

## **Strategy Report: Change Management**

Name of the Student:

Student ID:

University:

Grade Assignment Help

## **Executive Summary**

In order to provide a brief background history and a situational analysis for the study, the Bank of England has been selected as the public organisation. The Bank of England and its stakeholders have access to the report's newest strategic goals. The study also clarifies the organisational layout of the Bank of England. According to the company's yearly reports, the report has covered its major current objectives. Two more analyses, a PESTLE analysis including a SWOT analysis, have also been included in the study. Following these analyses, the bank's problem areas have been identified, and one key strategic issue has been chosen. Additionally, the report's discussion of the selected and uncovered problem is in-depth. It has described a plan of action to address the determined and priority issue. The paper also identifies the resistors and drivers of the change. Along with the ways for monitoring and evaluating the change, a few actions for putting the change into practise are also described.

## Table of Contents

1.0 Introduction.....	4
2.0 Presentation of the selected organisation: The Bank of England .....	5
2.1 Background of Bank of England.....	5
2.2 Strategic objectives.....	5
2.3 Strategic context.....	6
2.4 Organisational structure of the Bank of England.....	8
2.5 Main current initiatives of the Bank of England .....	9
2.6 Achievement of the Bank of England in the year 2022.....	10
3.0 Identification of a strategic problem .....	12
3.1 PESTLE Analysis.....	12
3.2 SWOT Analysis.....	17
3.3 Identified problems.....	22
4.0 Remedy of the identified problem.....	23
5.0 Conclusion .....	29
References .....	31

## **1.0 Introduction**

Change management is the methodical approach to addressing the transition of an organization's goals and operations. It is essential for an organisation to develop and succeed in its industry. The Bank of England was chosen for this report's analysis of change management since it is a public entity. The report will start with a brief history of the Bank of England, which serves as the UK's central bank. The presented study will then provide a situational analysis of the Bank of England. The most recent strategic goals of the chosen company will be provided. An account of their beneficiaries and investors will be given. Additionally, a graphic explanation and presentation of the Bank of England's organisational structure will be provided. Incorporating statistical data, the research will provide background information on the Bank of England's existing and major projects. Additionally, the Bank of England's accomplishments as reported in its annual reports and survey reports will be examined. PESTLE and SWOT analyses will be used in the study to examine the problems facing the Bank of England. These investigations will lead to the identification of a few issue areas and the choice of one primary problematic area. The report will go into great detail on the determined and chosen problem. The chosen and recognised problem will be addressed using a transformational technique that will be discussed. Along with them, the change's drivers and resistors will be described. To apply the modification, a few steps will be outlined. The report will also include tools for assessing and monitoring the implementation plan. The report's major ideas and conclusions will be succinctly presented at the end.

## 2.0 Presentation of the selected organisation: The Bank of England

### 2.1 Background of Bank of England

The Bank of England is the central bank of the United Kingdom that was established in 1694 by the 1st Earl of Halifax named Charles Montagu (Bank of England, 2023). There are 12 regional agencies in the Bank of England and the former branch in Leeds City became the cash centre for distributing currencies across the country. Bank of England mainly serves several financial sectors of the UK government with wholesale sterling features (Bank of England, 2023). The central bank offers fixed-term deposits, foreign currency payments and security settlement services along with gold custody services to the UK government.

### 2.2 Strategic objectives

Objectives	Description
<i>Digitalisation</i>	Bank of England has aimed to launch a formal consultation on digital currency as the central bank of the UK. It has evaluated the potential benefits of digitalisation in banking operations by replacing manual cash transactions. In addition, the rise of cryptocurrencies throughout the world has further triggered BoE to introduce digital banking services with the influence of Rishi Sunak (Elliott, 2021).
<i>Transition to net zero</i>	Several news reports have explained that the Bank of England committed to reduce greenhouse gas emissions by 2050 from 2021. Therefore, the central bank of the UK published its transition plan for Net Zero in June 2022 for its physical operations. The Bank of

	England has taken this strategy to manage the risk of climate change by 63% by 2030 (Bank of England, 2023).
<b>Financial stability strategy</b>	The financial stability strategy of the Bank of England aimed to protect the payments, settlements, borrowing and channelling services by ensuring proper risk management (Bank of England, 2023). It has considered identifying economic risks from the global financial chain by sustaining technical innovation in the banking system. The Bank of England has targeted to maintain an open regulatory regime for ensuring the resilience of the banking system across the UK.

**Table 1: Strategic objectives of the Bank of England.**

(Source: Author)

### 2.3 Strategic context

**Policy framework:** A brief outline of its main policy framework is provided in the table below.

<b>Area</b>	<b>Description</b>
<b>Code of conduct</b>	The code of conduct of the Bank of England is committed to maintaining professionalism with integrity and impartiality. It guides the system operators of the central bank to become honest and accountable to the UK government (Bank of England, 2023). The code of conduct of the central bank further considers executing

	financial operations with high security through a diverse-inclusive culture.
<b><i>Risk management</i></b>	The risk management principles of the Bank of England in banking operations identify the risk exposures from third parties. The Bank of England has finalised the policy on Financial Market Infrastructures (FMIs) for risk management in 2023 (Lovells, 2023).
<b><i>Data security</i></b>	There are almost 100 employees working together to offer cybersecurity and privacy to the banking information of the UK government (Bank of England, 2023). The Bank of England has formed a major defence against the cyberattack of Russian hackers. It has aimed to protect the confidential information of the financial sectors of the UK government.

**Table 2: A few policy frameworks of the Bank of England**

(Source: Author)

### **Services offered by the Bank of England**

The Bank of England offers several services to the UK government including risk-free sterling facilities and fixed deposit facilities (Bank of England, 2023). Furthermore, it offers banking transaction services, gold security services, foreign currency services and gold custody services. The Bank of England also offers debt management, monetary fund-supply policies and risk management services for the UK government.

