



Replacement of the Bank Return and changes to the release of notes and coin data

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Following changes to legislation in the 2009 Banking Act and the recommendations of the Plenderleith Review the Bank of England has decided to replace the Bank Return with a new Weekly Report. This article describes the changes in Bankstats. It also summarises separate proposals for discontinuing the statistical release issued with the publication of notes and coin data.

Introduction

In 2012 Ian Plenderleith completed a review¹ of the Bank's provision of Emergency Liquidity Assistance (ELA) in 2008-09. Regarding the future publication of the Bank Return the review recommended that the Bank 'should consider ceasing to do so at an appropriate time, in order to improve its ability to provide covert assistance in future.' The Bank's public response was to accept the recommendation and pledge to undertake further analysis. The Bank publicly committed to completing the analysis in the first half of 2014.

The Bank has accepted this recommendation and on 30 June 2014 announced the changes in a Press Notice. An article has also been published alongside to explain the rationale behind the changes².

The current form of the Bank Return summarises key components of the Bank of England's balance sheet such as reserves balances and notes in

circulation, as well as indicating the total size of the Bank's balance sheet. This is useful for providing transparency of monetary policy activities but, conversely, it can affect the Bank's ability to undertake financial stability support operations successfully.

The Bank plans to reconcile these competing considerations by replacing the Bank Return with a new Weekly Report³, which will maintain the Bank's current level of transparency in relation to balance sheet items that affect monetary conditions, but will not include items that have the opportunity to reveal the covert provision of liquidity. The Weekly Report will be published separately on the Bank's website as well as within Bankstats (table B1.1.2) as has been the case for the Bank Return.

The information provided in the Weekly Report will be augmented on a quarterly basis, at a lag of five quarters, with data for those assets and liabilities which had not previously been disclosed to complete the balance sheet. This will enable the Bank to provide full balance sheet disclosure on a delayed basis, with the same time lag as applies to usage of the Bank's Discount Window

1 Review of The Bank of England's Provision of Emergency Liquidity Assistance in 2008-09 para 263
<http://www.bankofengland.co.uk/publications/Documents/news/2012/cr1plenderleith.pdf>.

2 Changes to the Bank's Weekly Reporting Regime
<http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb300614.pdf>

³ The weekly report, like the Bank Return before it, will be guided by the Bank's accounting policies, rather than international statistical guidelines, and is not covered by the Bank of England's Statistical Code of Practice

Facility – a key tool for providing bilateral liquidity support.

The Bank will continue to publish its end-of-year balance sheet within its Annual Report, which is typically published within four months after the end of the Bank's financial year. The Bank's Annual Report disclosures will not be affected by the changes to the weekly Bank Return.

The final Bank Return will be published on 25th September 2014, with the new Weekly Report being published on 2nd October 2014.

The new Weekly Report (table B1.1.2)

In designing the new Weekly Report, the Bank has sought to identify a format that will be helpful and relevant to users of the data. Overall, this new report will typically continue to disclose over 90% of the Bank's balance sheet by value.

The new report includes many of the components of the Bank's balance sheet previously shown in the Bank Return. The main omissions from the new report will be the overall size of the Bank's balance sheet and 'other assets' and 'other liabilities' components previously shown in the Bank Return. The new report will also no longer publish separate information for the Issue Department and the Banking Department of the Bank, though these will still be disclosed in the Annual Report.

The new weekly data will be available as a series for a minimum of 53 weeks to allow users to make comparisons with the same period of the previous year for the latest data.

All the series affected, including those continuing, those being added and those being discontinued, are listed in Annex 1. Those included in the new table will additionally be available from the Bank's Interactive Database.

The format of the new Bankstats Table B1.1.2 is shown in Annex 2 below.

Separate changes to the presentation of data on notes and coin and reserves

Please note that, at the same time, the Bank is proposing to discontinue the Narrow money (notes & coin) and reserves balances statistical release, with the final release being that for July 2014 data released on 6 August 2014. The data series contained in the release will continue to be available in full in *Bankstats* table A1.1.1 and on the Bank's Statistical Interactive Database, to the same publication timetable. Any queries or concerns relating to this proposal can be sent to srdd_ms@bankofengland.co.uk by 31 July 2014.

