

BBC
STUDIOS

Gender Pay Gap Report

2018

CONTENTS

.....

Executive summary	1
The gender pay gap at BBC Studios	2
The gender bonus gap at BBC Studios	3
Our commitment to building a truly inclusive company	4
Statutory disclosures table and voluntary disclosures	5
EY assurance statement	6

About BBC Studios

BBC Studios, a global content company, is a commercial subsidiary of the BBC. Formed in April 2018 by the merger of BBC Worldwide Limited and BBC Studios Limited, it spans content financing, development, production, sales, branded services, and ancillaries across both its own productions and programmes and formats made by high-quality UK independents. Its award-winning British programmes are internationally recognised across a broad range of genres and specialisms.

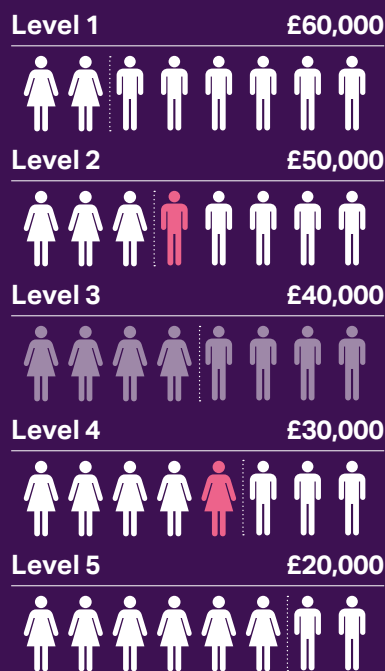
BBC Studios has offices in 22 markets globally, including seven production bases in the UK and production bases and partnerships in a further nine countries around the world. The company, which makes 2500 hours of content a year, is a champion for British creativity around the world and a committed partner for the UK's independent sector.

BBC Studios has commercial revenue of £1.4bn, and returns around £200m to the BBC Public Service annually, complementing the BBC's licence fee and enhancing programmes for UK audiences. The business is funded by commercial revenues and not subsidised by the BBC licence Fee in any way.

This is the first year of gender pay gap reporting since the formation of the new BBC Studios. This report therefore provides analysis of the combined BBC Studios gender pay gap, as well as individual data for the two legacy companies BBC Worldwide Limited and BBC Studios Limited as they are separate employing entities. BBC Worldwide Limited has previously published its gender pay gap figures for 2017. BBC Studios Limited is publishing gender pay gap data for the first time, having been part of, and therefore included within, the BBC's Public Service report in 2017.

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

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



- Median man and woman
- Average men and women

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

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

.....

Executive Summary

The combined BBC Studios median gender pay gap as at 5 April 2018 is **14.1%**. This is lower than the national median of 18.4% and 17.4% in the technology and media sector¹.

We are also reporting the two legacy companies that make up the combined BBC Studios. Within the legacy companies, BBC Studios Limited has a median gender pay gap of **10.0%**. BBC Worldwide Limited has a median gender pay gap of **17.2%**, which is broadly flat compared with the published 2017 median gender pay gap of **16.9%**.

In the combined BBC Studios, while we are close to equal gender representation in the upper quartile (46.4% female), there remains an under-representation of women in the most senior positions. We must address this to make a material reduction in our gender pay gap.

Within the legacy companies, BBC Studios Limited has slightly more women than men in the upper quartile at

51.9%. In BBC Worldwide Limited, the proportion of women in the upper quartile fell from 44.4% in 2017 to 41.3%. This contributed to a marginal year-on-year increase to the median gender pay gap and an increase to the mean gap from 18.9% to 20.8%.

There is still work to do to reduce our gender pay gap and this data provides a useful insight into where we need to focus our efforts to address the current imbalance. We need to continue to take proactive measures to address the structural issue of the under-representation of women in senior roles. While it is part of a wider societal trend - which will take time - we must play our part in changing it. We will continue to focus on reducing barriers to women entering leadership roles, particularly the most senior roles.

