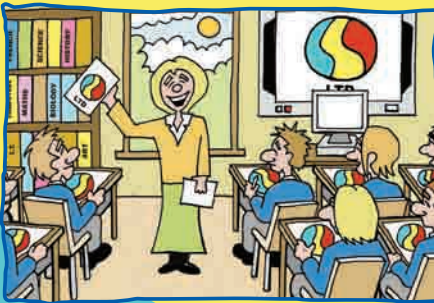


Guidelines on Commercial Sponsorship in Schools

March 2009



About Consumer Focus Scotland

Consumer Focus Scotland started work in October 2008. Consumer Focus Scotland was formed through the merger of three organisations – the Scottish Consumer Council, energywatch Scotland, and Postwatch Scotland.

Consumer Focus Scotland works to secure a fair deal for consumers in both private markets and public services, by promoting fairer markets, greater value for money, and improved customer service. While producers of goods and services are usually well-organised and articulate when protecting their own interests, individual consumers very often are not. The people whose interests we represent are consumers of all kinds: they may be patients, tenants, parents, solicitors' clients, public transport users, or shoppers in a supermarket.

We have a commitment to work on behalf of vulnerable consumers, particularly in the energy and post sectors, and a duty to work on issues of sustainable development.

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Introduction

About these guidelines

These guidelines were produced by Consumer Focus Scotland. They build on guidelines for schools published in 2006 and guidelines for the public sector as a whole published in 2008.

The original guidelines for schools and the guidelines for the public sector were based on evidence gathered from consumers, members of the public, public sector organisations and business representatives.

The guidelines and background information can be downloaded from www.consumerfocus-scotland.org.uk.

- 1.1 Commercial sponsorship of schools is not commonplace in Scotland but it does appear to be on the increase. Most members of the public are happy for public sector organisations to receive sponsorship from private companies provided checks and balances are in place. However, they are more concerned when sponsorship might lead to marketing directly to children. Schools must ensure that commercial sponsorship does not lead to inappropriate marketing to children and young people.

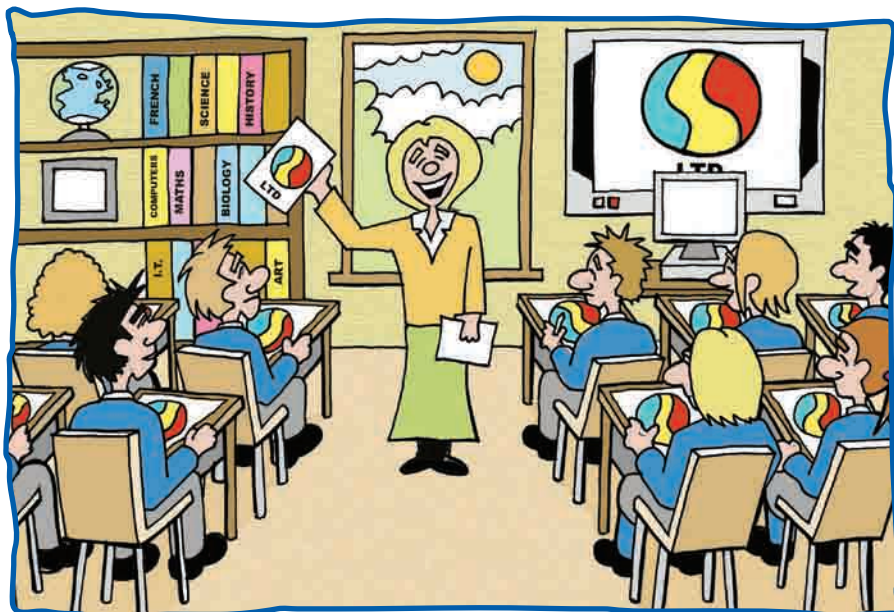
- 1.2 Schools also have to consider other implications of sponsorship that do not apply in the same way to other public sector organisations; for example, in ensuring that any educational resources provided are not biased or that children are not being used to encourage their parents to shop for a particular brand.
- 1.3 These guidelines provide a framework for schools to help them to decide whether or not to accept commercial sponsorship and provide advice on how to manage that relationship.
- 1.4 The International Chamber of Commerce defines sponsorship as:

