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**REPORT TO: MORAY COUNCIL ON 6 APRIL 2022**

**SUBJECT: SCOTLAND LOVES LOCAL MORAY GIFT CARD**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To update the Council on progress of the Scotland Loves Local Moray Gift Card scheme and highlight opportunities for development.
- 1.2 This report is submitted to Council in terms of Section III A (2) of the Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

**2.1 It is recommended that the Council:-**

- (i) consider and note the progress of the Scotland Loves Local Moray Gift Card scheme rollout and potential for development;**
- (ii) agree £70,000 from the Economic Recovery Fund to create a temporary Development Officer post, provide promotional budget and administration cost to continue the scheme; and**
- (iii) consider this report in conjunction with the COVID Economic Fund report presented at this meeting**

**3. BACKGROUND**

- 3.1 In 2021, Scottish Towns Partnership (STP) launched the Scotland Loves Local Gift Card initiative as an extension to their [Scotland Loves Local campaign](#). 32 regions across Scotland are now actively participating in the initiative with the aim of keeping money local for longer, protecting local jobs and providing an economic stimulus to support local businesses as they recover from Covid-19.
- 3.2 STP is committed to supporting participation over a 5 year period and is actively exploring operational improvements (such as digital cards and purchase from retailers). There is unlimited flexibility to design sectoral specific support and create innovative ways to secure local spend whilst raising awareness of local brands. Miconex (administering the scheme on

behalf of STP) is currently encouraging major supermarkets, hardware stores and value food stores to register. This will help to ensure that the scheme is accessible to all, giving the cards potential to be used for community disbursement schemes in response to the cost of living crisis.

- 3.3 The Moray Gift Card scheme has been running for 4 months and was launched in November following approval at Economic Growth, Housing and Environmental Sustainability Committee on 24 August 2021 (paragraph 13 of the minute of refers) to participate in the first year of the scheme at no cost to the Council. Registration was promoted to businesses and consumers by Council staff and partner organisations – a summary of the main activity is included with this report as **APPENDIX 1**.
- 3.4 Miconex reported that Moray has had one of the highest business response rates across Scotland with 179 businesses registered to date (Aberdeen Inspired has around 200 businesses and operates one of the most successful schemes in the UK). Whilst card purchases have been relatively low (54 cards have been purchased to date with a total value of £1,730), the level is comparable to Fife and it is common for sales to increase as more businesses register.
- 3.5 Of the 179 businesses that registered, 113 businesses are currently live on the [Moray landing page](#) including a wide range of shopping, food and drink, accommodation, services and health and beauty businesses. 49 businesses are in the process of completing the registration process which demonstrates the need for a more 'hands on' approach. Unfortunately 17 of the businesses that registered did not have card readers to enable them to accept the gift cards via the MasterCard infrastructure.

It has become very clear that development work is needed to boost the scheme further in Moray. Review of longer running gift card schemes shows that the most successful schemes have staff and funding which has enabled them to develop initiatives such as community disbursement schemes, incentive schemes and discounts to boost sales. For example, East Ayrshire Council operates a [community disbursement](#) initiative as part of their support care packages; 'Love Musselburgh' secured funding to offer a £5 gift card to retail consumers that spend £20 in any of the registered shops and in Canada, packages have been developed for the tourism sector using Government funding to subsidise special offers such as discounted visitor tour packages and complementary gift cards to encourage 2 night stays during the quieter shoulder months. Evidence of the success of the above schemes and other initiatives is provided in **APPENDIX 2**.

- 3.6 In Moray, targeted promotion could encourage more local and national businesses to sign up and a programme of consumer marketing could generate more individual card sales. If the range of businesses was maximised, corporate businesses and large employers could be approached to purchase the cards for corporate gifts and/or staff benefits/reward packages. This approach has delivered significant results in other council regions e.g. Western Isles Council generated £20,000 in card sales when the NHS decided to offer a £10 gift card to their staff.

