

Community Gift Card - Bingley Town Council Business Case

Documenting the business justification for undertaking this project

BTC_Community Giftcard_Business Case // V 0.2

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1 Executive summary

Community Gift Cards are prepaid cards that can be used in all independent businesses in the area who are a part of the scheme.

The President of the Bingley Chamber of Trade (BCT), Jamie Illingworth, has indicated that the BCT may be willing to serve as primary contract holder with the supplier, <redacted>. In turn, the three constituent Town Councils would have a contract with Bingley Chamber of Trade. This contract would apply in the event of constituent Town Councils defaulting on annual payments to the Chamber of Trade who would be accountable for the overall payment.

From the customer's perspective, the Community Gift Card can be both a physical and digital card.
Example Scenario:

On June 8th, Anna gifts Phil £100 on the Gift Card. Presuming all of Bingley High Street buy into this, Phil can spend £20 on a haircut in the Craftsman on July 13th and have a couple of pints at the Brown Cow for £2.50 a pint afterwards. All of this is done via the digital card on his phone or with a pre-ordered physical card. A few months later, Phil takes Anna to Valentino's where the bill is £90. Phil pays £75 on the Community Gift Card and the rest out of pocket.

Research indicates that the typical Community Gift Card user will spend 65% over and above the face value of their gift card.¹

Given the nature of this implementation, the flexibility afforded to the customer extends to independent businesses in Baildon and in Shipley as well as those in Bingley.

From the business owner's point of view, no cost is incurred. Customers scan their card and <redacted> helps businesses recuperate the funds and manage that process. This applies to both physical and digital cards.

From Bingley Town Council's point of view, the costs and liability are split. The financial burden is split between Bingley, Baildon and Shipley Town Councils and the contractual burden with the supplier is taken by the Chamber of Trade. Our only obligation is to pay the sum of £3,316.67p/a for a minimum of three years by the stipulated date to the Chamber.

Regarding marketing, this is primarily managed by the supplier <redacted>. Their incentive to succeed in this is both reputational and financial.

- Given this is a 3-year trial, <redacted> will want to secure business beyond this point and so will market the Community Gift Card for us. If the Town Council wanted to provide marketing and advertising beyond this, this could be evaluated in the newly formed EMAC Committee and recommendations put to the Full Town Council.

¹ <Redacted hyperlink> Similar figures available at other suppliers.

- <Redacted supplier name> issue 5,000 physical Community Gift Cards as part of the basic agreement (including postage).
- A failed Community Gift Card risks damaging their standing in the marketplace and risks future business.

2 Reasons

Bingley is a successful, attractive town with scope to become a destination town. Whilst Ilkley and Saltaire are already destination towns for visitors, Bingley isn't considered in the same way. Additionally, each of these towns has thriving markets, and stallholders at Bingley's markets could be beneficiaries of the Community Gift Card.

Bingley has gained an impressive array of cafés and bars that attract a broad age-range into central Bingley to enjoy socialising. There are a lot of independently owned businesses – including the aforementioned bars, pubs and cafés as well as national and international corporations. This Community Gift Card aims to support those independents that are run by hard working local people who provide value to the community that we live in.

The pandemic has not helped the stability of the situation and this Community Gift Card could be used to encourage residents to rely on local independent traders.

The nature of the implementation means that we as a Council and Bingley as a broader community create stronger links with our neighbours in Baildon and in Shipley. Additionally, this could help to strengthen our relationship with Bingley Chamber of Trade and work collaboratively with the Chamber to create buy-in from local business owners and residents alike.

3 Business options

1 – DO NOTHING

Positives	Negatives
No money spent	Reputational risk (if Community Gift Card does not go ahead in partner Town Councils)
No staff time spent	Acute reputational risk (if Community Gift Card does go ahead in partner Town Councils)
No Councillor time spent	Opportunity missed for BTC to demonstrate dynamism and creativity in addressing problems that local businesses experience
	Local businesses continue to receive no direct support from BTC

2 - REDACTED

Link available [here](#). This is effectively a loyalty card that is applicable across multiple businesses. Introductory video available [here](#).

