

**B B C**

Statutory Gender  
Pay Gap Report  
**2018**



# Contents

- 3 Introduction
- 4 Gender pay at the BBC
- 5 What we've achieved on gender pay  
Gender pay across the industry
- 6 Pay gaps on other diversity measures  
Gender bonus gap at the BBC
- 7 Why the gender pay gap is not the same as equal pay
- 8 Assurance Statement



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# Introduction



“Last year’s pay gap was 9.3%. This year it stands at 7.6% – down by nearly a fifth. We want to go further to build on what’s been achieved so far.”

**Tony Hall**  
Director-General

BBC’s gender pay gap (median) 2018

**7.6%**

Down from  
**9.3%**  
in 2017

BBC’s gender pay gap (mean) 2018

**8.4%**

Down from  
**10.7%**  
in 2017

**Last year, we published our first gender pay gap report, setting out the difference in hourly pay between men and women across BBC Public Service Broadcasting. It showed we had a median pay gap of 9.3%.**

We were the first broadcaster to open up about gender and pay. Recent revelations on the gender pay gap have shown that we are significantly better than most other large companies, but that’s not where we want to be.

As a publicly funded body we have a responsibility to lead the way. We want to change the workplace; to create a culture that’s not only fair, but seen to be fair.

That’s why I set us a clear target to close our gender pay gap by the end of 2020. It’s something no other broadcaster or media group has pledged to do, but I feel it’s the right response to an issue which has gone on for too long.

I’ve set us a really tough challenge. I make no apology for that and we’ll do everything we can to get there. We’ve been working really hard these last twelve months to see how much we can achieve.

The most overwhelming need, first of all, was to establish and drive through clear,

consistent frameworks for pay and careers at the BBC.

At the same time, we’re proactively going through salaries in every part of the organisation.

We’re also doing more to celebrate our role models and create and nurture so many more. A programme for high potential women in News, for instance, has led to significantly more women in senior positions there.

We’re seeing the first dividends. Last year’s pay gap for BBC Public Service Broadcasting staff based in England, Scotland and Wales was 9.3%. This year it stands at 7.6% – down by nearly a fifth. That compares to median figures of 16.5% in the public sector, a national figure of 18.4% and 17.4% in technology and media. That’s not a boast. It’s a progress report.

We still have much more to do. We want to go further and faster to build on what’s been achieved so far. Creatively, it’s the right thing to do. Morally, it’s something I profoundly believe in. Your success should depend on your talents, your experience and your commitment. Full stop.

For our staff, the changes we’re making are about more than pay – they’re about progression.

We’re working on a project that’s set to fundamentally change our approach to leadership development for women, recruitment and to flexible working arrangements too. We’ve also established plans, led by our Executive Team, that will drive change across the BBC. That’s why I’m certain we’ll deliver more over the course of the next twelve months.

This is tough. It requires commitment and focus across the whole organisation. But it’s the right, creative, thing to do. Change is an opportunity for us all to shape a better future. I’m confident we’ll take it.

**Tony Hall**  
BBC Director-General  
July 2018

# Gender pay at the BBC

**The BBC's median gender pay gap has fallen by nearly a fifth in the last year, to 7.6%. The national median is 18.4%. Our mean pay gap is 8.4%, down 2.3% on last year.**

The reduction has been achieved through initiatives such as addressing specific pay issues, introducing a simpler job framework and repositioning people within their pay ranges, as well as through the organisational change of transferring BBC Studios from Public Service Broadcasting. More information on these initiatives can be found on page 5.

The vast majority of the pay gap is caused by having too few women in senior leadership roles and more women than men in the lowest quartile of the workforce. 7.1% of our median gender pay gap is driven by these structural issues, leaving a residual pay gap of just 0.5%.

We are focused on addressing this structural imbalance. There are lots of areas of the BBC with a 50:50 gender balance, but we need to achieve this across the board. Traditionally, some jobs are dominated by one gender. For example, administrative roles have

historically been held more by women, while men occupy more than three-quarters of our technology roles.

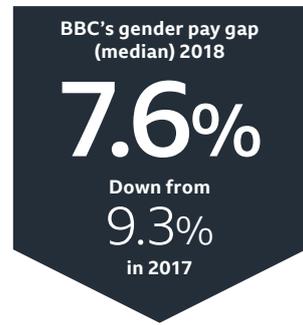
Where these are generally higher or lower paid, there can be a significant impact on the gender pay gap.

The BBC has committed to closing the gender pay gap by 2020. It is not just a destination, but an ongoing, sustainable goal. Fluctuations and workforce changes mean that it is unlikely that any large organisation will sustain a gender pay gap of exactly zero in one year, let alone a number of years. That is why our commitment is to maintaining a gender pay gap of plus or minus 3% across the BBC.

