

Newcastle City Council

Policy

Economic Development Sponsorship Policy

February 2018

Newcastle City Council
PO Box 489, Newcastle NSW 2300
Ph: 4974 2000 Fax: 4974 2222
Email: mail@ncc.nsw.gov.au
www.newcastle.nsw.gov.au

Economic Development Sponsorship Policy



Policy title	Economic Development Sponsorship
Policy owner	Manager Strategic Planning Services
Policy expert/writer	Strategic Planning Services
Prepared by	Strategic Planning
Approved by	Elected Council
Date approved	27/02/2018
Policy approval form reference	ECM# 5479477
Commencement Date	27/02/2018
Next revision date	27/08/2020
Termination date	27/08/2021
Version	Version number 4
Category	Economic Development
Keywords	Sponsorship, economic development, business development, creative industries, tourism product
Details of previous versions	Version number 3 - ECM # 4838988
Legislative amendments	N/A
Relevant strategic direction	Smart and Innovative City
Relevant legislation/codes	<i>Local Government Act 1993</i> (NSW) s.610E
Related policies/documents	Standard Letter of Agreement for Economic Development Sponsorship
Related forms	Economic Development Sponsorship Application Form
Required on website	Yes
Authorisations	Functions authorised under this policy including Council Officers authorised to perform the function.

Table of Contents

Part A Preliminary	1
1 Purpose	1
2 Definitions	1
3 Scope	1
4 Principles	2
Part B Scope of Program	3
5 Amount of sponsorship available	3
6 Program structure	3
Part C Eligibility and assessment	5
7 Eligibility Criteria	5
8 Assessment Criteria	6
9 Assessment of applications	6
Part D Agreements, payments and acquittals	8
10 Agreement	8
11 Payments	8
12 Acquittal Report	8
Schedule 1 Authorisations	9

Part A Preliminary

1 Purpose

- 1.1 The purpose of this policy is to provide a framework for Council to sponsor suitable economic development activities that provide economic benefit through one or more of the following areas:
 - 1.1.1 Our role as the capital of the Hunter Region;
 - 1.1.2 The development of key infrastructure;
 - 1.1.3 Supporting business growth and employment;
 - 1.1.4 Encouragement of innovation and creativity;
 - 1.1.5 Developing the visitor economy of Newcastle.
- 1.2 This program will operate through sponsorship of trade, industry or interest based organisations (incorporated) that provide shared resources, education, support programs, collaborative marketing or promotion (e.g. award programs) of Newcastle based industries and enterprises to achieve the Purpose.

2 Definitions

- 2.1 **Agreement** means the agreement entered into by Council and an applicant whose application for Economic Development Sponsorship has been successful.
- 2.2 **Council** means Newcastle City Council.
- 2.3 **Economic Development Sponsorship** means a business transaction in which Council provides a financial contribution or Value in-Kind, to support an event, project, service or activity, in return for negotiated economic benefits to the City.
- 2.4 **Economic Development Sponsorship Panel** means the panel comprising:
 - 2.4.1 Lord Mayor (or nominee)
 - 2.4.2 Business Unit Manager (or nominee)
 - 2.4.3 Two Council Officers who have relevant experience approved by the Business Unit Manager.
- 2.5 **Financial Assistance** means payments given to individuals or organisations that are not commensurate with a reciprocal benefit received by Council.
- 2.6 **Guidelines** means any guidelines published in connection with Council's Economic Development Sponsorship program in any year.
- 2.7 **Relevant Council Officer** means the Council employee responsible for administering the Economic Development Sponsorship Program.
- 2.8 **Value in Kind** means goods or services supplied by Council in connection with an Economic Development sponsorship, including the waiver or discounting of fees and charges for Council facilities or services. For the avoidance of doubt, the waiver or reduction of fees and charges in accordance with this policy are fees or charges that Council determined payment should be so waived or reduced in accordance with s.610E of the *Local Government Act 1993*.

3 Scope

- 3.1 The policy applies to all applications for Economic Development Sponsorship.

4 Principles

4.1 Council commits itself to the following principles:

- 4.1.1 **Accountability and transparency** – The policy provides a framework for the transparent and merit-based provision of support and a system of accountability for the recipient.
- 4.1.2 **Alignment with Council strategies** – The policy aligns with Council priorities outlined in the Newcastle 2030 Strategic Plan and Council's Economic Development Strategy 2016-2019 and Destination Management Plan.
- 4.1.3 **Value for Money** – The policy ensures Council considers the value for money received in return for Council's investment.

