

# Bank of England Agents' summary of business conditions

*a new Bank of England publication*

Alongside this edition of the *Quarterly Bulletin*, the Bank is publishing, for the first time, a quarterly summary of the reports of its Agents on current business conditions.

The Bank of England has had a regional presence through its Branches, headed by Agents, for over 150 years. Recently, the focus of the Agents' work has shifted away from managing banking and note issue business and has increasingly concentrated on gathering economic information. Through their widespread contacts with companies, both large and small, and other organisations covering all sectors of the economy, the Agents obtain a first-hand picture of economic conditions in their regions. In total, the Agents have direct contact with around 350–400 businesses and other organisations each month, drawn from a pool of some 4,000 contacts. The information derived from the Agents' reports is regarded by the Bank as an essential input to its interpretation of the state of the economy. In particular, the information may provide up-to-date insights into developments and trends which help in the interpretation of conflicting or unclear statistical evidence. The Agents are part of the Bank's Monetary Analysis function and their regular reports, supplemented by *ad hoc* reporting as appropriate, play a significant role in shaping the advice which the Governor gives to the Chancellor at their monthly meetings to consider monetary conditions and the appropriate level of interest rates. The Agents' reports also contribute to the analysis which appears

in the Bank's quarterly *Inflation Report*, which is published with the *Quarterly Bulletin*.

Since 1992, when the current system of inflation targeting was introduced, it has been the view of both the Governor and the Chancellor that the conduct of monetary policy is enhanced if it is carried out in an open framework in which the reasoning behind policy decisions is publicly disclosed. This approach is aimed at making monetary policy decisions more transparent and predictable, thereby enabling the economy as a whole to adjust more smoothly. It is within that spirit that the Bank now considers it appropriate to publish a quarterly summary of the Agents' reports.

The Bank's Agents are presently based in Birmingham, Bristol, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Winchester as well as London. Although it has been possible to cover all the geographical areas of the United Kingdom from these offices, their regional boundaries have not accorded in every case with the UK standard regions. New Agencies in Cardiff and Nottingham and a second Agent based in London have recently been announced; these will allow coverage to be more closely in line with the standard regions in the future.

The summary published today is based on information gathered by the Agents between mid-January and mid-April.