



BPDTS Ltd

Providing digital technology
services to DWP

Annual Report & Accounts

2021/22

HC 778



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Providing digital technology
services to DWP

BPDTS Ltd
Annual Report and Accounts 2021/22
(For the period ended 31 January 2022)

Company registered number: 10344843

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Chief Executive's Foreword

It is with a touch of sadness that I present, as the Chief Executive and Accounting Officer of BPDTS Ltd, the final Annual Report and Accounts. I am extremely proud of what we have achieved since 2016, working with DWP, to deliver a vastly improved service to the public that need to seek the support of these critical services.

BPDTS Ltd has provided professional services in the disciplines of Architecture, Engineering, Data and Analytics, Delivery Management, Product Design and Service Management. These skills will continue to be exploited by DWP following the transfer of our employees to DWP, and I have no doubt that those who have transferred, will provide a significant contribution to the development of digital services in DWP.

The final working period of any company brings with it unique challenges to its' employees: uncertainty of the future, apprehension of new/different roles, new work colleagues. BPDTS people continued, through this period, to pull together as a strong united team, working positively with DWP to provide a cohesive starting point for when the transfer came into force.

This report provides full details of the closure of the accounts.

Richard McHugh

Chief Executive and Accounting Officer

11 October 2022

Background

BPDTS Ltd is a private limited company, whose sole member is the Secretary of State for Work and Pensions. The Company was established in 2016 to provide digital technology services to the DWP.

The Company's employees were public servants who provided a full range of digital technology services to DWP. The employees were remunerated more flexibly to attract and retain high quality digital, data and technology specialists to provide a service to DWP.

BPDTS was formally classified as a non-departmental public body. A Master Services Agreement (MSA) sets out the basis on which BPDTS provided services to DWP and a Framework Agreement set out how BPDTS should operate as an arm's length body in the public sector. Under these agreements, BPDTS was required to recover its costs in full through charges to DWP. DWP has made working capital available to BPDTS, in the form of repayable cash funding, under a Funding Facility Agreement. Under a Support Services Agreement (SSA), DWP provides some services to BPDTS, such as accommodation, for which it charges.

On 29 September 2020 the Tailored Review of BPDTS Limited Report and Recommendations was published. All the recommendations were accepted by DWP, Cabinet Office and approved by the Secretary of State. This included the creation of a single digital function within DWP and the closure of BPDTS as an arm's length body, a non-departmental public body and a limited company.

This Annual Report and Accounts covers the final accounting period of the Company; 1 April 2021 to 31 January 2022. The Company ceased providing a service to DWP on 30 June 2021 and all employees were TUPE'd to Department for Work and Pensions and the Master Services Agreement ceased.

Strategic Report

As BPDTS Ltd continued to provide services to DWP, the last quarter of operations, focussed on the transition of staff and maintaining service levels. The principal risks and uncertainties faced by the Company can be found in the governance statement on Page 13.

Whilst a formal business plan was not produced for this period due to the imminent closure of the Company, the Board and Executive team were committed to the following objectives which placed employees at the heart of their decision making:

- to **maintain focus on delivering quality services**, as we have for the past 4 years.
- to **support our people through transition**
- to **support DWP to ensure an effective transition takes place**.

In committing to these key objectives, we underpinned our performance by continuing with the suite of key performance indicators previously used to monitor performance, providing assurance that performance levels were maintained. Performance reports continued to be provided to the DWP Service Delivery Board until 30th June 2021.

Key Performance Indicators

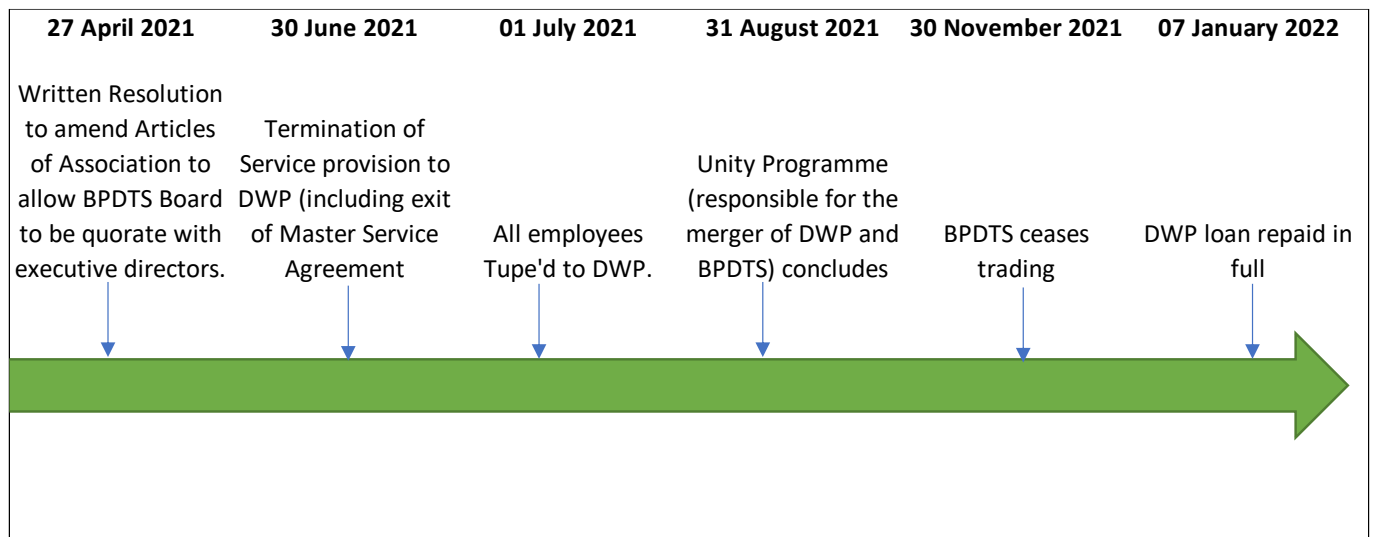
	Measure	KPI/Target	Position as at 30 June 2021
RETENTION	Percentage of permanent employees who have resigned	Annual monthly average of less than or equal to 8% permanent resignations	Not met ☒ Annual monthly average: 11.5%
	Number of permanent employees with less than 12 months service who have resigned	Annual sum of no more than 0 permanent resignations with less than 12 months service	Not met ☒ Annual sum: 1 leaver with less than 12 months service The retention KPI was not met for either of the measures, percentage of employees resigning and the numbers resigning with less than 12 months service – Both KPI's were impacted by the TUPE transfer into DWP – with uncertainty over roles and grades leading BPDTS employees to seek alternative employment – of those leavers approximately 60% of all leavers transitioned into the Civil Service in advance of the TUPE transfer
LEARNING AND DEVELOPMENT	Time spent on learning and development opportunities	Average of greater than or equal to 5 days per person per year The target for this part-year reporting period is 0.42 days per person per month, over 3 months.	Achieved ✓ Average: 1.2 days per person over 3 months

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	Measure	KPI/Target	Position at 30 June 2021
UTILISATION	Percentage of time utilised for customer work	Utilisation rate greater than or equal to 90%	Achieved ✓ Annual average: 92.05%
	Number of days available employees were not assigned to customer work	Annual monthly average less than or equal to 31 days	Not met ☒ Annual monthly average: 91 days Whilst the average number of days is the primary measure, BPDTS also reviewed the number of individuals not assigned to specific customer work. This provides a more granular understanding of the data. The most individuals (in any month) that were not assigned to customer work was 3. Utilisation was impacted during the final 3 months of trading – DWP were already starting to assess activities being done by BPDTS to ensure these were still relevant once transition was complete – during this period the demand for work was driven by the customer and BPDTS worked closely with them to match individual skills to roles within as short a time frame as possible.
FINANCE	Proportion of spend on overheads	Overhead spend less than or equal to 9%	Achieved ✓ End of year position: 5.7%
AUDIT AND RISK	Number of overdue audit actions	No overdue audit actions	Achieved ✓
	Number of red risks	No red risks	Achieved ✓ Annual sum: 0 red risks

BPDTS Key Dates

There are a few key milestone dates that have been significant over the period that this report covers. These includes dates where decisions were made that enabled the change of the composition of the Board, or have been significant to the closure of the company, or the compilation of the accounts which in some instances may skew figures when making comparisons to previous years. The timeline below shows these significant dates.



Financial Outturn

The revenue outturn for the period 1 April 2021 to 31 January 2022 was £14.7m. This outturn was a reduction compared to the previous reporting year 2020/21 (£82.6m) due to the service to DWP being provided for only one quarter.

The company operated on a full cost recovery basis, facilitated by monthly billing cycles with DWP. All goods and services chargeable by DWP to BPDTS were billed for the quarter when the service was provided. The total outstanding loan value was repaid to DWP as part of the Company closure activity. The loan had been provided to BPDTS to cover its working capital commitments. BPDTS Ltd ceased providing a service to DWP on 30 June 2021, the Company formally ceased trading on 30 November 2021 and the financial statements have been prepared on a basis other than that of a going concern basis (see note 14).

The costs set out in this annual report relate to the operating costs of BPDTS and the assets owned and used by BPDTS, that delivered its services and the Company closure.

Richard McHugh

Chief Executive and Accounting Officer

11 October 2022

Directors' Report

Following all employees being TUPE'd to DWP on 30 June 2021, the company ceased to provide a service to DWP from 1 July 2021. The Board agreed on 27 April 2021 that, from the date the employees transfer, the Company would be best served by executive directors only, focussed on the activities required to close the Company. The non-executive directors stepped down from the Board on 30 June 2021, except for the Chair who remained until 31 August 2021, aligning with the date that the Unity Programme concluded.

