



BANK OF ENGLAND

Equality Report

2012 - 2015

January 2012

Contents

Foreword from The Governor	4
Introduction from Catherine Brown, Executive Director, HR	5
1. The Bank of England	7
1.1. Statutory Objectives	7
1.2. Core Values	7
1.3. Governance	8
2. The Legal Framework	10
2.1. The Equality Act and The Public Sector Equality Duty	10
2.2. The Equality Duty and the Bank	10
2.3. Bank Employees	11
2.4. Members of the Public	13
3. The Bank's External Approach to Equality, Diversity and Inclusion	14
3.1. Monetary Policy	14
3.2. Financial Stability	14
3.3. Development of Banknotes	15
3.4. Public Information and Education	15
3.5. Welsh Language Scheme	16
3.6. Recruitment Activities	16
3.7. Community Work	17
3.8. Procurement	17
3.9. Membership of Diversity Organisations	18
4. The Bank's Internal Approach to and Equality, Diversity and Inclusion	19
4.1. Diversity and Inclusion Strategy	19
4.2. Strategic Aims	19
4.3. Diversity Forums	20
4.4. Diversity Initiatives	22
4.5. Flexible Working	22
4.6. Monitoring Diversity and Equality	23
5. Equality Information	24
5.1 Gender	24
5.2 Race	26
5.3 Age	29

5.4	Working Pattern	29
5.5	Equal Pay	30
5.6	Future Developments	30
6.	Equality Objectives	31
<hr/>		
7.	Conclusion and Summary	33
<hr/>		

Foreword from The Governor



At the Bank we have a duty to our staff and the general public not only to ensure we meet our legal obligations under the Public Sector Equality Duty but also to attract and develop the best people irrespective of background, race or gender. This report outlines our commitment to equality, diversity and inclusion until 2015. It sets out how we fulfil our public accountability responsibilities and explains how we manage our internal diversity work agenda.

One of our strategic priorities is to promote public trust and confidence in our activities. The Bank will undergo a period of significant change in the coming years and it is important that we build and sustain public support in our existing and new responsibilities. As our role changes, we must ensure that the Bank has the right people to carry out its core purposes. This requires us to foster a culture of creativity and challenge so that we are equipped to focus on the big issues and risks. Equality, diversity and working in an inclusive environment are key to achieving this by ensuring that we tap all the talent available.

At the Bank, we welcome individuals with diverse backgrounds, identity and characteristics. By acknowledging the benefits of different experiences, perspectives and thinking we can create this inclusive culture which encourages us to challenge conventional ideas and methods. This is vital to the Bank's long-term performance.

I am determined that the Bank should provide genuine equality of opportunity to all staff. This is both right in principle and essential to our success. The whole Executive Team and the Court share this determination and have given their full commitment to the diversity and inclusion agenda. I am pleased to endorse this report as a reflection of our dedication to fulfil those responsibilities.

Sir Mervyn King
Governor of The Bank of England

Introduction from Catherine Brown, Executive Director, HR



I am pleased to introduce the Bank of England's Equality Report 2012-2015. The report sets out how we manage diversity and equality at the Bank. It describes our achievements, efforts and challenges and will enable us to set objectives to meet our obligations as part of the Equality Duty.

The Bank has been developing its work in equality, diversity and inclusion for over 25 years. The first equality policy was introduced in 1987 and our diversity strategy was launched in 2006. When I joined the Bank in January 2011, I was extremely impressed with the work on diversity and our culture to embrace and promote inclusiveness. As the Executive Director, HR for the Bank I am wholly committed to maintaining and increasing efforts in this key area of our working lives.

The Bank's success depends on having the best possible talent in all areas of its operations, working in an environment where new ideas and approaches contribute to the Bank's effectiveness. This means not only an inclusive approach to recruitment, encouraging people with diverse backgrounds, thinking and experience to join the Bank, but also providing a work environment which supports all staff in developing to their full potential. The Bank benefits enormously from flexible work arrangements that encourage talented people to join and stay, and a similar openness to different backgrounds and experience within the work environment is vital for the Bank's success.

Catherine Brown

Executive Director, Human Resources

1. The Bank of England

The Bank of England is the central bank of the United Kingdom. The Bank was founded in 1694, nationalised on 1 March 1946, and gained independence to set monetary policy in 1997. Standing at the centre of the UK's financial system, the Bank is committed to promoting and maintaining monetary and financial stability as its contribution to a healthy economy.

1.1. Statutory Objectives

Under the Bank of England Act 1998, the Bank has the following statutory objectives:

- **Monetary Policy.** In relation to monetary policy the objectives of the Bank shall be (a) to maintain price stability (b) subject to that, to support the economic policy of Her Majesty's Government, including its objectives for growth and employment.
- **Financial Stability.** An objective of the Bank shall be to contribute to protecting and enhancing the stability of the financial systems of the United Kingdom. In pursuing the Financial Stability Objective the Bank shall aim to work with other relevant bodies (including the Treasury and the Financial Services Authority).

In 2010 the Government outlined plans for reform of the UK regulatory framework, including the creation of a Financial Policy Committee at the Bank of England and the Prudential Regulation Authority, a new prudential regulator as a subsidiary of the Bank. Legislation is required to implement the regulatory reforms and a draft Bill was published in June 2011, which is likely to come into effect in 2013.

The Bank also plays its part in promoting an open and internationally competitive financial centre in the United Kingdom, using its expertise to help make the United Kingdom financial system more efficient, where such efforts would be in the public interest and provided that they do not conflict with its primary responsibilities or those of other agencies.

Further information about the Bank's public functions and its statutory role can be found on the Bank of England website www.bankofengland.co.uk.

1.2. Core Values

The Bank has four core values. The way the Bank's employees behave to each other, its customers and the public should reflect our core values. They are key to achieving our core purposes.

- **Commitment to public service.** As the nation's central bank, our advice and actions affect the businesses and livelihoods of many people. We should be impartial and objective, seeking always to further the common good and remembering that we are accountable both to Parliament and to the public.
- **Trust and integrity.** The successful pursuit of our purposes rests on public trust. That trust is earned and retained by acting with integrity, by treating our knowledge of the affairs of others with discretion, and by communicating with transparency and clarity.
- **Pursuit of excellence.** Our reputation rests upon both our behaviour and on the excellence of our work. We should be open-minded, honest and truthful at all times. We value accuracy, creativity and professionalism in our work.
- **Co-operation and teamwork.** Effective delivery requires co-operation and teamwork. We should encourage and support each other, be civil, even-handed and open in dealing with our colleagues and generous with our knowledge. We are committed to equality of opportunity.

1.3. Governance

The framework for governance and accountability is set by the 1998 Bank of England Act. In some respects the Act was modified by the 2009 Banking Act. The Acts provide for a Court of Directors and a Committee comprising Non-Executive Directors (NedCo).

