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MINUTES OF THE MONETARY POLICY COMMITTEE MEETING 7 AND 8 NOVEMBER 2012

These are the minutes of the Monetary Policy Committee meeting held on 7 and 8 November 2012.

They are also available on the Internet

<http://www.bankofengland.co.uk/publications/minutes/Pages/mpc/pdf/2012/mpc1211.aspx>

The Bank of England Act 1998 gives the Bank of England operational responsibility for setting interest rates to meet the Government's inflation target. Operational decisions are taken by the Bank's Monetary Policy Committee. The Committee meets on a regular monthly basis and minutes of its meetings are released on the Wednesday of the second week after the meeting takes place. Accordingly, the minutes of the Committee meeting to be held on 5 and 6 December will be published on 19 December 2012.



MINUTES OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 7 AND 8 NOVEMBER 2012

1 Before turning to its immediate policy decision, and against the background of its latest projections for output and inflation, the Committee discussed financial market developments; the international economy; money, credit, demand and output; and supply, costs and prices.

Financial markets

2 Sentiment had improved further over the month as recent central bank actions, particularly in the United States and euro area, were interpreted as having reduced tail risks. Further easing of monetary policy and the introduction of a facility to lower bank funding costs by the Bank of Japan had contributed some additional stimulus. There had been continued signs of increasing risk appetite on the part of investors, especially in the United States.

3 Short-term sterling interbank interest rates, relative to market expectations of Bank Rate, had continued to fall on the month, as they had since the original announcements of the Funding for Lending Scheme (FLS) and activation of the Extended Collateral Term Repo (ECTR) facility, and, subsequently, announcements regarding the ECB's Outright Monetary Transactions (OMT) programme. Three-month LIBOR-OIS spreads had fallen to around thirteen basis points – close to pre-crisis levels. Similar falls had been evident abroad.

4 Peripheral euro-area sovereign bond yields, relative to those of comparable German government bonds, had been relatively stable on the month. The Italian and Spanish governments had successfully completed some sizeable debt issuance. And the Portuguese government had been able to extend the maturity of some of its debt via a bond exchange. In the United Kingdom, ten-year nominal gilt yields had risen slightly on the month. The sterling effective exchange rate index had been stable, and the euro had depreciated a little against the dollar.

5 Measures of bank funding costs had fallen further during the month in the United Kingdom and overseas, with funding costs of the major European banks declining towards the levels of large

non-financial companies' for the first time since 2009. Internationally, non-financial corporate bond spreads over risk-free rates had continued to narrow in both the investment-grade and high-yield markets. Equity prices had been roughly flat in the United Kingdom and euro area, but had fallen slightly towards the end of the month in the United States. The impact of post-tropical cyclone Sandy on US financial markets had been relatively limited, although some markets had seen modest signs of stress, or had suspended trading, for a short period.

6 Overall, the further improvement in financial market conditions had been encouraging. There were signs of increased risk appetite from investors, although it remained considerably lower than in the years leading up to the financial crisis. Some of that improvement in market sentiment could be ascribed to a stabilisation in the economic outlook. For instance, recent developments in the US housing sector had encouraged greater activity in the mortgage-backed securities market. Nevertheless, substantial downside risks to the outlook remained, stemming in particular from the euro area, the outlook for US fiscal policy, tensions in the Middle East and rebalancing challenges in China. And it was probable that some of the increased demand for risky assets was a consequence of central bank policies, especially large-scale asset purchases, with investors seeking to rebalance their portfolios as safer assets were removed from the market. There was some evidence from market contacts that participants had come to expect that such asset purchase programmes would remain in place for longer than had previously been anticipated, creating additional incentives to progress with portfolio rebalancing plans.

7 It remained to be seen how far the improvement in global market conditions would be transmitted directly to the real economy, for instance via greater credit extension and spending, or to what extent it would instead be used as an opportunity for companies and banks to consolidate and strengthen their balance sheets.