*Any commercial agreement by which a sponsor, for the **mutual benefit** of the sponsor and sponsored party, contractually provides financing or other support in order to establish an association between the sponsor's image, brands or product and a sponsorship property in return for rights to promote this association and/ or for the granting of certain agreed direct or indirect benefits.¹*

- 1.5 The key to a successful sponsorship arrangement is that it must benefit both the sponsor and the public sector organisation. Sponsorship is not a donation nor is it part of corporate social responsibility. Sponsorship is a business arrangement where the sponsor can legitimately expect to benefit, usually by taking advantage of marketing opportunities as part of the sponsorship arrangement.

1 International Chamber of Commerce (2006) *Advertising and Marketing Communication Practice: Consolidated ICC Code* Paris: ICC (www.iccwbo.org)

What forms can commercial sponsorship take?



- 2.1 Commercial sponsorship may take the form of: financial sponsorship, in-kind sponsorship or promotions.

Financial sponsorship

- 2.2 Financial sponsorship is the clearest sponsorship arrangement. In this case, sponsors will provide the school with cash resources to meet a stated aim. For example, schools might hold open days or school discos and ask local businesses to provide funding for the event. In exchange the business would be able to advertise at the event, for example on a programme or banner.

In-kind sponsorship

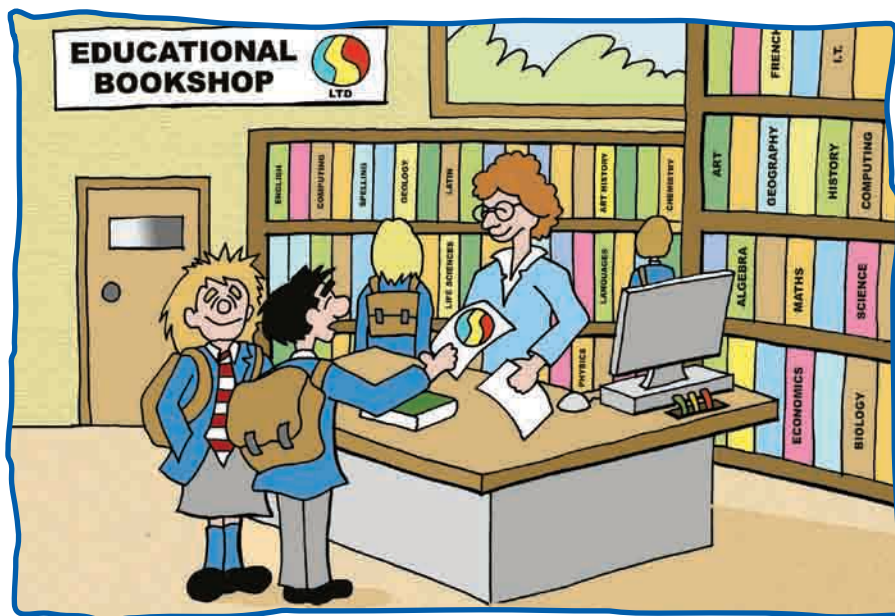
- 2.3 In-kind sponsorship varies significantly. It might include the direct provision of resources where a company might provide educational materials, such as free software, books or posters. Banks commonly provide resources on money management while fuel companies may provide resources on climate change.
- 2.4 Prizes at events would also be classed as in-kind sponsorship, where the company is able to advertise their product or services at the event.

Promotions

- 2.5 Promotions between schools and the private sector can work in two directions:
- Voucher schemes: consumers collect vouchers by purchasing a company's product. Schools can then exchange the vouchers for items such as books, computers or other resources. These types of voucher schemes appear to be on the increase.
 - Loyalty/reward schemes: consumers collect points; in some cases schools provide points for choosing healthy lunch options. Pupils and young people can then exchange them for goods and products that are part of the scheme. For example, Glasgow Young Scot Card encourages young people to use sports and leisure facilities to collect points which can be used towards free fitness classes, free guide drinks/smoothies, DVDs, cinema tickets, theme-park tickets, fashion consultations and football tickets².

