

**Narrative report summary – reporting
year 2023/24**

British Council Gender Pay Gap Report

March 2025

1 Introduction

This is the narrative report summary to accompany the British Council 2023/24¹ gender pay gap report numbers for Great Britain.

The pay gaps for the 2023/24 reporting period are based on a snapshot of data from 31 March 2024 and any other analysis pertaining to processes such as recruitment, promotion and employee turnover rates is from the reporting period 1 April 2023 to 31 March 2024. As with previous narrative reports, British Council has chosen to disclose its ethnicity pay gap numbers (there is no legal requirement to report our ethnicity pay gap) however the focus of the narrative in this report is on the gender pay gap.

2 Executive summary

Gender pay gaps have **improved year-on-year** for the last three years.

- **Median Gender Pay Gap reduced to 16.8 per cent (from 22.3 per cent in 2022)**
- **Average Gender Pay Gap reduced to 13.2 per cent (from 15.6 per cent in 2022)**

This has been driven by a continual **year-on-year increase in proportion of women in higher graded roles** (e.g. 48.5 per cent of employees in top quartile of pay are women (46.9 per cent 2023, 44 per cent 2022))

- Gender pay gaps are a measurement of the difference in pay between the average and median paid man, compared to the average and median paid woman.
- The positive news is the gender pay gaps are improving, however they still exist. The reason is due to:
 - Proportionally more women in lower graded roles (Grade 8 and below is 64 per cent women)

¹ While we consistently met our statutory obligations by publishing mandatory gender pay gap data, internal resourcing challenges prevented us from producing supplementary narrative reports for 2021/22 and 2022/23. We recognise their importance in contextualising our data and will publish these voluntary narratives in the coming months, reaffirming our commitment to transparency and maintaining an inclusive workplace.

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- A broadly even split of men and women in more senior roles (48 per cent of SMP and above are women).
 - This distribution pushes median and average female pay down in comparison to those of men – causing the pay gaps overall.
 - **Equal Pay:** Another way of looking at pay between men and women is by grade, which better illustrates any pay differences by gender at the same grade:
 - The pay gaps at the British Council between men and women at each grade are broadly between +/- 1 per cent (except for Grade LMFG with c.3 per cent median pay gap).
 - There is effectively zero pay gap at Grades 6 and 7.
 - Viewing on an equal pay basis further demonstrates the British Council's gender pay gap is driven by distribution of women by grade and shows for work of equal value women are paid on average the same as their male colleague peers.
 - Since pay gap reporting started, much of our action to tackle the underlying causes has focussed on increasing the representation of women in senior management roles.
 - The British Council has made progress here and benchmarks well compared with close comparators (e.g. 50.7 per cent of all colleagues paid above the median salary are female, compared to 47.5 per cent at FCDO (2024))
 - However, when benchmarking against close comparators we have a larger pay gap than many of them. This is due to a higher proportion of female colleagues in the lower graded roles than our comparators, e.g. FCDO has just under 50 per cent females paid below the median salary (2024) ¹ compared to 65.5 per cent at British Council (2024).
 - We will continue with our efforts to ensure women have a proportional representation at senior levels which should narrow our pay gaps further, however we do recognise it will be difficult to eliminate our pay gap entirely given the high proportion of females in junior roles.
 - The average bonus gap has stayed broadly unchanged since last year, however the median bonus gap has increased to 15 per cent (from 4.5 per cent in 2023) – the median bonus gap can fluctuate significantly due to the British Council's fixed bonus payment structure.
 - We continue to monitor our ethnicity pay and bonus gaps and these exist for similar reasons to the gender pay gaps, however our analysis is hindered by nearly 33 per cent of colleagues not disclosing their ethnicity.