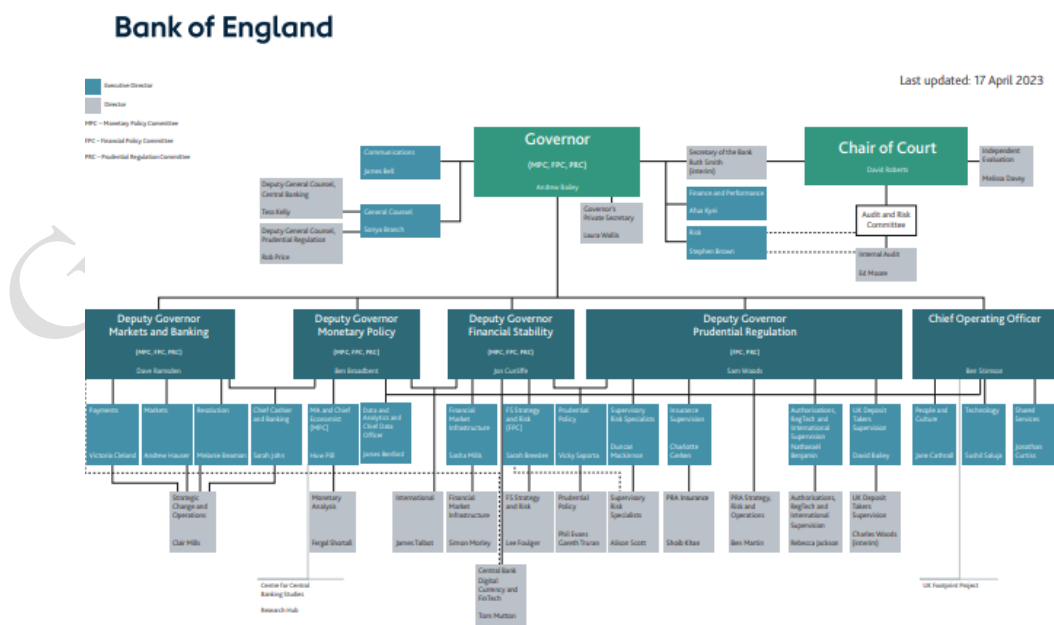
### **Stakeholders**

The stakeholders of the Bank of England are the ‘Treasury Solicitor department of the UK government, member banks, shareholders, employees and the general public of the UK (Bank

of England, 2023). Besides this, bank directors and governors are also major stakeholders of the Bank of England.

## 2.4 Organisational structure of the Bank of England

The hierarchical organisational structure of the Bank of England is comprised of the Governor, Court of Directors, committees and sub-committees. Andrew Bailey is the present and 121st governor of the Bank of England from 2020 who precipitate in governing all the committees (The Orgio, 2023). The governor of the Bank of England holds the senior executive position of the central bank that regulates the entire banking policies of the UK. Besides this, the Court of Directors mainly acts as a unitary board of council that develops strategies for the central bank. The Court of Directors further forms the budget and monetary supply chain system across the country (Bank of England, 2023). There are 5 executive and 8 non-executive members in the Court of Directors at the Bank of England. In addition to this, the most prominent subcommittees are the Monetary Policy Committee (MPC), the Prudential Regulation Authority (PRA) and the Financial Policy Committee (FPC).





**Figure 1: Organisational chart of the Bank of England**

(Source: Bank of England, 2023)

**2.5 Main current initiatives of the Bank of England**

The current initiatives of the Bank of England mainly target to offer better security and benefits to the UK government. The central bank of the UK is also concerned about the satisfaction of the entire population of the UK in terms of monetary supply.

<i>Initiatives</i>	<i>Description</i>
<i>Net zero</i>	The Bank of England has committed to decrease greenhouse emission and carbon emissions by 63% by 2030. Additionally, it has targeted to reach zero greenhouse gas emissions by 2050 in 2021. As a result, the organisation has published a transition plan for the Net Zero approach in 2022 (Bank of England, 2023). As the central bank of the UK, the Bank of England has a vital role in considering the impact of the macroeconomy on climate issues. The Bank of England has ensured that it will regulate the government climate policies for mitigating the climate issues in the UK.
<i>Digital transformation</i>	One of the major current initiatives of the Bank of England is the digital age approach in the banking system. The central bank of the UK has decided to digitalise the manual monetary transaction system across the UK. Furthermore, the Bank of England aims to develop super-efficient digital reg tech strategies for its data

	<p>management systems (Bank of England, 2023). In addition to this, the organisation is triggering financial sectors of the UK government using ICT and cloud-based factors for increasing operational resilience. The Bank of England is supporting the growth of digitalisation in its banking transaction and other banking operations for increasing operational accuracy.</p>
<p><i>Open platform for small business entities</i></p>	<p>Another current initiative of the Bank of England aims to develop an open platform for small businesses across the UK. In addition to this, it has decided to bring global identity, safety and security while sharing banking information. The Bank of England has ensured harnessing open platforms with advanced analytics for small business entities (Bank of England, 2023). The central bank of the UK has planned to increase the options and accessibility for SMEs in terms of business finance. The organisation has introduced Legal Entity Identifiers for all the businesses across the UK in terms of RTGS services.</p>

**Table 3: Main current initiatives of the Bank of England**

(Source: Author)

## 2.6 Achievement of the Bank of England in the year 2022

<p><i>Area of achievement</i></p>	<p><i>Description</i></p>
-----------------------------------	---------------------------

<p><b>Financial achievement</b></p>	<p>As per the Financial Stability Report in 2022, the unemployment rate has deteriorated by 0.3% from 2020 (Watson, 2022). The Monetary policy of the Bank of England has aimed to reduce the inflation rate by 6.1% in 2023. It has already reduced the rate of inflation from 11.1% in October 2022 to 8.7% in April 2023 (Francis-Devine <i>et al.</i>, 2023). Additionally, UK businesses have experienced an increase in their annual income and a fall in market debt due to the policies of the Bank of England. Besides this, the Bank of England maintained the Countercyclical Capital Buffer rate at 2% for maintaining the money supply to households and businesses.</p> <div data-bbox="453 994 1369 1447" data-label="Figure"> <p><b>Inflation rate dropped below 10% in April 2023 for first time since summer 2022</b>          %, annual change in consumer prices (CPI)</p> <table border="1"> <caption>Estimated data for Figure 2: Inflation drop in 2023</caption> <thead> <tr> <th>Year</th> <th>Annual Change in Consumer Prices (CPI) (%)</th> </tr> </thead> <tbody> <tr><td>2016</td><td>0.5</td></tr> <tr><td>2017</td><td>1.5</td></tr> <tr><td>2018</td><td>2.5</td></tr> <tr><td>2019</td><td>2.0</td></tr> <tr><td>2020</td><td>1.5</td></tr> <tr><td>2021</td><td>2.0</td></tr> <tr><td>2022</td><td>5.0</td></tr> <tr><td>2022 (Oct)</td><td>11.1</td></tr> <tr><td>2023 (Apr)</td><td>8.7</td></tr> </tbody> </table> <p>Source: ONS, CPI annual inflation rate, series D7G7 (24 May 2023 update)</p> </div> <p><b>Figure 2: Inflation drop in 2023</b>          (Source: Francis-Devine <i>et al.</i>, 2023)</p>	Year	Annual Change in Consumer Prices (CPI) (%)	2016	0.5	2017	1.5	2018	2.5	2019	2.0	2020	1.5	2021	2.0	2022	5.0	2022 (Oct)	11.1	2023 (Apr)	8.7
Year	Annual Change in Consumer Prices (CPI) (%)																				
2016	0.5																				
2017	1.5																				
2018	2.5																				
2019	2.0																				
2020	1.5																				
2021	2.0																				
2022	5.0																				
2022 (Oct)	11.1																				
2023 (Apr)	8.7																				
<p><b>Digital achievement</b></p>	<p>The Bank of England has considered the most effective strategy will be digitalising the banking operations at all levels. As a result of this, the organisation has invested £27.4 billion in 2021 as capital investment for introducing digital technologies across the banking sectors in the UK (GOV.UK, 2022). The Bank of England has</p>																				

