



2017 Gender pay gap report

The Bank of England recognises that to pursue its mission of promoting the good of the people of the United Kingdom, it must reflect the diversity of the people it serves. That's why, three years ago we made 'Diverse and Talented' the first pillar of our inaugural strategic plan. To support our objectives, we have introduced diversity targets, including an aim to have 35% female representation in senior roles by 2020. We have made steady progress towards that objective since it was set, moving from 20% senior female representation in 2014 to 30% in 2017.

We must also support equality through fair pay. We're confident that men and women are paid equally for doing the same job at the Bank; however, the greater proportion of men than women in senior roles creates a gender pay gap.

We are working hard to address this imbalance through inclusive and diverse recruitment, including diverse shortlists and interview panels, offering flexible working, providing continual unconscious bias training, and fostering an inclusive culture. Addressing the disparity in gender representation at senior levels will take time, but it will help close the current gender pay gap at the Bank.

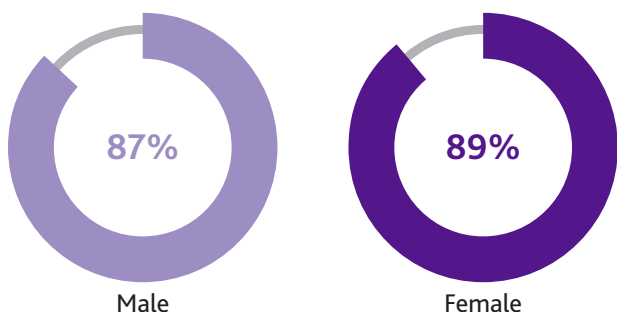
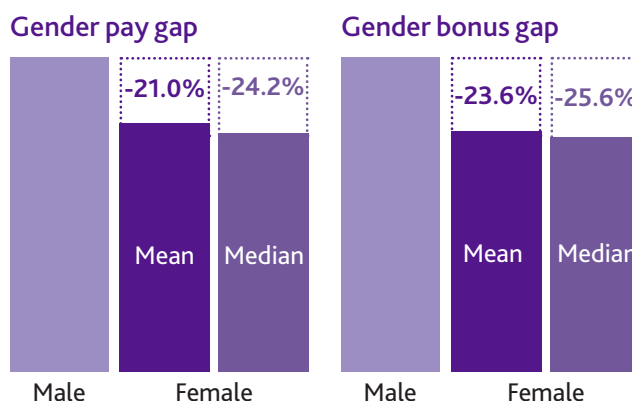
Mark Carney
Governor

Headline gender pay gap figures

The gender pay gap is defined as the difference between the mean or median hourly rate of pay that male and female colleagues receive.

The **mean pay gap** is the difference between average hourly earnings of men and women. The **median pay gap** is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle-most salary.

These figures are provided in the charts opposite based on hourly rate of pay as at 30 March 2017 and bonuses (performance awards) paid in the year to March 2017.

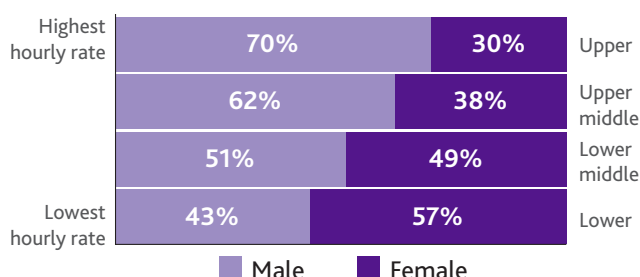


Proportion of male and female colleagues receiving a bonus (performance award) payment

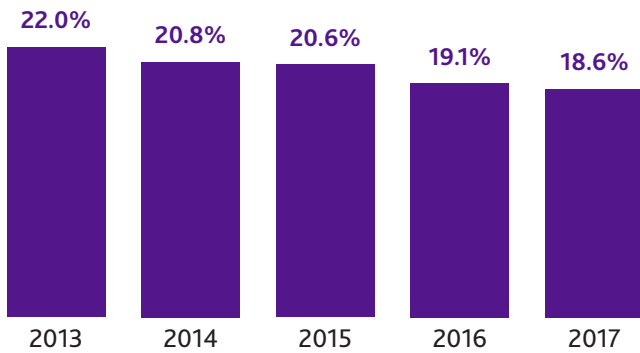
Colleagues at all levels across the Bank (excluding Governors) are awarded an annual performance award depending on performance.

Proportion of male and female colleagues in each pay quartile

This chart shows the gender split when we order hourly rate of pay from highest to lowest and group into four equal quartiles.