3 The main pay gap metrics

3.1 Gender

Measure	21/22	22/23	23/24
Average pay gap	15.6%	15.1%	13.2%
Median pay gap	22.3%	20.7%	16.8%
Average bonus gap	12.2%	11.6%	11.7%
Median bonus gap	5.5%	4.5%	15%
% of men who received a bonus	91.8%	84.8%	84.1%
% of women who received a bonus	90%	80.3%	75.7%
% of women in upper quartile of earners	44%	46.9%	48.5%
% of women in upper middle quartile of earners	52%	51.9%	52.9%
% of women in lower middle quartile of earners	58.3%	62.3%	65.4%
% of women in lower quartile of earners	72.2%	68.8%	65.6%
% of women in the upper pay half ²	48%	49.4%	50.7%
% of women in the lower pay half ³	65.3%	65.6%	65.5%
% of women overall	56.7%	57.6%	58.1%

Table 1: British Council gender pay gap metrics 21/22 to 23/24 reporting years

3.2 Ethnicity

Measure	21/22	22/23	23/24
Average pay gap	12.4%	14.6%	16.9%
Median pay gap	13.6%	17.5%	20%
Average bonus gap	13.5%	17.6%	22.2%
Median bonus gap	26.4%	26.4%	20.5%
% of white colleagues who received a bonus	96.8%	90.4%	92.4%
% of minority ethnic colleagues who received a bonus	92.5%	84.2%	80%
% of minority ethnic colleagues in upper quartile of earners	8.9%	8.2%	8.8%
% of minority ethnic colleagues in upper middle quartile of earners	15.1%	16.0%	16.9%
% of minority ethnic colleagues in lower middle quartile of earners	17.3%	18.8%	19.1%
% of minority ethnic colleagues in lower quartile of earners	17.3%	20.4%	19.8%
% of minority ethnic colleagues in the upper pay half	12.0%	12.1%	12.9%

² The upper pay half combines the upper and upper middle quartiles and shows the proportion of women in the top 50 per cent of earners.

³ The lower pay half combines the lower and lower middle quartiles and shows the proportion of women in the bottom 50 per cent of earners.

Measure	21/22	22/23	23/24
% of minority ethnic colleagues in the lower pay half	17.3%	19.6%	19.4%
% of minority ethnic colleagues overall	14.6%	15.9%	16.2%
% of not known colleagues overall ⁴	24.3%	26.6%	32.6%

Table 2: British Council ethnicity pay gap metrics 21/22 to 23/24 reporting years

4 Gender Pay report narrative summary

4.1 What are the gender pay gaps caused by?

- Currently the work force is 58.1 per cent female
- 50.7 per cent of colleagues paid above the median salary (the 'upper pay half') are female
- 65.5 per cent of colleagues paid below the median (the 'lower pay half') are female
- The high proportion of women (65.5 per cent) in the lower pay half (broadly PB8 and below) pushes the median pay of women down in comparison to men.
- Overall, the higher proportion of women working in lower grade roles is the main cause of the gender pay gaps at the British Council.
- However, women and men are predominantly paid on average the same pay at the same grade (see section 6.1.1)

Pay Halves Gender Breakdown 2024

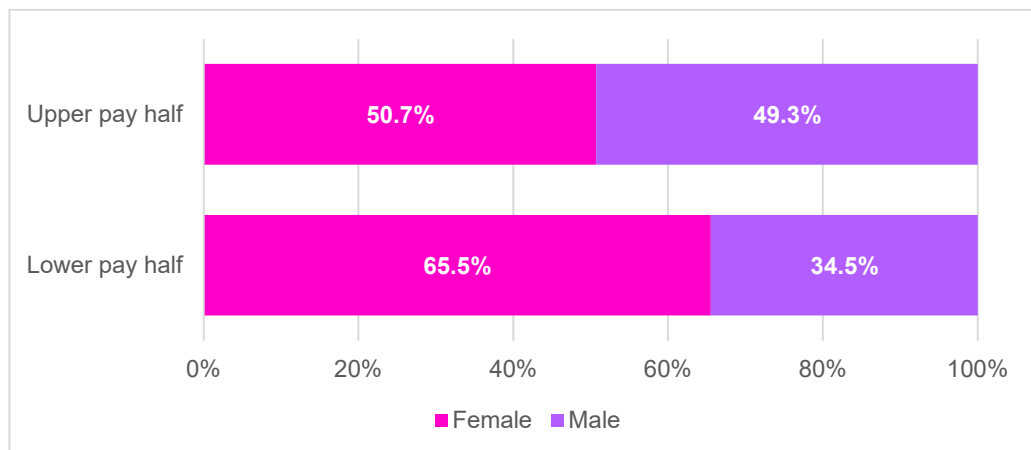


Figure 1: British Council 'pay half' breakdown by gender as of 31 March 2024

⁴ While some colleagues make a deliberate choice to not disclose their ethnicity, the vast majority of 'not knows' are where a colleague has not provided any ethnicity data at all (i.e. the record is blank)

Gender breakdown by grade

- We can see from the gender breakdown by grade that there are much higher proportions than men in grade 8 and below – overall these grades are 64 per cent female.
- SMP and above is 48 per cent female
- The median salary is towards the top end of grade 8, so we can see that broadly speaking grade 8 and below equates to the lower pay half and SMP and above the upper pay half.