Part B Scope of Program

5 Amount of sponsorship available

- 5.1 The total amount available under the Economic Development Sponsorship Program will be determined annually by the Elected Council in connection with the Operational Plan and Delivery Program.
- 5.2 The maximum amount of Economic Development Sponsorship available in a competitive round under the Economic Development Sponsorship Program will be set by the Director Planning and Regulatory. Support may comprise cash and/or Value-in-Kind.
- 5.3 Council may decide to offer to an applicant Economic Development Sponsorship in an amount less, or in a combination different to, what is applied for.
- 5.4 A monetary figure will be allocated to all Value in Kind awarded under the Economic Development Sponsorship Program, in accordance with its true cost to Council. This amount will be included in the total amount of Economic Development Sponsorship allocated to any successful applicant.
- 5.5 If awarded Sponsorship under the Economic Development Sponsorship Program, applicants are prohibited from seeking additional support from other business units, services or committee of Council for the same Economic Development activity.
- 5.6 Any amendments to the total budget allocated the Economic Development Sponsorship Program must be approved by the elected Council.
- 5.7 Only single year commitments may be approved under this policy. Multi-year commitments require elected Council approval.

6 Program structure

- 6.1 Council will hold one round of Economic Development Sponsorship applications each financial year.
- 6.2 Council will advertise the details of the Economic Developments Sponsorship Program on Council's website and in the Newcastle Herald.
- 6.3 Council may decide to host a public information session in connection with a competitive round to provide information to prospective applicants about the program.
- 6.4 The Director Planning and Regulatory may determine to allocate a portion of the total funding available each financial year (along with any unexpended or returned funds) for ad hoc applications outside the competitive round(s) described in clause 6.2. If such funding is allocated it will be advised on Council's website annually.
- 6.5 Otherwise, applications for ad hoc funding:
 - 6.5.1 can be made at any time.
 - 6.5.2 must be made on the standard application form.
 - 6.5.3 will be reviewed by the Relevant Council Officer (in accordance with clause 9.1 and 9.2) and assessed (against the criteria outlined in

sections 7 and 8) and approved by the Director Planning and Regulatory.

- 6.6 Successful applications in this category will be recorded with successful applicants from competitive rounds on Council's website.
- 6.7 Council will liaise with applicants if it is felt a more appropriate sponsorship or grant program is available and will transfer the application if the applicant agrees.
- 6.8 Application forms and funding agreements will contain information relating to the acknowledgement of funding/in kind support from Council. The recipient of funding/in kind support must abide by the following set of principles:
 - 6.8.1 Acknowledge Council's contribution in written material relating to the project;
 - 6.8.2 Use Council's logo and name in accordance with the requirements of the funding agreement;
 - 6.8.3 Issue an invitation to the Lord Mayor, or representative, to any announcement or public event associated with the funding, and whether they are able to attend, be acknowledged as official guests. Where practicable, they should be afforded the courtesy of publicly addressing the event;
 - 6.8.4 Successful applicants will be required to provide evidence in acquittal reporting.

Part C Eligibility and assessment

7 Eligibility Criteria

Council will not support applications that do not meet all of the following criteria:

- 7.1 Applicant must be a registered organisation with an ABN (or ACN) or a Not-for-Profit organisation. Council will not fund individuals or government agencies.
- 7.2 Applicants acting for financial gain must provide complete information about company structure, management and shareholders
- 7.3 Applicants must lodge a completed application using Council's standard Economic Development Sponsorship Program Application Form in accordance with any published Guidelines.
- 7.4 Applications must be received on or before the advertised due.
- 7.5 Applicants must provide evidence that they have appropriate insurances in place if requested by Council.
- 7.6 The activity must be scheduled to occur within the same financial year as the support is (likely to be) received (unless otherwise agreed).
- 7.7 Applicants may not have received any other sponsorship support from Council within the same financial year 12 month period, regardless of whether it was for a different event.
- 7.8 Applicants must have complied with, to Council's satisfaction, the conditions of any previous grant, support or sponsorship received from Council.
- 7.9 The sponsorship activity must be consistent with the community values and the relevant objectives defined in the 2030 Community Strategy Plan.
- 7.10 Applications for Financial Assistance are not eligible for support.
- 7.11 The applicant must be capable of obtaining all regulatory approvals for the activity(ies).
- 7.12 Applications for Economic Development Sponsorship to fund the purchase of capital equipment, furniture/fittings, travel, salaries or provide expenses will be rejected.
- 7.13 If a public information session is scheduled in connection with a round of Economic Development Sponsorship funding, a representative of the applicant must attend, or otherwise meet with the Relevant Council Officer in advance of the application deadline. This criterion does not apply to ad hoc applications.
- 7.14 Applicants may be required to submit a preliminary risk assessment for any activities with potential high risk. Applicants will be notified of the requirement prior to the assessment process commencing.

