

Introduction

In January 2012 the Bank published its first Equality Report (http://www.bankofengland.co.uk/publications/Documents/other/equalityreport/equalityreport2012_2015.pdf) which was a requirement under the Public Sector Equality Duty (the Equality Duty <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty>). The Equality Duty imposes specific duties on the Bank to publish its equality information annually and to publish equality objectives at least every four years. This publication provides the update to the equality information and reports on progress against the objectives set out in the Report.

Since the 2012 Report was issued, the Bank has undergone significant change. On 1 April 2013 the Bank's responsibilities expanded to include the Prudential Regulation Authority (PRA). The PRA is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. In total the PRA regulates around 1,700 financial firms. The Bank will see positive changes to its diversity profile and representation across all protected characteristics with the creation of the PRA and the transition of 1,185 new staff. This update does not include data relating to the additional PRA staff as the information is taken from the Bank's 2012 Diversity Report, which was produced prior to 1 April 2013. Therefore changes to the Bank's staff profile will be reflected in next year's update. The 2013 annual Diversity report 'Everyone Together' will be expanded to include progress against the Equality Duty and the equal pay audit for the whole Bank, including the PRA.

Equality Information

In accordance with the Equality Duty the Bank is required to update annually its equality information. This update sets out the Bank's current profile in the areas of Gender; Race; Age; Disability and Sexual Orientation. The 2012-15 Report stated that the Bank planned to extend its data capture to other diversity strands, this update therefore includes the data for the Disability and Sexual Orientation profiles within the Bank for the first time. Future updates will be incorporated into the annual diversity reported 'Everyone Together' and will include the diversity data for the PRA.

The equality information published in this update is taken from the Bank's latest diversity report published to staff in April 2013.