Each BBC division has produced plans to close the gap. There is no single answer – there will be group-by-group reviews and initiatives to help women progress more quickly in the organisation. It is all part of our drive to accelerate change so that we can all but eliminate the pay gap in 2020.

**THE KEY FACTORS THAT HAVE INFLUENCED OUR GENDER PAY GAP ARE:**

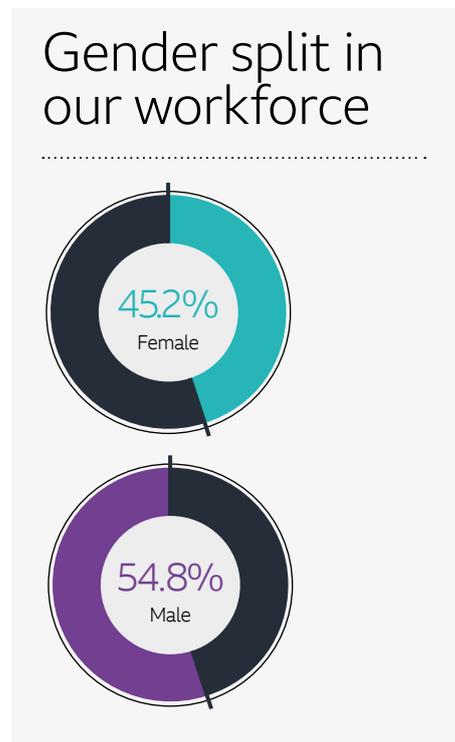
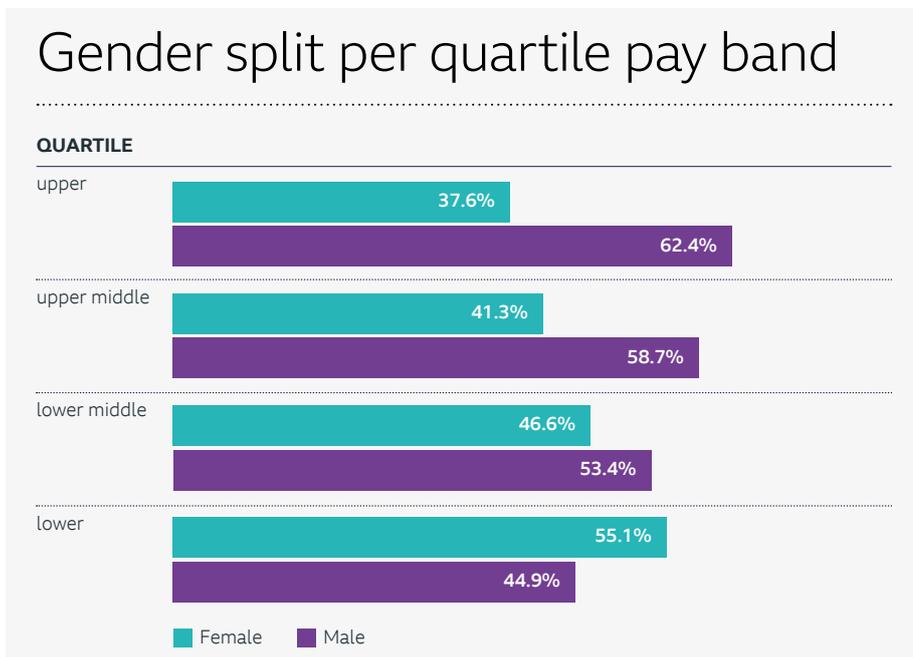
- Lower numbers of women in senior leadership roles
- Higher numbers of women in the lower quartile of the workforce



## QUARTILES

**When reviewing our gender pay gap, we draw up a list of our employees' earnings – from the highest to the lowest – and split it into four even groups, or quartiles. This allows us to calculate the proportion of men and women in each quartile.**

*Last year's figures for gender split across the quartiles are included in the 2017 Gender Pay Report, which can be downloaded from [downloads.bbc.co.uk/aboutthebbc/insidethebbc/reports/gender\\_pay\\_gap\\_report.pdf](https://downloads.bbc.co.uk/aboutthebbc/insidethebbc/reports/gender_pay_gap_report.pdf)*



*Gender pay and workforce figures in the report are for BBC Public Service Broadcasting staff based in England, Scotland and Wales, in line with statutory requirements. Gender pay gap including Northern Ireland: 7.7% (median); 8.6% (mean).*

# What we've achieved on gender pay

**At the BBC, we are committed to closing the gender pay gap by 2020. We have made significant progress this year through a series of important reforms:**

- Establishing the fair pay principles, which underpin all pay decisions the BBC makes.
- Introducing the Career Path Framework – a simple, new system that provides 18,000 employees with transparency on pay and a clear structure on how they can progress at the BBC.
- A new on-air pay framework, with narrower bands, a reduced number of contracts and allowances and clear criteria for how pay reflects skills, experience and audience impact.
- Greater pay transparency. Everyone will be able to see the pay range for virtually every job and, where there are more than 20 people with the same role, staff will be able to see anonymous pay data for everyone in that role.