The Directors of BPDTS 2021/22

Name	Role/Position	Date Appointed and Term
Richard McHugh	Chief Executive & Accounting Officer	Appointed 31 December 2020 for 1 year Appointment extended on 22 June 2021 for an unspecified period
Andrew Garton	Chief Finance Officer	Appointed on 1 Apr 2021 for an unspecified period
Jeremy Moore CB	Chair & Non-Executive Director	Appointed on 1 Jan 2019 to 31 August 2021 Chair of Board from 1 Jan 2019 to 31 August 2021
Valerie Gordon-Walker	Non-Executive Director	Appointed on 1 Jan 2019 to 30 June 2021 Chair of Remuneration Committee from 1 April 2019 to 30 June 2021
Ian Wilson	Non-Executive Director	Appointed on 1 Jun 2018 to 30 June 2021 Chair of Audit, Risk & Assurance Committee from 18 Oct 2018 to 30 June 2021
Katie Kapernaros	Non-Executive Director	From 1 Feb 2019 to 30 June 2021
John Osmond OBE	Non-Executive Director	From 1 Feb 2019 to 30 June 2021

Independent members

Name	Role/Position	Date Appointed and Term
Debbie Alder	Independent Member of Remuneration Committee	Appointed on 1 Apr 2019 to 30 June 2021
Paul Greening	Independent Member of Audit, Risk and Assurance Committee	Appointed on 8 Jan 2020 to 30 June 2021

The Directors present their annual report on the affairs of BPDTS, together with the financial statements and auditor's report for the period ending 31 January 2022.

The financial statements have been prepared in accordance with the Companies Act 2006 and, as appropriate, the Government Financial Reporting Manual (FReM) and other guidance issued by HM Treasury and the Secretary of State for Work and Pensions where the disclosure requirements of these go beyond the requirements of the Companies Act 2006.

In accordance with the International Accounting Standards in conformity with the requirements of the Companies Act 2006, the financial statements have been prepared and approved by the Directors. The Governance Statement and the Remuneration and Staff Report following this section form part of this report.

Principal activities

BPDTS Ltd was a private company as defined by the Companies Act 2006, limited by guarantee, with the reference number 10344843.

BPDTS was incorporated on 24 August 2016, with the principal objective to deliver information technology and security services to DWP. BPDTS services are required to support DWP's mission and objectives and its statutory functions and other responsibilities, in accordance with DWP's priorities and in compliance with its governance arrangements.

The single most important event during 2021/22 was that the Company ceased to supply services to DWP from 1 July 2021 and all employees were transferred to DWP.

Going concern basis

In accordance with their responsibilities, the Directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

During the reporting period, BPDTS' expenditure was £14.7m, matched by income of £14.7m from DWP. Expenditure and income match because BPDTS is required, under agreements with DWP, to operate on a full cost recovery basis, without making a profit. As at 31 January 2022, BPDTS had assets less current liabilities of zero.

On 29 September 2020 the Tailored Review of BPDTS Limited Report and Recommendations was published. All of the recommendations were accepted by DWP, Cabinet Office and approved by the

Secretary of State. This includes the creation of a single, digital function within DWP and the closure of BPDTS as an Arm's length body, a non-departmental public body and a limited company.

BPDTS Ltd ceased trading on 30 November 2021 and the financial statements have been prepared on a basis other than that of a going concern (see note 14).

BPDTS repaid the loan, provided to it by DWP, in full on 7 January 2022 in accordance with HM Treasury requirements.

As the recommendations of the Tailored Review were implemented the Master Services Agreement between BPDTS Ltd and DWP, ceased 30 June 2021 along with funding. On this date all staff transferred into DWP and BPDTS Ltd no longer provided any services.

Dividends

BPDTS Ltd is a private company limited by guarantee; it has no share capital and therefore does not pay dividends.

Information security

The Directors recognised their responsibilities under the UK Data Protection Act 2018, which received Royal Assent on 23 May 2018 and the enforcement period for General Data Protection Regulations (GDPR) which came into force on the 25 May 2018. We ensured that personal and commercial information was protected against internal and external threats, loss or misuse. The policy was to self-refer all significant data incidents to the Information Commissioners' Office (ICO) and we worked closely with the ICO and our partner agency to further improve our systems and learn lessons. In 2021/22 one complaint was raised with BPDTS by the ICO under the Data Protection Act/GDPR for investigation. The ICO confirmed that there was no further action required following the investigation.

BPDTS was a member of the DWP Arm's Length Body Security and Data Protection Forum, where good practice and lessons learned were shared. This forum provided BPDTS with access to key security leads in DWP where any issues were discussed and subsequently resolved.

BPDTS employees also completed the mandatory information assurance training provided by DWP which covered key areas of data security ensuring that we all understood the importance of keeping the information that we work with secure and how to identify and report information. The transfer of employee data to DWP at the point of TUPE transfer, was subject to an internal audit which provided assurance that the data was transferred securely and there was adequate checks and balances in place.

All aspects of information security were transferred from BPDTS to DWP on 30 June 2021.

On 30 June 2021 the Master Service Agreement between DWP and BPDTS ceased along with the Supporting Services Agreement which meant from that date BPDTS no longer provided any services to DWP.

Employment and Inclusivity whilst informing and consulting employees

Informing and consulting is not only a legal requirement of a TUPE, but a necessity, and resource and attention was diverted to ensure that the consultation process was planned and delivered in a timely and transparent manner by engaging with our newly appointed Employee Forum.

The transfer of BPDTS employees to DWP was our priority during the final period of operating, ensuring that all employees were kept informed and had the opportunity to voice concerns in a safe environment. This was achieved through a series of employee forums, small team meetings where a member of the HR

team was available to answer concerns and more all colleague calls chaired by the Chief Executive. We worked closely with our counterparts in DWP to ensure that the culture that would be adopted from 1 July brought together the best of both organisations and supported workshops established by DWP.

The Employee Forum reps, who had received formal training on the legal process were engaged in the consultation process and continued to engage with their colleagues across the organisation on the proposed measures by DWP.

Managers were invited to sessions on the TUPE process and given regular updates and support on how the transfer was progressing.

The BPDTS Intranet was a key communication forum enabling the sharing of news of the transfer and allow people to comment and ask questions of the executive team.

Personal data related incidents

There were no personal data related incidents between April and June 2021. In April to June 2021 we had 1 Data Protection Act Right to Access Requests and 1 request under the Freedom of Information Act 2000. This was responded to appropriately and within the prescribed timescales.

Environmental matters

BPDTS operated out of DWP hub locations and offices and supported DWP's strategies in relation to sustainability.

Health and safety

The Training and Risk Assessments for Health and Safety (TARAHS) was introduced on 15 July 2020 providing an online training tool which consolidates BPDTS mandatory training in one place and includes:

- Health & Safety Responsibilities for Managers
- Personal Health and Safety
- DSE Risk Assessment
- Security and Resilience

Mandatory training, e.g. Security & Resilience is aligned annually with DWP.

All employees were required to complete the training modules and compliance was monitored and reported. This provided assurance that our employees undertook the same mandatory training as DWP as we use the DWP infrastructure and accommodation.

In 2021/22 we reported no accidents under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) to the Health and Safety Executive (HSE).

Auditors

The Comptroller and Auditor General (C&AG) is the statutory external auditor of BPDTS Ltd.

The C&AG is an officer of the House of Commons and leads the National Audit Office (NAO). The C&AG certifies the accounts of all government departments and many other public sector bodies and has

statutory authority to examine and report to Parliament on whether Departments, and the bodies they fund, have used their resources efficiently, effectively and with economy.

The audit of BPDTS' annual accounts is undertaken by the National Audit Office on behalf of the C&AG. The NAO is independent of government and their purpose is to scrutinise public spending for Parliament.

Internal audit was provided by the Government Internal Audit Agency (GIAA) who reviewed policy and practice, process, compliance, administration, communication and training, quality, assurance and improvements.

The internal audit programme was undertaken in conformance with the Public Sector Internal Audit Standards (PSIAS).

Each of the Directors individually confirms at the date of approval of this report that:

- so far as the Director is aware, there is no relevant information of which the BPDTS external auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant information and to establish that the BPDTS' auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

Richard McHugh

Chief Executive and Accounting Officer

11 October 2022

Governance Statement

BPDTS Ltd is a company limited by guarantee. The Secretary of State for Work and Pensions is the sole member of BPDTS.

BPDTS is an arm's length body of DWP and a non-departmental public body, with the Chief Executive Officer appointed as Accounting Officer with accountabilities and responsibilities delegated by DWP's Principal Accounting Officer. The CEO is the Consolidation Officer for the purpose of Whole of Government Accounts. The Accounting Officer responsibilities are set out in the Framework Document between DWP and BPDTS and in HM Treasury's Managing Public Money. The Chief Executive had responsibility for day-to-day operations and had specific responsibilities for BPDTS employees.

BPDTS was committed to the principles contained in the UK Corporate Governance code issued by the Financial Reporting Council. The Board had regard to the principles set out in the code insofar as they were appropriate to BPDTS as a non-departmental public body of DWP and given its size.

As the company did not carry out any operations or hold any assets or liabilities from 1 July 2021, the governance arrangements described below refer to the period to 30 June 2021 unless stated otherwise.

Board composition

The composition of the Board, 5 non-executive directors and 2 executive directors remained consistent until 30 June 2021 and was not impacted by COVID-19. On 1 April 2021 Andrew Garton was appointed as the Chief Finance Officer of BPDTS, following the resignation of Mal Singh. At the Board meeting on the 27 April 2021 the directors agreed from 1 July 2021 the Board meetings could be held with only executive directors in attendance, the resolution was adopted, and the Articles of Association were amended. The Chair of the Board, also a non-executive, remained as a Director of the Company and Chair of the Board until the end of August, which aligned with the closing of the Unity Programme which he also was joint co-chair. The table below illustrates the key changes that were made.

	27 April 2021	30 June 2021	01 July 2021	31 August 2021	01 September 2021
Sequence	Written Resolution to amend Articles of Association to allow BPDTS Board to be quorate with executive directors.	Non-executive stepped down, excluding the Chair	The Board Chair remains until the Unity Programme concludes.	Unity Programme (responsible for the merger of DWP and BPDTS) concludes. Chair of BPDTS Board steps down	
Composition	5 non-executive directors 2 executive directors		Non-Executive Chair of BPDTS Board, Chief Executive, Director of Finance		2 executive directors

The board was responsible for setting company strategy, company risk appetite, approval of major items of expenditure and the establishment and monitoring of internal controls. It reviewed the strategic direction of BPDTS and monitored progress towards the achievement of its budgets and plan. The Board had 2 sub-committees: The Audit, Risk and Assurance Committee (ARAC) and Remuneration Committee. At

each board meeting and sub committee meetings, Directors were required to declare any significant interests and any related parties, these were then minuted and added to the Directors Interests Log. Each director also provided a confirmation statement annually stating any significant interests.