The international economy

8 In the euro area, the composite purchasing managers' index (PMI) had fallen a little further in October and indicated a continued contraction in activity in the fourth quarter. Industrial orders in Germany had weakened in September. The announcement of the ECB's OMT programme earlier in the year had continued to compress peripheral-country sovereign debt yields. Moody's had reaffirmed the Spanish sovereign debt rating. And bank funding costs in the euro area had continued to fall. For the first time since early 2010, a Portuguese bank had been able to issue senior unsecured debt without

a government guarantee. In Greece, where the situation had not improved, the Parliament had approved a further €13.5 billion of spending cuts and tax increases. A further vote on the overall Greek budget plan was scheduled for the weekend following the MPC's meeting. Its approval would be necessary for the EU and IMF to release the next tranche of support finance.

9 In the United States, output was estimated to have increased by 0.5% in the third quarter, somewhat in excess of market expectations. Employment growth had strengthened, with non-farm payrolls increasing by 171,000 in October and data for previous months being revised upwards. Signs of a modest recovery in the US housing market had continued, with increases in both home sales and prices in recent months. The manufacturing PMI had edged up a little in October. Less positively, the non-manufacturing index had dropped back, although it remained consistent with an increase in output. And capital goods orders had remained weak in September. It was possible that these more negative indicators were related to uncertainty surrounding the future path of US fiscal policy. The US Presidential elections had taken place during the month, but it was too early to know how the results of the election would affect the outcome of the impending negotiations over the pre-programmed fiscal contraction. In any event, it was probable that some fiscal tightening was in prospect, which would be likely to weigh on activity. It was likely that the disruption associated with post-tropical cyclone Sandy would have a modest effect on economic activity.

10 Indicators in the emerging markets had tentatively suggested that activity was no longer decelerating. In China, the National Bureau of Statistics had estimated that output growth in the third quarter had increased to 2.2%, exceeding expectations. Moreover, revised data on the composition of Chinese demand over the previous two years had suggested that growth in domestic consumer spending had held up relatively well in the face of a slowing in the rest of the economy. This would help to rebalance the pattern of global demand and to reduce the imbalances built up in the years leading up to the global financial crisis and recession. Survey data had suggested a modest recovery in output growth in several other emerging economies.

11 Oil prices had risen earlier in the month, but had subsequently edged down so as to end the month fractionally lower. Industrial metals prices had fallen, although this had merely unwound the puzzling increase that had occurred in the previous month.

Money, credit, demand and output

12 UK output data during 2012 had been affected by a number of erratic factors, including the additional bank holiday for the Diamond Jubilee in the second quarter and the Olympic Games in the third. Moreover, there had been a divergence between the official output data and the steer provided by other indicators from business surveys. Consequently, it was particularly difficult to gauge the underlying state of the economy with precision. This had continued in the most recent data.

13 The ONS's initial estimate of GDP growth in the third quarter was 1% – stronger than anticipated at the time of the August *Inflation Report*, and considerably stronger than had been indicated by evidence on activity from business surveys. Within that, output in the service sector had increased markedly. Nevertheless, abstracting from erratic factors, it remained likely that underlying activity would be broadly flat over 2012 as a whole. Although it was difficult to estimate with accuracy, around a half of the recorded output growth in the third quarter probably reflected the expected bounce-back in activity following the reduction in output associated with the additional Diamond Jubilee bank holiday. In addition, it seemed possible that the temporary boost to output in the third quarter associated with the Olympic Games had been larger than previously anticipated by the Committee. Data from the monthly Index of Services suggested that industries such as transport, food and accommodation had seen buoyant growth in July and August that, on the basis of initial estimates, appeared to have subsided in September. Such an effect from the Olympic Games would unwind in the fourth quarter, and it was quite possible that the headline GDP data would register negligible growth in 2012 Q4, or perhaps even a contraction.

14 Most of the major business surveys had weakened in recent months. The Markit/CIPS services activity index had fallen in October to its lowest level since December 2010, when snow had adversely affected output. The business expectations index had also fallen. These indicators pointed to activity in the fourth quarter considerably weaker than expected at the time of the August *Inflation Report*. It was, however, difficult to know how much weight to place on such indicators, which had recently been less well correlated with the official output data.

15 Since the depreciation of sterling in 2008/9, the improvement in net trade volumes had added around 2% to the level of GDP. This had been less than expected, reflecting the weak global economy and reduced international demand for UK financial and business services. And, in part as a result of higher commodity prices, the improvement in the nominal trade balance had been even less marked.

