

Questionnaire for David Roberts from the Treasury Committee

Personal and professional

1. Do you have any business or financial connections or other commitments which might give rise to a conflict of interest in carrying out your duties as Chair of the Court?

I am acutely conscious of the need to ensure there are no actual or perceived conflicts of interest. I have some existing commitments where conflicts could arise – or be perceived to arise. I plan to take the following actions to resolve these conflicts, which I have discussed with the Secretary of the Bank.

- a. I am the Chair of **Beazley plc** and **Beazley Furlonge Limited**. Beazley is a PRA-regulated firm. I will therefore resign both positions the day before I formally take up the Chair role. I have discussed this with both the Bank of England and Beazley, and this intention was communicated to the stock market on the announcement by HM Treasury of my appointment.
- b. I am a Non-Executive Director of **Campion Willcocks Limited**. This is a small family-owned recruitment company. The activities of this firm do not present a conflict with the work of the Bank. I will resign as a director of this small firm, though I will continue to act as an advisor to its Chairman. This advisory work will take approximately 12 days a year of my time. I will be paid a small fee for this work. The company has confirmed it will not seek or take on any work for the Bank of England whilst I am a member of Court.
- c. Prior to being nominated for the role of Chair of Court, I agreed to provide leadership development support to a **senior executive at a PRA Tier 1 regulated firm**. When I was appointed as Chair, I discussed this with the Bank. To protect any perception of a conflict of interest, I have agreed with the firm to finish the work on 31.12.22, which is earlier than planned or contracted. In the meantime, I have agreed with the Secretary of the Bank that I will not observe any PRC meetings or interact with the supervision teams that cover the firm in question. I will also be recused from any Court discussions that might touch on the firm while this relationship continues.

2. Do you intend to serve out the full term for which you have been appointed?

Yes.

3. Have you, or do you intend to take on, any other work commitments in addition to your role as Chair of the Court?

I am an Advisory Board Member for The Mentoring Foundation and a Member of the Strategy Board of Henley Business School. I will retain these positions which in aggregate will take approximately 4 days a year. They are not remunerated.

I intend to devote my time fully to the Bank and it will always be my top priority. I am not planning to take on any additional roles in the next 12 months and will only do so thereafter if they do not conflict in any way with my Bank role and duties.

Experience, priorities, and challenges

4. Did you make or receive any undertakings during the appointment process – whether to the appointment panel, to other officials, or to Government Ministers – about how you will perform your role?

I can confirm I did not seek or receive any undertakings during the appointment process.

The role of Chair of Court demands complete impartiality and independence. In particular, from management, officials, and Government Ministers. I will perform the role to the best of my ability with an independent mind and in pursuit of the mission of the Bank.

5. How have your experiences to date prepared you for your role as Chair of the Court?

Court has a clearly defined role as set out in statute. It has overall responsibility for the current and future operational effectiveness of the Bank, particularly focusing on the strategy, financial management and controls, risk management, human and operational capability, culture, and values of the Bank. Court explicitly does not have any policy responsibility or accountability.

Court is also the ultimate governance body for the Bank, and in this regard is accountable to Parliament. It must ensure the Bank acts within the current legal framework; neither straying outside of its remit, nor succumbing to undue pressure. Court is a unitary Board including both Executive and Non-Executive Directors. Within this framework of collective accountability, the Chair and fellow Non-Executive Directors act as a vital source of independent challenge to management and can take a wide view to ensure the Bank maintains its operational independence at all times.¹

My experience should therefore be set against the specific requirements of the role. I have worked in financial services for 39 years, and have been very fortunate throughout my career to have amassed a wide and diverse set of experiences. I believe the following are particularly relevant to the role as Chair of Court.

I am an experienced Chair and Chief Executive and have operated across both the private and public sectors. The attached CV provides more detail of my responsibilities, which have spanned leadership roles across different business and ownership models (FTSE, Mutual, Public Sector, Private Equity owned), industry sectors (banking, insurance, health) and geographic markets. The breadth and depth of this experience, and the range of situations encountered, allows me to have an appreciation for “what good looks like” and to challenge and support management to deliver impressive performance.