Our aim is to continue to close the gender pay gap in the coming years by utilising the proactive initiatives outlined on page 4 to support this.

Equal Pay Audit

Within the last 12 months, BBC Worldwide Limited undertook a voluntary independent equal pay audit and BBC Studios Limited was part of the BBC Public Service voluntary equal pay audit commissioned from Evershed Sutherland (International) LLP. The audits found no evidence of systemic discrimination in pay systems from the pay data reviewed. Legitimate differences in pay 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, which are outside of our control but can impact pay.

What does this report include?

This report sets out the difference in hourly and bonus pay between men and women, on both a mean and median basis. We have also included voluntary disclosures of other pay gaps within BBC Studios. Statutory calculations and results have been independently assured by EY (as set out on page 6). This report provides both the statutory disclosures required of BBC Studios as well as further context around the gender pay gap. We have included data for employees on permanent and fixed term contracts.

Definitions

Mean vs. median

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.

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

Gender pay gap vs. equal pay

The gender pay gap is not the same as equal pay. Since the Equal Pay Act of 1979, it has been illegal to pay different amounts to men and women who are doing the same work unless there is a genuine material factor for the difference - for example, experience or performance are legitimate reasons for paying differing amounts.

The gender pay gap measures the difference in the hourly rate of pay of all men and women in an organisation, and is expressed as a percentage of the male employees' hourly pay. It is reported on both a mean (average) and median (middlemost value in a sample) basis.

¹ Source: Office for National Statistics - April 2017 data, published October 2017.

OUR PERFORMANCE

The gender pay gap at BBC Studios

The combined BBC Studios gender pay gap as at 5 April 2018 was **14.1%** on a median basis. The national median gender pay gap is 18.4%, and 17.4% in the technology and media sector². Like many organisations, the primary contributor to our gender pay gap is the under-representation of women in the most senior roles – particularly in BBC Worldwide Limited – and the over-representation of women in junior roles, as shown in the pay quartiles charts right. We are working hard to increase representation of women in senior roles across the business.

Legacy BBC Studios Limited

BBC Studios Limited is publishing gender pay data for the first time and the results show that, while we are under the national average, we still have work to do.

Legacy BBC Worldwide Limited

BBC Worldwide Limited is publishing gender pay data for a second year, having published its 2017 gender pay gap in March 2018.

The results show our median gap is broadly flat year-on-year. The mean gap has increased as it continues to be influenced by outliers.

A number of structural changes resulted in a net reduction of over 10% in the number of staff in scope for ordinary pay calculations. This has, in turn, changed the profile of data used to calculate our gender pay gap. These included the closures of BBC Earth Productions and BBC Store, and the move of BBC Advertising to Global News Limited.

We have also transferred 28 Rights roles from BBC Public Service into BBC Worldwide Limited.

Additionally, we transferred Global Technology to BBC Public Service, to allow the technology offering across the BBC to be standardised and aligned. This resulted in a further reduction of 103 people from our workforce, of whom almost 70% are men. The transfer of these employees took effect on 1 April 2018, the first day of our new financial year. As a result, neither BBC Worldwide Limited nor BBC Public Service were required to include these employees in their gender pay gap³. In the interests of transparency, we have, nonetheless, included these employees within both the BBC Worldwide Limited and the combined BBC Studios gender pay gap analysis. Had they been excluded, the median gap in BBC Worldwide Limited would have been 10.7% rather than 17.2% and the combined BBC Studios median gap would have been 11.1% rather than 14.1%.

Lastly, the decision to buy out bonuses for employees in Grades 1-4 on 1 April 2018 has had a small positive impact on the gender pay gap, as there were a higher number of women in these roles (66%). We also made some additional pay increases to move some Grade 1-4 employees to or towards target salary, our minimum pay guarantee to employees after three years in role.

