

## **Presentation to BANES cabinet on a local Bath Pound**

**Prepared by Jay Risbridger, Director, Bath Currency C.I.C. 12.02.2014**

### **Background: Bath Oliver and Bristol Pound**

Bath currently has a local discount voucher currency scheme called the Oliver, which was launched in 2011. Bristol launched a paper and electronic local Pound in 2012. The Bath Oliver offers local residents discounts using the Oliver notes with participating Bath businesses. The Oliver is also used as a means of 100% exchange between members of the local exchange and trading system.

The Bath Oliver scheme has not been widely accepted by local businesses and residents because it is used in only part of any transaction. While the Oliver gives a discount benefit to its users, accounting for it is complicated. Bath businesses have also been reluctant to discount their products in a low growth economy. Bristol Pound has proved much more popular with businesses because the electronic system allows them to access and use their Bristol Pound balances with great ease, encouraging them to use the pound more often. In addition because users can convert the Bristol Pound back into Sterling there is a high level of confidence in the system, which has attracted involvement by large local organisations like the City Council and First Bus.

### **Launching and Bath Pound**

The Bristol Pound CIC is actively trying to expand the size of the community involved in using the pound and views Bath & NES as a priority area for the extension of its system. A central component of the Bristol Pound is the membership by the trade users in the Bristol and Bath Credit Union, which runs the digital currency accounts. The fact that the Credit Union also covers Bath means rolling out the scheme to Bath is relatively uncomplicated. It should however be stressed that the Bath Pound needs to retain its own identity to be accepted and could not be run within the same scheme as Bristol the Pound. The Bristol pound would however provide all the software, documentation and training to set up the Bath Pound system. The Bath Currency CIC already exists as a body to administer a Bath Pound and it is envisaged that the Oliver would remain in use by the LETS system members.

### **Benefits to Bath & NES**

The cost of the Bristol Pound to set up was about £100,000 but it is estimated the city received £3million worth of national publicity from the launch alone. The launch costs for a Bath Pound would be much smaller but its impact could be almost as large, as local currencies are particularly popular with tourists. The core aim of the Local Pound is to get individuals both local and visitors to commit to spending in local businesses by converting some of their Sterling into Local Pounds. The multiplier effect on the local economy of spending with local businesses is about five times the level of using Sterling. Here are the three core reasons for using the Bristol Pound:

Bath Pounds stick to local independent businesses. More money is kept in the city, working for the people of Bath, rather than being lost to national based business. For every £1 spent at a chain supermarket, only 10-12p stays in the local economy. Bath pounds would stick to our local economy for longer, and are spent again and again locally, creating more wealth for our communities.

Bath Pounds are 'happy money' because it feels good to use them and makes us more connected. A Bath Pound is a community currency - it connects people and brings people together to show support for our city. Independent businesses are vital for healthy communities as they employ more people and make Bath a special and unique place to live and shop in. Using a Bath Pound means less pollution; buying local means we don't need to ship or fly so many products from far away.

A Bath Pound is about fairness, cooperation and creativity. Using Bath Pounds helps create new enterprises, and social and green projects. The Bath Pound would be a not-for-profit partnership between Bath Currency Community Interest Company and Bristol & Bath Credit Union. The Credit Union is a local, co-operatively run, alternative to big banks. A Bath Pound is provides good honest money, which is run for the members, and for the good of the city.

### **Key facts about how a Bath Pound would work.**

Bath Pounds are purchased for sterling and can be spent with business members. Which are promoted in a [Business Directory](#) of where you can spend Bath Pounds.

- Bath Pounds are spent just like pounds sterling with £B1 equal in value to £1 sterling.
- Each Bath Pound is backed pound for pound by sterling deposits, so taking part incurs no more financial risk than is generally the case when depositing money with an authorised and regulated institution.
- The Bath Pound is a complimentary currency, designed to work alongside sterling, not replace it.
- Business accounts are available to traders that are independently owned and based in or around Bath and North East Somerset.
- Anyone can pay with or accept printed Bath Pounds.
- The Bath Pound is not legal tender and so accepting Bath Pounds is voluntary.
- Printed Bath Pounds are highly secure, printed by specialist printers, incorporating a host of security features.
- All Bath Pound systems are very secure. Money can only be taken out of the system by registered account holders.