

TELFORD & WREKIN COUNCIL

CABINET - 15 MAY 2014

TELFORD LOYALTY CARD

REPORT OF MANAGING DIRECTOR

LEAD CABINET MEMBER – CLLR SHAUN DAVIES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1. The Telford Loyalty Card (TLC) has been hugely successful in its first year, promoting leisure facilities and local businesses, offering value for money to residents and forging strong continuous relationships between local businesses and the Council. This report seeks to:

- Highlight the impact of the TLC in its first year in supporting the key objectives to help people to be more physically active and support local trade.
- Identify further opportunities through the TLC scheme to increase awareness, usage and further take-up among borough businesses.
- Develop existing and new ways that the TLC can support member businesses, with the option to generate income for the Council to help offset the scheme's costs.
- To use the TLC to push further footfall into market towns and district centres.
- To link the TLC to the opening of Southwater to support the publicity of the development, make connections with new businesses and offer value for money to residents and visitors.
- To work with the Tourism team to publicise the TLC more widely outside the borough, in particular improving the Attractions and Food and Drink options to help bring more visitors to the area.

2. RECOMMENDATIONS

2.1 Members approve a commitment to further developing the TLC to strengthen Council services such as Leisure, Pride in your Community and Public Health and to include the offer of an enhanced level of support that businesses can buy into.

2.2 Members note the success and achievements of the TLC since its launch in April 2013 which has seen the card registered by around one third of borough residents and a take up by more than 230 businesses.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	<p>The TLC contributes to the Council's following priorities:</p> <ul style="list-style-type: none"> • Protecting and creating jobs as a business supporting, business winning council • Improving the health and wellbeing of our communities and addressing health inequalities • Regenerating those neighbourhoods in need and work to ensure that local people have access to suitable housing
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	<p><i>Key Milestones achieved:</i></p> <ul style="list-style-type: none"> • TLC registrations have more than doubled the number of Flex card holders • Almost one in three people in the borough have a registered TLC card (60,600) • 200% increase in businesses involved in the scheme compared with Flex <p><i>Future milestones to be met:</i> During 2014/15 the Council will explore:</p> <ul style="list-style-type: none"> • Opportunities to link the TLC to further Council services and improve their take up e.g. Pride initiatives such as the bulk collection service, Public Health initiatives and further opportunities for savings at Council leisure facilities • Opportunities to offer businesses an enhanced option to promote themselves via TLC and maximise the income opportunities this will present • Streamline the business offer as part of the TLC e.g. terms of reference for businesses about how they use the TLC point of sale information and web logos and how they help to promote TLC to shoppers and other businesses where applicable. • Encourage the development of TLC 	

	<p>High Streets in the borough's main market towns and district centres, with as many high street traders in these areas as possible agreeing to be part of the discount scheme and publicising this widely to drive footfall into these areas.</p> <ul style="list-style-type: none"> • To significantly increase the number of businesses signed up to the scheme and the relevance and timescales of their offers. • To increase the number of cardholders registered to receive regular updates about the TLC. • To improve the TLC's online presence through a TLC app.
<p>FINANCIAL/VALUE FOR MONEY IMPACT</p>	<p>Yes/No</p> <p>The costs of the TLC card, since its launch to date, are £39.7k with funding of £5k being received towards this from external organisations and further in kind contributions. The cost of the TLC Co-ordinator post was £19.5k for 2013/14.</p> <p>There is no ongoing base budget for the TLC Co-ordinator post (£25k) or for production of TLC cards and publicity going forward. Funding of £37k is available from reserves held by the Co-Operative Council Delivery unit to cover these costs in 2014/15. Income generating initiatives will also contribute to offset future costs.</p>
<p>LEGAL ISSUES</p>	<p>Yes/No</p> <p>The General Power of Competence under the Localism Act 2011 provides that councils are specifically empowered to do anything not prohibited by legislation and subject to public law principles and due process. Legal Services' advice will continue to be sought on specific developments of TLC in respect of any necessary legal arrangements such as partnership agreements or any appropriate contract documentation that will need to be put in place.</p>
<p>OTHER IMPACTS, RISKS & OPPORTUNITIES</p>	<p>Yes</p> <p>TLC has the potential to offer paid for services to businesses to help offset the scheme's costs, however a no cost option will remain.</p>

