

Bank of England Report and accounts 1984



Court of Directors

29 February 1984

Robert Leigh-Pemberton CBE
Christopher William McMahon CBE

The Hon Sir John Baring CVO
George Hardman
Sir George Adrian Herbert CBE
Sir Robert Anthony Clark OBE
Geoffrey Aynon CBE
Edward Alan John Cooper
Sir Jasper Quinn QC
Sir Hector Laing
Anthony David Lockman
Alan Long CB
The Rt Hon Lord Nelson of York
Sir Lionel Alexander Selous (Alan)
David Gerald Scholey CBE
Sir David Edward Charles Steel CB
David Alan Walker
The Rt Hon Viscount Waverley

Bank of England

Report and accounts for the year ended 29 February 1984

Issued by Order of the Court of Directors 24 May 1984

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On 1 July 1983 Mr Robert Leigh-Pemberton, Chairman of the Bank, was elected President of the Bank of England for a period of one year.

The appointment of Sir Jasper Quinn QC, Sir Hector Laing, Anthony David Lockman, Alan Long CB, The Rt Hon Lord Nelson of York, Sir Lionel Alexander Selous (Alan), David Gerald Scholey CBE, Sir David Edward Charles Steel CB and David Alan Walker to the Court of Directors was announced on 29 February.

The Hon Viscount Waverley was appointed to the Court of Directors on 29 February. He was previously a member of the Court of Directors from 1971 to 1979.

Printed by the Bank of England
1984

Published by the Bank of England

London: Bank of England, 1984

Bank of England

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ISSN 0308-5279

Printed in England by
Stephen Austin and Sons Ltd, Hertford

Court of Directors

29 February 1984

Robert Leigh-Pemberton *Governor*

Christopher William McMahon *Deputy Governor*

The Hon Sir John Baring CVO

George Blunden*

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark DSC

Geoffrey Ayrton Drain CBE

Edward Alan John George*

Sir Jasper Quintus Hollom KBE

Sir Hector Laing

Anthony David Loehnis*

Alan Lord CB

The Rt Hon Lord Nelson of Stafford

Sir Lionel Alexander Bethune (Alastair) Pilkington FRS

David Gerald Scholey CBE

Sir David Edward Charles Steel DSO MC

David Alan Walker*

The Rt Hon Viscount Weir

On 1 July 1983 Mr Robert Leigh-Pemberton succeeded The Rt Hon Lord Richardson of Duntisbourne KG MBE TD PC as Governor for a period of five years.

The terms of office of Sir Jasper Hollom KBE, Sir Alastair Pilkington FRS and Viscount Weir expired on 29 February; Dr David Valentine Atterton CBE, Mr Rodney Desmond Galpin and Professor Brian Griffiths were appointed in their places for a period of four years.

The term of office of Mr Blunden also expired on 29 February; he was reappointed for a period of four years as a Non-Executive Director, his position as an Executive Director being taken by Mr Galpin.

*Executive Director

Executive Directors and senior officials

29 February 1984

Policy and Markets

E A J George
A L Coleby
C A E Goodhart
Ian Plenderleith
J C R Dow⁽¹⁾
J S Flemming⁽¹⁾
A D Lochnis
M J Balfour
D G Holland CMG
G M Gill
P H Kent⁽²⁾
G K Willetts

Executive Director Home Finance
Assistant Director *Money Markets Division*
Chief Adviser *Monetary Policy*
Head of Gilt-edged Division
Adviser to the Governor *Economics*
Chief Adviser *Economics Division*
Executive Director Overseas
Assistant Director *Territorial Division*
Chief Adviser *International Division*
Head of Foreign Exchange Division
Head of Information Division
Head of Financial Statistics Division

Finance and Industry

D A Walker
D A Dawkins
C J Farrow⁽³⁾

Executive Director
Assistant Director *Financial Supervision—General Division*
Assistant Director *Industrial Finance Division*

Banking Supervision

W P Cooke⁽⁴⁾
Brian Quinn⁽⁴⁾

Associate Director *Head of Banking Supervision*
Assistant Director *Banking Supervision Division*