My experience over 7 years as Vice Chair, NHS England, has given me an understanding of the differences in serving as a Non-Executive Director in the public sector, and the benefit of bringing together commercial benchmarks and approaches with the distinctive objectives and ethos of public service. I also have an appreciation of the critical importance of the interaction between the organisation, officials and government as well as the challenges inherent in effectively communicating strategy and policy choices whilst remaining firmly within the limits of the organisation’s mandate. I believe this combination of private and public sector experience will be relevant and useful.

¹If the Committee would be interested to read further, the best encapsulation of the role of Court can be found here: [Governance of the Bank of England including Matters Reserved to Court | Bank of England](#)

I have been a Chair or Deputy Chair for over 10 years, serving four very different organisations. I have designed and implemented corporate governance systems and ensured each organisation operated to the highest standards, as reflected in external Board evaluations.

As a Chair, I believe strongly in building boards with deep cognitive and experiential diversity. At Beazley and Nationwide Building Society I built diverse Board teams: recruiting and developing Non-Executive Directors with a wide range of background and experience, for example in areas such as digital transformation, technology, and data. Alongside Board composition, Board culture is a critical factor in building high performing Boards. Trust, respect, integrity, and a willingness to share and listen are key, and I have been able to build highly effective, challenging but supportive Boards.

I have overseen four CEO/ broader leadership team transitions and have a proven track record in building diverse management teams. My commitment to developing talent runs deep. I believe I have a good “nose” for talent and have significant experience in developing Executives, particularly as they transition into Board roles. I anticipate this experience could be useful in the years ahead.

I have a proven ability to build a highly effective relationship with a CEO. This partnership is critical to the effective operation of the Board and the wider organisation. I have interacted with the Governor in my capacity as Chair/ Deputy Chair of regulated entities. I am confident I can develop a strong “Chair/ CEO” relationship based on mutual trust. However, this alone is not enough; Court has the ultimate responsibility for the performance of the organisation, excluding the formulation of policy. Therefore, the relationship must be transparent, objective and dispassionate, with the Chair and Board holding the Governor to account for performance and delivery in the areas for which Court is responsible.

Having been a CEO through the financial crisis, working with government, officials, regulators and owners to rescue a bank in the most challenging of times, I have real empathy with the demands of the job. My approach as a Chair is to be a “critical friend and coach”, who is supportive but also challenging. I believe in the power of objective 360 feedback as a means of improving performance. I have proven in my Chair roles that I can build such a relationship with four very different characters, bringing insight, experience, challenge and ideas to enable them to perform to the maximum.

My skills and experience have been primarily in running and operating businesses. I have a broad understanding of the challenges inherent in running and operating businesses, particularly in areas such as technology transformation and the move to become a data led organisation, along with the critical implications for operational resilience, for example in areas such as cyber security. I would therefore hope to be able to oversee, support and challenge the Bank management as they lead the cultural and operational transformation likely to be required in the years ahead.

For the last 39 years my career has been centred in financial services. I have deep experience in all aspects of banking and latterly insurance. I have served and led businesses and Boards through recessions, crises, restructuring and transformation. I understand financial services markets, particularly banking and insurance. Whilst I am not a deep expert in trading in securities, foreign exchange or money markets, my roles have given me an appreciation of their dynamics, particularly wholesale funding markets. I am confident this broad based, practical experience would be relevant – providing advice and challenge to the Bank where appropriate within the remit of Court.

My career has been founded on building effective, trusting relationships with a wide range of differing stakeholders. Whether as a CEO or as a Chair/ Deputy Chair, interacting and presenting to colleagues, clients, owners, regulators, officials, the public, media and government, I have been able to build an understanding of the differing perspectives of each party, and thus influence the debate

to reach sensible and pragmatic conclusions. These skills and experiences, tested over many years and in a wide variety of situations, should equip me to fulfil a critical aspect of the Chair of Court's role; namely, to represent the Bank, when necessary, to contribute to efforts to increase understanding of its role and work amongst key stakeholders.