The Board met 5 times during the reporting period, Audit, Risk and Assurance Committee met 3 times and the Remuneration Committee met 1 time in the reporting period. The meetings of the Board and sub-committees continued during COVID-19 via video conferencing and this did not impact on their decision-making ability. The following table shows the number of meetings compared to those attended by members.

Board Member	Board meetings attended	RemCo meetings attended	ARAC meetings attended
Richard McHugh (Chief Executive & Accounting Officer)	5/5	1/1	3/3
Andrew Garton (Chief Finance Officer)	5/5	1/1	3/3
Jeremy Moore (Chair & Non-Executive Director)	3/3	N/A	N/A
Valerie Gordon-Walker (Non-Executive Director)	2/2	1/1	N/A
Ian Wilson (Non-Executive Director)	2/2	N/A	2/2
Katie Kapernaros (Non-Executive Director)	2/2	1/1	N/A
John Osmond (Non-Executive Director)	2/2	N/A	2/2

Independent Voting Members	Board meetings attended	RemCo meetings attended	ARAC meetings attended
Debbie Alder (Independent Member appointed 1 April 2020)	N/A	1/1	N/A
Paul Greening (Independent Member appointed 8 Jan 2020)	N/A	N/A	2/2

BPDTS ensured that the Board and its sub-committees received timely and relevant management information, comprehensive analysis and sound advice to facilitate informed decision making. Following the announcement of the Tailored Review and the introduction of the Unity Programme (established to implement the recommendations of the Tailored Review), in addition to BPDTS business, the Board received regular updates from the Programme ensuring that BPDTS Directors were abreast of the progress being made and the timeline that was being followed. The Directors were provided with clear advice on their roles and responsibilities during the transition period and have agreed the closure timetable for BPDTS Limited. The BPDTS Chair, chaired the Unity programme up to 31 August 2021.

The roles of the Board and its sub-committees

	BPDTS Board	Audit Risk and Assurance Committee	Remuneration Committee
Chair	<p>Jeremy Moore (up to 31 August 2021)</p> <p>Rich McHugh (from 1 September 2021)</p>	<p>Ian Wilson (up to 30 June 2021)</p> <p>Rich McHugh (from 1 July 2021)</p>	<p>Valerie Gordon-Walker (up to 30 June 2021)</p>
Roles and Responsibilities	<p>Responsible for overseeing the leadership and direction of BPDTS in delivering the aims and objective of the company</p>	<p>The BPDTS ARAC is a sub-committee of the BPDTS Board of Directors. The role of ARAC is to support the Directors and Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances</p>	<p>To oversee the design of, and recommend to the Board an overall remuneration policy and philosophy that is aligned with its business strategy, risk appetite and values</p>
Issues Covered	<p>Reviewed and discussed performance at each meeting with a focus on key performance indicators that were outside of tolerance</p> <p>The Chief Finance Officer presented to the Board the financial position at each meeting</p> <p>Progress on the business plan was presented quarterly, including a review of deliverables following the announcement to close the company.</p> <p>The BPDTS Chair, chaired the Unity programme up to 31 August 2021</p>	<p>Each meeting has reviewed the strategic processes for risk and control including risk appetite, risk evaluation and effectiveness of mitigating controls.</p> <p>The sub-committee oversees the handling of all internal and external audit matters. This included discussion around the findings and implementation of recommendations from both internal and external (NAO) audit reports</p> <p>Recommended to the Board to approve the annual report and accounts (2020/21)</p> <p>ARAC aligned with RemCom in considering the corrective action for the pension deduction work and the pay in month</p>	<p>The remuneration committee has considered all pay recommendations and agreed the BPDTS pay award in line with HMT guidance and approval from the Secretary of State.</p> <p>The remuneration committee reviewed the BPDTS approach to the pandemic and were provided with the review of internal audit on the assessment of our response.</p> <p>The committee continued to receive assurance of the improvements that have been made to the oversight that BPDTS has of suppliers who deliver HR functions i.e. payroll and pensions</p>

Management of Interests and business appointments

BPDTS, as with other public sector organisations, expects a high standard of behaviour from all employees. These standards of behaviour are outlined in a policy that includes where activities outside of work must be declared, to ensure there is no risk to BPDTS of embarrassment where an individual embarks on external interests that may be in conflict with those of BPDTS and/or DWP. Employees are specifically required to obtain the agreement of BPDTS if they are proposing to take up a second occupation outside of BPDTS. BPDTS may, at its sole and absolute discretion, refuse to grant permission for any such second occupation. This policy safeguards both individuals and the company against and conflict of interest.

The following section sets out the system of control that the Board and Accounting Officer put in place and the assurances which they received from the BPDTS Executive Team (see below) and from the internal audit service provided by the Government Internal Audit Agency, on how the system of control operated. It concludes with the Accounting Officer's assessment of the effectiveness of the system of control.

System of Control

BPDTS is principally governed by:

- Company law and the Articles of Association
- Agreements between DWP and BPDTS such as: Framework Agreement, Master Services Agreement, Support Services Agreement and Funding Facility Agreement (up to 30 June 2021 when the service to DWP ceased to be provided)
- The Accounting Officer's responsibility for BPDTS expenditure and management
- The BPDTS Board's collective responsibility for advice on strategic and operational issues, and for scrutinising and challenging policies and performance
- The system of control includes the Board sub-committees and work undertaken and supported by the BPDTS Executive Team, along with the control framework, which is supported by internal and external audit assurance processes
- The control framework was intended to provide appropriate and proportionate safeguards, taking into account the accountabilities of BPDTS, its relationship with DWP and its place within the Department's strategic plans

The Executive Team

As Chief Executive and Accounting Officer, I was responsible for maintaining a robust system of internal control that helped us achieve our policies, aims and objectives, while safeguarding public funds and our assets. With my Executive Team, I ran and managed BPDTS, and ensure it delivered services to the satisfaction of DWP.

Executive Team members had appropriate delegated management and risk management authority.

Executive Team	Role/Position
Richard McHugh	Chief Executive and Accounting Officer
Andrew Garton	Chief Finance Officer from 1 April 2021
Julian Balaam	Head of Engage (Until 30 June 2021)
Clare Millington-Hume	Head of People (Until 30 June 2021)
Sharon Merrison	Head of Service Delivery (from 1 January 2021- 30 June 2021)
Dave Hall	Head of Digital Capability (from 1 January 2021 – 30 June 2021)

Risk Management Framework

During the period April 2021 to January 2022, BPDTS continued to operate the risk management framework introduced in 2020/21, which adopted an approach that encouraged risk reporting throughout the organisation and provided a single reporting solution. The framework conforms to the Orange Book standards.

Three risk registers were maintained until June 2021, prior to staff transfer to DWP: the strategic, COVID and the transitions risk register which provided the Board and sub committees with up-to-date and accurate information ensuring they have a clear oversight of the risks faced by BPDTS.

All risks are scored against likelihood and impact and compared to the tolerance levels set out in the risk appetite. If a risk exceeds the risk appetite tolerance level ARAC and the Board are informed.

Risk appetite

This statement sets out how we balanced risk and opportunity in pursuit of achieving our objectives. It forms a key element of our governance and reporting framework and is set by the board.

Overarching statement	BPDTS is open about taking risks; nevertheless, we assess the likely impact and benefits each time, meaning we do not take every risk presented, we take decisions and prioritise based on cost, benefit, proximity and likelihood. We map risk management into our range of business plan deliverables to ensure transparency and accountability for the evolving picture
Reputation and credibility	We have a minimalist appetite for working in any way that may call into scrutiny the service relationship with DWP and the structure by which DWP commissions and accounts for the BPDTS services it requires
Operational and policy delivery	While the overriding operational approach is to be open in the consideration of risk versus benefit, it is notable that when it comes to being responsible for major operational failure, every effort is made to ensure BPDTS working practices do not compound the residual risks associated with DWP's operational systems
Financial/VFM	We adopt a cautious approach to financial risk as a result of needing to ensure that the delivery of the organisation is fully aligned to the core business needs of the client. Where we are being any more dynamic, we remain within the scrutinised overhead parameters set with the Service Delivery Board, which necessarily constrains our risk appetite. We are averse to the risks of internal fraud and fraudulent behaviour and will maintain appropriately robust controls and sanctions to maximise prevention, detection and deterrence of this type of behaviour
Compliance – legal/regulatory	We take a cautious approach to ensuring we remain compliant and are able to give the DWP the assurances that we will not be exposing them to unnecessary risk. This includes the Company's responsibilities under the Data Protection Act and the General Data Principles Regulations that we follow to protect the personal information that we hold

The risk appetite and risk registers during the period that BPDTS provided a service to DWP were presented to each Audit, Risk and Assurance Committee (ARAC) meeting, who, following a challenge session, recommend to the Board the risk appetite and register with any changes. The roles and responsibilities for the Board and Executive Team in relation to risk are shown below, providing clarity of the division of responsibility.

