



House of Commons  
Treasury Committee

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# **Appointment of Bradley Fried as Chair of Court, Bank of England**

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**Sixteenth Report of Session 2017–19**





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**Sixteenth Report of Session 2017–19**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
to be printed 27 June 2018*

## The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue and Customs and associated public bodies

### Current membership

[Nicky Morgan MP](#) (*Conservative, Loughborough*) (Chair)

[Rushanara Ali MP](#) (*Labour, Bethnal Green and Bow*)

[Mr Simon Clarke MP](#) (*Conservative, Middlesbrough South and East Cleveland*)

[Charlie Elphicke MP](#) (*Independent, Dover*)

[Stephen Hammond MP](#) (*Conservative, Wimbledon*)

[Stewart Hosie MP](#) (*Scottish National Party, Dundee East*)

[Mr Alister Jack MP](#) (*Conservative, Dumfries and Galloway*)

[Alison McGovern MP](#) (*Labour, Wirral South*)

[Catherine McKinnell MP](#) (*Labour, Newcastle upon Tyne North*)

[John Mann MP](#) (*Labour, Bassetlaw*)

[Wes Streeting MP](#) (*Labour, Ilford North*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

Committee reports are published on the Committee's website at [www.parliament.uk/treascom](http://www.parliament.uk/treascom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Sarah Rees (Clerk), Peter Stam (Second Clerk), Gavin Thompson, Marcus Wilton and Dan Lee (Senior Economists), Adam Wales (Chief Policy Adviser), Sarah Crandell (Senior Committee Assistant), Nick Berry (Committee Support Assistant), Matt Panteli (Senior Media and Policy Officer), Anne Stark (on secondment from HM Revenue & Customs), Tom Ludlow (on secondment from the Bank of England), Carolyn Draper (on secondment from the Financial Conduct Authority), and Mei Jie Wang (on secondment from the Prudential Regulation Authority).

### Contacts

All correspondence should be addressed to the Clerk of the Treasury Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5769; the Committee's email address is [treascom@parliament.uk](mailto:treascom@parliament.uk).

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# Introduction

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1. This Report concerns the appointment of Bradley Fried as Chair of the Court of the Bank of England. Mr Fried is to replace Sir Anthony Habgood, whose four-year appointment comes to an end on 30 June 2018. Mr Fried has been appointed by Her Majesty the Queen, on the recommendation of the Chancellor of the Exchequer and the Prime Minister.
2. In this Report, the Committee has considered the suitability of Mr Fried for this role against the criteria of personal independence and professional competence.
3. The Committee took oral evidence from Mr Fried on 26 June 2018. He provided a CV and answered a written questionnaire prior to giving oral evidence. The Committee thanks Mr Fried for this evidence, which has been published on the Treasury Committee website.<sup>1</sup>

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1 Bradley Fried ([APB001](#) & [APB002](#))

# The appointment of Bradley Fried

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## Background on Bradley Fried

4. Bradley Fried has been a non-executive director at the Court of the Bank of England since 2012. He is currently Deputy Chair of the Court and Chair of the Audit and Risk Committee. From 2003–10, he was Chief Executive Officer of Investec Bank Plc., before which he was Chief Operating Officer.

5. Mr Fried is co-founder and partner of Grovepoint, an investment firm. In his response to the Committee’s questionnaire, Mr Fried noted that he was “increasingly moving into an oversight position with the firm”, a transition that should be “completed within two years”. Mr Fried made clear that he had no input into decisions taken by the FCA-regulated division of Grovepoint, known as Grovepoint Investment Management. In relation to the private equity division of Grovepoint, Mr Fried stated that “we have no investments in PRA-regulated firms and we have no intention of making investments into such firms”. He added that all investments were disclosed to, and discussed with, the Secretary to the Bank.

6. In relation to other work commitments, Mr Fried noted a “material pro bono role” as governor of the London Business School Governing Body, including a position as Chair of the School’s Finance Committee. He noted that his duties as Chair of Court would always take priority over other commitments.