- Pay cuts for some and increases for others. We have started to adjust people's pay and aim to address all cases raised by our staff by the end of the summer.

An independent Equal Pay Audit of BBC staff was published in October 2017. While no audit can address every individual case, it concluded that there was no systemic discrimination against women in our pay arrangements. A separate review of on-air pay found no evidence of gender bias in decision-making on pay but identified a number of issues that we are now addressing.

We know there is more to do and have set out a plan to create a fairer and more equal BBC. This includes:

- A review of progression and culture for women at the BBC, led by Donalda MacKinnon, Director of BBC Scotland, to help women progress more quickly.
- A commitment to ensure we have a 50:50 split of men and women on screen, on-air and in lead roles by 2020.
- A review into pay transparency to ensure that the BBC is leading the media industry in this area.

We are committed to closing the gender pay gap by 2020 and have made good progress in the last 12 months.

## Gender pay across the industry

**The BBC had one of the lowest gender pay gaps in the industry in 2017, and we have improved on that further this year.**

However, we know that it is not enough for the BBC to say that our gender pay gap is narrower than most other organisations. Our responsibility is different. We need to be an exemplar, leading the way for the whole of the country.

There are wider societal issues to overcome regarding the representation of women in senior leadership roles, but we are committed to ensuring 50:50 gender representation at all levels of our organisation by 2020. This will help us close the gender pay gap by the same date.



# Pay gaps on other diversity measures

**Diversity within our workforce is just as important as gender equality at the BBC. The more diverse our workforce is, the better we are at responding to and reflecting our audiences in all their diversity.**

Although not required by legislation, we continue to monitor if there is a pay gap for our Black, Asian, and minority ethnic (BAME), and disabled employees. We believe it is important to be open about this issue and so we are disclosing these figures voluntarily, as we did in 2017.

We have monitored the gender pay gap for our part-time workers, who are predominantly women, compared to our full time workforce, and have halved the median gap from 3.4% to 1.7% over the year.

	2018		2017	
	Median pay gap %	Mean pay gap %	Median pay gap %	Mean pay gap %
BAME pay gap	-1.1%	4.0%	0.4%	5.7%
Disability pay gap	4.0%	4.9%	3.3%	5.2%
Part-time vs Full-time pay gap	1.7%	4.5%	3.4%	4.9%

# Gender bonus gap at the BBC

**The BBC ended licence fee-funded discretionary bonuses for senior management and executives in 2009.**

Our bonus figures include our voucher-based recognition scheme and long-service awards.

The voucher-based recognition scheme allows graded staff to be rewarded for exceptional performance.

During the year 1,753 staff received vouchers, with the median for both men and women being £215. 111 staff received long service awards and the average payment was £4,351.

The mean bonus gap has fallen this year. This is partially due to BBC Studios not being included and the incorporation of long-service awards in the calculations.

We expect our bonus gap to vary year on year, depending on the recipients, but we continue to monitor it to ensure that both men and women are rewarded fairly.

Although the BBC does not regard the voucher scheme or long service awards as bonus payments, both cash and voucher payments have been used to calculate the gender bonus gap for this report, in line with government guidance.

	Median pay gap %	Mean pay gap %
Gender bonus gap	0%	2.5%

	Men %	Women %
Proportion receiving a bonus	10.4%	10.8%

# Why the gender pay gap is not the same as equal pay

## What is the difference between the gender pay gap and equal pay?

The gender pay gap is not the same as equal pay. Ever since the Equal Pay Act of 1970, it has been illegal to pay different amounts to men and women doing the same work, unless there is a “genuine material factor” for the difference.

The gender pay gap measures the difference in the hourly pay of all men and women in an organisation, and is expressed as a percentage of male employees’ hourly pay. It is reported on a mean and median basis.

The mean is the overall average of all employees’ salaries and can therefore be skewed by any extremely high or low salaries. The median involves listing all salaries in order, from lowest to highest, and picking the salary in the middle.

Nationally, one of the main reasons for the gender pay gap is more men are likely to hold senior positions.

## EQUAL PAY

Men and women are paid the same for the work.



## THE GENDER PAY GAP

The difference between the gross hourly earnings for both men and women.



## NATIONAL AVERAGE

The national gender pay gap is 18.4%\*

# 18.4%

## What does this report include?

The BBC’s gender pay gap report sets out the difference in hourly pay between men and women, on both a mean and median basis. As in 2017, we have included voluntary disclosures of other pay gaps at the BBC. Statutory calculations and results have been independently assured by EY (as set out on page 8).