	<p>encouraged the invention of the digital pound as a new type of currency across the country for daily households or businesses. The British government would be limited to 20,000 digital currency if the UK goes ahead with digital currency across the country (Jones, 2023).</p>
--	---

**Table 4: Few notable achievements of the Bank of England in 2022**

(Source: Author)

### 3.0 Identification of a strategic problem

#### 3.1 PESTLE Analysis

Factors	Description	Impact
<b>Political factors</b>	<p><b>Political stability:</b> According to Figure 2, the UK's political stability index was at 0.54 points in 2021 (The Global Economy, 2023). Because of the UK's political stability, the financial market has benefited. This favourable effect has a favourable impact on the Bank of England.</p>	<b>Very High</b>
	<p><b>Brexit Agreement:</b> The UK has left the European Union (EU), which may have an influence on how the Bank of England operates. A limited amount of continuous access to the EU Common Market for financial service companies is permitted under the provisions of the Brexit deal. But only if the EU acknowledges "equivalence" between UK and EU banking regulations. The Bank of England may encounter difficulties joining the EU market considering that the EU has not yet granted the UK equivalence.</p>	<b>Very High</b>
	<p><b>Government regulations:</b> The UK government imposes laws on the</p>	<b>High</b>

	<p>banking industry. Tax laws and anti-money laundering legislation are two examples of these restrictions. The efficiency and operation of the Bank of England may be impacted by alterations to regulations.</p>	
<p><b>Economical factors</b></p>	<p><b><i>Inflation:</i></b> In March 2023, the UK's inflation rate was 10.1% (Trading Economics, 2023). To combat inflation, the bank may raise interest rates. This makes it more costly for customers to borrow funds from the bank. The wages and perks of the employees also rise as a result of inflation.</p> <p><b><i>Currency exchange:</i></b> The Bank of England does business all around the world. Changes in currency exchange rates may have an effect on the bank's earnings and losses. For instance, the bank can experience monetary loss if GBP declines in value relative to USD or any other currency.</p> <p><b><i>Stability of Pound:</i></b> According to CMC Markets' 2023 ranking of the world's most valuable currencies, the GBP comes in at number five. Additionally, it is the fourth-most traded currency globally (CMC Markets, 2023). According to Depersio and Dolan (2023), the GBP is stable as of October 2022 with an exchange rate of \$1.11 to £1.</p>	<p><b>Very High</b></p> <p><b>High</b></p> <p><b>High</b></p>
<p><b>Social factors</b></p>	<p><b><i>Skilled workforce:</i></b> In the UK, there is a movement towards a preference for the technical sector over the financial sector (Tunley, 2023). This may make it difficult for the Bank of England to find new talent.</p> <p><b><i>Demographic shifts:</i></b> The nation's demographics are changing in favour of an elderly population. According to a research from 2021, 18.6% of the nation's total population is 65 years of age or older (ONS, 2022). The</p>	<p><b>High</b></p> <p><b>High</b></p>

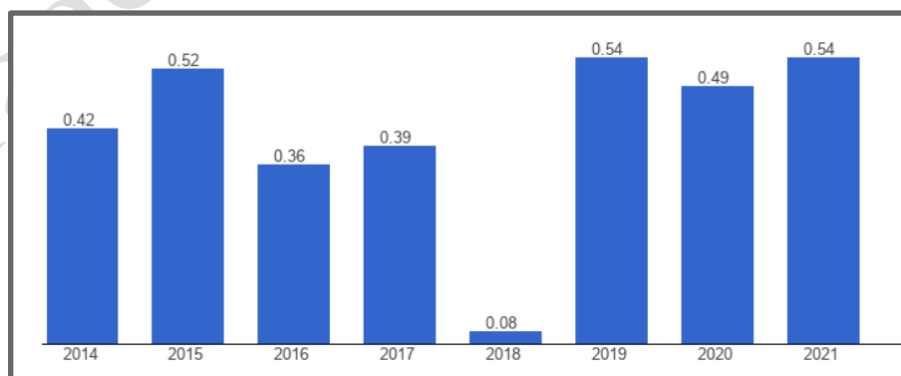
	<p>Bank of England must adapt the services it provides to the needs of the community. More retirement programmes and initiatives to support the ageing population must be offered.</p> <p><b>Customer preferences:</b> To maintain and gain more clients in today's digitally transformed environment, the bank must provide digital services like mobile banking. To provide its clients with the finest services possible, the Bank of England must continually remain abreast of technological advancements. 93% of Britons utilise internet banking, according to research from 2022 (Boyle, 2023). Additionally, it must offer a conventional banking option for those who cannot utilise technology, such as elderly people. According to a research, 24% of those with traditional accounts don't think digital-only banks are reliable (Boyle, 2023).</p> <p><b>Corporate Social Responsibility (CSR):</b> Customers are looking for banks who are committed to CSR more and more. The Bank of England can invest in ethical and morally good programmes in order to attract and retain customers.</p>	<p><b>High</b></p> <p><b>Moderate</b></p>
<p><b>Technological factors</b></p>	<p><b>Impact of technology:</b> The Bank of England intends to transition to a purely digital banking system soon. It has planned to introduce a digital application wallet and digital pound sterling to the UK markets.</p> <p><b>Impact on cost structure:</b> Technology facilities adoption and development demand a large expenditure. As a result, this may have an impact on the UK's banking industry's total operating expenses.</p>	<p><b>Very High</b></p> <p><b>High</b></p>