Positives	Negatives

App based, no plastic waste	Small sample size. 2 schemes are referred to on their website: North West Leicestershire and Essex .
Businesses can create bespoke rewards for customers	Complexity in-built where businesses are encouraged to create their own loyalty schemes with their own rules and rewards
Businesses do not need to acquire any additional hardware	Assumes local businesses have the interest to engage in detailed data analysis
Customers can claim rewards at local businesses	

3 – REDACTED

Positives	Negatives
High numbers of participating businesses in some locations	American-based with no known UK clients
34 participating locations. Muscatine , Iowa; Quad Cities , Iowa; Mystic , Iowa featured on their website	Due to their American base, unknown levels of support available
	Supports multi-national businesses (Best Western, Subway) as well as local independent business
	Unknown plastic/digital card status

4 – REDACTED

Positives	Negatives
UK-based	Costs BTC a sum of money for a commitment of 3 years
Over 100 locations across the UK	Requires collaboration across multiple parish bodies
Over 8,500 businesses	
Winner of the 2020 best use of prepaid award	
Enhances the reputation of BTC by introducing a new solution to an old problem	
Mixed economy of both digital and physical cards are available	
Potential to add loyalty card element shown in option 2	
Strengthens links between BTC, Bingley Chamber of Trade, local businesses, Shipley Town Council and Baildon Town Council	

4 Expected benefits

- Improve footfall and consumer spending in locally owned businesses

- Build and improve relationships with local businesses
 - Successful collaboration with Bingley Chamber of Trade, forging a closer bond moving forward
 - Successful collaboration with Shipley and Baildon Town Councils, opening the door for future collaborations and sharing ways of working
 - Enhance the reputation of Bingley Town Council in the eyes of residents for providing an innovative solution to issues on our high street
 - Enhance the reputation of Bingley Town Council in the eyes of business owners for providing an innovative solution to issues affecting their livelihoods
 - Improve community engagement
 - Have Bingley Town Council viewed by the community as a progressive, dynamic organisation prepared to trial different ideas to support the community
- Additional document now available.

5 Possible Downsides

- Already busy Councillors will be required to increase workloads to collaborate with the other constituent councils – which could lead to a drop in productivity in other committees/subcommittees/working groups that Councillors may be a part of
- Already busy Council staff may be required to increase workloads to collaborate with the other constituent councils

6 Timescale

Below is the timescale provided by <redacted>. It might be safe to assume that this would be a best case scenario given the collaboration required between the other Town Councils and Bingley Chamber of Trade.

Implementation Plan - UK & Ireland					
	Pre Contract	Project Documentation	Focus on Promotion	Build the Network	Let's Launch!
		Phase1	Phase2	Phase3	Phase4
Meeting Date		Week 1-2	Week 3-5	Week 6-9	Week10
Meeting Description		Project Kick-Off Meeting	PR & Marketing Meeting	Merchant Onboarding Meeting	Pre-launch Meeting
		We will work with you to explain what is required to get the program setup. The key elements within this stage are the Gift Card Designs along with the completion of the Due Diligence documentation.	It takes around 2 - 3 weeks for the program to be approved by MasterCard and EML. During this time we will work with you to help design a promotional plan and discuss sales channels. It's good practice to have all marketing materials collateral in place prior to launch	Once the program has been approved and setup with our partners at EML, we will work with you and provide everything you need to start onboarding your business to be able to accept the gift card. We will also coordinate the production, print and delivery of your physical gift cards. This takes around 3 - 4 weeks	Let's check everything is in place for launch, provide training on how to access and use reporting and run through the testing required
Client Deliverables	Contract Signed	Card Designs Due Diligence	Marketing Materials Designs Website Information Form	Merchants Onboarded Physical gift card proof sign-off	Program Sign off Testing