Against that backdrop, the gradual appreciation of sterling between mid-2011 and mid- 2012 had been unwelcome. Since the turn of the year, the current account deficit had more than doubled to over 5% of nominal GDP in 2012 Q2. This was mostly a result of an abrupt reduction in estimated net investment income from overseas – concentrated in the net income earned on foreign direct investment. It was not at all obvious why this had occurred, raising the possibility that the most recent data might be revised or were erratic.

16 In contrast to the most recent business surveys, the monetary data had been more positive. Broad money growth had increased to an annual rate of around 4% in the third quarter, rather stronger than the growth of nominal spending. That was likely to have been boosted by the Committee's asset purchases. The increase in broad money was largely centred in households' money holdings and could suggest that an increase in nominal spending was in prospect. There had been a large increase in household sight deposit holdings since the middle of the year. While those deposits were easily accessible, however, it was possible that they were held for precautionary reasons and were unlikely to be used to finance consumption until some of the uncertainty about the economic outlook had diminished.

17 Bank lending growth to the private sector had remained weak. It was too early to assess the impact of the FLS by reference to lending flows, but encouraging signs concerning the impact of the Scheme had continued to emerge. Over the month, the number of banking groups participating in the FLS had doubled to 30. Those institutions accounted for around 80% of all bank lending to the UK real economy. Bank funding costs had continued to fall, in part helped by banks' access to the FLS. And the rates quoted on new fixed-rate household mortgages, including high loan-to-value ratio mortgages, had declined by an average of around 20 basis points in October. Given the available data, it was more difficult to gauge the Scheme's prospective impact on business lending. Bank lending to private non-financial businesses had continued to fall in 2012 Q3. But this had been offset by strong net capital market issuance such that total net finance raised by private non-financial companies had reached almost £5 billion in the third quarter – the strongest quarterly flow in over three years.

Supply, costs and prices

18 Twelve-month CPI inflation had fallen to 2.2% in September from 2.5% in August. That was three percentage points lower than a year earlier. In line with the usual pre-release arrangements, an advance estimate for twelve-month CPI inflation of 2.7% for October had been provided to the

Governor ahead of publication. Although a detailed breakdown of that figure was not available, it seemed that CPI inflation had been boosted by around 0.3 percentage points by the recent increase in undergraduate university tuition fees. This contribution was a little larger than assumed by the Committee in the August *Inflation Report* projections. It was expected that tuition fees would continue to contribute to inflation for the next three years as an increasing proportion of undergraduate students became subject to the new higher charges, although the precise impact on CPI inflation would probably vary from year to year.

19 In addition to the effect of higher tuition fees, there were a number of other idiosyncratic influences that would push up on inflation over the coming months. At the time of the August *Inflation Report*, based on the futures prices for wholesale energy prevailing at the time, the Committee had assumed that domestic gas and electricity prices would increase by an average of 2.5% around the turn of the year. Since then, there had been price announcements by five of the major six utility suppliers considerably in excess of that, covering around 80% of the domestic market. It now appeared likely that gas and electricity prices would increase by an average of around 8%, with price rises concentrated in December. This would add around 0.4 percentage points to CPI inflation by early 2013. In addition to wholesale energy costs, the utility suppliers, as well as OFGEM, had pointed to increases in other costs – such as network and distribution charges and the costs of complying with environmental legislation – as a cause of the price increases. It seemed likely that these costs would continue to increase in coming years, so that, even without increases in global energy prices, further increases in domestic utility bills were likely. Finally, the planned increases in fuel duties would probably add around 0.2 percentage points to the rate of CPI inflation by April 2013.

20 Altogether, these idiosyncratic factors would probably contribute around one percentage point to CPI inflation by the middle of 2013, and the fact that these were likely to be larger than previously thought was the key cause of the upward revision that the Committee had made to its near-term inflation projection in the November *Inflation Report*. To the extent that these factors persisted into the medium term, other prices in the economy, including wages, would need to be correspondingly lower in order to achieve the 2% inflation target.

21 According to the Average Weekly Earnings measure, annual private sector total pay growth had remained at around 2% in the three months to August. Indeed it had remained broadly stable around that rate for the previous two years. Total employment had increased by 212,000 in the three months to August compared with the previous three months, with probably only around one-third of that

increase likely to reflect an increase in temporary employment related to the Olympic Games. The KPMG/REC survey for October suggested that strength in private sector employment growth might continue into the fourth quarter, although other survey indicators were more subdued.