This report provides both the statutory disclosures required of the BBC Public Service Broadcasting, as well as further context around gender pay at the BBC. BBC Public Service Broadcasting for staff based in England, Scotland and Wales includes the World Service but excludes our commercial subsidiaries, BBC Studios (newly merged with BBC Worldwide), Global News Limited, BBC Studioworks, Children in Need and Media Action.

We have included data for people on staff contracts (both permanent and fixed-term).

This includes our on-air presenters who have BBC staff contracts, but not presenters on freelance contracts.

As in 2017, the BBC also excludes from its gender pay gap reporting agency workers who were engaged full-time for the BBC but employed through third party agencies. This is because they will be included in the gender pay gap report submitted by the agency that employs them, in line with the regulations.

\* Source: Office for National Statistics – April 2017 data, published October 2017.

# Assurance Statement

Independent Assurance Statement to British Broadcasting Corporation's Management

**The BBC requested that EY perform an assurance engagement on selected performance data and statements presented in the 2018 British Broadcasting Corporation's ("the BBC") Gender Pay Gap statutory disclosures for Public Service Broadcasting ("the Report"). This engagement was conducted under a 'limited level' of assurance as set out in ISAE3000 (Revised)<sup>1</sup>.**

## RESPECTIVE RESPONSIBILITIES

The BBC's management are responsible for the collection and presentation of the information within the Report. Management are also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with management's instructions, is to carry out a 'limited level' assurance engagement on selected data in the Report. The extent of evidence gathering procedures performed is less than that of a 'reasonable assurance' engagement (such as an audit of financial statements) and therefore a lower level of assurance is provided.

We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

## WHAT WE DID TO FORM OUR CONCLUSIONS

Our assurance engagement has been designed to provide a limited level of assurance in accordance with ISAE3000 (Revised). The criteria we have used to evaluate the selected data ("the Criteria") are described in the Gender Pay Gap legislation<sup>2</sup>, and within the Report narrative.

The procedures we performed were based on our professional judgement and included the steps outlined below:

1. **Interviewed a selection of internal stakeholders from Senior Management, Human Resources and Payroll** to understand the current status of the gender pay gap within the BBC, the methodology, definition and approach used to calculate the gender pay gap, and structure of the data processes and current controls to support data quality.
2. **Carried out the following activities to review gender pay gap data samples and processes:**
  - a. Reviewed disaggregated gender pay gap data from the BBC's Public Service Broadcasting to assess whether the data had been collected, consolidated and reported accurately.
  - b. Reviewed and challenged supporting evidence provided.
  - c. Tested whether gender pay gap data had been collected, consolidated and reported appropriately and accurately at the aggregate level.
3. **Challenged and reviewed disclosures in the supporting narrative relating to selected data to assess accuracy**, balance and consistency with observations made during work steps 1 and 2 as set out above.

Our review of the data processes was limited to the following statutory disclosures:

- the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees;
- the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees;
- the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees;
- the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees;
- the proportions of male and female relevant employees who were paid bonus pay; and
- the proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

Our assurance engagement did not include procedures over any additional KPIs or content within the Report.

<sup>1</sup> International Federation of Accountants' International Standard for Assurance Engagements (ISAE3000) Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

<sup>2</sup> The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

# Assurance Statement continued

## THE LIMITATIONS OF OUR REVIEW

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance as set out in ISAE3000 (Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a 'reasonable assurance' engagement (such as an audit of financial statements) and therefore a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on the BBC's controls for managing and reporting gender pay gap information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at the BBC beyond those used for gender pay gap data.

## OUR CONCLUSIONS

Based on the scope of our review our conclusions are outlined below:

### How complete and accurate is the gender pay gap information in the Report?

- With the exception of exclusions described in the Report and our observations below, we are not aware of any material payroll accounts or employees that have been excluded from the selected gender pay gap statutory disclosures.
- Nothing has come to our attention that causes us to believe that the selected gender pay gap data has not been collated properly from BBC systems.
- We are not aware of any errors that would materially affect the selected data as presented in the Report.

## OBSERVATIONS AND AREAS FOR IMPROVEMENT

Selected observations and areas of improvement are provided below. These observations do not affect our conclusions on the Report set out above.

- The BBC excludes payments for piecework paid to freelancers or to BBC employees from its gender pay gap reporting. The exclusion is due to challenges in identifying which payments within the BBC's systems relate to piecework. We encourage the BBC to establish a process to identify this data to allow for its inclusion in future years' reporting.

## OUR INDEPENDENCE

With the exception of this work, we have provided no other assurance services relating to the BBC's Gender Pay Gap reporting.

We have implemented measures to ensure that we are in compliance with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1.

**Ernst & Young LLP, London**

27 June 2018



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