Strategic Plan: Background information

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15 Core Initiatives

The Bank will be guided in everything we do by our Mission Statement, the One Bank theme and our commitment to a diverse and talented workforce, analytic excellence, outstanding execution, and openness and accountability. The Strategic Plan will be central to the conduct of our regular business and the execution of our new responsibilities. And our Strategic Plan outlines fifteen core initiatives to transform the institution over the next three years. These initiatives and how they support the Strategy are summarised below:

One Mission, One Bank

1. **Open, transparent and agile culture.** To make a success of One Bank, we will break down cultural barriers with new ways of working and commitment to a different conduct.

2. **Forefront of joint policy decision-making.** We will promote connectivity across Monetary Policy Committee (MPC), Financial Policy Committee (FPC) and Prudential Regulation Authority (PRA) Board, through sharing of information and analyses, and more frequent joint meetings, while respecting external committees’ statutory rights and the Governors’ decision rights on Bank policy matters.

Diverse and Talented

3. **One Bank, your reward.** In order to create a reward system that will attract and retain a mix of talent, we will harmonise reward, compensation terms and conditions across the Bank, subject to due process of consultation, to eliminate barriers to internal mobility.

4. **Rewarding excellence and teamwork.** This will enable us to differentiate performance and plan appropriate development for all, allowing us to improve performance across the Bank continuously and retain talent for all areas of the Bank in future.

5. **Compelling talent strategy.** The Bank’s talent strategy will seek to attract and inspire the best people to public service.

Analytic Excellence

6. **One Bank research agenda.** We will set an ambitious Bank-wide agenda for research and analysis at the intersection of monetary, macro and micro policy, systematically co-ordinating research objectives and capabilities. We will also open up the Bank’s research agenda to external...
contributions by publishing our key research questions; opening up our data sets to the public; and encouraging external contributions to policy questions.

7. **New approach to data and analysis.** We will create a ‘virtual’ research community across the Bank to support the Bank’s policy priorities. We will partner with outside academic and corporate entities to develop our techniques. We will build advanced analytics capabilities, partnering PhD mathematicians and statisticians with analytic staff across all policy areas.

8. **One Bank data architecture.** We will build integrated, but distributed, data architecture and governance, ensure data acquisition and integration are as efficient as possible and allow Bank-wide information-sharing with effective data management. We will share data as widely as possible by improving the visibility of the existing data available across the Bank. We will tap into third parties to take advantage of their economies of scale for non-proprietary data.

**Outstanding Execution**

9. **One credible voice in international policy.** This will enable us to promote the interests of the United Kingdom abroad. We will ensure that the Bank’s international strategy is successfully delivered and provide a centre of excellence for uniquely international subjects.

10. **Delivering supervision as One Bank.** This involves fully embedding the new judgment based, forward-looking supervisory model and actively seeking synergies across the Bank.

11. **Execution in core markets.** The Bank is already engaged in a number of major changes related to the use of its balance sheet that are integral to delivering outstanding execution. The strategy will affirm the critical importance of notes transformation, including polymer note introduction, managing the future shape and size of the balance sheet, and affirming the Bank’s interest in the continued effective operation of the core markets.

12. **A safer Bank.** The safety of the Bank is a pre-condition to delivering outstanding execution. We will evolve risk governance and oversight in line with central bank best practice, with particular emphasis on operational risk and maintain resilient cyber security.

**Open and Accountable**

13. **Enhanced central bank transparency.** Greater transparency will help to make our policies more effective. We will establish a Stakeholder Relations Group to ensure external economists and analysts have equal and timely access to information behind MPC, FPC and PRA decisions, in order to improve insight into the Bank’s current views and decisions.

14. **Accountable.** We have to be accountable for our actions and their consequences. We will transform the Annual Report to make it more transparent, accessible and informative, assess progress against our policy objectives annually, and promote and respond to the independent reports commissioned to evaluate the Bank’s performance.

15. **Engaged and approachable.** We will work to deliver a strategy for building public understanding and a constituency for maintaining monetary and financial stability.
Implementation

The Strategic Plan will demand a lot from the Bank and its staff at a time of rapid internal and external change. This section outlines the approach to implementation: balanced delivery; committed leadership; responsible governance; careful economic stewardship; and close performance measurement.

Balanced delivery

Early on in the Plan, we will seek to build the capabilities that will ensure subsequent delivery of more complex, high-investment initiatives. There will be several phases for the Strategy:

I. Immediate focus on One Bank changes in culture, organisation and governance.
II. Changes in the talent proposition, to drive forward the delivery of the Strategy, and in transparency, to enable our stakeholders to monitor our progress.
III. Investment in personnel and tools needed to advance our analytic, research, and policy aims, including major efforts already underway in Markets, Banknotes and the PRA.
IV. Longer-term investment in the transformation of our data architecture and cyber-security.

Committed leadership

The Bank’s senior leaders are committed to implementing our Strategy. One or two Executive Directors will be accountable for delivering results on each of the fifteen initiatives in the Strategic Plan. For each initiative, an executive with relevant expertise – in most cases, a Director or Head of Division – will be responsible for day-to-day execution. A central Programme Management Office (PMO) will actively support implementation from both a process and a content perspective.