Notwithstanding the bounce-back in output growth, private sector productivity growth had remained stagnant in Q3 and its level was probably around 3% lower than a year earlier. Consequently, private sector firms' unit wage costs had risen by around 5% over the previous year, compared with a historical average of a little over 2%.

22 The outlook for inflationary pressure in the medium term depended crucially on the balance between demand and supply capacity, and on the relationship between demand and productivity. In the central view described in the November *Inflation Report*, the gentle recovery in output growth was accompanied by a commensurate increase in productivity, lessening unit wage cost pressures. It was possible to imagine scenarios in which unanticipated demand developments, relative to that central case, might have relatively little influence on the outlook for inflation in the medium term, if they were also associated with similar movements in productivity. For instance, if demand recovered more quickly than assumed, and that was accompanied by an increase in supply capacity, then it might not add materially to domestic cost pressures. Similarly, there was a risk that demand growth would remain sluggish for rather longer than assumed in the November *Inflation Report* central projection. But this would not necessarily reduce inflationary pressure in the medium term if it were a consequence of persistent weakness in the supply side of the economy, perhaps as the deleveraging by, and degree of risk aversion in, the banking sector continued to weigh on productivity. But there were also scenarios in which productivity growth might recover to more normal rates in the absence of an increase in demand – for instance if firms shed labour that they expected to remain underutilised – resulting in downward pressure on inflation.

The November GDP growth and inflation projections

23 The Committee reached its policy decision in the light of its projections to be published in the *Inflation Report* on Wednesday 14 November.

24 Headline outturns for GDP in 2012 had been, and would continue to be, volatile, with the data affected by one-off influences such as the Jubilee and the Olympics. In Q3, output had increased by 1%. In Q4, that growth rate seemed set to fall sharply as the boost from the Olympics was reversed; indeed, it was possible that output would post a small decline.

25 Looking through that near-term volatility, the Committee's best collective judgement – on the assumptions that Bank Rate moved in line with market interest rates, the MPC's stock of purchased assets was held constant at £375 billion, and taking account of the new cash management arrangements for the Asset Purchase Facility – was for a sustained, but slow, recovery as some of the long-standing headwinds to growth gradually abated. Credit conditions were forecast to ease, in part as a result of the FLS. Household spending power, which had been eroded over much of the previous three years, was projected gradually to revive. More generally, output was expected to be supported by the stimulus from the MPC's past asset purchases.

26 However, the recovery was likely to be subdued by historic standards, reflecting the broader causes and repercussions of the financial crisis. In particular, the need for rebalancing in the global economy – especially in the euro area – looked set to cast a long shadow over growth. The UK fiscal consolidation was likely to continue to act as a headwind, but the projected gradual recovery in private sector spending reflected the supportive stance of monetary policy. Although domestic credit conditions were assumed gradually to become more favourable, this was likely to take time to filter through to the real economy. Taken together, these influences were likely to weigh on both productivity and demand into the medium term, potentially materially so. Demand and output would have been significantly weaker had it not been for the MPC's asset purchases.

27 Compared with August, the outlook for four-quarter GDP growth was weaker. In the near term, that partly reflected a renewed squeeze on real incomes from the imminent rises in household energy bills. It also reflected recent indications from business surveys of some softening in near-term underlying growth.

28 Further out, the weaker GDP profile reflected the judgement that the broader causes and repercussions of the financial crisis would bear down more forcefully on demand and productivity than assumed in previous *Reports*. There seemed a greater risk that the UK economy was in a period of persistently low growth. Compared with previous *Reports*, the Committee assigned less weight to the possibility that growth would be materially above its historic average. The level of GDP was more likely than not to remain below its pre-crisis level until towards the end of the forecast period.

29 Inflation had fallen sharply in the recent past. In Q3, CPI inflation was 2.4%, down more than two percentage points from its level a year ago. That said, the outlook for inflation in the first part of

the forecast period was higher than in the *August Report*. That in part reflected higher than expected outturns for inflation and the impact of unexpectedly large increases in household energy prices.

30 Inflation was likely to remain a little above target for the first part of the forecast period, with household energy bills – alongside other influences such as university tuition fees and idiosyncratic factors affecting food prices – imparting a degree of upwards pressure. There was uncertainty about the extent to which the effect of these influences would endure. That said, over time, inflation was likely to come down to around the 2% target, in part as the impact of external price pressures eased and as a resumption of productivity growth alleviated pressures on company costs.

