

# Bank of England

Dame Meg Hillier MP  
Chair, Treasury Committee  
House of Commons  
London  
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**Andrew Bailey**  
Governor

4 July 2025

Dear Chair,

Following our discussion of the questions on activity surveys raised by Lola McEvoy at our June hearing on the May Monetary Policy Report, I thought it might be helpful to provide some additional detail on the range of surveys that we track.

As I set out in the hearing, the Monetary Policy Committee (MPC) and Bank staff draw on information from a wide range of sources in addition to official statistics in forming an assessment of current economic conditions. That is a long-standing practice, which reflects both that these alternative sources often provide more timely information and that statistics from the Office for National Statistics (ONS), in common with those produced by statistical agencies in other countries, are prone to volatility and so do not always provide an accurate signal of current conditions. The well-documented problems with some ONS statistics in recent years—particularly those constructed using data from the Labour Force Survey—have further reinforced the benefit of drawing on a wide range of information.

Some of the information that we draw on comes from the Bank's regional agency network and Decision Maker Panel (DMP) survey.

- The agency network provides structured qualitative insights from direct engagement with around 750 businesses per monetary policy round. Agents gather information on a wide range of topics including demand, investment, capacity utilisation, labour market conditions, costs, pricing, and credit availability. They also explore topical issues of interest to the MPC, such as the impact of global trade developments. Intelligence is analysed thematically—by sector or topic rather than region—and reviewed across the network to ensure consistency and robustness before being presented to the MPC and published by the Bank. More detail is provided in Annex 1.
- The DMP survey complements this by providing high-frequency, quantitative data from a large and representative panel of UK businesses. Launched in 2016, the DMP surveys nearly 10,000 firms, with around 2,300 responses each month. It collects data from senior decision-makers on realised and expected sales, prices, employment, wages, and investment, using a probabilistic format that allows for the measurement of uncertainty. The survey also includes quarterly special-topic questions on issues such as Artificial Intelligence (AI), interest rates, and global trade developments.



The data are processed and analysed internally each month, with results feeding directly into MPC briefings and discussions. The DMP's strong panel structure and alignment with official statistics enhance its reliability and policy relevance. More detail is provided in Annex 2.

Bank Staff also draw on an array of data collected by other organisations to assess economic activity, for example:

- business surveys to gauge GDP growth;
- consumer confidence surveys, card spending data and other faster indicators that gauge developments in consumer spending (65% of GDP); and
- HMRC real-time data, workforce jobs and survey data to monitor labour market trends.

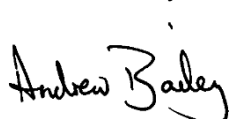
The business surveys cover a range of companies across sectors, size, turnover and location, as outlined in the table in Annex 3.

As part of our assessment of the UK economy, we have developed a suite of statistical models that translate survey and other high-frequency indicators into numerical estimates of GDP growth and other key variables.<sup>1</sup> These models help abstract from short-term volatility and sampling noise, providing a clearer signal of underlying economic trends. Importantly, these model-based estimates have historically tracked official data well, offering an independent and timely steer on the state of the UK economy.

Finally, I will add that members of the MPC benefit enormously from travelling with the Bank's Agents to hear the stories behind the data directly from businesses up and down the country. During my term as Governor, I have personally to date joined our Agents on visits to 119 individual companies from across the sectors of the UK economy, and I have met representatives from more than 1,700 UK businesses at panel and round table events organised by our Agents. These visits – by me and other MPC members – add important colour and nuance to the overall picture our systematic use of official data, business surveys and agency intelligence paints of the UK economy.

I hope you will find this additional information helpful.

Yours sincerely,



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<sup>1</sup> [Nowcasting GDP at the Bank of England: a Staggered-Combination MIDAS approach | Bank of England](#)

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## Annex 1 – The Bank of England’s Agency Network<sup>2</sup>

The agency network held 3,320 meetings with individual firms over the last year, which is an average of 415 firms each monetary policy round. It has also engaged with a further 2,590 firms over the last year in panel and round table events, an average of 324 firms per round. That is total engagement with an average of 739 businesses each around.

