



Contents

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



© BBC Copyright 2019

The text of this document (this excludes, where present, the Royal Arms and all departmental or agency logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context. The material must be acknowledged as BBC copyright and the document title specified. Photographs are used ©BBC or used under the terms of the PACT agreement except where otherwise identified. Permission from copyright holders must be sought before any photographs are reproduced.

You can download this publication from bbc.com/aboutthebbc/reports/reports

Designed by Emperor
emperor.works

Prepared pursuant to Article 10 of the transitional provisions of the BBC Royal Charter 2017 (Schedule to the Charter).

Introduction



In 2017, I set us a tough challenge of closing the gender pay gap by the end of 2020. It's a goal which is more stretching and ambitious than for any other organisation, because I wanted to achieve real change – and you can see how far we've come.

Tony Hall
Director-General

BBC Public Service Broadcasting median pay gap	
2017	9.3%
2018	7.6%
2019	6.7%

I'm proud that the BBC has been a leader in pay gap reporting. We were the first broadcaster to publish our gender pay gap in 2017, which showed BBC Public Service Broadcasting had a median gap of 9.3%. Last year, that fell to 7.6% and now we've reduced it further to 6.7%.

And, in each of our reports so far, we've voluntarily published the pay gap for people from BAME backgrounds, those who are disabled and those who work part-time. This year, we are also publishing the pay gap for LGBTQ+ employees.

We already have the lowest gender pay gap across UK broadcasters, and it's significantly lower than the national average of 17.9%, but we can't be complacent. That's why, in 2017, I set us a tough challenge of closing the gender pay gap by the end of 2020. It's a goal which is more stretching and ambitious than for any other organisation, because I wanted to achieve real change – and you can see how far we've come.

When you look at the data in more detail, we have a gender pay gap of 3% or less in each of the BBC's career level bands.

We see the same thing when we look at individual job titles which have similar numbers of men and women in them. For example in the Journalist job – with 2,700 in the role, the single most common job in the BBC – the gender pay gap is less than 1%.

As we learn more from reports on pay gaps across the UK, we can see there are structural causes which need to be addressed. And it's a simple structural reason that is driving our remaining gap: we still have too few women in senior roles. This is why our focus, across the organisation, has been on developing senior female leaders and 43.8% of our leadership roles are now filled by women. Last year, we published a report looking at the culture and career progression of women in the

BBC and since then have implemented the majority of its recommendations. We've done the same in four other reviews to ensure the BBC is a great place to work whatever your ethnicity, sexuality or social background and whether you have a disability or not.

We've also seen that fluctuations and workforce changes will make it challenging for any large organisation to sustain a 0% pay gap over the course of a year or more. And so, as we explained in last year's report, our commitment is to achieving and maintaining a gender pay gap of plus or minus 3% – I want us to continue on that path and to reach that target, or as close to it, as soon as we can.

But the gender pay gap is only part of the story. I'm pleased this report also shows that our BAME, disabled, part-time and LGBTQ+ pay gaps already sit within our target of being +/- 3%.

We remain committed to reaching our target. We know this will be challenging. The changes we're making need to be sustainable in the long-term and not quick fixes that address it in the short-term. That's why, whilst we continue to compare favourably to most other large organisations, I am determined that we go further and lead the way.

Tony Hall
Director-General
July 2019

Gender pay at the BBC

The median gender pay gap for BBC Public Service Broadcasting has fallen again to 6.7%. The national median for 2018 is 17.9%. Our mean pay gap is 6.8%, down from 10.7% since 2017.

We have achieved further reductions in the past year primarily through increasing the number of women in senior roles and addressing specific pay issues.

The changes implemented as part of our Terms and Conditions reforms have also helped to reduce the gap. Each job in the BBC now has an individual pay range, informed by the market, and everyone within that job sits at the minimum of the pay range or above. The salary of anyone sitting below that pay range was brought up to the minimum. This was an important reform to ensure we have a pay framework that matches our pay principles – Fair, Consistent, Transparent, Competitive and Clear.

