



BANK OF ENGLAND

Mark Carney
Governor

Rt Honourable Andrew Tyrie MP
Chairman, Treasury Select Committee
Committee Office
14 Tothill Street
London
SW1H 9NB

25 May 2016

Dear Andrew,

Further to our exchange yesterday and your subsequent letter, please find enclosed the Bank's internal guidance about public communication during the EU referendum campaign.

This guidance was discussed at Court and circulated to all Bank staff, including MPC, FPC and PRA members and is in addition to our normal codes of conduct that are available on our website. I have also included in the attachment the guidance on external communications for non-executive directors that has been agreed by Court.

I would emphasise two points that we discussed at yesterday's hearing.

First, the Bank has overriding mandates set by Parliament, and is accountable to Parliament not to individual ministers. The Bank therefore does not act in support of ministers campaigning for government policy.

Second, the Bank will continue to conduct business-as-usual activities, including the publication of the MPC minutes for the June meeting, on 16th June, which will provide a full record of the MPC's deliberations and the factors the Committee considered relevant to its monetary policy decisions.

Yours faithfully,
Mark Carney

1. PRINCIPLES FOR PUBLIC COMMUNICATION DURING THE REFERENDUM CAMPAIGN

As you will be aware, the government has called a referendum on the UK's membership of the European Union for Thursday 23 June. The Minister of State for Europe has confirmed that pre-referendum purdah will begin on Friday 27 May. Specific guidelines for Non-Departmental Public Bodies will be issued by the Cabinet Office, most likely not until immediately before the purdah period. Their broad thrust is likely to be similar to those issued ahead of the Scottish referendum and in line with the guidelines on civil service involvement in the run up to that referendum which were issued on 22 August 2014 and can be accessed via <https://www.gov.uk/government/publications/election-guidance-for-civil-servants>

In the interests of planning, this note sets out the guiding principles for Bank of England communications during the pre-referendum purdah period (27 May – 23 June). If you have an event which falls within the purdah period, the Communications Directorate will be in touch to discuss whether it can go ahead.

Implications for the Bank

- Non-Departmental Public Bodies and other arm's length public sector bodies are defined by Cabinet Office as those organisations that spend public money and make public announcements, use Government property and can employ civil servants.
- The Bank is not strictly speaking, a non-departmental public body and therefore not subject to the official guidelines. However, given its wide ranging public policy responsibilities, it is generally considered advisable for the Bank to follow the spirit of Cabinet Office guidelines.
- In doing so however, it must be recognised that the essential business of the Bank must be carried out, and be seen to be carried out. The Bank has clearly defined responsibilities for monetary policy, issuance of bank notes, microprudential supervision of banks and insurers, and financial system stability. The Bank is duty-bound to deliver on its objectives for these responsibilities, regardless of the political environment.
- That said, the referendum campaign will be highly politicised. Our independence and impartiality will be under intense scrutiny and as such, the Bank should exercise discretion in all its communication activities.
- There is also an important exception to following Cabinet Office guidelines. For the pre-purdah period, those guidelines state that civil servants should support government ministers campaigning to remain in the EU, as that is the official government position. However, the Bank has overriding mandates set by Parliament, and is accountable to Parliament not to individual ministers. It is therefore appropriate we stick to that mandate rather than feel duty bound to support government policy.

Guiding principles for Bank of England communications during pre-referendum purdah

(27 May to 23 June inclusive):

- **Bank officials and policy committee members should not accept** any invitations for public speeches/remarks that take place in the UK, or any public speeches/remarks that take place outside the UK, if their content relates to economic, financial or regulatory issues relevant to the UK.¹
- Any pre-arranged public speeches should be reviewed with a view to making them private (off-the-record, closed to media) or cancelled. It should be noted that, at present, the annual Mansion House dinner is scheduled to be held on Wednesday 22 June. This may be subject to change, but if not, the Governor will deliver a speech, as usual.

¹ This should allow sufficient scope for policy committee members, such as external MPC members, who may have international academic remarks planned, which are completely unrelated to UK domestic issues.

- Private, off-the-record or Chatham House speeches should also be treated with utmost caution. The Communications Directorate's view must be sought prior to accepting any speaking engagement.
- Bank officials and policy committee members **should avoid appearing at public events where campaigning politicians are present.**
- Bank officials and policy committee members **should attempt to minimise official regional visits during the pre-referendum purdah period,** and **should restrict those regional visits** to activities such as company visits and off-the-record roundtable discussions. **No regional media or public speaking engagements** should be part of such regional visits.
- Bank officials and policy committee members **should not accept interview requests during the pre-referendum purdah period,** and **should not hold off the record meetings with press.**
- **Any pre-recorded interviews** should be arranged such that **they first air before or after the purdah period** noted above.
- **Any regularly scheduled policy-specific communications should continue as planned** (eg rate announcements, MPC/FPC meeting minutes and records, IR and FSR press conferences, publication of PRA policy-related documents etc).
- With respect to **non-essential or non-time sensitive publications,** such as working papers and certain PRA policy documents, **consideration should be given to publishing them outside of the purdah period** (especially those that may be politically sensitive but can be published outside of purdah in such a way that they do not inhibit the carrying out of the Bank's policy responsibilities).
- **Any potential conflicts** with the guidelines as set out above **should be discussed with the Chief Press Officer and/or the Executive Director of Communications** in the first instance. If a satisfactory resolution cannot be found, **such conflicts should be escalated to the Governor.**

It is also worth noting that local elections will be held on Thursday 5 May for the London Mayor, Scottish parliament and Welsh and Northern Ireland assemblies. The Bank does not typically observe official purdah ahead of local elections as the institution is accountable to the public via the Westminster parliament not regional parliaments. It is, however, worth being mindful they are happening. Finally, depending on the outcome of the referendum, **any events organised for after 23 June could be subject to review and adjustment/cancellation** via discussions with the Chief Press Officer/Executive Director of Communications.

2. Policy on external communications for non-executive directors

It is recognised that many Non-Executive Directors (NEDs) will routinely have dealings with the media in relation to their own business activities. The Bank does not wish to limit this. But NEDs should not normally comment to the media on the Bank or on issues with which the Bank is vitally concerned. These would include monetary policy, financial stability and regulation, markets, relations with the EU and other international financial questions. Should they wish to do so, they are asked to discuss their plans with the Bank's Director for Communications and the Chairman of Court. Plans for op-ed articles or letters to newspapers which are relevant to the Bank should always be discussed with the Director of Communications.

Non-Executive Directors should promptly inform the Communications Director if approached by a journalist asking questions about the Bank. In some instances, journalists may approach a number of Court members in pursuit of a story and it is helpful to be able to warn others. It would also be helpful if the Director for Communications could be told about meetings with politicians at which the Bank is discussed substantively.

It is recognised that in normal social and business life NEDs will often be asked about the Bank. However NEDs are asked to be mindful of the dangers of information or views expressed in private meetings eventually reaching a wider public.

3. Codes of conduct for MPC members, FPC members and staff

These can be found at the following links:

MPC Members: <http://www.bankofengland.co.uk/monetarypolicy/Documents/mpccoc.pdf>

FPC Members: <http://www.bankofengland.co.uk/financialstability/Documents/fpcoc.pdf>

"Our code" for staff members:

<http://www.bankofengland.co.uk/about/Documents/humanresources/ourcode.pdf>