

BIG SOCIETY CAPITAL

The title 'BIG SOCIETY CAPITAL' is rendered in large, bold, sans-serif capital letters. The word 'BIG' is light blue, 'SOCIETY' is a vibrant green, and 'CAPITAL' is a light grey. Three photographs of people are integrated into the text: a smiling man with glasses and a white cap is positioned behind the 'B' of 'BIG'; a smiling woman with blonde hair is positioned behind the 'P' of 'CAPITAL'; and a young child in a yellow jacket and grey scarf is positioned behind the 'Y' of 'SOCIETY'. A vertical blue line runs through the center of the page, passing between the 'SOCIETY' and 'CAPITAL' words.

People update and annual pay gap report.

October 2021

Introduction



At Big Society Capital, we recognise that diverse and inclusive workplaces require consistent education, energy and action. Our Equality, Diversity & Inclusion (EDI) action plan for 2020 – 2025 sets out our objectives to continue to build an inclusive culture. As part of that plan we continue to publish our gender pay gap and are committed to publishing our ethnicity pay gap, measuring our progress in preventing discrimination and bias, including equal access to jobs and career progression for all.

Whilst a direct comparison cannot be drawn from disparities in gender and ethnicity pay (due to differing influencing factors), by publishing both sets of data we are ensuring that we are intentional in our drive for change. By working to improve both our gender and ethnicity pay gap, we will continue to actively encourage an inclusive culture where everyone can succeed at Big Society Capital.

We are committed to transparency in our approach to how we pay our employees and whilst we are making steady progress, we know there is more to do. This year we welcome the continued reduction in our gender pay gap, although we acknowledge that on average, males were paid more in comparison to females in 2020.

By continuing to combine the voice of our colleagues with external expertise, we will work towards eliminating gender and ethnicity related disparities in pay at Big Society Capital.

What do we mean by our Gender Pay Gap and our Ethnicity Pay Gap?

The Gender Pay Gap is the average difference between the earnings for male and female employees, expressed as a percentage. The difference between the two averages is our gender pay gap.

The Ethnicity Pay Gap is the average difference between the earnings of all Black, Asian and ethnically diverse employees and the average earnings of all white employees expressed as a percentage. The difference between the two averages is our ethnicity pay gap.

Is a pay gap the same as equal pay?

Equal pay concerns individuals or groups of employees performing the same or comparable work. Unlike equal pay the pay gap captures any pay differences at a broader level.

For example, a higher percentage of men in senior roles and women in junior roles will negatively affect the gender pay gap. A similar ethnic imbalance with a higher number of white employees occupying more senior roles will cause the average white person's salary to be higher, creating an ethnicity pay gap.

However, it is important to remember that all measures, both those to ensure equal pay and those to reduce the gender pay gap are aimed at the same thing; eliminating discrimination in relation to pay.

The intention of our reporting is to increase transparency of the differences in pay between men and women, and white, Black, Asian and ethnically diverse employees in the workplace with the aim of closing the gender and ethnicity pay gap.

Big Society Capital Gender Pay Gap



There was a reduction in our gender pay gap from 28% to 21% in 2019 and there continues to be a reduction in our pay gap since 2020. The gap between mean hourly pay for all female employees compared to male employees has decreased from 21% in 2020 to 17% in 2021. Our results also show that men have higher average earnings than women in each quartile.

The positive movement in the overall pay gap this year has been driven by several factors; pay and promotions of female Senior Managers, a greater proportion of female new joiners in the year than male joiners and an increase in male joiners in the lowest quartile.

As a small business with 75 employees, the departure or arrival of one senior female employee or the arrival of a number of female employees can lead to a big increase or decrease in our gender pay gap and in this respect the distribution of our data and the pay gap itself can be materially skewed. We know that our business and our people are more than numbers and data so we continue to focus on our actions not only to reduce the gender pay gap but also to tackle underlying issues; specifically that there are less women in more senior roles and more women in more junior roles.

What has Big Society Capital been doing since our last report?