8 Assessment Criteria

Applications that satisfy the Eligibility Criteria set out in clause 7 will then be assessed against the following Assessment Criteria, which will be weighted according to Council's strategies:

- 8.1 Economic benefit in one or more of the following areas (as per Council's Economic Development Strategy 2016-2019):
 - 8.1.1 Promoting our role as the capital of the Hunter Region
 - 8.1.2 The development of key infrastructure
 - 8.1.3 Supporting business growth and employment;
 - 8.1.4 Encouragement of innovation and creativity
 - 8.1.5 Developing the visitor economy of Newcastle
- 8.2 Acknowledge Council's support as part of the project. Applicants may submit a business plan as well as a marketing or communications plan with their application (no more than three pages).
- 8.3 Other:
 - 8.3.1 Applicant's experience and track record (Note: Council may assess all information available to Council about the applicant when making this assessment including data from sponsorships.)
 - 8.3.2 Adequacy of budget proposal

9 Assessment of applications

- 9.1 The Relevant Council Officer will conduct a preliminary assessment against the Eligibility and Assessment Criteria set out in sections 7 and 8.
- 9.2 It is open to the Relevant Council Officer to amend estimates and projections included in the application prior to assessment, based on information available to Council or Council's past experience. Any changes should be notified to the applicant with the reasoning documented.
- 9.3 If the applicant does not agree with amendments suggested by the Relevant Council Officer, the application will still be presented to the Economic Development Sponsorship Panel for assessment with information from the Relevant Council Officer as to why amendments are recommended.
- 9.4 The weighting allocated to each assessment criterion will be determined annually and approved by the Manager - Strategic Planning Services, prior to applications being called. These weightings must be made available to applicants upon request.
- 9.5 Following a preliminary assessment, the Relevant Council Officer will present all applications to the Economic Development Sponsorship Panel with a recommendation on eligibility including those assessed as ineligible.
- 9.6 The Economic Development Sponsorship Panel will be convened to assess applications. The Economic Development Sponsorship Panel's assessment must be recorded on an evaluation form and retained in Council's records management system. The evaluation form will be signed by all members of the Economic Development Sponsorship Panel.

- 9.7 Any deviation from the approach set out in clauses 9.1 - 9.6 must be approved by the Chief Executive Officer with the reasoning documented.
- 9.8 Each Councillor and Council Officer involved in the assessment and approval of applications under this section must comply with Council's Code of Conduct, in particular, the provisions covering Conflicts of Interest.
- 9.9 This section does not apply to ad hoc applications. Ad hoc applications must be assessed and approved in accordance with clause 6.4.
- 9.10 In the event the panel cannot reach agreement, the panel recommendations will be forwarded to the Council for determination.

Part D Agreements, payments and acquittals

10 Agreement

- 10.1 Successful applicants and Council must sign an Agreement, containing Council's terms and conditions of Economic Development Sponsorship, prior to any monies being released.
- 10.2 Council may terminate the Agreement at any time but will pay for commitments made, subject to milestones being met, to the date of termination.
- 10.3 The Agreement will provide that Council is able to withhold the final payment under the Agreement pending receipt of a satisfactory acquittal report.
- 10.4 The Agreement may include a statement relating to how Council will conduct any regulatory activities with the applicant.
- 10.5 The Agreement will require the applicant to comply with Council's Statement of Business Ethics and Code of Conduct.
- 10.6 The agreement will specify that applicants are required to obtain all necessary approvals for their activity. In the event that approval is not granted, the sponsorship will be returned to Council.

11 Payments

- 11.1 Payments will be made to applicants in accordance with the milestones agreed with the applicant and documented in the Agreement.
- 11.2 All payments under the Agreement must be invoiced to Council in accordance with achievement of the milestones documented in the Agreement.
- 11.3 All invoices must be received before the end of the financial year in which the Economic Development Sponsorship was awarded and the activity held.
- 11.4 Council will not be liable for any amounts over and above the Economic Development Sponsorship amount as set out in the Agreement.

12 Acquittal Report

- 12.1 Successful applicants must provide a final acquittal report to Council within the timeframe specified in the Agreement.
- 12.2 The information required will be specified in the Agreement and may include:
 - 12.2.1 final accounts (audited, if appropriate);
 - 12.2.2 evidence of how Council was acknowledged during the event;
 - 12.2.3 an assessment of the benefits realised against the benefits anticipated or estimated in the application form;
 - 12.2.4 evidence of compliance with the Agreement;
 - 12.2.5 where activities are ticketed, details of the number of tickets sold and, if possible, the demographic information of participants;
 - 12.2.6 formal advice of funds not spent (funds not expended for the purpose outlined in the application must be returned to Council).

Schedule 1 Authorisations

Authority	Position
Assess and determine applications	Economic Development Sponsorship Panel
Determine number of application rounds to be held, maximum amount that can be applied for during any one round, and amount to be set aside for ad hoc applications	Director Planning and Regulatory
Execute Agreements to allocate Sponsorship consistent with the Economic Development Sponsorship Panel's recommendation and in accordance with this policy	Business Unit Manager
Assess and approve ad hoc applications	Director Planning and Regulatory
Determine and approve weightings for assessment criteria	Business Unit Manager

Approved: _____

Date: _____

Chief Executive Officer