

BPP Gender Pay Gap Report 2020

As a training and education provider we actively encourage career progression based on results and talent, regardless of gender or any other form of bias. We value diversity, and the knowledge and development of our workforce has a direct impact on the success of BPP.

We work hard to ensure there is consistency and transparency for our staff and potential employees.

In 2020, our workforce consisted of 59% female employees to 41% male.

Our gender pay gap report for 2020 indicates that our mean pay gap for the Group has reduced from 14% to 12.9%. BPP University Ltd, which employs the majority of our employees, has a median pay gap of only 2.6%, down from 5.2% in 2019. There are a variety of factors to consider when addressing the challenge of a gender pay gap.

We know that a pay gap will persist until there is equal or proportionate gender representation at every level in our organisation and that there is no quick fix for a gender pay gap, but we have put a number of long-term initiatives in place which are intended to reduce the gap over time. These are detailed later in the report. As a business we will continue to focus on talent acquisition, career development and retention, as well as how we pay and reward performance.

The responsibilities of this report

BPP is required by UK legislation to share the data of our legal entities employing over 250 staff. Due to a restructure of the employing entities of our staff, BPP is now no longer required to produce a report for BPP Professional Education Ltd and must now report for BPP Holdings Ltd and BPP University Ltd on the gov.uk website. We have taken the decision to voluntarily provide data for BPP as a whole.

The information we are required to publish includes:

- The differences in mean/median pay between men and women calculated on the basis of equivalent hourly rates
- The distribution of men and women between pay band quartiles, calculated using the range of hourly pay rates
- The differences in mean and median bonus pay between men and women
- The proportion of men and women receiving bonus pay in a year

What is the Gender Pay Gap?

Gender Pay vs Equal Pay

The gender pay gap is the difference between the hourly rate of pay of male and female employees (as set out in the regulations), expressed as a percentage of the hourly pay rate of male employees across the whole organisation. The gender pay gap is reported on both a mean (average) and median (mid-point on a distribution) basis.

In terms of equal pay, UK law has prohibited paying different amounts to men and women doing 'like work', 'work of equal value' or 'work rated as equivalent' unless there is a 'genuine material factor' for the difference.

Mean vs Median figure reporting

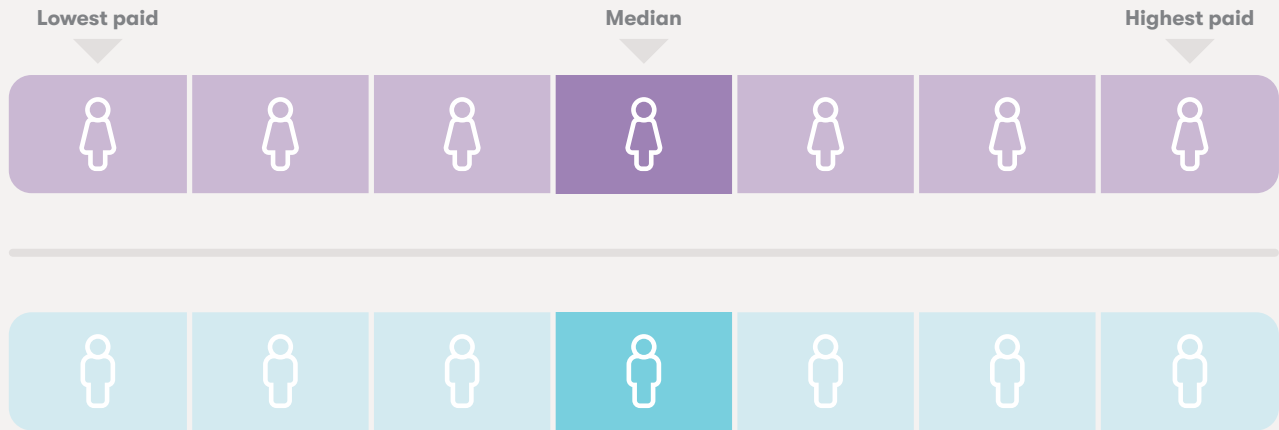
We are required to report both the mean and median figures for this report.