- The **Court of Directors** (Court) is responsible for managing the affairs of the Bank, other than the formulation of monetary policy. Court's responsibilities under the Bank of England Act 1998 include determining the Bank's objectives and strategy, and ensuring the effective discharge of the Bank's functions and the most efficient use of its resources. Since the 2009 Banking Act, the Bank has had a statutory objective to 'contribute to protecting and enhancing the stability of the financial systems of the United Kingdom' and the Court, consulting HM Treasury and on advice from the Financial Stability Committee, determines the Bank's strategy in relation to that objective. The members of Court are appointed by the Crown. Court consists of the Governor, two Deputy Governors and nine non-executive Directors. One of the non-executive Directors is designated by the Chancellor of the Exchequer to chair Court.
- **NedCo.** The Chairman of Court is also chairman of a Committee of Court (NedCo) consisting of all the non-Executive Directors. NedCo has responsibilities for reviewing the Bank's performance in relation to its objectives and strategy, monitoring the extent to which its financial management objectives are met, reviewing the procedures of the MPC, reviewing the Bank's internal controls

and for determining the pay and terms of employment of the Governors, Executive Directors and external MPC members.

- **Management structure.** The executive management of the Bank lies with the Governors and the Executive Directors. The Executive Team (ET) comprises the Governor, two Deputy Governors and ten Executive Directors.

2. The Legal Framework

2.1. The Equality Act and The Public Sector Equality Duty

The Equality Act 2010 (the Act), which came into force on 1 October 2010, provides a single legal framework for promoting equality and tackling discrimination in the UK on the basis of protected characteristics.

The Act has introduced a Public Sector Equality Duty (the Equality Duty) which applies to those public bodies listed in Schedule 19 to the Act. The Equality Duty came into force on 5 April 2011 and for the purposes of the Equality Duty, the relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnic or national origin, colour and nationality); religion or belief; sex and sexual orientation.

The Equality Duty requires those public bodies bound by it, in the exercise of their functions, to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a 'relevant protected characteristic' and persons who do not share it; and
- foster good relations between persons who share a 'relevant protected characteristic' and persons who do not share it.

To support the general Equality Duty, the Act also imposes specific duties on public bodies to publish equality objectives, at least every four years, and to publish information to demonstrate compliance with the Equality Duty at least annually.

2.2. The Equality Duty and the Bank

Under the Act, the Bank is subject to the Equality Duty in respect of its public functions. The Bank regards its public functions as:

- setting monetary policy to deliver the Government's price stability target;

- contributing to the stability of the financial system, including through the oversight of inter-bank payment systems, the regulation of the Scottish and Northern Ireland banknote issuance and acting as special resolution authority as provided for in the 2009 Banking Act; and
- the issue of banknotes in England and Wales.

In exercising these public functions, the Bank is therefore required to consider how it can contribute to the advancement of equality and good relations between different groups, both inside the Bank and in its external activities.

The Equality Duty impacts on the way the Bank provides employment opportunities and the way it engages with business and the public. It also impacts on the Bank's wider efforts to increase awareness and understanding of its activities and responsibilities. Irrespective of the introduction of the new Equality Duty, the Bank strives to promote equality of opportunity in all its dealings with members of staff and the public. The Equality Duty therefore builds on the Bank's existing efforts and provides a framework for monitoring continuous improvement towards its equality objectives. This report is intended to set out the Bank's equality objectives and its progress towards those objectives, as well as its compliance with the Equality Duty more generally.

2.3. Bank Employees

The Bank is committed to promoting equality and diversity in relation to its staff. It has developed a range of initiatives which aim to encourage equality of opportunity and foster good relations between employees of different backgrounds, which are set out in Section 4 of this report. Underpinning the Bank's approach to diversity is its Equal Opportunities and Diversity policy. The policy requires all staff to treat each other with dignity and respect and aims to ensure no employee is disadvantaged because of a protected characteristic in relation to recruitment, promotion, transfer, selection for training or any other terms and conditions of employment, such as salary or opportunities for flexible working. The policy has the support of the Governor of the Bank as well as the Bank's Executive Team and its Court of Directors. All employees of the Bank are required to comply with the Equal Opportunities and Diversity policy. All staff at all levels have different responsibilities for supporting the Bank's equality objectives, including:

- **Members of Court** which sets the strategic direction of the Bank's diversity agenda and periodically reviews the Bank's performance against its equality objectives.
- **The Executive Team (ET)** which oversees the Bank's diversity strategy and progress towards its equality objectives.

- **The Diversity Sponsor** a member of the ET who leads the Bank's diversity strategy and work agenda, engages with the Bank's employee networks and reports progress against strategy and goals to ET.
- **Heads of Division and other Senior managers** who are responsible for ensuring the decisions they take and the policies they create and implement, deliver the Bank's commitment to equality and diversity.
- **The Diversity and Inclusion Forum (DIF)** which monitors, promotes and progresses diversity and inclusion, engages with staff to raise awareness about diversity, and supports diversity initiatives across the Bank.
- **Employee Networks** established by Bank staff to support employees on a career or personal level.
- **Human Resources** which is accountable for delivery of the diversity work agenda. It monitors the Bank's progress against its equality objectives, builds equality considerations into the employment policies and procedures it implements, and supports managers to fulfil their equality responsibilities.
- **Recruitment staff** who support managers to ensure recruitment decisions are based solely on merit and who also help drive initiatives to attract candidates from all groups in society.
- The **Public Communications and Information Division** which is responsible for ensuring information about the Bank and its functions is available and accessible to all members of the public.
- **Procurement** staff who are responsible for ensuring that equality considerations are built into the tendering process for service providers.
- **Regional Agencies** whose assessment of local economic conditions should include discussions with as wide a range of businesses, organisations and groups as possible.
- **All members of staff** who are responsible for complying with the Bank's Equal Opportunities and Diversity policy and for treating all colleagues and members of the public with respect and dignity.

The Bank does not tolerate breaches of its Equal Opportunities and Diversity policy by staff members, and recognises this can have an adverse impact on individuals as well as the reputation and success of the Bank.

2.4. Members of the Public

The Bank is committed to contributing towards equality in the wider community. It aims to minimise obstacles faced by people who visit the Bank, use its banknotes and access information about the Bank. The Bank maintains involvement with many key diversity organisations and, in particular, has worked for many years with not-for-profit organisations, as well as Government, to develop a wide range of services and facilities for disabled visitors and users of banknotes. Through its Community Involvement Strategy, the Bank encourages staff to become involved in community initiatives and aims to promote initiatives that contribute to the Bank's Diversity Strategy. The Bank's approach to diversity in the community is set out in more detail in Section 3 of this report.

