



BPDTS Ltd

Providing digital technology
services to DWP

Gender Pay Gap Report

31 March 2020





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Background

We value diversity and were committed to creating a culture where everyone is valued, respected, treated fairly, and with dignity over the 12 months this report covers. We wanted all our people to feel included and everyone to feel they have a voice they can use, and that is heard. We welcomed the Equality Act 2010 (Specific Duties and Public Authorities) legislation, which was introduced in April 2017 by the Government Equalities Office.

The figures in this report are calculated using the salary data for all employees on 31 March 2020; this is as prescribed in the legislation.

The gender pay gap measures the difference between the average pay of men and women across an organisation, irrespective of their role or seniority. This is different from equal pay, which is about ensuring men and women who are performing similar work are paid equally.

We have always promoted the fair treatment of all employees in our pay and reward strategy.

As required by legislation, we have published these figures on the Government Equality Office's designated gender pay-gap reporting website.



Context

This report covers the 12 months to 31 March 2020. In September 2020, DWP agreed to implement the recommendations of the Tailored Review into BPDTS, announcing BPDTS would close on 30 June 2021 and its people and services would transfer into DWP. For this reason, this report has a significantly reduced focus on our future approach and strategy to address issues highlighted by the data summarised here.

Over the year this report covers, we continued to evolve and grow in size. We wanted to be known as an employer who created an environment where people were accepted, included, and could be at their best by being themselves.

We invested, not only in creating professional communities for our people but also by reinforcing the behaviours and values we wanted to see and encourage.

Working within the digital and technology arena, we are aware of the challenges the sector faces in increasing the number of female employees to rebalance the industry's male dominance. We established and supported a 'Women in Digital Network'. Its aims are to encourage more women to consider careers in the industry and celebrate the female role models we have within our company.



Organisation structure

Unlike the majority of the public sector, our policy has been to operate without a grade structure as this was deemed more appropriate for the IT labour market at the time. For our external recruitment, we used market-based intelligence to set salaries based on the wider labour market rates paid in the digital technology sector. As a public sector organisation, we're governed by HM Treasury's pay remit. This means we're subject to current public sector pay policy and pay restrictions.

As a service provider to DWP, we were committed to ensuring we attracted, retained, and developed expert digital professionals who could provide effective, high quality and efficient services to our customer and, through them, to the end-user, the citizen. As part of our aim to deliver exceptional levels of service, we established Communities of Practice, organised by service area. Communities of Practice are groups of employees with similar or closely-related skills, experience, and job responsibilities. Community interaction helped our people to collaborate more efficiently and share ideas, so they could continue to develop their professional expertise.

Each of our Communities of Practice is led by a Digital Service Practice Lead (DSPL), who is an expert in their profession. Our practice leads are responsible for setting career pathways, identifying suitable learning interventions, and development opportunities for the people within their community. As thought leaders, they brought the latest industry thinking, technological developments, and best practice learning into the practice. They encouraged members to share their knowledge and skills, while investing in the learning and development opportunities around them. They also attracted new talent into the company by inspiring other digital professionals to join BPDTS and our community of experts.

Groups of our employees volunteered together to invest in and support wider colleagues wellbeing. They helped ensure we continued to embed our values, and make our company an inclusive, respectful, inspiring, and diverse place to work.



Gender pay gap data

Gender composition

The gender composition of our workforce in scope for this year's gender pay gap calculation, shows we have significantly more male (**81%**) than female (**19%**) employees. The BCS (the chartered institute for IT) in its most recent report for 2019 said the national figure for women in technical and specialist IT roles was just 20%. Office for National Statistics (ONS) data for the quarter January to March 2020 shows 29% of the UK workforce in Information & Communications more generally were women; UCAS data for UK university admissions shows that for the five-year period ending in 2019, only 19% of university students studying computer science were women. This background reinforced our commitment to encourage more talented women into our organisation.

