



PAY GAP

REPORT 2022/23

Welcome



Angela Hunter

Managing Director
Group Operations and
Deputy Chief Executive

LTE Group is one of the UK's largest Further Education providers. Our provision is diverse, spanning further education, higher education, apprenticeships, online professional development and specialist prison education to help offenders successfully integrate back into their communities. Our team is also diverse – we have the great privilege of working alongside thousands of talented professionals with highly sought after vocational skills and industry experience.

Respect for the individual and inclusion for all are fundamental values that underpin everything we do across our Group. We want every colleague to feel seen and valued for who they are, and to believe that the Group can meet whatever aspirations they may have for their working lives.

Part of feeling valued comes, of course, from remuneration and reward. We are therefore pleased to confirm that our gender pay gap has reduced from last year and is below the average for our sector. We will continue to make improvements in this area, alongside other initiatives designed to make female colleagues feel that they can be successful within our Group.

One such initiative is our work in the area of menopause support. A high proportion of our female colleagues are around the age when menopause typically starts to present symptoms and, for some, difficulties in the workplace. We have focussed on raising awareness, educating colleagues about issues and resources, and most importantly creating a supportive culture where colleagues feel safe to discuss their experiences and ask for the help they need.

Under the guidance of our newly appointed Head of Organisational Development, we are also strengthening our Group approach to wellbeing, equality and diversity, personal development and colleague engagement. The cost of living crisis is a very real concern for many of our colleagues, and we want to do everything we can to limit stress in the workplace whilst providing a caring space when needed.

Our Group is at its best when our colleagues feel they can be at their best. We will continue to strive for the best possible working environment for every colleague.



Philip Johnson
Chair

It's pleasing to see further improvement in closing the gender pay gap has been achieved this year. We are committed to creating an inclusive and diverse environment for all our colleagues, creating opportunities where everyone can thrive and achieve their goals.

The LTE Group Gender Pay Gap Report 2022/23 and Action Plan not only shows a comprehensive breakdown of our legal reporting requirements, but also highlights the good work that we do. We intend to sustain any progress that we have made and take action to ensure continual improvement.



Foreword to the report

Due to the inclusion of Non-Full Pay Equivalent data previously (as defined by Government guidelines), published results in 2021 are skewed.

In preparing the data for this reporting period, we identified anomalies in the calculations used for the previous reporting period. We have corrected those previous figures and the table below reports the accurate results:

	Quoted in 2021	Restated gap
Mean Gender Pay Gap	8.3%	7.3%
Median Gender Pay Gap	8.6%	6.2%
Mean Ethnicity Pay Gap	6.1%	4.5%
Median Ethnicity Pay Gap	2.7%	3.6%

Bonus gaps for both gender and ethnicity are unaffected due to the low numbers of those receiving bonuses.



John Thornhill
CEO

Introduction to the data

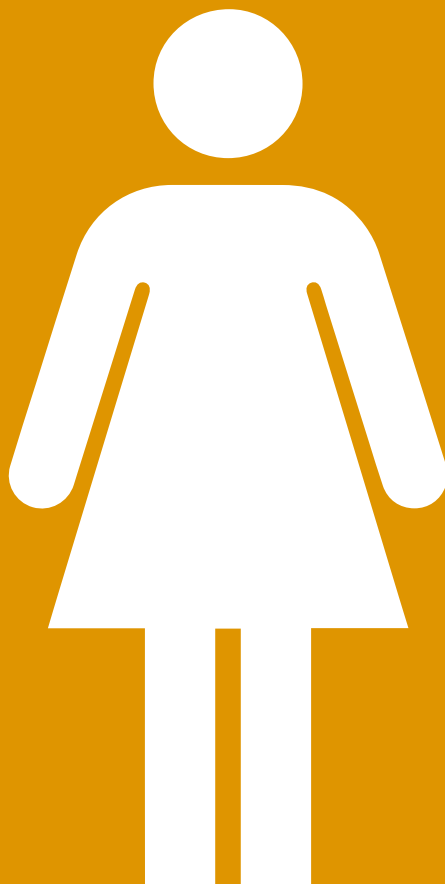
At LTE Group, female colleagues represent 64%. From all full pay relevant colleagues this is reduced to 62%. 71% of our Executive Team are female.

Additionally:

- ▶ **69%** of our new recruits in the reporting period were women.
- ▶ **66%** of internal promotions were women.