6. What do you see as the advantages and disadvantages of your assuming the role of Chair, having never served on Court?

I have experience of assuming the role of Chair having never served the organisation in any capacity. In the case of both Nationwide Building Society and Beazley plc I joined direct as Chair.

As is inherent in the question, my own experience suggests there are both advantages and disadvantages in joining an organisation direct as Chair. These can be summarised as the balance between the benefits of a fresh pair of eyes, new perspectives, differing benchmarks and complete independence and objectivity, set against the challenges of a lack of in-depth knowledge of the culture, capability and operational effectiveness of the organisation, the absence of trusted relationships and the risk of not understanding history and context.

I have interacted with the Bank as a "regulatee" throughout my career. Therefore, I start with some knowledge and perspectives, albeit from one specific vantage point. I intend to invest heavily in my induction across all parts of the Bank. My goal would be to learn quickly the "mechanics" and "hydraulics" of the organisation, including getting to know people at all levels of the Bank to build up a clear assessment of the current culture, capabilities and operational effectiveness. In building this picture, it will also be important to gain perspectives from key stakeholders and to listen carefully to supporters and critics alike. I also intend to seek out best practice in central banking to ensure I can calibrate any assessment against best in class.

The Bank of England's Court is quite a unique body, combining both private sector and public sector interests. Ordinarily, it would be challenging for a new Chair to get up-to-speed quickly on the issues inherent in operating within this environment. Whilst I recognise I have much to learn, I have significant experience in operating in a similar structure through my time on the Board of NHS England.

Most fundamentally, it is important to stress the role of the Chair is to lead Court. As such, I can lean on a set of talented and experienced colleagues to help form judgements. I will rely heavily on my fellow Directors, both Non-Executive and Executive, to ensure we collectively fulfil our mandate to lead and oversee the performance of the Bank. There is considerable change in the composition of Court, with a number of new Non-Executive Directors in the process of being recruited. It is important that this process comes to a swift conclusion in order for the Bank to benefit from wide experiences and new perspectives.

7. By what criteria should your record as Chair of Court be judged?

The core mission of the Bank is "to promote the good of the people of the United Kingdom by maintaining monetary and financial stability". My record as the Chair of Court should be judged against delivery of this mission over the next four years.

Whilst Court is not responsible for policy decisions, it is accountable for enabling successful policy and for ensuring the Bank has the necessary culture, capabilities and operational effectiveness to meet its day-to-day responsibilities.

As such, the questions I would ask myself in judging my record would include, amongst many:

- ◆ How effective has the Bank's delivery been when set against the core mission and key mandates?
- ◆ Does the Bank have an effective, inclusive culture that encourages diversity of thought and focuses on delivery?
- ◆ Is the Bank recognised as having and nurturing great talent?
- ◆ Is the Bank recognised as being an international leader in policy development?
- ◆ Does the Bank have a clear idea of what central banking looks like in 5-10 years' time, understand the future capabilities required to fulfil its mission and have a plan to deliver them?
- ◆ How much progress has the Bank made in transforming its technology and operations to meet its current and future needs?
- ◆ Is the Bank an effective steward of public money?

8. What do you see as the current challenges and risks faced by the Bank of England, and what role will Court play in tackling those challenges?

We are clearly in very challenging times. The market movements of recent days – at the time of writing – attest as much. The Bank is working in a very volatile operating environment. The Russian invasion of Ukraine has had huge consequences for the global economy, coming on top of the dislocations of the Covid pandemic. There is legislative change here in the UK, as the Government moves its Financial Services and Markets Bill, which will impact aspects of the Bank's work.

The unpredictability of the outcomes from these changes and the speed at which change is occurring will test the Bank's capability and capacity to respond to the full. Fundamental to Court's role in overseeing performance will be to ensure the Bank has the optimal strategy, capabilities, culture, and resources to fulfil its mandate and deliver its mission.

