



BBC Statutory
Gender Pay Report
2017



Statutory Gender Pay Report

Contents

- 3 Introduction
- 4 Why equal pay and the gender pay gap are not the same
- 5 Gender at the BBC
- 6 The gender pay gap at the BBC
- 7 Pay gaps on other diversity measures
- 8 Statutory Disclosures
- 9 Assurance Statement

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Designed by Emperor
emperor:works

Introduction

This Report contains the BBC's statutory disclosure of the gender pay gap for the BBC Public Service. It also contains additional voluntary disclosures of other pay gap and gender analysis. The BBC has had selected calculations and results independently assured by EY (as set out on pages 9 and 10).

All companies with 250 or more employees are now required to publish their gender pay gap under new legislation that came into force in April 2017. Employers have to publish the gap in pay between men and women on both a median basis (pay per hour based on the person 'in the middle' of the distribution of pay) and a mean basis (average hourly salary). In addition, employers are required to disclose the distribution of gender by pay quartile – in other words splitting the workforce into four groups based on their pay, and showing the proportion of men and women in each group. Employers are also required to disclose percentages of staff receiving bonuses by gender and the gender gap on bonuses.

Since 2009 we have been publishing the remuneration of Senior Managers paid over £150,000 p.a. We have also been disclosing the number of all Senior Managers in broad pay bands as well as the pay of our on-air talent in similar broad pay bands.



Gender pay gap

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

Equal pay

UK law has, since the 1970s, prohibited paying different amounts to men and women who are doing 'like work', 'work of equal value' or 'work rated as equivalent' unless there is a 'genuine material factor' for the difference.

In July 2017, in line with our Royal Charter commitments, we published the names of all employees and on-air talent paid over £150,000 p.a., again in pay bands.

The BBC welcomes and supports gender pay gap reporting across the public and private sector. The BBC has long been committed to equal opportunities. Nevertheless, the BBC is not immune to broader societal issues affecting women in the workforce.

This Report provides both the statutory disclosures required of the BBC Public Service, as well as further context around gender pay at the BBC. In compiling this Report we have included data for people on staff contracts (both permanent and fixed term contracts). This includes those of our on-air presenters who have BBC staff contracts, but not presenters on freelance contracts or certain agency workers*.

The BBC is also publishing today a management response setting out the actions we will take to address the gender pay gap set out in this Report.

Mean vs. median

The Gender Pay Gap reporting regulations specifically require both the median and mean to be reported. These metrics are complementary, and illustrate different aspects of the distribution of pay across an organisation. The median is a statistic commonly used in analysing both internal pay tendency and external market norms, because it looks at the central tendency of the market or sample, showing the middle-most salary of a sample. Calculating the median involves taking all salaries in a sample, lining them up in order from lowest to highest, and picking the middle-most salary. The mean is the overall average of the whole sample and thus can be subject to the influences of any extremely high or low salaries at the top or bottom of the sample. In other words, the mean is much more subject to skewing by a small number of outliers.

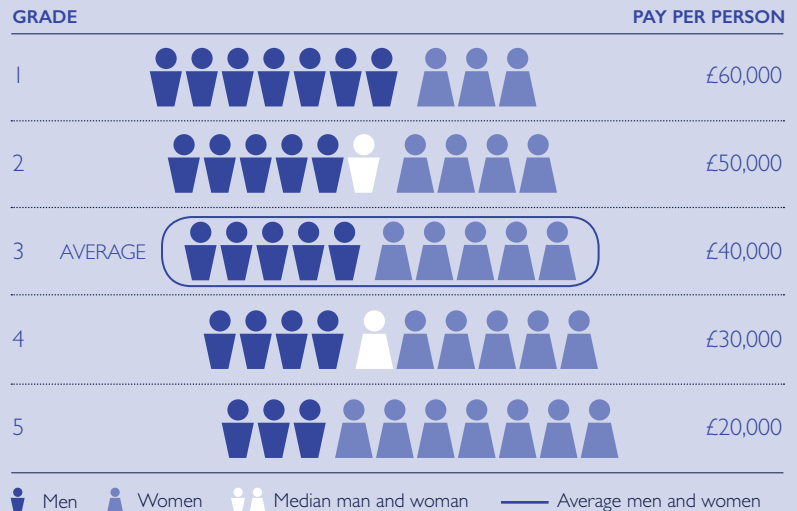
** In line with the Regulations governing gender pay gap reporting we have excluded those people for whom the data required to calculate the gender pay gap is not readily available. This group includes those of our on-air talent who are not on staff contracts, freelancers and contractors. The BBC is endeavouring to establish a process whereby working hours associated with those arrangements can be captured to allow for inclusion in future years' reporting. The BBC also excludes from their Gender Pay Gap reporting 295 agency workers that were engaged full-time for the BBC (but employed through third party agency providers). Despite efforts being made to include these in the March 2017 report, complete information needed to perform the Gender Pay Gap calculations was not available for this population. This population will not be included in future years as from 1 April 2017 further clarification on the status of these agency workers means they will be reported by the agency that supplies them.*

