



Glasgow City Council

City Administration Committee

Item 5

22nd June 2022

**Report by Councillor Susan Aitken, Leader of the Council and
Convener for City and City Region Economy and Just
Transition.**

Contact: Kevin Rush

Tel: 0141 287 4613

COVID LOW-INCOME GIFT CARD UPDATE

Purpose of Report:

This report provides an update to the City Administration Committee on the proposal to deliver a programme of support using the £9.456m of Covid Economic Recovery Funding awarded to Glasgow by Scottish Government. It seeks approval to deliver the programme to residents of low-income households in the city in addition to the ring-fencing of a proportion of funding to support other groups equally impacted by the current cost of living crisis.

Recommendations:

Committee is asked to:

- Note the content of the update; and
- approve the proposed Covid Economic Recovery programme.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Introduction

- 1.1 On 10th March 2022, a report was submitted to City Administration Committee outlining the Council's intention to use £9.456m of Covid Economic Recovery funding to deliver a programme of support to low-income households. The intention would be to administer the scheme through Scotland Loves Local and provide gift cards with a value of £110 to around 85,000 households in the city who receive Council Tax Reduction.

2 Update

- 2.1 At the meeting of 10th March, Committee provided approval in principle for the scheme, and instructed officers to investigate four key areas with Scotland's Towns Partnership (STP). An update on the responses received is provided below:

1. *Establish restrictions on the use of these gift cards to ensure they cannot be used for the purposes of purchasing tobacco in line with the Council's established policies to reduce the harms associated with these activities.*

As this programme is designed nationally, it is not possible to restrict tobacco sales in Glasgow. As most food retailers also sell tobacco, the intended benefits of the scheme would not be deliverable if these businesses were excluded.

However, the Council will work with STP to ensure messaging to participating businesses is done in a way that discourages the spending of gift cards on tobacco.

2. *Recognising the significant number of cards to be purchased, officers should engage and negotiate with the provider of the "Scotland Loves Local" card to establish whether the cards purchased specifically for this Council scheme can be tailored to exclude national chain retailers and service providers to allow the spend to be directed towards local/regional businesses and services.*

It is not possible to exclude the national chains from the scheme. The Scotland Loves Local campaign aims to support sustainable recovery that, mainly focuses on independents, but does not ignore chains, nationals, and multiples as they too pay tax, rates, are key employers locally and regionally and are vital to the wider supply chain.

The only exemptions STP offer are on gambling and online companies from out-with Scotland, for example, Amazon, Boohoo and ASOS.

3. *Recognising the significant number of cards to be purchased, officers should engage and negotiate with the provider of the "Scotland Loves Local" card to ensure if possible that these cards can only be used 'in-person' or for delivery from local retailers and services to encourage footfall within local retail and service providers.*

Whilst businesses that trade online can accept the gift card, they can only participate if they have a physical 'bricks and mortar' presence in Glasgow. The rationale behind the Scotland Loves Local campaign is to encourage consumers back into High Streets and city centres.

4. *Work to expand the number of local businesses and services which are signed up to this scheme prior to its expected launch in late Spring/early Summer.*

To support the number of local, independent business that would benefit from the proposal, the Business Growth team in Economic Development have focussed on increasing the number of local businesses that can accept the card by delivering direct engagement throughout Glasgow.

This has resulted in the number of vendors that accept the card increasing to 660 live on the website as of 6th June, with another 120 businesses registered in the West End and Shawlands. These two areas feature independently on the Scotland Loves Local website due to pre-existing gift card schemes linked to the Business Improvement Districts. Discussions are underway to explore the feasibility of merging these into one area for Glasgow to make it easier for individuals to find businesses who accept the card.

In addition, a further 385 SMEs are in the process of completing registration through STP, and significant marketing activity, funded by STP, is planned once final Committee approval is given. It is anticipated that this will act as a catalyst for many of the other Glasgow businesses signing up to accept the card.

Whilst Business Advisers have targeted all communities, particularly the SIMD areas in the city, further work will be done through key city stakeholders to ensure, in particular, BAME businesses in the city are aware of the programme.

3 Next Steps

- 3.1 The announcement of the Council's intention, which was made public in March 2022, attracted substantial media interest, and resulted in a number of enquiries from other groups who would not qualify by using the proxy of Council Tax Reduction.
- 3.2 Taking this into account, it is proposed that the value of the card is reduced from £110 to £105, providing a ring-fenced fund of circa £423,000 to support other groups at the Council's discretion. A summary of the proposed use and the allocation of funding is provided below

Low Income Households	-	£8,885,310
Discretionary Groups	-	£423,110
Administration	-	£147,580

TOTAL - £9,456,000

- 3.3 As of 1st June 2022, around 84,622 households were in receipt on Council Tax Reduction. The next stage of the process would involve engaging with STP and their preferred supplier Miconex to begin the process of loading cards to the value of £105 which they would then distribute to households in the city. Using the preferred supplier will ensure that instances of fraud are mitigated as far as is practically possible.
- 3.4 To ensure the cards are sent securely, a two-stage verification process will be implemented so that cards have no value throughout postage, therefore reducing the risk of theft and fraud.
- 3.5 It is anticipated that cards will be distributed throughout July 2022 and work is already underway across Council departments to put in place the processes that will deal with enquiries from residents.
- 3.6 An expiry date will be put on the cards after which point the funds will be returned to the Council minus any associated administration costs. As this fund is provided to Local Authorities via the General Revenue Grant, any underspend through unused cards will be returned to the Council with the balance to be used within the main principles of the Local Authority COVID Economic Recovery Fund. Any proposals to use an underspend, beyond the approved programme, will be brought back to committee for further approval.

4 Policy and Resource Implications

Resource Implications:

Financial: Funding of £9.456m provided by Scottish Government.

Legal: DPIA has been submitted.

Personnel: Customer Care support required.

Procurement: None.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25?

Yes, it directly supports the area of Tackling Poverty and Financial Exclusion.

What are the potential equality impacts as a result of this report?

Improved economic outcomes for those individuals living in low-income households.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

Yes, through provision of financial support to combat the cost-of-living rise and increased energy costs.

Climate Impacts:

Does the proposal support any Climate Plan actions?

No.

What are the potential climate impacts as a result of this proposal?

None.

Will the proposal contribute to Glasgow's net zero carbon target?

No.

Privacy and Data Protection Impacts:

A DPIA has been submitted as personal information will be shared with STP's preferred supplier in order to distribute the cards securely.

5 Recommendations

5.1 Committee is asked to:

- Note the content of the update; and
- approve the proposed Covid Economic Recovery programme.