



## PAY FAIRNESS AT THE BBC

### **The BBC we are building**

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Our ambition is to reinvent the BBC for the next generation. We want to be a great place – one of the best places – to work. We want to encourage new voices, new talent and new ideas, and to do so we have to be sure that we reflect the diversity of our country.

We will do this by being open and inclusive; by being an organisation that is, above all, fair. That's why we are reforming and modernising our processes, our policies and our pay – a programme that started some time ago.

We've made really good progress in recent years. We've set ourselves targets that are more ambitious than most organisations – and they are already producing results. But there is no room for complacency and, as we have said before, we need to go further, faster.

In September, we said we were doing four things:

- we would publish a report on our gender pay gap;
- we would carry out an audit equal pay for BBC staff;
- we would review our approach to on-air presenters, editors and correspondents; and,
- we would consult staff in order to give everyone an opportunity to contribute.

Today we are publishing the results of the first two, and we're setting out here a set of commitments which, we believe, will create the conditions to enable talented people to thrive, regardless of background.

We will, of course, continue to listen and talk with our teams and you will hear more from us in the weeks and months ahead.

It is vital that we get this right. We are determined to take a lead and strengthen still further Britain's thriving creative industries.

## Pay fairness

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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.

Of course, we also have a legal responsibility to our employees; equal pay is enshrined in law. Quite simply, everyone is entitled to equal pay when doing equal work. That doesn't mean that everyone gets paid the same, but any differences between individuals must be justified.

But we wanted to go further and find out what's driving our pay gap and any pay differentials, because we want to achieve more. That's why, during the summer, we asked the consultancy firm PwC and legal advisers Eversheds to carry out an equal pay audit of staff<sup>1</sup>, using the approach suggested by the UK's Equality and Human Rights Commission. To provide us all with extra assurance, we asked Sir Patrick Elias QC, a former Appeal Court Judge, who is also a former President of the Employment Appeal Tribunal, to oversee the process – the first time any large employer has done so.

### *Equal pay findings*

Sir Patrick, PwC and Eversheds have concluded that there is no systemic discrimination against women in the BBC's pay arrangements. Although the audit concluded that overall we do not have an equal pay issue, if there are individual cases we will want to look at those and address them.

They point out that restrictions in public service pay have made it difficult for staff to receive increased pay without promotion. And they say that modernisation of our pay systems is needed. They also recognise that a number of their recommendations are already in train as part of the work to reform terms and conditions. That work will enable us to create a simpler, fairer and more consistent pay structure across the BBC.

### *Gender pay gap*

Today we are also publishing our first ever gender pay gap report. The report shows that our median gender pay gap is 9.3%, compared to a national average median of 18.1%.

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<sup>1</sup> The equal pay audit assessed staff across grades 2 – 11, based in the United Kingdom.

This is a report that every company with over 250 employees is required by law to make, based on specific criteria set out by the Government. This report is different to the equal pay audit, in that it is a measure of men's and women's overall position in the whole company's workforce.

We've had our figures, and calculations, independently assured by EY and the data shows us that by far the biggest contributing factor is one of mix. Put simply, we currently employ a greater proportion of men at senior levels and a greater proportion of women at junior levels. As you would expect, the issue of mix is more pronounced in some areas than others.

We've also gone further in our reporting than required by law, because we wanted to identify any pay gaps for BAME, disabled staff, and part-time workers. We are publishing these results today; in these areas, the overall gap is lower than it is for gender but there is no room for complacency and there is more we want to do to improve the diversity of our staff, especially in senior roles.

### *On-air talent*

Finally, what we are not publishing today is any changes we'll be making to the pay of our on-air presenters, editors and correspondents. This is an area under active review. This area is more complex because it involves different kinds of employment contracts and different market conditions. This review is focusing especially on News and Radio, but look at pay and representation across the BBC, and will help us achieve our target of a 50/50 split on all presenting and lead roles by 2020.

We will make changes and do so as quickly as possible. We expect to conclude this review by the end of the year. In the meantime we are discussing specific queries raised by individuals, just as we do with other members of staff.

### **Actions**

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Here is what we are doing to ensure that we're treating everybody fairly in terms of pay.