Operations and Services

George Blunden⁽⁵⁾
R D Galpin⁽⁵⁾
D H F Somerset
J G Drake⁽⁶⁾
G L Wheatley

A J T Williams⁽⁷⁾

J S Fforde⁽⁸⁾

Executive Director
Associate Director *Chief of Corporate Services*
Chief of Banking Department and Chief Cashier
Chief Registrar and Chief Accountant
General Manager *Printing Works*

Secretary of the Bank

Adviser to the Governor

-
- (1) Mr Dow retired on 29 February 1984. Mr Flemming became Economic Adviser to the Governor on 1 March.
(2) Mr Kent replaced Mr L D D Price as Head of Information Division during the year.
(3) Mr Farrow joined the Bank on 18 May 1983. Until his retirement on 8 November 1983 Mr A T Bell was Head of Industrial Finance Division.
(4) On 1 March 1984 Mr Cooke assumed full Directorial responsibility for Banking Supervision and Mr Quinn became Head of Banking Supervision Division.
(5) Mr Blunden also had a responsibility for oversight of the Banking Supervision Division which passed to Mr Cooke on 1 March 1984 (see footnote 4). Mr Blunden's responsibility as Executive Director for Operations and Services passed to Mr Galpin, also on 1 March, when Mr Galpin was succeeded as Chief of Corporate Services by Mr H C E Harris.
(6) Mr Drake was appointed as Chief Registrar and Chief Accountant on 3 April 1983 in succession to Mr G L B Morgan who retired from the Bank.
(7) Mr Williams retired on 29 February 1984 and Mr P E Towndrow was appointed Secretary of the Bank from 1 March 1984.
(8) Mr Fforde resigned as an Adviser to the Governor on 29 February 1984. The Rt Hon Lord Benson GBE and The Rt Hon Lord Croham GCB also served as Advisers to the Governor until their respective retirements during the year.

The stock registers and the note issue

Management of the stock registers

Transfer activity fell during the year, although the nominal value of work transferred increased 10 per cent.

Transfers registered

I should like to take the opportunity of my first *Report* as Governor to place on record the Bank's gratitude to my predecessor. Gordon Richardson's leadership enabled the Bank to adapt and respond successfully to the calls with which it was confronted in ten years of continuous change at home and overseas.

I want also to express the Bank's gratitude to three Directors who retired on 29 February 1984. Sir Jasper Hollom's contribution to the life and work of the Bank was exceptionally distinguished, spanning a period of forty-eight years including ten years as Deputy Governor. Sir Alastair Pilkington and Viscount Weir were both active Non-Executive Directors for ten and twelve years respectively.

Finally, I would like to record my appreciation to all members of the Staff for their ready and understanding support during my first eight months in office. I recognise the strains put upon the Bank by the times in which we live and I am grateful for the spirited and positive way in which changing requirements are accepted and goals achieved.

R Leigh-Pemberton

Executive Directors and senior officials

1 February 1984

Dear Sir,

I am pleased to

acknowledge the

receipt of your letter

of 19 January 1984

concerning the

Bank of England's

annual report for

1983. I am sorry

that I cannot

reply to you more

fully at this time

but I am sure

that you will

be satisfied with

the information

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The Report concentrates on activities of the Bank other than domestic monetary policy and external policy; activities in these policy areas have already been described in detail in the Quarterly Bulletin.⁽¹⁾ The opening sections contain the usual account of work connected with the stock registers and the note issue; a description of other developments during the year; and a review of internal administration. These are followed by the accounts. The annual report on banking supervision required under the Banking Act 1979 is included as an annex.

(1) Subscription details for the *Quarterly Bulletin* can be obtained from the Bulletin Group, Economics Division, Bank of England, Threadneedle Street, London EC2R 8AH.

The stock registers and the note issue

Management of the stock registers

Transfer activity fell during the year, although the nominal value of stock transferred continued to increase.

Transfers registered

Thousands

Year to end-February	1981	1982	1983	1984
	1,177	1,158	1,285	1,072

The nominal value of British government securities managed by the Bank rose again, by £9,907 million (10%), but that of other stocks under management continued to fall—by £170 million (13%).