1. Gender

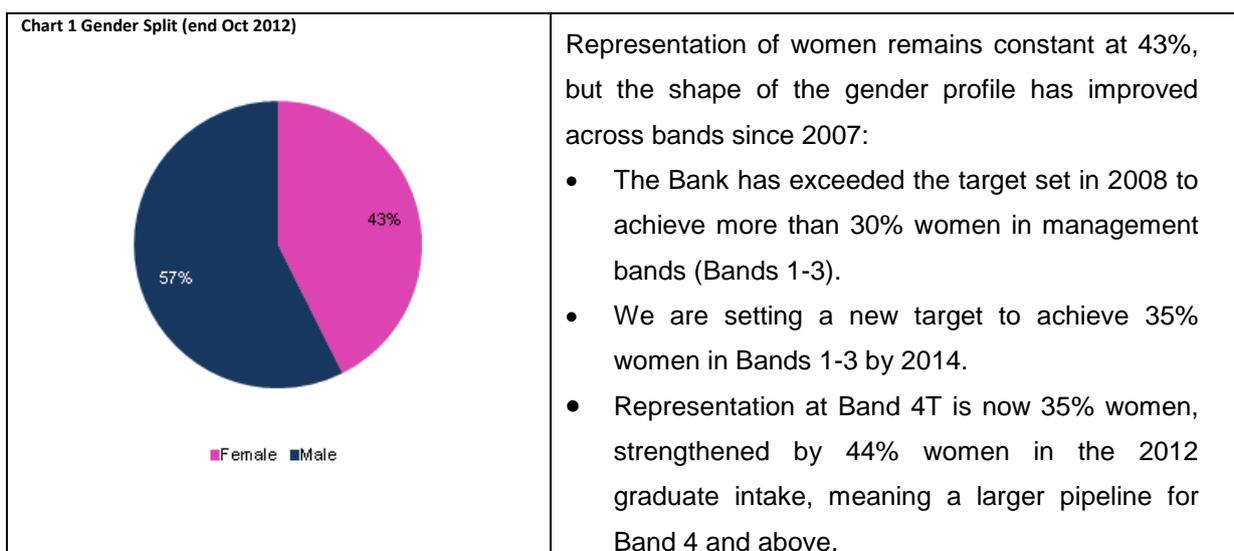


Chart 2: The proportion of females at each salary band

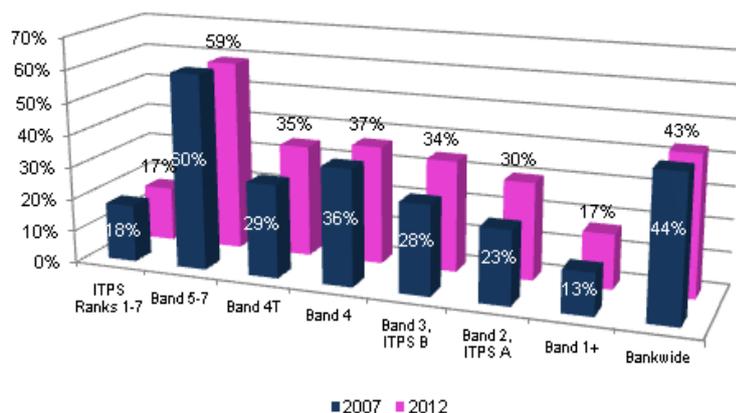
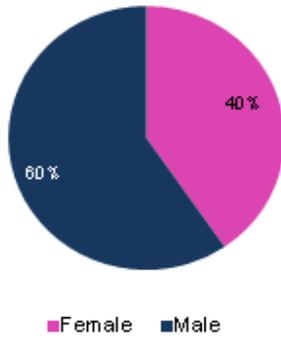
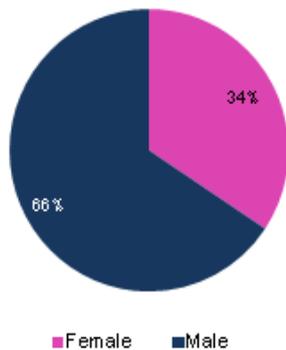


Chart 3: Recruitment by Gender (Mar 2011 - Oct 2012)



- Recruitment activity is maintaining the current level of representation for women, while changing the shape of the gender profile.
- Management level recruitment outperformed current representation levels (36% recruits were female vs. 32% representation level).
- The 2011/12 graduate recruitment round was a boost to female representation at Band 4T, with 44% of the intake being female. This is compared to a previous long term average of about 29% female representation at Band 4T.

Chart 4: Resignations by Gender (Mar 2011-Oct 2012)



- 66% of those resigning were male in the reporting period.
- Female resignation rates are slightly lower proportionally than males.

2. Race

We have achieved the highest level of declared Black, Asian or Minority Ethnic (BAME) staff in the Bank's history, at 11%. This is a significant achievement compared the previous reported figure of 9%.

External recruitment during 2012 has had a positive impact, most notable in ITPS ranks (17%), Band 4T (13%) and Band 4 (12%). These developments are particularly important for future pipelines of BAME employees progressing to management bands.

This year HR implemented a number of initiatives to support attracting BAME applicants into the talent pipelines at Band 4T. We worked closely with the Afro-Caribbean Society to host events and offer skills sessions for students from a BAME

heritage. The newly created employee network BEEM (Bank of England Ethnic Minorities) provided support to a number of university campus activities, and we continued our partnership with RARE recruitment to support the attraction of BAME students with MSc level education.

Chart 5a : BAME Staff by Salary Band (End Oct 2012)

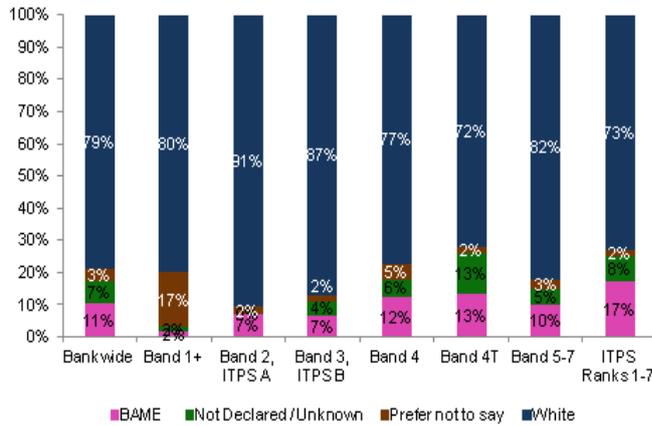


Chart 5b: % of BAME Staff: Band 4T+ (end Oct 2012)

