Diversity and inclusion at the Bank of England

2013/14
Foreword by Spencer Dale

Promoting an environment that welcomes and values diverse backgrounds, thinking, skills and experience – and which allows everyone to thrive and fulfil their potential – is vital for the long-run success of the Bank. Without our talented and highly valued staff, we would not be in a place to achieve our policy objectives. Maintaining such a staff requires recruitment, motivation and retention of many types of people from all walks of life: no talent pool should be left untapped. That is why the Bank of England is committed to promoting diversity and inclusion, and why I am delighted to introduce the latest annual Diversity Report.

In March 2014, the Bank announced its Strategic Plan for the next three years. This plan is focussed around our mission of ‘Promoting the good of the people of the United Kingdom by maintaining monetary and financial stability’. To succeed in this mission it is imperative that we draw on the skills of some of the most talented people in our society and internationally. This means we need to appeal to, and support, people from all backgrounds and with a range of working styles. Otherwise we’ll miss out on people who could be of great benefit to the Bank and to UK public policy.

In order to support the Strategic Plan priority to be a ‘diverse and talented’ organisation, we need to go further in establishing a culture in which the high value we place on a diversity of ideas and openness of debate is well understood, making staff feel that they belong and are empowered to challenge conventional wisdom.

Initiatives intended to help us achieve this culture include establishing a new performance management framework, with career and development planning more closely tailored to the needs and performance of individuals, and closely linking the assessment of leaders within the Bank to supporting this culture.

It has been a fruitful year, with exciting times ahead. I want to thank all those who have contributed to our Diversity & Inclusion work agenda this year: the Diversity & Inclusion Forum chaired by Alan Sheppard and Emma Murphy; those in our employee networks; those in the HR team; my Executive colleagues who have agreed to act as Champions to employee networks, and all others with an interest in diversity. I have enjoyed meeting with everyone, exchanging views and generating ideas and action plans. We are still on our journey, but we are making good progress.
Executive summary

The Bank’s new Strategic Plan places a clear emphasis on having a workforce which reflects the public we serve. Our mission is ‘Promoting the good of the people of the United Kingdom by maintaining monetary and financial stability’. In order to achieve this, we need to attract and inspire the best people to public service, and encourage a range of thought by better reflecting the diversity in the United Kingdom, including gender, background, belief and orientation.
This report provides an overview of the staff profile at the Bank in the 2013/14 financial year, and highlights areas where we need to improve in order to achieve the aims of the Strategic Plan. To this end, the Bank has set itself some challenging new targets for the next three years as it seeks to broaden the range of thought, skills and experience within the institution. Our targets are to have an equal gender split across the Bank and to have a target of 15% BAME staff in total headcount. Information on our current gender and BAME representation can be found in the ‘diversity’ section of this report.

In addition, the Bank continues to seek to foster an inclusive environment for employees, to allow diversity of thought, skills and experience to thrive. Supported by the Executive Team, the Bank’s employee networks have worked hard again this year to promote an inclusive workplace with activities for staff that raise awareness of diversity issues.

The Prudential Regulation Authority (PRA) was incorporated into the Bank on 1 April 2013, and so the 2013/14 diversity and inclusion figures in this report include the 1,185 staff who joined the Bank on this date, taking the total number of staff to 3,600. As a result, the data in this report are not directly comparable with figures from past Bank Diversity and Inclusion reports. However, the report does highlight some of the positive impacts on the staff profile arising from PRA’s transition in the last financial Year.

Three year target – BAME staff

15%

By 2017

Three year target – equal gender split

Female: 43%

50%

2013

By 2017

BEEF, the Bank of England Ethnic Minorities network has been actively involved in the graduate recruitment process, visiting university campuses and supporting other events to talk about their experiences of working within the Bank. They held a career progression panel discussion where senior Black Asian and Minority Ethnic (BAME) employees shared their experiences of progression within the Bank. They also raise awareness of cultural events such as Black History Month.
Diversity

This section looks at the diversity of our workforce. As part of the Bank’s mission to serve the UK public, we want to ensure that our workforce reflects the UK population as closely as possible. The figures in this section show that while we have made some progress towards this goal over the last year, we still have work to do. We have therefore set new and challenging targets on Gender and Ethnicity as proxies for wider diversity of all groups across the Bank.
1.1 Gender

Over the last five years, the gender split of Bank staff has remained constant, with 43% female staff across the organisation. Our target is to have an equal split of men and women in the organisation at management level\(^1\) by 2017 in order to more closely reflect the UK population.

