



House of Commons
Treasury Committee

Appointment of Clare Lombardelli as Deputy Governor for Monetary Policy, Bank of England

Seventh Report of Session 2023–24

Report, together with formal minutes relating to the report

*Ordered by the House of Commons
to be printed 16 April 2024*

HC 687

Published on 17 April 2024
by authority of the House of Commons

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.

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[John Baron MP](#) (*Conservative, Basildon and Billericay*)

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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

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Committee staff

The current staff of the Committee are Morenike Alamu (Committee Operations Officer), Wesley Arruda (Committee Operations Officer), Bayley Hockham (on secondment from the Bank of England), Timothy Holmes (on secondment from HM Revenue & Customs), Dan Lee (Senior Economist), Aruni Muthumala (Senior Economist), Dixsha Patel (on secondment from the Financial Conduct Authority), Cameron Reckitt (on secondment from the National Audit Office), Dominic Stockbridge (Second Clerk), Adam Wales (Chief Policy Adviser), David Weir (Clerk), Maciej Wenerski (Committee Operations Manager), and Marcus Wilton (Senior Economist).

Contacts

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1 Introduction

1. Clare Lombardelli was appointed to a five-year term as Deputy Governor for Monetary Policy at the Bank of England on 29 February 2024. She is due to commence the role on 1 July 2024, replacing Dr Ben Broadbent who is coming to the end of his second and final term. As part of this role, Ms Lombardelli will sit on the Monetary Policy Committee (MPC), the Financial Policy Committee (FPC), and the Court of the Bank of England.¹
2. In this Report, the Committee has considered the suitability of Ms Lombardelli against two criteria—whether she has the personal independence and appropriate professional competence to undertake the role of Deputy Governor.
3. The Committee took oral evidence from Ms Lombardelli on 16 April 2024. She provided a full CV and answered a written questionnaire prior to giving oral evidence. The Committee would like to thank Ms Lombardelli for this evidence, which has been published on the Treasury Committee website.

1 Bank of England, [Clare Lombardelli appointed as Deputy Governor for Monetary Policy at the Bank of England](#), 29 February 2024

2 The appointment of Clare Lombardelli

Background on Clare Lombardelli

4. Ms Lombardelli has been the Chief Economist and G20 & G7 Finance Deputy at the Organisation for Economic Co-operation and Development since April 2023. Prior to this, she had been Chief Economic Adviser at HM Treasury and Joint Head of the Government Economic Service since 2018. From 2003 to 2018, Ms Lombardelli had various roles at the Treasury, 10 Downing Street and the Cabinet Office, having begun her career at the Bank of England in 2001. She is a visiting professor at King's College London and a visiting research fellow at Nuffield College, Oxford, and she has a master's degree in economics from the London School of Economics.

Oral evidence

5. In oral evidence, we questioned Ms Lombardelli about her suitability for the role of the Deputy Governor for Monetary Policy and the issues facing the policy committees she will sit on. The topics included:

- the Bank's recent performance in economic forecasting in the light of recent shocks to the economy and Dr Ben Bernanke's review of forecasting processes;
- the role of the formal forecast as against judgement in the formulation of monetary policy;
- her future role in leading the implementation of Dr Bernanke's recommendations, and how her experience at the OECD will inform that;
- her thoughts on whether the Bank and/or MPC should publish their own forecast of Bank Rate;
- whether the Bank was 'behind the curve' in its understanding of the outbreak of inflation in 2021 and 2022;
- the potential for 'groupthink' among the Bank leadership and the MPC, especially given that the Governor and Deputy Governors will all have spent the bulk of their careers at the Bank, HM Treasury and the Financial Conduct Authority;
- the near-term outlook for monetary policy, in particular the prospects for a cut in Bank Rate, and the impact and transmission of monetary policy tightening to date;
- the differences between the latest OECD and Bank forecasts for the UK economy, particularly on the supply side, and her reflections on the modelling of the supply side more generally;
- whether she stands by the Government's 2018 economic modelling of the long-term impact of Brexit, which she oversaw as a civil servant;
- her thoughts on the impacts of quantitative tightening;

- her thoughts on the MPC's decision not to raise Bank Rate until December 2021 and the debate at the time over whether inflation would be transitory or persistent;
- the state of the UK labour market compared to those in other advanced economies;
- the state of Bank independence and the UK's macroeconomic framework;
- her reflections on the 'mini budget' of September 2022 from her perspective as Chief Economic Adviser at HM Treasury at the time;
- financial stability and the Bank's macroprudential policy tools, including risks arising from the growing non-bank financial intermediary sector and its relationship to the banking sector;
- her thoughts on UK and international regulation of non-bank financial intermediaries, including whether there is a need for greater transparency;
- how artificial intelligence technologies may affect the work of the Bank and the economy more broadly; and
- how her role will be affected by her not being appointed to the Prudential Regulation Committee.

