in reality much of the sponsorship received could be classed as a donation.

## **Recommendation 2**

The Arts Events Team should adopt a more professional approach to seeking sponsorship by developing an arts events sponsorship strategy. The strategy should include the following elements:

- a. a structured and defined process, like the ones advocated by Arts & Business and Leicester Comedy Festival
- b. the strategy should make clear that any sponsorship income will be in addition to the Council's core funding for arts events and set out how the income could be used to develop the events programme
- c. improving the understanding of and training in sponsorship development for the Council's Arts Team Officers
- d. to make suitable arrangements which would ensure that different departments across the Council are aware of what others are doing with regard to seeking sponsorship
- e. fully evaluating the market value of events to identify the sponsorship potential
- f. investing in the business membership offered by Arts & Business.

## **Reasons 2**

- 29 Derby City Council has a large number of events to plan and manage each year, and this work is in addition to seeking sponsorship for any of them. The Council must be realistic about what resources can be

allocated to seeking sponsorship for an event over and above organising it in the first instance.

- 30 The Commission learnt that one of the most important aspects of a sponsorship strategy is to develop and maintain accurate records about potential sponsors. In order to retain such valuable information about sponsors, the database should be owned by Derby City Council and not by an individual within the Arts Team.
- 31 Without an understanding of what sponsorship is, it will not be possible to either make a successful approach for sponsorship or develop the relationships necessary to maintain a long term partnership with a sponsor.
- 32 During the course of its review the Commission learnt that successful sponsorship is the result of an equal partnership between an arts organisation and its sponsor, which results in mutual benefit for both parties.
- 33 Securing sponsorship involves considerable effort and sponsors will expect delivery from the event.
- 34 The implementation of part (d) this recommendation would avoid duplicating any approach made to a business as this might project an uncoordinated image of the authority. The organisation is large and there are other departments across the Council that seek sponsorship, for example, the revenue from the sponsorship of roundabouts by Parks.
- 35 A steering group could also provide a forum within which departments could share their sponsorship ideas, examples of successful partnerships and any lessons learnt with regard to sponsorship.
- 36 The Commission learnt that not all events will be capable of attracting sponsorship and that careful consideration needs to be given to the unique selling point of a particular event before deciding whether to develop a sponsorship package for it. In addition, sponsorship should only be sought to enhance an existing event and is not supposed to pay for it to happen. This should avoid the risk of underestimating the potential value of an event, which in most cases will be greater than the cost to stage it.
- 37 Derby City Council is a member of the Arts & Business (A&B) Development Forum, which costs £70 per year. The development forum membership entitles its members to invitations to A&B's quarterly development forum meetings, free training opportunities, regular e-Bulletins and invitations to events. A&B also gives surgery style advice on particular sponsorship proposals.

38 Arts & Business also offers a business membership package, which costs £1,500 per year (plus VAT) and entitles members to:

- 3 days specialist advice
- Professional Development Programme placement opportunities
- Membership of the Arts Development Forum
- A dedicated account manager
- Annual review of arts/business activity
- Company profile on Arts & Business' website with hyperlink to own
- Invitations to all local Arts & Business events and relevant national events
- Publications (annual report, newsletter, reports etc.)
- Discount at Arts & Business fee-paying events

The Commission considers that this could be a cost effective way of seeking professional advice and accessing up to date information on sponsorship opportunities.

### **Recommendation 3**

For the Council to fully exploit the sponsorship potential of the biennial Format Photography Festival.

### **Reasons 3**

- 39 The Commission commends the Arts Events Team on the success of the Format '05 photography festival and recognises the significant sponsorship opportunity that Derby's Photography Festival presents for the Arts Team.
- 40 The Commission recognises that the photography festival has several unique elements to it. Derby has significant historic links with the development of photography and photographic artists. The University's photography MBA has an excellent reputation.
- 41 Derby's photography festival is one of only three in the UK and the only one in the East Midlands.
- 42 As a result of the success of the Format'05 photography festival Derby City Council officers were invited to take part in research trips to European photography festivals, which were funded by the University of Derby and Arts Council England. The information obtained as part of the research should be valuable when planning Format'06 and subsequent photography festivals.
- 43 The Commission considers that the Format '08 photography festival will be a great opportunity to showcase the opening of QUAD planned for the same year. To this end the Commission feels that work on securing sponsorship for the 2008 photography festival should start

immediately. An approach for a significant sum must be well planned and take place well in advance of the event, as timing with regard to a business' financial cycle is often critical to the success of an approach.

#### **Recommendation 4**

If the Arts Events programme is to be developed any income received from sponsorship should be retained within the Arts Team's budget in order to build the portfolio.

#### **Reasons 4**

- 44 The Commission chose to pursue this review as it recognised that there had been a decline in the number of arts events in the Council's programme. The Commission's intention was to understand the way in which sponsorship for arts events had been sought previously and to identify ways in which successful sponsorship is pursued in order that it might be used to expand the Arts Events programme.
- 45 During the course of its review the Commission learnt that it was important for an organisation to understand the 'product' being offered to a potential sponsor and the benefits to them. The Commission were informed by Arts & Business that at the approach stage of selling sponsorship an arts organisation must identify the benefits that the business would receive for their sponsorship, rather than those for the arts organisation.
- 46 The Commission also learnt that as well as being clear about the business benefits that an event could offer a sponsor, it was important to price the sponsorship package appropriately. The package should be priced with regard to its value rather than just the cost of staging an event. This view was supported by Leicester Comedy Festival who cautioned the Commission against seeking sponsorship for an event simply to plug a funding gap.
- 47 The Commission considers that well designed and appropriately priced sponsorship packages have the potential to result in a significant income stream for the Arts Events programme.