IMPACT ON SPECIFIC WARDS	Yes/No	The creation of TLC High Streets in town and district centres in the borough could have a positive impact on encouraging more trade in these TLC zones.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 The TLC was launched in April 2013 with the purpose of helping to get people more active and supporting borough-based traders by encouraging people to shop local. The Council is committed to continuing to take the TLC forwards and increasing it in size, take up and opportunity.

Development of the TLC card

4.2 Following its initial success the Council will further develop the TLC by:

- Increasing the numbers of businesses who support the scheme and improving the offers to make them work better for cardholders and businesses alike.
- Offering businesses a more comprehensive marketing support which they can buy into.
- Developing a range of new initiatives, including a new smartphone app, that will offer new and exciting ways that TLC holders can access offers and further enhance the card's appeal and value for customers.
- Encouraging greater use of TLC's leisure offer through new communications technology to further improve physical activity in the borough, including a new push notification system highlight TLC, Leisure and Public Health information which people can sign up to and receive information about developments and special offers.
- Improving the offer for visitors to the borough, notably for Attractions and Food and Drink sections. To work with the Tourism team and external tourist providers to promote the TLC in its current format to non-residents and make them aware of the range of offers they can benefit from while in the borough.

Growing the number of TLC businesses

4.3 Over the next year, the Council will significantly grow the number of TLC businesses further, emphasising the TLC's and the Council's role in supporting and winning business for the borough. We will further develop strong working relationships and help to actively promote local businesses by marketing them and their offers, increasing networking opportunities and creating opportunities for business-to-business TLC sales.

- 4.4 It will achieve this by focusing on two initiatives in particular:
- Creating TLC High Street zones. The Council will proactively target specific high street areas and seek to recruit as many traders as possible to create a number of TLC zones. This will target key centre locations across the borough including Dawley, Ironbridge, Madeley, Newport, Oakengates and Wellington.
 - Developing a clear business-to-business (B2B) TLC offer. Most current TLC offers are business to consumer. However a small number of businesses in the scheme promote a B2B discount for card holders and a number of other businesses have asked the Council to develop a stronger B2B TLC offer. The concept of a TLC for business will be developed further and will require a different marketing focus.

Create new opportunities for TLC businesses and income through TLC

- 4.5 There is no charge for businesses to be part of the TLC scheme provided they offer discounts to cardholders.
- 4.6 The Council has already spoken to a number of TLC businesses who have expressed interest in different levels of marketing support from TLC, which businesses can opt to buy in to. As use and familiarity with TLC continues to grow, the Council will offer enhanced levels of TLC support for businesses to buy into with a series of graded levels offering a variety of options including enhanced web listings and digital marketing. Income from this will help offset costs of maintaining the TLC offer and developing this further. A zero cost option for businesses will remain.
- 4.7 Other additional opportunities that businesses will be able to buy into include:
- A TLC app. Following the successful launch of the Council's Everyday Telford App, by the end of 2014 the Council will develop a TLC App using existing council resources. This will offer a further incentive and push offers to consumers from TLC businesses in the area they are in, and offer time-limited discounts.
 - A Totally Local Market - an opportunity for TLC businesses to come together in a borough town centre to sell their offer with specific TLC discounts
 - A hard copy directory of offers available via the TLC for people who are visiting the area or are not online.

Getting people more active

- 4.8 One of the key drivers behind the TLC is to promote health and wellbeing by encouraging more people to get active through greater participation in sport and leisure activities. The TLC links closely with the Five Ways To Wellbeing - Connect, Be Active, Take Notice, Keep Learning and Give - this will help to address longer-term public health issues such as tackling obesity, cardiovascular disease and a range of other health conditions.

