

Gender Pay Gap Report

2017

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About BBC Worldwide

BBC Worldwide is a global content business and a wholly owned commercial subsidiary of the BBC. We have a direct presence in 19 countries, operate a total of 30 channel feeds, and export to almost every territory worldwide, showcasing the very best of British content from both the BBC and other UK independent production companies to global audiences. Principally through our content investment and dividends, we support the BBC in the commissioning of bold and original content and the wider UK creative industry through a mixture of financial return, growing international demand and facilitating exports.

How We Operate

BBC Worldwide operates a grade structure for its UK based employees. Our remuneration this year includes the contractual provision of an annual bonus for eligible staff. The full cost of base pay and annual bonus are self-funded by the commercial revenues and are not subsidised by the BBC licence fee in any way.

Further detail on our remuneration can be found in our Annual Review.

 www.bbcworldwide.com/annual-review

Read more about

BBC Worldwide's management response to our gender pay report here:



www.bbcworldwide.com/about-us/who-we-are/

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

A hypothetical Company X has 50 employees (25 of each sex), 5 grades and equal pay between men and women at each grade, but different numbers of men and women in each grade:

Level 1 **£60,000**



Level 2 **£50,000**



Level 3 **£40,000**



Level 4 **£30,000**



Level 5 **£20,000**



- Median Female and Male pay
- Average Female and Male pay

Median pay	Pay
Male median pay	£50,000
Female median pay	£30,000
Median gender pay gap	40%

Mean pay	Pay
Mean (average) pay	£40,000
Male mean pay	£44,000
Female mean pay	£36,000
Mean gender pay gap	18%

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Introduction

This report contains BBC Worldwide's statutory disclosure of the company's gender pay gap using data from permanent and fixed-term staff based in the UK. It also contains additional voluntary findings of other pay gap and gender analysis, including data from an Equal Pay Audit, commissioned by BBC Worldwide and conducted by Evershed Sutherland (International) LLP ("Eversheds"). The headlines from this voluntary review are featured on page 02 of this report and the full report can be found here.

 [www.bbcworldwide.com/
about-us/who-we-are/](http://www.bbcworldwide.com/about-us/who-we-are/)

In addition, the calculations and results have been independently assured by Ernst & Young (EY), as set out on pages 05-07.

All companies with 250 or more UK 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).

As a commercial business we are required to report the data by 4 April 2018. We welcome and support gender pay gap reporting across the public and private sector. Along with our parent company – the BBC – we have a long standing commitment to ensuring we deliver equal opportunities for all. Nevertheless, we are not immune to broader societal issues affecting women in the workforce.

To accompany this report we are also publishing today a management response setting out the actions we will take to address the gender pay gap set out in this report.

 [www.bbcworldwide.com/
about-us/who-we-are/](http://www.bbcworldwide.com/about-us/who-we-are/)

Methodology

The methodology required to identify the pay gap between men and women includes 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) for the snapshot date of 5 April 2017. 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. We are also required to disclose the percentages of staff receiving bonuses by gender and the gender bonus gap.

Key Definitions



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.



Median vs. mean: The gender pay gap reporting regulations specifically require both the mean and median 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 norm, 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 can thus 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.

OUR PERFORMANCE

The gender pay gap at BBC Worldwide

As of 5 April 2017, our overall gender pay gap was 16.9% on a median basis (18.9% using mean pay). These figures are comparable to the UK median of 18.1%.

Our analysis also shows that 14.5% points of our mean gender pay gap of 18.9% is driven by the fact that we have more men in senior roles and conversely more women in junior roles. As an organisation we are not alone in identifying this issue – the UK Government and others have recognised that the structural pay gap is the single most significant factor in the overall pay gap. We are not complacent about this and we are working hard to improve this by increasing representation of women in senior roles.

