

SCOTLAND LOVES LOCAL GIFT CARD SCHEME

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to ask for Member's consideration of and endorsement for an Argyll and Bute Love Local gift card scheme. Along with all other local authorities in Scotland, Argyll and Bute Council is being asked by Scottish Government, through Scotland's Town Partnership, to back a Scotland Loves Local Gift Card scheme, designed to encourage local shopping, drive footfall to local businesses and keep spend local in our local area for longer. This initiative is backed by COSLA.
- 1.2 The initiative is fully funded and supported by the Scottish Government for the first year, September 2021- August 2022. Should the local authority agree to sign up to the scheme via a concordat, it will be provided with 5000 gift cards for its local area for the first year. Each local authority is being offered the program on the same basis, and which is inclusive of a fully paid and managed service for the first year. Thereafter the Local authority has the option to agree to continue the scheme for a further year subject to covering all of the running costs.
- 1.3 The local authority is asked to sign up to a concordat, through which the council will give its support to the scheme for an initial one year period. Through this, the local authority would be agreeing to:
- Promote the Scotland Loves Local Gift Card scheme amongst outlets, merchants and attractions in the local authority area;
 - A local launch and promotion of the Gift Card to businesses in Argyll and Bute; and,
 - Provide content for a landing page specific to Argyll and Bute.
- 1.4 The gift cards use the existing MasterCard network, and can therefore be accepted by small independent businesses and national retailers alike, who use this network. Scotland's Town Partnership advise that there is no cost to individual businesses, and full operational support and merchant care will be

delivered by Miconex, who will provide all purchase and fulfillment functions. The Scotland's Town Partnership (STP), on behalf of Scottish Government, have a contract in place with Miconex and will cover the full costs of the first year including license fee, administration, support, management costs and it will also include the collection of data. It is the later that will be able to track spend in regard to the cards and provide information to determine what the benefit is to businesses from such a scheme.

- 1.5 STP have advised that there is no cost to the council or businesses for the initial year pilot period other than officer time, the gift card would further build on the Love local promotion work that the council and Scottish Government have been involved in over the past year. In addition the initial trial period will allow the council and partners to determine exactly what value there will be to local businesses from such an initiative. It is therefore recommended that members consider signing up to the pilot initiative.
- 1.6 Beyond year one however, as there are increased resource implications for the council, including both officer and budget, a paper will be brought to members in early part of 2022, once sufficient information has been provided on the uptake and success of the card, to recommend whether or not to continue the scheme beyond the initial pilot period.

RECOMMENDATION

- 1.7 It is recommended that Policy and Resources Committee:
 - a) Agree to the Council taking part in the initiative and signing up to the concordat in regard to the initial fully funded trial period for the Love Local Gift card.
 - b) Agree to give further consideration to a future report in early 2022 that looks at the possibility of continuing the scheme beyond the initial year, once sufficient information is available to determine its benefit, given the resource implications.

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2.0 INTRODUCTION

2.1 The Scottish Government, through Scotland's Town Partnership, are promoting the Scotland Loves Local Gift Card across all 32 local authorities. The objective of the Love Local gift card is to encourage consumers to spend money locally - in turn supporting local businesses that are emerging from the impact of the Covid-19 restrictions. The Scotland Loves Local Gift Card is a localised product for each of Scotland's 32 local authority areas, and it is hoped that it will be rolled out across Scotland. Rollout success hinges on each local authority signing up to support the scheme to allow use of the Gift Card in every region of Scotland. In doing so, they will enable the active participation of businesses across Scotland, and keep spending in the community local for longer.

2.2 The Government Minister, Tom Arthur, made a national announcement on the 5th July which will follow with regional launches. The consumer launch is planned for September. The purpose of this report is to ask members to consider and agree to sign up to the concordat which will allow Argyll and Bute to take part in this initial year free pilot period.

3.0 RECOMMENDATIONS

3.1 It is recommended that Policy and Resources Committee:

- a) Agree to the Council taking part in the initiative and signing up to the concordat in regard to the initial fully funded trial period for the Love Local Gift card.
- b) Agree to give further consideration to a future report in early 2022 that looks at the possibility of continuing the scheme beyond the initial year, once sufficient information is available to determine its benefit, given the resource implications.