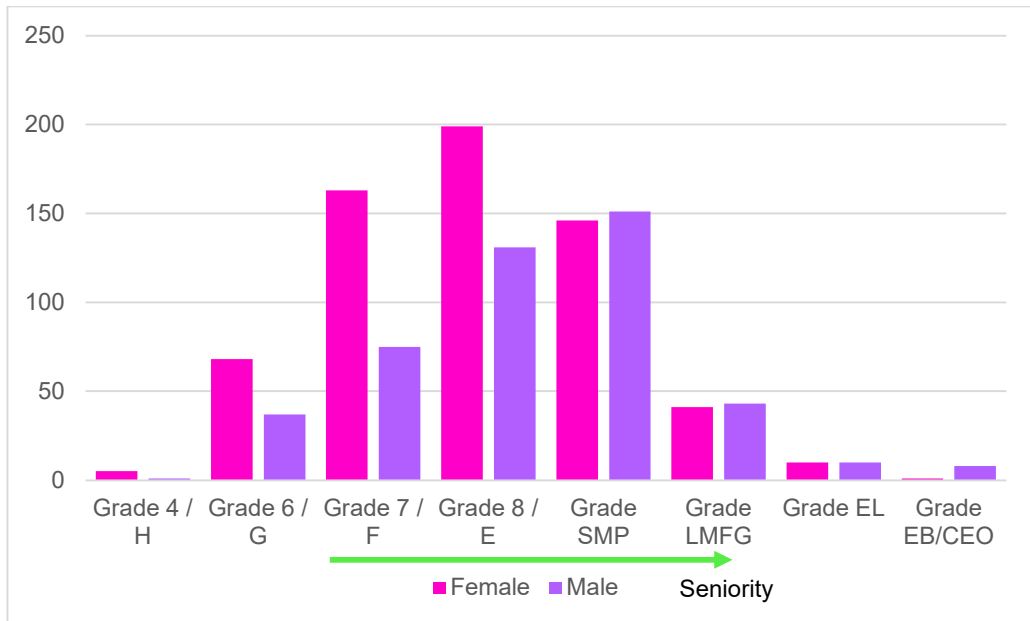


Figure 2: British Council gender breakdown by grade (headcount) as of 31 March 2024

4.2 What are the gender bonus gaps caused by?

- British Council has a fixed cash amount bonus structure which is differentiated by both grade (higher grades receive higher amounts) and performance (high performance ratings receive higher amounts).
- As bonuses are differentiated by grade the general cause of both the average and median gender bonus gaps is similar to the gender pay gaps where the proportion of women in lower graded roles which receive lower cash bonus amounts is much higher than men (64 per cent female in grade 8 and below) and this pushes the female average and median bonus down in comparison to the male average and median bonus.
- The average gender bonus gap is lower than the average gender pay gap for a few reasons:

- bonuses are fixed based on a percentage of the pay range minimum rather than salary (this narrows the range between the top and bottom bonus values)
 - the percentage of pay range minimum is higher for lower grades than higher grades (i.e. the bonus structure is weighted towards lower grades)
 - taken together these factors mean that bonuses are bunched closer together compared to salaries
 - proportionally female colleagues received higher ratings than men
 - taking all of these factors together would push the average female bonus upwards compared to the average male bonus and hence we ended up with a narrower average bonus gap than pay gap.
- The median bonus gap can fluctuate significantly due to the fixed cash payment bonus structure. Small changes in the distribution of bonuses can shift the median bonus for either gender up or down one bonus level. Given the average difference between successive bonus levels is around 13 per cent, this can lead to significant changes in the median bonus gap if the median bonus for a specific gender does go up or down a level. For this reason, British Council tend to focus on the average bonus gap as a truer measure of the genuine gap.

