



BANK OF ENGLAND

News release

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Bank signs lease on a property to house the Prudential Regulation Authority

The Prudential Regulation Authority (PRA) is expected to be established early in 2013. It will be a part of the Bank of England. Its physical location will be important in linking prudential supervision of individual financial institutions (the responsibility of the PRA) to the monetary policy, market operations and financial stability functions of the Bank, including the Special Resolution Unit and the macro-prudential regulation of the financial system as a whole. The benefits to be gained from strong links between these functions mean that locating PRA staff close to the rest of the Bank is highly desirable.

The Court of the Bank reviewed the costs of potential properties near the Bank. Based on the latest estimates, the additional accommodation costs of locating PRA in Moorgate relative to continuing in the FSA's space at Canary Wharf amount to less than £1m per year over the next fifteen years. Court agreed that this was considerably outweighed by the advantages of integrating the PRA's people and operations. The PRA will be able to draw on the Central Services of the Bank, including legal, HR, IT, Finance and Communications to maximise efficiency benefits. The Bank's firm intention continues to be that prudential regulation will operate in the future at a lower real cost than it does now as part of the FSA.

The Bank, advised by Drivers Jonas Deloitte and Clifford Chance, has signed contracts on 20 Moorgate until July 2027 from the current tenant J.P. Morgan, advised by DTZ, Cushman & Wakefield and Linklaters and by agreement with the landlord, a private fund managed by IVG, advised by Jones Lang LaSalle and CMS Cameron McKenna. The building was originally constructed in 2001 and provides 150,000 sq ft of office and support space.

Photographs of the property may be found at <http://www.flickr.com/photos/bankofengland>.

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