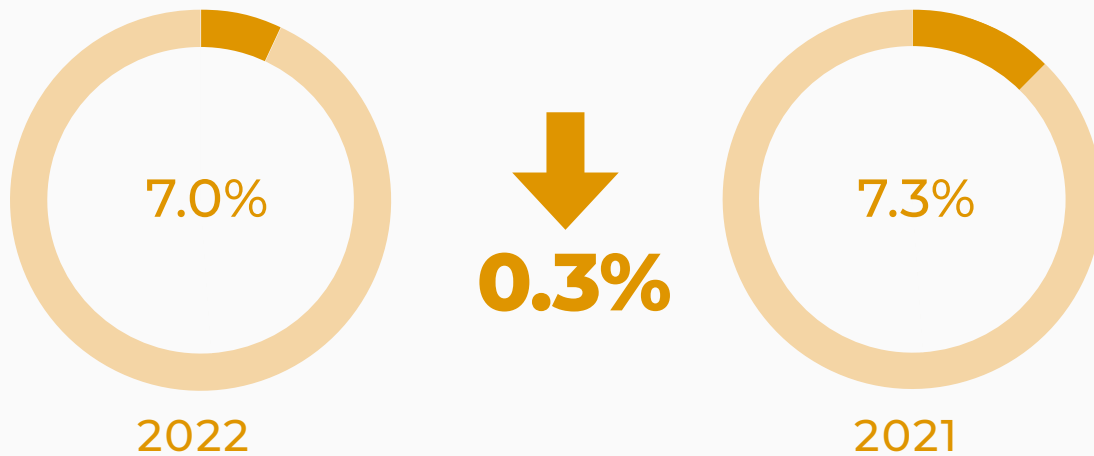
For the second year, this report also includes data on ethnicity. There is no statutory obligation for us to provide reporting in this area but we consider it an essential area of our overall commitment to Equality, Diversity and Inclusion.

LTE Group comprises a number of business units, subsidiaries, wholly owned entities and strategic partnerships. The data in this report relates only to The Manchester College, UCEN Manchester, Novus and Group Functions.



2022 figures

Our mean gender pay gap this year is **7.0%**.



- ▶ We have reduced the gender pay gap by **0.3%**.
- ▶ Our mean pay gap continues to be lower than the national **average of 13.5%***.
- ▶ We are lower than the average for educational establishments which is **16%**.
- ▶ We are also lower than the technical and vocational secondary education of **11.7%**.

Reasons for our pay gap

Due to the nature of our organisation, the main contributing factor for any gaps continues to be the demographic of our colleague population. For example:

- ▶ While all LTE Group colleagues receive at least the Real Living Wage, there are a higher number of female colleagues in lower paid roles including **catering assistants, cleaners and administrators**.
- ▶ The number of women in higher paid roles has **increased from last year** and is now closer to the grand total of **64%**. However, as an overall figure, there are still a proportionally **lower number of women in the higher paid roles**.

***Based on published data on Gov.uk for the 2021 reporting year.*

It's important to remember that the gender pay gap is not the same as equal pay. The Equality Act 2010 requires employers to give men and women equal pay if they are employed to do like for like work whereas gender pay looks at the difference between men and women's average pay across the whole reporting organisation.



Progress since our last report

Diversity and Inclusion

We have implemented a range of activities including:

- ▶ We strengthened our network of colleagues who **actively monitor EDI** across our Group. To complement our Group EDI Committee we **introduced new local committees** in each of our business units to improve both the level of focus on EDI and the quality of insight into opportunities for improvement.
- ▶ **We launched a number of high profile campaigns in support of national awareness days or specific local activities** such as the Manchester Pride Festival, International Women's Day and International Men's Day. Hosted via our intranet, our campaigns reach all business units to increase awareness, prompt conversation and inspire local action. We share inspirational stories through our internal and external communication channels to celebrate success, challenge stereotypes and demonstrate how diversity can add value to our Group.
- ▶ **Our employees' input and perspectives** are a vital element of our EDI strategy. We therefore hosted a range of focus groups to involve colleagues in what we are doing, and to invite their opinions and experiences into the process.
- ▶ We **actively promoted activities** undertaken by individual business units **across our social media channels**.



Progression of women

We are committed to developing talent through our **'Evolve'** programme, a Group-wide programme of apprenticeships. These apprenticeships provide our colleagues with training and development to support them in reaching their full potential, with relevant qualifications and opportunities to support their career aspirations and progression.

We currently have **93** colleagues **studying for new skills and qualifications** via our 'Evolve' apprenticeship scheme, **58** of which are **women**. **13** women have already completed their qualification.