3. The Bank's External Approach to Equality, Diversity and Inclusion

The Bank is committed to increasing public understanding of its work, for example through the publication of its Inflation Report and Financial Stability Report. It runs a network of Agencies across the UK to keep in touch with local business and assess economic conditions affecting businesses in the area. In respect of education for the public, it provides information on banknotes for cash handlers and offers a range of educational materials. Through its Centre for Central Banking Studies, it offers seminars and expert advice to other central banks, and has an educational museum which is open to the public, free of charge.

3.1. Monetary Policy

The Bank's monetary policy objective is to deliver price stability – low inflation – and, subject to that, to support the Government's economic objectives including those for growth and employment. Stable prices are defined by the Government's inflation target, which the Bank seeks to meet through the decisions taken by the Monetary Policy Committee (MPC).

The Bank has a public accountability commitment to explain its monetary policy views and decisions. The MPC goes to great lengths to explain its thinking and decisions. The minutes of MPC meetings are published two weeks after the meeting. The minutes give a full account of the policy discussion. In addition to the monthly MPC minutes, the Bank publishes its Inflation Report every quarter. This report gives an analysis of the UK economy and the factors influencing policy decisions. The Inflation Report also includes the MPC's latest forecasts for inflation and output growth.

MPC members also speak to audiences throughout the country, explaining the MPC's policy decisions and thinking. This is a two-way dialogue. Regional visits also give members of the MPC a chance to gather first-hand intelligence about the economic situation from businesses and other organisations.

The Bank has twelve Agencies based around the UK. Their primary role is to assess economic conditions affecting businesses in their area. Each month the Agencies hold a series of discussions with individual businesses, organisations and groups to assess business conditions. The Agencies are the Bank's 'eyes and ears', providing information about trends and developments across the economy.

3.2. Financial Stability

The public's reliance on the financial system means it needs to operate in a stable and reliable way. The public needs to have confidence that the UK financial system is safe and stable, and functions properly to provide critical services to the wider economy.

In the context of the Bank's financial stability objective, it works with others, such as the Financial Services Authority and HM Treasury, to keep the financial system stable. The Bank does this through its risk assessment and risk reduction work, market intelligence functions, payments systems oversight, banking and market operations, including, in exceptional circumstances by acting as lender of last resort, and resolution work.

The Bank has a commitment to promote public understanding of financial stability issues and therefore publishes the Financial Stability Report on a biannual basis. Pending the introduction of new legislation, a record of the interim Financial Policy Committee meetings is also published on the Bank's website.

3.3. Development of Banknotes

The Bank has been issuing banknotes for over 300 years. Gaining and maintaining public confidence in the currency is a key role of the Bank. The Bank must ensure the public has trust in the banknotes it issues. It protects that trust by ensuring banknotes are hard to copy, so that counterfeit notes do not undermine confidence in genuine Bank of England banknotes. The Bank has developed its series of banknotes to contain a range of security features to help the public identify genuine banknotes. It publishes a range of education material to cash handlers to prevent the circulation of counterfeit notes.

Through its work on banknote development, the Bank has a longstanding and well-established relationship with the Royal National Institute of Blind People (RNIB) who work with the Bank to assist in making banknotes more readily identifiable by the blind and partially sighted people. The Bank regularly seeks the views of the RNIB during the early design phase of its banknotes. Most recently this involved discussing the design of the new-style £50 note which entered circulation in November 2011. The Bank also sought advice from the RNIB when producing its range of banknote education and publicity materials, and as a result our main information leaflet is available in Braille or as an audio CD rom.

3.4. Public Information and Education

The Bank offers a range of resources and services to build awareness and understanding of its role and functions, and of central banking more generally. For the public, there is a large range of material available on the Bank's website www.bankofengland.co.uk (compliant with disability accessibility standards). The Bank publishes its main publications, news releases, statistics and key speeches and working papers.

Education material and leaflets are also available to the public. The Bank also has a public enquiries service which members of the public can contact directly.

The Bank has a Museum which is free to the public and offers presentations and displays for all ages. For young people, there is material on money, prices and the economy. In conjunction with The Times the Bank runs Target Two Point Zero, which is an Interest Rate Challenge competition for students age 16-18. It gives students the chance to take on the role of the Bank of England's MPC, assess economic conditions and the outlook for inflation and to advise the panel of judges on the monetary policy they would set to achieve the Government's inflation target.

The Bank's Centre for Central Banking Studies (CCBS) conducts seminars and provides expert advice to central banks and monetary institutions throughout the world. It is a centre for comparative study and collaborative research on issues at the forefront of central banking. Its primary aims are to foster monetary and financial stability world-wide, to promote the Bank's core activities, and to provide opportunities for central banking staff to obtain broader perspectives on their own areas of expertise.

3.5. Welsh Language Scheme

The Bank underwent a consultation period in 2011 to introduce a Welsh language scheme. The scheme sets out the measures that the Bank takes to give effect to the principle of language equality when providing services to the public in Wales. It ensures that any public enquiry received in Welsh will be replied to in Welsh and non-technical publications and key banknote information leaflets aimed at the public will be available in Welsh. In addition, if the Bank releases public information (including press releases) during the resolution of a deposit-taking institution with branches in Wales, then that material will be made available in Welsh as soon as practicable.

3.6. Recruitment Activities

In its pursuit to attract staff from all groups in society and with a range of working styles, the Bank positively engages in a full range of diversity recruitment initiatives.

The Bank became an approved user of the 'Positive about Disabled People' disability symbol in 1990. In the context of recruitment, this means that any person with a disability who meets the Bank's essential entry criteria is guaranteed to reach the first stage of the selection process. In 2011, representatives from the Bank attended the annual 'Access to Employment' event aimed at graduate students with a disability. The Bank has also assisted at a Blind in Business speed interviewing event and has worked with an autism charity to raise awareness on reasonable adjustments for candidates with autism or aspergers.

Other diversity initiatives undertaken have been online marketing and targeted recruitment events to attract female and ethnic minority students. The Bank hosted an event for female Masters students which was supported by the Chief Economist and the Women In the Bank network. The Bank also participated in an event which targeted ethnic minority students. The Bank has been working with Rare, a diversity recruitment consultancy, to promote opportunities to black undergraduate and Masters level students. In addition, the Bank has advertised in the Stonewall 'breaking out' publication to attract LGBT candidates.

The Bank's initial entry recruitment scheme for A level and gap year students encourages applicants from a wide range of schools, with supported study programmes to attract talented individuals who otherwise may not have considered the Bank or have the means to attend university. The Bank introduced an apprenticeship scheme in 2011 which is designed to offer on the job learning so individuals can develop skills, knowledge and gain qualifications in an engineering role.

