



BANK OF ENGLAND

Future Forum 2016

How can the Bank serve society and
maintain stability in times of change?

Friday 14 October 2016



Event Programme

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Morning roundtable sessions

Mark Carney, Governor

How can the Bank, with its responsibility for monetary and financial stability, support the most vulnerable members of society?

Jon Cunliffe, Deputy Governor, Financial Stability

What are the key economic challenges that smaller firms expect to face in the future? How can we improve access to finance for SMEs in the current environment?

Minouche Shafik, Deputy Governor, Markets and Banking

How can we improve trust and understanding in the Bank of England and why should that matter?

Sam Woods, Deputy Governor, Prudential Regulation, CEO of the PRA

What challenges do large companies expect to face in their ability to access funding and manage risk through the banking and insurance sectors?

Ben Broadbent, Deputy Governor, Monetary Policy

How can the Bank of England help students better understand its role in and impact on the economy?

Charlotte Hogg, Chief Operating Officer

How can the Bank of England support technological innovation in the future?

Afternoon plenary

Bank of England Governors

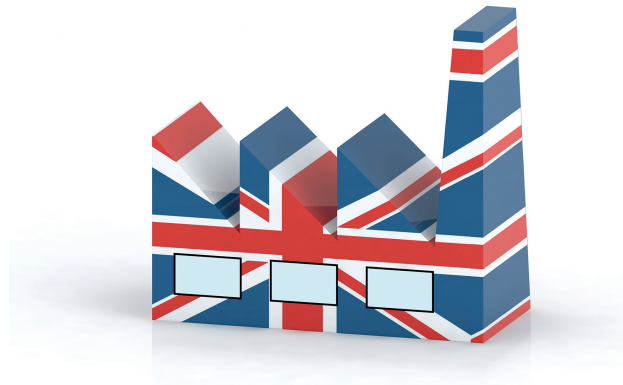
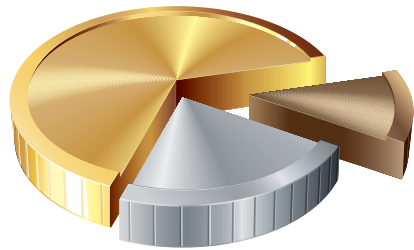
Birmingham Town Hall

14:30 – 17:00

How can the Bank of England serve society and maintain stability in times of change?

How can the Bank of England support the most vulnerable members of society?

For many, the economic recovery has been visible and tangible but for others it has been non-existent. Why is this and what can the Bank of England, with its remit for monetary and financial stability, do to help?



Why has the economic recovery not reached everyone in society?

What are you most concerned about when you think about the future of the UK economy?

What role if any should the Bank be playing to deliver better economic outcomes for everyone?

What are the key economic challenges that smaller firms expect to face in the future? How can we improve access to finance for SMEs in the current environment?



SMEs play a crucial role in supporting the UK economy. They account for a majority of private sector employment and nearly a half of private sector turnover. In addition, many smaller companies are driving innovation, by introducing new products and processes and by collaboration with research institutions. Access to finance is an essential requirement for SMEs to continue to support economic growth.

This session will first consider economic challenges that smaller businesses might face in the future, including overcoming recruitment difficulties and skill shortages, responding to rising input costs and currency fluctuations, improving productivity, driving growth in the current economic environment and expanding into new markets.

The session will then focus specifically on improving SMEs' access to finance. Many SMEs rely solely on internal funds. And among companies which access external finance, bank credit is one of the most popular choices. Topics discussed in this session will include:

- the impact of the recent package of measures announced by the Bank of England to support the economy on SMEs;
- access to property and other types of collateral as a factor affecting the availability of credit;
- SMEs' access to public markets for debt and equity financing;
- the growing importance of alternative sources of finance, including peer-to-peer and crowdfunding platforms;
- companies' awareness of the range of financing options available, including for financing exports.