Nominal value of stocks in issue

£ millions

End-February	1981	1982	1983	1984
British government securities:				
Stocks ^(a)	82,781	89,123	95,108	105,028
of which, index-linked	—	2,750	5,387	6,762
Bearer bonds	80	77	70	57
	82,861	89,200	95,178	105,085
Other securities:				
Government-guaranteed	224	224	224	224
Commonwealth ^(b)	87	71	56	50
Local authorities	664	562	446	238
Other ^(c)	462	464	561	605
	1,437	1,321	1,287	1,117
Total	84,298	90,521	96,465	106,202

(a) The figures do not include stock on the registers of the Bank of Ireland and the Department for National Savings.

(b) Including Ireland in 1981, 1982 and 1983.

(c) Including stocks of the Agricultural Mortgage Corporation p.l.c.; Finance for Industry p.l.c. in 1981, 1982 and 1983; and stock and bearer bonds of the European Investment Bank in 1983 and 1984.

The number of accounts fell by 3% again this year.

Number of accounts

Thousands

End-February	1981	1982	1983	1984
British government securities ^(a)	2,274	2,340	2,297	2,245
Other securities:				
Government-guaranteed	37	35	34	32
Commonwealth ^(b)	22	20	17	15
Local authorities	80	64	49	33
Other ^(c)	35	33	31	27
	174	152	131	107
Total	2,448	2,492	2,428	2,352

(a) Excluding bearer bonds; the number of separate bonds in these years was: 1981:83,087; 1982:77,015; 1983:68,905; 1984:53,816.

(b) Including Ireland in 1981, 1982 and 1983.

(c) Excluding bearer bonds of the European Investment Bank.

Issues and repayments

Stocks issued for cash

		Issue price	£ millions nominal
1983			
14 Mar.	10½% Exchequer Convertible 1986	£98.75	1,100 ^(a)
13 Apr.	10½% Treasury 1989	£96.00	1,100
5 May	2½% Index-Linked Treasury Convertible 1999	£97.50	1,000
2 June	10½% Treasury Convertible 1987	£98.25	1,000
16 June	9½% Treasury 1988 ^(b)	£95.00	800
13 July	10½% Exchequer 1997 ^(b)	£98.75	300 ^(a)
13 July	11½% Treasury 2001/04 ^(b)	£107.875	200 ^(a)
17 Aug.	10% Treasury Convertible 1986	£97.25	1,000
22 Aug.	12% Treasury 1995 ^(b)	£102.625	300 ^(a)
22 Aug.	11½% Treasury 2003/07 ^(b)	£107.875	200 ^(a)
7 Sept.	2½% Index-Linked Treasury 2001 ^(b)	£95.50	100 ^(a)
7 Sept.	2½% Index-Linked Treasury 2003 ^(b)	£95.50	100 ^(a)
7 Sept.	2½% Index-Linked Treasury 2009 ^(b)	£95.75	100 ^(a)
15 Sept.	10% Treasury 1987	£97.00	1,100
29 Sept.	9½% Treasury Convertible 1988	£96.50	1,000
12 Oct.	2½% Index-Linked Treasury 2020	£91.50	750 ^(a)
28 Oct.	3% Treasury 1986 ^(b)	£88.125	100 ^(a)
28 Oct.	2½% Exchequer 1987 ^(b)	£82.875	150 ^(a)
16 Nov.	10% Exchequer 1989	£97.00	1,150
24 Nov.	2½% Exchequer 1986	£84.50	500
7 Dec.	10½% Exchequer 1995 ^(b)	£101.125	300 ^(a)
7 Dec.	10½% Exchequer 1997 ^(b)	£102.875	200 ^(a)
29 Dec.	3% Treasury 1986 ^(b)	£89.125	100 ^(a)
29 Dec.	3% Treasury 1987 ^(b)	£83.4375	200 ^(a)

Stocks issued for cash *continued*

1984			
5 Jan.	2% Index-Linked Treasury 1990	£91.00	300
18 Jan.	10% Treasury Convertible 1990	£96.00	1,200
24 Jan.	9½% Treasury 1988 ^(a)	£95.25	250 ^(a)
24 Jan.	9% Treasury 1992/96 ^(b)	£93.50	150 ^(a)
24 Jan.	9½% Treasury 1999 ^(b)	£94.00	100 ^(a)
8 Feb.	9¾% Exchequer 1998	£94.50	1,000
Total			15,850

(a) Issued directly to the Bank of England and subsequently made available to the market through the Government Broker.

(b) Additional tranches.

