

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	13 December 2022
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	South Lanarkshire Gift Card – Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ update members on the performance of the South Lanarkshire Gift card over year one

2. Recommendation

2.1. The Committee is asked to approve the following recommendation(s):

- (1) the evaluation of the South Lanarkshire Gift Card Scheme, be noted; and
- (2) that the Council does not progress with the gift card programme.

3. Background

- 3.1. Along with all other local authorities in Scotland, South Lanarkshire Council was asked by the Scottish Government, through Scotland's Town Partnership, to back a Scotland Loves Local Gift Card scheme. The scheme was designed to encourage local shopping, drive footfall to local businesses and keep spend in the local area for longer.
- 3.2. The initiative was fully funded and supported by the Scottish Government for the first year, September 2021 to August 2022. Each local authority signed up to the scheme via a concordat and was provided with 5000 gift cards for its local area for the first year. The scheme was fully paid and managed 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 running costs.
- 3.3. Approval to proceed with a 1-year trial of the proposal was given by this Committee at its meeting of 7 December 2021. South Lanarkshire Council signed up to the concordat, through which the council gave its support to the scheme for an initial one-year period. Through this, the Council agreed 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 South Lanarkshire
 - ♦ provide content for a landing page specific to South Lanarkshire
- 3.4. The gift cards utilise the existing MasterCard network and can be accepted by small independent businesses and national retailers who use this network. There was no cost to individual businesses and full operational support and merchant care was delivered by Miconex, who provide all purchase and fulfilment functions. Scotland's

Town Partnership (STP), on behalf of Scottish Government, had a contract in place with Miconex and covered the full costs of the first year including licence fee, administration, support and management costs. Data was also collected and used to track spend on the cards and provide information to determine what the benefit is to businesses from such a scheme.

- 3.5. The only cost to the Council for the initial year pilot period was officer time.

4. Card Performance in South Lanarkshire

- 4.1. The South Lanarkshire Gift Card was promoted through the Council's networks as well as through partner organisations such as Hamilton BID. Support was also given by Miconex by approaching individual businesses to encourage sign up.

- 4.2. As of 30 September 2022, 207 businesses had signed up to the South Lanarkshire programme (this includes nationals who have signed up across Scotland). The card had generated sales in South Lanarkshire of £1,235.

- 4.3. This is a disappointing level of uptake and does not represent value for money or an effective use of the resources.

- 4.4. Continuation of the gift card scheme comes with an annual cost of £11,700. This breaks down into a £600 per month administration fee as well as printing costs of £4,500 for 5,000 cards. Should a local authority want more cards, there will be an additional fee.

- 4.5. Given the low sales in South Lanarkshire and, therefore, limited economic benefit to the area, it is not deemed best value to, continue with the card, particularly as no budget currently exists to meet the schemes costs.

5. Employee Implications

- 5.1. There are no employee implications arising from the content of this report

6. Financial Implications

- 6.1. Continuation of the card would require an annual budget of £11,700. This funding is not available from existing budgets. The uptake and levels of spend associated with the trial clearly shows that the economic benefits do not provide a suitable return on investment.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no climate change or environmental implications as a result of this report.

8. Other Implications

- 8.1. The card is being widely promoted by Scotland's Towns Partnership discontinuation may result in complaint from some businesses.

9. Equality impact assessment and Consultation Arrangements

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no Impact Assessment is required.

- 9.2. There is no requirement to undertake consultation in terms of the information contained in this report.

David Booth
Executive Director (Community and Enterprise Resources)

21 November 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Community and Enterprise Committee 7 December 2021 - South Lanarkshire Gift Card

List of Papers Attached

- ◆ None

Contact for Further Information

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