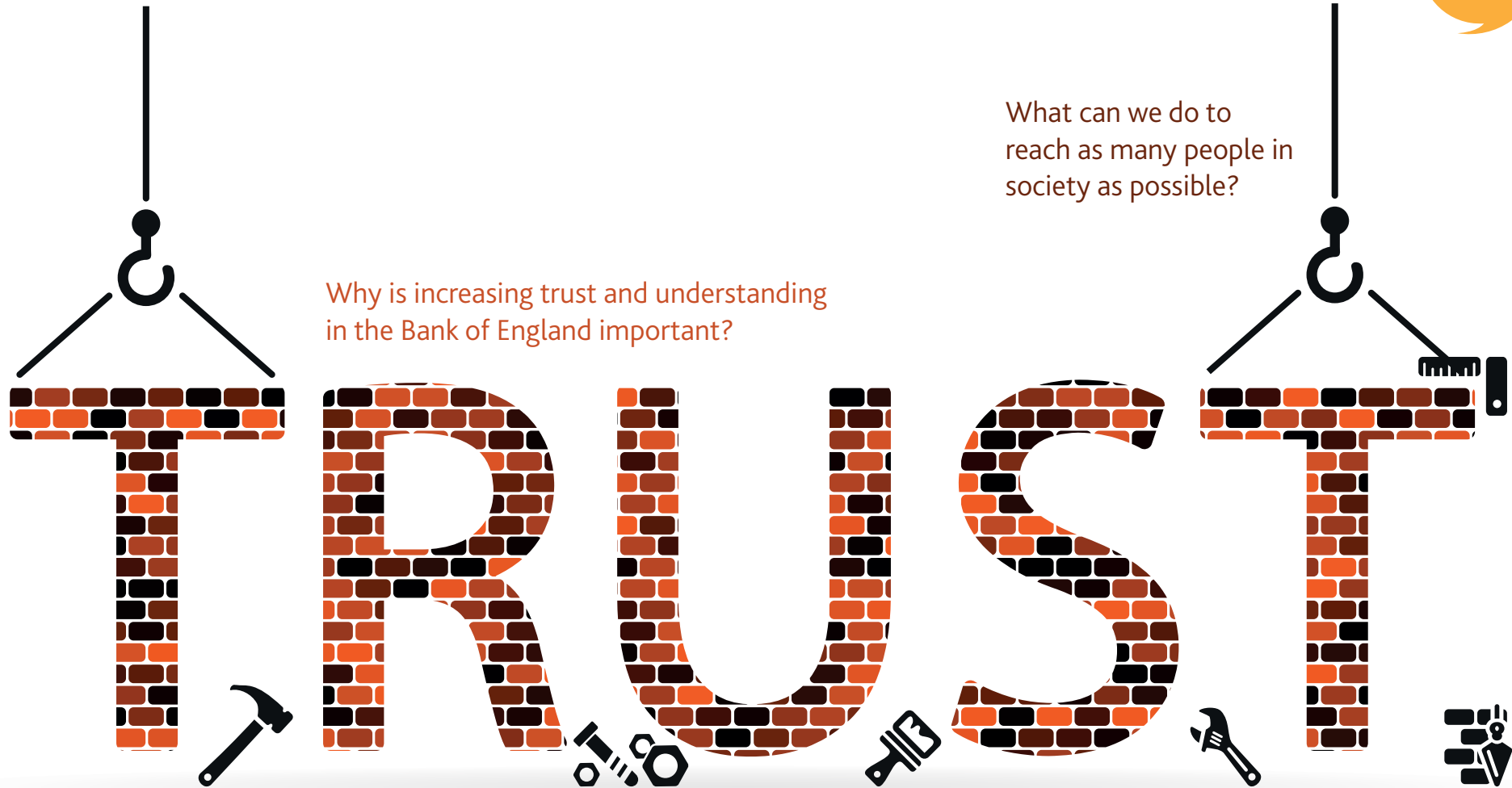
How can we improve trust and understanding in the Bank of England and why should that matter?

With the powers we have been given we can have a big impact on everyone in society. So how can we best help the public understand what we do, and, equally importantly, understand how our actions are affecting the public we serve?



What can we do to reach as many people in society as possible?

Why is increasing trust and understanding in the Bank of England important?



Do events like the Future Forum have a role to play in a world of digital and social media?

What challenges do large companies expect to face in their ability to access funding and manage risk through the banking and insurance sectors?



The real economy depends on the financial sector to provide access to finance and transfers of risk. Banks provide finance for businesses to invest in new equipment, hire new workers, and expand into new areas or business lines. Insurance companies enable businesses to take out policies to protect against risks such as theft, damage to stock, and business liability; as well as manage pension liabilities.

For large businesses to operate effectively, the financial sector must be able to provide stable and affordable access to finance, and insurance products which assist companies in managing and transferring risk.