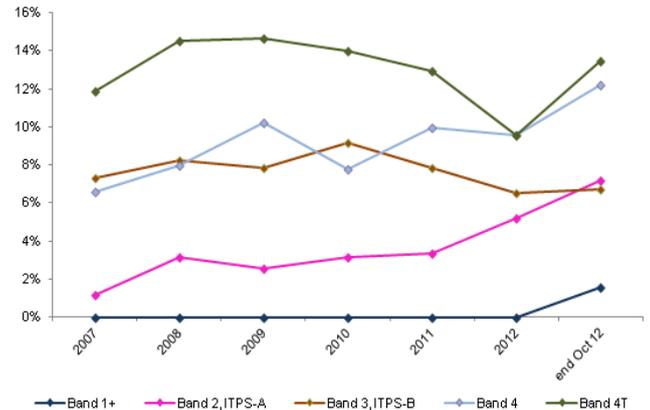
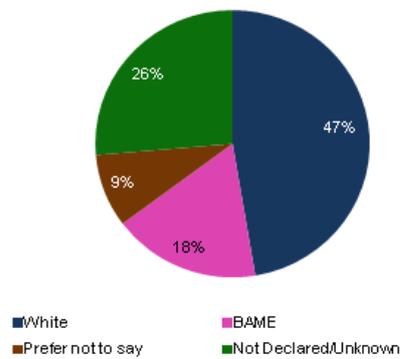


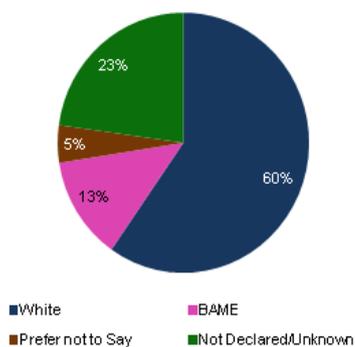
Chart 6: Recruitment by Ethnicity (Mar 2011 - Oct 2012)



- Recruitment activity has been a key mechanism to increase representation from an ethnicity perspective.
- Bankwide we are recruiting BAME staff at a rate higher than current representation levels (18% versus 11%).
- 16% of those recruited into management bands declared a BAME heritage.
- Recruitment into the ITPS technical ranks was very positive with 35% of hires declaring a BAME heritage.

Overall, recruitment is having a significant impact on BAME representation in the Bank, with 18% of external hires declaring a BAME heritage. 70% of those hires joined the Bank's talent pipelines at Band 4T or below, and effort will be made to encourage them to progress to management bands over time.

Chart 7 : Resignation by Ethnicity (Mar 2011 - Oct 2012)

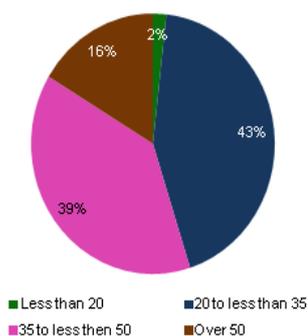


- 13% of resignations are from declared BAME staff, although the actual figure could be higher as 28% of people did not declare their ethnicity.
- Resignation rates from declared BAME staff are 2% higher than the Bank-wide average.
- The rate of resignation could jeopardise the progress being made through the recruitment and promotion of declared BAME employees.

3. Age

The Bank employs staff of all working age groups, with 16% of the workforce over 50 and 13% under 25. There is generally a normal distribution with the exception of the 35 to 40 range where we are disproportionately lower at 11%.