	<p><b>Cybersecurity:</b> Security issues have increased as technology is employed more often in the banking industry. The Bank of England must invest in cybersecurity technology to protect against internet assaults and data thefts.</p> <p><b>Competition in Fintech:</b> Rivalry in the banking industry has increased as a result of the growth of fintech companies. The Bank of England must invest in cutting-edge technology in order to stay competitive and attract customers.</p>	<p><b>High</b></p> <p><b>High</b></p>
<p><b>Legal factors</b></p>	<p><b>Financial Services and Markets Act 2000:</b> The Act (Legislation.Gov.UK, 2023) governs financial institutions in the UK. It has an impact on how the Bank of England runs its operations and mandates compliance with rules governing customer protection, financial disclosure, and trading behaviour.</p> <p><b>Employment Rights Act 1998:</b> The Employment Rights Act of 1998 in the UK defines employee rights (Davidson Morris, 2022). The Act requires the Bank of England to follow with regulations on the well-being and security of employees, fair pay, and discrimination.</p> <p><b>Consumer Rights Act 2015:</b> Customers are treated equitably because to the 2015 Consumer Rights Act (Conway, 2022). They are given exact details about the items and services that they are acquiring, according to the Act. It has an impact on how the Bank of England does business. It requires the bank to follow rules pertaining to customer safety and truthful information.</p>	<p><b>Moderate</b></p> <p><b>Moderate</b></p> <p><b>Moderate</b></p>

	<p><b>Data Protection Law 2018:</b> Any personal information submitted to any organisation must, by law, be protected and used fairly (Gov.UK, 2023). According to the law, the bank must secure the information that its customers supply.</p>	<p><b>High</b></p>
<p><b>Environmental factors</b></p>	<p><b>Climate Change Act 2008:</b> The Act places a strong emphasis on lowering greenhouse gas emissions. To help the UK achieve its carbon reduction goals, the Bank of England has decided to support the shift to a low-carbon economy.</p> <p><b>Environmental Protection Act 1990:</b> The Act outlines policies for defending the nation against pollutants produced by the organisation (Legislation.Gov.UK, 2023). The Bank of England has pledged to have a less environmental impact. Rules for pollution prevention and waste management must be followed.</p>	<p><b>Moderate</b></p> <p><b>Moderate</b></p>

**Table 5: PESTLE Analysis**

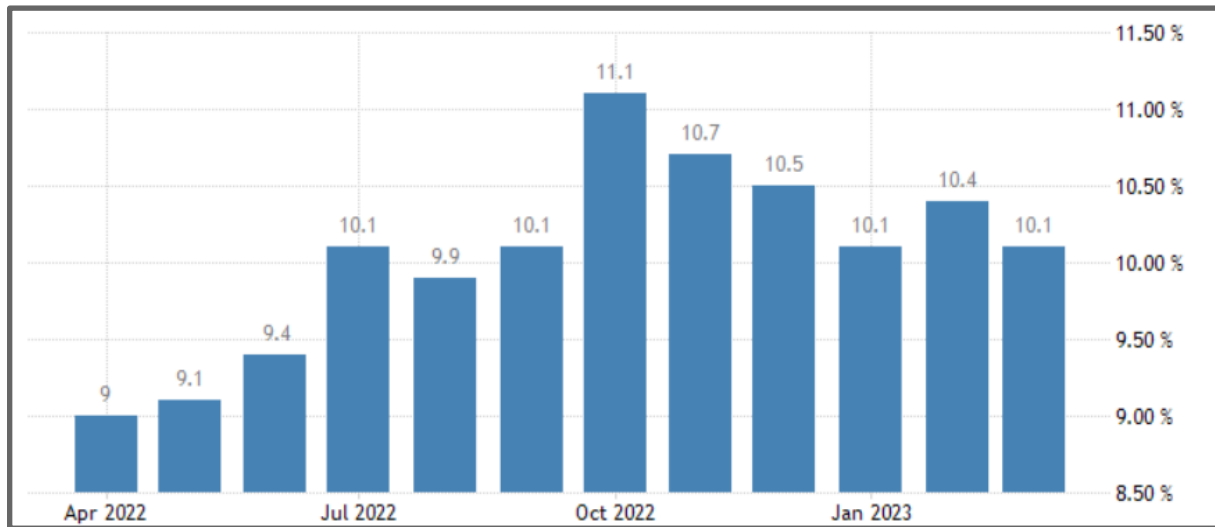
(Source: Author)



**Figure 3: Political stability index of the UK expressed in points from 2014 to 2021**



(Source: The Global Economy, 2023)



**Figure 4: Inflation rate in the UK in 2022 and 2023.**

(Source: Trade Economics, 2023).

### 3.2 SWOT Analysis

#### Strengths

- **Authority or power:** The Bank of England is the central bank of the United Kingdom and is governed by the UK government's legal departments. The organisation supervises the payment services and money supply chain across the country along with large money transfers by the UK government. The currency availability in the UK market is authorised by the Bank of England across England and

#### Weaknesses

- **Bank rates:** One of the biggest weaknesses of the Bank of England is that it has no options while increasing the bank interest rates (Bank of England, 2023). As the central bank of the UK, the Bank of England enhances the rate of bank interest for reducing the inflation pressure on the national economy. Additionally, the currency supply gets disrupted due to the monetary policy of the central bank in the market. Therefore, the

Wales.

- **Rankings:** As per the bank rankings by SWFI events, the Bank of England has achieved the 8th position among the central banks across the world (SWFI, 2023). Additionally, the Bank of England achieved a position in the top 10 central banks across the world for its total assets of £313392.38 million in 2023 (Bank of England, 2023).
- **Digitalisation:** The Bank of England has invested a £79.3 billion in introducing a technical ecosystem within the banking operations across the UK (GOV.UK, 2022). The Bank of England has felt the need for digital pound currency for households and businesses across the UK in the future. Therefore, it is one of the strengths of the Bank of England which is the central banking authority of the UK.
- **Potential Customers:** The main customers of the Bank of England are the UK government and several financial sectors owned by the government. The Bank of England supports the economic well-being of the UK markets by

authority of the Bank of England is highly dependent on the situation of the UK markets.