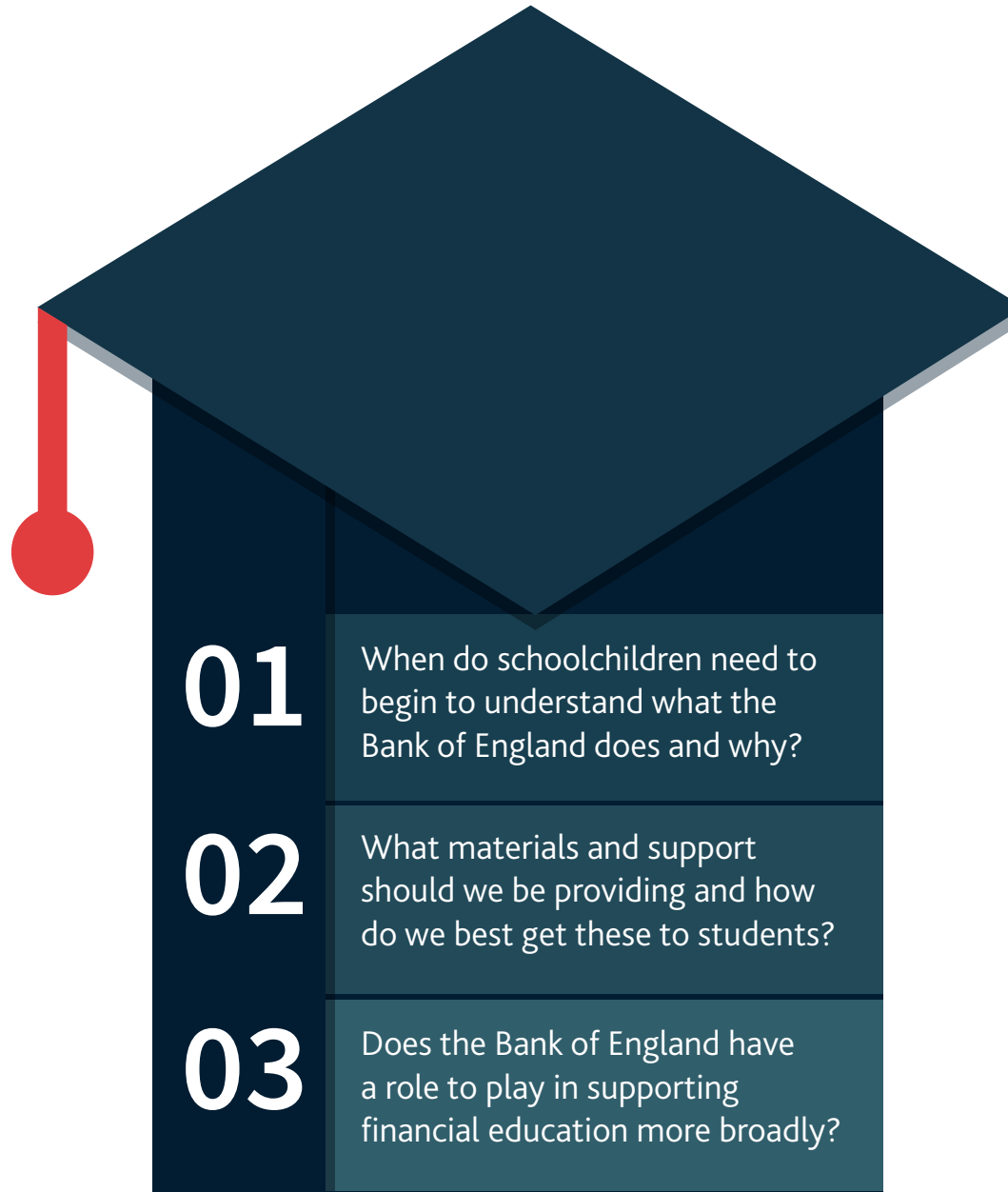
This session will consider the current financial environment for large companies, including conditions for traditional bank-sourced corporate credit as well as structural shifts in the market.

It will consider how large companies are affected by developments in financial services including:

- the low interest rate environment;
- changing credit conditions since the financial crisis;
- the move away from traditional bank loans and towards market-based finance such as raising equity and selling bonds in financial markets;
- the market-wide move towards defined-contribution pensions, placing more of the risk with policyholders rather than insurance companies.

How can the Bank of England help students better understand its role in and impact on the economy?

Financial education is becoming increasingly important as finance becomes more complex. The Bank of England has a large part to play in the financial sector so how can we help students better understand our role and impact?



01

When do schoolchildren need to begin to understand what the Bank of England does and why?

02

What materials and support should we be providing and how do we best get these to students?

03

Does the Bank of England have a role to play in supporting financial education more broadly?

How can the Bank of England support technological innovation in the future?



Technological innovations in finance present huge opportunities for change, with the potential to increase competition, open up new business models and broaden access to financial services for both consumers and firms.

At the Bank, we are supporting innovation through our Accelerator programme, where we are working directly with start-ups and innovative technologies to help find new solutions to issues we are dealing with. This also gives us the opportunity to see how the market is developing, and how we might identify and utilise those innovations.

We also continue to focus on cyber security and our responsibility to look at the resilience of the financial system. As financial services, including the Bank itself, become more digitised, there are opportunities for malicious actors to take advantage. This is why we are working hard to ensure that cyber security is a risk at the forefront of the minds of firms, and working with international colleagues and others to ensure that we are aware of the latest innovations.

Whilst we support innovation, we also provide challenge, given our responsibility for stability of the system as a whole. Innovation can bring great benefits, but there are also risks that we need to watch for. New types of firms could become key cornerstones of the financial system, supporting the critical infrastructure, and we will need to make sure that they are operating safely and soundly. Trust in the safety of the financial system is fundamental, and we want to support and encourage sustainable innovation.

This session will consider how the Bank can support technological innovation in the future by discussing topics such as:

- areas of innovation the Bank should concentrate on;
- innovations most relevant to the Bank;
- things that the Bank may not be doing that we should be.

How can the Bank of England serve society and maintain stability in times of change?

This session will reflect upon the key points that come out of the morning sessions, as well as from Twitter and wider social media. It will go on to discuss next steps.