We also changed our pay and grading structure as part of the reforms, moving from grades numbered 2 to 11 to seven career levels – A to F, and Senior Leaders.

When you look at the gender pay gap for each career level, all sit at 3% or below.

Career level band	Number of people	Median gender pay gap
A	c.600	1.0%
B	c.2,000	-0.3%
C	c.6,200	3.0%
D	c.6,000	1.9%
E	c.1,800	2.6%
F	c.630	2.6%
Senior Leader	c.270	2.7%

This confirms that the vast majority of the overall pay gap is caused by having too few women in more senior jobs and more women than men in the lowest quartile of the workforce. 6.2% of our median gender pay gap is driven by these structural issues, leaving a residual pay gap of less than 0.5%.

We are focused on addressing this structural imbalance. There are already jobs in the BBC with a 50:50 gender balance, but we need to achieve this across the board.

The recommendations that we've implemented following the culture and career progression review for women are making a difference.

We've introduced a flexible working policy and 77% of our jobs have been advertised on a flexible working basis. We have also launched a pan-BBC mentoring scheme to provide career support. Our recruitment processes have been updated, allowing those with potential to gain more experience in short-term attachments, and we have introduced mixed gender panels and shortlists. We have also increased training and support for all our team leaders to ensure they act as role models to set the culture of the BBC. In our technology division, Design and Engineering, we've introduced a career returners programme to help women and men who have taken a career break to return to the workplace. We have also recently announced 'Step into Tech' – a scheme to help women gain the skills they need to move into a career in software engineering.



When you look at the gender pay gap for each career level, all sit at 3% or below.

Gender pay split by quartile

QUARTILES

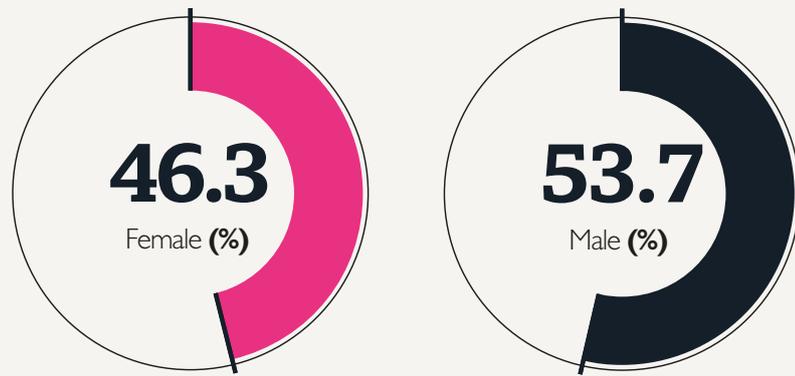
When reviewing our gender pay gap, we draw up a list of our employees' earnings – from the highest to the lowest – and split it into four even groups, or quartiles. This allows us to calculate the proportion of men and women in each quartile.

In line with statutory requirements, the gender pay and workforce figures shown in the report are for BBC Public Service Broadcasting staff based in England, Scotland and Wales.

The gender pay gap including Northern Ireland is 6.6% (median); 6.9% (mean).

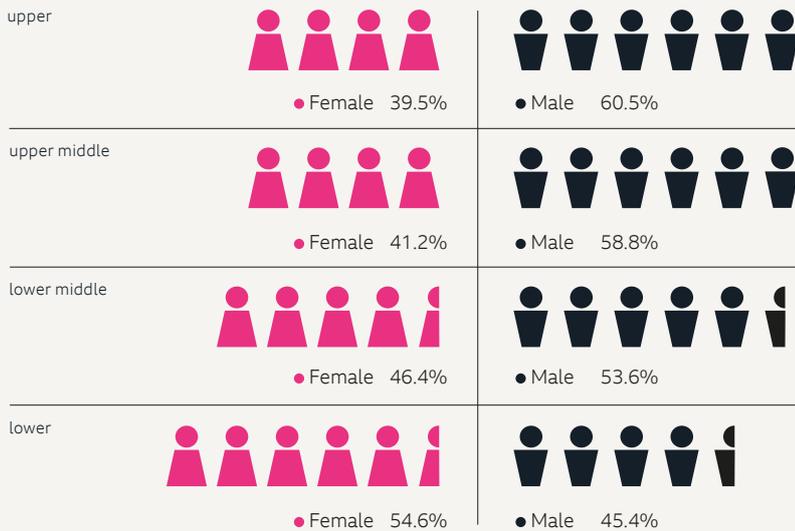
BBC Studios reports on its gender pay gap separately as it has over 250 employees, and therefore is not included in this report. However, when you look at the gender split across the whole workforce including BBC Studios, 47.9% are women.