- **Usage of directives:** The economic policies or moral suasion of the Bank of England is dependent on the UK government. It is one of the major weaknesses of the Bank of England using the directives (Bank of England, 2023). The credit facilities may get starved with more bankable values for restricting lending services.
- **Fall in profits:** The cash deposit ratio order by the Bank of England may restrict the capital profit of commercial banks across the UK. As a result, it may affect the economic growth of the business sectors and other financial institutions.
- **Open market operations:** The sellable securities of the government reduce the amount of money circulation by reducing the lending capacities of financial institutions (Bank of England, 2023). The selling costs of these securities pressurises taxpayers across the country through the open market operation policy of the Bank of England.

ensuring the financial stability of the UK citizens.

- **Capital assets:** The gross capital assets of the Bank of England issued almost £50.2 billion in January 2023 which was almost £33.4 billion in December 2022 (Bank of England, 2023). Additionally, the capital balance sheet of the central bank of the UK has shown that it possesses an average of £313392.38 million from 2006 to 2023 (Bank of England, 2023).
- **Diversity inclusion in the workplace:** The Bank of England supports employees by increasing flexibility in the workplace. In addition to this, the organisational culture of the Bank of England also reflects diversity in the workplace (Bank of England, 2023). The higher authority of the organisation also offers rewards for the most efficient workers.
- **Corporate responsibility:** The Bank of England has aimed to eliminate 100% emissions of greenhouse gas by 2050. It has targeted to use 100% renewable energy for banking operations and reduce energy consumption (Bank of England, 2023).

<p>Additionally, the Bank of England supports Demelza Hospice Care of Children and WWF in terms of charities.</p>	
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>● <b>Globalisation:</b> The Bank of England may get expanded to international markets with lucrative opportunities as it is in the prime position in the financial sectors across the UK. Additionally, the Bank of England may grow its market share in foreign markets with its diversity inclusion policies.</li> <li>● <b>Digitalisation:</b> The Bank of England may get better exposure and controlling power due to the digitalisation across the country. Digitalisation may enhance the efficiency of making large banking transactions and bank transfer for the UK government's Treasury Solicitor department (Bank of England, 2023).</li> <li>● <b>Consumer disposable income:</b> The Bank of England may increase the disposable income for building innovative business models for UK citizens. Businesses in the UK may invest more in their products or services by</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>● <b>Regulations of the government:</b> The Bank of England is dependent upon the regulations and bureaucracy of the UK government. Therefore, the bureaucratic policies and other financial regulations of the UK government may restrict the Bank of England by growing pressures (Bank of England, 2023). In addition to this, the influence of non-governmental organisations and labour safety organisations may increase operational pressure on the Bank of England.</li> <li>● <b>Stakeholders' trust:</b> The Bank of England may lose the trust of its stakeholders due to its continuous increase in interest rates. As a result, it may negatively impact the economic growth of UK businesses and households.</li> <li>● <b>Bargaining power of buyers:</b> The buying power of customers of the Bank of England has given downward pressure on economic profitability (Martill and Staiger, 2021). Therefore, it is one of</li> </ul>

enhancing the exposure of the Bank of England in adjacent areas.

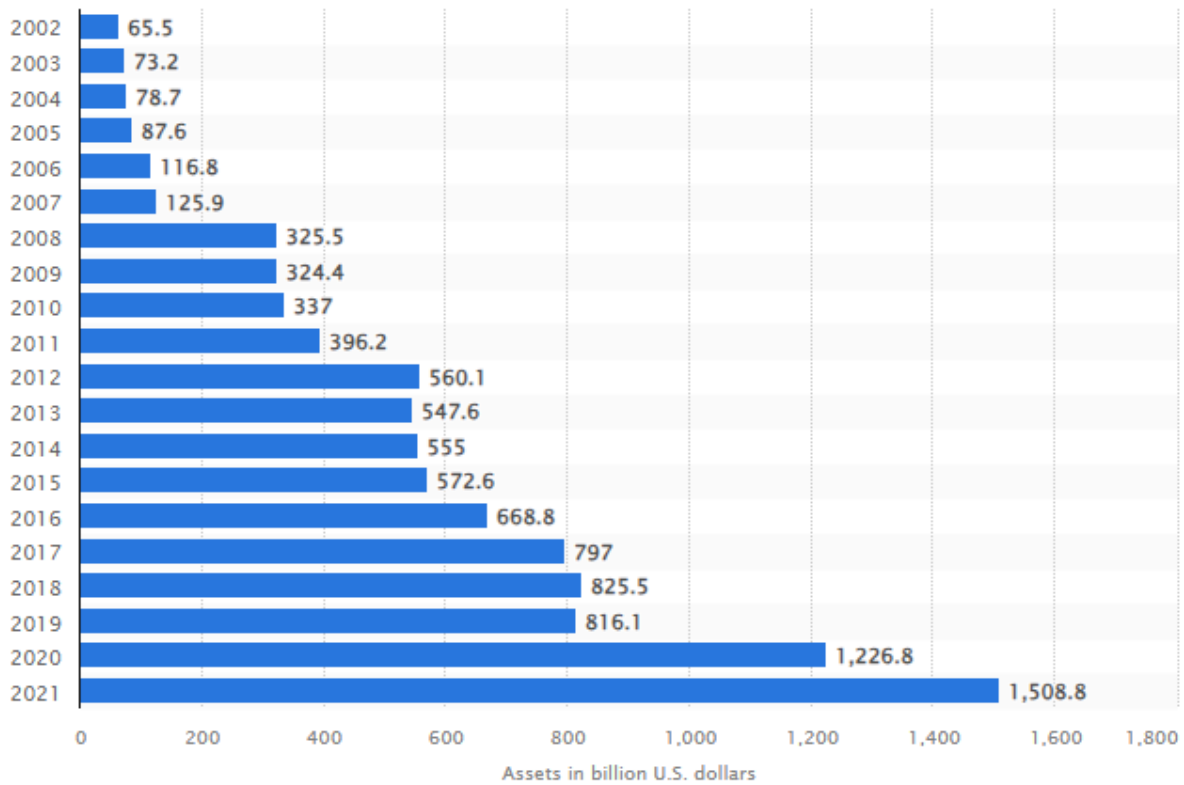
- **Increasing the popularity:** The brand image of the Bank of England can be improved with its net-zero 2050 goals and other corporate social responsibilities (Bank of England, 2023). The social responsibilities may enhance their brand reputation and rank as a central bank across the world.

the major threats to the Bank of England as the central bank of the UK.

