

The Birmingham Pound: An Introduction

Proposing a new sterling-based Birmingham currency to be spent with or between locally-owned businesses, keeping more spending power within the city and benefiting its people again and again.



A Birmingham Pound could:

- **Increase circulation of spend** in Birmingham, benefiting local people and the city economy
- Help this increased local money circulation **reach those who need it**
- Support **diversity, health and networking** of local businesses
- Higher **social capital** – linking the local economy to local communities.
- Reduce **environmental footprint** through local resource loops and transport.
- Increase **local distinctiveness** and identity across the city

Why it works

Local Pounds are a powerful way of communicating how purchasing locally can generate more local income and keep money in the “real” economy that benefits local people.

Local Pounds encourage people and businesses to think about where they spend, and make local spending visible. In other cities this has changed purchasing and procurement behaviour for the better.

A Birmingham Pound would capitalise on our city’s enormously rich history of beneficial local money, and diversity of trades and of cultures. It could be linked into other schemes for local businesses and social benefit.

How it works

“Town pound” local currencies are already being used successfully in Brixton, Bristol, Totnes and are launching soon in several other cities.

The local pounds are exchangeable with sterling: for every local pound in circulation there’s a sterling one in a credit union’s account, making it **risk-free** to accept them. Local currencies can only be used with locally-owned businesses, which can trade with other local businesses.

The City Council could choose to accept council tax and business rates in local pounds (as happens in Bristol), and to pay a voluntary proportion of wages in them. Universities and other big institutions can also participate. All this helps **stop money from “leaking” out of the city**, enabling us to **relocalise economic power and tackle disadvantage**.

Business to business trading is important: this is how the currency goes beyond the loyalty card system to change behaviour up and down supply chains, and reaches a wider range of people.

A Birmingham Pound could be spent on a huge range of things: furniture, plumbing, construction plastics, bike repair, coffee, bus tickets, fried chicken, gardening, energy, food – anything!

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People can trade in two ways: there can be **locally-designed paper notes**, which are great for spreading awareness and for people to be able to use the scheme occasionally, but most transactions are **digital** with a handy mobile-to-mobile payment system for those who have signed up to the scheme. This means, for example, that market traders can take electronic payments.

It takes funds to run a local currency, but the returns look healthy: Bristol Council calculates around £100,000 per year in tourism benefits alone.

We think there is great potential for a local pound in England's Second City and amongst Birmingham's superdiversity of cultures – celebrating and strengthening our city identity and bringing direct economic benefits to its businesses and citizens.

Who's involved

At this initial stage the following are involved in the Birmingham Pound steering group, bringing expertise in finance, local economics, financial law, marketing, social entrepreneurship, sustainability - and enthusiasm! We will widen steering group membership to increase diversity and cover skills gaps.

- Localise West Midlands
- Impact Hub Birmingham
- University of Birmingham Law School
- Citysave Credit Union
- Birmingham Friends of the Earth
- Equality West Midlands
- Coventry University

Initial steps

After the fact-finding stages, the group's next steps are to widen the Steering Group, establish the legal body, seek set-up and operating funds, secure a managing body for Birmingham Pound accounts, seek public sector buy-in, and promote the scheme to businesses and individuals across the city.

Getting involved

We need to work with City Council officers and councillors to identify the best ways to maximise the potential of the Birmingham Pound. We will need to engage with other big institutions to explore their role, and work with small businesses and communities to ensure the Birmingham Pound is something everyone across the city feels is theirs to use.

Individuals can keep in touch with us via social media or emailing list, and spread the word to friends and contacts. We will be establishing a pledge site for people to pledge to use the Pound in advance of the launch. If you would like to join the steering group, please contact us.

FIND OUT MORE

Contact Karen Leach 0121 685 1155 Karen@localisewestmidlands.org.uk

Follow us on Twitter <https://twitter.com/bhampound>

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Image: Community Currencies in Action