The network aims for its database of contacts and the distribution of its visits to broadly reflect the industrial makeup of the UK economy. We measure this by recording the industrial classification of each firm and comparing the industry distribution of our contact base and visits to the distribution of Gross Value Added (GVA) by industry.

In each individual firm meeting an Agent will explore the firm’s recent experience of and expectations or plans regarding:

- demand conditions, drivers of demand and the impact on output, including exports;
- the firm’s investment intentions and any driving factors;
- capacity utilisation and supply chain issues;
- the firm’s experience of the labour market including staffing levels, how easy it is to recruit, and influences on pay and wage setting;
- factors influencing the firm’s costs and price setting and the impact on margins; and
- credit availability and demand.

As well as, or as part of, the above routine topics, the agency network also often explores topical issues of interest to MPC. A current example is how businesses are responding to US tariffs.

The information collected by the network is analysed on a sectoral or topical basis (as opposed to regional). For example, all the intelligence gathered across the network as part of an MPC round on, say, manufacturing, or costs and prices, is collated, analysed and summarised by a specialist agent. The summarised intelligence is then subject to review and challenge by the entire network of Agents. This ensures that the intelligence presented to MPC and published by the Bank is as robust as it can be, benefitting from being considered in its entirety as well as being challenged from numerous vantages.

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<sup>2</sup> [Agents | Bank of England](#)

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## Annex 2 – The Bank of England’s Decision Maker Panel Survey

The Decision Maker Panel (DMP) is a large and representative monthly online survey of UK businesses. The panel was set up in August 2016. It is run by the Bank of England, in collaboration with the University of Nottingham and King’s College London. It also receives funding from the Economic and Social Research Council. Initially, the aim of the survey was to assess how the United Kingdom’s decision to leave the EU was affecting UK businesses. Since then, it has been used to study the effects of other key events that have had significant economic impacts.

The sampling frame of the DMP consists of UK businesses with ten or more employees, as listed in the Bureau van Dijk FAME database. Firms in the sampling frame are contacted at random by phone by a team at the University of Nottingham and invited to join the panel. Most respondents are either Chief Financial Officers, Chief Executive Officers, or finance directors of the businesses. As of May 2025, the panel consists of nearly 10,000 firms. Since the beginning of 2024, it has received responses from around 2,300 firms each month. These firms account for around 4% of private sector employment. The DMP also has a strong panel dimension. As of May 2025, there have been 105 survey waves. Around 1,700 firms have responded at least 50 times, and 3,800 firms have responded at least 25 times. On an unweighted basis, the DMP survey matches the industrial composition of the UK economy well. Nevertheless, aggregated statistics from the survey are weighted by industry and employment, to match the UK Interdepartmental Business Register. The firms do not receive any financial compensation for completing the survey.

The structure of the survey consists of both a regular set of questions and questions on special topics.<sup>3</sup> The questions are primarily quantitative in nature, asking firms to provide point estimates. In the regular questions, firms are asked about their annual realised sales, own-price growth, employment, wage growth, and capital expenditure. Firms are also asked to provide year-ahead expectations for these variables, elicited using a five-bin distribution format. This allows measures of uncertainty to be constructed, which is a novel aspect of the DMP survey. In addition to the regular questions, special questions are introduced into the survey on a quarterly basis. These have included questions on Brexit, Covid-19, remote work, climate change, artificial intelligence (AI), the impact of higher interest rates, minimum wage exposure, and the recently implemented US tariffs.

The data quality of the survey data can be assessed in multiple ways. First, it is possible to match firms to their official accounts in Companies House. Firm estimates of employment and sales in levels and growth rates in the survey closely match annual firm-level accounts data. Second, DMP data are highly correlated with official aggregate ONS data, on variables such as price growth, employment growth, and investment growth. Finally, because the survey is a panel, it is possible to compare year-ahead expectations with realisations a year later at the firm level. Firm expectations are highly correlated with realisations, which highlights the quality of these forecasts.