I would highlight the following current challenges and risks:

- a. **Meeting the inflation target.** It is clearly vital the Bank uses all the tools of monetary policy to return inflation to its current target. Policy decisions are for the MPC. The role of Court is to ensure the Bank has the right capability, data, processes, and culture to enable the MPC to make the best possible decisions.
- b. **Maintaining financial stability in very challenging times.** The volatile external environment highlighted above will demand the Bank uses all its engagement and analytical capability to identify potential risks to financial stability and design suitable interventions to avoid or mitigate potential risks. Policy decisions are for the FPC and PRC, operating within the aggregate Financial Stability strategy approved by Court. In addition to signing off the strategy, the role of Court is to ensure the Bank has the right capability, data, processes and culture to enable the policy committees to make the best possible decisions.
- c. **Preparing for the changes arising from the Financial Services and Markets Bill.** The changes proposed within the Bill including greater accountability and oversight by Parliament, the introduction of a secondary competitiveness objective, and the potential inclusion of an intervention power (should this be introduced as an amendment to the Bill) will have profound implications for the PRC and FPC were the Bill to be enacted. Policy and decision making is for the PRC and FPC. The role of Court is to ensure the PRC and FPC have been supported by the Bank Executive in considering the implications for capability and current operating processes to meet the new requirements.

- d. Transforming the Bank's technology and operations.** Like many organisations, the Bank is facing challenges in modernising its technology and operational capability, whilst ensuring continued operational resilience, information security and value for money. My response to Question 10, below, elaborates further on the challenges. The role of Court is to oversee the development of the strategy, investments, risk mitigation and progress. In particular, ensuring the Bank has access to the resources and capabilities necessary to execute and lead the change.
- e. Preparing for future developments.** The challenge of dealing with the current operating environment cannot mean that the Bank ignores or under-prepares for future change. For example, Central Bank Digital Currencies, the impact of RegTech or the rise in the use of Big Data and Artificial Intelligence. The role of Court will be to ensure the Bank identifies the implications of these developments for fulfilling its mandate and objectives and takes on a leadership role domestically and internationally, as appropriate. In addition, Court will need to ensure sufficient resources are devoted to these initiatives and that they are not "crowded out" by the impact of day-to-day activities.
- f. Ensuring the Bank has the right capability, culture, and resources to fulfil its mandate and objectives, now and in the future.** The core to any high performing organisation is the importance of a vibrant culture and deep-rooted capability. In my judgement, overseeing this is one of the key roles of any Board. The Bank is no different, and hence Court plays a vital role in overseeing the leadership of human capital. This includes delivering on the recommendations from the Court Review of Diversity and Inclusion, focusing on succession planning, understanding current and future capability needs, ensuring operational efficiency, value for money and the adequacy of budgets as well as building on the Bank's reputation as a good place for colleagues to develop, contribute and learn.
- g. Maintaining the Bank's reputation.** The legitimacy of any institution to fulfil its mandate is rooted in its reputation for trust, impartiality and competence. The Bank has many stakeholders each of whom have many differing perspectives, objectives and motives. As such, the Bank is the subject of significant commentary and external pressure. Therefore, the Bank has to make good decisions and communicate the rationale for them clearly and consistently. This supports decisions that are taken and enables high quality, informed debate. Court is very conscious that policy decisions, and the associated communications, are for the relevant policy committees. The role of Court is to ensure the committees have access to the capabilities and resources necessary to fulfil their mandates and to communicate clearly and independently, consistent with their statutory objectives.

9. What experience do you have in encouraging diversity within institutions?

Diversity of thought and experience is critical for good decision making and the avoidance of "group think". Promoting a culture that respects and encourages different backgrounds and experiences is essential if an organisation is to attract and retain the very best talent. Whilst diversity of experience and thought is a necessary condition, it is not sufficient. It is the inclusion of everyone in the work of an organisation that is critical, with all colleagues feeling able to express their views and contribute fully and effectively.