This structural gap is further demonstrated in the charts to the right, which set out the gender profile by pay quartile. This confirms that we have more women in the lower quartile and more men in the upper quartile, highlighting that the primary driver of our gender pay gap is an imbalance in the representation of women and men in both junior and senior roles.

After taking this structural issue into account, the mean gender pay gap would be 4.4%. This 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 effect of market factors, which can affect pay.

Alongside this report, we wanted to take the opportunity to conduct an Equal Pay Audit to analyse any causes of pay differences between employees graded 1-4, Senex and Senex1. We commissioned Eversheds to conduct this independent audit and the full report can be found at www.bbcworldwide.com/EqualPayAudit. We are reassured that the conclusion of this audit confirms that Eversheds found no evidence from the pay data reviewed for grades 1 to 4, Senex and Senex1 of systemic discrimination in BBC Worldwide pay systems.

All of this data provides a useful insight into where we need to focus our efforts in order to address the current imbalance.

We have also analysed the gender pay gap by pay quartile as shown in the table below. This analysis shows that the gender pay gap is smaller within each quartile than the overall BBC Worldwide figure, which is consistent with the explanation given above that the main driver is the distribution of men and women across senior and junior roles within the organisation.

16.9%
BBC Worldwide median

18.9%
BBC Worldwide mean

Gender pay gap by quartile

Quartile	Median	Mean
Lower	0.7%	-1.3%
Lower Middle	-0.9%	-0.1%
Upper Middle	1.8%	0.7%
Upper	9.5%	12.1%

Gender profile by quartile

This shows how many men and women are in each quartile of the payroll based on hourly rates sorted in ascending order.

Lower Quartile



Lower Middle Quartile



Upper Middle Quartile



Upper Quartile



● Female %
● Male %

OUR PERFORMANCE

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The gender bonus gap at BBC Worldwide

The final data analysis required as part of the legislation is to provide details of bonus payments made in the financial year 2016/17 by gender. This data takes bonus payments made in July 2016 for the financial year 2015/16, as well as 'celebrating success' vouchers paid throughout that year.

BBC Worldwide's annual bonus plan is a simple design calculated on our headline profit with no discretionary element. All profit targets are set by the BBC's Remuneration Board. All BBC Worldwide employees were eligible to participate in the scheme, other than employees who have transferred in under the Transfer of Undertakings (TUPE), although this applies only to a small number of individuals. The bonus scheme is operated on a percentage salary basis within grades and therefore applies equally to all men and women across the business.

Our gender bonus gap is a median of 21.7% (with the mean at 33.9%), reflecting a higher percentage of men in more senior roles and therefore receiving both a higher bonus percentage and that percentage being applied to higher base pay figures. The higher percentage bonus for senior roles is in line with market practice and takes into account the fact there is a greater 'pay at risk' element to bonuses for those in senior positions being paid out versus those in junior roles.

The proportion of women who received a bonus and were still employed on 5 April 2017 is 74.7%, with the proportion of men at 81.5%.

Gender bonus gap %

Median	21.7
Mean	33.9

Proportion of bonuses received %

Female	74.7
Male	81.5

Number of individuals receiving a bonus

Female	494
Male	422

Bonus eligibility criteria

Of those employed at the 5 April 2017 reporting date almost a third were not eligible for a payment or only received a part year payment for the following reasons:

- Employees who received a bonus in July 2016 but were no longer employed by 5 April 2017 were excluded
- Employees who joined after 9 January 2016 were not eligible for a payment in July 2016
- Employees who joined part way through the 2015/16 financial year were only eligible for a pro-rata payment

DIVERSITY AT THE BBC WORLDWIDE

Creating a diverse culture

Creating a diverse culture at BBC Worldwide is incredibly important to us and investing in and developing our people is one of the four strategic priorities of our business. It enables us to draw upon a wealth of experience, original and creative ways of delivering our strategy and it ensures our organisation is a more inclusive place to work.