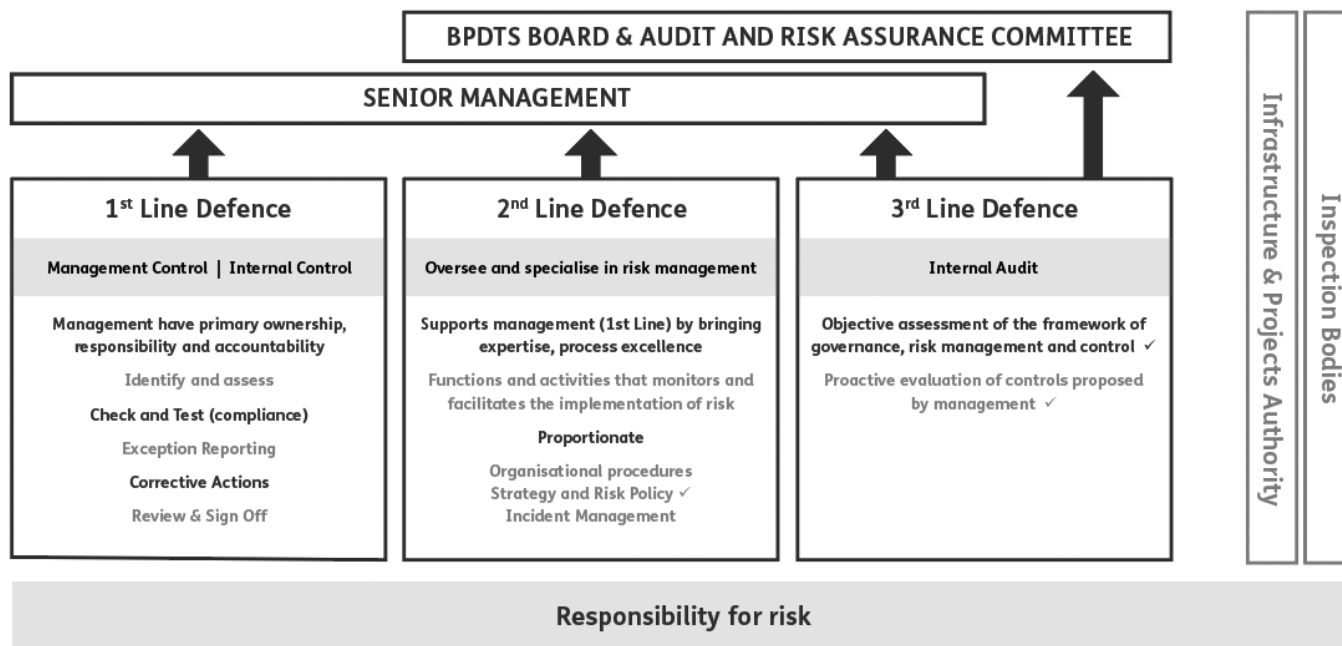
At the end of June 2021 all strategic, covid and transitional risks had been mitigated to their target level or below and within the appetite tolerance.

From 1 July 2021 BPDTS managed risks relating to the closure of the company through the monitoring of the activities required to close the company and reporting any issues to the Directors of the Company and the Board.

Roles, Responsibilities and Exercise of Duty		
Board	Sets the risk appetite and ensures the risk management framework is appropriate and operating effectively	Exercised formally at Board meetings every 2 months, through the ARAC, plus bi-annual risk appetite review and strategic risk review
Executive Team (ET)	Implements risk management in BPDTS and is accountable for the management and mitigation of the strategic risks assigned to them for mitigation. The management of risk mitigation occurs through the BPDTS Executive Team activities and Business Plan milestones	Exercised fortnightly through ET team meetings and formally through ET strategy sessions every 2 months (up to 30 June 2021)
Corporate Governance Team	Administers the Risk Management Framework. Provides challenge and experience on the effective management of risk in BPDTS and to work with external controls and compliance	Development and monitoring activity conducted day-to-day. Coordination of, and support to, the formal risk discussions at the ET, ARAC and Board

Assurance

ARAC reviewed the risk management framework and validated the Executive's practices and responses with Government Internal Audit Agency (GIAA) providing their internal audit assurance. The Corporate Governance Team regularly monitored and reviewed the BPDTS risks and, working with the Executive Team, ensured that the mitigation actions were proportionate and sufficient. We operated 3 lines of defence which provided a hierarchical system of assurance.



Monthly compliance checks were carried out throughout the period providing assurance to the Board of compliance to processes, any exceptions that were identified were reported to the Audit, Risk and Assurance Committee.

Assurance about the operation of the system of control

As Accounting Officer, I have the responsibility for reviewing the effectiveness of the system of internal control. The executive managers kept me informed of the systems and processes that were in place and reported any incidents through Executive Team meetings and where appropriate via ARAC. The processes that were in place ensured that we were able to provide assurance through our reporting were subject to continuous improvement and reviewed to ensure that they were current, effective and relevant.

In addition, the Board and I gained assurance through:

- up-to-date and comprehensive reports on performance and finance at all Board meetings
- we introduced greater rigour in the monthly meetings that we have with 3rd party providers which are minuted
- ARAC oversaw the adequacy and effectiveness of the risk management processes with a full risk register presented at each meeting

Internal audit

The third line of defence, which includes Internal Audit, collectively forms a view of the robustness of the design and operations of the systems of control that are in place. These controls were subject to our internal audit programme. BPDTS, throughout the year, worked with internal audit to ensure that all recommendations from previous audits e.g. risk management, were implemented.

ARAC has taken assurance from the conclusions of internal audit reviews. It has also taken assurance by making enquiries of management in relation to subjects such as financial controls, risk management, whistleblowing and fraud.

In the period April 2021 to June 2021, our internal auditors (GIAA) carried out a single audit on data migration to provide assurance to the Board that the process to transfer BPDTS employees data to DWP was robust.

All outstanding actions were completed prior to 30 June 2021.

Assurance Opinion of the Head of Internal Audit

The Head of Internal Audit, Robert Evans, provides independent assurance to our CEO and the Board (via the Audit and Risk Assurance Committee – ARAC) as follows

“I communicate my conclusions on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control through my annual internal audit opinion and report. This summarises the year’s internal audit activity, supported by my knowledge of the business, and informs BPDTS’s governance statement. It concludes on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

I gave a **Moderate** assurance opinion for 2020-21. Since then, for the 1 review on the 2021-22 audit plan (Data Migration) I gave a **Substantial** assurance opinion as there was an adequate and effective framework of controls in place to ensure the integrity and timely migration of data from Liberata to SSCL. The 4 remaining recommendations on the 2020-21 Pay Award review were closed in June 2021 and there are no Counter Fraud & investigations cases outstanding.

Additionally, the merger with Digital commenced successfully on 1 July 2021 and Her Majesty’s Revenue and Customs (HMRC) have completed a post implementation review of the merger programme. HMRC reported that “The Review Team are satisfied the main objective of the programme, to bring together BPDTS Ltd and DWP Digital organisations to create a single digital function within DWP from 1 July 2021, has been met. The project has effectively transferred staff and data from the ALB, whilst minimising any adversity for the customer.” and gave it a **Substantial** assurance opinion with no significant issues being reported.

Having carefully considered all the evidence above, I am providing an overall **SUBSTANTIAL** opinion on the framework of governance, risk management and internal control within BPDTS Limited for 2021-22.”

Robert Evans

Head of Internal Audit

From 1 July 2021, there is no further requirement for internal audit to undertake any process reviews as BPDTS is no longer providing a service to DWP nor does it employ any staff.

Data losses

BPDTS had no data losses in the period that this report covers.

Fraud and Whistleblowing

Over the period there were no recorded incidents of fraud.

We have encouraged employees to speak up about alleged wrongdoing, whether that is over a personal matter (via the grievance policy) or over a public interest concern (as whistleblowing). BPDTS provides a whistleblowing service via Government Internal Audit Agency, providing a confidential service to all employees that wish to raise a concern about public interest ‘protected disclosures, that are covered by the whistleblowing legislation. All whistleblowing concerns are allocated to a member of the executive team for initial assessment and where appropriate further investigation. Every report was taken seriously. There have been no whistleblowing cases raised under the BPDTS Speaking Up Policy.

As Chief Executive I am satisfied that we had effective governance, risk management and assurance arrangements in place as set out in this statement. Arrangements were kept under review to adapt to our changing risk environment.

Richard McHugh

Chief Executive and Accounting Officer

11 October 2022

Remuneration and staff report

The Board set up a Remuneration Committee to plan the pay strategy for BPDTS. The BPDTS pay strategy is implemented within an annual pay remit, signed off by the Accounting Officer, approved by the Secretary of State and agreed by the Treasury. The final meeting of the Remuneration Committee took place in June 2021, prior to all staff transferring to DWP.

Remuneration of Directors

The Board is appointed by the Secretary of State for Work and Pensions. All Executive Directors in the reporting period were senior civil servants whose remuneration, like that of other senior civil servants, is set by the Prime Minister following independent advice from the Senior Salaries Review Body. Details are available on www.gov.uk

Richard McHugh (CEO) was appointed on 31 December 2020. The CEO salary is paid by BPDTS Ltd as part of their employment.

Andrew Garton (CFO) is a civil servant employed by DWP, appointed on secondment to BPDTS. All of Andrew Garton's salary is recharged by DWP to BPDTS.

The dates of appointment and contract lengths of the Directors are given in the Directors' Report.

Executive Directors' pay

This information was subject to audit.

Directors' remuneration								
	Period ending 31 January 2022				2020/21			
	Salary	Bonus Payments	Pension Benefits ⁴	Total Remuneration	Salary	Bonus Payments	Pension Benefits ⁴	Total Remuneration
	£000	£000	£000	£000	£000	£000	£000	£000
Richard McHugh ¹ Chief Executive (appointed 31 Dec 20)	25-30 (FYE 110-115)	5-10	2 (FYE: 10) ⁵	35 - 40 (FYE: 125-130)	25-30 (FYE 110-115)	-	2 (FYE 10) ⁵	30-35 (FYE 115-120)
Andrew Garton ² Chief Financial Officer (appointed 1 April 2021)	20-25 (FYE: 85-90)	-	14	35-40 (FYE: 100-105)	-	-	-	-
Mal Singh ² Chief Financial Officer (resigned 31 March 2021)	-	-	-	-	90-95	5-10	37	135-140
Loveday Ryder ³ Chief Executive (Resigned 31 Dec 20)	-	-	-	-	80-85 (FYE 110-115)	5-10	33	125-130 (FYE 150-155)

The salaries stated above are shown for the period in the year when an individual served as Director for BPDTS Ltd, plus what their full year equivalent would have been. Richard McHugh and Andrew Garton

continued as Directors of BPDTS Ltd, following their transfer to DWP on 1 July 2021. Their director role was included within their DWP responsibilities and as such remuneration was met by DWP.