- **Increased costs:** The Bank of England deals with cost fluctuation on market securities of environmental regulations (Shao *et al.*, 2022). The higher environmental tax policies of the UK government constantly pressurise the central bank of the UK by increasing the costs of several components of businesses.
- **Growing inequality:** Growing inequality is one of the major threats to the Bank of England in terms of capitalism. The Bank of England is suffering from the squeezing issues of middle-class people across the UK during its globalisation.
- **Protectionism:** Another threat to the Bank of England is the growing protectionism in the digital world. The Bank of England may face cybersecurity risks while storing financial information into international markets (Mitchell and Nightingale, 2019). In addition to this, the diversifying risk may enhance the data protection risk for the Bank of England in countries with different economic standards.

**Table 6: SWOT analysis of the Bank of England**

(Source: Author)



**Figure 5: Total assets of the Bank of England from 2002 to 2021**

(Source: Statista, 2023)

### 3.3 Identified problems

Based on the PESTLE and SWOT analysis, a few areas have been identified that can pose strategic problems to the Bank of England.

<i>Problem area</i>	<i>Discussion</i>
<i>Decline in profit</i>	The Cash deposit ratio scheme of the Bank of England has made some restrictions on the right of taking cash deposits for financial institutions

	or businesses (HM Treasury, 2021). As a result of this, several building societies, private sector banks, public banks and other financial institutions experienced a potential downfall in economic profitability.
<b><i>Dependency on the UK government</i></b>	The moral directives of the Bank of England are dependent upon the economic policies of the UK government. This is one of the biggest strategic issues of the Bank of England that reduces the economic growth of financial institutions or private companies across the UK. Additionally, this over-reliance on the UK government sometimes disrupts the lending services from financial institutes and restricts small businesses from growing their businesses.
<b><i>Bank rate fluctuations</i></b>	Increasing inflationary pressure further pressurises the Bank of England in increasing the bank interest rates randomly. As a result, it causes huge pressure on households and businesses by restricting the money supply chain to eliminate inflation.

**Table 7: Few identified problem areas for the Bank of England**

(Source: Author)

#### **4.0 Remedy of the identified problem**

**Problem to redress:** The major problem among the above three identified problems is the 'decline in profitability.'

##### **Strategic transformation to address the problem**

The Bank of England may implement new approaches or new schemes to maintain the profitability ratio across the country. It is essential for the central banks to adopt and rethink a new mindset for improving banking or financial profitability across the nation. Therefore, a

holistic transformational strategy will be necessary for ensuring the success of the financial operations. The Bank of England may develop automated applications for centralising the power of banking institutions across the UK. Additionally, it is necessary for the Bank of England to understand the depth of risks before developing effective strategies during the inflation situation across the UK. Additionally, the Bank of England may observe the nature, behaviour, business strategy and contribution of customers before lending monetary resources for reducing the risk of potential loss. Besides this, the Bank of England requires to optimise its strong points before developing economic policies. These are some strategic transformations that may reduce the downfall of profitability of the financial institutions in the UK.

**Steps were already taken by the Bank of England to address the problem**

<i>Steps taken by the Bank of England</i>	<i>Description</i>
<i>Investment in the digitalisation process</i>	The Bank of England has planned to introduce digital pound sterling currency in the UK market in order to reduce transaction issues in daily spending. The Bank of England along with HM Treasury are working to introduce technological development across the UK in financial operations.
<i>Intervention in UK markets</i>	The Bank of England has taken an emergency intervention in the UK markets for stabilising the economic crisis. The action of the central bank has focused on overcoming the long-term debt of the UK government (Kirka and Lawless, 2022).
<i>Halven fines for enforcement</i>	The Bank of England has planned to reduce the fines for technical regulatory



	breaches in terms of enforcement (Reuters, 2023). It may help the country in perceiving a positive outcome from the disruption of banking services across the UK.
<b>Mobile application</b>	As a central bank of the UK, the Bank of England has planned to launch an application named CBDC wallet for developing digital currency in 2022 (Coghlan, 2022). This application can resolve the digital projects of the UK government in terms of banking operations.

**Table 8: Few steps taken by the Bank of England to solve the problem of declining profitability**

(Source: Author)

**Drivers of the change**

**Demand from customers:** The Bank of England requires to improve the demand of the UK customers for improving the profitability of financial institutions across the country. The Bank of England needs to understand the demand for digital currency in banking sectors and increase this system all across the nation.

**Industry trends:** The Bank of England further needs to consider the global trends in the banking sectors for implementing transformation. Digital technologies in the banking sector are growing transition in the banking sectors across the globe.

**Cost-saving opportunities:** The Bank of England may develop digital currency and applications for reducing the excess cost in banking operations. It may reduce the usage of cash resources that could be used to invest in business growth.

**Potential in emerging markets:** The Bank of England requires to understand the value of emerging markets and new emerging industries due to technological growth. It may drive the transformation of the Bank of England for the profitability issues in the UK.

### **Resistors of the change**

**Generation gap issues:** The generation gap issues may restrict the Bank of England in introducing changes in the banking sectors for profitability. The older generation may not be able to understand the application process of technology in terms of banking operations.

**Technical difficulties:** Technical difficulties or malfunctioning of applications may disrupt the banking transactions of private or public sector banks. Therefore, the Bank of England needs to ensure the technical malfunction in the channel for avoiding the payment failure issues in the UK.

**Obstacle in regulation:** As a central bank, the Bank of England has to maintain several regulations of the UK government which may restrict the implementation of transformational changes.

### **Steps to implement the change**

There are a few steps outlined below that can be employed in the development of the strategy to implement the change. These steps may aid in the transition process towards digital transformation and profitability growth in the UK.

**Analysis of the current situation of the Bank of England:** It is essential to consider the current situation of the Bank of England and observe the critical incapacities in addressing the profitability issues. It is vital to consider the rules and regulations of the UK government for aiding the issues regarding technological upgradation in banking sectors and the profitability of financial institutions (Harrison *et al.*, 2021).

**Digital roadmap development:** The roadmap development is equally vital for outlining the objective and strategies for bringing desired changes in the system (Cone and Unni, 2020). Therefore, the Bank of England requires to develop a digital roadmap for understanding the core objectives and the strategies to implement transformational change in the banking systems. This is the second step for bringing an effective change in banking transactions

through digital mediums. Therefore, the Bank of England needs to implement strategies as per the roadmap for introducing digital currencies.

