1778489010



House of Commons Treasury Committee

Accountability of the Bank of England

Twenty-first Report of Session 2010–12

Volume I: Report, together with formal minutes, oral and written evidence

Additional written evidence is contained in Volume II, available on the Committee website at www.parliament.uk/treascom

Ordered by the House of Commons to be printed 19 October 2011

Contents

Report		
	Summary	3
1	Introduction The accountability of the Bank of England	5 5
2	Historical context Before 1997 The tripartite system	8 8 10
3	The Court of the Bank of England The origins and role of the Court Make-up of the new Supervisory Board The Chairman of the new Supervisory Board Size of the new Supervisory Board Appointment and review of members of the new Supervisory Board Staff available to the Court Ex-post review of policy performance The availability of information to the new Supervisory Board Provision of information by the new Supervisory Board	14 14 17 19 20 20 24 25 28
4	Committees of the Bank of England Membership and appointments The risk of groupthink The financial stability objective Macro-prudential measures Duty of the Bank to explain its decisions Handling conflicts between policy areas The Financial Operations Committee The monetary policy objective of the Bank	30 31 34 38 38 39 43
5	The office of Governor of the Bank of England Appointment and dismissal Term length and reappointment Parliamentary involvement in appointment and dismissal	45 45 45 46
6	Crisis management and the role of the Chancellor Responsibility in a financial crisis The Chancellor and crisis management A wider role for the Chancellor? Conclusions and recommendations Formal Minutes	49 49 52 55 58
		0.5

2 Optional header

Witnesses	66
List of printed written evidence	67
List of additional written evidence	67
List of Reports from the Committee during the current Parliament	68