We've been listening and talking to a lot of staff – both individuals and groups – as part of the consultation we launched before the summer. They have helped a great deal to shape our thinking. As a result, we are making a number of commitments today.

First of all, fair pay:

- **Clear principles.** We are publishing a set of 'fair pay principles' for the way we determine pay. It's a draft and we will consult on it. But it seeks to establish how we can all be certain that decisions are fair, clear and consistent right across the BBC – it's much clearer and simpler than anything we've had before.
- **Transparency.** Responding to something that lots of people have told us, we are committing 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. 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 in the same job groups, and what the market is paying. This is, again, part of the reforms we're proposing around terms and conditions of employment.
- **Fairness.** We want to enable managers to address fairness. It's clear from the audit work we are publishing today that there is no systemic discrimination against women across the BBC. However, we recognise that no audit can address every individual case. It's why today we're introducing formal Fair Pay Reviews where every manager sits down, twice a year, with their HR lead to look at the pay of their staff. This is a new way of working, and we will make sure these reviews become part of our normal cycle of work each year. Where they identify issues, we will fix them.
- **Advice.** Some of you have told us that you would like to talk about your pay with someone other than your line manager. We are therefore going to enable you to have specialist advice and someone you can talk to about any concerns you may have, and get the facts right.
- **Audits.** As Sir Patrick Elias has recommended, we will keep pay practices under review and undertake a further audit in two years' time, and regularly thereafter.

Secondly, the gender pay gap.

Remember, this is about the balance of men and women at every level across the organisation, and the distribution of their pay.

We have already announced stretching targets – we want women to fill 50% of our leadership roles by 2020, up from 42% now. For BAME staff that target is 15%, up from 10% today. Realising that ambition is crucial to improving diversity in the mix of our staff, and closing our pay gap. That is already having an effect.

To go further and close the gender pay gap by 2020 is going to require detailed work in across the organisation. Every division will need to plan very carefully – looking at roles across all levels. This is the biggest change in culture that we have to bring about in the next three years.

We want to be the employer of choice for the best people, and encourage more women and people from diverse backgrounds to progress in the organisation. Therefore, we are also making the following changes:

- **Recruitment:** We've heard lots of good ideas about how we can reform the way we recruit and retain our staff. Right now, we want to concentrate on one: building on best practice in some areas, we want interview panels to always include both men and women. And we'll always aim for shortlists that include men and women.
- **Selection.** We are also looking at the way we select and interview candidates. We recognise that different tools and different techniques may be needed in order to appoint the best candidate. For instance, a panel may not be the best way to select people for every job. We are already modernising the process to increase the diversity of our workforce and ensure it is fair to all.
- **Championing talent.** We want a renewed emphasis on developing the next generation of leaders. That requires effort and input from every manager in the BBC – to spot and nurture talent, and to invest in them.

Amongst all the things we do – and we do a lot of very good things – we want to ensure that women, people from BAME backgrounds, and staff who are disabled, can succeed in senior leadership roles. Our existing mentoring and development programmes are well regarded. We are going to make them available to more people from diverse backgrounds – in many cases we will double the number of staff who can join in.

- ***Developing the next generation of women in leadership.*** The gender pay review highlighted a difference in the number of women in more senior roles. Here we're going to focus on

leadership development, extending programmes such as News' 'Women in Leadership', sharing best practice across the BBC, and doing more to support women seeking to progress their career following maternity leave.

- **BAME talent.** We have already said, and the review also shows, that we have a lot to do to get people from BAME backgrounds into senior management. The work we are doing to champion talent across the organisation will be really important, and we want every development scheme that we run to have a specific BAME objective.
- **Mentoring and promoting staff with disabilities.** We want to make sure that people with disabilities are given every opportunity to thrive. We will continue to run a number of mentoring and development programmes, and will double the number of places on our Elev8 programme.

We believe that these actions will help set the conditions to enable talented teams and individuals to thrive, regardless of their background.

We know that these same challenges are faced in every company – they are complex and endemic across society. But we understand the special responsibility that we have – that's why we are determined to drive change, to make a genuine difference, and to take a lead in our industry and our country.

## **BBC Executive Committee**

September 2017

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