Why equal pay and the gender pay gap are not the same



Example
A hypothetical Company X has 50 employees (25 of each sex), five grades and equal pay between men and women at each grade, but different numbers of men and women in each grade:

Mean (average) pay	£40,000
Male mean pay	£44,000
Female mean pay	£36,000
Mean gender pay gap	18%
Male median pay	£50,000
Female median pay	£30,000
Median gender pay gap	40%



Gender at the BBC

The BBC has published detailed information on the gender, BAME and disability breakdown of its workforce for ten years. Between 2008 and 2015, the BBC Trust reported regularly on the effectiveness of the BBC's arrangements in promoting equal opportunities. The requirement to consider equal opportunities has been part of the BBC's Royal Charter for over 20 years.

Overall, the BBC Public Service* has a 48% female and 52% male workforce. The percentage of female members of staff is higher at the lower grades of the organisation, with increasing percentages of men at higher grades. At the lowest grades of the organisation (Grades 1-4) the BBC has a 59% female/41% male mix. As we move to Grades 5-9, the largest group of employees, this mix moves to 46% female/54% male. Within Grades 10 and 11 and Senior Managers, the public service has a 41% female/59% male mix.

** The BBC Public Service excludes our commercial subsidiaries, including BBC Worldwide, Global News Limited and BBC Studioworks, as well as Children in Need and Media Action. It includes the World Service.*

Table I. BBC workforce gender split

Gender	BBC Public Service	BBC Grades 1-4 workforce gender split	BBC Grades 5-9 workforce gender split	BBC Grades 10 and 11 and Senior Managers workforce gender split
	%	%	%	%
Female	48%	59%	46%	41%
Male	52%	41%	54%	59%



The gender pay gap at the BBC

The overall gender pay gap as at 31 March 2017 at the BBC is 9.3% on a median basis (10.7% using mean pay). This compares to the UK median which, as reported by the Office of National Statistics, is 18.1%.

The chart below sets out the gender profile by pay quartile. The fact that there are more women in the lower paid quartile and at the lower grades of the BBC is a major driver of the overall gender pay gap.

Our analysis shows that 9.1% of the 10.7% total mean gap is driven by this structural issue (equivalent to 7.5% of the median gap) leaving a residual pay difference of less than 2%. Other organisations have already reported similar issues, with the structural demographic pay gap being the single most significant factor in the overall gender pay gap. This issue has also been recognised by the UK government*.

The residual pay difference can arise from a number of factors, including differing levels of skills and experience for people doing otherwise similar jobs as well as the impact of market factors. The BBC has undertaken an independent Equal Pay Audit to analyse the causes of the pay differences in staff grades 2–11.

We have also analysed the gender pay gap by our existing grade structure, as shown in the table below:

Table 2. Gender pay gap by grades

Grade	Median pay gap	Mean pay gap
	%	%
1–4	-2.1%	-2.4%
5–7	7.9%	6.3%
8–9	3.6%	3.0%
10 and 11	4.7%	5.9%
Senior Managers	2.2%	5.2%

This analysis shows that the gender pay gap is smaller in each grade than the figures for the BBC overall, consistent with the explanation above that the main driver for the BBC gender pay gap is the demographic pay gap. At the very top of the organisation, for the highest paid management staff (those Senior Managers paid over £150,000 whose remuneration is publicly disclosed), the gender pay gap is minimal.

9.3%



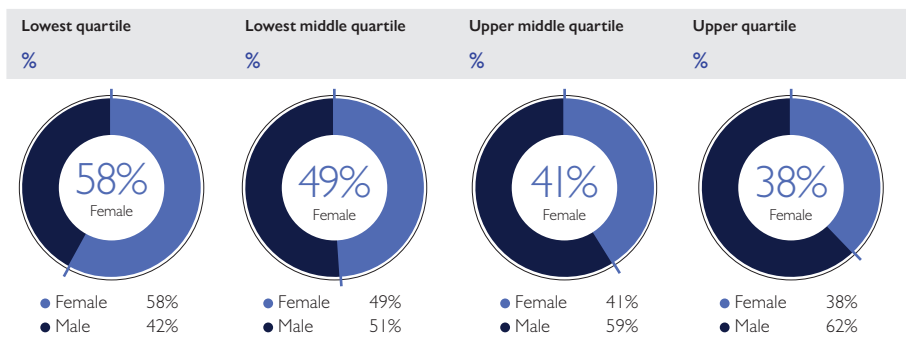
The overall gender pay gap as at 31 March 2017 for the BBC’s Public Service staff in England, Scotland and Wales as per the gender pay gap regulations.

