Report for:	**Cabinet**
Date of Meeting:	24th May 2022
Subject:	Harrow Card
Key Decision:	No
Responsible Officer:	Dipti Patel - Corporate Director Place; Mark Billington - Director Inclusive Economy Leisure & Culture
Portfolio Holder:	Councillor Anjana Patel - Portfolio Holder for Environment & Community Safety
Exempt:	No
Decision subject to Call-in:	Yes

Section 1 – Summary and Recommendations

This report sets out the rationale for a Harrow Smart Card.

Recommendations:
Cabinet is requested to agree to:

1. Resource a feasibility study detailing the options for the implementation of a Harrow Smart Card; and

2. Request a future decision from Cabinet to agree or reject to the introduction of a Harrow Smart Card subject the recommendation of the feasibility study.

Reason: A feasibility study will determine the most cost-effective way to develop and deliver a Harrow Smart Card that benefits Harrow's residents and businesses.

Section 2 – Report

Our neighbouring Borough of Hillingdon offers a HillingdonFirst Residents' Card to enable them to offer services and discounts to local Residents. In Hillingdon the HillingdonFirst Card is used to provide discounts on parking, library services and access to leisure centres. It also offers discounts on products and services at hundreds of participating businesses.

Harrow's Metropolitan Town Centre and its District Centres are the borough's commercial, community and employment hubs. Over the last two years they have been adversely affected firstly by the pandemic and now by global supply chain issues which are generating inflation. The increasing costs of goods particularly fuel costs is reducing the spending power of our residents. This in turn reduces spend in our High Streets which threaten both businesses and jobs. The Harrow Resident Smart Card can provide savings to people that live in the borough and shop locally, which will stimulate footfall and spend in our High Streets. As in Hillingdon it could be used by the Council to provide services in libraries and discounts in parking to Harrow Residents. A feasibility study will determine the most cost-effective way to deliver those benefits through the development and implementation of a Harrow Card.

Background

A single multifunctional Smart Card can provide a single access point for residents to access free one hour parking, council library and leisure services and benefit from offers and promotions from local businesses.

The introduction of a Harrow Smart Card could ensure that the free one-hour parking that the council is introducing can be targeted specifically to Harrow residents. The integration of access to parking, leisure and libraries through a single card can also declutter the number of cards that people need to carry with them. A Harrow smart Card could also enable local businesses to target their promotions to residents. The combination to access to one hour's free parking and the local shopping offers will provide a stimulus to encourage residents to spend their money in Harrow. Every pound spent locally will have a multiplier effect as money circulates in the Harrow economy. There is therefore a strong economic rationale for the introduction of such a Smart Card.

Why a Change is needed

The pandemic affected footfall and spend across London and the UK, which has led to an increase in empty shops. The adverse impact of changing shopping patterns is now being accelerated by the economic uncertainty generated by rising energy costs, global supply chain problems and rising inflation.

Initiatives such as the Welcome Back Fund, grants to support the HA1 BID, to help local businesses, and to develop local Traders Associations have been used as tools to support Harrow's High Streets. The current economic uncertainty requires a new tool to support our businesses and help residents.

The introduction of a Harrow smart card would build upon that work and help deliver the objectives of Harrow's Economic Strategy to support

- Small and Medium sized enterprises to grow
- Ensure Vibrant town and district centres

The need for local measures to support businesses has become more pressing with the increased inflationary pressures faced by both our residents and our businesses. Those pressures impact on the disposable incomes of residents. A Smart Card provides the council with the means to reduce the cost of shopping locally by targeting the offer of one hours free parking to residents. It will also provide a means for Harrow businesses to promote their offers to residents.

A Harrow smart Card linked to an app on Smart phones could revolutionise the way in which local independent businesses could generate offers for their goods and services which in turn could be promoted automatically through a Harrow Card app.