These metrics are complementary and illustrate different aspects on the distribution of pay across an organisation.



Distinguishing between median and mean

Median calculation



The median is the figure that falls in the middle of a range when the wages of all relevant employees are lined up from the smallest to largest.

The median gender pay gap is calculated based on the difference between the middle employee in the range of male wages and the middle employee in the range of female wages.

Mean calculation

Sum of **women's** hourly rate of pay



Sum of **men's** hourly rate of pay



VS

Total number of **women**

Total number of **men**

The mean is calculated by adding up the wages of all relevant employees and dividing the figure by the number of employees. The mean gender pay gap is calculated based on the difference between mean female and male pay.

What might cause a Gender Pay Gap?

A gender pay gap is the result of a number of internal and external factors. External studies have shown that it may be a result of, but not exclusively due to, the following circumstances:

- a) A higher proportion of males in senior positions
- b) A higher proportion of females in lower-paid roles
- c) Women are more likely to have breaks in service that might impact their career progression and long-term earnings

BPP Statistics

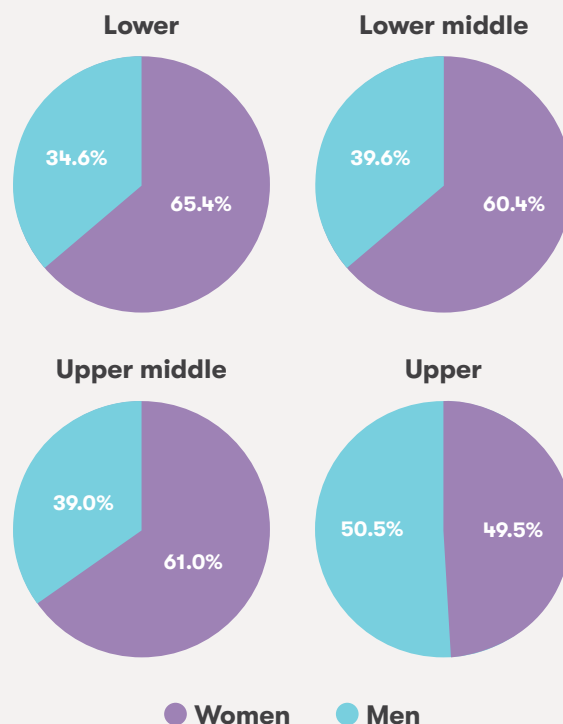


Pay and bonus difference between women and men at BPP Group

	Mean	Median
Hourly pay	12.9%	15.1%
Bonus pay	53%	24.2%

	Women	Men
Proportion receiving a bonus	10.5%	16.6%

Pay quartiles across BPP Group

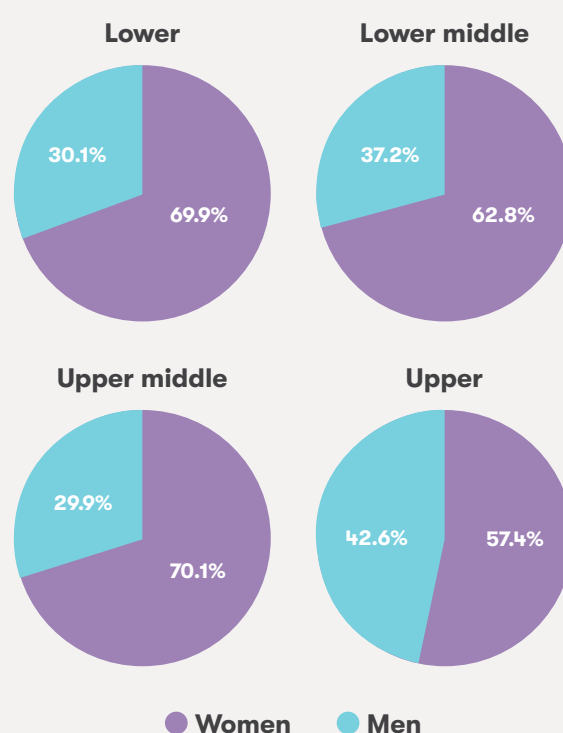


Pay and bonus difference between women and men at BPP University Ltd

	Mean	Median
Hourly pay	4.9%	2.6%
Bonus pay	-7.9%	-53.8%

	Women	Men
Proportion receiving a bonus	4.6%	5.9%

Pay quartiles across BPP University Ltd



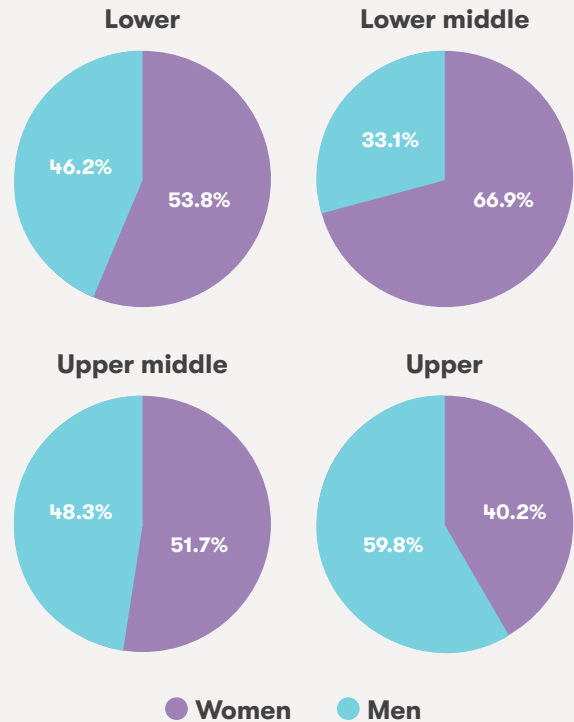