Other issues of stock

			£ millions nominal
In exchange for 12% Exchequer Convertible 1985:			
1983			
22 Mar.	13½% Exchequer 1992 (at 95%)		226.22
22 Sept.	13½% Exchequer 1992 (at 92%)		0.39
In exchange for 12½% Treasury Convertible 1986:			
1983			
14 July	13% Treasury 2000 (at 95%)		39.74
1984			
14 Jan.	13% Treasury 2000 (at 93%)		206.98
In exchange for 8¾% Treasury Convertible 1985:			
1983			
3 Sept.	9% Conversion 2000 (at 104%)		2.86
In exchange for 2½% Index-Linked Treasury Convertible 1999:			
1983			
22 Nov.	10¼% Conversion 1999 (at 100%)		970.08
In exchange for 10¼% Treasury Convertible 1987:			
1984			
10 Feb.	9¾% Conversion 2001 (at 100%)		1.57
Total			1,447.84

Repayments at par

			£ millions nominal
1983			
16 Mar.	Agricultural Mortgage Corporation 9½% 1981/83		20.00
17 Mar.	12% Treasury 1983		1,548.64
5 Apr.	London County 5% 1980/83		25.00
24 May	Variable Rate Treasury 1983		399.98
10 July	Ireland 7½% 1981/83		5.00
18 July	9¼% Treasury 1983		799.87
10 Aug.	Greater London 12½% 1983		100.00
15 Nov.	Corporation of London 13¼% 1983		25.00
21 Nov.	Agricultural Mortgage Corporation 5% 1979/83		1.61
22 Nov.	13½% Exchequer 1983		799.96
12 Dec.	10% Exchequer 1983		987.77
20 Dec.	Finance for Industry 14% Unsecured Loan Stock 1983		40.30

Repayments at par *continued*

1984			
15 Jan.	5½% Funding 1982/84		498.93
15 Feb.	Greater London 13¼% 1984		50.00
20 Feb.	11¼% Exchequer 1984		1,099.45
Total			6,401.51

Local authority bonds

During the year twenty-four issues of local authority short-term bonds, totalling £29.50 million nominal, were managed by the Bank; thirty issues, totalling £45.50 million, were redeemed.

Gilt-edged settlements

Work continues jointly with The Stock Exchange on the development of the computer-based transfer and settlement system (the Central Gilts Office Service) referred to in previous *Reports*.

The note issue

The note issue was £11,457 million at the end of February 1984, £449 million (4%) larger than a year earlier. The annual seasonal peak, of £12,869 million, was reached immediately prior to Christmas.

Value of notes in circulation by denominations

£ millions					
	End-February	1981	1982	1983	1984
£1		673	657	641	583
£5		3,343	3,097	2,850	2,554
£10		4,043	4,298	4,531	4,846
£20		1,686	1,833	1,874	1,979
£50		—	274	633	909
Other notes ^(a)		556	596	479	586
Total		10,301	10,755	11,008	11,457

(a) Includes certain higher value notes used internally in the Bank, eg as cover for the note issues of banks of issue in Scotland and Northern Ireland in excess of their permitted fiduciary issues. Also for the years 1981-83 includes 10 shilling notes; these were written off during the year to end-February 1984 under the terms of the Currency Act 1983.

Growth in the note circulation has continued to be confined to higher value notes, the £20 and £50 notes together accounting for 25% by value of the circulation in February 1984 compared with 23% a year earlier and the £10 note for 42% compared with 41%. The £5 note, however, accounted for only 22% against 26% and the £1 note for 5% compared with 6%.

A £1 coin was issued by The Royal Mint on 21 April 1983. By the end of February 1984 172 million had been issued. The £1 note and the £1 coin are to continue to circulate alongside each other for the time being.

Numbers of new notes issued by denominations

Millions

Year to end-February	1981	1982	1983	1984
£1	893	780	728	652
£5	661	644	622	625
£10	247	219	230	451
£20	44	39	34	72
£50	—	6	9	9
Total	1,845	1,688	1,623	1,809

The clearing banks and other large users of notes have continued to co-operate in reducing the demand for new notes by drawing used notes when practicable. However, their increasing need for new notes for use in cash dispensing machines has had a marked effect on the drawings of such notes, particularly of £10 notes which doubled this year compared with last.