Gender split of staff covered by the gender pay gap reporting requirements:



Gender split per quartile

QUARTILE



Pay gaps on other diversity measures

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 the pay gap for our Black, Asian, and minority ethnic (BAME), part-time and disabled employees.

We believe it is important to be open about this issue and so we continue to disclose these figures voluntarily, as we have done since 2017. Furthermore we have added, for the first time, the pay gap for LGBTQ+ employees and have seen a median pay gap of 0.7% in 2019.

	Median (2019)	Mean (2019)	Median (2018)	Mean (2018)
BAME	-1.1%	3.2%	-1.1%	4.0%
Disability	3.1%	4.8%	4.0%	4.9%
LGBTQ+	0.7%	-0.7%	n/a	n/a
Part-time	1.7%	1.5%	1.7%	4.5%

The more diverse our workforce is, the better we are at responding to and reflecting our audiences in all their diversity.



What we've achieved on pay

Fairness and transparency in pay remain a priority at the BBC. We have continued to make significant progress this year through a series of important reforms. This has been recognised by the National Audit Office (NAO) in its recent report 'Managing the BBC's pay bill' which says the BBC has taken big steps in improving consistency and fairness.

We have:

- conducted a fair pay check reviewing the salary position of every employee against their relevant job pay range to ensure their pay is fair;
- gone further on pay transparency. The pay ranges for every job are available for all staff to see. We have previously shown staff where they sit in comparison to colleagues either in their job pay range or career level band. We have now also shown this comparison split by gender;
- published two reports on transparency that found that the BBC has led one of the most ambitious shifts around pay transparency in the public sector. The BBC is also found to be more transparent than most private sector organisations of comparable size. The NAO also recognised in its report that the BBC is well ahead of other organisations with regards to pay transparency;
- completed our reviews of career progression and culture for five diversity groups (Gender, BAME, Disability, Socio-economic and LGBTQ+);
- launched our Leadership Matters programme, which ensures that we are helping our leaders provide the very best management and development of their teams;
- increased the minimum wage to £20,000, improved sick pay and our offer of paternity and shared parental leave. We have also increased maternity and paternity pay for parents of premature babies; and
- resolved nearly 90% of pay queries and are striving to close those outstanding.

In 2019 we launched our Leadership Matters programme, which ensures that we are helping our leaders provide the very best management and development of their teams.

OUR PAY PRINCIPLES

- 1 Fair:** Pay fairness is a responsibility we take very seriously – it goes to the heart of our values and it's critical to our creative ambition and success. We also have a legal responsibility to our employees; equal pay is enshrined in law and everyone is entitled to equal pay when doing equal work. That doesn't mean that everyone gets paid the same, but that any differences between individuals should not be based on gender or any other protected characteristic.
- 2 Consistent:** We have consistent frameworks such as the Career Path Framework and market-informed job pay ranges that underpin our approach to career development and pay and that enable us to be clear and consistent in our approach to individual pay decisions and ensure that we never pay below the minimum of a job pay range. Additional governance is provided through established regular reviews and approval mechanisms at Divisional and Corporate levels.
- 3 Transparent:** We are more transparent in our reporting on pay than required by law and commit to a degree of transparency about pay that we believe is more wide-ranging than other organisations. We have, of course, to make sure that the data of individuals is protected but aside from that, our aim is to make sure that the vast majority of staff can see how they, as an individual, relate to other people across the organisation doing the same job.
- 4 Competitive:** We balance the need to pay competitively with the need to ensure value for money for our licence fee payers. Together with our strong BBC brand and breadth of opportunities, this enables us to attract and keep the great talent we need to create the best content and services for our audiences.
- 5 Clear:** We are clear on how pay adjustments are made. We have clear policies on job moves up a band or to another job within the same band and short-term assignments. We also have a clear approach to where we would expect individuals to be positioned in their job pay range related to individual factors (knowledge, skills, values, experiences), role factors (scope, complexity, responsibilities and impact) and external factors (supply and demand).