## Oral evidence

7. In oral evidence, the Committee questioned Mr Fried about his prior experience, particularly as Deputy Chair of Court, and the challenges facing the Bank of England in the coming years. Topics covered during the session included:

- The appointment of the new Governor, and the role of the Chair of Court in the appointment process;
- The Chair’s role and priorities in promoting diversity at the Bank;
- BAME representation at the Bank, and reasons for lack of progress in this area;
- The Bank’s engagement with schools and universities to strengthen diversity in the pipeline of candidates for jobs at the Bank;
- Redactions from the minutes of Court meetings;
- The relationship between the Bank and the Treasury over Brexit;
- The Bank’s guidance to firms on planning for Brexit;
- How the Bank should be held to account for new powers after Brexit;
- Public trust in the Bank;
- The advantages of the new financial relationship between the Bank and the Treasury, and its implications for the operational independence of the Bank;



- Proposals for a 3 per cent productivity target for the Bank;
- The role of Court and the Independent Evaluation Office in scrutinising and improving the effectiveness of the Bank's three policy committees;
- The extent of challenge provided by Court to the Bank executive;
- The role of Court in commissioning independent reviews of the Bank's work;
- The Bank's culture;
- Travel expenses, the Bank of England summer party and value for money; and
- The benefits and risks of the renewal of the Real-Time Gross Settlement service, and the Court's scrutiny of this project.

## Conclusion

**8. The Committee is satisfied that Mr Fried has the professional competence and personal independence to be Chair of the Court of the Bank of England. We wish him every success in his new role.**

## Formal minutes

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**Wednesday 27 June 2018**

Members present:

Nicky Morgan, in the Chair

|                  |                     |
|------------------|---------------------|
| Rushanara Ali    | Mr Alister Jack     |
| Charlie Elphicke | John Mann           |
| Stephen Hammond  | Catherine McKinnell |
| Stewart Hosie    | Wes Streeting       |

Draft Report (*Appointment of Bradley Fried as Chair of Court, Bank of England*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 8 read and agreed to.

*Resolved*, That the Report be the Sixteenth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 3 July at 9.00 a.m.]

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Wednesday 26 June 2018

**Bradley Fried**, appointed Chair of Court, Bank of England

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

APB numbers are generated by the evidence processing system and so may not be complete.

- 1 Bradley Fried questionnaire ([APB0001](#))
- 2 Bradley Fried C.V. ([APB0002](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2017–19

|                      |   |                     |
|----------------------|---|---------------------|
| First Report         | Appointment of Sir Dave Ramsden as Deputy Governor for Markets and Banking at the Bank of England                       | HC 472              |
| Second Report        | Appointment of Professor Silvana Tenreyro to the Bank of England Monetary Policy Committee                              | HC 471              |
| Third Report         | The Solvency II Directive and its impact on the UK Insurance Industry   | HC 324<br>(HC 863)  |
| Fourth Report        | Transitional arrangements for exiting the European Union  | HC 473<br>(HC 850)  |
| Fifth Report         | Autumn Budget 2017  | HC 600<br>(HC 757)  |
| Sixth Report         | Appointment of Elisabeth Stheeman to the Financial Policy Committee   | HC 758              |
| Seventh Report       | Student Loans   | HC 478<br>(HC 995)  |
| Eighth Report        | Appointment of Charles Randell as Chair of the Financial Conduct Authority and the Payment Systems Regulator            | HC 838              |
| Ninth Report         | Childcare   | HC 757<br>(HC 1196) |
| Tenth Report         | Re-appointment of Alex Brazier to the Financial Policy Committee  | HC 936              |
| Eleventh Report      | Re-appointment of Donald Kohn to the Financial Policy Committee   | HC 937              |
| Twelfth Report       | Re-appointment of Martin Taylor to the Financial Policy Committee   | HC 938              |
| Thirteenth Report    | The Motability Scheme   | HC 847              |
| Fourteenth Report    | Re-appointment for Gertjan Vlieghe to the Monetary Policy Committee   | HC 1056             |
| Fifteenth Report     | Women in finance  | HC 477              |
| Sixteenth Report     | Appointment of Bradley Fried as Chair of Court, Bank of England   | HC 1319             |
| Seventeenth Report   | Appointment of Professor Jonathan Haskel to the Monetary Policy Committee   | HC 1318             |
| First Special Report | Transitional arrangements for exiting the European Union: Government Response to the Treasury Committee's Fourth Report | HC 850              |

|                       |  |         |
|-----------------------|--|---------|
| Second Special Report | The Solvency II Directive and its impact on the UK Insurance Industry: Bank of England Response to the Committee's Third Report of session 2017–19 | HC 863  |
| Third Special Report  | Autumn Budget 2017: Government and Office for Budget Responsibility responses to the Treasury Committee's Fifth Report                             | HC 757  |
| Fourth Special Report | Student Loans: Government and Office for National Statistics responses to the Committee's Seventh Report   | HC 995  |
| Fifth Special Report  | Childcare: Government Response to the Committee's Ninth Report   | HC 1196 |