A combination of the PRA transition, recruitment and promotions has led to a slight improvement in female representation at senior levels of the Bank. Some 33% of management roles and 22% of senior management roles are currently held by women. Women hold 13% of roles at Director level or above.

We recognise we still have some way to go to increase the representation of women in senior management positions. The Bank is therefore setting a new gender target which aims at 35% female representation at senior management by 2017. Our aspiration is that increasing the pool of candidates at this level will feed through to positions of Director and above. We want to set a realistic and achievable target, and given that most promotions at this level are internal, and the pipeline is below 50%, we believe 35% is realistic.

\(^{1}\) Bands 2 and 3

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**Chart 1 Female representation by grade** for the financial year 2013/14

- **Directors and above**: 13%
- **Senior managers**: 22%
- **Managers**: 33%
- **Analysts**: 39%
- **Support staff**: 63%
- **IT staff**: 18%

\(^1\) For a full explanation of the Bank’s grading please see TERMS OF REFERENCE

**2013/14 NETWORK HIGHLIGHTS**

The Women in the Bank network (WIB) launched their pilot of the Mentoring in Action programme. In October 2013, the WIB network set up “Mentoring in Action”, a mentoring programme for Women in the Bank. The objectives of the scheme are two-fold: to provide support for the mentee’s development, including encouraging them to aspire to senior and /or more challenging roles in the Bank and to get a real sense of women’s aspirations which can be used to assist the Bank in developing a pipeline of senior women. The programme is for women at all levels in the Bank (male mentors are also accepted), and women can be both a mentor and mentee.
1.2 Ethnicity

The representation of Black, Asian and Minority Ethnic (BAME) staff has increased to 15% of staff (from 11% last year). Again, the improvement is mainly due to the PRA’s transition into the Bank, as 21% of ex-FSA staff declared a BAME heritage at legal cutover\(^3\). The representation of BAME staff at the Bank exceeds that for the UK population (of 11%)\(^4\) but is below that for London (37% according to the 2011 Census).

BAME representation levels vary across the Bands and our new targets will seek to maintain an overall representation level of 15% BAME, and to achieve this at every grade below senior management by 2017. We are also aspiring for 9% (currently 3%) of senior management staff to be of a declared BAME background by 2017.

#### Percentage of BAME senior management staff (target)

<table>
<thead>
<tr>
<th>Year</th>
<th>BAME Senior Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3%</td>
</tr>
<tr>
<td>2017</td>
<td>9%</td>
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\(^3\) 1 April 2013  
\(^4\) Labour Force Survey Dec 2013

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* For a full explanation of the Bank’s grading please see TERMS OF REFERENCE
1.3 Age

The incorporation of the PRA into the Bank resulted in an increase in the proportion of staff over the age of 50 to 18% in 2013/14 from 14% prior to legal cutover. Nonetheless, the representation of older workers at the Bank falls short of the national average of 36%. Although we do not set ourselves a target, we hope to address this imbalance over time via a combination of long service by our employees, and our continued drive to attract diverse talent, including those over the age of 50.

As we turn to representation levels of the other protected characteristics it should be noted that data constraints make it difficult to provide a meaningful analysis of these groups. This is in part due to the low levels of staff disclosure of these characteristics. The Bank relies on staff disclosure to ensure we meet staff needs and can target our Bank’s equality and diversity activities more effectively. We hope that the 2014 personal data review and staff survey will provide an opportunity to secure more data and provide a more accurate overview of the representation across the Bank.
1.4 Disability

Around 1.3% of staff have disclosed a disability on the Bank’s HR system\(^5\) compared to the national average of 8.5%\(^6\).

1.5 Sexual orientation

The percentage of staff who declared themselves as Lesbian, Gay, Bisexual and/or Transgender (LGBT) on the Bank’s HR system was 1.7% compared to the national average of 6%\(^7\).