Responsible governance

The Executive Directors Committee, or EDCo, is responsible for implementing the Strategy and its associated initiatives. EDCo is accountable for results to Governors, the PRA Board (where applicable) and ultimately to the Court of the Bank of England. The PMO, under leadership of the COO, will report quarterly to EDCo and Governors on progress on the Strategic Plan. The Bank will report to the Court on a regular basis and to the PRA Board as needed.

Careful economic stewardship

The Bank is committed to delivering substantial changes and benefits within its existing budgetary envelope. To ensure we do so, the Bank will launch a new approach to investment project governance to ensure efficient and effective outcomes.
Close performance measurement

Demonstrating successful delivery of the Strategy will require us to set ourselves clear and measureable performance criteria. We will use these to assess the extent to which we have delivered real change during the lifetime of the Strategic Plan. Performance measurement will also help the scoping of any further review that may be required after the end of three years.

Inputs to the Strategic Plan

The Bank conducted a wide-ranging consultation process as a key input into the Strategic Planning Exercise. Direct input was gathered through a series of open sessions with staff. A survey was also conducted of all Bank staff.

As an additional input to the Strategic Planning Exercise, visits were arranged to external companies, in order to gain insights on topics relevant to the Strategy. In most cases, the organisations had different objectives to the Bank, but faced related challenges and had developed creative solutions to those problems.

Drawing on these inputs, the Bank reviewed its mission and core purposes from the ‘top down’. It then evaluated the key priority areas for delivering the mission. On that basis, 10 separate workstreams were identified, each of which was aimed at reviewing one of the Bank’s core capabilities needed to deliver the mission. Each workstream was led by one or more senior members of staff. Workshops were held on each workstream, drawing on relevant expertise from across the Bank, to kick off an assessment of the key gaps between our current and desired capabilities, and to identify what barriers exist within the organisation to close the gaps.

The workshops and subsequent follow-up workstreams generated many detailed and innovative proposals for change. These proposals were then evaluated against the ‘top down’ assessment of the priority areas for delivering the Bank’s mission. This process of ‘top down’ and ‘bottom up’ assessment and challenge generated the large majority of the individual initiatives outlined in the Strategic Plan.
Appointments to senior positions at the Bank of England

In addition to today’s earlier HMT announcement of Dr Ben Broadbent as Deputy Governor Monetary Policy, Dr Nemat Shafik as Deputy Governor Markets and Banking, and Mr Anthony Habgood as Chair of Court of the Bank of England. The appointments of Ben Broadbent and Anthony Habgood are effective 1 July 2014, and the appointment of Nemat Shafik is effective 1 August 2014. Court has approved the following appointments to take effect from 1 June 2014:

Paul Fisher, currently Executive Director for Markets, will become Deputy Head of the PRA and the Executive Director for Specialist Supervision and Regulatory Operations. He will report to the Deputy Governor for Prudential Regulation and will become a member of the PRA Board in due course.

Andy Haldane, currently Executive Director for Financial Stability, will become Chief Economist and Executive Director for Monetary Analysis. He will be a member of the MPC and report to the Deputy Governor for Monetary Policy.

Spencer Dale, currently Chief Economist and Executive Director for Monetary Analysis, will become the new Executive Director for Financial Stability strategy and risk. He will be a member of the FPC and will report to the Deputy Governor for Financial Stability.

Chris Salmon, currently Executive Director of Banking Services, will become the Executive Director for Markets. He will report to the new Deputy Governor for Markets and Banking.

Lyndon Nelson, currently Director of Regulatory Operations in the PRA, will become Executive Director for Supervision of UK Deposit-takers.

Megan Butler, currently Director of International Banks supervision, will become Executive Director for International Banks Supervision.

David Rule, currently Director of International UK Banks supervision, will become Executive Director for Prudential Policy. He will report jointly to the Deputy Governor for Financial Stability and the Deputy Governor for Prudential Regulation.

All other Executive Directors will remain in their current positions and their reporting line to a Deputy Governor or the Governor will remain unchanged.

Director-level appointments

Victoria Cleland will become the Director for Bank Notes and Chief Cashier. She will report to the Deputy Governor for Monetary Policy.
**Sam Woods**, currently Director of UK Domestic Banks Supervision, will become Director for Financial Stability Strategy and Risk. He will report to Spencer Dale, the Executive Director for Financial Stability Strategy and Risk.

**Katherine Braddick** will retain her position as Director of Prudential Policy. She will report to David Rule.

**Jo Paisley** will become Director of Specialist Supervision. She will report to Paul Fisher.

**Andrew Bulley and Chris Moulder** will retain their current positions as directors for Life and General Insurance, reporting to Julian Adams, the Executive Director for Insurance Supervision.

The remaining Director positions will be filled through an open and co-ordinated appointments process. They are Directors for:

- Banking Services
- Financial Market Infrastructure Supervision
- Independent Evaluation
- Insurance Policy
- International
- Monetary Analysis
- Non-Systemic Deposit-Taker Supervision
- Systemic UK Deposit-Taker Supervision

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