4.0 DETAIL

- 4.1 The proposal is that 5,000 tailored Love Local Gift Cards will be produced per Scottish local authority area. All production and fulfilment of the product, as well as merchant and customer care, will be managed by Scotland's Towns Partnership and Miconex, Miconex a private company, will provide all purchase and fulfillment functions. The Scottish Government will cover the full costs of the first year including the 5,000 cards, license fee, administration, support, management costs and it will also include the collection of data. If additional cards were required due to demand there may be a cost to the council. The cards themselves are designed with the Scotland Loves local logo and the design is the same for all local authorities with the exception of the council name.
- 4.2 It is the collection of data that will be key in being able to track spend in regard to the individual cards and provide information that can then determine the value of a local gift card to our local businesses and the local authority area. Scotland's Towns Partnership estimate that on average people spend 65% more than the value of the gift when they go out to spend their card. If this proves to be the case in practice with these cards there is the potential to bring significant benefit to our local businesses and further support the shop local campaign.
- 4.3 Each business has to register to be able to then accept the card within their business. Onboarding can be completed at the Scotland Loves Local website: www.lovelocal.scot/giftcard . Once a business has registered it means that Gift Card recipients will be able to spend their Local Gift Card in that business, and they will appear on the relevant on line map and business directory listings. As the cards use the existing MasterCard infrastructure, Scotland Loves Local Gift Cards can be accepted by independent businesses and national retailers alike, but they need to have a physical presence in the local authority area to which the Gift Card corresponds and be making a contribution to the local economy. Local Gift Cards can also be used online, but only where that business also has a 'bricks and mortar' physical presence within that local authority area.
- 4.4 The messaging from Scottish Government and Scotland's Towns Partnership is that **rollout success hinges on each local authority signing up to support the scheme to allow use of the Gift Card in every region of Scotland.** The Gift Cards will be available to purchase online once the local authority has signed up to the concordat. By signing the concordat the local authority will then support the use of the gift card in the local authority area, in so doing, allow the sale, use and circulation of gift cards in Argyll and Bute.
- 4.5 The card has also the potential to assist vulnerable people through providing a card that can be spent on essential goods locally. This is something that will be explored further if members decide to proceed with the card. In addition the card can assist with the continued recovery of the local economy adding to our highly successful shop local campaign, our shopfront grants scheme and google shops initiative.

- 4.6 Whilst there is no cost to the local authority in the initial years period the local authority is being asked as part of the concordat to:-
1. Promote registration and onboarding to the Scotland Loves Local gift card scheme amongst outlets, merchants and attractions in the local authority area;
 2. Work with partners to launch the gift card in Argyll and Bute, specifically this can be through but not exclusively Argyll and the Isles Tourism Cooperative, BID4Oban and Dunoon Presents; and,
 3. Provide content for a landing page specific to Argyll and Bute.
- 4.7 Should the council wish to remain within the scheme beyond the pilot year, there would be a monthly fee of £600 as well as card printing costs. The cost for year 2 over a 12 month period and one batch of cards (5,000) would therefore equal £11,700. The fee incorporates participation in the scheme, fulfilment, promotion, e-commerce and platform access. If a bespoke design was to be added to the card the costs of the cards may well increase. A paper will be brought to members in early part of 2022 to seek member's consideration as to whether to continue the scheme, as a three month notice period is required to withdraw from the scheme. This will be based on analysis of take up and taking into account future resource implications for the council.

5.0 CONCLUSION

- 5.1 Members are asked to consider approving the use of the Argyll and Bute Love Local gift card a national scheme that is being rolled out across all other local authorities in Scotland. The card is designed to encourage local shopping, drive footfall to local businesses and keep spend local in our local area for longer. This initiative would support the council's economic recovery and add to our programme of business support including shop front grants and shop local campaign. The first year of operation is fully funded by the Scottish Government working with the Scottish Town's Partnership. It is intended that during this first year of operation the benefits of the scheme will be fully monitored as part of the contract with a further report coming back to members for their consideration before a decision is made on continuing the scheme taking full account of any additional resources required by the council.

6.0 IMPLICATIONS

- 6.1 Policy -The card is designed to encourage local shopping, drive footfall to local businesses and keep spend local in our local area for longer. This initiative would support the Scottish Governments Love Local campaign, the council's economic recovery and add to our programme of business support including shop front grants and shop local campaign
- 6.2 Financial - None arising from this report but there may be future cost implications for the council that will be considered following the first year of operation.

6.3 Legal - Possible contractual consideration if the council agreed to continue the initiative beyond the initial year period.

6.4 HR - Resourced from existing staff

6.5 Fairer Scotland Duty:

6.5.1 Equalities - protected characteristics – None

6.5.2 Socio-economic Duty - The initiative will support local economies through a shop local campaign.

6.5.3 Islands -This scheme will apply equally to island communities and the initiative will support local island economies through the Scottish Governments love local campaign and has the potential to align with, and add value to the councils own programme of business support to islands including shop front grants and shop local campaign.

6.6. Risk - Potential to create an expectation that the Council will agree to continue this initiative beyond the initial year. Important to ensure that there is sufficient evidence gathered during the initial phase to allow a full consideration by the council and partners as to the value of Love Local Gift card and if the initiative should therefore be extended. Ensure that there is clear messaging in regard to future years.

If the Council agrees to continue the initiative beyond the first year it will be important to ensure as much as possible that there will be no hidden costs or that costs will increase from those currently estimated with STP.

6.7 Customer Service – None

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APPENDICES

None