We already have a number of initiatives in place to ensure we deliver against these commitments. These include offering a full and varied training curriculum for all employees, leadership programmes to support employees to the next stage of their careers, and an employee engagement programme covering community relations, volunteering and sustainability.

One way in which we seek feedback from our employees on how we are delivering against our inclusivity and inclusion targets is through our regular employee engagement survey. In 2017 we had an 86.0% participation rate revealing an engagement score of 73.0%, versus the global market median of 58.0%. (IPSOS MORI).

Within UK-based roles the data also highlights that overall we have a good gender balance with women comprising 54.4% of our total population, and with 51.0% of our middle manager roles and 36.0% of our senior manager level positions being held by women. In the year to which this report relates to at an Executive Committee level, we had four out of ten UK based positions held by women. Our only Executive Committee level position outside of the UK is also held by a woman, with our Americas President based in North America.

Women at BBC Worldwide

54.4%
Total % of women of our total population

51.0%
Total % of women in middle manager roles

36.0%
Total % of women in senior manager roles

Employee engagement score %



Pay gaps on other diversity measures

Alongside the data required for this report, we wanted to include additional voluntary analysis for diversity.

In 2017, the BBC UK-wide Diversity and Inclusion Census (based on staff self-reporting) confirmed that our performance is in line with or above BBC targets at 54.4% women; 20.3% BAME and 7.5% with a disability. While these figures are encouraging, we are committed to building on these to further increase diversity and representation throughout our organisation. We aim to tackle this through a number of initiatives including the recent introduction of a Diversity and Inclusion Council whose purpose is to drive change and deliver against our targets and on this commitment.

Based on the information available, the analysis concludes that our pay gaps in BAME and disability are smaller than those for gender. However, they reflect that the driving factor is the same, with a lower proportion of BAME or disabled employees currently in roles at senior levels across the organisation.

Ethnicity and disability at BBC Worldwide

20.3% Total % of BAME of our total population
7.5% Total % of our population with a disability

Other diversity measures pay gaps

	Median %	Mean %
BAME	5.7	15.1
Disability	13.0	3.8
Part time v full time	9.0	11.6

LEGISLATIVE REQUIREMENTS

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BBC Worldwide Statutory Disclosures

The table below details the overall median and mean gender pay gap based on hourly rates of pay for BBC Worldwide as at the snapshot date of 5 April 2017, as well as the gender bonus gap based on bonuses paid in the year prior to 5 April 2017. On this date, BBC Worldwide had 1,138 employees on the payroll in the UK.

Description %	Median	Mean
Gender pay gap	16.9	18.9
Gender bonus gap	21.7	33.9

Description Individuals	
Men receiving a bonus	422
Women receiving a bonus	494

Quartile	Quartile Size	Female Total	Male Total	Female %	Male %	Total
Lower	285	181	104	63.5	36.5	100
Lower Middle	284	166	118	58.5	41.5	100
Upper middle	285	151	134	53.0	47.0	100
Upper	284	126	158	44.4	55.6	100
Total	1,138	624	514	54.8	45.2	100

“I am incredibly proud of our wealth of highly skilled, creative and dedicated people, but acutely aware that we need to continue building an environment that is a role model of inclusivity and an active champion of all types of diversity.”

Tim Davie
Chief Executive, BBC Worldwide
and Director, Global



INDEPENDENT ASSURANCE STATEMENT
TO BBC WORLDWIDE'S MANAGEMENT

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EY statement

The BBC requested that we perform an assurance engagement on selected performance data and related statements presented in the British Broadcasting Corporation's ("the BBC") 2017 gender pay gap statutory disclosures for BBC Worldwide ("the Report"). The engagement is designed to provide a limited level of assurance, in accordance with the ISAE3000 (Revised) standard¹.

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 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 BBC Worldwide 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 Report relating to selected data 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 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 disclosures 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 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 the 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 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 ISQC1.

Ernst & Young LLP, London

December 2017



BBC

Worldwide



www.bbcworldwide.com