Combined BBC Studios 2018



Legacy BBC Studios Limited 2018



Legacy BBC Worldwide Limited 2018



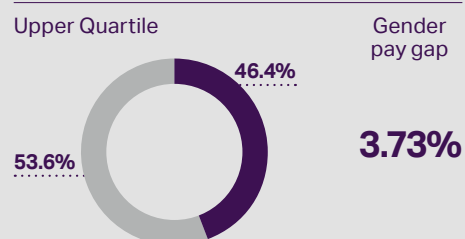
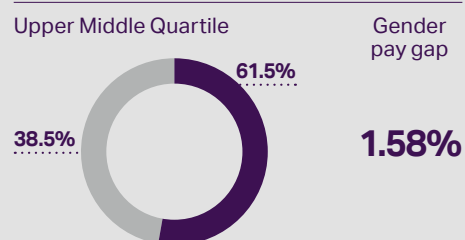
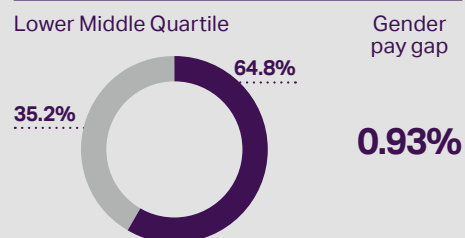
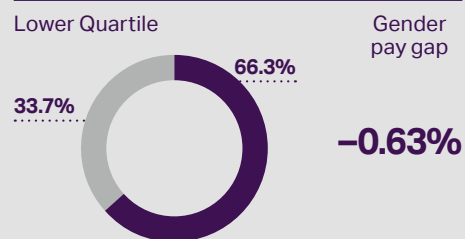
Legacy BBC Worldwide Limited 2017



Gender profile and median pay gap by quartile

If we lined up everyone working at BBC Studios from the lowest paid to the highest and then divided them into four equally-sized groups, those groups would be our pay quartiles.

The charts below show the BBC Studios gender profile and median gender pay gap by quartile.



● Female %
● Male %

² Source: Office for National Statistics – April 2017 data, published October 2017

³ This is because the legislation requires public sector organisations, such as BBC Public Service, to use data as at 31 March, and commercial organisations, such as BBC Worldwide Limited and BBC Studios Limited, to use data as at 5 April

OUR PERFORMANCE

.....

The gender bonus gap at BBC Studios

As part of the legislation, we are required to provide details of bonus payments made in the year to 5 April 2018. The median gender bonus gap for BBC Studios combined is **38.3%**. As well as bonus scheme payments, the data also reflects Celebrating Success vouchers, awarded for exceptional efforts and achievements throughout the year, and payments under our long service awards scheme.

All bonus schemes, targets, and payments are approved by the BBC's Remuneration Committee.

Legacy BBC Studios Limited introduced a discretionary bonus scheme with participation limited to a small group of senior employees in April 2017. No payments were made for this scheme in the year to 5 April 2018. The first round of payments were due in summer 2018.

There are a small number of employees eligible to participate in a production bonus scheme, which is contingent on the creation or delivery of intellectual property, titles or business. A small number of payments were made through this scheme in the year to 5 April 2018.

The mean gap is high at 56.1% because the mean is influenced by a small number of outliers – which is exacerbated by the small sample (i.e. less than 10% of men or women received a payment). Additionally, the vast majority of payments made (83% of recipients)

were Celebrating Success vouchers, rather than bonus scheme payments. The median is 0% as the middle payment to a man was exactly the same amount as the middle payment to a woman.

Legacy BBC Worldwide Limited operates a company and sales bonus scheme that is contingent on achievement of financial targets with no discretionary elements. All BBC Worldwide Limited employees were eligible to participate in a scheme in 2016/2017, which paid out in July 2017. The bonus schemes operate on a percentage of salary basis within pay grades and therefore apply equally to men and women within the same pay grades.