I have significant experience in building strong cultures within organisations. At both Nationwide Building Society and at Beazley plc, during my tenure, significant progress was made in broadening and deepening the organisation's talent pool and making certain the business was a good place to work with real opportunities irrespective of background. In both organisations, the Boards met all the current and prospective Code and FCA targets for gender and ethnicity in large financial services businesses. In both organisations, the Executive Committees and wider senior management pipelines were tracking towards externally published targets. At Beazley 43% of senior management

including the CFO are female and 23% of colleagues including the CRO are from an ethnic background, whilst at Nationwide, 45% of the Executive Committee including the newly appointed CEO were female.

Diversity and inclusion is about skills, experiences and background. However, it is also important to ensure Boards and senior management have breadth of experience across different disciplines and ways of working from across differing organisations. For example, in areas such as technology, data, and digitisation. Again, both Nationwide's and Beazley's Boards during my tenure broadened their collective Non-Executive Director skills to include such capability.

My experience suggests the following needs to be in place to build a diverse and inclusive culture:

- ◆ Strong, sustained commitment and leadership from the Board and Senior Management team – the tone from the top and the fact the top teams over time need to set a standard for the organisation to emulate.
- ◆ Importance of role models.
- ◆ Active communication and development support to encourage inclusive conversations.
- ◆ Complete commitment to a meritocracy, supported by rigorous process and data.
- ◆ Support for middle management.

Whilst the Bank can and will continue to make progress across the organisation, the most senior appointments (Governor, Deputy Governors, Chair of Court and Non-Executive Directors) are made by Government. Court will have an important role to support effective succession planning to ensure the Bank can provide highly qualified, talented and diverse internal candidates for consideration during the appointment processes.

10. What challenges do you think the Bank faces regarding technology, and what experience do you have in overseeing such challenges?

Like most organisations, the Bank is facing significant challenges in technology transition. The move to cloud based operating infrastructures, the adoption of advanced data analytics, obsolescence and "end of service life" challenges, and the digitisation of processes are testing all technology teams to the full, and the Bank is no exception. Successful technology transformation will require sustained investment over a number of years, both in the technology operating environment and in human capital. Whilst it is early days, my initial impression is the Bank has under-invested in technology for a considerable time relative to private financial services firms and has a significant journey ahead of it. From early conversations with the Governor and the senior team, I know this is well understood. However, to resolve the situation will likely require additional investment to ensure the Bank has the requisite capabilities or avoid unacceptable operational risk.

Building on-going capability to design and execute such transformations is very challenging at present, with skills at an absolute premium. In common with most organisations the Bank needs to transition from legacy skills to the new skill sets required to implement and manage a modern technology architecture. In this regard it will be important to stress the Bank's public service mission to offset the remuneration challenges being faced by all firms for scarce technology resources.

The Bank's day-to-day activities include the operation of infrastructure that is critical for the UK economy, the Real Time Gross Settlement (RTGS) service. RTGS underpins the financial system by enabling money to move around the system safely and seamlessly. To give some idea of scale, RTGS processes an average of £720 billion of payments every working day. The Treasury Committee will

be aware the Bank, in consultation with industry, is undertaking a very significant, multi-year investment to modernise and renew RTGS.

In common with all central banks, the risks from cyber-attack continue to grow. The Bank has been especially vigilant in this area and has invested significant sums to build a strong defensive capability. This is of course a never ending battle and such investment will need to continue. Effective operation of the Bank's systems is vital to the smooth running of financial markets. As such, operational resilience, information and system security and major system renewal/investment clearly requires active management and oversight. I know Court has already been heavily engaged in this process under the previous Chair and I will ensure this continues.