Pay and bonus difference between women and men at BPP Holdings Ltd

	Mean	Median
Hourly pay	22.6%	15.3%
Bonus pay	72.0%	59.8%

	Women	Men
Proportion receiving a bonus	18.8%	21.7%

Pay quartiles across BPP Holdings Ltd



ONS (Office for National Statistics) figures report the national median average base pay gap is 15.5% – BPP Group has a median average base pay gap of 15.1% and a mean of 12.9%.

BPP University Ltd has a median pay gap of 2.6%, down from 5.2% in 2019. This is well below the ONS national average and well below the industry average for education providers of 16% which is positive news.

BPP Holdings Ltd includes the majority of our executive team along with employees in support roles such as Client Services, HR, Finance, IT and Marketing. As a result, there is a very wide range of salaries within Holdings with a high number of senior male executives

which will influence the pay gap. We are focusing on improving our talent acquisition and development processes to ensure that we have balanced recruitment and talent management processes to enhance opportunities for career progression within the business.

The **pay quartiles** are relatively comparable to the distribution of gender in our workforce (59% female, 41% male) apart from the upper quartile. The upper quartile for BPP Group is evenly distributed at 50:50 which indicates an equal proportion of males and females in our highest-paid roles. BPP should also focus on the higher proportion of females in the lower-paid roles and try to address the imbalance.

The **bonus pay gap** has decreased from last year. There is a relatively small proportion of employees who receive bonuses and they are often only provided to senior positions within the company, which are predominately occupied by males. Discretionary bonuses are paid to positions which have a major impact on the overall results of BPP.