We continue to ensure our pay and grading structure is robust and fair and are committed to ensuring compliance with equal pay legislation. In 2021 we introduced an additional step to our pay and promotion process where our senior management team conduct a pay moderation session in addition to our executive team. This ensures even closer collaboration with those managers who are primarily accountable for many teams, working together to ensure consistency in our approach. Along with our Job Matching Framework and Salary bands this is one more step to provide a structured and objective environment where we use an agreed set of principles to ensure that this process is being conducted in a fair and equitable manner.

Women in our workforce

As of April 1st, 2021, women make up 65% of our workforce up from 62% in 2020. We continue to review progression of all staff at Big Society Capital and there continues to be good evidence of progression for female staff; 64% of staff across the organisation who were promoted or awarded above-inflation pay increases in 2021 were women.

Diversity and inclusion approach for recruitment

When hiring, we continue to seek a diversity of backgrounds and our continued use of the blind hiring software, Applied, where applications are anonymised, ensures we are hiring candidates based on their ability, not on their background or access to opportunities. The number of female applicants through Applied is 53% and the number of females then hired is 55%. The number of ethnic minority applicants through Applied is 54% and the number of ethnic minority candidates then hired is 33%.

We are committed to being a diverse organisation that represents the communities we serve, and where every individual is included and has equal opportunity. Getting our own 'house in order' underpins the further integration of EDI into all other strands of our work. Following the independent review into our EDI approach in which we developed an action plan for 2020 - 2025. One of our three priority areas is culture and people and finding ways to embed our EDI framework into our culture, policies, and practices.

Flexible working

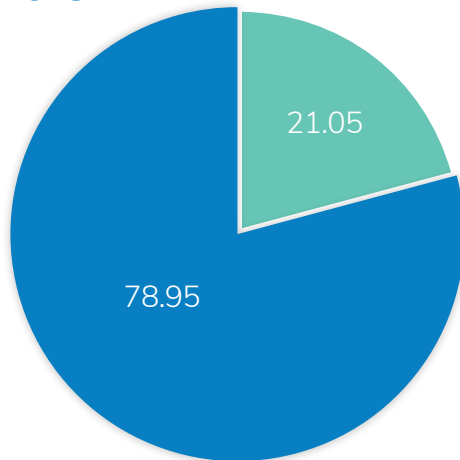
We have seen an increase in flexible working both in response to Covid-19 but also long term at Big Society Capital. 25% of employees work part time, including 3 job shares. Of this number 31% of women work part time and 15% of men.

The recent impact of COVID-19 has put a greater spotlight on our need for an agile workforce and our ability to support all our employees to effectively work from home.

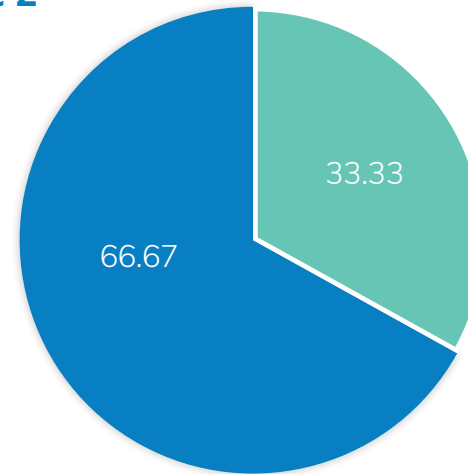
Our new flexible working framework which focuses on the principles of home working and the impact on the individual and the organisation has created more opportunities for discussion around flexible working, focusing less on policy and more on how our approach reflects our values of openness and respect.

