

Ofcom Pay Gap report 2023/24.

Report

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Overview

Our One Ofcom vision is to build a stronger, more inclusive organisation, where everyone's skills and contributions are valued and respected, and where people of all backgrounds can succeed in their careers. Through our Diversity and Inclusion (D&I) strategy, we are on track to meet the challenging workforce targets we set ourselves when we launched the strategy in 2021. An important part of this work is ensuring colleagues are paid and rewarded fairly.

As a public sector organisation, Ofcom reports its gender pay gap information under regulations that came into force in April 2017. In addition to this, for a number of years we have consistently gone over and above our legal obligations and published our ethnicity and disability gaps. In 2024, our median gender, race and disability pay gaps have continued to narrow.

While we are pleased to see pay gaps continuing to grow smaller, we know there's more work to be done. Over the coming year, we will continue to build on the work already started to enhance our culture. This includes a new, inclusive recruitment process, our early careers outreach programme aimed at driving diversity, social inclusion, and future focused capability, and a continued focus on career progression.

Our new pay framework, which goes live in 2025, introduces a new pay policy underpinned by clear pay principles aligned with our D&I objectives. The combination of our D&I strategy and new pay framework will help us continue to reduce our pay gaps in a sustainable and consistent manner.

Jessica Hill

People & Culture Director



Ensuring consistency in the way we pay and reward colleagues.

Since April 2017, organisations employing more than 250 employees have had a legal requirement to calculate and report their gender pay gap each year. Gender pay gaps measure the differences between the average earnings of male and female colleagues.

The gender pay gap and equal pay both deal with pay disparity at work, but they are not the same. Equal pay means that men and women performing equal work, or work of equal value, must receive equal pay. It does not take into account people's roles or seniority. An employer with an effective equal pay policy can still have a gender pay gap. For example, this can happen if female colleagues make up the majority of people in lower-paid jobs.

Our data includes all employees and pay elements, in line with government reporting requirements. Bonus pay gaps include all annual bonus payments and in-year recognition payments. Pay gap numbers fluctuate slightly year-on-year. This reflects the churn in our employee numbers as we continue to grow the organisation to take on new regulatory responsibilities.

In addition to analysing gender pay gaps, Ofcom chooses to go beyond its legal responsibilities by analysing its colleague pay and remuneration information for potential ethnicity and disability pay gaps. Ethnicity pay gaps measure differences in white and minority ethnic colleagues' pay. Disability pay compares colleagues who have a disability to those who do not.

Although we need to report our findings under the Gender Pay Gap legislation using the mean, this is not statistically as robust as the median, which is our preferred measure.

Mean and Median

Mean

The **MEAN** pay gap figure is calculated using the average hourly rate of pay (or bonus value) of all the men and all the women (or of the different categories we compare) – the pay gap is the difference between those two figures.

Median

The **MEDIAN** pay gap figure is calculated using the mid-point hourly rate of pay (or bonus value) of all the men and all the women (or of the different categories we compare), i.e. where half earn more, and half earn less – the pay gap is the difference between those two figures.

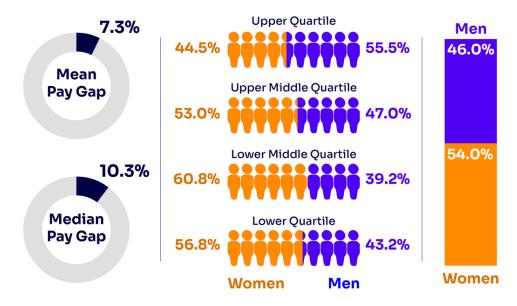
Our results

In 2021, we launched our 5 -year <u>Diversity & Inclusion Strategy</u> and, in 2023, we launched our Pay Framework project, which aims to introduce a new pay policy and job architecture underpinned by clear pay principles and aligned with our Diversity & Inclusion objectives. The combination of the D&I strategy and our pay framework will help us reduce our pay gaps in a sustainable and consistent manner.

In 2024, our median gender, race and disability pay gaps have continued to narrow. Our gender and disability bonus¹ gaps are currently nil, while our ethnicity bonus gap decreased by 4.3 percentage points since last year.

Gender pay gap

The median gender pay gap is 10.3%, which is 1.5 percentage points lower than last year. This is below the median gender pay gap for all UK organisations (13.1%) and for the public sector (13.5%) and closer to the Civil Service position (8.5%). Our mean pay gap has decreased by 4.4 percentage points to 7.3% in 2024.

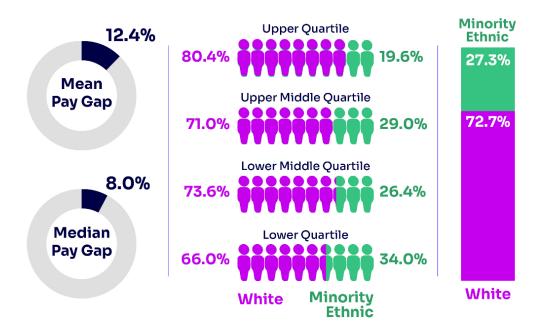


¹ The bonus figures include an annual organisation wide bonus, awarded to colleagues if Ofcom achieves its organisational priorities, and individual rewards made through our colleague recognition scheme.

Ethnicity pay gap

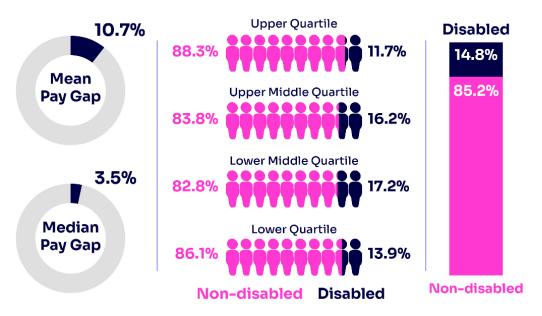
Our mean ethnicity pay gap has increased slightly by 1.1 percentage points to 12.4% in 2024, while the median ethnicity pay gap has decreased to 8.0% (compared to 9.9% last year). This reduction is driven by the ongoing shift in organisation ethnicity mix at the most senior and junior grades, with the level of ethnic minority representation at a senior level increasing.

Our ethnicity bonus gap has decreased by 4.3 percentage points to 8.3%.



Disability pay gap

The mean disability pay gap has slightly reduced by 0.2 percentage points to 10.7%. The median disability pay gap is now 3.5% and slightly lower than last year (3.8%). This is driven by slight fluctuations in our starters and leavers during the last twelve months.



Closing the gap

We are pleased with the progress made in addressing some of our pay gaps, while recognising that there is still more to do in others. By aligning our efforts on pay and reward structures with our D&I strategy, we remain committed to driving continued improvements.

We will deliver this through a combination of attention to both the retention of talented and diverse colleagues, with our best-in-class inclusive recruitment and selection practices.

We will:

- Introduce a new pay policy that follows clear evidence based principles and enhance the transparency and consistency of pay decisions;
- Improve recognition outcomes through regular D&I reporting of reward practices;
- Robust equality impact assessment processes of all people reward, pay, promotion and recruitment processes;
- A culture of continuous improvement, with genuine openness to learning;
- Engaging D&I expertise with HR policy from the very start;
- Focus on the experiences, guided by our colleague survey results of our ethnic minority, female and disabled colleagues, to provide career progression, mentoring, sponsorship and development opportunities which open access to promotion; and
- Embed our new recruitment and selection processes and policies to ensure truly inclusive recruitment.