

South Ayrshire Council

**Report by Director of Strategic Change and Communities
to Cabinet.
of 23 May 2023**

**Subject: Scotland Loves Local South Ayrshire Gift Card
Programme**

1. Purpose

1.1 The purpose of this report is to provide an update on the Scotland Loves Local (SLL) South Ayrshire Gift Card programme, including a summary of progress to date and a recommendation to adopt a new digital version of the card as an alternative to the physical version which will also remain available.

2. Recommendation

2.1 It is recommended that the Cabinet:

2.1.1 reviews progress in relation to the SLL South Ayrshire Gift Card initiative;

2.1.2 recognises the approaches and achievements set out within the report; and

2.1.3 supports the implementation and promotion of the new electronic version in addition to the physical SLL South Ayrshire Gift Card.

3. Background

3.1 The agreement between South Ayrshire Council and Scotland Towns Partnership to participate in the Scotland Loves Local Gift Card initiative was signed on 31 August 2021 by the Assistant Director - Place. It is recognised as an initiative that promotes the financial power pillar of Community Wealth Building – ie it is a mechanism for redirecting wealth back into the local economy.

3.2 In June 2022, the Cabinet approved continuation of the programme for 3 years based on costs provided within that report.

3.3 The South Ayrshire Gift Card is free for every business across South Ayrshire to register to accept. The South Ayrshire Gift Card uses the MasterCard network, so any business with a card reader can sign up. The gift card can be used in any type of business, and online or offline - so long as the merchant has a 'bricks and mortar' presence in the area.

- 3.4 184 places in South Ayrshire are now registered to accept the gift card comprising (106—shopping, 10 Health and Beauty, 34 Food and Drink, 20 Leisure and Attractions, 12 Services, 2 Accommodation places).
- 3.5 A number of charities, community groups, associations and anchor institutions are supporting the South Ayrshire Gift Card in order to support staff, keep spend local, support local people, businesses and jobs.
- 3.6 South Ayrshire Gift Card activity is creating positive PR and providing opportunities to drive Community Wealth Building:
- Scottish Care said thanks to their staff with a £50 South Ayrshire Gift card:
<https://www.ayradvertiser.com/news/23115586.scottish-care-charity-gives-staff-scotland-loves-local-card/>
 - Barr Community Council distributed Windfarm funds within the rural village of Barr facilitated via the South Ayrshire Gift Card:
[South Ayrshire village receive £50 windfall to bolster region's economy | InYourArea News](#)
 - South Ayrshire Council LACER fund: A LACER Fund was introduced during Summer 2022 to address issues arising from increasing costs of living. The disbursement of funds was facilitated via the South Ayrshire Gift Card:
<https://www.dailyrecord.co.uk/ayrshire/low-income-families-50-gift-28407136>
- 3.7 Marketing campaigns including social media, YouTube and press releases as well as targeted business engagement by the Community Wealth Building team to support the LACER fund campaign have increased the number of businesses registered to accept the gift card and consequentially increased and improved the variety of spending options for people using their gift card locally.
- 3.8 During the period January 2022 to the present date:
- 8506 LACER gift cards redeemed totalling £424,425;
 - 283 corporate gift cards purchased totalling £19,405; and
 - 225 consumer gift cards purchased totalling £4,620.

4. Proposals

- 4.1 The gift card technology provider has implemented a new digital e-card gift card option which is intended to increase the number of South Ayrshire consumer and corporate gift card purchases by making it easier and faster to purchase and send gift cards and this is potentially more attractive to younger consumers. See [Appendix 1](#) for trends and insights on shop local gift cards reliably provided by the Gift Card and Voucher Association (GCVA).
- 4.2 The Annual costs for this programme to date are as were presented and approved in the 2022 report. The introduction of the E-Gift Card will increase the annual cost, however, the digital version of the programme will negate the need for physical card

costs and will therefore be manageable within previously approved budget (see section 6. Financial Implications for details).

4.3 Legal has reviewed the due diligence documentation required to proceed with the South Ayrshire E-Gift Card and advised that the documentation can be progressed via the nominated Scheme of Delegation lead.

4.4 Marketing and Comms resource will be required to launch the South Ayrshire Council E-Gift Card to ensure its best chance of success i.e. to increase the number of consumer and corporate gift card purchases.