2 <http://www.glasgow.gov.uk/en/YoungGlasgow/12to18/YoungScotCard/pointswithyourplastic.htm>

Costs and Benefits of Commercial Sponsorship



- 3.1 These guidelines start from the premise that commercial sponsorship can be a positive opportunity for schools. Well managed, it can introduce new resources or approaches. However, it also comes with risks which need to be understood and minimised from the outset. Some of the potential benefits and costs are set out in Table 1. The table is not meant to be comprehensive and schools may be able to identify others. Careful management of sponsorship opportunities can eliminate many of the potential costs.

Table 1: Potential costs and benefits

	Potential benefits	Potential costs
Pupils and parents	<ul style="list-style-type: none"> • Improved resources in schools • Improved understanding of the private sector • Better links with local businesses and employers 	<ul style="list-style-type: none"> • Undue influence on consumer behaviour • Impact on vulnerable consumers • Receiving conflicting messages (i.e. on healthy eating) • Pester power
Schools	<ul style="list-style-type: none"> • Improved resources • Providing added value • Improving understanding of the private sector • Better links with local businesses and employers 	<ul style="list-style-type: none"> • Giving conflicting messages to pupils (i.e. on healthy eating) • Negative media coverage • Hidden costs • No choice of resources • Feeling indebted to the company
Sponsors	<ul style="list-style-type: none"> • Increased sales and customer loyalty • Ability to access pupils directly • Enhanced image and reputation 	<ul style="list-style-type: none"> • Negative media coverage • Success is often dependent on the performance of the school (i.e. event management)

Six Principles of Commercial Sponsorship in Schools



Principle 1: The benefits to pupils should outweigh the costs

- 4.1 Commercial sponsorship should only be entered into if the benefits outweigh the costs. When assessing this, the benefits to children and young people should be paramount. The table on page 6 can help to identify potential costs and benefits.
- 4.2 Schools should consider the **hidden costs** of commercial sponsorship. These include:
 - the impact on staff time, for example in collecting vouchers or assessing the educational value of materials;

- any possible financial implications. For example, any activity that results in a product that the school may sell for profit can result in liability for VAT. Similarly, if an event is held the school might have to pay public liability insurance. Schools should seek financial advice.
- the ongoing costs of maintaining any equipment provided; this may exceed the benefit of accepting the equipment particularly if it locks the school into a particular supplier.

4.3 Schools should also consider the **reputational risks** of commercial sponsorship. These include:

- accepting sponsorship from companies which do not support the general school ethos or any specific aims and values of the school, for example health-promoting schools, eco-schools, faith schools and so on.
- accepting sponsorship from companies that have, or associate with those that have, extreme political, racial or religious views or who are known to have unethical production practices.

Principle 2: Commercial sponsorship must not undermine health promotion

4.4 The Scottish Government is committed to helping people live longer, healthier lives. The Schools (Health Promotion and Nutrition) (Scotland) Act 2007 places health promotion at the heart of schools' activities and ensures that food and drink served in schools meets nutritional requirements set out by Scottish Ministers³.

³ www.scotland.gov.uk/Topics/Education/Schools/HLivi/foodnutrition

- 4.5 There are specific rules surrounding marketing food and drink to children and young people. Under the British Code of Advertising, Sales Promotion and Direct Marketing, commercial sponsorship:
- **must not** lead to the advertising or promotion of alcohol to under 18s; and
 - **must not** lead to the advertising or promotion of products to under 16s that are high in fat, saturated fat, salt or sugar⁴.
- 4.6 The Portman Group Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks, states that sponsorship by alcohol companies is not appropriate if those under the age of 18 comprise more than 25% of the participants, audience or spectators⁵.
- 4.7 The Tobacco Advertising and Promotion Act 2002 prohibits the advertising, promotion and sponsorship of tobacco products. This comprehensive ban means it is illegal to enter into any agreement with a tobacco company or any other company which would promote a tobacco product.