Mean gender pay gap for base pay



Why we have a gender pay gap

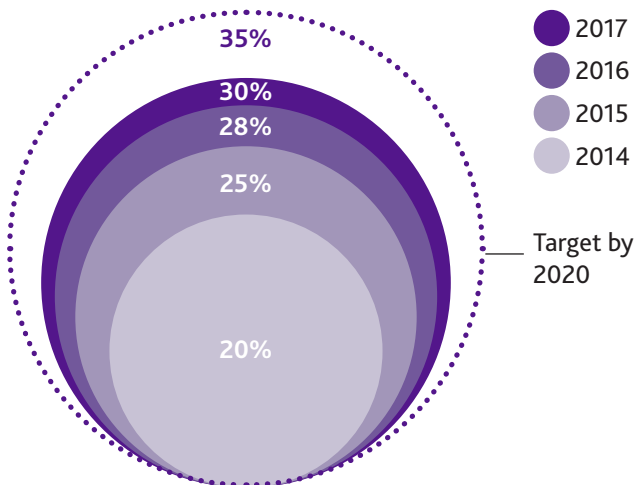
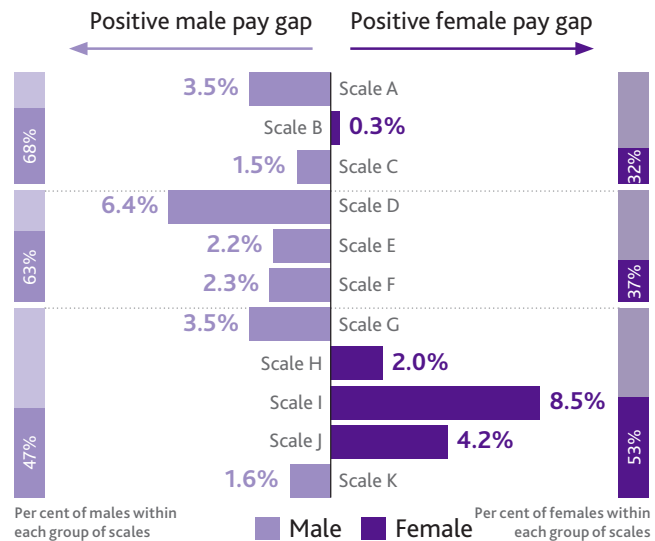
While we are confident that men and women are paid equally for doing equivalent jobs across the Bank, the main reason for our organisation-wide gender pay gap is an imbalance of male and female colleagues across the organisation. At the moment there are fewer women in senior roles than men, as well as a higher proportion of women relative to men in lower scales. When we account for scale differences the gap reduces to around 3.0%. Within scales, there are lots of different roles which require different technical skills and knowledge, so there will always be some differences in levels of pay.

When we look at base pay alone we can see that the mean gender pay gap is 18.6%, which has reduced from 22.0% since 2013, showing the progress that the Bank has made in recent years to become a more diverse organisation.

In line with the reporting requirements, our mean bonus gap of 23.6% is based on actual bonuses and so it does not take in to account part-time working. Our mean bonus gap reduces to 17.0% when it is worked out on a full-time equivalent basis.

Gender pay gap by scale

This figure shows the pay gap between women and men at the same scale. This is calculated using the basic hourly rate of pay.



Female Senior Management representation

While the direction of travel is encouraging with female representation at senior management level increasing from 20% in 2014 to 30% in 2017, we still have much to do to ensure we have a sufficient pipeline of female staff in our senior management¹ team and we are undertaking a range of initiatives to help us meet and address diversity imbalances as part of our inclusion strategy.

¹ We define senior management as scales A–C, which range from Head of Department up to Executive Director.

How we are addressing the pay gap

Gender forms a central part of our inclusion strategy, which looks to build a culture at the Bank where everyone can be their whole selves and produce their best work.

If we are going to achieve this culture, we know that we must continue to be proactive in our approach to all forms of diversity including gender.

- We will continue to report progress towards our gender targets that have been in place since 2014. Progress is reported in our *Annual Report* and they will continue to be monitored and challenged regularly by the Bank's Court of Directors.
- Variable compensation for Executive Directors is linked to gender progression.
- The Bank will have a Deputy Governor level executive responsible for the progression of gender diversity, which is currently Jo Place, Chief Operating Officer.

Recruitment

We aim to recruit from the widest possible talent pool. Our Inclusive Recruitment guide helps our hiring managers ensure that the language in job adverts is gender neutral; to develop diverse candidate lists for jobs; and to understand the importance of interviewing people with diverse panels in order to avoid unconscious biases. We now hire graduates from around 40 universities each year and have improved our graduate female hiring ratio to 40%. We will continue to drive to improve this ratio.

For experienced hire recruitment we work with a number of different organisations to ensure diversity in our candidate pool. Of the 700 experienced professionals we hired in 2017, over 40% were women and almost 30% came from a BAME background. To build on this progress, we advertise on job boards specifically geared towards attracting diverse candidates and utilise specialist recruitment agencies who promote our roles to women returning to work.

Retention

Once we have the right people, we want them to stay. To support them we have ten diversity networks including an active gender network, Women in the Bank, which celebrated its tenth anniversary this year. We continue to offer a range of flexible working options at all levels, with 12% of our staff currently working part-time.

We are encouraged that this is having an impact. In our last survey of colleagues, 78% said that they believe the Bank takes diversity seriously, up from 73% in 2015. 86% of colleagues said they feel they are treated with respect as individuals, up from 83% in 2015.

Development

We know we need to accelerate the career progression of women in the Bank and that career paths can be varied. In order to develop our people, around 200 colleagues studied for degrees or professional qualifications in 2016 and 670 re-skilled through internal job moves across directorates. We have also launched a central mentoring scheme to support careers choices. And since new skills can also be acquired outside the day job, we are increasing our support for community volunteering and engagement.

There is still a lot more to do and we will continue to focus on building a more diverse workforce and inclusive culture at the Bank.



'To pursue our mission of maintaining monetary and financial stability for the good of the people of the United Kingdom we must reflect the diversity of the people we serve. The data published in this report show that there is currently a 21.0% mean pay gap. We have made good progress in building a more diverse and inclusive workplace since first setting targets in 2014 but we recognise we still have more to do, particularly in terms of representation of females in senior roles, which will in turn help address the pay gap.'

Joanna Place
COO

The Bank has an obligation to publish annual information relating to pay under Schedule 1 of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (the 'Regulations'). Schedule 2 to the Regulations lists the public authorities required to publish this information, and lists 'The Bank of England, in respect of its public functions'. For the avoidance of doubt, the Bank does not consider itself a public authority and is also a private sector employer, however given the administrative burden of separating employees into those performing a public function and those who are not, the Bank has chosen to publish exclusively under the Regulations (and therefore abide by the earlier date of publication of 31 March) rather than publishing separately under the Gender Pay Gap regulations which govern private and voluntary sector employers.