The gender bonus gaps are significantly larger than the gender pay gap reflecting a higher percentage of men in more senior roles who therefore receive both a higher bonus percentage and that bonus percentage is applied to higher base pay figures. The higher percentage bonus for senior managers is in line with market practice and takes into account the fact there is a greater 'pay at risk' element for those in senior roles.

Both the median and mean gaps have increased since 2017 predominately due to the structural changes resulting in a reduction in headcount of over 10% (outlined on page 2).

Following a review of the use of bonus schemes, a decision was made to remove the use of bonus schemes in roles at grades 1-4 with effect from 1 April 2018. Employees in these roles effectively had a proportion of their earnings 'at risk' and dependent on company performance, but had limited direct control or influence on company performance. To replace the use of bonuses in these roles, a proportion of target bonus earnings was incorporated into base salary. Just over 530 roles in the UK (which have an over-representation of women) were bought out of bonuses in this way. This will not impact the gender bonus gap until 2020, as in 2019 our figures will include the final bonus payments made to these employees in July 2018.

Of those employed by BBC Worldwide Limited at the 5 April 2018 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 2017 but were no longer employed by 5 April 2018 were excluded
- Employees who joined after 9 January 2017 were not eligible for a payment in July 2017
- Employees who joined part way through the 2016/17 financial year were only eligible for a pro-rata payment.

Gender Bonus Pay Gap 2018	Median	Mean	Proportion receiving a bonus	
			Men	Women
Legacy BBC Studios Limited	0.0%	56.1%	6.9%	9.9%
Legacy BBC Worldwide Limited	32.5%	42.8%	81.2%	74.2%
BBC Studios Combined	38.3%	47.5%	41.9%	34.8%

Gender Bonus Pay Gap 2017	Median	Mean	Proportion receiving a bonus	
			Men	Women
Legacy BBC Worldwide Limited	21.7%	33.9%	81.5%	74.7%

DIVERSITY AT BBC STUDIOS
.....

Our commitment to building a truly inclusive company

We are committed to an open, inclusive workplace culture and creating equal opportunities for all. We have identified the under-representation of women in senior leadership roles as a key contributor to the gender pay gap. While we have achieved 50% female representation in management roles, we have some way to go to achieve equal representation in senior leadership roles.

Ensuring we offer fair and equal pay to all employees without exception is important. The Equal Pay Audits in 2017 found there was no systemic equal pay discrimination. We recognise, however, the audits cannot address every single

case. While there appears to be a non-gender related reason for pay differentials (for example knowledge, experience, length of service, performance and market demands), we need to monitor this continually to ensure pay decisions are fair and gender neutral. In the next twelve months, as part of our wider pay strategy, we will continue to focus on ensuring we are paying appropriate market rates.

Following a series of employee workshops, we have developed a wide range of initiatives as part of a wider pan-BBC plan to support an open and inclusive culture as outlined below.

We believe these initiatives are all important in ensuring our culture, processes and behaviours all support increased diversity and inclusion. However, we also recognise that, whether individually or cumulatively, they are not sufficient on their own to underpin the transformation we are looking to make within our organisation. We will therefore continue to work on further proposals and actions, listening both to our employees and to those with expertise in the field, to ensure that we are doing all we can to effect change in this area.

SUPPORT:

- We have enhanced our shared parental leave policy to up to 18 weeks of leave at full pay per child, and paternity leave to 2 weeks full pay
- We are updating maternity leave packs, including links to information, benefits and training with a focus on a returners' plan for managers to support individuals back to work
- We have launched an online mentoring platform 'Mentorloop' that provides a network of support and coaching, including targeted programmes to support both returning and working parents
- We are promoting flexible working and updating our 'working flexibly' guidelines to roll out company-wide
- We are developing a pan-BBC job share register to encourage part-time and job share options across the company

DEVELOP:

- We are focused on developing our internal talent to provide senior level opportunities, including to under-represented groups
- We have achieved a 50:50 male to female composition on our talent development programmes for future leaders. That means we have an equal number of male and female colleagues as an internal pipeline to fill leadership vacancies
- We have been delivering 'Confidence and Impact for Women' training for the last 12 months and will continue to do this
- We have 'Impact for Men' training in development that will be rolled out later this year and aims to help male colleagues understand the impact their style and approach can have on female colleagues
- As part of our talent development programmes, we will provide executive coaching for female maternity, adoption or shared parental leave returners
- We have made unconscious bias training mandatory for all senior managers with 88% having already completed this. We have also made it available to all employees
- We have made mixed gender shortlist and interview panels for senior leadership roles compulsory

LEAD:

- We are improving access to our senior leaders via informal open dialogue 'lunch and learn' sessions, which employees can listen to and ask questions about their career development and progression to inspire the next generation
- We have put reverse mentoring in place for senior leaders via the Next Generation Board
- We produce and monitor an HR data dashboard on diversity statistics for every division
- We have launched 'In Conversation' series focusing on debating the issues for women via external speakers and internal workshops
- The HR team runs regular coaching/training sessions with managers to support delivery of all these issues

LEGISLATIVE REQUIREMENTS

.....

BBC Studios statutory disclosures

The table below details the information we are required by statute to disclose for BBC Studios Limited and BBC Worldwide Limited. The data is based on hourly rates of pay as at the snapshot date of 5 April 2018 and bonus payments paid in the year prior to 5 April 2018 to all relevant employees, including the technology team that transferred to BBC Public Service on 1 April 2018.

Company	Median Gender Pay Gap	Mean Gender Pay Gap	Median Bonus Pay Gap	Mean Bonus Pay Gap	% of men receiving a bonus	% of women receiving a bonus
					Male	Female
BBC Studios Limited	10.0%	15.4%	0.0%	56.1%	6.9%	9.9%
BBC Worldwide Limited	17.2%	20.8%	32.5%	42.8%	81.2%	74.2%

Company	Lowest Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile	
	Male	Female	Male	Female	Male	Female	Male	Female
BBC Studios Limited	34.2%	65.8%	30.3%	69.7%	32.6%	67.4%	48.1%	51.9%
BBC Worldwide Limited	34.8%	65.2%	44.4%	55.6%	44.7%	55.3%	58.7%	41.3%

Voluntary disclosures

We are committed to an open, inclusive workplace culture and creating equal opportunities for all. Our combined pay gaps for Black, Asian, and Minority Ethnic (BAME), disabled and part-time (versus full-time) colleagues are smaller than those for gender. However, like the gender gap, these gaps reflect the structural issue of having an under-representation at senior levels and over-representation at junior levels, which we are taking steps as a business to address in a number of ways.

BAME Pay Gap:		Median	Mean
BBC Studios Combined		8.5%	10.9%
Disability Pay Gap:			
BBC Studios Combined		10.2%	12.4%
Part Time v Full Time Pay Gap:			
BBC Studios Combined		5.3%	5.3%

Declaration:

I confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017



Tim Davie, CEO

INDEPENDENT ASSURANCE STATEMENT
TO BBC STUDIOS MANAGEMENT

.....

EY 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 both BBC Worldwide Limited and BBC Studios Limited ("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. 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 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 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 Limited and BBC Studios Limited 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 for both BBC Worldwide Limited and BBC Studios Limited:

- 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.

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.

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

In addition to this work, we have provided assurance services over the BBC's 2018 Public Broadcasting Services' gender pay gap report.