Gender pay gap

At 6.0%, our mean gender pay gap is significantly smaller compared to many other digital and technology companies. Data from the ONS' Annual Survey of Hours and Earnings (ASHE) for 2020 shows that for IT and Telecommunications professionals across the UK, the mean gender pay gap was 13.6%. Our mean gender pay gap shows, however, a small increase for ordinary pay since last year, up slightly from 5.5%. Our median gender pay gap is 2.0%, a small increase compared to the previous year.

Our headcount at year end had increased by 17% over the year; 101 people left (M: 82, F: 19) and 237 people had joined (M:177, F: 60) in the year covered by this report. The mean pay difference of recruits in 2019/20 was c. £3,000; this led to the small increase in our mean ordinary pay gap. (See below for a more detailed explanation)

Median data is less reliable when analysing fairly small populations (our average number of employees in the year was 937, M: 755, F: 182); a single additional highly or lowly paid woman employee can impact median values when the spread between the highest paid (more than £90,000pa) and lowest paid (less than £20,000pa) woman is wide.

BPDS paid men and women equally for doing the same or similar jobs. The key driver behind our pay gap, we believe, reflects pay levels in the technical industry from which we recruit.

Bonus pay gap

Mean gender pay gap - Bonus pay in the 12 months ending 31 March		13.7%
Median gender pay gap - Bonus pay in the 12 months ending 31 March		0%
The proportion of male and female employees paid a bonus in the 12 months ending 31 March:	Male	61%
	Female	59.1%

Bonuses have been a key differentiator between our reward arrangements and those in much of the public sector. BPDTS was specifically established to use different reward practices to attract people to work in public service who had not previously done so. The BPDTS bonus scheme is wholly determined by each individual's end-of-year performance rating, there are three tiers of bonuses; bonuses are a percentage of salary; the range in 2019/20 was 1% to 8%.

The table above shows that 61% of men and 59.1% of women received a bonus payment. These percentages are low because of the large number of new joiners in Q1 2019 who were not eligible for an award in 2019.

Women were 19% of our workforce, but received 28% of the highest performance rating and 26% of the second highest rating. Because bonuses are a percentage of earnings, and men getting the highest performance ratings were paid more than women (the average salaries of women, rated 1 and 2 were, £6,000 and £5,000 lower than men given the same rating) this difference in the average salaries of bonus recipients created the mean gender bonus gap this year.

Pay by quartiles and gender composition of BPDTS

The table below shows that the greatest percentage of female employees fall within the lowest paid quartile. The upper quartile had the highest male percentage.

Quartiles	Female %	Male %
Lower quartile	21.8%	78.2%
Lower middle quartile	19.3%	80.8%
Upper middle quartile	21.3%	78.7%
Upper quartile	15.8%	84.2%

Overwhelmingly, salaries reflect the rate of pay on joining BPDTS; as an organisation only four years old, few people have had significant pay progression since they joined.

In the 12-month period to 31 March 2020 there was a welcome increase in the percentage of women in the top quartile (up from 12.6% in 2018/19 to 15.8%) reflecting our growing success in recruiting women into senior roles with a rise of 25% in one year, but nevertheless, the highest paid quartile still had the lowest proportion of women of any quartile.

Note: The 2018/19 quartile figures previously reported were incorrectly stated. The correct information for 2018/19 is set out below.

We have worked with the specialist external consultants who drafted our 2018/19 Report to try to understand the cause of the erroneous figures published last year; we have not been able to isolate a specific reason. We can only assume it was a human error. With the consultants we have fully verified the corrected figures, as set out below, are accurate and a true record.

2018/19	Corrected figures		Previously published	
	Female	Male	Female	Male
Lower quartile	19.1%	80.9%	18.9%	81.1%
Lower middle quartile	16.1%	83.9%	14.3%	85.7%
Upper middle quartile	24.1%	75.9%	8.8%	91.2%
Upper quartile	12.6%	87.4%	24.2%	75.8%



Explaining our gender pay gap and acting to close it

Compared to the average gender pay gap in the digital technology sector, we know that our 6 % mean gap is significantly lower. Our analysis of the overall gender pay gap shows that it relates to our workforce representation of males and females at different levels in the organisation, rather than difference in pay of males and females at the same level.