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<sup>3</sup> [The Decision Maker Panel: a user’s guide | Bank of England](#)

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Every month, the data are processed at the Bank, checked for consistency, and analysed by a team of economists. A monthly report is circulated internally to Bank staff and MPC members, which covers the key results from the latest data. This is usually available within a few days of the survey closing. Data from the survey and analysis done using the survey regularly feature in internal MPC meetings, usually as part of a package of material on a specific topic of interest. Externally, aggregated data on key variables are published every month along with a press release, aggregated data on all variables are updated every quarter, and a quarterly written summary of the latest data is published alongside evidence from the Bank's Agency Network. The DMP is regularly cited in the Bank's quarterly Monetary Policy Reports. Data from the DMP survey are also regularly used in academic research.

**Annex 3 – Other Business and Household Surveys**

Indicator	Frequency	Sample size	Coverage	Detail
BCC	Quarterly, since March 1989	More than 6,000 responses from businesses	Services and manufacturing firms across the UK	Includes questions on domestic and export output, new orders, expectations, employment, investment intentions, pay settlements, prices.
CBI Distributive trades	Monthly, since July 1983	Around 100 firms	Survey of retail (around half) and wholesale companies, including motor trades.	Reported and expected volumes, business optimism, employment, costs, prices, factors restricting demand and capex.
CBI Industrial Trends survey	Monthly, since March 1958	Around 300 firms	Manufacturing	Reported and expected volumes, business optimism, employment, costs, prices, factors restricting demand and capex.
CBI Service Sector survey	Quarterly, since Q4 1998	Around 215 firms	Consumer facing, and business and professional sectors	Reported and expected volumes, business optimism, employment, costs, prices, factors restricting demand and capex.
CBI Composite growth indicator	Monthly, since January 2014	Weighted average of 3 surveys above (using ONS weights)	Private sector firms (weighted average of output balance from 3 above surveys)	Brings together responses from Industrial trends, distributive trades and Service sector survey
S&P Manufacturing PMI	Monthly, since January 1992	Around 650	Manufacturing	The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in January 1992 and covers information on current and expected output, new orders, export business, employment, input and output prices.

S&P Services PMI	Monthly, since July 1996	Around 650	Consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.	The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in July 1996 and covers information on current and expected output, new orders, employment, input and output prices.
S&P Composite PMI	Monthly, since July 1996	Weighted average of 2 surveys above (using ONS weights)	Services and manufacturing	Weighted average of the manufacturing and services survey. Weights based on ONS data.
S&P Construction PMI	Monthly, since April 1997	Around 150	Construction	The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 1997 and covers information on current and expected output, new business, employment, input and output prices.
Lloyds Business Barometer	Monthly, since January 2002	Around 1,200 UK companies	All industry sectors, regions and firm sizes with annual turnover above £250,000.	Results are re-weighted to match proportions by sector, region and size of the total business population, as published by BEIS and ONS.
BRC Retail sales	Monthly, since January 1995	Association represents over 200 major retailers.	Range of retailers, large and small, multiples and independents, food and non-food, online and store based.	Measures changes in value of retail sales, excluding fuel. Responses are weighted to reflect the contribution of each category to total retail sales (based on ONS weights).

GfK Consumer confidence	Monthly, since January 1974	Typically around 2,000 households.	Range of households by age, gender, region and social class to reflect the UK population.	Headline measure of confidence is an average of forward and backward perceptions of personal finances, views of general economic situation and major purchases at present, running since January 1974.
S&P Household Finance index	Monthly, since February 2009	Approx. 1,500 individuals in Great Britain	Panel of respondents aged 18-64	
Barclays Consumer Spending Index	Monthly, since 2014	Covering nearly 40% of UK's credit and debit card transactions.		Running since 2014, based on consumer card spending data from Barclays' issuing business. Complemented by a representative sample of UK consumers by age, gender, region and income group.
KPMG/REC Report	Monthly, since October 1997	Around 400 firms.	UK recruitment and employment consultancies covering both permanent and temporary recruitment across all regions and sectors of the UK labour market.	Compiled by S&P Global from questionnaire responses. Responses cover recruitment, vacancies, and salaries.