The Bank provides training for all staff engaged in recruitment activities which includes raising awareness of equality issues and unconscious bias. The recruitment advisers at the Bank have undertaken training to increase their awareness of how a communication disability can affect performance at a selection event.

The recruitment selection decisions for graduate entrants at the Bank involve age and gender anonymity to ensure that these decisions are unaffected by these two characteristics.

3.7. Community Work

The Bank has a long history of community involvement in local, regional and national initiatives. Supporting the voluntary sector continues to be an important part of the Bank's culture. The current policy focuses on supporting community involvement by Bank staff, whether this is through programmes promoted by the Bank or by staff volunteering on their own initiative. The Bank recognises the value of involvement in the voluntary sector and education business links, and works closely with a number of organisations offering staff the opportunity to be involved in their programmes.

Current initiatives include working closely with Brokerage Citylink, a charity for disadvantaged students, local school programmes assisting students with employability; and working with elderly and disabled groups of individuals. The Bank also hosts annual student events for Blind in Business and African Caribbean Diversity, an organisation that aims to help young people at secondary schools from African Caribbean backgrounds achieve their full potential.

3.8. Procurement

The Bank of England is a Contracting Authority under the Public Procurement Regulations 2006. The Bank requests, where appropriate, that service providers within a tendering, supplier selection and market testing process provide their equal opportunities and diversity policies prior to the award of any contract. The Bank takes equality considerations into account within its procurement process and provides training for all staff involved in procurement work so that they understand the relevance of equality in their area of work.

3.9. Membership of Diversity Organisations

The Bank recognises the importance of creating a diverse and inclusive workforce and liaises with the UK's leading diversity organisations to help achieve this. It has longstanding memberships of the following key diversity partners:

- Employers Forum on Disability (1990);
- User of JobcentrePlus Disability Symbol and guaranteed interview scheme (1990);
- Opportunity Now (since 1991);
- Race for Opportunity (1994);
- Employers Network for Equality and Inclusion [previously Employers' Forum on Age and Employers' Forum on Belief] (1996);
- Working Families (2006);
- Stonewall Diversity Champions Programme (2008).

4. The Bank's Internal Approach to and Equality, Diversity and Inclusion

The Bank has taken a broad view of diversity to cover a person's background, identity and characteristics. This includes, yet goes beyond, the current legally protected groups. It is also important for the Bank to attract, welcome and support people of a broad range of personality types and working styles. The richer the mix of views, preferences and experience, the better the Bank will be at fulfilling its core purposes. The Bank wants a working environment which is inclusive with an openness to encourage the unique perspectives of staff to comment and contribute to the Bank.

The Bank should also provide genuine equality of opportunity and respect to all staff. This is both right in principle and essential to the Bank's success. The Bank's equality policy is to ensure that no job applicant or member of staff receives less favourable treatment on grounds of a protected characteristic or is disadvantaged by terms and conditions of service or requirements which cannot be shown to be justifiable. The Bank will ensure that staff are recruited, promoted, transferred and selected for training on the basis of their qualifications, skills, abilities and aptitudes.

4.1. Diversity and Inclusion Strategy

The Bank's diversity and inclusion strategy should contribute directly towards the Bank's business strategy. With that in mind it has evolved its diversity strategy to contribute to the following outcomes:

- the Bank has the right people to carry out its core purposes and maintain the strong reputation of the Bank;
- the Bank has a culture of creativity and challenge to focus on the big issues and risks.

4.2. Strategic Aims

The Bank's greatest asset is the people who work for it. It needs the best possible people working in the Bank. So the Bank has set out the following Diversity and Inclusion aims to help achieve this.

- **A Diverse Workforce.** The Bank wants to attract and recruit the best people with a wide range of attributes, working styles, experiences and backgrounds. Recruitment decisions will be based on evidence of merit. The Bank will look at different methods of advertising and recruitment to reach out to under-represented groups and people of a broad range of backgrounds. It will continue to monitor the recruitment profile across diversity strands, take action where necessary and report on progress.

- **Developing, Valuing and Retaining Diverse Talents.** The Bank wants to provide an environment in which all staff have an opportunity to reach their full potential. This means it will address the developmental needs of all staff and in particular those from under-represented groups. Promotion and reward decisions will continue to be based on evidence of merit. The Bank will use its staff diversity profile data to help identify any barriers to achievement and promotion for particular groups or individuals. The Bank will also listen to the staff survey responses, feedback from its employee networks and other staff to identify areas for action. It will adjust working practices where possible and maximise opportunities for flexible working.
- **Inclusive Culture.** The Bank wants a work environment which is open and encourages the unique perspectives of all staff to comment and contribute to the Bank. People of a broad range of personality types and working styles need to feel equally at home here. The Bank wants to be an organisation which is fair and understands the many different cultures, backgrounds and values of its staff and stakeholders. It wants to ensure equality of treatment for all its staff. The Bank wants all staff to treat colleagues, and all those with whom they have contact, fairly and with respect. It will raise awareness to ensure that the decisions and actions that are taken are free from bias or discrimination. There will be zero tolerance of any bullying, harassment or discrimination. The Bank will make its offices, publications, documents and communication methods accessible to all those who need access.
- **Leadership and Accountability.** All staff have a responsibility for delivering the Bank's diversity and equality commitments. Members of the Executive Team, Heads of Division and managers have specific responsibilities for the decisions they take and the policies they create and implement. The Bank's leadership training and initiatives will set clear expectations of how its leaders and managers should perform and behave.

4.3. Diversity Forums

The Bank engages with a number of employee-led diversity forums to help it understand the key diversity messages around the organisation. It also supports a number of initiatives to help raise diversity awareness and develop an inclusive culture where everyone feels respected, valued and where talents are fully utilised.

- **Diversity and Inclusion Forum (DIF).** The purpose of the DIF is to steer, encourage and review progress of analysis and actions taken to monitor, promote and progress diversity and inclusion across the Bank. In particular, it helps coordination and provides additional resources and support to all of the established employee networks in the Bank. It may also encourage the setting up of employee networks in topic areas where none currently exist. The DIF meets quarterly and produces a newsletter bi-annually to all staff. The newsletter provides a collection of perspectives

and articles from staff of various backgrounds from across the Bank. The DIF recently hosted an event by Diane Abbott, Labour MP for Hackney North and Stoke Newington, to talk about her career experience and discuss the appointment and promotion of ethnic minority candidates and staff.