Conclusion

6. We are satisfied that Ms Lombardelli has the appropriate professional competence and personal independence to undertake the role of Deputy Governor for Monetary Policy at the Bank of England. We wish her every success.

Formal minutes

Tuesday 16 April 2024

Members present

Dame Harriett Baldwin, in the Chair

John Baron

Dr Thérèse Coffey

Dame Angela Eagle

Stephen Hammond

Keir Mather

Draft Report (*Appointment of Clare Lombardelli as Deputy Governor for Monetary Policy, Bank of England*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 6 read and agreed to.

Resolved, That the Report be the Seventh 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.

Adjournment

Adjourned till Wednesday 17 April at 2.00pm.

Published written evidence

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

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

- 1 Clare Lombardelli ([APPCL0001](#))
- 2 Clare Lombardelli ([APPCL0002](#))

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.

Session 2023–24

Number	Title	Reference
1st	The digital pound: still a solution in search of a problem?	HC 215
2nd	Edinburgh Reforms One Year On: Has Anything Changed?	HC 221
3rd	Appointment of Nathanaël Benjamin to the Financial Policy Committee	HC 443
4th	The work of the Sub-Committee on Financial Services Regulations: January 2024	HC 496
5th	Quantitative Tightening	HC 219
6th	Sexism in the city	HC 240
1st Special	The Digital Pound: A solution in search of a problem?: Government and Bank of England Response to the Committee's First Report	HC 535
2nd Special	Edinburgh Reforms One Year On: Has Anything Changed? Government Response to the Committee's Second Report	HC 585

Session 2022–23

Number	Title	Reference
1st	Future of financial services regulation	HC 141
2nd	Future Parliamentary scrutiny of financial services regulations	HC 394
3rd	The appointment of Dr Swati Dhingra to the Monetary Policy Committee	HC 460
4th	Jobs, growth and productivity after coronavirus	HC 139
5th	Appointment of Marjorie Ngwenya to the Prudential Regulation Committee	HC 461
6th	Appointment of David Roberts as Chair of Court, Bank of England	HC 784
7th	Re-appointment of Sir Dave Ramsden as Deputy Governor for Markets and Banking, Bank of England	HC 785
8th	Autumn Statement 2022 – Cost of living payments	HC 740
9th	Appointment of Ashley Alder as Chair of the Financial Conduct Authority	HC 786
10th	The work of the Sub-Committee on Financial Services Regulations	HC 952

Number	Title	Reference
11th	Fuel Duty: Fiscal forecast fiction	HC 783
12th	Appointment of Professor Randall Kroszner to the Financial Policy Committee	HC 1029
13th	Scam reimbursement: pushing for a better solution	HC 939
14th	The work of the Sub-Committee on Financial Services Regulations	HC 952-i
15th	Regulating Crypto	HC 615
16th	Tax Simplification	HC 723
17th	The appointment of Megan Greene to the Monetary Policy Committee	HC 1395
18th	The work of the Sub-Committee on Financial Services Regulations	HC 952-ii
19th	The venture capital market	HC 134
20th	Tax Reliefs	HC 723
1st Special	Defeating Putin: the development, implementation and impact of economic sanctions on Russia: Government Response to the Committee's Twelfth Report of Session 2021–22	HC 321
2nd Special	Future of financial services regulation: responses to the Committee's First Report	HC 690
3rd Special	Jobs, growth and productivity after coronavirus: Government response to the Committee's Fourth Report	HC 861
4th Special	Autumn Statement 2022 – Cost of living payments: Government response to the Committee's Eighth Report	HC 1166
5th Special	Fuel Duty: Fiscal forecast fiction: Government response to the Committee's Eleventh Report	HC 1242
6th Special	Scam reimbursement: pushing for a better solution: Payment Systems Regulator's response to the Committee's Thirteenth Report	HC 1500
7th Special	Regulating Crypto: Government Response to the Committee's Fifteenth Report	HC 1752
8th Special	Tax Reliefs: Government Response to the Committee's Twentieth Report	HC 1875
9th Special	Venture Capital: Government Response to the Committee's Nineteenth Report of Session 2022–23	HC 1876