¹ Richard McHugh's salary is paid by BPDTS as part of his employment. During the period 1 Dec 20 - 31 Dec 20 Richard McHugh was remunerated at a rate equivalent to that of a CEO whilst in a shadowing position ahead of his appointment. The increase for December 2020 was £178.

² The cost of Andrew Garton and Mal Singh's salary is charged out by Department for Work and Pensions to BPDTS on an average salary basis. This includes gross salary, National Insurance, pension contributions and an additional 5% uplift for associated overheads.

³ Loveday Ryder's salary was charged out by Ministry of Justice to BPDTS Ltd on a 100% recharge basis including gross salary, National Insurance and pension costs.

⁴ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

⁵ For Richard McHugh the value is pension contributions rather than pension benefit.

Salaries include:

- gross salary
- reserved rights to London weighting or London allowances
- any other allowances and contracted expenses to the extent that they are subject to UK taxation.

Executive Directors' pensions

This information was subject to audit.

Directors' pensions – period ended 31 January 2022						
	Real increase in pension and related lump sum at pension age	Accrued pension at pension age – as at 30 June 2021 and related lump sum	CETV at 1 April 2021	CETV at 30 June 2021	Real increase in CETV (cash equivalent transfer value)	Employer contribution to pension account
	£000	£000	£000	£000	£000	£000
Richard McHugh Chief Executive (appointed 31 Dec 20)	-	-	-	-	-	2
Andrew Garton Chief Financial Officer (appointed 1 Apr 21)	0 - 2.5 plus a lump sum of 0 - 2.5	20 - 25 plus a lump sum of 45 - 50	435	450	10	-

Directors' pensions – year ended 31 March 2021						
	Real increase in pension and related lump sum at pension age	Accrued pension at pension age – as at 31 March 2021 and related lump sum	CETV at 1 April 2020	CETV at 31 March 2021	Real increase in CETV (cash equivalent transfer value)	Employer contribution to pension account
	£000	£000	£000	£000	£000	£000
Loveday Ryder Chief Executive	0 - 2.5	30-35	415	452	18	-
Mal Singh Chief Financial Officer	0-2.5 plus a lump sum of 5 – 7.5	40-45 plus a lump sum of 125-130	924	1003	39	-
Richard McHugh Chief Executive (appointed 31 Dec 20)	-	-	-	-	-	2

Andrew Garton (CFO) is a Civil Servant and a member of the Civil Service Pension Scheme. Andrew Garton's pension details are as at 30 June 2021, the date at which he returned to DWP. Richard McHugh is an employee of BPDTS Ltd and is a member of the Aviva Pension Scheme (until 30 June 2021), which is a defined contribution workplace pension scheme. From 1 July 2021 Richard McHugh joined the Civil Service Pension Scheme. All BPDTS employees and secondees became employees of DWP on 1st July 2021 and contributions to pensions from that date are included in DWP accounts.

Non-Executive Directors' pay

Non-executive Directors are salaried only and do not receive a pension benefit. This information was subject to audit

Non-Executive Directors' remuneration and pension arrangements		
	Salary £000 Period ending January 22	Salary £000 2020/2021
Ian Wilson Non-Executive Director	0-5	0-5
Valerie Gordon-Walker Non-Executive Director	0-5	0-5
Jeremy Moore Chair & Non-Executive Director	0-5	10-15

John Osmond Non-Executive Director	0-5	0-5
Katie Kapernaros Non-Executive Director	0-5	0-5

The Non-executive Directors, with the exception of the Chair, resigned on 30 June 2021. The Chair was in post until 31 August 2022

Independent Voting Members remuneration and pension arrangements – to 31 January 2022		
	Salary £000 1 April to 30 June 2021	Salary £000 2020/2021
Paul Greening Independent Member ARAC	0-5	0-5
Debbie Alder Independent Member RemCom	Salary paid by Department for Work and Pensions as part of their employment	

The actual salary paid in year and full-year equivalent are contained within the same banding.

Paul Greening resigned as independent ARAC member on 30 June 2021.

Remuneration of employees

Remuneration of employees is set by the Board on the advice of the Remuneration Committee.

Fair pay disclosure

This information was subject to audit.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce.

Year	Pay band of highest paid Executive Director	25th Percentile Pay	50th Percentile (Median) Pay	75th Percentile Pay
Period to 31 January 2022	£115,000 - £120,000	£36,253	£45,372	£58,763
	Ratio to highest paid director	3.24:1	2.59:1	2.00:1
2020/21	£110,000 - £115,000	£36,079	£45,500	£58,151
	Ratio to highest paid director	3.12:1	2.47:1	1.93:1

The total-pay band for our highest-paid director in the period to 31 January 2022 was £115,000-£120,000 (2020/21 £110-115k) per annum (full year equivalent).

Accounts for 21-22 now require the disclosure of lower (25th percentile) and upper (75th percentile) pay, together with the ratio to the highest paid director.

In 21/22 the highest paid director's pay was 2.59:1 times (2020/21 - 2.47:1) the median pay (50th percentile), of the workforce which was £45,372 (2020/21: £45,500). It was 3.24:1 time higher than the lower quartile (20/21 – 3.12:1) pay of the workforce £36,253 (20/21 - £36,079) and 2.00:1 times higher than the upper quartile (20/21 – 1.93:1) pay of the workforce which was £58,763 (20/21 - £58,151).

The ratio has increased slightly in the period to January 2022 to that of the prior year due to a higher remuneration of the highest paid director at the same time as a slight reduction in the median pay. Lower quartile pay has increased since the end of March as has the upper quartile pay.

Percentage change from previous year in total salary for the highest paid director and the staff average

	2021- 22		2020 - 21	
	Total Salary	Bonus Payments	Total Salary	Bonus Payments
Staff Average	0.10%	11.54%	5.07%	125.79%
Highest Paid Director	-0.43%	n/a – no bonus paid in 20-21, £9,806 paid in 21-22	0.84%	n/a – no bonus paid in 20-21, £7,500 paid in 19-20

In 2021/22 no permanent member of staff was paid more than our highest-paid director, as was the case in 2020/21. BPDTS does not have “pay bands”. Salary rates ranged from £15,000-£20,000 to £115,000-£120,000 (2020/21: £15,000-£20,000 to £110,000-£115,000).

In the period up to 31 January 2022, three agency workers were paid at annualised rates that were in excess of the pay of our highest paid director. Remuneration ranged from £130k to £178k per annum (2020/21 – seven agency workers in the range of £119k to £178k).

Total pay includes salary, non-consolidated performance-related bonus payments and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Staff costs

This information is subject to audit

Staff costs in the period ending 31 January 2022 and the year ending 31 March 2021 are as follows:

Item	31 January 2022 £000	31 March 2021 £000
Wages and salaries	9,910	51,014
Contractors	782	6,853
Social security costs	1,510	5,553
Pension costs	1,006	3,901
Directors' salary	21	281
Total staff costs	13,229	67,602

Directors' salary also includes a 5% overhead charge levied by DWP. Full details of Directors' salary recharges and the average number of persons employed are provided within the Remuneration and Staff Report.

Directors' salary recharges include executive directors, non-executive director salaries are included in wages and salaries.

Consultancy costs

Expenditure on consultancy up to 31 January 2022 was £46k (2020/21: £126k).

Pension costs

BPDTS makes contributions to its own BPDTS workplace pension scheme. For the period to 31 January 2022, employer contributions of £865k (2020/21 - £3,295k) were payable to the BPDTS workplace pension scheme.

Employer contributions payable to the CSPA under the 2013 New Fair Deal policy for period to 31 January 2022 were £141k (2020/21 - £606k).

Civil service and other compensation schemes – exit packages

This information is subject to audit.

There were no civil service and other compensation schemes exit packages agreed by BPDTS during the reporting period ended 31 January 2022 (prior period ending 31 March 2021 – no exit packages in year).

Pension schemes

Aviva pension scheme

Most BPDTS employees are members of a defined contribution workplace pension scheme, set up by BPDTS and operated by Aviva under a Master Trust. BPDTS meets its obligations under automatic enrolment legislation and provides a generous employer contribution for employees joining the Aviva scheme.

Under the Aviva scheme, employee and employer contributions as a percentage of salary are as follows:

Employee contribution	Employer contribution
3%	6%
4%	8%
5%	10%
Over 5%	10%

Civil Service Pension Schemes

Some employees of BPDTS and all civil servants seconded to BPDTS are members of the civil service pension schemes.

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme, or 'Alpha', which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From 2015 all newly appointed civil servants and the majority of those already in service joined Alpha. Before that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS has 4 sections: 3 providing benefits on a final salary basis (Classic, Premium or Classic Plus) with a normal pension age of 60; and one providing benefits on a whole career basis (Nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus, Nuvos and Alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into Alpha sometime between 1 June 2015 and 1 February 2022.

All members who switch to Alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha. (The pension figures quoted for officials show pension earned in PCSPS or Alpha – as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 could opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 3.8% and 8.05% of pensionable earnings for members of Classic (and members of Alpha who were members of classic immediately before joining Alpha) and between 4.6% and 8.05% for members of Premium, Classic Plus, Nuvos and all other members of Alpha. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement.

For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 worked out as in Premium.

In Nuvos, a member builds up a pension based on his or her pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in Alpha build up in a similar way to Nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum.

The Partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Staff data

The average number of people employed and engaged (or contracted) during the period of economic activity was as follows:

This information has been subject to audit.

Period	Item	Employees	Engaged	Total
Period ended 31 January 2022	Average number of people employed and engaged	274 (the average at the point of TUPE on 30 June 2021 – 911)	8 (the average at the point of TUPE on 30 June 2021 – 27)	282 (the average at the point of TUPE on 30 June 2021 – 938)
Period ended 31 March 2021	Average number of people employed and engaged	935	69	1004

Staff composition and policies

As headcount levelled off and recruitment stopped in advance of the transfer to DWP, our focus has been on streamlining our employee policies. Our policies were re-drafted and so became easier to understand by both managers and staff. We reduced the number of our policies and issued revised guidance that was both pragmatic and easy to digest.