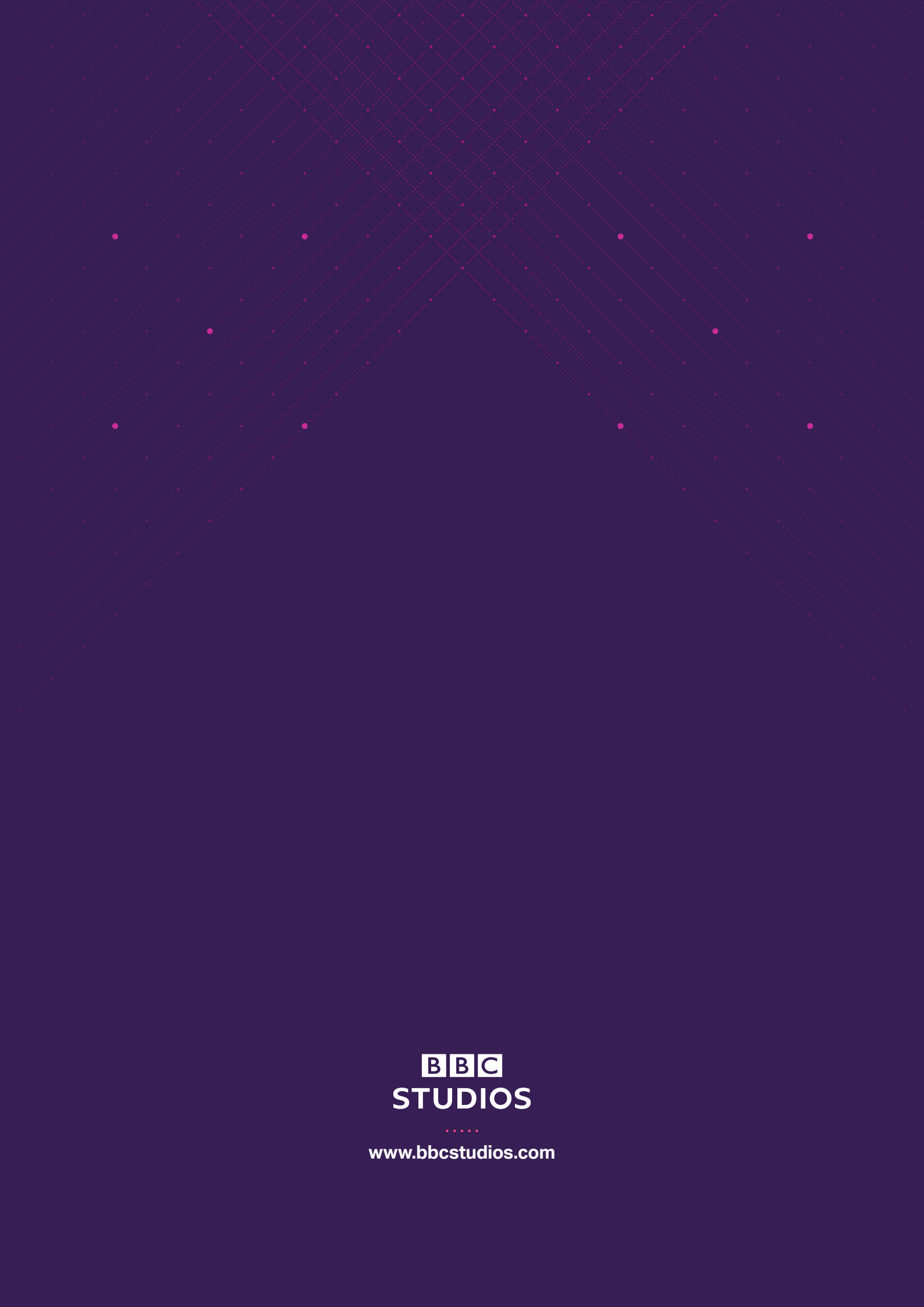
We have implemented measures to ensure that we are in compliance with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1.

Ernst & Young LLP, London
28 September 2018

"The report shows there is still work for us to do in making sure our company has the right distribution of men and women at all levels. We are actively taking steps to address this, and I am determined that the newly-created BBC Studios will make this a true priority throughout our entire company."

Tim Davie
CEO, BBC Studios





BBC
STUDIOS



www.bbcstudios.com