Gender pay across the industry

BBC Public Service Broadcasting has the lowest gender pay gap across UK broadcasters. As discussed elsewhere in this report, we remain committed to improving this with an aim to get within a +/- 3% tolerance by 2020.

However, as we have acknowledged, we know that the BBC is seen as an example for the whole country. That is why we want to demonstrate that the gender pay gap can be tackled by determined management action. It is not good enough to simply be better than the rest of the industry.

A critical element of our plan is a commitment to ensuring 50:50 gender representation at all levels of our organisation by 2020, irrespective of the wider societal issues regarding the representation of women in senior leadership roles.

BBC Public Service Broadcasting has the lowest gender pay gap across UK broadcasters.

Additional payments at the BBC

The BBC ended licence fee-funded discretionary bonuses for senior management and executives in 2009. The “bonus gap” we report each year is based on our voucher recognition scheme and long-service awards. The voucher-based recognition scheme allows staff at bands A to F to be rewarded for exceptional performance.

The BBC does not regard the voucher scheme or long-service awards as bonus payments. However, in line with government guidance, both cash and voucher payments have been used to calculate the gender “bonus gap” reported below.

During the year 1,341 staff received vouchers, with the median for both men and women being £250. 229 staff received long-service awards and the average payment was £4,259.

We expect this number 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.

The mean gap in this area has increased this year due to the profile of employees who were in receipt of the long-service award this year.

Band	Median	Mean
Gender bonus gap	0.0%	23.1%
Proportion receiving a payment	F: 9.1%	M: 8.0%

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.

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 before, 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 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, 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 previous years, 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.

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

17.9%

National average
The national gender pay gap is 17.9%

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.



Assurance Statement

Independent Assurance Statement to British Broadcasting Corporation's ('BBC') Management

The BBC requested that EY perform an assurance engagement on selected performance data and statements presented in the 2019 BBC Public Service Broadcasting's ('BBC PSB') Gender Pay Gap statutory disclosures ('the Report'). This engagement was conducted under a 'limited level' of assurance as set out in ISAE3000 (Revised)¹.

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. 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 legislation², 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, Ethnicity, Disability and Sexual Orientation Pay Gap within BBC PSB, the methodology, definition and approach used to calculate the Pay Gap, and structure of the data processes and current controls to support data quality.

2. Carried out the following activities to review Pay Gap data samples and processes:

- Reviewed disaggregated Pay Gap data for BBC PSB to assess whether the data had been collected, consolidated and reported accurately.
- Reviewed and challenged supporting evidence provided.
- Tested whether Pay Gap data had been collected, consolidated and reported appropriately and accurately at the aggregated 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.

As well as the equivalent voluntary disclosures for BAME, Disability and LGBTQ+ Pay Gap mean and median hourly rate of pay.

1 International Federation of Accountants' International Standard for Assurance Engagements (ISAE3000) Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.
2 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Assurance Statement continued

Independent Assurance Statement to British Broadcasting Corporation's ('BBC') Management

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

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 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 Pay Gap data.

Our conclusions

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

How complete and accurate is the Gender, Ethnicity, Disability and Sexual Orientation 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 pay elements or employees that have been excluded from the selected Pay Gap disclosures.
- Nothing has come to our attention that causes us to believe that the selected Pay Gap disclosures have not been collated properly from BBC systems.
- We are not aware of any errors that would materially affect the selected disclosures as presented in the Report.

Observations and areas for improvement

A selected observation and area of improvement is provided below. This observation does 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 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 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

2 July 2019



British Broadcasting Corporation
Broadcasting House
London
W1A 1AA

bbc.co.uk

©BBC 2019