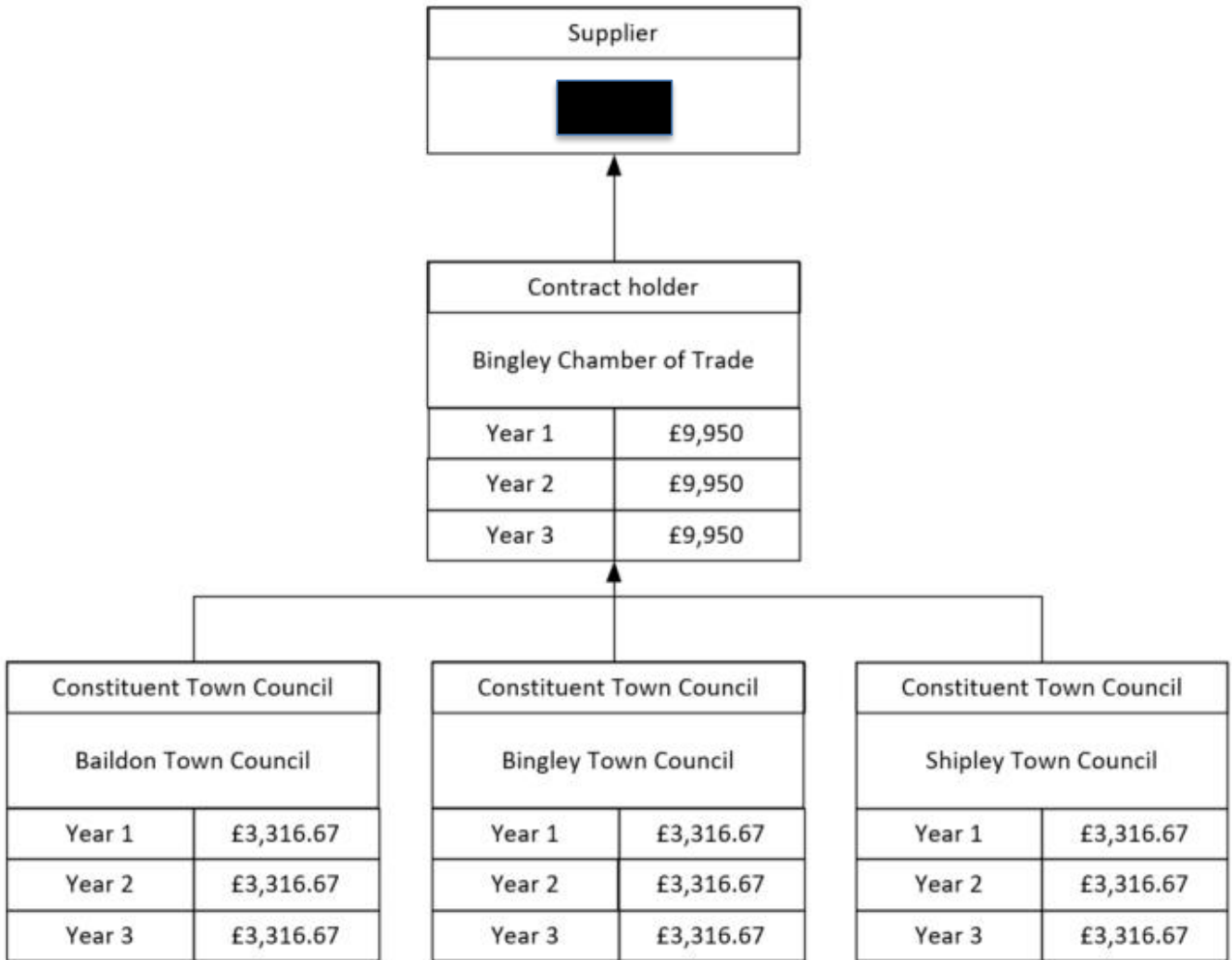
At the end of the three-year trial period, a decision is to be made by constituent councils, which is then to be communicated by Bingley Chamber of Trade as the contract holder to the supplier. This will decide whether we are:

- Continue the scheme as-is
- Continue the scheme with a different arrangement (if not all councils want to continue, or if Bingley Chamber of Trade no longer wish to be contract holders)

- Discontinue the scheme

7 Costs

The total cost would be £29,850 over three years with the cost split between Town Councils:



8 Investment appraisal

To put into context the £3,316.67 annual spend, that would be <2.02% of the amount carried forward by BTC from 2021-2022 into this municipal/financial year and would be only slightly more than the annual expenditure on subscriptions.

The ROI is difficult to predict given that Bingley has never done anything like this before, the dependence on several factors which may be completely, or partially, beyond the control of BTC² and calculating this across the three towns could require resources that could cost significantly more than the full three-year trial investment.

9 Risks

Risks are scored according to a [standard risk matrix](#). The first number in each risk score box denotes the risk without the application of the mitigation. The second number denotes the risk with the application of the mitigation

ID	Risk Description	Risk likelihood	Risk impact	Risk Score	Mitigation
GC1	Bingley does not recuperate investment	3 / 2	1 / 1	3 / 2	Marketing and engagement by BTC via EMAC, by the supplier and our partners
GC2	Unable to measure expenditure, thus success of project	5 / 1	2 / 2	10 / 2	Supplier has full visibility of where money is spent and can provide that breakdown.
GC3	Business don't/slow to sign up	4 / 2	3 / 2	12 / 4	Marketing and engagement by BTC via EMAC, by the supplier and our partners
GC4	Bingley receives less benefit than partner Town Councils	3 / 2	2 / 2	6 / 4	Marketing and engagement by BTC via EMAC and by the supplier
GC5	Collaboration between various partners becomes logistically difficult	4	1	4 ³	Logistical difficulties will need to be examined for mitigation possibilities

² Factors include but are not limited to; marketing by the management company, marketing by the BTC, marketing by Bingley Chamber of Trade, marketing by constituent councils, how successfully councils collaborate, how local businesses accept the scheme, how purchase patterns work between the localities (i.e. are gift cards disproportionately spent in area x but not area y?)

³ Risk score is so slow because it is felt that this would be an issue during set up phases predominantly as partners should not need to intervene once the scheme is up and running.