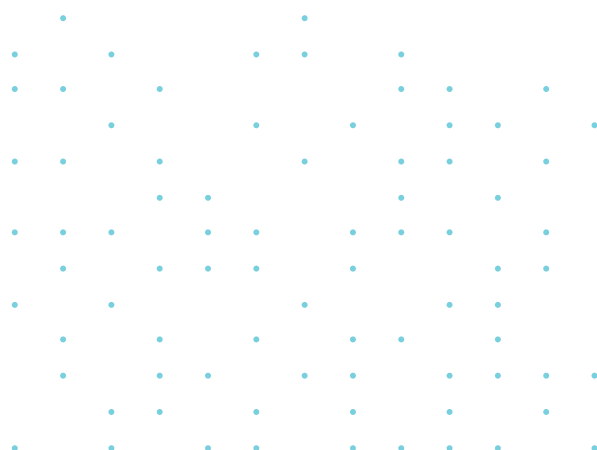
What are we doing about our Gender Pay Gap?

We will continue to address any gaps and make sure our policies and practices are fair. This includes actively reviewing decisions around our annual performance, pay and bonuses.

Narrowing our gender pay gap is a long-term initiative. Over the past two years we have put in place a number of significant people initiatives that will have a positive impact over time. BPP wants to ensure that we have fair and transparent processes and policies, a gender-balanced culture and that we remove any obstacles currently influencing progression. We encourage a flexible and positive work environment and future-focused career development conversations.

Activity currently underway

- i. Gender Pay Committee – To monitor and review initiatives and progress.
- ii. Living Wage accreditation – BPP has increased its minimum wage to above the statutory minimum and now pays the Real Living Wage to employees.
- iii. Working Families Network – We have created an internal support group for working families. The group offers support to those employees either going on or returning from maternity/paternity leave. This is a really active and successful affiliate group and has been particularly well-received during the Covid-19 pandemic.
- iv. Senior Talent Programme – We are currently taking a large group of our managers through a talent assessment and development process. This will give visibility of capability and aspirations leading to new development opportunities and succession plans based on robust and fair talent data. There is currently a 48:52 Male:Female split for delegates. Selection for this programme is driven by data to reduce bias and ensure decisions are fair and transparent.
- v. Leadership for Professionals Programme – This course is aimed at developing leadership and people management skills. The programme has enrolled 77 employees over the last 12 months with a gender split of 38:62 Male:Female for delegates.
- vi. Recruitment essentials – We are rolling out a new training programme to all people managers. The course addresses the need for fairness, balance and transparency in recruitment practice and aims to increase competence at interview skills and identifying talent.
- vii. Introduction of a new Performance and Career Development process – We have introduced a new approach to performance management and development to ensure that all employees have regular development conversations with their line managers. The new process is future-focused, competency based and encourages all employees to discuss their career aspirations so that BPP can support them with development and progression.
- viii. We have incorporated Leadership Competencies and Core Competencies into our Performance Management and Recruitment process to ensure that employees are clear on the competencies and capabilities required at BPP.
- ix. Equality, Diversity and Inclusion (ED&I) – We have a group ED&I strategy to focus on employee initiatives across a wide range of issues that will create a more inclusive workforce.
- x. Flexible working – We have a flexible working policy and during the Covid-19 pandemic we have ensured that all employees have the flexibility to work around their needs to either care for children or other family members.
- xi. Gender-neutral language within our job descriptions – Research indicates that jobseekers (particularly females) can be put off applying for jobs that are advertised with masculine-coded or feminine-coded language. Guidance is provided to hiring managers to encourage the use of gender-neutral language.



Future initiatives

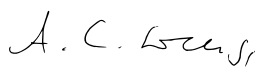
- i. Balance Initiative – A new programme of work to address HR policy change, behavioural change, awareness and education, story-telling and provision of career development opportunities.
- ii. Apprenticeships – An apprenticeship strategy to give more development opportunities to internal employees to assist career progression and development.
- iii. Secondments – A more formal approach to secondments at BPP to assist with talent mobility across the business and to enable employees to get the breadth of experience required to enable them to progress to more senior positions.

Declaration

We confirm that the information provided is accurate and in line with mandatory reporting requirements.



Graham Gaddes
Chief Executive Officer



Alison Wells
Director of Legal & HR

