



House of Commons
Treasury Committee

Re-appointment of Martin Taylor to the Financial Policy Committee

Twelfth Report of Session 2017–19



House of Commons
Treasury Committee

Re-appointment of Martin Taylor to the Financial Policy Committee

Twelfth Report of Session 2017–19

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

*Ordered by the House of Commons
to be printed 18 April 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.

Publication

Committee reports are published on the Committee's website at 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), George James (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), Alexander Knight (on secondment from the National Audit Office) 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.

Contents

Introduction	3
The appointment of Martin Taylor	4
Background on Martin Taylor	4
Oral evidence	4
Conclusion	4
Formal minutes	5
Witnesses	6
Published written evidence	6
List of Reports from the Committee during the current Parliament	7

Introduction

1. The Treasury announced the re-appointment of Martin Taylor as an external member of the Financial Policy Committee (FPC) of the Bank of England on 7 February 2018. Though his re-appointment was effective from 1 April 2018 for a period of three years, the Chancellor has accepted that Mr Taylor will step down no later than June 2019, as Mr Taylor has indicated he does not wish to remain in post for a full term.¹
2. In this report, the Committee has considered the suitability of Mr Taylor for this continuing role against the criteria of personal independence and professional competence.
3. The Committee took oral evidence from Mr Taylor on 18 April 2018. He provided a full CV and answered a written questionnaire prior to giving oral evidence. The Committee thanks Mr Taylor for this evidence, which is appended to this Report.

1 HM Treasury, [Donald Kohn and Martin Taylor reappointed to the Financial Policy Committee](#), 7 February 2018

The appointment of Martin Taylor

Background on Martin Taylor

4. Mr Taylor was Chief Executive of Barclays between 1994 and 1998. Mr Taylor also served as an adviser to Goldman Sachs International from 1999 to late 2005 (and chaired the firm's non-US audit committee). He was Chairman of the WH Smith Group PLC between 1999 and 2003, prior to which he had been a non-executive director between 1993 and 1997. He was also Chairman of the WH Smith pension fund until 2005. He served as a member of the Independent Commission on Banking under Sir John Vickers. Mr Taylor has experience as a journalist for the Financial Times. Mr Taylor was Chairman of Syngenta until 2013. He has been a non-executive director of RTL Group since 2000, and vice-Chairman since 2004. He has been a director of CiBO Technologies Inc since 2015. Mr Taylor has been a member of the FPC since 2013.

Oral evidence

5. In oral evidence, the Committee questioned Mr Taylor about the work of the Financial Policy Committee. Topics covered during the session included:

- His experience of the FPC achieving consensus and its potential effects
- The setting of the countercyclical capital buffer
- The Financial Stability Indicators
- The management of conflicts of interest
- Cryptocurrencies and the risks that arise from them
- The impact on incumbent banks of new technology and competition
- The FCA's input into the FPC and the perimeter of regulation
- Structural weaknesses in the Eurozone
- Pricing in global debt markets
- The risks from the build-up of Chinese debt
- The risks from the US fiscal stimulus
- Selecting new external FPC members
- Avoiding "groupthink"

Conclusion

6. The Committee is satisfied that Mr Taylor has the professional competence and personal independence to be an external member of the Financial Policy Committee of the Bank of England. We wish him every success in his continuing role.

Formal minutes

Wednesday 18 April 2018

Members present:

Nicky Morgan, in the Chair

Rushanara Ali

Stewart Hosie

Simon Clarke

Catherine McKinnell

Stephen Hammond

Draft Report (*Re-appointment of Martin Taylor to the Financial Policy Committee*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 6 read and agreed to.

Resolved, That the Report be the Twelfth 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 24 April at 9.45am.]

Witnesses

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

Wednesday 18 April 2018

Martin Taylor, Member, Financial Policy Committee

[Q1-28](#)

Published written evidence

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

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

- 1 Martin Taylor ([MTF0001](#))
- 2 Martin Taylor ([MTF0002](#))

List of Reports from the Committee during the current Parliament

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 (HC 863)
Fourth Report	Transitional arrangements for exiting the European Union	HC 473 (HC 850)
Fifth Report	Autumn Budget 2017	HC 600 (HC 757)
Sixth Report	Appointment of Elisabeth Stheeman to the Financial Policy Committee	HC 758
Seventh Report	Student Loans	HC 478
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
Tenth Report	Re-appointment of Alex Brazier to the Financial Policy Committee	HC 936
Eleventh Report	Re-appointment of Alex Brazier to the Financial Policy Committee	HC 937
Twelfth Report	Re-appointment of Alex Brazier to the Financial Policy Committee	HC 938
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