Group	As at 31 January			2020/21		
	Male	Female	All	Male	Female	All
Directors	2	0	2	6	2	8
Secondees	0	0	0	4	5	9
All employees	0	0	0	748	165	913

Group	As at 30 June 2021 (point of transfer)		
	Male	Female	All
Directors	6	2	8
Secondees	2	4	6
All employees	729	152	881

Off-payroll engagements

The tables below set out the off-payroll arrangements in BPDTS for the reporting period. Following a change to the Intermediaries legislation on 6 April 2017, BPDTS now undertake assessments for all off-payroll workers that are engaged via an intermediary.

Table 1: All existing off-payroll engagements, as at 31 January 2022, that were paid more than £245 per day and that lasted longer than 6 months	As at 31 January 2022
No. of existing engagements as of 31 January 2022	0
Of which	
No. that have existed for less than one year at time of reporting.	0
No. that have existed for between one and two years at time of reporting.	0
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	0

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 January 2022, for more than £245 per day and that last for longer than six months	Between 1 April 2021 and 31 January 2022
No. of temporary off-payroll worker engaged in the period to 31 January 2022	12
Of which:	
Not subject to off-payroll legislation	10
Subject to off-payroll legislation and determined as in-scope of IR35	1
Subject to off-payroll legislation and determined as out-of-scope of IR35	1
No. of engagements reassessed for compliance or assurance purposes during the year	2
Of which:	
No. of engagements that saw a change to IR35 status following review	0

- IR35 legislation from 6 April 2017 required public sector bodies, where they engage off-payroll workers, to ensure they correctly assess their “employment status” i.e. correct tax treatment. To do this, BPDTS utilised HMRC’s CEST (Check Employment Status Tool)

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 January 2022	Between 1 April 2021 and 31 January 2022
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Total no. of individuals on payroll and off-payroll that have been deemed “board members and/or senior officials with significant financial responsibility”, during the financial year. This figure should include both on payroll and off-payroll engagements.	2

Sickness data

Our data is based on an average of 274 employees over the period from 1 April 2021 to 31 January 2022 (910 staff from 1 April 2021 to 30 June 2021 and 935 staff from 1 April 2020 to 31 March 2021).

For the period below our data on sickness shows the following:

	Working days	Days lost to sickness	Average Working Days Lost (annual equivalent)
Period ended 31 January 2022	57,540*	405	1.59
Period ended 30 June 2021 (point of staff transferring to DWP)	55,571	405	1.59
Year ended 31 March 2021	238,425	2,416	2.58

*When reviewing the figures below, the period July 2021 to January 2022 has a 0 headcount, which skews the figures for that period if making comparisons to earlier data.

Staff Turnover

BPDTS Ltd applies the Cabinet Office guidance on staff turnover to calculate the rate of turnover within the company.

For a given period, the turnover figure is calculated as the number of leavers within that period divided by the average number of staff in post over the period. Leavers include all leavers within the financial year and the average number of staff in post is calculated using quarterly staff in post data for the respective financial year.

Staff Turnover		
	1 April 2021 – 30 June 2021	2020/21
Staff turnover (percentage)	4.6%	9.7%

Diversity and inclusion

Also see Employment and Inclusivity section, page 10.

BPDTS continued with their Diversity and Inclusion policies and were committed to equality within the workplace. BPDTS was a place that valued, respected and treated staff fairly and with dignity. We ensured that during the TUPE process that all employees had equal opportunities to attend communication/consultations sessions.

Disability Inclusion

The BPDTS Diversity & Inclusion Strategy focused on building an inclusive and diverse organisation and creating an environment in which people can be authentic at work. The strategy aims were to deliver on three key areas of Supporting our People, Creating our Environment and Attracting and retaining diverse talent.

BPDTS had Disability Confident Employer status. Workplace Adjustment & Carer Passports were available for employees with disabilities or for those in carer roles. A Stress Policy was created with an accompanying stress assessment and stress management plan. A guide to Neurodiversity in the workplace for Managers was created to assist in the understanding of neurodiverse conditions and to support managers with enabling reasonable adjustments for their staff to run alongside existing HR policies.

A disability staff network was created to provide a community for those with disabilities and allies and this network worked closely with the DWP Disability network and Thrive, to provide cross government collaboration and resources and members of BPDTS were able to join the DWP network.

Health and Safety

See Health and Safety, Page 11

Career Management and Pay policy

During this period BPDTS were subject to a mapping process to DWP grading and pay, alongside TUPE arrangements. BPDTS did not make any changes to the pay policy during the period under review.

Richard McHugh

Chief Executive and Accounting Officer

11 October 2022

Statement of Directors' and Accounting Officer's responsibilities in respect of financial statements

The Directors were responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In preparing the accounts BPDTS was required to comply with the requirements of the Companies Act 2006 and the Financial Reporting Manual (FRM) and in particular to:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- Make an assessment of the entity's ability to continue as a going concern;
- Make judgements and estimates on a reasonable basis

The Directors were responsible for keeping adequate accounting records that were sufficient to show and explain BPDTS transactions and disclose with reasonable accuracy at any time the financial position of BPDTS and to enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors were also responsible for safeguarding the assets of BPDTS and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board of Directors and is signed by the Accounting Officer, who is also a Director, on behalf of the Board of Directors.

The Principal Accounting Officer for Work and Pensions has designated me, a Director and Chief Executive Officer, as Accounting Officer for BPDTS Ltd.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding BPDTS assets, are set out in Managing Public Money, published by HM Treasury.

I confirm that this annual report and accounts for the period ending 31 January 2022 is, as a whole, fair, balanced and easy to understand. I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Richard McHugh

Chief Executive and Accounting Officer

11 October 2022

Auditor's Report

The Certificate and Report of the Comptroller and Auditor General to the Members of BPDTS Ltd and the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of BPDTS Ltd for the year ended 31 January 2022 under the Government Resources and Accounts Act 2000. The financial statements which comprise BPDTS Ltd's:

- Statement of Financial Position as at 31 January 2022;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of BPDTS Ltd's affairs as at 31 January 2022 and its net operating income for the year then ended; and
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of BPDTS Ltd in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Modified conclusions on going concern

In auditing the financial statements, I have concluded that the BPDTS Ltd's use of a basis other than going concern in the preparation of the financial statements is appropriate.

My evaluation of the director's assessment of the entity's basis of accounts preparation as being a basis other than going concern, included reference to the outcome of the tailored review announced in September 2020, as a result of which BPDTS Ltd's staff and all assets and liabilities transferred into DWP from 1 July 2021, as set out in Note 1.5 and Note 14.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on management's assessment.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In my opinion, based on the work undertaken in the course of the audit:

- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of BPDTS Ltd and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- a corporate governance statement has not been prepared by the parent company; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' and Accounting Officer's Responsibilities, the directors and accounting officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing BPDTS Ltd's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and Accounting Officer intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of BPDTS Ltd's accounting policies.
- Inquiring of management, BPDTS Ltd's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to BPDTS Ltd's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including BPDTS Ltd's controls relating to BPDTS Ltd's compliance with the Companies Act 2006, Government Resources and Accounts Act 2000, Managing Public Money;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within BPDTS Ltd for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, and complex transactions. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of BPDTS Ltd's framework of authority as well as other legal and regulatory frameworks in which BPDTS Ltd operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of BPDTS Ltd. The key laws and regulations I considered in this context included Companies Act 2006, Government Resources and Accounts Act 2000, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements

Gareth Davies

12 October 2022

Comptroller and Auditor General (Statutory Auditor)

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial Statements

Statement of Comprehensive Income			
for the period ended 31 January 2022			
	Note	period end 31 January 2022 £000	year end 31 March 2021 £000
Operating income		14,722	82,576
Operating expenditure			
Staff costs	2	(13,229)	(67,602)
IT support and service costs	3	(493)	(2,079)
Non-IT support services	4	(995)	(3,839)
Depreciation, amortisation and impairment	8 & 9	0	51
Other expenditure	5	(551)	(9,071)
Total operating expenditure		(15,268)	(82,540)
Corporation Tax	7	546	(36)
Net operating income	-	-	-
Other comprehensive income	-	-	-
Net gain on revaluation of intangible assets	9	-	-
Total comprehensive income for the period end 31 January 2022	-	-	-
The notes on pages 45-56 form part of these financial statements.			

Statement of Financial Position			
as at 31 January 2022			
	Note	period end 31 January 2022 £000	year end 31 March 2021 £000
Non-current assets			
Property, plant and equipment	8	-	-
Intangible assets	9	-	-
Total non-current assets	-	-	-
Current assets			
Trade and other receivables	10	-	14,949
Cash and cash equivalents	11	-	11,951
Total current assets	-	-	26,900
Total assets	-	-	26,900
Current liabilities			
Trade and other payables	12	-	(16,900)
DWP loan	13	-	(10,000)
Total current liabilities	-	-	(26,900)
Total assets less current liabilities	-	-	-
Non-current liabilities			
DWP loan	13	-	-
Total non-current liabilities	-	-	-
Total assets less total liabilities	-	-	-
Equity			
Revaluation Reserve	-	-	-
General Reserve	-	-	-
Total equity	-	-	-

As the Company is limited by guarantee, it has no share capital.

The notes on pages 45-56 form part of these financial statements. These financial statements were approved and authorised for issue by the Board of Directors on 11 October 2022, and were signed on its behalf by:

Rich McHugh

Chief Executive and Accounting Officer

11 October 2022

Company registered number: 10344843

Statement of Cash Flows		
for the period ended 31 January 2022		
	31 January 2022	31 March 2021
	£000's	£000's
Cash flows from operating activities		
Net operating income	-	-
Adjustments for:		
Depreciation	-	-
Amortisation	-	(51)
Impairments	-	-
(Decrease)/Increase in provision	-	-
Use of provision	-	-
(Increase)/decrease in trade and other receivables	14,949	(6,764)
(Decrease)/increase in trade and other payables	(16,900)	8,558
(Decrease)/increase in Corporation Tax payable	-	-
Net cash inflow from operating activities	(1,951)	1,743
Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Purchase of intangible assets	-	-
Repayment of shareholder loan	(10,000)	-
Net cash inflow from investing activities	-	-
Cash flows from financing activities	-	-
Net cash inflows from financing activities	-	-
Net increase/(decrease) in cash in the period	(11,951)	1,743
Cash at the beginning of the period	11,951	10,208
Cash at the end of the period	-	11,951

The notes on pages 45-56 form part of these financial statements.