- **Women in the Bank.** The Bank's network for women – “Women in the Bank” – was created in July 2007. Its purpose is to support all women in their career progression at the Bank. To achieve this aim, the network organises activities around four key themes: (i) Realising what is possible at the Bank; (ii) Inspiring stories; (iii) Adding to individual skill sets; and (iv) Meeting others through social and networking events. The network organises a series of events such as lunch-time panel sessions with women from the Bank as well as external speaker events. The sessions aim to highlight a range of career issues, to learn from others, share experiences and discuss innovative solutions to real and perceived barriers to career progression. Events are open to both men and women. Examples of some recent events include presentations from Heather Rabbatts, Director of Shed Media plc and a previous Director of the Bank, talking about her varied career and thoughts for success; Lamia Walker, Director of the Centre of Women in Business at the London Business School, talking about men and women in teams, and internal Bank presentations discussing the facts of diversity, topical issues and career progression.
- **Disability Network.** The Bank's disability network was created in 2008. Its members include staff with a disability or those who have an interest in disability. The purpose of the network is to promote and encourage awareness of disability matters. It aims to support staff with a disability by ensuring the Bank's facilities, environment and policies are effective and accessible and by championing the value of disabled talent. The network meets quarterly. Specific achievements include improving accessibility of the building for those with restricted mobility, highlighting and resolving signage for staff with visual impairments and sponsoring a communication disability training session for recruitment advisers.
- **Lesbian Gay Bisexual Transsexual Network (LGBT).** As part of the Bank's commitment to diversity in the workplace, a group of Bank staff set up a LGBT network in 2007. The aims of the network include: offering support to anyone dealing with issues relating to sexual orientation (eg, either personally or with friends and family); offering help with career issues (eg, buddying and mentoring); reflecting the diversity of the organisation which may help and support existing staff or staff joining or considering joining the Bank. The network can provide help to some individuals to talk to someone who has similar experiences, for example, adverse reactions and experiences from colleagues, management, the organisation or family and friends and dealing with perceived, real or hidden barriers to career progression. The network complements the services provided by the Bank's Staff Counsellor. In June 2011, the LGBT network sponsored an event hosted by television presenter and economist, Evan Davis who discussed his career in journalism and economics.

4.4. Diversity Initiatives

The Bank engages in a number of initiatives for staff to promote diversity and inclusiveness. Training and raising awareness of diversity issues is key to achieving this. The Bank has an online equality and diversity training course which staff are required to complete. There is also targeted training and development for staff who are involved in working with people with disabilities. The Bank has provided disability awareness training for 'front of house' staff, training for those who work with a deaf colleague and a number of staff gained accreditation in British Sign Language Level 1 which was supported by the Bank.

The Bank also offers coaching, support and Keeping in Touch (KIT) events for staff on maternity or adoption leave and in 2011 provided workshops for managers of maternity returners. KIT days involve refamiliarising staff with their role and developments in their business area. Human Resources also organise KIT events which bring together staff on maternity and adoption leave to update them on Bankwide developments and provides a career coaching session on: 'preparing for a confident return'.

The Bank is aware of the pressures that staff can face in balancing their working lives with their home-based commitments and has put in place a range of policies aimed at meeting staff's needs in this area. It runs a regular series of lunchtime 'Working Lives Seminars' covering many issues which affect our lives. Topics have included disability awareness subjects, guidance on education topics for parents, and financial awareness.

The Bank offers the facility of a multi faith room in the main building at Threadneedle Street. People express their faith in many ways, through beliefs, attitudes, customs and religious observance. For many, faith is taken into every aspect of life, including the workplace. The Bank's multi faith room is available to all staff - from all religions, beliefs and faiths - who may want a place for prayer or quiet contemplation during the working day.

The Bank conducts a biennial staff survey which analyses the opinion of staff in a number of areas, including the Bank's approach to diversity and inclusion. The latest survey results (2011) reported that 73% of staff considered the Bank to be an inclusive employer and 67% agreed that management supports diversity for all staff.

4.5. Flexible Working

The Bank's Executive Team is committed to creating a working environment where its staff can successfully balance their working and home lives. Provided it is managed carefully, such flexibility can lead to increased motivation, greater commitment, and, even if they are not always easy to measure, increased outputs. The Bank recognises traditional working patterns do not suit everyone, and people's

circumstances can also vary greatly over the course of a career. The Bank provides a number of flexible working options, including variable hours, part-time working, annual days contracts, term-time working and working from home. The Bank encourages flexible working of all types and ensures that opportunities and promotion are based on merit and contribution, regardless of an individual's working pattern.

The Bank's commitment to flexible working benefits its recruitment strategy and contributes towards improved retention. The UK labour market is undergoing significant changes particularly the impact of an ageing population and the rise of dual-career families. Technology can greatly assist alternate ways of working and many types of jobs can be redesigned to increase outputs whilst allowing flexibility to employees.

4.6. Monitoring Diversity and Equality

The Bank has extensive Management Information available for monitoring and analysing its diversity and equality profile. This helps to identify the key challenges for the organisation and set the priorities for the coming year. Annually the Bank presents a panel event to staff on the facts of diversity and publishes a Diversity and Inclusion Report, setting out progress on its diversity objectives and priorities. The Bank also conducts an Equal Pay Audit each year which is published to all staff. It analyses salary levels and bonus awards across gender, ethnicity and compares pay levels for full-time and part-time staff.

Further information on the Bank's priorities is found in Section 6. Statistical information on the Bank's diversity profile is shown in more detail in Section 5.

5. Equality Information

The Bank is committed to employing a workforce that reflects the diversity of the UK. It regularly monitors the diversity breakdown of the workforce and this is published internally in the annual diversity report. The Bank analyses the data and challenges its recruitment, development and progression processes to ensure it is promoting equality of opportunity to the internal and external talent pools.

The equality information published in this Equality Report is taken from the latest diversity data, for the year ending 28 February 2011. The data within the charts will drive the Bank's equality objectives for the upcoming year (to be published by 6th April 2012).

In accordance with the Equality Duty, the data will be updated annually on the Bank of England website www.bankofengland.co.uk.

5.1 Gender

The proportion of females in the Bank has remained stable over the past 10 years at 43%. However the percentage of females varies by career grade. Females are in the majority at our junior career grades (Bands 5-7), but are a minority at all other grades. One of the challenges the Bank currently faces is how it continues to increase the proportion of females in the senior ranks (Band 3 and above).

The data in the charts below shows the gender mix at each career grade and the progress made at the senior ranks to date.