Principle 3: Extra care should be taken because sponsorship leads to marketing to children and young people

- 4.8 There is substantial concern about the extent to which children and young people are exposed to marketing messages⁶. There are specific rules covering advertising to children.

4 Committee of Advertising Practice (2005) The British Code of Advertising, Sales Promotion and Direct Marketing (http://www.cap.org.uk/NR/rdonlyres/A44808F1-1573-482A-A0E5-D8045943DA57/0/The_CAP_Code_Ed11_20080108.pdf)

5 <http://www.portman-group.org.uk>

6 NCC (2005) Shopping Generation London: NCC (available from Consumer Focus)



- Commercial sponsorship must not include a direct exhortation to under-16s to buy advertised products or to persuade their parents or other adults to buy advertised products for them ('pester power'). The Consumer Protection from Unfair Trading Regulations 2008 specifically bans these practices⁷.

7 http://www.opsi.gov.uk/si/si2008/uksi_20081277_en_1

- Commercial sponsorship must not lead to the advertising or promotion of products or services that are likely to result in physical, mental or moral harm to children, or which could be seen to exploit their vulnerability or lack of experience. These are banned under the British Code of Advertising, Sales Promotion and Direct Marketing⁸.

Principle 4: Marketing activity should be proportionate

4.9 The majority of Scots think that commercial sponsorship implies that the public sector organisation (in this case the school) endorses the company providing the sponsorship⁹. While it is legitimate for commercial sponsors to receive some marketing benefit, this has to be proportionate.

4.10 It is good practice to ensure that commercial sponsorship is open to more than one potential sponsor. This can reduce the impact of marketing messages and help to ensure that the school is seen as unbiased, rather than too close to a specific sponsor.

4.11 Schools should consider the following issues in relation to proportionate marketing:

- marketing must not directly state that the school endorses the company or product;
- sponsor logos should be small and should not be larger or more prominent than the school logo or name;

8 Committee of Advertising Practice (2005) The British Code of Advertising, Sales Promotion and Direct Marketing (http://www.cap.org.uk/NR/rdonlyres/A44808F1-1573-482A-A0E5-D8045943DA57/0/The_CAP_Code_Ed11_20080108.pdf)

9 Consumer Focus Scotland (2008) Public Attitudes to Commercial Sponsorship in the Public Sector: Report on a YouGov Survey Glasgow: Consumer Focus Scotland.

- explicit sales messages such as ‘Company X: Number one in our field’ should be avoided;
- companies should not be allowed to make claims that their product is superior to others;
- information should not suggest that the sponsor is the only supplier of that type of product or service.

Principle 5: Commercial sponsorship should be used for additions or improvements, not for funding core services

- 4.12 While public opinion supports some commercial sponsorship of public services (in this case schools), most people do not think it is acceptable to use sponsorship to fund core services¹⁰. The public are more positive when sponsorship is used to fund improvements or additions to core services.
- 4.13 So, for example, extra funding that allows for new resources or materials, or for extras like an open day or new sports kit is acceptable but using commercial sponsorship to fund salaries of core staff or pay for buildings would not be.

¹⁰ Consumer Focus Scotland (2008) Public Attitudes to Commercial Sponsorship in the Public Sector: Report on a YouGov Survey Glasgow: Consumer Focus Scotland.

Principle 6: Sponsorship must support the curriculum and provide added value to children's learning

- 4.14 Where commercial sponsors are providing educational material, schools should take care to ensure that these support the curriculum and provide added value to children's learning. Educational resources should:
- be relevant to the ages and abilities of the pupils who will use the materials or come into contact with any advertising;
 - be relevant to curriculum guidelines and support the ethos of the Curriculum for Excellence;
 - give a balanced view of an issue and acknowledge the existence of alternative views;
 - use up-to-date and accurate information;
 - distinguish between factual statements and expressions of opinion;
 - avoid express or implied prejudice in relation to gender, class, disability, age, politics, sexual orientation, race or religion; and
 - acknowledge the sponsor's market interests to help pupils and teachers identify where bias may be present.