4.3 Gender demographic changes (2023-2024)

- To understand why gender pay gaps might go up or down it is important to understand what might have changed to the gender demographics at different levels – we do this by examining the male and female recruitment, promotion and exit rates⁵ at different levels.
- By examining these rates, we can see whether this would change the gender proportions at different levels which in turn may impact on the overall pay gap.

	WOMEN	MEN
Recruitment Overall	23% increase	13% increase
SMP+ Recruitment	8% increase	3% increase
LMFG+ Recruitment	6% increase	2% increase
PB8 and below Recruitment	29% increase	22% increase
Promotions Overall	7% increase	5% increase
SMP+ Promotions	7% increase	3% increase
LMFG+ Promotions	17% increase	5% increase
PB8 and below Promotions	7% increase	6% increase
Exits Overall	13% decrease	9% decrease

⁵ Number of new hires (Recruitment) / promotions / exits within the 12 months to 31 March 2024, compared to the headcount as of 31 March 2023.

SMP+ Exits	4% decrease	5% decrease
LMFG+ Exits	4% decrease	2% decrease
PB8 and below Exits	16% decrease	12% decrease

Table 3: Recruitment, Promotion and Exit rates by gender 23/24

- **Recruitment:**

- Overall, women are recruited into the organisation at higher rates than men which would push the overall proportion of women up.
- For SMP+ (broadly equivalent to the upper pay half) we saw an 8 per cent recruitment rate for women compared to 3 per cent for men, which would have pushed the proportion of women at this level upwards.
- For grade 8 and below (broadly equivalent to the lower pay half) we saw a 29 per cent recruitment rate for women compared to 22 per cent for men which would have pushed the proportion of women up at this level also.

- **Promotions:**

- Overall, there was only a 6 per cent promotion rate so there weren't a significant number of promotions in 2023/24.
- Women had a promotion rate of 7 per cent into grades at SMP and above compared to 3 per cent for men, which would have pushed the proportion of women up at these levels marginally.

- **Exits:**

- The exit rate for women in the SMP and above grades was 4 per cent compared to 5 per cent for men which would not have changed the proportion of women at this level significantly.
- The exit rate for women in grade 8 and below grades was 16 per cent compared to 12 per cent for men, which would have lowered the proportion of women at this level.

- **Overall:**

- The higher promotion and recruitment rates for women into SMP and above grades alongside a low exit rate would have pushed the proportion of women in SMP and above roles upwards.
- In grades 8 and below, we observed higher recruitment and promotion rates for women. However, this was counterbalanced by higher exit rates among women, resulting in minimal change in their overall proportion at these levels.

4.4 Ethnicity pay and bonus gaps

- Like gender pay gaps, ethnicity pay gaps exist because there are proportionally more minority ethnic colleagues in lower-paying roles and fewer in higher-paying roles.
- When measuring ethnicity pay gaps it is important to note the impact of those colleagues who have not provided us with their ethnicity details because we only measure the pay gaps between white and minority ethnic colleagues and not the 'not knowns'.
- Over the last three years, British Council has seen a steady increase in the overall proportion of 'not knowns' and it increased from 26.6 per cent in March 2023 to 32.6 per cent in March 2024. The reason this increase is relevant is its impact on the proportion of white and minority ethnic colleagues in the lower and upper pay halves.
- The proportion of minority ethnic colleagues in both the upper and lower pay halves did not change significantly between 2023 and 2024 – there was an increase in the proportion of minority ethnic colleagues in the upper pay half from 12.1 per cent to 12.9 per cent and a very small decrease in the proportion of minority ethnic colleagues in the lower pay half.
- With such a change you would expect both the median and average minority ethnic average and median salaries to go up and this leading to a narrowing of the pay gap, however both the average and median pay gaps increased.
- The reason for the gaps going up was not due to any changes in the proportion of minority ethnic colleagues in the upper and lower pay halves, it more related to the proportion of not knowns in the lower pay half increasing quite significantly (from 28.9 per cent to 38.9 per cent) and the proportion of white colleagues coming down by a similar amount (from 51.4 per cent to 41.7 per cent).
- The net effect of this would have been to push the white average and median salaries up (because there are proportionally fewer white colleagues in the lower pay half) much more than the gains made by the smaller changes to the proportion of minority ethnic colleagues in the lower and upper pay halves and hence the pay gaps grew.
- The same reason also applies to the average ethnicity bonus gap growing.
- It is this significant increase in the proportion of not knowns, particularly in the lower pay half, which conversely lowers the proportion of white colleagues in the lower pay half that is causing the pay gaps to grow.
- We can't really form any strong conclusions on what this means because we don't know the ethnicity of the 'not knowns' – if they were mostly white this would narrow the pay gaps considerably, if they were mostly minority ethnic the pay gaps would grow further.

