Dear Scrutiny Panel

I note that you are still in the call for evidence phase and have some I would like to put forward.

Visitors, evidently, value the quaintness of our Jersey Pound Note where they only have coins. Please see [Where to stay on the island loved for its potatoes, French street names and £1 notes (msn.com)]

Treasury makes revenue from issuing Jersey notes and reinvesting GBP in bonds and alike. If other jurisdictions phase out their own notes this could drive demand for jersey notes (say from individuals off-island) who prefer to hold cash in case of an extreme global event/software glitch or whatever reason). If Jersey maintains its notes, it may stand to benefit substantially from doing so. Just as Jersey used French notes in the distant past, others elsewhere could start using jersey notes, not just in the UK. We could be missing a trick if notes are not retained.

As I mentioned above, payment systems went down for more than a day following a software upgrade. As a result, notes may now be more popular again.

With reference to the above Treasury issued notes, it would benefit Jersey if electronic transactions were denominated in electronic Jersey Pounds, I suspect they are not.

One fact that the panel may wish to consider, however, is that we are tied to the UK pound which can be printed by the UK to cover national debt or finance wars, at least to some extent. By way of an example, if the UK Treasury printed/doubled the circulating supply of GBP that would approximately lead to a halving of the buying power of each GBP, inflation. Well that is the UK's prerogative but it should be acknowledged that under current arrangements, Jersey Government does not get a say or a proportionate share of the freshly minted or printed pounds. Instead, the effect on Jersey's capital reserves is that it also sees a reduction in buying power, usually due to inflation caused by the increased money supply. Whereas the UK Government benefits, the Jersey Government has their spending power reduced. Whether or not it is in the remit of this panel, it may be worth bringing it to the attention of another panel to properly quantify the impact of UK monetary policy on Jersey and our reliance on the fortunes of the Great British Pound as our currency. It may be that it is futile to do otherwise but let's understand the consequences and options.

I also believe that the Treasury could make it less difficult and costly for Libertybus to take **jersey-issued cash**. After all, the Treasury issues the cash and 'promises to pay the bearer', and the funds collected by Libertybus feature in the subsidy given to them. It appears that a Treasury Minister minded to help islanders use cash without consequence, could help reduce the stated burden. If the Treasury took GBP notes in, their supply would be reduced which would cause a corresponding increase in demand for Jersey notes. We may not get to the point where all notes are Jersey-issued notes but the proportion should change considerably and that's good for Jersey.

On the matter of Jersey notes, because these do not go out of circulation, the Treasury do not know how many will never be redeemed (so could be spent by the Government of Jersey). This could be ascertained by sampling the numbers or by taking older notes out of circulation (perhaps those printed on actual paper). Doing so would reveal the quantity of notes that have been lost, destroyed or taken off island as souvenirs etc. It does not appear unlikely that there are millions of irredeemable notes to the benefit of the Jersey Government.

Personally, I would like to see cash remain available but respect that it is a matter of choice for businesses. It will come down to market forces and those customers who prefer to use cash will choose businesses that accept it. Save for Government funded bodies, businesses should be free to choose.

Kind Regards

Jon Scott