In order to reduce the need to destroy notes which are still in good condition, the Bank is installing a

number of high-speed note sorting machines; these will count and verify the notes and outsort those that are of a sufficiently good quality to reissue to the general public through cash dispensing machines.

As a result of the Currency Act 1983, which received Royal Assent on 28 March, the Bank is no longer required to seek the formal approval of Her Majesty's Treasury for every change in the Fiduciary Issue, which had become almost a daily occurrence. The Bank is now permitted to vary the Fiduciary Issue, which is determined by the public's demand for notes, provided it does not exceed £13,500 million or such higher amount as may, within specific limits, be specified by HM Treasury.

The Act also allows notes which have not been presented for payment within ten years from the date they ceased to be legal tender to be written off from the total of notes issued. Previously this could only be done either 20 or 40 years from the date of issue, depending on their denomination. Series C ten shilling notes, Series A, B and C £5 notes and higher value Series A notes were therefore written off in the year to end-February 1984. Nevertheless notes of all these Series will be honoured on presentation to the Bank, without limit as to time, provided that they are otherwise in order.

Other developments

International support operations by the Bank for International Settlements

Special short-term bridging loans to the central banks of certain countries facing external financing difficulties continued to be provided by the Bank for International Settlements during the year; the Bank of England and other participating central banks accepted a right of recourse by the BIS in respect of a proportion of these loans. In the event the BIS had no need to exercise its right of recourse and the loans in question were all repaid before the year end; the Bank's commitments⁽¹⁾ under these facilities have consequently been extinguished.

The BIS has made a stand-by facility available to the International Monetary Fund to supplement the latter's resources in case of need. In this instance too, the Bank of England and certain other central banks have accepted a right of recourse by the BIS in respect of a proportion of any amounts drawn under this facility.

The Algerian escrow account

The Bank continues to hold US dollar deposits on behalf of the Banque Centrale d'Algerie, as escrow agent, pending the resolution of outstanding differences between Iran and certain American commercial banks. A number of settlements were reached during the year, leading to substantial transfers from the escrow account.

Joint support operations ('The lifeboat')

The special committee of the Bank and the London and Scottish clearing banks met occasionally during the year principally to discuss the continued progress of the one remaining borrower; the group concerned was able to raise substantial funds on the market and markedly reduce the amount drawn from the supporting banks. Though there remain modest amounts of support outstanding, and

recoveries from the liquidators of other companies are still expected, the role of the committee in co-ordinating the support needed at the end of 1973 is largely completed. Sir Jasper Hollom, who had been chairman of the committee since its inception, relinquished this role on his retirement from the Court of Directors of the Bank at the end of February 1984 but the committee will continue to be chaired by the Bank as and when it is necessary to meet.

Sale of shares on behalf of the Government

The Bank arranged two offers for sale of shares on behalf of HM Government during the year. In September, 130 million shares in British Petroleum p.l.c. were offered for sale by tender; the Bank had arranged earlier offers for sale of BP shares on behalf of the Government in 1977 and 1979. In November, 100 million shares in Cable and Wireless p.l.c. were offered for sale, also by tender.

Select Committee on the Treasury and Civil Service

As in previous years, the Bank has assisted the work of this Committee. The Governor, accompanied by the Deputy Governor, Mr E A J George and Mr J S Flemming, appeared before the Committee in March 1983 in the course of their enquiry into the 1983 Budget.

The Stock Exchange

Among the proposals made by The Stock Exchange, which led to a decision by the Government to exclude it from the operation of the Restrictive Trade Practices Act, was one to appoint lay members to its Council; their number and the method of their selection were to be agreed with the Bank of England. The Government also arranged

(1) In respect of loans to the central banks of Hungary, Mexico, Brazil and Yugoslavia.

for the Department of Trade and Industry and the Bank of England to monitor the implementation of the measures proposed by The Stock Exchange and its evolution and development as an efficient, competitive and suitably regulated central market affording proper protection to investors.

The Bank subsequently agreed with The Stock Exchange that lay members would constitute not more than 25 per cent of the Council and that they could be appointed in stages. The Council announced the appointment of the first five lay members on 20 December 1983.

Corporate finance

Although not involved as a lender in its own right, the Bank has continued, when asked, to be involved in discussions between financial institutions and individual companies facing financing problems. The Bank also gave evidence to the Matthews Committee which reviewed the structure, functions and status of the Export Credits Guarantee Department.