Chart 1: Gender Mix by Career Grade

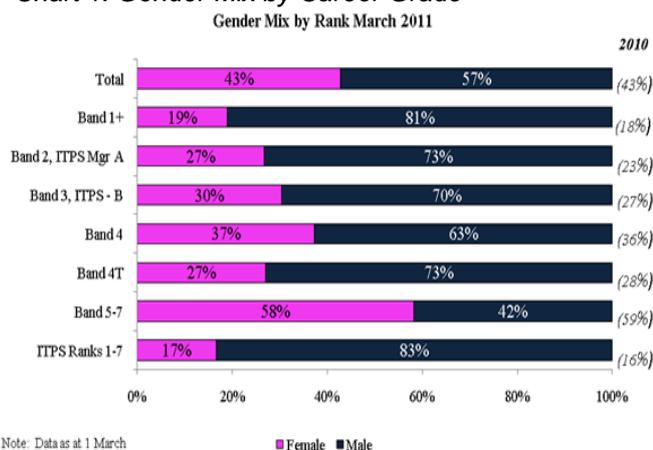


Chart 1 shows the proportion of females at each career grade in the Bank.

Chart 2: Females in Senior Career Grades

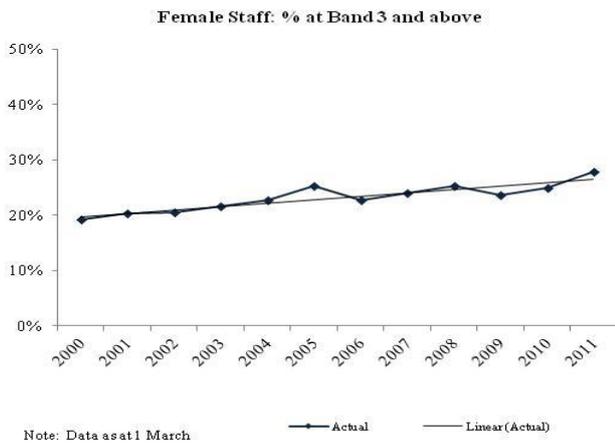


Chart 2 shows the percentage of females in the senior grades (Band 3 and above) since 2000.

The proportion of females at Bands 3 and above has increased from 25% to 28% during 2010/11.

Chart 3: Female Experienced Hire Rates

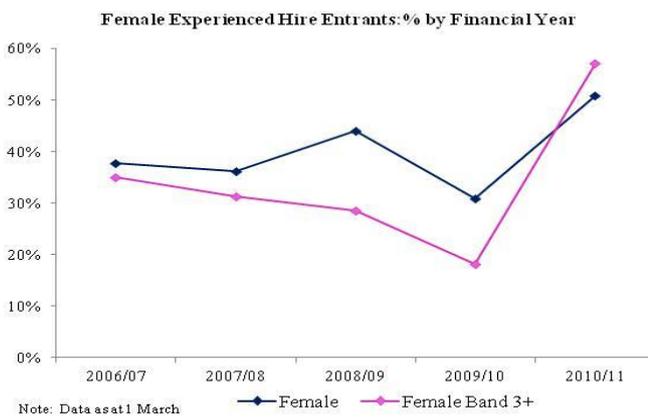


Chart 3 shows the percentage of experienced hires that were female for all career grades and specifically for the senior grades.

There was a marked increase in the percentage of female experienced hire entrants in the past year and most notably at Band 3 and above.

Chart 4: Female Graduate Entrant Rates

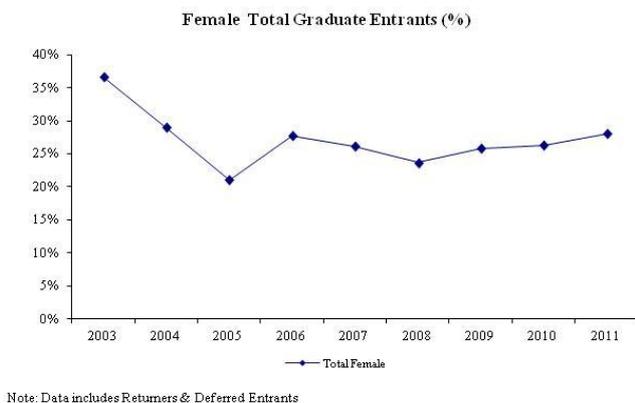


Chart 4 shows the percentage of female permanent graduate entrants each year.

The proportion of entrants who were female increased by 3 % to 29%, but has been broadly flat since 2006.

Chart 5: Gender Resignation Rates

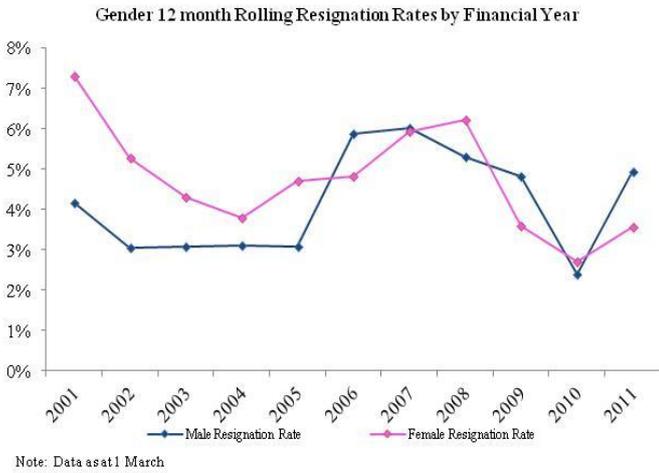


Chart 5 shows the 12 month rolling resignation rate by gender since 2001 for all career grades.

The long run resignation rate average for females over the period was 4.7% compared to 4.2% for males. However the rates have converged since 2006 and in 2011 the female rate has fallen to 3.6% below the male rate of 4.9%.

Chart 6: Gender Resignation Percentages

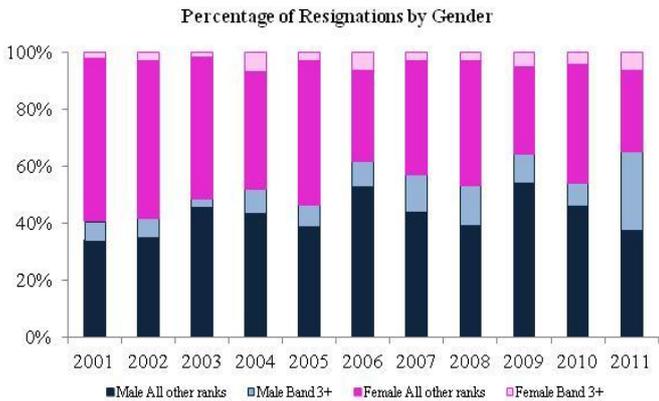


Chart 6 shows the percentage of male and female resignation each year, highlighting those resignations at the senior career grades (Band 3 and above).

Whilst, there are a higher proportion of male resignations in recent years, the chart also highlights a slight increase in the percentage of females leaving at Band 3 and above.

5.2 Race

Over the last 11 years, the Bank has seen a slow, but steady increase of the proportion of ethnic minority staff¹ to its current level of 9%². As with gender, our challenge lies within the senior salary career grades, and additionally a need to address under-representation at the junior career grades compared to white counterparts.

