



A Derbyshire Smart Card - Strategic Issues
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The Current Situation

Seven Derbyshire districts have leisure cards, with an average take up of 6.6% of the population, but ranging from 0.5% to 52% in Derby Dales; this is an average of 5,000 cardholders for the six districts other than Derby Dales which has 36,000 holders. It is not known yet what take up there is by all or particular deprived groups, nor what the level and type of use is by cardholders. Moreover:

- The income generated from card sales helps subsidise schemes, but few make any profit
- The cards are not widely promoted, and most cannot be applied for online
- Each card is branded individually with no scheme having a strong brand image
- The information from the card sales is not generally used in a structured way for research and promotions
- Prices for cards and discounts vary, and individual schemes are too small to be attractive to external partners, and individuals outside Derbyshire
- The schemes are not accepted across local authority borders
- The product is not big enough to sell and make a great economic impact in income or supporting small businesses, and
- The current schemes will have no significant effect on raising participation.

This is a reflection of the situation nationally, but Collins (2003) has argued that properly managed and promoted as a membership scheme important to the providers (as per David Lloyd, for example) Leisure Cards can mix helping economic outcomes (full use of facilities, helping SMEs in marketing) and social ones (serving excluded groups, helping social cohesion).

Cards that are successful in take-up and use:

- Offer public arts and commercial goods and services as well as sport (thus attracting children, women and older people in greater numbers, and supporting local businesses) – this increases take up by 24% in unitary authorities to an average of 16,000 and 12% in non-met Districts to an average of 8,300 (Collins, 2004)
- Have adequate staffing and budgets to undertake continuous outreach marketing, renewal and follow up, and
- Have good management information systems that provide substantial profile data on customers, can target specific market segments and achieve sufficient levels of take up to provide valuable information for other Departments, and possibly commercially.



Derbyshire Sport wish to examine the potential and feasibility of a countywide card, using smart card technology, and have retained Vaga Associates for a scoping study to the end of May 05. Our advice in responding to the tender was that partners should consider also wider issues brought about by the current advance of smart card technology and moves to adopting e-government.

Strategic Issues Regarding the Research into Leisure and Library cards

Between now and June 05, we will be meeting with each partner authority to discuss:

- Moving to a single card with a strong brand name, purchaseable and usable across all districts with a phased introduction possibly including: a pilot involving up to 2 districts, roll out in the other 5 districts that have leisure cards and finally, South Derbyshire and Erewash, the remaining two districts that do not have leisure cards
- The implications of adopting common card purchase and discount strategies, including political issues of who receives discounts
- How to handle tourists
- Existing arrangements with DSOs, contractors or trusts and transitional arrangements
- Existing swipe/smart technology and transitional arrangements including libraries
- What would be needed for adequate shared marketing and data handling, while allowing maximum local feedback on use, and
- Outline costs of implementation.

While we are holding focus groups with potential users and contacting major potential commercial partners, we are not doing a full market investigation at this stage because too many elements are not certain and answers would be vague and hypothetical.

Wider Issues Regarding Smart Cards and e-government

Smart card technology is about to become much easier and more powerful (e.g. with non-contact cards). But a countywide system would not be cheap; it seems sensible to see whether leisure and library cards (as the major direct consumer service) can be the 'entry' level to a major multi-function card. For five years this has been investigated through the National Smartcard project, and experience is accumulating through the National Smart Card Forum (of which Collins is a member). The Derbyshire Sport proposal would be the second largest project to a 35 – authority consortium in the North East, from which we would learn.



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Cards are now being develop for a wide number of functions, including:

- car parking
- buses
- cashless school catering
- cashcard/electronic purse
- paying council rents
- paying Council Tax
- AE fees
- local polls/surveys
- individual
- authentication
- licencing (eg taxis, street traders)

But it could go further, becoming a means of undertaking market research and local pools, and forming citizens' panels to provide feedback on services. With on-line access in Council facilities and libraries, and 'listening posts' in stores, post offices, and shopping malls, it could also provide an easy means even for those who wanted help, or to comment on services – electronic citizenship and government in practice.

To go this step raises corporate management and political issues which we believe we should pursue with the County and the Peak Park National Park, the City and the Districts in our study. Moving this way in stages could accelerate Derbyshire's progress along the policy line promoted by the ODPM.

Collins, M.F. (2003) *Sport and social exclusion* ch 4 Poverty: the core of exclusion London: Routledge

Collins, M.F. (2003) Leisure cards - a social marketing tool? *Chartered Institute of Public Finance Statistical Research Bulletin* 2, 5-6 – available on our website www.vagaassociates.com

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