- 4.9 The latest Active People Survey data (measured October 2012 – October 2013) indicates a continued positive trend in respect of Physical Activity Participation in Telford and Wrekin, an increase in physical activity amongst disabled people and some evidence to suggest the gap in participation amongst social groups may be declining.
- 4.10 However, due to the refurbishment programme of the Council's leisure facilities over the last three years, which has closed a number of key facilities for long periods that overlap with the TLC's launch, it is very difficult to produce any accurate like-for-like usage trend data. This will continue to be monitored very closely.
- 4.11 The TLC not only includes leisure discounts but also the Council's leisure concessions scheme which aims to address the financial barriers to participation.
- 4.12 As new products and services are launched, the appeal of the TLC will continue to develop and grow for both residents and non residents, examples include TLC discounts for the Adventure Golf Course in Telford Town Park – in turn bringing more people into the borough

Business support – shopping local

- 4.13 TLC forms part of the Council's role in supporting and winning business and encouraging people to shop within Telford and Wrekin.
- 4.14 TLC businesses' offers are regularly promoted to residents through a range of media including www.telfordloyaltycard.co.uk, direct email, social media and Your Voice. The TLC website has become one of the Council's most popular web pages with over 51,000 unique views during the first four months of 2014 alone.
- 4.15 Increasingly businesses are developing special time-limited offers which the Council can assist in promoting. This is done via the TLC website, social media and weekly e-shots to cardholders who have opted to receive information this way. Social media also offers the opportunity for cardholders to share and feedback on offers with their networks.
- 4.16 A further push will take place during 2014/15 to help drive up the numbers registered to receive e-marketing about TLC businesses and services, and to make this a compelling offer for TLC holders.
- 4.17 Examples of time limited offers from TLC businesses, rather than blanket year long discounts, have proven to be a successful option, leading to increases in trade and footfall:
- One business ran a 25% off offer for two weeks and attracted 726 TLC transactions during that period alone.
 - Around 30 businesses contributed to a Totally Local Christmas festive offers initiative resulting in a boost in sales for participants.

- A special TLC offer was created on two days of the Christmas panto at Oakengates Theatre. TLC transactions accounted for 45% of sales over these two days.
- A 2 for 1 TLC offer at Telford Ice Rink in November/December saw 458 people take up this offer.

Historical information about the success of the TLC to date:

- 4.18 TLC replaced the Council's Flex card. Flex was a discount card which most users had to pay for and which offered cardholders discounts on council leisure facilities and at around 20 businesses. At the time of the changeover from Flex to TLC, around 23,000 people had a Flex Card. Membership of the scheme had been falling since a charge for Flex was reintroduced in 2010.
- 4.19 The TLC launched in mid April 2013 through the Council's publication Your Voice, leisure centres and First Points. It offered users online registration of cards, which had previously not been possible with Flex.
- 4.20 By the end of April 2014, 60,629 TLC cards have been registered, an increase of 151% compared with the Flex card. Around a third of the borough's population now has a registered TLC. In addition to this, many more cards will be in circulation that are unregistered and used in a "show and go" capacity at businesses that are part of the scheme.
- 4.21 TLC offers discounts at Telford & Wrekin Council leisure facilities (ranging from 10%-25% discounts). Since its launch, more than 230 Telford and Wrekin businesses have joined the scheme offering a wide variety of incentives to cardholders to use their business, compared with around 20 businesses that supported the Flex scheme.
- 4.22 Analysis of cardholders by age groups shows that the TLC has its highest level of registrations among the following age groups
- Five to 19 year olds - over 50% have a TLC
 - 30-44 year olds - 34% to 39% have a TLC, dependent on age banding
- This demonstrates the TLC's appeal to families.

5. BACKGROUND PAPERS

Co-Operative Council Update, Cabinet paper 28/02/2013

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