The data in the charts below shows the gender mix at each career grade and the progress made at the senior grades to date.

¹ Ethnic Minority or Non-White staff includes staff who declare themselves to be from one of the following backgrounds; Asian, Black, Chinese, Mixed Race

² It should be noted that as at 1st March 2011 3% of staff at the Bank had not disclosed their ethnicity.

Chart 7: Ethnicity Mix by Career Grade

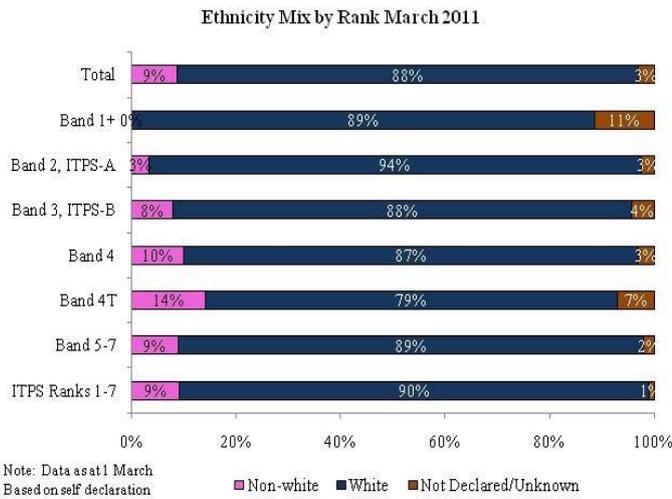


Chart 7 shows the proportion of ethnic minority staff at each grade in the Bank.

9% of staff are from an ethnic minority background. The highest proportion of ethnic minority staff is found in our graduate entry career grade (Band 4T).

Chart 8: Breakdown by Ethnic Minority Type

Ethnic Minority Staff: Profile March 2011

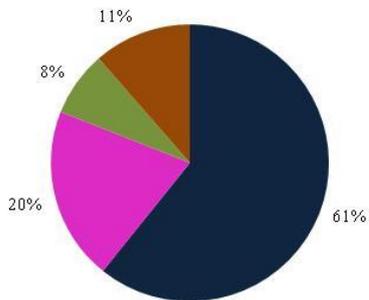


Chart 8 shows the profile of ethnic minority staff working at the Bank.

61% of ethnic minority staff are of Asian background. This is significantly higher than the proportion of other ethnic minority staff.

Note: Data as at 1 March. Based on self declaration.

Chart 9: Ethnicity Staff at Senior Career Grades

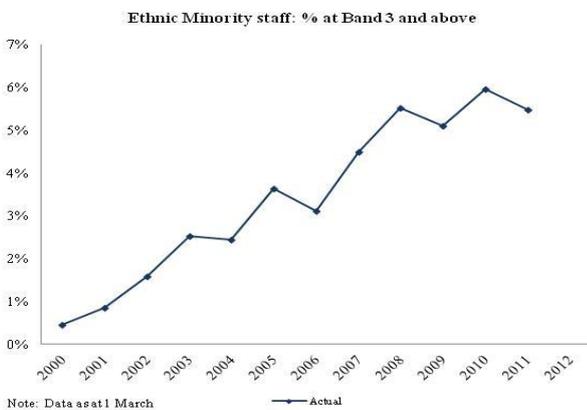


Chart 9 shows the percentage of ethnic minority staff in the senior grades (Band 3 and above) since 2000.

The proportion of ethnic minorities at Bands 3 and above has decreased from 6% to 5% during 2010/2011, but has increased overall from 2000 from 1% to 5%.

Chart 10: Ethnicity Experienced Hire Rates

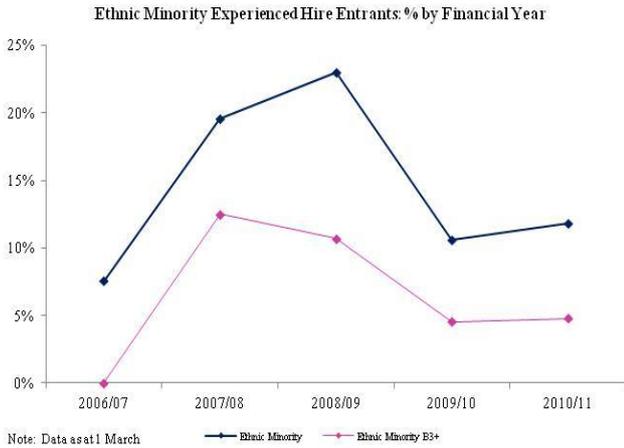


Chart 10 shows the percentage of experienced hires that were from an ethnic minority background for all bands and specifically for the senior career grades. In 2010/11 12% of experienced professional joiners were from an ethnic minority background. However this was significantly lower than in 2008/09. Investigation into any specific reasons for this is underway.

Chart 11: Ethnic Graduate Entrant Rates

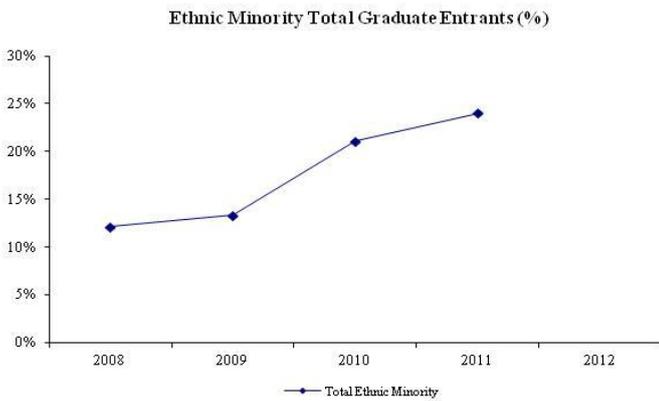


Chart 11 shows the percentage of ethnic permanent graduate entrants each year.

The Bank has recruited more ethnic minority graduates in 2011 than in previous years, with 24% of permanent graduate entrants from an ethnic minority background.

Chart 12: Ethnicity Resignation Rates



Chart 12 shows the 12 month rolling resignation rate for white and non-white staff since 2001 for all career grades.

Resignation rates of ethnic minority staff fell in the past year but remain higher than the Bankwide rate. Since 2010 an independent expert has been conducting interviews with exiting ethnic minority staff to help to understand any reasons for this higher resignation rate.

5.3 Age

The Bank employs staff of all working age groups, with 17% of the workforce over 50 and 8% under 25. There is generally a normal distribution with the exception of the 35 to 40 range.