Proportions of male and female staff in each quartile

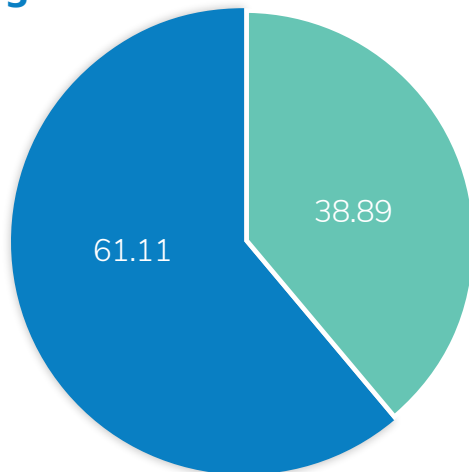
Lowest Quartile



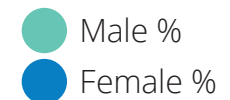
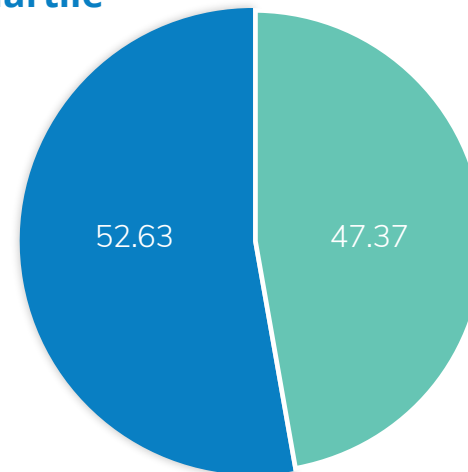
To Quartile 2



To Quartile 3



Highest Quartile



Actions to address our Gender Pay Gap



As we work on our EDI action plan and ensure our approach to culture and people focuses on inclusion and equal opportunity, we believe the following steps will help us continue to reduce our gender pay gap.

- ✓ We have started work on our EDI strategy and have created subgroups to support our EDI working group, focusing on people, and ensuring we turn our plans into actions. We have appointed a new internal Diversity Champion and ensured that they are able to commit time to that role.
- ✓ We will continue to focus on our recruitment practices and have committed to several EDI initiatives, including 'Show the Salary'. We also provide an EDI guide to our recruitment partners to ensure our approach and message is consistent.
- ✓ We have been using our performance and development reviews to understand everyone's aspirations and work hard to encourage women and men to seek development opportunities through individual development plans.
- ✓ We will be launching a Talent Development Framework in early 2022 to ensure that opportunities for development are transparent, consistent, and inclusive and identify opportunities and career pathways for all staff.
- ✓ We will have a focus on Learning & Development in 2021 - 2022, helping all our staff manage their development and career progression, focusing on areas such as Positive Power & Influence and launching a Female Development Programme with an external partner in January 2022.

We continue to promote and encourage flexible working through our Flexible Working Framework and Principles and continue to encourage people to work from home whilst we plan for future of ways of working at Big Society Capital. We will increase the number of roles suitable for part time working and as job shares, training our managers to better evaluate roles and their suitability to the different flexible working options.

Big Society Capital Ethnicity Pay Gap



This is the first year we have reported on our Ethnicity Pay Gap, using data to again test our approach to how we pay our employees, recognise where we can do better and act on it through long-term, meaningful actions to help us tackle race inequality at work.

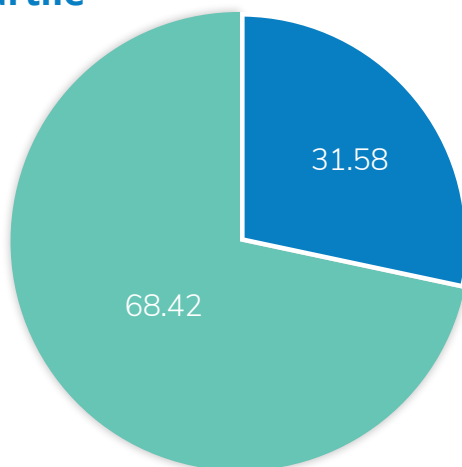
We need to improve how we attract, hire, and promote employees from ethnic minority backgrounds and get better at speaking about race at work, creating strategies to improve Black, Asian, and ethnically diverse representation all the way up to our Board.

The gap between mean hourly pay for all Black, Asian, and ethnically diverse employees compared to white employees is 14%. We know that we need to close that gap by increasing the number of Black, Asian, and ethnically diverse employees, particularly in senior roles and working to ensure we are an inclusive and ethnically diverse company. Currently, 24% of our workforce is from a Black, Asian, and ethnically diverse background.