As a Chair of large-scale financial services organisations, I have significant experience in the governance and oversight of such challenges. In my Executive career I managed and oversaw large scale technology and data programmes. Specific examples of enhanced Board level oversight adopted across Nationwide and Beazley include:

- ◆ Creation of the Board IT Resilience Committee at Nationwide to provide in-depth oversight and governance of technology operations, capabilities, and investments.
- ◆ Recruitment of Non-Executive Directors and Board Advisors with specific skills in technology transformation and cyber security.
- ◆ Development of tailored Board external assurance programmes to cover for example cyber security or the build out of a £1bn+ Technology Programme.
- ◆ Specific Board training and development programmes including areas such as cyber threats, advanced data analytic capabilities, operational resilience "state of nation".

Governance and oversight of the Bank

11. What is your current impression of the level of trust in the Bank as an institution?

The Bank operates at the centre of the economy and is rightly held to very high standards, with trust essential for its legitimacy amongst key stakeholders. The Bank is one of the critical pillars in the UK financial system. Parliament has, wisely in my view, entrusted the Bank with independent policy making and regulatory powers, and these are very important underpinning supports for the attractiveness of the UK as a destination for flows of capital. It is therefore essential financial markets trust the Bank to deliver, and be able to deliver, independent, predictable and transparent policy decisions.

When considering trust, I think of it as the combination of competence and motive. Both are necessary, but the latter is essential; without integrity and a commitment to operating independently for the good of the people of the United Kingdom, legitimacy cannot be guaranteed.

All stakeholders have opinions and can rightfully hold the Bank to account for its performance. Parliamentarians, government, officials and media will all have opinions on competence, based on their assessment of the current situation, the alternatives available, and their own particular point-of-view. However, what should not, in my view, be questioned are the Bank's motives. Personally, my current impression would be that irrespective of differing views on performance, core opinion formers still see the Bank operating independently and in line with its mission and statutory framework.

However, perhaps, the most important views are those of the public, as ultimately it is they the Bank serves. Levels of trust in the Bank have historically been relatively stable. There are a number of

publically available surveys that assess the level of trust in the Bank, including the Bank's inflation attitudes survey.² The results have remained broadly flat over recent years but have started to dip in some areas over the past year. For example, net satisfaction in how the Bank is setting interest rates to bring inflation under control has dipped from +18% to -7% over the past 12 months.³ That is perhaps unsurprising in the current environment. Inflation is clearly substantially above target and the public, rightly, expects the Bank to deliver that inflation target and is concerned it has not done so. The test with regards to public trust in the institution will be where these surveys come out as the Bank continues to take action to control inflation and where levels of trust settle when inflation has come back to target.

Maintaining trust in the face of the current challenges of inflation and the impact on living standards, allied with the implications of rising interest rates for households and businesses, requires decisive action and first-class communication. Success requires stakeholders to understand the need for measures which may feel unwelcome at the time they are taken. They will also need to understand the consequences of the Bank not following this through, and the fact the Bank operates independently and without fear or favour. It will be a core role for Court to ensure the Bank meets these requirements with effective communications.

Accountability is another important element in engendering trust. Public credibility is dependent on effective scrutiny by Parliament, and I am committed to continuing the work done by my predecessors in ensuring the Bank supports this vital oversight process.

I recognise trust in the Bank is a very important subject, and one where I need to hear direct the views of all key stakeholders. I would therefore be very interested to hear the Committee's views on this question.

12. What is your current position on the financing of the Bank, and potential changes to the financing mechanism?

The Bank's Court of Directors is responsible by statute for setting the Bank's strategy and budget. Court sets the budget each year after an extensive challenge process and after consultation with HMT as the sole "shareholder".

I have yet to form a view on the likely trajectory of the Bank's budget going forward. What is clear to me at an early stage is that, in common with most financial services organisations, technology operating and investment costs are only likely to increase. However, I have not yet been able to form a view on likely quantum, nor the opportunity for offsetting efficiencies based on improved productivity. This will undoubtedly be an area where Court will want to understand both the short-term position and the outlook for future years in order to judge the optimal level of spend.