Implications of the Recommendation

Smart Cards incur both costs and benefits. The former will depend on the functionality and means of issuing cards. In addition to the benefits outlined above, the feasibility study will consider how the council targets access to its services through a card. In addition to parking, this could also include providing free access to the council's Recycling Centre and charging non-residents. The council could consider targeting special promotions at the Harrow Arts Centre to local residents.

Key considerations include:
- The level and timing of integration between council services
- Bulk buying cards and issuing to residents
- Residents Self Ordering cards
- Design of the card. For example double sided, colour or black and white, photo ID.
- The level of integration required, for example parking, leisure, libraries, business directory, app.

Other factors will include Marketing and staff costs. The latter is dependent on how the council wishes to allocate its existing staffing resources. For example, Hillingdon have 5 administrators and 3 Customer Care supervisors working on the Hillingdon Residents' Card. Those staff are based in the Hillingdon Customer Access Service and their work is not solely related to the Hillingdon Card.

The answers to the above will determine the cost. For example the integration of a card with parking, libraries, leisure and a business discounts directory will cost approx. £20,000, the integration with parking approx. £5,000, and the bulk purchase of 150,000 cards approx. £211,500 with added postage costs. Whilst issuing cards only to residents that self order could be less than a fifth of the cost, (subject to the number of people ordering cards).

The pricing schedule indicates that a card could be issued in less than 6 months. However, this does not account for integration with existing systems, which may or may not require new parking meters which can be a significant cost.

The project team to develop the feasibility study will provide more detailed scenarios outlining costs, risks, and timescales linked to each option. The team will need to be resourced and could be led by a Project Manager and includes Access Harrow, iDigital Services, Access, Network Management (Parking), Economic Development, Libraries, Leisure, Finance and Communications. The work will be informed through working with other boroughs with Smart Cards and with SmartCitizen. The scope of the work will be established by the Corporate Director in consultation with the Portfolio Holder. It is likely to include:

- Electronic systems integration & implementation. This would include Card Types, Data Protection, Apps, Parking, Libraries, Leisure, integration with wider customer services through Access Harrow and potentially garden waste, Card Encoding and Distribution.

- Business analysis; Customer Base, differential charging between residents and non-residents ad impact on income, method of distribution. Procurement opportunities to collaborate with other boroughs on the design, purchasing and distribution of Smart resident cards.

- Project management; determining where the development and ongoing management for the development and delivery of a card should sit.

- Equality Impact Assessment, to identify how to maximise the benefits of a Harrow Card.

Performance Issues

Key Performance Indicators will include
- Number of cards issued and Apps downloaded
- Active Card
- Number of transactions
- Number of businesses promoting local offers
- Number of offers redeemed (including one hour free parking redemptions)

Environmental Implications

The promotion of local shopping is a key tool to reduce distances travelled to businesses outside of the borough.

Financial Implications

The cost of the feasibility study can be funded from the Capital Feasibility Reserve.

There is currently no budget provision for a Harrow Smart Card. Before setting up the card, the necessary actions will have to be identified and implemented to release the budget within the MTFS to fund the scheme to ensure no budget pressure.

Equalities implications / Public Sector Equality Duty

A full Equality Impacts Assessment will be conducted in tandem with the options scoped out through the feasibility study.

Council Priorities

The Harrow Card will support the council's objective for a Thriving Economy. The provision of a card that is linked to accessing free one hours car parking and shopping offers will promote footfall and spend in Harrow's High Streets. It will also help Tackling poverty and inequality by offer discounts to Harrow Residents to help deal with the increases in the cost of living.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert
Signed off by the Chief Financial Officer
Date: 17th May 2022

Statutory Officer: Hugh Peart
Signed off by the Monitoring Officer
Date: 17th May 2022

Chief Officer: Dipti Patel
Signed off by the Corporate Director
Date: 18th May 2022

Section 4 - Contact Details and Background Papers

Contact: Mark Billington, Director Inclusive Economy Leisure and Culture
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