New clearing arrangements

An increasing volume of work, particularly on behalf of government departments, made it necessary to establish a new clearing centre, at Eagle House in City Road, to replace facilities hitherto provided at the Bank's Head Office. The new centre came into operation on 27 June 1983.

The Bank, together with the twelve other London and Scottish clearing banks, became a settlement bank in the new Clearing House Automated Payments System, which came into operation on 9 February 1984. As with the existing clearing systems, final settlement between the CHAPS settlement banks is made across accounts held at the Bank of England.

Conference of central bankers on financial innovation

In May 1983 the Bank held a conference to discuss the nature of financial innovation and its

implications, particularly for supervision and monetary control.⁽¹⁾ The conference was attended by representatives from central banks and supervisory authorities of eleven countries.

Panel of Academic Consultants

The Panel of Academic Consultants, which meets regularly under the chairmanship of Professor Robin Matthews to discuss economic issues, held four meetings during the year. The papers taken at the meetings, which have all been (or will be) published, are listed below; those still in print may be obtained from the address on page 6.

Date of meeting	Papers
4 March	<i>The economics of pension arrangements</i> Panel Paper No 20 includes contributions by Professor Harold Rose and by J A Kay.
29 April	<i>Competition, innovation and regulation in British banking</i> Reprinted in the September 1983 <i>Quarterly Bulletin</i> .
28 October	<i>Monetary trends in the United Kingdom</i> Panel Paper No 22 includes contributions by Professor A J Brown, and by Professor D F Hendry and N R Ericsson.
27 January	<i>The UK economic recovery in the 1930s</i> Panel Paper No 23 includes contributions by G D N Worswick, by P N Sedgwick, and by Professor M Beenstock, Dr F Capie and Professor B Griffiths.

Publications

A video programme describing the functions and organisation of the Bank has been produced. It may be borrowed, free of charge, from the Bank's Information Division.

(1) A report of the conference and the Bank's contributed paper were published in the September 1983 *Quarterly Bulletin*, pages 358-76.

A revised (fourth) edition of 'Money for Business' was published in July 1983. This comprehensive guide to the types and sources of finance available for businesses can be obtained from Branches or from the address on page 6, price £2.50.

for the Department of Trade and Industry and the Bank of England to monitor the implementation of the measures proposed by The Bank for Exchange and its evolution and development as an efficient competitive and centrally regulated central market. The Bank's proposals are based on the principle of a new bank, not one of the existing ones, and the new bank should be established in 1984. The Bank's proposals are based on the principle of a new bank, not one of the existing ones, and the new bank should be established in 1984. The Bank's proposals are based on the principle of a new bank, not one of the existing ones, and the new bank should be established in 1984.

Corporate finance. Although not involved as a leader in its own right, the Bank has continued to be asked to be involved in discussions between financial institutions and individual companies facing financial problems. The Bank has given advice to the companies and has been asked to provide financial assistance. The Bank has given advice to the companies and has been asked to provide financial assistance. The Bank has given advice to the companies and has been asked to provide financial assistance.

New clearing arrangements. An increasing volume of work has been done in the field of government departments and a necessary to establish a new clearing centre at the Bank. The Bank has been asked to provide a clearing centre at the Bank. The Bank has been asked to provide a clearing centre at the Bank. The Bank has been asked to provide a clearing centre at the Bank. The Bank has been asked to provide a clearing centre at the Bank. The Bank has been asked to provide a clearing centre at the Bank.

Continuity of central banks as financial institutions. In May 1983 the Bank had a conference on the continuity of financial institutions and the Bank's proposals are based on the principle of a new bank, not one of the existing ones, and the new bank should be established in 1984.

Internal administration

Numbers of staff

Staff numbers were reduced once again, although less steeply than in the recent past. The average number of employees during the year was about 5,750—100 fewer than in the previous year. Their aggregate remuneration amounted to £60.5 million.

At 29 February 1984, the Bank employed just over 5,150 full-time staff and 540 part-time staff. These totals include 60 full-time and 75 part-time staff engaged on contract terms. The distribution of staff is shown in the table (part-time staff are included as appropriate fractions).

