



BANK OF ENGLAND

News release

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Bank of England announces measures to bolster transparency and accountability

The Bank of England today published an independent report by former Federal Reserve Board Governor Kevin Warsh, following his review of the Monetary Policy Committee's (MPC) transparency practices and procedures.

The Bank also announced a series of significant transparency, accountability and governance enhancements designed to put the Bank at the forefront of international best practice and enhance its ability to fulfil its mission to promote the good of the people of the United Kingdom by maintaining monetary and financial stability.

Governor Warsh recommended that the Bank adopt reforms in service to what he called the "Big 4" objectives: making sound policy decisions; communicating judgments effectively; ensuring accountability for its actions; and creating a fair and accurate historical record.

The MPC welcomed Governor Warsh's report, accepted his recommendations, and announced the following changes to its practices:

- publication of both the minutes of its policy meetings and (in the relevant months) the *Inflation Report* at the same time as its policy decisions, starting in August 2015;
- publication of written transcripts of the meetings at which monetary policy is decided, and related staff policy briefing material, with an 8-year lag, as of the March 2015 policy meeting;
- alteration of its 2016 meeting schedule to provide scope to move to eight policy meetings a year;
- plan to hold four joint meetings between the Monetary and Financial Policy Committees in 2016.

Alongside these measures, the Bank also proposed a simpler structure for its governing bodies and a clearer commitment to accountability. These proposals seek to reinforce the intent of existing legislation and make the Bank as effective as possible in delivering the responsibilities given to it by Parliament. They include:

- aligning the status of the FPC and the PRA Board with the tried and tested model of the MPC;
- establishing the Bank's Court as unitary board, with executives and non-executives working together to govern the corporation;
- publishing, during 2015, the minutes of the Court meetings held between 1914 and 1987, thereby aligning its release of archives with best practice in Whitehall; and
- releasing, in January 2015, and in appropriately redacted form, the minutes of Court and related meetings during the crisis period of 2007-09, as requested by the Treasury Committee. In combination with the recent Plenderleith, Winters, and Stockton reviews, this provides a complete record of the Bank's activities during the crisis.

In announcing today's measures, the Governor said:

"The Bank now has immense responsibilities for monetary stability, financial stability and for microprudential regulation. And with these responsibilities comes the need for effective transparency, genuine accountability and robust governance. Today I am pleased to announce the most significant set of changes to how we present and explain our interest rate decisions since the Monetary Policy Committee was formed in 1997. Alongside those measures, we have also proposed a number of additional changes that will mark a step change in the governance of this institution. These changes will enhance our transparency and make us more accountable to the British people."

Notes to Editors

1. Governor Warsh's report: *Transparency and the Bank of England's Monetary Policy Committee*, and the Bank's response: *Transparency and Accountability at the Bank of England*, can be found below.
2. On 30 April 2014, the Bank has **commissioned** Governor Warsh to conduct an independent review of the Monetary Policy Committee's (MPC) transparency practices and procedures.
3. Kevin M Warsh serves as Distinguished Visiting Fellow at Stanford University's Hoover Institution and as Lecturer at its Graduate School of Business.
4. In addition, he advises several companies, including serving on the board of directors of UPS.
5. Governor Warsh served as a member of the Board of Governors of the Federal Reserve System from 2006 until 2011. He served as the Federal Reserve's representative to the Group of Twenty (G-20) and as the Board's emissary to the emerging and advanced economies in Asia. In addition, he was Administrative Governor, managing and overseeing the Board's operations, personnel, and financial performance.
6. Prior to his appointment to the Board, from 2002 until 2006, he served as Special Assistant to the President for Economic Policy and Executive Secretary of the White House National Economic Council. Previously, he was a member of the Mergers & Acquisitions department at Morgan Stanley & Co. in New York, serving as Vice President and Executive Director.
7. Governor Warsh was born in upstate New York. He received his A.B. from Stanford University, and his J.D. from Harvard Law School.

Key Resources

 [Transparency and the Bank of England's Monetary Policy Committee](#)
Review by Kevin Warsh

 [Transparency and accountability at the Bank of England](#)
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 [Transparency and the Bank of England's Monetary Policy Committee](#)
Opening remarks by Governor Kevin Warsh

 [Transparency and accountability at the Bank of England](#)
Governor's Opening Remarks

 [Read the Press Conference Transcript](#)