During this year, the percentage of women in the highest paid quartile rose 25%; nevertheless, our headline gender pay gap, mean ordinary pay, showed a slight increase, from 5.5% to 6.0%.

At BPDS salaries are not linked to grades BPDS was set up to ensure vital DWP digital services were developed and supported by highly skilled people brought in via competitive external recruitment on salaries that reflected the external pay market. We offered salaries to external recruits using market pay data supplied from DWP. Every vacancy had its own DWP-approved market rate advertised; some digital specialisms attract higher rates than others.

In the 2018/19 year; looking at applicants for the 35 roles advertised at salaries of at least £70,000, only 13% of applicants were women and only 6.3% of appointments. For our other vacancies that year, advertised at salaries of less than £70,000, the figures were 19.1% for applicants and 24.6% for appointments. This disparity at the highest pay levels feeds into the data on quartiles in this Report.

Because men are most prevalent in our highest pay quartile, mean bonuses are consequentially larger for men overall, despite women being more likely to be given a higher performance rating than men. (women were 19% of our workforce, but received 28% of the highest performance rating and 26% of the second highest rating). Continuing to increase the number of women in the highest ordinary-pay quartile is the key to reducing the mean bonus pay gap.

Median bonuses were the same for men and women; this flows from the decision to pay a minimum bonus of £500; over half of bonus recipients were paid a bonus of 1%, but with a minimum of £500 and the median for both genders was £500. The proportion of men and women paid a bonus increased evenly, and this reflected a reduced number of employees disqualified, compared to the previous year, due to their short service.

Recruitment, retention and creating a diverse workforce

Diversity and inclusion is important; we want everyone to feel accepted, belong and be valued as

individuals. As a people-centric organisation, we value and embrace our differences as this enables us all to develop. We encourage staff to use their voices to highlight opportunities to effect and enable change.

We applied best-practice advertising approaches for all our roles, including using gender-neutral, inclusive language to encourage a range of diverse applicants. All our selection panel members have completed training for unconscious bias, diversity and inclusion to ensure they adhere to our policies and procedures. Whenever we had qualified female managers available, we had a gender mix on panels to reflect the diversity of our workforce. We also had an inclusive approach to internal progression, all our roles were advertised and selection was based on skills relevant to the role. Despite this, in 2019/20 the percentage of women applicants for all our roles in BPDTS fell to 15.1% (down from 18.1%) and appointments fell to 16.2% (20%)

Our CEO was female, she encouraged the use of her professional journey to illustrate the progress of women in IT to encourage promotion aspirations. The vast majority of IT professionals in BPDTS are managed by Digital Service Practice Managers (DSPMs); half of DSPMs are women. Our 'Living Leader' programme had 16 trainers; seven were women. Career pathway conversations are an essential part of every employee's end-of-year review.

Through our pay award, we looked to reward individual performance, regardless of gender, ensuring those receiving financial rewards were doing so based solely upon their contribution to the organisation.

As an organisation, we wanted to continue to learn and belong together, to continue to develop our belief in the benefits of a diverse and inclusive workforce. Our 2019 'smarter working' initiative was designed to help all our employees perform at their best, be more productive, and to support wellbeing.

Career mobility

Career pathways and learning and development is actively encouraged and open to all, promoting senior progression of women in BPDTS. There are also several senior female role models.

We have captured the career pathways for our DDaT (Digital Data and Technology) roles and use our 'career lattice' to allow people to develop and grow, ensuring everyone could take control of their career and development without being excluded due to any external pressures or conflicts they may be facing. Our use of Apprenticeship schemes has enabled people beginning their DDaT career to develop further and supports career mobility.