Chart 13: Age Mix

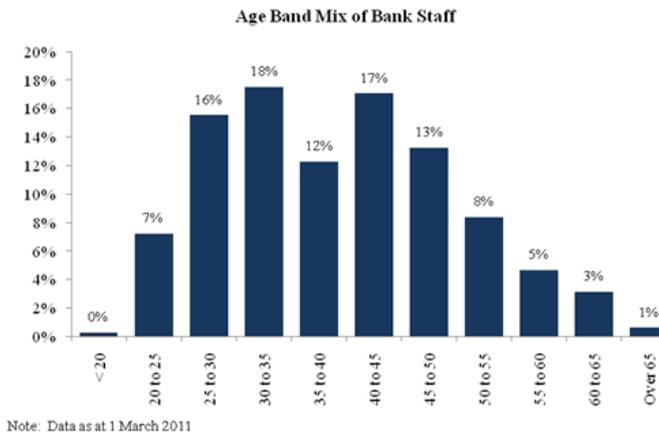


Chart 13 shows the percentage of staff within each age group working for the Bank.

5.4 Working Pattern

The majority of Bank staff are full time but there are options to work part time hours or to change contractual hours where appropriate. The Bank encourages flexible working and offers options including: working from home and flexible working hours.

Chart 14: Working Pattern Mix

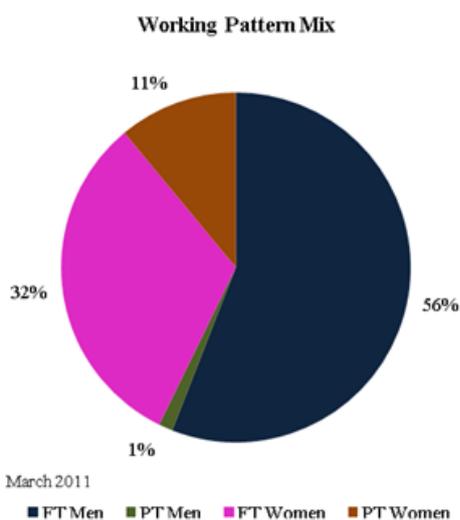


Chart 14 shows the percentage of part time and full time staff by gender.

88% of staff are full time; of the part time staff the majority are female.

5.5 Equal Pay

The Bank conducts an annual equal pay audit which assesses the ratio of pay between gender, ethnicity, working pattern and age. The general message from the latest equal pay audit is again positive. Salaries across most career grades, as well as areas where discrimination can arise, are considered to be “acceptable” and there is no evidence of a systematic pay bias. As there is a higher proportion of females concentrated in the lower ranks, pay differentials can, by and large, be explained by occupational differences.

5.6 Future Developments

Over the next few years the Bank is looking to increase the variety of data that is considered and the diversity strands that are captured. It will look to include data on job applicants for graduates and experienced hire, promotions, training and maternity/adoption returners. There is also an intention to capture more data on varied diversity strands including disability, sexual orientation and religious belief.

6. Equality Objectives

As part of the Public Sector Equality Duty, the Bank has a requirement to publish equality objectives by April 2012. The Bank is required to update the objectives every four years but in line with its internal reviews and monitoring processes, the Bank will review its progress against its equality objectives annually.

The Bank first published its Equality Report in January 2012. In order to allow opportunity for the public to consider the report before finalising the equality objectives, the Bank opened a dedicated email account. The Bank is now in a position to publish its objectives which are designed to further its aims for equality, diversity and inclusion.

An integral aspect to the development of the equality objectives has been the analysis of equality information published in Section 5 of this report. The data supplied in this section provided an understanding of the issues affecting the relevant protected characteristic groups and an overview of the equality challenges faced by the Bank.

The Bank's equality objectives were developed and agreed with involvement from internal stakeholders including its Diversity and Inclusion Forum and Employee Networks, and with approval from the Diversity Sponsor, the Executive Team and Court. These objectives are organised around the four strategic aims for Equality, Diversity and Inclusion, explained in Section 4.2 of this report. The Bank's equality objectives are set out below.

Diverse Workforce

- The Bank will continue towards its target of recruiting 40% female graduates across Bachelors and Masters Degree Programmes.
- The Bank has an aim to maintain recruitment of at least 20% ethnic minority graduates.
- We will seek to recruit A Level entrants to reflect the diversity profile of students in London and South East England.

Developing, Valuing and Retaining Diverse Talents

- The Bank aims to increase the proportion of ethnic minority staff at Bands 3 and above by moving towards a population target of 8%.
- We intend to grow the proportion of women at Bands 3 and above towards a population target of 30%.
- The Bank will further its aims of increasing the take up for Flexible working for staff at all levels, including those in senior ranks.

Inclusive Culture

- The Bank will ensure that its equality activities will drive towards 80% net of Bank staff saying that 'the Bank is an inclusive employer', as measured by the biennial Staff Opinion Survey.
- The Bank will ensure that diversity characteristics are declared by 75% of staff, to help us monitor our workforce profile and career progression.

Leadership and Accountability

- The Bank will ensure that all staff receive online diversity training in their first year at the Bank.
- The Bank will ensure that 90% of managers receive online diversity training at least every three years.
- The Bank will ensure that its equality activities will drive towards 75% net of Bank staff saying that 'management supports diversity for all staff' in the biennial Staff Opinion Survey.
- We will raise public perception of the Bank's interest in diversity and inclusion issues by leading by example, sharing best practice and continuing to engage with the wider community through our community relations programme. Activities will be monitored and recorded.

7. Conclusion and Summary

The Bank of England has a commitment to the Public Sector Equality Duty (the Equality Duty) in respect of its public functions. Whilst compliance with the Equality Duty is a legal requirement, the Bank strives to promote equality of opportunity in all its dealings with members of staff and the public it serves. The Equality Duty therefore builds on the Bank's existing efforts and provides a framework for monitoring continuous improvement towards its equality targets.

The publication of this Equality Report demonstrates the Bank's commitment to its equality aims. It outlines the Bank's positive approach to diversity and equality through its external activities, for example the Bank's commitment to increasing public awareness of its core functions, its consultation work with the RNIB during the design of banknotes and the publication of key literature in the Welsh language scheme. The Bank's recruitment activities offer a key opportunity to attract potential employees from minority groups and further the Bank's aim to create a diverse and inclusive culture. The Bank's recruitment diversity initiatives strive to achieve this aim.

The Bank's internal approach to diversity, inclusion and equality is to provide opportunity for all. The Bank's view is that the more diverse its workforce becomes, the better it will represent the public it serves. Diversity networks, committees and forums play a key role in maintaining the Bank's equality objectives. Each year the Bank sets itself specific internal diversity goals and regularly monitors progress. An internal diversity and inclusion report is submitted to Court each year and in following years will be the source for updating this Equality Report including the Equality Objectives. Every employee, irrespective of grade, has a role to play and is accountable for ensuring the Bank's equality, diversity and inclusion commitments are met.