Statement of Changes in Equity

for the period ended 31 January 2022

	General Reserve £000	Revaluation Reserve £000	Total £000
Balance at beginning of period	-	-	-
Net operating income for the period	-	-	-
Net gain on revaluation of intangible assets	-	-	-
Disposal of revaluation of intangible assets	-	-	-
Balance at end of period	-	-	-
for the year ended 31 March 2021			
Balance at beginning of period	-	51	51
Net operating income for the period	-	-	-
Net gain on revaluation of intangible assets	-	-	-
Disposal of revaluation of intangible assets	-	(51)	(51)
Balance at end of period	-	-	-

As the Company is limited by guarantee, it has no share capital.
The notes on pages 45-56 form part of these financial statements.

Notes to the Accounts

Note 1: Statement of accounting policies

1.1 General Information

BPDTS Limited (“BPDTS” or “the Company”) is a company that is limited by guarantee and is incorporated and domiciled in the United Kingdom. The Company is registered in England at the following address: Caxton House, Tothill Street, London, United Kingdom, SW1H 9NA.

The Company is wholly owned by the Secretary of State for Work and Pensions. The Company’s principal activities are the provision of information technology and IT security services to the Department for Work and Pensions (DWP).

BPDTS was incorporated on 24 August 2016 and commenced trading on 1 December 2016. The period covered by these accounts is 1 April 2021 to 31 January 2022, covering the period in which the loan was finally repaid to DWP. On 30 June 2021 BPDTS stopped providing a service to DWP and all employees were TUPE’d to DWP.

1.2 Basis of preparation

These financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£’000) except when otherwise indicated.

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as appropriate, the 2021/22 Government Financial Reporting Manual (FRM) and any other guidance issued by HM Treasury, where these disclosure requirements go beyond those of the Companies Act 2006.

Where IFRS permits a choice of accounting policy, the Company has selected the accounting policy that is the most appropriate to provide a true and fair view. The policies the Company has adopted are set out below. They have been consistently applied in dealing with items that are considered material to the accounts.

1.3 Accounting standards, interpretations and amendments

IFRS 16 was effective for annual reporting periods beginning on or after 1 January 2019. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value.

The new standard amends the accounting for lessees, removing the distinction between recognising an operating lease (off balance sheet) and a finance lease (on balance sheet). The new standard requires recognition of all qualifying leases on balance sheet.

The directors have assessed that the introduction of this standard does not have a material impact on the financial statements of the Company for 2021/22. The Company has reviewed its contracts to identify any that may contain a lease arrangement. The estates agreement with the DWP does not fall within the definition of a lease for IFRS 16 purposes and the IT agreement with the DWP is deemed to fall under the exemption for leases of low-value underlying assets.

1.4 Accounting convention

These financial statements have been prepared on an accruals basis under the historical cost convention modified to account for the revaluation of property, plant and equipment, and intangible assets.

1.5 Going Concern

Following the publication of the Tailored Review report and recommendations of BPDTS Ltd on 29 September 2020, BPDTS ceased trading on 30 November 2021 following the creation of a single, digital function within DWP on 1 July 2021. The financial statements have therefore been prepared on a basis other than that of a going concern. Further detail of the basis for preparation of the financial statements is detailed in note 14.

1.6 Areas of judgement and estimation techniques

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenditure. Actual results may differ from those estimates. Areas of judgement include non-current asset revaluations, depreciation and amortisation periods, provisions and impairments.

The company's judgements in interpreting IFRS 16 requirements in relation to estates and IT costs are not considered to be significant for 2021/22. Further detail of the director's assessment in relation to IFRS 16 is detailed in note 1.3.

1.7 Revenue Recognition (Income)

From 1 April 2018 we adopted IFRS 15 (Revenue from Contracts with Customers). There has been no impact on our financial statements as a result of adoption.

All income generated is recognised in the Statement of Comprehensive Income on an accruals basis net of VAT. The impact of IFRS 15, Revenue from Contracts, which has been assessed against the 5-step model, is outlined below:

The Master Services Agreement (MSA) is the contract between the company and its primary customer, DWP. The agreement meets the criteria listed in the Standard and is an agreement that creates enforceable rights and obligations.

BPDTS Ltd deliver a series of IT Services to DWP under the Master Services Agreement (MSA) using Service Orders. These Service Orders form the performance obligations under IFRS 15. The services are provided to DWP at full cost recovery including overheads, and all income received from DWP is allocated centrally under the terms of the Master Services Agreement (MSA).

DWP simultaneously receives and consumes the IT services provided by the company as it performs. The satisfaction of the performance obligations is mainly measured via analysis of the labour hours consumed in their delivery. The company satisfies the performance obligations, while the control of the services remains with DWP. Therefore, there is no change in the recognition of income from prior years under IFRS 15.

Invoices for services are raised monthly in arrears, providing detailed management information on the IT services delivered. DWP pays the invoice within 15 working days from receipt of the invoice. Where the invoice has not been raised but service has been provided by the year end, an estimated charge will be included as accrued income. The company invoices DWP through a ratecard that is designed to fully recover all BPDTS operating costs including overheads. They do impact the Statement of Financial Position as receivables, if there are any outstanding amounts at the year end.

1.8 Property, plant and equipment

Property, plant and equipment (PPE) are initially measured at cost. Subsequently PPE are stated at depreciated historical cost as a proxy for fair value. Where material the Company re-values PPE in accordance with IAS 16.

Assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds the capitalisation threshold. Where appropriate, items are pooled. The following thresholds apply:

Information technology hardware, and software	£1,000
Other tangible assets	£5,000

All expenditure on repairs and maintenance is charged to the SoCI during the financial year in which it is incurred. BPDTS uses DWP IT hardware and pays a nominal cost via the IT Support Services Agreement.

1.9 Intangible assets

Whether the Company acquires intangible assets externally or generates them internally, they are valued initially at cost, with subsequent valuation at fair value. Where an active market exists for the asset, it is carried at a revalued amount based on market value at the end of the reporting period. Where no active market exists, the assets are revalued using appropriate indices to reflect depreciated replacement cost as a proxy for fair value.

Purchased software licences

Software licences and applications are capitalised at cost as intangible assets, if they are in use for more than one year and cost more than £1,000. They are subsequently revalued using the most recent Office for National Statistics published indices as a proxy for fair value.

1.10 Depreciation and amortisation

Depreciation is charged on property, plant and equipment, and amortisation is charged on intangible assets using the straight-line method to reflect the consumption of economic benefits.

Depreciation (Estimated useful asset lives are within these ranges)	
Information technology	3 to 7 years
Amortisation	
Purchased software licences	The shorter of the licence period, or 5 years

1.11 Impairment of non-current assets

At each period end, the Company reviews the carrying amounts of its PPE and intangible assets, to determine whether there is any impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of fair value less costs to sell, and value in use. Impairment losses are recognised as required by IAS36, which requires impairment losses to be recognised in the SoCI to the extent that the impairment loss exceeds the amount in the revaluation reserve for that particular asset.

1.12 Financial assets and liabilities

From 1 April 2018 we adopted IFRS 9 (Financial Instruments). There has been no material impact on our financial statements as a result of adoption. In line with IFRS 9 (Financial Instruments), BPDTS

recognises financial assets and liabilities when it becomes party to the contracts that give rise to them. The BPDTS policy is not to trade in financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. They are initially recognised at fair value and subsequently held at amortised cost using the effective interest method. The fair value of trade receivables is usually the original invoiced amount. The Company recognises any changes in value in the SoCI.

Cash and cash equivalents

Cash and cash equivalents have an original maturity of 3 months or less and represent cash balances held with the Government Banking Service.

Financial liabilities

The Company determines its financial liabilities as contractual obligations to deliver cash or other financial assets to another entity. They are recognised initially at fair value and are subsequently held at amortised cost using the effective interest method. Financial liabilities are derecognised when the obligation to transfer cash flows is extinguished. Financial liabilities consist of trade payables and accruals.

1.13 Pensions

Employees who join the Company are eligible to participate in a defined contribution workplace pension scheme, set up by BPDTS and operated by Aviva under a Master Trust. This enables BPDTS to fulfil its obligations under automatic enrolment legislation which also covers the minimum funding requirements.

The obligation on BPDTS for each period is determined by the amount that must be contributed to the scheme for that period. The Company matches personal contributions to personal plans on a 2:1 basis. The Company will contribute £2 for every £1 contributed by the employee, up to a maximum of 10% of gross salary.

A number of staff in BPDTS have contractual rights to the civil service pension arrangements (CSPA) under the 2013 New Fair Deal policy on exactly the same Terms and Conditions as other members of the scheme.

BPDTS has Admitted Bodies status into the scheme, which is managed by the Scheme Management Executive within the Cabinet Office. The Civil Service Pension Arrangements (CSPA) is an unfunded multiemployer defined benefit scheme. The Company is unable to identify its underlying share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by IAS 19, accounts for the scheme as if it were a defined contribution scheme.

Current and prior year contributions are set out in the remuneration report. The total cost of employer pension contributions for the accounting period through to company closure in 2021/22 is £1,006k, comprised of BPDTS workplace pension scheme - £865k and CSPA under the 2013 New Fair Deal - £141k.

Under the BPDTS workplace scheme and the CSPA, the Company accounts for the schemes as defined contributions schemes. There are therefore no assumptions required to measure the obligation or expense, any liabilities associated with either pension scheme do not rest with the Company.

1.14 Holiday entitlements

Where an employee has annual leave accrued in the accounting period but not taken as at the date of the accounts, the amount of this is reflected in the financial statements as short term employee

benefits expected to be paid in exchange for that service. These manifest as a liability on the Statement of Financial Position (SoFP).