- 3.7 There is also potential to explore suitability for internal use, for example as long-service/retirement awards for employees and community disbursements to those in need.
- 3.8 Although the Scottish Government and STP are financing the current year of operation, if the Council wishes to continue participating after November 2022, there will be an annual cost in the region of £13,000 for production of gift cards, promotion, e-commerce, customer/business support and platform access. Operating the scheme for another year will provide sufficient time to assess results and present findings in advance of the 3 months notice period required to withdraw from the scheme .
- 3.9 The high level of business registrations demonstrates strong business demand for the scheme in Moray and based on findings in other areas, there is significant potential to develop the scheme if dedicated resources are made available, particularly during the first year of operation to keep the established momentum going.
- 3.10 The Scottish Government COVID Economic Recovery Fund presents an opportunity to allocate a proportion of the award towards developing the scheme. The proposed budget allocation is £70,000. It will cover the administration cost in the region of £13,000 for one year from November 2022 which at present is paid for by Scottish Government. It is proposed to create a temporary Development Project Officer post for dedicated engagement with businesses and to develop further targeted promotion. The salary cost for one year is £45,000 and targeted promotion budget is £12,000.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The proposal will contribute to achieving the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

The Scotland Loves Local Gift Card is part of a package of assistance which has continued to be made available by Scottish Government and Scotland's Towns Partnership to respond to economic and social challenges presented by the ongoing Covid-19 pandemic; and to further support recovery within our towns, town centres and communities.

**(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan.

**(c) Financial implications**

The estimated £1.28 million Council allocation of the COVID Economic Recovery Fund allows the council to support local economic recovery and cost of living impacts on low-income households over the financial year 2022/2023. The COVID Economic Recovery report presented to this meeting proposes to allocate £1.21 million of the budget. For the

remaining £70,000 it is proposed to allocate to the Scotland Loves Local Moray Gift Card in financial years 2022/2023 with some spending in 2023/24. This budget would provide £13,000 for administration of Year 2, £45,000 for salary to create a dedicated temporary post and £12,000 for targeted promotion.

**(d) Risk Implications**

There is a potential risk that business registration and consumer sales will not increase.

**(e) Staffing Implications**

It is proposed to create a temporary Development Project Officer post at Grade 8, in consultation with Human Resources, to provide a dedicated resource within the Economic Growth and Development/Regeneration section.

**(f) Property**

None

**(g) Equalities/Socio Economic Impact**

The Moray Gift Card will bring economic investment into Moray's towns, some of which some are characterised by low wages, low rates of full-time employment, wealth deprivation and child poverty. Miconex is currently encouraging major supermarkets, hardware stores and value food stores to register to ensure that the scheme is accessible to all and is suitable to be used for community disbursements to lower income families.

**(h) Climate Change and Biodiversity Impacts**

There are no direct implications for climate change and biodiversity arising from the proposals.

**(i) Consultations**

The Depute Chief Executive: Economy, Environment and Finance, the Head of Economic Growth and Development, the Head of Governance Strategy, the Head of Financial Services, the Equal Opportunities Officer and Tracey Sutherland (Committee Services Officer) have been consulted and their comments incorporated.

**5. CONCLUSION**

**5.1 An excellent start has been made in engaging businesses in the Moray Gift Card Scheme, demonstrating local demand for this type of support.**

**5.2 Other schemes have been very successful, evidencing potential to expand the scheme and create innovative initiatives that meet community and sectoral specific needs.**

**5.3 The Scottish Government COVID Economic Recovery Fund award to Council presents an opportunity to continue administering and developing the Moray Gift Card Scheme with dedicated resources to gain maximum economic and community benefits.**

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Development Officer

Background Papers: Scotland Loves Local Report to Economic Growth,  
Housing and Environmental Sustainability Committee on  
24 August 2021  
Documents on file in Economic Growth &  
Development/Regeneration section

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