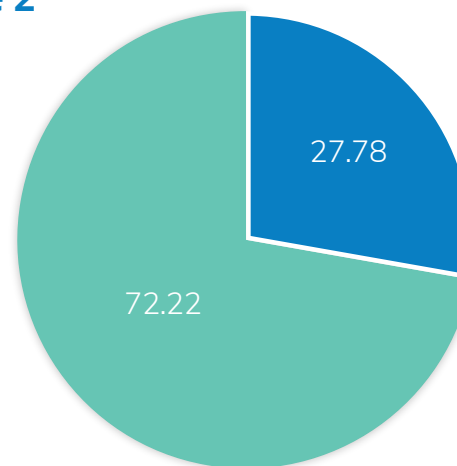
Our results also show that white employees have higher average earnings than Black, Asian and ethnically diverse employees in each quartile.

Proportions of Black, Asian and ethnically diverse employees and white employees in each pay quartile

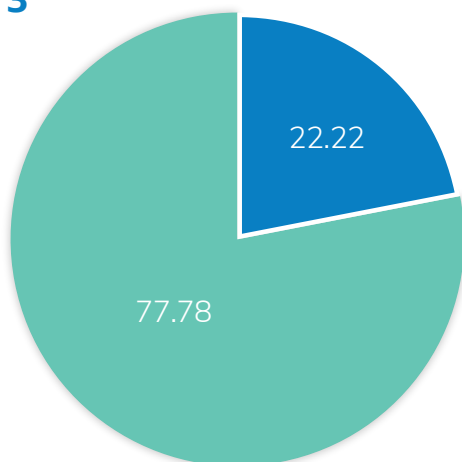
Lowest Quartile



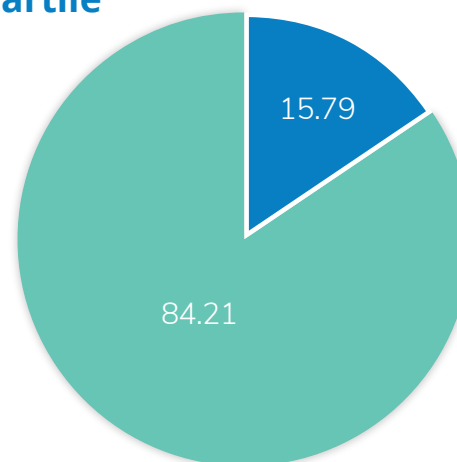
To Quartile 2



To Quartile 3



Highest Quartile



Actions to address our Ethnicity Pay Gap



In the next few years, we have committed to a detailed action plan which sets out the roadmap for how we will deliver our EDI strategy, including internal behaviours and culture. We recognise that none of our actions to improve ethnic diversity will succeed without the right culture and working environment so are giving all line managers Power and Privilege training and training to all our staff and Board members in Allyship.

We continue to monitor training effectiveness and scope our other training needs and believe the following actions will support this first step to help us reduce our ethnicity pay gap.

- ✓ We will be adding an ethnicity reporting category to our employee survey so we can check if the high levels of satisfaction and engagement our surveys display apply equally to all groups.
- ✓ We will begin to monitor Black, Asian, and ethnically diverse pay and representation within Big Society Capital and work to improve this, beginning with an equal pay review.
- ✓ We will encourage reverse mentoring, starting a pilot in autumn 2021, with a significant focus on ethnicity, to enable our senior leaders to understand different perspectives across teams and for junior staff members to have an opportunity to understand and be heard by more senior management.
- ✓ We are reviewing our recruitment processes to ensure that we have done everything we can to be fair and inclusive and continue to strive to eliminate any potential bias across all our recruitment activities. We will only ever appoint the best person for the job.
- ✓ We want to improve overall representation at decision making levels within Big Society Capital. We need to be realistic about how immediate any changes can be but are working to ensure our approach to recruitment in that area allows for positive action and targets for representation.
- ✓ We will measure our progress, while also being open to evolving the plan against a changing internal and external environment to ensure we keep moving forward. Over the next five years, as we deliver on the actions in our EDI plan, we want to embed it in everything we do and stop seeing it as a separate issue.

- ✓ We will continue to work in partnership with others, share what we are learning, and learn from others to amplify best practice of others in the sector.
- ✓ In 2020 we committed to hiring Apprentices to improve overall diversity and in 2021 we have committed to the 10,000 BlackInterns programme and have worked with 2 interns this year. We plan to continue supporting this programme and hiring interns on an annual basis.