Chart 8 : Age profile across the Bank (Oct 2012)



- Age approximates a normal distribution
- The age profile is relatively young with only 16% over 50¹
- The largest changes in the five year period, 2007-2012, has been in the 30-35 group (increased of 6%) and the 35-40 group (decrease of 7%).

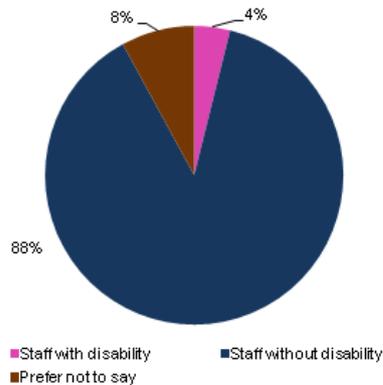
4. Disability

The Bank has actively pursued disability initiatives for several years, as a member of the Employers’ Forum on Disability since 1990, as a recognised Two Ticks employer, and with an active disability network since 2008. Some of the key activities in 2012 have included on-going improvements to the Threadneedle Street building to allow greater accessibility, and in October 2012 the Bank pledged to sign the ‘Time to Change’ organisational commitment in October 2013. Time to Change is a campaign run by two charities, Mind and Rethink Mental Illness, and aims to

¹ The Chartered Institute of Public Finance and Accountancy (CIPFA) give a benchmark mean of 27% employees in the public finance sector of over 50

reduce stigma and discrimination around mental health. This commitment will enable the Bank to further understand what it can do to support those with disabilities.

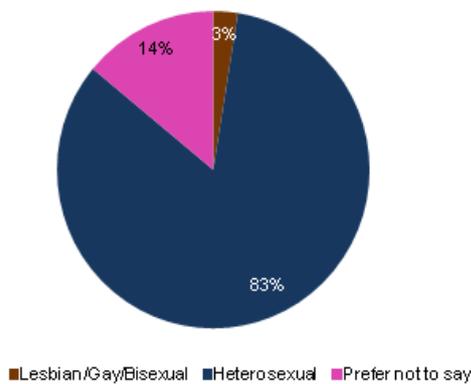
Chart 9 : Staff Disability Declarations (Staff Survey 11)



- Only 11% of Bank staff have declared their disability status in our HR system. As a result the representation data are taken from the 2011 staff survey²
- 4% of staff declared a disability in the 2011 staff survey. This is lower than the national figure (8.5% of employees have a disability).³
- This is the first year we have reported on disability in this report. We need to build on this by collecting more in-depth information in the following years.

5. Sexual Orientation

Chart 10 : Staff Sexual Orientation (Staff Survey 2011)



There was an 84% response rate to the 2011 staff survey questions on sexual orientation. Of these:

- 3% declared themselves as Lesbian/Gay/Bisexual (LGB), compared to a UK representation of 6% of the population declaring themselves LGB.⁴
- 83% declared themselves as heterosexual.
- 14% preferred not to say.

Equality Objectives

As stated in the Equality Report 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

² The survey had 1616 responses out of 2010 staff

³ Office for National Statistics Labour Force Survey, Jan - March 2009 & People with disabilities in the Labour Market, 2011, ONS.

⁴ According to Stonewall research, 2012.

Sponsor, the Executive Team and Court. This section provides progress against these objectives:

| <u>Strategic Aim</u> | <u>Equality Objective</u> | <u>Progress</u> | <u>Status</u> |
|-----------------------------|--|--|----------------------|
| Diverse Workforce | The Bank will continue towards its target of recruiting 40% female graduates across Bachelors and Masters Degree Programmes. | The 2012 graduate annual recruitment round resulted in 44% of the intake being female. This is compared to a previous long term average of about 29% female representation. | Exceeded target |
| | The Bank has an aim to maintain recruitment of at least 20% ethnic minority graduates. | During the 2012/13 campaign, the Bank sought to broaden its marketing of opportunities to reach a more diverse range of students. For graduate recruitment, we increased our on-campus activities so that we were active at over 27 different campuses. This followed a review of our target universities, undertaken in conjunction with internal departments. As a result, the 2013 graduate cohort will come from 30 different universities and 23% of the intake is from an ethnic minority, up from just 16% in 2012. | Exceeded target |
| | We will seek to recruit A Level entrants to reflect the diversity profile of students in London and South | In June 2013 the Bank will start an A-level scheme working with students from schools in disadvantaged areas to attend a programme at the Bank of | On-track |