1.6 Religion and belief

In the HR system, 19% of staff have declared their religion or beliefs. Where staff have stated their religion or belief, we can see that the group with the largest proportion of disclosures is Christianity (9% of staff declared this as their religion). The next largest proportions of disclosed religious groups were Hindu (1%) and Muslim (1%). 6% of staff who declared stated they do not have any religious beliefs.

1.7 Maternity and paternity

94 women took maternity leave last year, 48 men took paternity leave, of these 2 also took additional paternity leave. The Bank may see more men and women taking advantage of the new legislation to be introduced in April 2015 that will allow parents to share maternity leave during the first 12 months following their child’s birth.

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\(^1\) As at end Feb 2014

\(^2\) ONS People with disabilities in the Labour Market 2011 – more recent quarterly ONS data suggest this figure has risen to 14% for those aged 16-64 years.

\(^3\) Bank of England OHI survey, November 2013
Inclusion

Promoting an inclusive working environment which encourages staff to contribute their unique perspective to the work of the Bank is key to the Bank being able to meet its objective under the Strategic Plan to create a diverse and talented workforce. It is important that managers have the skills to foster an inclusive environment, which allows staff to feel comfortable and share their ideas. This section sets out some of the key groups and activities that are helping us advance the inclusion agenda.
A recent survey of Bank staff, conducted as part of the strategic planning exercise, showed that staff felt the Bank is an inclusive place to work. Staff highlighted the following qualities they value most about working at the Bank and that they would like to see continue:

- Contributing to the greater good
- Making a difference
- Excellence
- Fulfilling work
- Respect for people
- Accountability
- Being collaborative
- Trust

We would like to build on these values to increase the sense of teamwork and mutual support throughout the Bank, to help us achieve our aim of encouraging open debate and empowering people at all levels to take initiative and make things happen. To this end all staff will aspire to the same set of values and be measured against these annually. The senior leadership team will commit to a Leadership Charter, a statement promoting the culture the Bank is aspiring to, including the values that support it. The Inclusive Leadership training programme the Bank is proposing to implement in early 2015 will cover unconscious bias training as well as re-enforcing the importance of inclusivity to maximise individual, team, and organisational performance. There will be a clear link to the values and culture the Bank is aspiring to.
2.1 Employee networks

The employee networks make a valuable contribution to the Bank’s objectives of creating an inclusive environment for its employees. The networks are run by staff and are each sponsored by an Executive Director. They sit under the umbrella of the Diversity and Inclusion Forum which allows the networks to have a collective voice and support each other in their activities.

In 2013, the Bank supported staff to establish two new faith networks;

**The Jewish network** caters for the needs of Jewish colleagues, such as distributing information to managers regarding culturally significant dates and any arrangements staff may feel they need to make (e.g. working from home, taking leave etc.). The Network has contributed to widening the diversity awareness of all Bank colleagues by, for example, working with the catering providers to provide Jewish food in the staff restaurant during religious holidays. The network also intends to organise events and ‘Lunch and Learn’ sessions with interesting speakers on relevant Jewish topics.

**The Muslim network** enables Muslims across the Bank to connect with and support each other. One of its key achievements has been to support the spiritual well-being of Muslim staff by providing access to a multi-faith room for daily prayers and making provision for the weekly Friday congregational prayer. The network has helped to raise awareness of issues faced by Muslim staff by publishing guidelines on how to manage work arrangements during the long fasting hours in Ramadan. The network is also planning to run a series of seminars to inform staff about aspects of the Muslim faith that are relevant to daily working life.
This year has seen an increase in activity within the rest of the employee networks. With the transition of the PRA into the Bank, the networks have taken the opportunity to review their offering and how they support their members. Many of the networks have increased their numbers with staff actively engaging with network activities and initiatives:

**The Mental Health Network (MHN)** aims to raise awareness, improve understanding (and dispel misunderstandings) around mental health conditions and highlight the support available to the Bank’s staff. The Network sponsored five lectures over 2013 aimed at both de-stigmatising mental health conditions and explaining how staff can have good mental wellbeing. The network is working with Bank to improve support and training for staff and line-managers about mental wellbeing and promoting the excellent support the Bank offers. It is also helping the Bank develop a wellbeing strategy.