Actions to address the way we report

We are committed to delivering our ambition of creating a diverse and inclusive workplace and culture. Whilst sharing this ethnic pay gap report is an integral step in our commitment to continue measuring and closing the pay gap, we wish to recognise some areas of development. These include:

1. Reviewing our use of language

Historically at Big Society Capital we have referred to individuals and communities from ethnically diverse backgrounds as 'BAME' (Black, Asian and Minority Ethnic).

We recognise the limitation of this terminology and its reductive quality. This term, acting as a catch all term, ignores the nuances that exist between different ethnic groups.

It places people of all ethnically diverse groups and communities under one umbrella term, not accounting for the nuances, complexities and differences in lived experience of the individual people and communities within this umbrella term.

We are committed to reviewing and updating our use of language to ensure we reflect the differences experienced by different ethnic groups, people and communities that face racial inequality in the UK.

We will be reviewing and updating the usage of this language across the organisation going forward. Whilst we embark on this process, for the purposes of this ethnic pay gap report, we have replaced the term 'BAME' with Black, Asian, and ethnically diverse.

2. Segmenting

It is important to also acknowledge that this current ethnic pay gap report does not segment the data to account for the differences and nuances within different ethnic groups. Currently, the data presented aggregated to reflect all ethnic minority staff, rather than specific ethnicity groups.

We are very much aware of the limitation of presenting this data, and acknowledge that we will be reviewing the way in which we report on this data going forward. In order to provide a fully reflective picture and to better understand the intersectionality element of the ethnicity pay gap (i.e. different ethnic groups may have different levels of pay gap), moving forward we will look at how we can to segment the data further.

We will be working on how we can split this data better to capture the nuance in ethnicity pay gap going forward but as a small organisation there will be limitations to this as there will be a small number of staff in some ethnic groups and would not want to identify any individual in an inappropriate way.

We will also be exploring how we can ensure consistency, and bring ethnic pay gap reporting in line with the approach Big Society Capital has been developing regarding impact practice.

3. Diversity and Inclusion

We recognise that ethnic pay gap reporting cannot sit in isolation in order to achieve diverse and inclusive societies and workplaces. This reporting sits as part of our wider Diversity and Inclusion plan, which you can find [here](#).

We have an opportunity to put diversity and inclusion at the forefront of our organisation and our sector, to achieve impact through a cultural change as well as through our investments, demonstrating that diversity isn't just the right thing to do, it's also a route to excellence.

We can do this through our behaviours, our culture, the support we provide to other organisations, the people we reach in our events and campaigns, our investment decisions and our capital. Sharing our ethnic pay gap report is a series of steps and actions we are taking to drive forward this commitment.

What is next for Big Society Capital?

We are open about our need to do more and to be held accountable for our actions by our staff and our external partners, supporting them where we can and recognising where we must listen and learn from both their lived experience and their best practice and progressive initiatives.

Our focus last year was to learn and listen to employees and completing a detailed independent review of our approach to diversity and inclusion. Our focus for 2021 – 2022 is to act on the outcome of that review and our EDI action plan.

It is important that we are held accountable for our actions both by current and potential future employees and others within the sector and that we make immediate commitments to improve diversity at Big Society Capital.

We have taken some small but important steps, committing to best practice in recruitment and our commitment to diversity, including becoming a Ban the Box and Disability Confident employer and committing to pay the London Living Wage to all employees including interns and apprentices and committing to the 10,000 BlackInterns programme. We also advertise all roles with Salary bands, with no qualification requirement and an explicit reference to our approach to EDI and we ask applicants with disabilities to get in touch with us if they would like support with application to roles at Big Society Capital.

We hope that the actions set out in our report these small steps along with our commitment to our EDI action plan and the current and planned activities in 2021 will see us continue to reduce our gender pay gap and start to positively impact our ethnicity pay gap through our actions and behaviours.

The data

All data is based on a snapshot of pay data as of 1 April 2021.

Pay and Bonus Gap

Difference between men and women

	Mean	Median
Hourly Pay	16.7%	10.9%
Bonus Pay	0%	0%

	Male	Female
Proportion of employees receiving a bonus in 2021	0%	0%

There is no gender pay gap in respect of bonus payments as Big Society Capital's policy is not to pay bonuses to employees.