Staff numbers at end-February 1984

Banking Staff	
Policy and Markets area	340
Finance and Industry area	50
Banking Supervision Division	90
Operations:	
Banking Department—Head Office	740
Branches	210
Registrar's Department	840
Corporate Services Department ^(a)	800
Seconded and unallocated staff	100
Total banking staff (other than at the Printing Works)	3,170
Technical and services staff	730
Printing Works (all staff)	1,520
Total	5,420

(a) Includes support staff working in the Policy and Markets, Finance and Industry, and Banking Supervision areas.

Staff wastage and recruitment

For the fourth year in succession, natural wastage generally remained low. A further 13 departures of older staff under the government sponsored Job Release Scheme gave rise to additional vacancies for school leavers.

The overall scope for recruitment was a little less restricted than in the previous year. Recruitment of graduates to the banking staff rose from 13 to 19 and of 'A' level entrants from 16 to 26. In addition 54 staff with 'O' levels were required for clerical work, and 32 typists. Also, 74 staff were recruited on contract; of these, 21 working full time and

another 29 working two days a week were required for the new clearing centre.

Secondments

The number of staff seconded to other institutions changed little—a total of 53 at the end of February compared with 55 at the same time last year. Of these, 23 were overseas (with central banks, international institutions, overseas governments and UK missions) while 9 of the 30 home postings were with the Council for the Securities Industry, 9 with business institutions (mainly in the City), 7 with government departments and public bodies and 5 with organisations such as Business in the Community and the Archbishop's Commission on Urban Priority Areas. In addition, a number of short-term overseas assignments have been undertaken.

At the end of February there were 7 inward secondments to the Bank; 3 from government departments, 2 from other central banks and 1 each from a firm of accountants and a commercial bank.