**The Disability network** has continued their work in helping the Bank to raise awareness of disability matters. Members have been involved in ensuring the Bank is able to meet the needs of its staff with disabilities, in particular with regards to adjustments to the workplace environment or infrastructure. The network is also pleased that their members have again championed a charity for the Bank’s charities of the year programme, as voted for by employees. Guide Dogs for the Blind were selected as one of these charities and fundraising continues throughout the year.

**2013/14 NETWORK HIGHLIGHTS**

The Bank has recently become a member of The City Mental Health Alliance, a coalition of organisations that have come together to improve mental health issues in the City of London. The focus of the Alliance is on the common stress related mental health conditions, such as anxiety and depression, while remaining inclusive of other conditions. In partnership with member organisations, it aims to over-coming stigma, enabling firms to learn from good practice elsewhere, and to sponsor mutually useful research.
The Christian Union is one of the oldest staff networks within the Bank, established in the 1960s. The network has organised events such as the staff carol service, Christianity Awareness Week and the Christianity Explored course, which provide opportunities for colleagues to find out about the Christian faith.

The Lesbian, Gay, Bisexual, Transgender network (LGBT) was established in 2006. It was re-launched in the summer of 2013 to welcome new PRA colleagues into the network.

The Bank of England Ethnic Minorities (BEEM) network is built on four Pillars (or aims): Inclusion – all staff feel fully included in the Bank family; Diversity – the Bank celebrates the cultural diversity of its staff; Empowerment – EM staff are empowered in their roles and that the Bank will help them develop, progress and realise their potential in their Bank careers; and Outreach – that those outside the Bank perceive the Bank is inclusive and empowering for ethnic minorities. They held a career progression panel discussion where senior Black Asian and Minority Ethnic (BAME) employees shared their experiences of progression within the Bank. They also hold awareness raising events within the Bank on cultural events such as Black History Month.

The Women in the Bank (WIB) network aims to support women in their career progression in the Bank. They have hosted a number of speakers to share their experiences from different industries.
2.2 Membership of external diversity organisations

Being a member of external diversity organisations is a very important part of the Bank’s ability to network and benchmark itself within local and national communities. In recognising the importance of creating a diverse and inclusive workforce, the Bank actively partners with leading diversity organisations to help achieve this.

The Bank has made good progress in improving its position within the benchmarks held by some of these organisations. Notably, the Bank won the ENEI’s Working Families award in 2013, which focussed on the Bank’s flexible working approach. It was also shortlisted for the Inclusive Recruitment award, which focussed on the Bank’s approach to attracting candidates from a diverse range of talent pools. In addition, the Bank has featured in the Stonewall Workplace Equality Index since 2011. In that time, there has been a steady improvement in the Bank’s rank on the index. This year (2013/14), the Bank ranked 145, up 65 places from the previous year, when it was 210.

2.3 Social mobility – The Bank in the community

The Community Relations team run a significant programme of activities that reflect the Bank’s aims to be a socially responsible employer and encourage staff to be involved within the community. Approximately 50% of staff took part in some form of community activity on behalf of or supported by the Bank in the last year. Much of the 2013 programme of initiatives was aimed at promoting social mobility amongst young people. The Community Relations team hosted a number of events in the Bank for community organisations helping school students from disadvantaged communities raise their aspirations and understanding of the world of work via activities such as mock selection centres. 678 students, mainly from the London area, attended these events. Activities further afield include reading schemes in Essex and a mentoring scheme based near the Leeds Cash Centre.
Looking ahead: Our future diversity targets and inclusion priorities

As part of the Strategic Plan, the Bank has set Bank-wide Diversity targets for 2014-2017 that are deliberately stretching. The focus for these measures is gender equality and increasing the proportion of BAME staff, to better reflect the UK population. We have focused our metrics on these two characteristics not only because they are currently the most measurable but because by increasing these characteristics, we increase diversity more broadly. Our ultimate goal is to achieve diversity of thought and approach to enable the Bank to best achieve its mission.
3.1 Diverse workforce

The Bank’s workforce should aim to reflect the UK population we serve. With regards to the gender mix, the aim is to have an equal gender split across the Bank and to achieve this at every band below senior management (with the senior management target set at 35% female). With regards to ethnicity and representation of BAME staff, the Bank aims to have a target of 15% BAME staff in total headcount, and to achieve this at every band below senior management (with the senior management target set at 9% BAME staff) by 2017. Diversity in the Bank’s leadership team has been strengthened since the review period of this report by the recent Director appointments.