Session 2021–22

Number	Title	Reference
1st	Tax after coronavirus: the Government's response	HC 144
2nd	The appointment of Tanya Castell to the Prudential Regulation Committee	HC 308

Number	Title	Reference
3rd	The appointment of Carolyn Wilkins to the Financial Policy Committee	HC 307
4th	The Financial Conduct Authority's Regulation of London Capital & Finance plc	HC 149
5th	The Future Framework for Regulation of Financial Services	HC 147
6th	Lessons from Greensill Capital	HC 151
7th	Appointment of Sarah Breeden to the Financial Policy Committee	HC 571
8th	The appointment of Dr Catherine L. Mann to the Monetary Policy Committee	HC 572
9th	The appointment of Professor David Miles to the Budget Responsibility Committee of the Office for Budget Responsibility	HC 966
10th	Autumn Budget and Spending Review 2021	HC 825
11th	Economic crime	HC 145
12th	Defeating Putin: the development, implementation and impact of economic sanctions on Russia	HC 1186
1st Special	Net Zero and the Future of Green Finance: Responses to the Committee's Thirteenth Report of Session 2019–21	HC 576
2nd Special	The Financial Conduct Authority's Regulation of London Capital & Finance plc: responses to the Committee's Fourth Report of Session 2021–22	HC 700
3rd Special	Tax after coronavirus: response to the Committee's First Report of Session 2021–22	HC 701
4th Special	The Future Framework for Regulation of Financial Services: Responses to the Committee's Fifth Report	HC 709
5th Special	Lessons from Greensill Capital: Responses to the Committee's Sixth Report of Session 2021–22	HC 723
6th Special	The appointment of Professor David Miles to the Budget Responsibility Committee of the Office for Budget Responsibility: Government response to the Committee's Ninth Report	HC 1184
7th Special	Autumn Budget and Spending Review 2021: Government Response to the Committee's Tenth Report	HC 1175
8th Special	Economic Crime: responses to the Committee's Eleventh Report	HC 1261

Session 2019–21

Number	Title	Reference
1st	Appointment of Andrew Bailey as Governor of the Bank of England	HC 122
2nd	Economic impact of coronavirus: Gaps in support	HC 454

Number	Title	Reference
3rd	Appointment of Richard Hughes as the Chair of the Office for Budget Responsibility	HC 618
4th	Appointment of Jonathan Hall to the Financial Policy Committee	HC 621
5th	Reappointment of Andy Haldane to the Monetary Policy Committee	HC 620
6th	Reappointment of Professor Silvana Tenreyro to the Monetary Policy Committee	HC 619
7th	Appointment of Nikhil Rathi as Chief Executive of the Financial Conduct Authority	HC 622
8th	Economic impact of coronavirus: the challenges of recovery	HC 271
9th	The appointment of John Taylor to the Prudential Regulation Committee	HC 1132
10th	The appointment of Antony Jenkins to the Prudential Regulation Committee	HC 1157
11th	Economic impact of coronavirus: gaps in support and economic analysis	HC 882
12th	Tax after coronavirus	HC 664
13th	Net zero and the Future of Green Finance	HC 147
1st Special	IT failures in the financial services sector: Government and Regulators Responses to the Committee's Second Report of Session 2019	HC 114
2nd Special	Economic Crime: Consumer View: Government and Regulators' Responses to Committee's Third Report of Session 2019	HC 91
3rd Special	Economic impact of coronavirus: Gaps in support: Government Response to the Committee's Second Report	HC 662
4th Special	Economic impact of coronavirus: Gaps in support: Further Government Response	HC 749
5th Special	Economic impact of coronavirus: the challenges of recovery: Government Response to the Committee's Eighth Report	HC 999
6th Special	Economic impact of coronavirus: gaps in support and economic analysis: Government Response to the Committee's Eleventh Report	HC 1383