4.5 It is proposed that the Cabinet:

4.5.1 recognises the benefits of the South Ayrshire Gift Card for local residents, businesses, partners and stakeholders and the Council;

4.5.2 approves the continuation of the programme for another year based on the costs provided within this report; and

4.5.3 supports the implementation and associated costs of the South Ayrshire E-Gift Card to drive an increase in gift card purchases to support the local economy.

4.6 Team resource will be made available from the Thriving Communities and Economy and Regeneration teams to develop and deliver a campaign that encourages more local businesses to sign up to the Gift Card programme.

4.7 Comms resource will be required to encourage visitors, locals, corporates and public institutions to purchase the South Ayrshire Gift Card.

5. Legal and Procurement Implications

5.1 The recommendations in this report are consistent with legal requirements.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 The table below summarises annual costs for the physical gift card as well as introduction of an e-card programme. Introduction of the E-card provides a flexible option to gift card purchasers and is recommended in addition to the physical gift card. Annual costs are met by the Economy and Regeneration Membership and Subscriptions budget.

Scotland Loves Local (SLL) Gift Card Annual Cost	£
SLL Gift Card (physical card)	7,200
SLL E-card	1,800
Total	9,000

7. Human Resources Implications

7.1 Not applicable

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendations may impact on the reputation of the Council.

9. Equalities

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priorities 2 and 3 of the Council Plan: **Work and economy** Everyone benefits from a local economy that provides opportunities for people and helps our businesses to flourish. **Community Engagement** Everyone has the opportunity to influence and contribute to what happens in their local area.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Bob Pollock, Portfolio Holder for Economic Development, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

14.1 If the recommendations above are approved by Members, the Director of Strategic Change and Communities will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Implement and promote Gift and E-Gift Card	30 May 2023	Service Lead – Thriving Communities

Background Papers Report to Cabinet of 14 June 2022 - [Scotland Loves Local - Gift Card Scheme](#)

Person to Contact George Hunter Assistant Director Strategic Change and Communities, Wellington Square, Ayr, KA7 1DR
 Phone: 01292 612994
 Email: George.hunter@south-ayrshire.gov.uk

Jamie Tait, Service Lead – Thriving Communities, County Buildings, Wellington Square, Ayr, KA7 1DR
 Phone: 01292 559398
 Email: Jamie.tait@south-ayrshire.gov.uk

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Insights and Intelligence provided from the most Recent Reports by Gift Card and Voucher Association (GCVA) 2022

Shop local is as powerful as ever.

28.8% of monthly gift card purchases were motivated by a desire to support local businesses, up from 24.5% in 2020 (GCVA, State of the Nation '22).

Over 50% of those receiving a gift card in the past 3 years were introduced to a new business as a result, rising to 67.3% of Gen Z (aged 16-24 years old) (GCVA, State of the Nation '22).

Over 50% of those introduced to a new business through a gift card became a regular customer (GCVA, State of the Nation '22).

26.4% will continue to purchase gift cards to support companies they like (GCVA, State of the Nation '22).

Self-use is rising. 7.7% purchased a gift card for themselves in 2021, up from 6.4% in 2020, attributed to the rise in 'shop local', purchasing through work initiatives, routes to digital and as a means of budgeting (GCVA, State of the Nation '22).

Multi-venue gift cards continue to rise in popularity, to 38% of sales in 2021, up from 35.5% in 2020 (GCVA, State of the Nation '22).

The younger generation are more likely to opt for a multi-venue gift card for the choice and flexibility they offer. 48.8% of Gen Z opted for a multi-venue gift card in December 2021 (GCVA, State of the Nation '22).

Increase in popularity of experience gift cards at 23% in 2021, up from 17.9% in 2020 (GCVA, State of the Nation '22).

63.8% were worried about buying gift cards for brands which might close (GCVA, State of the Nation '21).

32.8% found gift cards to be more attractive when they offer 'organisational partnerships' such as being able to use one card for a dinner and a film (GCVA, State of the Nation '21).

7.7% of UK consumers purchased a gift card for themselves each month in 2021, up from 6.4% in 2020 (GCVA, State of the Nation '22).

Gift cards became more popular as gifts with 32.8% regularly buying them as gifts in 2021, up from 30.3% in 2020 (GCVA, State of the Nation '22).

They're seen as convenient. 32.4% were motivated to buy a gift card in 2021 due to it being easier than buying a traditional 'physical gift', up from 29.6% in 2020 (GCVA, State of the Nation '22).

The most common time-frame for redemption of gift cards is 1-3 months (GCVA, State of the Nation '22).