31 External cost pressures – such as commodity prices – had been the single biggest driver of inflation fluctuations in recent years. And although the impact of these pressures was assumed to wane over the forecast period, they remained a key source of risk.

32 Overall, for the second part of the forecast period, the risks to inflation were broadly balanced around the target. But there was still a roughly three in four chance that inflation would be more than half a percentage point away from target at the forecast horizon.

The immediate policy decision

33 The Committee set monetary policy in order to meet the 2% inflation target in the medium term. Having fallen from a peak of 5.2% in autumn 2011 to 2.2% in September, CPI inflation had increased to 2.7% in October. That increase was more than expected, in part due to a greater than anticipated boost from university tuition fees. There were several factors that would probably cause inflation to remain somewhat above the 2% target for the next year or so: the continuing impact of the rise in university tuition fees, higher domestic gas and electricity prices, and increased fuel duties. There was little that monetary policy could do to influence those prices directly. In the medium term, the Committee's central expectation, described in the November *Inflation Report*, was that inflation would fall back to the target as external price pressures waned and a pickup in productivity caused domestic cost pressures to lessen. Nevertheless, there remained substantial risks around that central projection.

34 The news during the month on activity had been mixed. The third quarter GDP data had been stronger than expected, although much of that strength was likely to reflect erratic factors which would dissipate or unwind in the fourth quarter, perhaps leading to a small contraction in headline GDP.

Survey indicators of activity in the United Kingdom had continued to weaken, but employment growth had remained robust. Overall, it was likely that underlying output growth would remain sluggish in the near term. Financial market conditions, including those in bank funding markets, had continued to improve and there were signs of a stabilisation in activity growth in the United States and emerging markets. By contrast, output looked set to fall again in the euro area in the third and fourth quarters.

35 The Committee had been briefed on the Government's intention to normalise the cash management arrangements for the Asset Purchase Facility (APF) by transferring the gilt coupons received by the APF, net of interest costs and other expenses, to the Exchequer. This arrangement would initially result in cash payments from the APF to the Government. But, subsequently, it was likely to result in payments in the other direction, from the Government to the APF, as the MPC increased Bank Rate to more normal levels and unwound the APF's gilt holdings. The Committee was confident that the new cash management arrangements would in no way affect its ability to set the appropriate stance of monetary policy in order to meet the 2% inflation target. But the Committee would need to take account of the new arrangements in its policy deliberations. Because the Government intended to use the funds transferred to the Exchequer to reduce the stock of outstanding Government debt, the net result would be an increase in private sector cash holdings and a reduction in gilt holdings relative to what would have been the case under the existing arrangements. That was likely to have an effect essentially similar to that of purchases of gilts by the APF, and so the transition to the new arrangements would imply a small easing in monetary conditions.

36 While views differed over the exact impact of the MPC's asset purchases, the Committee agreed that demand and output would have been significantly weaker in their absence. The Committee discussed the likely effectiveness of additional asset purchases. There remained considerable further scope for asset purchases to lower long-term yields on government and corporate debt and support other asset prices. Indeed, it was possible that the impact of past asset purchases on asset prices had recently become greater. As market expectations of the likely duration of asset purchase programmes by central banks around the world had increased, so too had the incentives to amend investment strategies and reallocate portfolios towards riskier assets, such as corporate bonds and equities. But there was a question over the magnitude of the impact of lower yields and higher asset prices on the broader economy at the current juncture. It was not that asset purchases had become a fundamentally less effective policy tool, but rather it highlighted that the impact of any monetary policy instrument depended on the prevailing state of the economy. At the present time, it was possible that elevated uncertainty and a desire to reduce leverage meant that real activity was less responsive to lower

borrowing costs than normal. But this situation could easily reverse, and with it the traction that lower yields could have in stimulating demand and output.