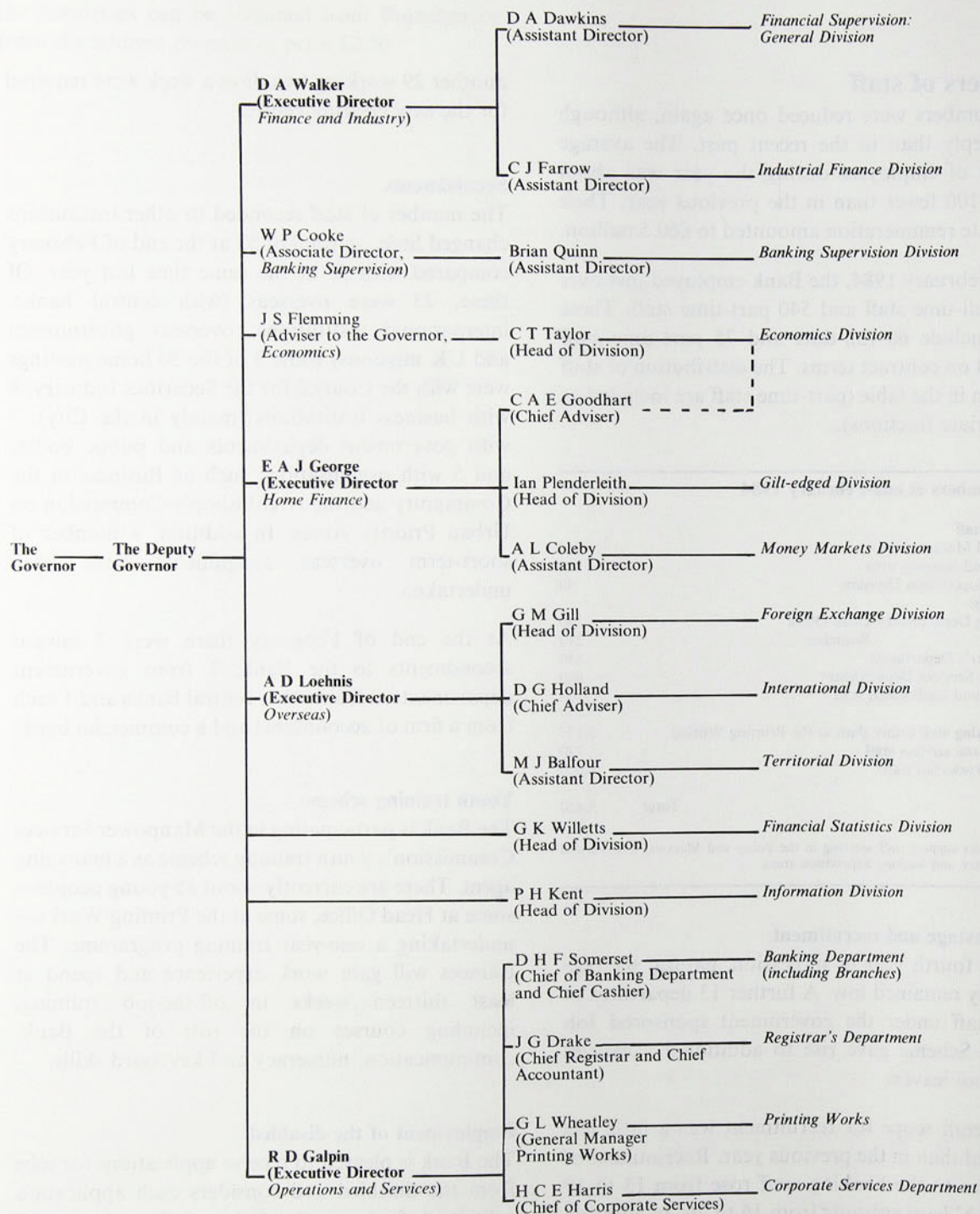
Youth training scheme

The Bank is participating in the Manpower Services Commission's youth training scheme as a managing agent. There are currently about 35 young people—some at Head Office, some at the Printing Works—undertaking a one-year training programme. The trainees will gain work experience and spend at least thirteen weeks in off-the-job training, including courses on the role of the Bank, communication, numeracy and keyboard skills.

Employment of the disabled

The Bank is pleased to receive applications for jobs from the disabled and considers each application fully and fairly in the light of the educational qualifications, aptitudes and capabilities of the person concerned. In assessing capabilities, account has to be taken of the physical structure of the

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Bank's premises. The Bank also makes every effort to continue in employment those members of its staff who become disabled and, where appropriate, arranges training for them.

The Bank recognises the need for career progression and promotion for the disabled and the same opportunities for progression, based on skills and abilities, are open to them as to all other members of the staff.

Employee participation

The Bank has well-established machinery for consulting and negotiating with employee representatives and union officials through the Bank of England Staff Organisation, an independent trade union representing nearly 70 per cent of the banking staff and technical and services staff. At the Printing Works a large majority of the staff are represented by appropriate national trade unions. Regular exchanges have taken place during the year on a variety of subjects, including health and safety at work and the introduction of new technology (on which an agreement was signed with the Bank of England Staff Organisation in June).

The staff are kept informed by printed notices circulated throughout the Bank and oral briefings by managers on matters of concern to them. In addition, a summary of the *Report and accounts* and an explanation of aspects of the Bank's corporate policy are provided to staff annually.

Cash limits

Expenditure on three of the services which the Bank provides to the Government—the note issue, management of the national debt and of the Exchange Equalisation Account—is included in the programme of cash limits on public expenditure. The outturn for 1983/84 was £75.9 million compared with a cash limit of £76.8 million (which was reduced from £77.9 million in July 1983 following the Government's measures to contain public spending in 1983/84).

The 1984/85 cash limit for the three services has been set at £80.9 million.

Computer developments and office automation

A number of micro-computer systems have been installed in the Bank over the past year to complement the mainframe computer centres. In addition, a pilot study of the application of electronic office systems is currently being conducted.

During the year the Bank adopted an information systems strategy aimed at ensuring that computing resources (hardware, software and staff) are efficiently deployed within the organisation, under central control, but with emphasis on user involvement in developing systems. The strategy requires all systems, including micro-computers, to be compatible and capable of communicating with each other and with the Bank's mainframe computers.

Premises

Following a detailed study by consulting engineers, work commenced during the year on a programme to modernise the engineering services in the Head Office building. Account is being taken of changes in the use of the building since its design in the 1920s, of recent legislation affecting health and safety, and of the increasing impact of information technology. It is expected that the programme will be completed by the end of 1986.

Royal visit to the Bank

As part of the celebrations to mark the 250th anniversary of the Bank's opening for business on the present Threadneedle Street site, Her Majesty The Queen and His Royal Highness The Duke of Edinburgh visited the Bank on 22 February 1984 to lunch with members of the Court of Directors and their wives.