9.6%



The overall gender pay gap for the BBC UK Public Service staff (including Northern Ireland).

Chart 1. Gender profile by pay quartile



* See Ministerial Foreword to “Trailblazing Transparency: Mending the Gap”, published by the Government Equalities Office.

Pay gaps on other diversity measures

We have also looked at the pay gaps for other diversity characteristics (based on the information available to the BBC), including BAME and disability, and we are making voluntary disclosures of these figures. The results of this analysis are shown in the table to the right, and show gaps that are smaller than those for gender, but which we believe are driven by the same demographic factor (i.e. that we have fewer BAME and disabled staff at the top grades in the organisation) as well as lack of representation in certain roles:

Table 3. Pay gap by BAME, disability and part-time working

	Median	Mean
	%	%
BAME pay gap	0.4%	5.7%
Disabled pay gap	3.3%	5.2%
Part-time vs. full-time	3.4%	4.9%

Statutory Disclosures

The tables below show the overall median and mean gender pay gap, as well as the gender bonus gap, based on hourly rates of pay of those employed on the snapshot date of 31 March 2017 and bonuses paid in the year to 31 March for the BBC Public Service. The BBC Public Service ended all discretionary senior management and executive bonuses funded by the licence fee in 2009.

The BBC currently runs a voucher-based recognition scheme that allows graded staff to be rewarded for exceptional performance. The vouchers are typically for relatively small amounts. During the year some 1,600 staff received vouchers, with the median for both men and women being £200*. Although the BBC does not regard the voucher scheme as a bonus payment, in the interest of transparency and in line with government guidance both cash and voucher payments have been used to calculate the gender bonus gap for this statutory disclosure.

Table 4. Gender bonus gap

	Median %	Mean %
Gender pay gap	9.3%	10.7%
Gender bonus gap	0.0%	20.3%
Proportion of men receiving a voucher or bonus	8.6%	
Proportion of women receiving a voucher or bonus	9.0%	

The gender pay gap of 9.3% set out in the table above is based on the BBC's staff in England, Scotland and Wales, in line with the requirements of the regulations. If we include our staff in Northern Ireland the figure is 9.6%.

The table below sets out the proportion of females and males in each quartile band.

Table 5. Proportion of gender in each quartile band

Quartile	Female %	Male %
Upper	37.8%	62.2%
Upper middle	41.5%	58.5%
Lower middle	49.5%	50.5%
Lower	58.1%	41.9%

The analysis of our gender gap figures shows that the majority of the gap has arisen because we have a lower proportion of women in leadership and senior roles in our organisation.

The BBC requested that EY perform an assurance engagement on selected data and statements presented in this report. The respective responsibilities of EY and the BBC, the scope of the review, limitations and conclusions are set out in EY's full assurance statement on pages 9 and 10.

* In addition to the vouchers, during the reporting period there were 30 cash payments made in respect of a recognition scheme for graded staff that closed at the end of Financial Year 2015/16. A small number of individuals (24) received contractual payments associated with the commercial success of certain programmes during the reporting period. These payments are not funded by the licence fee and are paid from and linked to delivery of commercial revenues.



Tony Hall
BBC Director-General



Anne Bulford
BBC Deputy Director-General

Assurance Statement

Independent Assurance Statement to British Broadcasting Corporation's Management

The BBC have requested that we perform an assurance engagement on selected performance data and statements presented in the British Broadcasting Corporation's ('the BBC') 2017 Gender Pay Gap statutory disclosures for the BBC Public Service ('the Report'). This would be a 'limited level' assurance engagement as set out in the ISAE3000 (Revised).

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 legislation† and within the Report as footnotes.

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, Legal, Compliance, 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 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 selected disclosures in the Report** to assess accuracy and 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 disclosure data:

- 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.

* International Federation of Accountants' International Standard for Assurance Engagements (ISAE3000) Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

† 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 Management

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 a financial accounting audit) 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 (in particular on page 3), 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.

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 ISQCI.

Ernst & Young LLP, London

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British Broadcasting Corporation
Broadcasting House
London
W1A 1AA

bbc.co.uk

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