37 The Committee also discussed the likely effectiveness of reducing Bank Rate to below 0.5%. Over the past few months, Bank staff had consulted with the FSA and the Building Societies Association on the possible consequences. In the light of that, the Committee had re-examined in detail the desirability of such an option. While it would be beneficial for some existing borrowers, there were concerns that a cut in Bank Rate might prove counterproductive for aggregate demand as a whole. Staff analysis had concluded that a further cut in Bank Rate would be likely to cause a reduction in the profitability of some lenders, especially building societies, because of the prevalence of loans with interest terms contractually or closely linked to Bank Rate. That would weaken their balance sheets and they might have to respond by increasing other loan rates or restricting lending. Viewed against the backdrop of the Funding for Lending Scheme (FLS), and the potential for building societies to play a material role in increasing lending, the Committee judged that it was unlikely to wish to reduce Bank Rate in the foreseeable future.

38 The most recent data news, the improvement in financial market conditions, and the loosening in monetary conditions associated with the new cash management arrangements for the APF had been incorporated into the Committee's November *Inflation Report* projections. On those projections, which represented the Committee's best collective judgement, inflation was roughly as likely to be above as below the target in two to three years' time. Nevertheless, a case could be made for a further easing in monetary conditions. There was some excess capacity in the economy, and it was possible that output could be expanded without generating material additional inflationary pressure. Such a policy, in part by discouraging any further appreciation of sterling, might help to avoid lasting damage to the supply capacity of the economy, which could result from an increase in long-term unemployment, firm closure and capital scrapping. Different members placed different weights on those arguments.

39 In light of the updated projections, most members agreed that maintaining the size of the Committee's asset purchase programme at this meeting was appropriate. It was possible that a greater demand stimulus could encourage a recovery in growth, and potentially moderate a lasting deterioration in the economy's supply capacity. But, so far at least, the signs of supply destruction had been limited – the rate of corporate insolvencies had been lower than expected, labour market participation had not fallen, and the flow rate from long-term unemployment into employment had

remained close to normal. Moreover, it was possible that the weakness of productivity was in part associated with the impact of the crisis on the banking system's ability to allocate credit efficiently across the economy – a constraint on output growth that would be unlikely to be removed by further demand stimulus alone. In addition, inflation had increased further above the target to 2.7%. It was likely that some of the factors currently boosting inflation, such as increased tuition fees and higher utility prices would persist beyond the next year. The extent of these price rises, resulting from administered or controlled sources, meant that the risks of inflation being significantly below the target were likely to be less. And even if such price increases did not persist, the prospect of continued above-target inflation in the near term increased the chance that any pickup in productivity would result in higher wage demands, rather than a reduction in firms' costs. This had added to the other potential costs of injecting further monetary stimulus at the current time.

40 For one member, the case for undertaking additional asset purchases at this meeting was nonetheless strong. Although it was unlikely that inflation would fall very substantially below the target in the medium term, the degree of slack in the economy, and the likely response of supply capacity to increased demand, meant that it would be possible to achieve higher output growth without causing any material inflationary pressure. That would help to avoid potentially lasting destruction of productive capacity and increases in unemployment. The monetary easing caused by the new APF cash management arrangements implied that the required quantity of asset purchases was smaller than otherwise.

41 The Committee noted that the gilts held by the APF would begin to mature in March 2013. As was already the case, the Committee would decide on the appropriate size of the asset purchase programme, taking account of any maturing gilts, at each monthly meeting in the light of the medium-term outlook for inflation.

42 The Governor invited the Committee to vote on the propositions that:

Bank Rate should be maintained at 0.5%;

The Bank of England should maintain the stock of asset purchases financed by the issuance of central bank reserves at £375 billion.

Regarding Bank Rate, the Committee voted unanimously in favour of the proposition.

Regarding the stock of asset purchases, eight members of the Committee (the Governor, Charles Bean, Paul Tucker, Ben Broadbent, Spencer Dale, Paul Fisher, Ian McCafferty and Martin Weale) voted in favour of the proposition. One member of the Committee (David Miles) voted against the proposition, preferring to increase the size of the asset purchase programme by a further £25 billion to a total of £400 billion.

43 Since the Committee's previous meeting, it had been consulted over the size and terms of the Bank's ECTR Facility, in advance of the monthly auction on 17 October.

44 The following members of the Committee were present:

Mervyn King, Governor
 Charles Bean, Deputy Governor responsible for monetary policy
 Paul Tucker, Deputy Governor responsible for financial stability
 Ben Broadbent
 Spencer Dale
 Paul Fisher
 Ian McCafferty
 David Miles
 Martin Weale

Dave Ramsden was present as the Treasury representative.