The Three Procedures for Commercial Sponsorship in Schools

Procedure 1: Schools should have a policy and procedure on commercial sponsorship

- 5.1 These guidelines are generic. They can not provide details or answer all questions staff will have about managing commercial sponsorship agreements. The education authority may also have procedures which have to be followed.

- 5.2 Schools should develop their own policies and procedures on commercial sponsorship based on the principles presented in these guidelines and any guidelines or procedures set out by the education authority.

- 5.3 The procedure should describe:
 - how commercial sponsorship is to be coordinated within the school and what involvement the education authority should have;
 - how the organisation will share and learn from previous commercial sponsorship opportunities;
 - how records of commercial sponsorship contracts are to be kept to assist in monitoring or responding to Freedom of Information requests;
 - how the school will involve parents and pupils in decisions about commercial sponsorship opportunities; and

- staff responsibilities for managing commercial sponsorship opportunities. This should include reference to the staff who can negotiate terms and conditions and who will be responsible for monitoring and evaluating sponsorship.

5.4 In the interests of openness and transparency, and to ensure that their views are taken into account, parents and pupils should be consulted on this policy. The Parent Council, and pupil councils where they exist, may have specific roles to play in consulting on the policy. The majority of Scots feel that the public should be consulted on sponsorship decisions; however it is unlikely to be possible to consult on every opportunity¹¹. The policy should state in what circumstances parents and pupils will be consulted on individual commercial sponsorship arrangements.

Procedure 2: Commercial sponsorship must be based on a written agreement

- 5.5 It is vital that schools have a written agreement with the commercial sponsor spelling out the expectations of both parties. This ensures that both sides are clear about the extent and limitations of the sponsorship relationship and provides an opportunity to clarify what the commercial sponsor seeks to gain from the arrangement. The written agreement should be drawn up by the school; they should not rely on standard contracts provided by commercial companies.
- 5.6 The written agreement should be proportionate; for small commercial sponsorship arrangements an exchange of letters may be enough.

11 Consumer Focus Scotland (2008) Public Attitudes to Commercial Sponsorship in the Public Sector: Report on a YouGov Survey Glasgow: Consumer Focus Scotland.

5.7 Key issues to be covered by the written agreement include:

- a description of the resources to be provided by the commercial sponsor;
- a description of the marketing or other benefits that the sponsor will receive;
- clarification as to which party is responsible for the costs associated with producing marketing materials;
- whether or not there are co-sponsors;
- a description of the licensing and intellectual property rights owned by the parties;
- a clause noting the Freedom of Information responsibilities of the public sector organisation;
- a statement that the sponsor will not receive preferential treatment during tendering processes for commercial contracts.
- details on how, and in what circumstances, either party can terminate the agreement.

5.8 Further details on what should be included in a written agreement can be found in the full Guidelines on Commercial Sponsorship in the Public Sector.