When the Governor launched the Bank’s Strategic Plan, he announced the establishment of new Director positions, below the level of Executive Director. The new Directors will play an important leadership role across the Bank, not just in managing their areas, but also executing the Strategic Plan, and representing the Bank. The representation of women in these roles is 40%.

We will review progress against these Bank-wide targets with our executive team on a regular basis and all Executives will have objectives aligned to the new strategic plan and how they can help the Bank achieve these Bank-wide targets by 2017.

3.2 Inclusive leadership

Inclusive leadership is an integral part of the Strategic Plan’s Diverse and Talented pillar. In order to recruit, retain, develop and promote a diverse workforce to meet the Bank’s aims, all our people managers need to demonstrate their inclusivity and encourage diversity in their team’s thoughts, ideas, and actions. We aim to implement an Inclusive Leadership training programme, which will cover unconscious bias training as well as reinforcing the importance of inclusivity to maximise individual, team, and organisational performance. There will also be a clear link between this programme and the talent and culture work stream of the Strategic Plan.
Terms of reference

The Annual Equality, Diversity and Inclusion report is produced every year, summarising the progress that has been made in improving the representation of selected groups at the Bank. The report also gives details of the main actions that have been put in place each year to improve diversity and the priorities for the forthcoming year.

Under the Equality Act 2010, the Bank’s duty was extended to cover all protected characteristics: age; disability; gender reassignment, pregnancy and maternity; race (including ethnic or national origin, colour and nationality); religion and belief; sex and sexual orientation. As a result, the Bank published its comprehensive Equality Report 2012-15, which outlines the Bank’s commitment to equality, diversity and inclusion until 2015. It sets out how we fulfil public accountability responsibilities and explains how we manage our internal diversity work agenda for all protected characteristics.

The data include all employees and excludes non-executive directors and contingent workers who are not employees of the Bank.

Key terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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<tbody>
<tr>
<td>Annual rounds</td>
<td>The annual recruitment rounds comprising of graduate entrants and initial entrants (school leavers).</td>
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<tr>
<td>BAME</td>
<td>Black, Asian and Minority Ethnic</td>
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<tr>
<td>Bank-wide</td>
<td>Includes all employees</td>
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<tr>
<td>Financial year</td>
<td>1st March – end Feb</td>
</tr>
<tr>
<td>HR system</td>
<td>The Bank gets the majority of its diversity data from disclosure in the self-service HR system.</td>
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<tr>
<td>ISTD</td>
<td>A division within Central Services to deliver Information and Service Technology. This predominantly comprises ITPS technical ranks but does include some Banking Grades. Likewise, some ITPS technical ranks are in the business and not part of the ISTD division.</td>
</tr>
<tr>
<td>LCO – Legal Cutover</td>
<td>The date at which the Prudential Regulation Authority became the Bank’s responsibility and approx. 1200 ex-FSA staff became Bank employees – 1 April 2013. This is known as the PRA transition.</td>
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### Salary band descriptions

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td>Banking grades</td>
<td>Bands 1 – 7, Regional Band equivalents, Executive Directors, Governors, Advisors to the Governor (equivalent to Band 1). For the purpose of this report, Band 2 includes ITPS A and Band 3 includes ITPS.</td>
</tr>
<tr>
<td>DIR + (Director)</td>
<td>This salary band group includes all bands above Band 1 (i.e. ex-FSA DIR, Executive Directors, Deputy Governors and Governor)</td>
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<tr>
<td>Senior Manager</td>
<td>Band 1</td>
</tr>
<tr>
<td>Manager</td>
<td>Bands 2-3 (including ITPS A and B)</td>
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<tr>
<td>Analysts</td>
<td>Bands 4T and above (including ITPS A and B)</td>
</tr>
<tr>
<td>Support staff</td>
<td>Bands 5 and below</td>
</tr>
<tr>
<td>IT staff</td>
<td>Technical ranks 1 – 7 (excludes ITPS A and B)</td>
</tr>
<tr>
<td>Temporary ranks</td>
<td>Inward secondees, temporary vacation students, interns and gap year students.</td>
</tr>
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For further information:

www.bankofengland.co.uk/about/Pages/humanresources/diversity.aspx