Annex 1: List of series affected by changes to the Weekly Report

Series to be continued	Series code
Amounts outstanding of consolidated Issue and Banking Department liabilities	
Notes in circulation	B55A
Reserve balances	B56A
Short-term open market operations	B9R6
Fine-tuning sterling	B58A
One week sterling	B9R8
Other maturity within maintenance period sterling	BV79
Foreign currency public securities issued	B59A
Amounts outstanding of consolidated Issue and Banking Department assets	
Short-term open market operations	B66A
Fine-tuning sterling reverse repo	B68A
One week sterling reverse repo	B67A
Other maturity within maintenance period reverse repo	BL59
Longer-term sterling reverse repos	B69A
New series	Series code
Amounts outstanding of consolidated Issue and Banking Department assets	
Longer-term sterling reverse repo	
Index linked term repo	Z4TJ
Contingent term repo facility	Z4TK
Sterling denominated bond holdings	Z4TL
Loan to Asset Purchase Facility	Z4TM
Foreign currency reserve assets	Z4TN
Series to be discontinued	Series code
Amounts outstanding of consolidated Issue and Banking Department liabilities	
Cash ratio deposits*	B62A
Other liabilities	B63A
Total liabilities	B75A
Amounts outstanding of consolidated Issue and Banking Department assets	
Ways and Means advances to HM government*	B72A
Bonds and other securities acquired via market transactions	B73A
Other assets	B74A
Total assets	B75A
Amounts outstanding of Issue Department liabilities	
Notes in circulation	AEFA
Notes in Banking Department	AEFB
Total liabilities	BL37
Amounts outstanding of Issue Department assets	
Short-term open market operations	BL29
Fine-tuning sterling reverse repo	BL33
One week sterling reverse repo	BL32
Longer-term sterling reverse repo	BL34
Ways and Means advances to HM government	B54A
Bonds and other securities acquired via market transactions	BL35
Other assets	BL36
Total assets	BL37

Amounts outstanding of Banking Department liabilities	
Reserve balances	BL38
Short-term open market operations	B9R5
Fine-tuning sterling	BL42
One week sterling	B9R7
Other maturity within maintenance period sterling	BV78
Foreign currency public securities issued	BL43
Cash ratio deposits	BL44
Other liabilities	BL45
Total liabilities	BL56
Amounts outstanding of Banking Department assets	
Short-term open market operations	BL48
Fine-tuning sterling reverse repo	BL52
One week sterling reverse repo	BL49
Other maturity within maintenance period reverse repo	BL98
Longer-term sterling reverse repo	B3J2
Bonds and other securities acquired via market transactions	BL53
Bank of England Notes	BL54
Other assets	BL55
Total assets	BL56

*these data will continue to be published on the Bank's Interactive Database

Annex 2: New Weekly Report Bankstats table

Table B1.1.2
Bank of England Weekly Report

£ millions Not seasonally adjusted

Amounts outstanding of combined Issue and Banking Department liabilities

RPW	Notes in circulation	Reserve balances	Short-term open market operations	of which:			Foreign currency public securities issued
				one week sterling	fine-tuning sterling	other maturity within maintenance period sterling	
	B55A (a)	B56A (a)	B9R6	B9R8	B58A (a)	BV79	B59A (a)

Notes to table

- (a) Following Bank of England money market reform on 18 May 2006 the Bank of England balance sheet reporting was changed. This series formed part of the new Bank Return, with data starting on 24 May 2006. More information on changes made to the Bank's monetary policy operations and their impact on published data can be found in 'The implications of money market reform for data published in Monetary and Financial Statistics' in the June 2006 issue of Bank of England: Monetary and Financial Statistics.

Table B1.1.2
Bank of England Weekly Report

£ millions Not seasonally adjusted

Amounts outstanding of combined Issue and Banking Department assets

RPW	Short-term open market operations	of which:			Longer-term sterling reverse repos	of which:		Sterling denominated bond holdings	Loan to Asset Purchase Facility	Foreign Currency reserve assets
		one week sterling	fine-tuning sterling	other maturity within maintenance period		Index linked term repos	Contingent term repo facility			
	B66A (b)	B67A (b)	B68A (b)	BL59	B69A (b)	Z4TJ (c)	Z4TK (c)	Z4TL (c)	Z4TM (c)	Z4TN (c)

Notes to table

- (b) Following Bank of England money market reform on 18 May 2006 the Bank of England balance sheet reporting was changed. This series formed part of the new Bank Return, with data starting on 24 May 2006. More information on changes made to the Bank's monetary policy operations and their impact on published data can be found in 'The implications of money market reform for data published in Monetary and Financial Statistics' in the June 2006 issue of Bank of England: Monetary and Financial Statistics.
- (c) This series was introduced as part of the changes to the Bank of England reporting regime announced on 30 June 2014, with data starting on [date]. More information on these changes can be found in 'Replacement of the Bank Return and other changes to the release of notes and coin data' in the June 2014 issue of Bank of England: Monetary and financial Statistics.