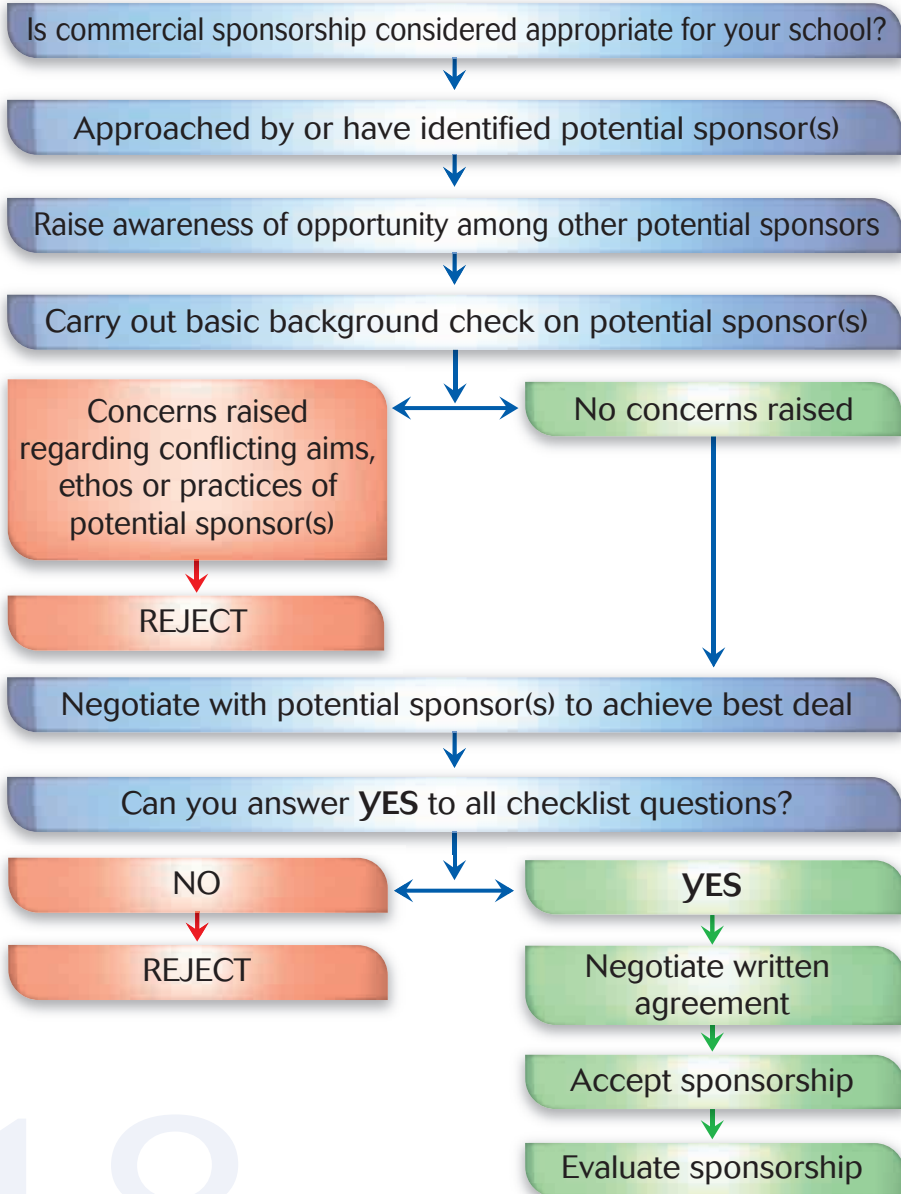
Procedure 3: Commercial sponsorship must be evaluated

5.9 Schools should evaluate the commercial sponsorship. It is good practice to consider evaluation from the outset of a project and ensure that evidence is gathered to support the evaluation. It is important to record whether or not the sponsorship met the aims, as laid out in the written agreement. This provides a useful opportunity to consider whether similar opportunities should be sought in the future and to make sure that any difficulties can be addressed in future commercial sponsorship arrangements.

5.10 This evaluation could include:

- did pupils or parents benefit from the sponsorship?
- were there any unforeseen costs to the school?
- did the sponsorship meet the aims and expectations of the sponsoring organisation?
- what did parents and pupils think of the sponsorship? Were there any comments or complaints about the sponsorship from them?
- was the sponsorship mentioned in the media? If so, was this positive or negative?
- would the staff involved do anything differently in future?

Making decisions about commercial sponsorship



Six-Point Checklist

- 6.1 Schools should be able to answer YES to each of the following questions before committing to the commercial sponsorship by setting up a written agreement.
- 6.2 If you cannot answer yes to all the questions you may need to do more research; discuss further with teachers, parents and pupils; or consider negotiating with the potential sponsor to allow you to agree with the question.

	Yes	Unsure	No
Overall, do the benefits to pupils outweigh the costs? [Principle 1]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the sponsorship support health promotion? [Principles 2 and 3]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the commercial sponsorship conform to the legal regulations and industry codes of practice in relation to advertising and promotion of products to under 16s? [Principle 3]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the level of marketing activity proportionate? [Principle 4]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the sponsorship for additional services or improvements, not to fund core public services? [Principle 5]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the sponsorship support the curriculum and provide added value to children's learning? [Principle 6]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**Fòcas Luchd-
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