1.15 Contingent liabilities

The Company discloses contingent liabilities in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts.

For some statutory and non-statutory contingent liabilities, the likelihood of transfer of economic benefit is remote. However, the Company still discloses some of these for Parliamentary reporting and accountability, where this is needed under the requirements of Managing Public Money.

1.16 Taxation

BPDTS has registered for Value Added Tax (VAT), Pay As You Earn (PAYE) and Corporation Tax (CT). CT is payable to the extent that income exceeds trading losses. Tax is recognised in the SoCI. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the SoFP date.

1.17 VAT

BPDTS provides IT services to the DWP which are taxable at the standard rate of VAT at 20%. Expenditure in these financial statements is shown exclusive of VAT as BPDTS recovers input VAT in accordance with the VAT Act 1994.

1.18 Funding

BPDTS receives its funding by way of a loan from the DWP detailed at note 13. There is a funding facility agreement in place between the DWP and BPDTS which details the terms of the agreement. The funding is provided for working capital or for such purposes as agreed by the DWP. The loan was repaid in full to DWP on 7th January 2022.

1.19 Reserves

BPDTS has two reserves, the general reserve and the revaluation reserve. The general reserves purpose is to reflect any net income received by the business including any gains on disposals of non-current assets that may arise. As at the date of these financial statements there have been no movements on this reserve since the inception of the company. The purpose of the revaluation reserve is to reflect any movement in the carrying value of intangible assets held by the business.

Note 2: Staff & contractor costs

Staff costs in the period ending 31 January 2022 and the year ending 31 March 2021 are as follows:

Item	31 January 2022 £000	31 March 2021 £000
Wages and salaries	9,910	51,014
Contractors	782	6,853
Social security costs	1,510	5,553
Pension costs	1,006	3,901
Directors' salary	21	281
Total staff costs	13,229	67,602

Directors' salary also includes a 5% overhead charge levied by DWP. Full details of Directors' salary recharges and the average number of persons employed are provided within the Remuneration and Staff Report.

Directors' salary recharges include executive directors, non-executive director salaries are included in wages and salaries.

Note 3: IT Support and service costs

IT Support and service costs during the period ending 31 January 2022 were as follows:

	31 January 2022 £000	31 March 2021 £000
IT support and service costs	493	2,079
Total IT support and service costs	493	2,079

Note 4: Non-IT support services

Non-IT support services during the period ending 31 January 2022 were as follows:

	31 January 2022 £000	31 March 2020 £000
Non-IT support services	995	3,839
Total Non-IT support services	995	3,839

The majority of the Non-IT support services costs relate to Estates charges levied by DWP.

Note 5: Other expenditure

Other expenditure costs during period ending 31 January 2022 were as follows:

	31 January 2022	31 March 2021
	£000	£000
Staff related costs	400	1,863
Professional services	51	258
General office expenses	65	88
Other costs	35	6,862
	-	-
Total	551	9,071

In 2020/21 other costs included the liability on BPDTS under the intermediaries' legislation (IR35). Internal checks highlighted inaccuracies in the assessment of some contractor's employment status since April

2017, when new legislative requirements were introduced for public sector bodies. Compliance audit work has now been completed and the final liability BPDTS had with HM Revenue and Customs was settled in May 2021.

Note 6: Auditors Remuneration

BPDTS Ltd is audited by the Comptroller and Auditor General. No non-audit work was undertaken for the Company during the accounting period (2020/21: nil). The auditors fee for the audit of the Company's final financial statements was £60,000 (2020/21: £80,000).

Note 7: Taxation

	period ended 31 January 2022	year ended 31 March 2021
	£000's	£000's
Profit on activities before tax	-	36
Effects of:		
Non-deductible expenses	(1,813)	265
Depreciation and amortisation expenditure	-	-
Less capital allowances	(113)	(113)
Amount subject to Corporation Tax	(1,926)	188
Total tax charge	(546)	36
Adjustments in respect of prior periods	-	-
Total tax (refund) charge	(546)	36

The total taxation refund recognised in year was £546k, being the period corporation tax refund.

Note 8: Property, plant and equipment

	period ended 31 January 2022 £000	year ended 31 March 2021 £000
Cost or Valuation		
At 1 April	756	756
Additions	-	-
Disposals	(756)	-
Impairments	-	-
At 31 January	-	756
Depreciation		
At 1 April	756	756
Charged in year	-	-
Disposals	(756)	-
At 31 January	-	756
Net book value at 31 March	-	-
Asset financing		
Owned	-	-
Net book value at 31 January	-	-

Note 9: Intangible assets

	period ended 31 January 2022	period ended 31 March 2021
	£000	£000
Cost or Valuation		
At 1 April	-	1,761
Additions	-	-
Disposals	-	(1,710)
Impairments	-	-
Reclassifications	-	-
Revaluations	-	(51)
At 31 January	-	-
Amortisation		
At 1 April	-	1,761
Charged in year	-	-
Disposals	-	(1,761)
Impairments	-	-
Reclassifications	-	-
Revaluations	-	-
At 31 January	-	-
Net book value at 31 January	-	-

Note 10: Trade and other receivables

	31 January 2022	31 March 2021
	£000's	£000's
Trade receivables	-	38
Taxation and Social Security	-	-
Accrued income	-	14,461
Other receivables	-	26
Prepayments	-	424
	-	14,949

Note 11: Cash

	31 January 2022	31 March 2021
	£000's	£000's
Balance at beginning of the period	11,951	10,208
Net change in cash	(11,951)	1,743
Balance at end of period	-	11,951

BPDTS does not hold any cash equivalent balances. All cash holdings are held with the Government Banking Service.

Note 12: Trade and other payables

	31 January 2022	31 March 2021
	£000's	£000's
Amounts falling due within one year:		
VAT	-	2,355
Taxation and Social Security	-	8,342
Accruals and Deferred income	-	5,730
Other payables	-	473
	-	16,900

Note 13: DWP loan

	31 January 2022	31 March 2021
	£000's	£000's
Balance at beginning of period	10,000	10,000
Repayment of loan	(10,000)	-
Balance at end of period	-	10,000

BPDTS is a company limited by guarantee, which is wholly owned and funded by the DWP. BPDTS repaid the loan in full on 7 January 2022 in accordance with HM Treasury requirements.

Note 14: Going concern basis

Due to the outcome of the Tailored Review and as a consequence the creation of a single digital function within DWP, BPDTS ceased trading as a Limited Company on 30 November 2021. It has been considered appropriate to adopt an other than going concern basis for the preparation of these financial statements.

All assets and liabilities were transferred to DWP on 1 July 2021. In accordance with the FReM, DWP will account for the transfer of assets and liabilities using the absorption method. Under absorption accounting, balances are transferred at the carrying value on the date of transfer.

We have therefore accounted for our assets and liabilities as at 31 January 2022 as follows:

Property, plant and equipment	Nil (no change)
Trade and other receivables	Nil (£14.949m)
Cash and cash equivalents	Nil (£11.951m)
Trade and other payables	Nil (£16.9m)
DWP Loan The DWP loan was fully repaid on 7 Jan 2022	Nil (£10.0m)
Provisions	Nil and no additional liabilities identified as BPDTS Ltd ceased trading on 30 November 2021
Contingent liabilities	Nil and no additional liabilities identified as BPDTS Ltd ceased trading on 30 November 2021

Note 15: Financial instruments

The Company's cash requirements are largely met because of the Master Services Agreement requiring BPDTS to recover all costs through charges to its customer the DWP. The BPDTS cash requirements are supplemented by a funding facility provided by the DWP. BPDTS has very limited powers to borrow or invest funds. Financial assets and liabilities are generated by ordinary operational activities. The carrying amount of financial assets represents the maximum credit risk exposure.

Accordingly, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. As a result, the Company is exposed to minimal credit, liquidity, market or interest rate risk.

Note 16: Contingent liabilities

Compensation payments may become due because of claims against us by staff. Claims relate to employment tribunals. There is significant uncertainty around the estimated liability and the timing of payments. This uncertainty can fluctuate based on factors such as medical evidence received, witness statements and whether claims proceed to trial or are settled early. Therefore, it is not practical to disclose an estimate of the financial effect or the timing of any outflow.

The liabilities that may be incurred through employment tribunals that are ongoing after 1 July 2021 have been transferred to DWP.

Note 17: Related party transactions

The Company's sole member is the Secretary of State for Work and Pensions. The DWP is regarded as a controlling related party. BPDTS operates on a full cost recovery basis, and accordingly recovers all of its costs from the DWP and other government departments. This full cost recovery represented income to the Company of £14.7m during the period up to 31 January 2022 (2020/21: £82.2m). The Company incurred expenditure of £1.0m (2020/21: £3.8m) for a range of support services it received from the DWP. These support services included Finance, Estates, HR and Commercial.

Other than their salaries and pensions, no Board member, key manager or other related party has undertaken any material transaction with the DWP during the year.

Details of remuneration for key management personnel can be found in the remuneration and staff report.

The transfer of all staff and assets and liabilities into DWP (the controlling party) was made on 1 July 2021.

Note 18: Events after the reporting period

None.

Note 19: Losses and special payments

Managing Public Money requires a statement showing losses and special payments by value and by type to be shown where they exceed £300k in total and those that, individually, exceed £300k. Losses may relate to cash and store losses, bookkeeping losses, losses arising from a failure to make adequate charge for the use of public property or services, fruitless payments, claims abandoned and frauds. Special payments may relate to extra-contractual, extra-statutory and ex-gratia payments and compensations.

During the period to January 2022 the Company incurred no fruitless payment in excess of the reporting threshold (2020/21: There was one fruitless payment in excess of the reporting threshold in year related to IR35 and reported in full in 2020/21 accounts).

Note 20: Commitments

The company has no commitments as at 31 January 2022. At 31 March 2021 the company had commitments in substance to the Department for Work and Pensions for the provision of estates and IT equipment. These forward commitments from 1 April to the date the company ceased providing services to DWP were anticipated to be in the order of £0.9m (2020/21:£3.6m) for estates and £0.5m (2020/21 £1.8m) for IT equipment.