Creating a culture which celebrates diversity and supports all employees

In BPDTS, we value diversity and are committed to equality within our workforce. We want BPDTS to be a place where everyone is valued, respected, treated fairly and with dignity. We actively encouraged smarter working, job-sharing, and part-time working to support employees with caring responsibilities, and encouraged a good work-life balance for all employees

We have a flourishing, staff-led Equality, Diversity and Inclusion (EDI) Group, acting as a conduit to facilitate ideas, ways of working and provide support. We have an established Women in Digital group, BAME, LGBTQ and Disability communities, each with a member of ET as a sponsor. Our Women in Digital group was active in promoting exciting opportunities available to women when considering a career in the industry. They took part in initiatives to coach and mentor women, to increase their confidence and engagement skills

We reflect the 5 Pillars of Wellbeing internally and have adapted our intranet to reflect this, to enable staff to readily access resources and support. We have provided extensive support during COVID, to ensure that the wellbeing and work-life balance are supported. Our people have been able to utilise smarter working, which has supported home schooling and caring. We "check in" with managers to ensure that their needs are also considered and supported.

We have prioritised work within this area, we have successfully recruited and trained staff volunteers as Mental Health First Aiders, we also created a number of behaviour champions, we have developed and launched a Transgender policy, training for managers on EDI, Mental Health Awareness, Autism. BPDTS is proud to have attained Time to Change Employers pledge, which a commitment to mental health at work.



Declaration

We confirm that data reported by us is accurate and has been calculated according to the requirements and methodology set out in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.



Clare Millington-Hume
Head of People

A handwritten signature in black ink, appearing to be 'C. Millington-Hume'.



Rich McHugh
Chief Executive

A handwritten signature in black ink, appearing to be 'Rich McHugh'.

Addendum: Our gender pay gap in 2020/21

Since BPDTS will no longer exist after 30 June 2021; we have decided to publish a brief summary of our gender pay data for the year to 31 March 2021 as an addendum to this report.

	2019/20	2020/21
Mean ordinary pay GPG ⁽¹⁾	6%	3.9%
Median ordinary pay GPG	2%	-0.3%
Mean bonus GPG ⁽²⁾	13.7%	-15.7%
Median bonus GPG ⁽³⁾	0%	-141.1%
Proportion of males getting bonus ⁽⁴⁾	61%	96.9%
Proportion of females getting bonus ⁽⁴⁾	59.1%	97.8%
F in Q1	21.8%	19.4%
F in Q2	19.3%	16.3%
F in Q3	21.3%	20.3%
F in Q4	15.8%	16.2%

⁽¹⁾ BPDTS annual salary awards were based on a two-factor matrix; i) performance ratings, and ii) position against the external pay market for the employee's specific role. Those paid least well compared to external pay market for their role were awarded a larger salary increase for any given performance rating compared to those who were well paid compared the external market. This helped enable BPDTS to close its mean GPG in 2020/21.

⁽²⁾ The mean bonus for men in 2020/21 was £1,432, while for women it was £1,657. Women had higher performance ratings than men; 8.7% of the company were rated exceptional (7.7% of men, but 12.5% of women). The second highest tier (exceeded expectations) followed a similar pattern; 34.4% of the company exceeded expectations (31.8% of men, but 45.5% of women).

⁽³⁾ There were three tiers of bonuses in 20/21; these tiers are directly linked to an individual's performance review rating; the highest performing tier were awarded a 10% bonus, the second highest performing were awarded 5% and the next tier awarded 1% (with a minimum payment of £500).

In 2020/21, the median bonus was 1% for men (£500), but 5% for women (£1206); in 2019/20 the median bonus for both men and women was 1% (£500).

⁽⁴⁾ To be eligible for a bonus in 2020/21, as in all previous years, an employee must have been employed for a minimum of three months of the performance review year. BPDTS recruited many people in early 2019 who were, therefore, ineligible for bonuses in 2019/20, whereas as the impending transfer to DWP meant almost no-one was recruited externally in early 2021, hence the leap in the proportion of eligible employees.