**Developing the important capabilities:** As per Lewin’s change management model, it is important to develop important competencies and capabilities for implementing the change in a successful manner. It is vital for understanding the potential gaps and lags in financial operations in order to successfully mitigate the failure issues in manual transactions (Cone and Unni, 2020). Therefore, the Bank of England needs to develop essential competencies to install the digital currency system along with proper resource capital investment.

**Promote an innovative culture:** It is further essential to promote innovation in the banking operations for implementing successful transformation in a legitimate way. Therefore, the Bank of England may support the culture of innovation for bringing prospectus change in the financial operations.

**Continuous monitoring and evaluation:** As per Lewin’s change management model, it is required for the Bank of England to constantly monitor the strategic implementation process (Cone and Unni, 2020). This step may facilitate the Bank of England in reducing the profitability issues from the country along with the help of the UK government.

**Monitoring and evaluation strategy**

<i>Strategy</i>	<i>Method</i>	<i>Description</i>	<i>Timeline</i>
<b>Monitoring</b>	<b>Key performance indicators (KPIs)</b>	The digital transformation and profitability issues can be monitored by using Key Performance Indicators or KPIs. Therefore, the Bank of England requires to organise KPIs for	12 months

		<p>examining whether the change management process is proceeding or not. The KPIs may include real-time examples along with rates of digitalisation for judging the change management as per those benchmarks.</p>	
	<p><b><i>Dashboard</i></b></p>	<p>The Bank of England may include a dashboard as an indicator for monitoring the transition process along with real-time data. An actual overview may be found on the dashboard in terms of digitalisation methods that may assist the monitoring process.</p>	<p>6 months</p>
<p><b><i>Evaluation</i></b></p>	<p><b><i>Feedback</i></b></p>	<p>Feedback from the clients is also helpful for evaluating or measuring the actual change after the change management process. Hence, the Bank of England may collect feedback from the customers or the UK government for analysing the result of the ongoing transition process. The positive or negative</p>	<p>18 months</p>

		feedback from the client may assist the service provider in evaluating the impacts of the change along with real-time examples.	
	<b>Leveraging data analytics</b>	The Bank of England further can use the data analytics for measuring the way the digital currency launching process is affecting the current economic state of the UK.	7 months

**Table 9: Monitoring and evaluation strategies for the change**

(Source: Author)

## 5.0 Conclusion

The report has discussed a detailed background of the Bank of England which is the central bank of the UK along with statistical information. Furthermore, the report has presented a situational analysis of this government-owned central bank in a precise manner. The report has explained the strategic objectives of the Bank of England by accessing its organisational strategies along with policy targets. In addition to this, the report has demonstrated its strategic context as a central financial sector in the UK by mentioning a detailed discussion on its services and stakeholders. The study has graphically represented the organisational structure of the Bank of England by mentioning a brief analysis of the overall structure. It has further mentioned the main initiatives of the Bank of England as per its current strategic context as a central bank of the UK. Besides this, the report has identified its financial and digital achievements along with valid information. It has identified and analysed several positive or negative issues through PESTLE and SWOT analysis in a precise manner for

evaluating the areas of improvement. Therefore, the paper has analysed the current strategic initiatives of the Bank of England for mitigating the emerging issues analysed from the environmental analyses. Additionally, the report has mentioned the way the Bank of England can perceive successful change management along with the monitoring and evaluating processes.

Grade Assignment Help

## References

Bank of England, (2023). *Banking services*. Available at: <https://www.bankofengland.co.uk/banking-services> [Accessed: 12th June, 2023]

Bank of England, (2023). *Capital Issuance - January 2023*. Available at: <https://www.bankofengland.co.uk/statistics/capital-issuance/2023/january-2023> [Accessed: 11th June, 2023]

Bank of England, (2023). *Capital Requirements Directive*. Available at: <https://www.bankofengland.co.uk/prudential-regulation/key-initiatives/capital-requirements-directive-iv> [Accessed: 9th June, 2023]

Bank of England, (2023). *Climate change*. Available at: <https://www.bankofengland.co.uk/climate-change#:~:text=In%20June%202021%2C%20we%20committed,goal%20for%20our%20physical%20operations>. [Accessed: 12th June, 2023]

Bank of England, (2023). *Corporate responsibility*. Available at: <https://www.bankofengland.co.uk/about/corporate-responsibility#:~:text=We%20provide%20a%20wide%20range,social%20wellbeing%20and%20financial%20wellbeing>. [Accessed: 12th June, 2023]

Bank of England, (2023). *Our Code*. Available at: <https://www.bankofengland.co.uk/about/governance-and-funding/staff-codes-and-policies/our-code#:~:text=The%20Governors%20are%20all%20committed,are%20integral%20to%20our%20mission>. [Accessed: 11th June, 2023]

Bank of England, (2023). *Our History*. Available at: <https://www.bankofengland.co.uk/about/history> [Accessed: 9th June, 2023]

Bank of England, (2023). *The Bank's Financial Stability Strategy*. Available at: <https://www.bankofengland.co.uk/financial-stability/financial-stability-strategy> [Accessed: 10th June, 2023]

Bank of England, (2023). *Why you should join us*. Available at: <https://www.bankofengland.co.uk/careers/why-you-should-join-us> [Accessed: 8th June, 2023]

Boyle, M., (2023). *Digital banking statistics 2023*. Available at: <https://www.finder.com/uk/digital-banking-statistics#> [Accessed on: 13th June 2023]

CMC Markets, (2023). *Top 16 Strongest Currencies in the World*. Available at: <https://www.cmcmarkets.com/en/learn-forex/16-strongest-currencies-in-the-world#> [Accessed on: 9th June 2023]

Coghlan, J., (2022). *Bank of England opens applications for 'proof of concept' CBDC wallet*. Available at: <https://cointelegraph.com/news/bank-of-england-opens-applications-for-proof-of-concept-cbdc-wallet> [Accessed: 11th June, 2023]

Cone, C. and Unni, E., (2020). Achieving consensus using a modified Delphi Technique embedded in Lewin's change management model designed to improve faculty satisfaction in a pharmacy school. *Research in Social and Administrative Pharmacy*, 16(12), pp.1711-1717.