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| | East England. | three sessions working on skills in interviewing, CV writing and selection test to prepare them for a real-life interview. The Bank will guarantee them an interview to be considered with the wider pool of candidates. | |
| 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%. | 16% of recruits into management bands declared a BAME background, including representation at Band 1 for the first time. If we continue to recruit at these levels we are likely to be able to achieve our goal of 8% representations within the management bands (currently we have 6.1% declared BAME staff at Bands 1-3). | On-track |
| | We intend to grow the proportion of women at Bands 3 and above towards a population target of 30%. | The Bank has exceeded this target and has set a new target to achieve 35% women in Bands 1-3 by 2014. | Exceeded target |
| | The Bank will further its aims of increasing the take up for Flexible working for staff at all levels, including those in senior ranks. | The Bank has a variety of flexible working options, some of which are measureable, such as part-time working and others that are not, such as home-working. The challenge of how to measure the take-up of these options is being | On-track |

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| | | investigated. | |
| 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 staff survey is scheduled for Autumn 2013. | On-track |
| | The Bank will ensure that diversity characteristics are declared by 75% of staff, to help us monitor our workforce profile and career progression. | The Bank has achieved this target in some diversity strands such as Gender and Ethnicity. There will be increased efforts to improve declaration rates in the other strands, particularly Disability and LGBT. | On-track |
| Leadership and Accountability | The Bank will ensure that all staff receive online diversity training in their first year at the Bank. | The on-line diversity training is being improved and is planned for launch in June 2013. | On-track |
| | The Bank will ensure that 90% of managers receive online diversity training at least every three years. | As above – all managers will be expected to complete the on-line training and attend a follow-up session. | On-track |
| | The Bank will ensure that its equality activities will drive towards 75% net of Bank staff saying that | Staff Survey is due Autumn 2013. | On-track |

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| | <p>'management supports diversity for all staff' in the biennial Staff Opinion Survey.</p> | | |
| | <p>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.</p> | <p>This year marks the first time that the Bank has developed a diversity communications media strategy. The over-arching aim of the strategy is to support the Bank's Annual Diversity Report and Equality Duty by increasing public awareness of the Bank's inclusive culture and diverse workforce. More generally, the strategy is focused on raising the profile of the Bank as a great place to work; and demonstrating that the Bank is engaged with, and taking a lead on, issues around diversity and equality. Press Office has been working with HR to implement this strategy. We have made an effort to benchmark our progress through participation in diversity and inclusion-related surveys and industry awards:</p> <ul style="list-style-type: none"> - Winner of the public sector category in the Financial Mail's Breaking the Mould awards, for encouraging women's career progression. (http://www.fmwf.com/media-type/news/2013/02/winners-of-financial-mail's-breaking-the-mould-awards-revealed-at-glittering-ceremony/). - The Bank moved up 51 | <p>On-track</p> |

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| | | <p>places in the Stonewall benchmarking survey.</p> <ul style="list-style-type: none"> - The Bank was shortlisted in the top 50 employers by Rate My Placement for work experience and internship opportunities. | |
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Conclusion and Summary

This update has covered the progress made by the Bank during 2012 against its commitments stated in the Equality Report published last year. Significant progress has been made in all areas of the Equality objectives and efforts will continue to make further progress in 2013. With the extension of the Bank’s remit to include the PRA, the Bank has broadened its commitment to diversity and inclusion to extend to all those joining the Bank.

In future years, the Bank’s Diversity report published annually to staff will include the PRA and also incorporate progress against these equality objectives. Networks, committees and forums will continue to play a key role in meeting the Bank’s equality objectives.