5 Pay gap action planning considerations

- The gender pay and bonus gaps are largely caused by the significantly higher proportion of women in the lower pay half which is roughly equivalent to grades 8 and below.
- While our efforts to increase the representation of women in the upper half have led to our pay gaps decreasing, these gains are offset by the fact we have such a high proportion of women in the lower pay half in comparison to men.
- We will continue with our efforts to ensure women have a proportional representation at senior levels of the organisation and we will also explore implementing any other additional measures recommended by the UK government in their *closing your gender pay gap guidance* (<https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/closing-your-gender-pay-gap>).
- These measures collectively may reduce our pay gap further, but it is unlikely we will eliminate the pay gaps entirely given the high proportion of women in our pay band 8 and below roles which is largely caused by much higher applicant and recruitment rates for women than men at these levels.
- On ethnicity we have to make a push to get colleagues to provide us with their ethnicity details with a particular focus on recent recruits (65 per cent of colleagues with less than 2 years' service have not provided us with their ethnicity details) so that we can conduct more meaningful ethnicity pay gap analysis.

6 Appendix

6.1 Equal pay audit numbers 23/24

- Equal pay is a different metric to gender pay gaps. Equal pay measures whether different equality groups are paid differently for doing work of equal value. It is tested by measuring the pay gaps within a pay grade rather than across the organisation.
- We have included our 2023/2024 equal pay audit analysis for both gender and ethnicity in this report. To show equal pay we should have pay gaps of less than five percent at each grade⁶. Negative numbers indicate the pay metric is in favour of women.
- Where gaps are more than 5 percent, we have conducted supplementary analysis to further understand the reasons for the gaps and to determine whether any further action is necessary.
- In grade EL we have a larger gender equal pay gap in favour of women, this is due to a combination of this being quite a small sample size where the addition of a male or female to this group can shift the average and median pay gaps significantly and the average length of time at this grade level is higher for women than men by over a year (so on average they will have received an extra pay award).
- As with ethnicity pay gap reporting in general, we are somewhat hindered in our equal pay gap analysis because the non-disclosure rates are so high and hence the actual samples being compared per grade are quite small (this is particularly an issue in lower grades where ‘not known’ is often the biggest ‘ethnicity’ grouping)

6.1.1 Equal Pay - Gender

Year	Pay gap	Grade 4 / H	Grade 6 / G	Grade 7 / F	Grade 8 / E	Grade SMP	Grade LMFG	Grade EL	Grade EB / CEO
2023	Average	sample too small	3.8%	2.1%	0.8%	0.1%	3.8%	-3.9%	sample too small
	Median	sample too small	5.3%	1.1%	0.2%	-2.2%	2.5%	-12.8%	sample too small
2024	Average	sample too small	-0.1%	-0.1%	0.4%	1.2%	2.7%	-5.4%	sample too small
	Median	sample too small	0.0%	0.0%	0.6%	-0.2%	3.3%	-15.8%	sample too small

Table 4: British Council Gender Equal Pay Gap metrics (March 2023 and March 2024)

⁶ For data confidentiality and statistical relevance reasons we only report the equal pay gap if there are at least four people from an equality group at that level.

6.1.2 Equal Pay - Ethnicity

Year	Pay gap	Grade 4 / H	Grade 6 / G	Grade 7 / F	Grade 8 / E	Grade SMP	Grade LMFG	Grade EL	Grade EB / CEO
2023	Average	sample too small	-4.5%	-3.9%	-2.2%	1.0%	4.3%	sample too small	sample too small
	Median	sample too small	-7.6%	-3.6%	-4.6%	3.2%	6.8%	sample too small	sample too small
2024	Average	sample too small	-3.1%	-3.0%	-2.1%	0.9%	sample too small	sample too small	sample too small
	Median	sample too small	-12.4%	-5.0%	-3.6%	4.3%	sample too small	sample too small	sample too small

Table 5: British Council Ethnicity Equal Pay Gap metrics (March 2023 and March 2024)