Conway, L., (2022). *Consumer Rights Act 2015*. Available at: <https://researchbriefings.files.parliament.uk/documents/SN06588/SN06588.pdf> [Accessed on: 10th June 2023]

Davidson Morris, (2022). *Section 98 Employment Rights Act Dismissals*. Available at: <https://www.davidsonmorris.com/section-98-employment-rights-act/#> [Accessed on: 11th June 2023]



Depersio, G and Dolan, B., (2023). *Why the British Pound Is Stronger Than the U.S. Dollar.*

Available at: <https://www.investopedia.com/ask/answers/070516/why-british-pound-stronger-us-dollar.asp#> [Accessed on: 10th June 2023]

Elliott, L., (2021). *Rishi Sunak launches taskforce on Bank of England digital currency.*

Available at: <https://www.theguardian.com/business/2021/apr/19/rishi-sunak-bank-of-england-digital-currency-uk-brexit-eu> [Accessed: 10th June, 2023]

Francis-Devine, B., Harari, D., Keep, M., Bolton, P., Wilson, W., Barton, C. & Mansfield, Z., (2023). *Rising cost of living in the UK.* Available at:

<https://commonslibrary.parliament.uk/research-briefings/cbp-9428/#:~:text=The%20cost%20of%20living%20increased,goods%20and%20services%20for%20households.> [Accessed: 12th June, 2023]

GOV.UK, (2022). *UK Digital Strategy.* Available at:

<https://www.gov.uk/government/publications/uks-digital-strategy/uk-digital-strategy> [Accessed: 9th June, 2023]

Gov.UK, (2023). *The Data Protection Act.* Available at: <https://www.gov.uk/data-protection#> [Accessed on: 9th June 2023]

Harrison, R., Fischer, S., Walpole, R.L., Chauhan, A., Babalola, T., Mears, S. and Le-Dao, H., (2021). Where do models for change management, improvement and implementation meet? A systematic review of the applications of change management models in healthcare. *Journal of healthcare leadership*, pp.85-108.

HM Treasury, (2021). *Review of the cash ratio deposit scheme: consultation on proposed changes.* Available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1020279/2021-09-21\\_Final\\_formatted\\_CRD\\_Consultation\\_Document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1020279/2021-09-21_Final_formatted_CRD_Consultation_Document.pdf) [Accessed: 8th June, 2023]

Jones, H., (2023). *Britons face 20,000 digital pound cap under Bank of England plan.*

Available at: <https://www.reuters.com/markets/currencies/consumers-face-20000-pound-limit-digital-pound-bank-england-says-2023-02-07/> [Accessed: 10th June, 2023]

Kirka, D. & Lawless, J., (2022). *UK central bank intervenes in market to halt economic crisis.*

Available at: <https://apnews.com/article/inflation-economic-growth-international-monetary-fund-b6346608fbee3742ed95275136092b03> [Accessed: 13th June, 2023]

Legislation.Gov.UK, (2023). *Financial Services and Markets Act.* Available at:

<https://www.legislation.gov.uk/ukpga/2000/8/contents> [Accessed on: 12th June 2023]

Legislative.Gov.UK, (2023). *Environmental Protection Act 1990.* Available at:

<https://www.legislation.gov.uk/ukpga/1990/43/contents> [Accessed on: 9th June 2023]

Lovells, H., (2023). *UK Bank of England finalises policy on FMI outsourcing and third party risk management.*

Available at: <https://www.lexology.com/library/detail.aspx?g=af8adc95-22ec-44bb-8b29-346916190e97> [Accessed: 10th June, 2023]

Martill, B. and Staiger, U., (2021). Negotiating Brexit: The cultural sources of British hard bargaining. *JCMS: Journal of Common Market Studies*, 59(2), pp.261-277.

Mitchell, P. and Nightingale, J., (2019). Sonography culture: power and protectionism.

*Radiography*, 25(3), pp.227-234.

ONS, (2022). *Voices of our ageing population: Living longer lives.* Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/voicesofourageingpopulation/livinglongerlives#> [Accessed on: 13th June 2023]

Reuters, (2023). *Bank of England sets out plans to halve fines for early cooperation.*

Available at: <https://www.reuters.com/world/uk/bank-england-sets-out-plans-boost-early-cooperation-regulatory-enforcement-2023-05-04/> [Accessed: 9th June, 2023]

Shao, J., Chen, H., Li, J. and Liu, G., (2022). An evaluation of the consumer-funded renewable obligation scheme in the UK for wind power generation. *Renewable and Sustainable Energy Reviews*, 153, p.111788.

Statista, (2023). *Total assets of the central bank in the United Kingdom 2002-2021*. Available at: <https://www.statista.com/statistics/1021009/total-assets-of-the-central-bank-in-united-kingdom/#:~:text=Total%20assets%20of%20the%20UK's,trillion%20U.S%20dollars%20in%202021>. [Accessed: 9th June, 2023]

SWFI, (2023). *Top 100 Largest Central Bank Rankings by Total Assets*. Available at: <https://www.swfinstitute.org/fund-rankings/central-bank> [Accessed: 10th June, 2023]

The Global Economy, (2023). *United Kingdom Political stability - data, chart*. Available at: [https://www.theglobaleconomy.com/United-Kingdom/wb\\_political\\_stability/](https://www.theglobaleconomy.com/United-Kingdom/wb_political_stability/) [Accessed on: 10th June 2023]

The Orgio, (2023). *The Bank of England*. Available at: <https://theorg.com/org/bank-of-england> [Accessed: 9th June, 2023]

Trading Economics, (2023). *United Kingdom Inflation Rate - April 2023 Data - 1989-2022*. Available at: <https://tradingeconomics.com/united-kingdom/inflation-cpi> [Accessed on: 11th June 2023]

Tunley, C., (2023). *Skills and talent in financial services - the impact of the pandemic / Insights*. Available at: <https://www.ukfinance.org.uk/news-and-insight/blogs/skills-and-talent-financial-services-impact-pandemic> [Accessed on: 9th June 2023]

UK Parliament, (2022). *New UK-EU financial services inquiry launched - Committees*. Available at: <https://committees.parliament.uk/committee/516/european-affairs-committee/news/160809/new-ukeu-financial-services-inquiry-launched/#> [Accessed on: 9th June 2023]

Watson, B., (2022). *Employment in the UK: December 2022*. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/december2022> [Accessed: 11th June, 2023]

Grade Assignment Help

# Grade Assignment Help

Get professional help with either  
STEM or non-tech assignment



Fast delivery



Expert writers



Original papers

Order now

Free quote