The Bank currently finances itself through five main routes:

- ◆ Policy functions are financed by the Cash Ratio Deposits Scheme (CRD)
- ◆ Provision of directly attributable services are recharged to customers, for example services to HMT
- ◆ Regulatory and supervisory expenditure under the PRA or FMI is recovered from supervised firms,
- ◆ The Bank charges for the cost of producing banknotes, and

² [Inflation Attitudes Survey](#)

³ Comparison of August 2021 to August 2022, Inflation Attitudes Survey

- ◆ Income is earned directly from investing the Bank' capital and reserves (largely in gilts).

There is, I believe, change coming, with the replacement of the CRD scheme with the BoE Levy, which applies to Deposit-Taking Institutions. This Levy is part of the Financial Services & Markets Bill, which has been introduced to Parliament and is anticipated to receive Royal Assent in Spring 2023. In common with the responses to the Consultation, I support the change. It will provide greater predictability of income for the Bank, which will aid planning and performance, and will improve transparency and accountability to the public and to those firms paying the Levy.

I do not subscribe to the view expressed by some that the move to a Levy based structure will increase the influence of HMT and impact adversely the Bank's operational independence. The existence of the Levy does not in any way change the accountability and responsibility of Court, nor the current arrangements with HMT for budget setting, dividend capacity or capital adequacy. Good governance respects the right of the shareholder to test for value-for-money and effective stewardship.

13. To what extent do you think that wide public understanding of the role of and decisions made by the Bank of England are important for its accountability and effectiveness, and what is your assessment of the current state of public understanding?

I touched on this in my answer to question 11, with an emphasis on the importance of competence and motive in building trust, thereby ensuring legitimacy. Wide understanding of the role and decisions made by the Bank is therefore very important if the public is to support the independence and decision-making powers of the Bank. Ultimately, the better informed the public are the better informed debate about those decisions will be. Those high quality debates are a vital part of ensuring the Bank is held to account effectively and appropriately.

I am not yet in post as Chair of Court, so my impressions of the level of public understanding are primarily drawn from experience outside the Bank. However, I would make the following observations at this point.

First, the public has a strong awareness of the Bank of England as an institution. It has name recognition, in other words. It is also seen as an authoritative voice on the economy. One can see that in the weight the media, parliamentarians and financial markets attach to its economic forecasts. In its own public surveys, one can also observe a remarkably strong level of awareness that it is the Bank, rather than – for example – the Government that sets interest rates, which then impact their mortgages and savings. Nearly three-quarters of the public understand that to be true.

Second, I would observe that the public level of understanding of the Bank's various functions and responsibilities does vary substantially between those functions. While a great majority of the public understand that the Bank designs their banknotes and sets interest rates, general understanding of the Financial Policy Committee – for example – is lower. I know the Bank would like to improve that, as its work in supporting financial stability is vital, as recently demonstrated by the Bank's intervention in the gilt market.

Third, I would suggest that – aside from the public itself – it is important that we recognise that different stakeholder groups seek different levels of understanding. Financial markets, for example, need deep understanding of the technical details of the Bank's work, as this is vital to their ability to make reasonable judgements about the direction of policy. So the Bank must ensure it is clear, frequent and transparent in its communications with them to ensure its policies are effective. Parliament also needs to be able to understand the work of the Bank in considerable detail –

particularly so, I know, on this Committee – in order to exert proper scrutiny as the public's elected representatives. While members of the public may not, understandably, spend huge amounts of time seeking to understanding the work of the Bank, supporting a good level of understanding within such key groups in society helps the Bank maintain its legitimacy with the public as a whole.

One important element in building greater understanding of the Bank and its role is accessibility. As the Committee will be aware, Bank officials spend considerable time visiting local communities, schools, and businesses. The Bank's agents play an important role in ensuring local perspectives are represented and actively considered in policy making. I fully support this outreach programme and intend to play my own part in furthering understanding of the Bank.

When considering all these different audiences, the Bank must ensure they understand the decisions that are relevant to them. I am committed to supporting the organisation in fulfilling this aim. While it is not for Court to explain decisions of the Bank's statutory policy committees, Court can support effective communication through oversight of the Bank's strategy and ensuring that its resources are deployed effectively. I will certainly seek to do so.