Wellbeing

Our new Head of Organisational Development is also responsible for leading on the development of our wellbeing strategy. Recent initiatives include:

- ▶ **Regular central communications** covering and supporting national awareness days and wellbeing initiatives.
- ▶ **A targeted campaign to cover menopause**, including the formation of a menopause support group, menopause policy and colleague involvement with personal journey videos from various colleagues.
- ▶ Identifying requirements for a **refreshed wellbeing strategy**, in collaboration with the Group Wellbeing and Mental Health Committee to develop the strategic framework that will improve our wellbeing approach and solutions.

Recruitment

We have introduced a **direct sourcing model** to improve our candidate search and appointment practices. Our Talent Acquisition team not only assist with sourcing candidates, they also provide support and advice to reduce unconscious bias and adopt **inclusive practices** in our attraction and recruitment approach. This includes:

- ▶ **Ensuring gender inclusive practices** throughout all recruitment activities, such as ensuring our job adverts have gender neutral language, using a range of different marketing sources, and creating diverse candidate shortlists.
- ▶ Training and support for managers on how to write **inclusive job adverts**.
- ▶ Reviewing our advertising platforms and making changes that support **inclusive attraction** and recruitment practices. For example, using new job boards that enable us to target those groups who would not normally be captured using our standard advertising, such as veterans. We're also supporting **sector-based work academies** provided by the Job Centre to offer those that are not yet qualified to do so, enabling them to apply for relevant positions within the Group.





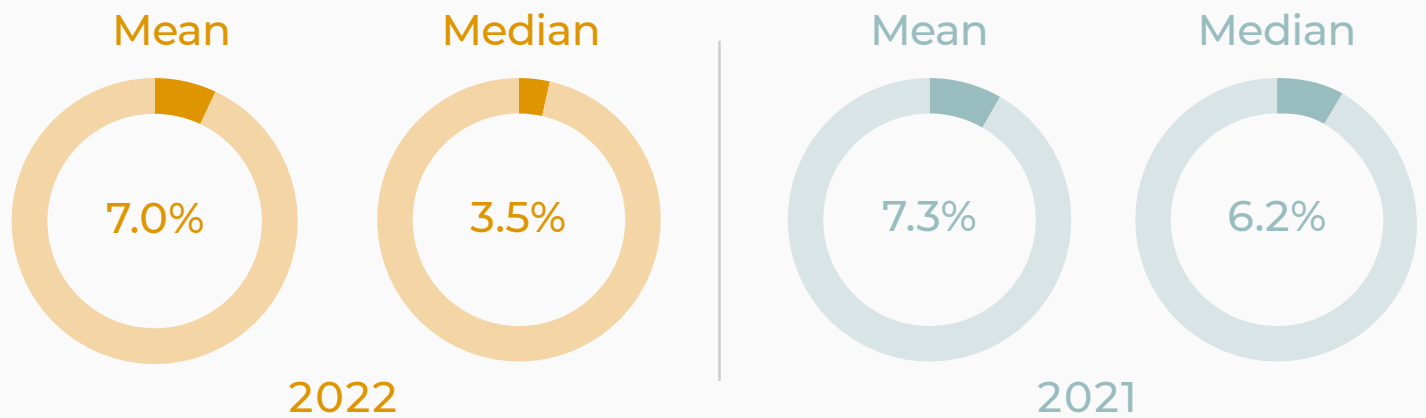
Our ongoing focus

All parts of LTE Group are fully committed to creating an inclusive, respectful and healthy environment for every colleague. **In 2023 we intend to strengthen our approach** by undertaking the following initiatives:

- ▶ The development and implementation of our **EDI and wellbeing strategies**, clarifying our core KPIs and measures, and developing the tools and resources that enable us to implement and embed these.
- ▶ The launch of a **new online learning platform** that enables us to deliver learning pathways covering a range of recruitment, EDI and wellbeing topics to deepen awareness, knowledge and skill across the business.
- ▶ **Aligning learning** to nationally recognised events and **promoting learning pathways** during quarterly campaigns, such as International Women's Day, Stress Awareness Month, Mental Health Awareness Week and National Inclusion Week.
- ▶ The launch of a **new engagement survey** platform that will enable us to host bespoke EDI and wellbeing surveys to improve our insight into what our people would like to see us focus on as a business and how we are progressing with initiatives.
- ▶ **Engaging with our people** to promote the resources and tools available to them and encouraging local action in addition to centrally co-ordinated activities.

Our statutory numbers

Gender Pay Gap



Our mean gender pay gap is 7.0%.

- ▶ **0.3% lower** than 2021 figure.
- ▶ Lower than Education sector organisations reporting in 2021 who averaged **16%**.
- ▶ Lower than organisations reporting in the Technical and Vocational Secondary Education sector in 2021 who averaged **12%**.

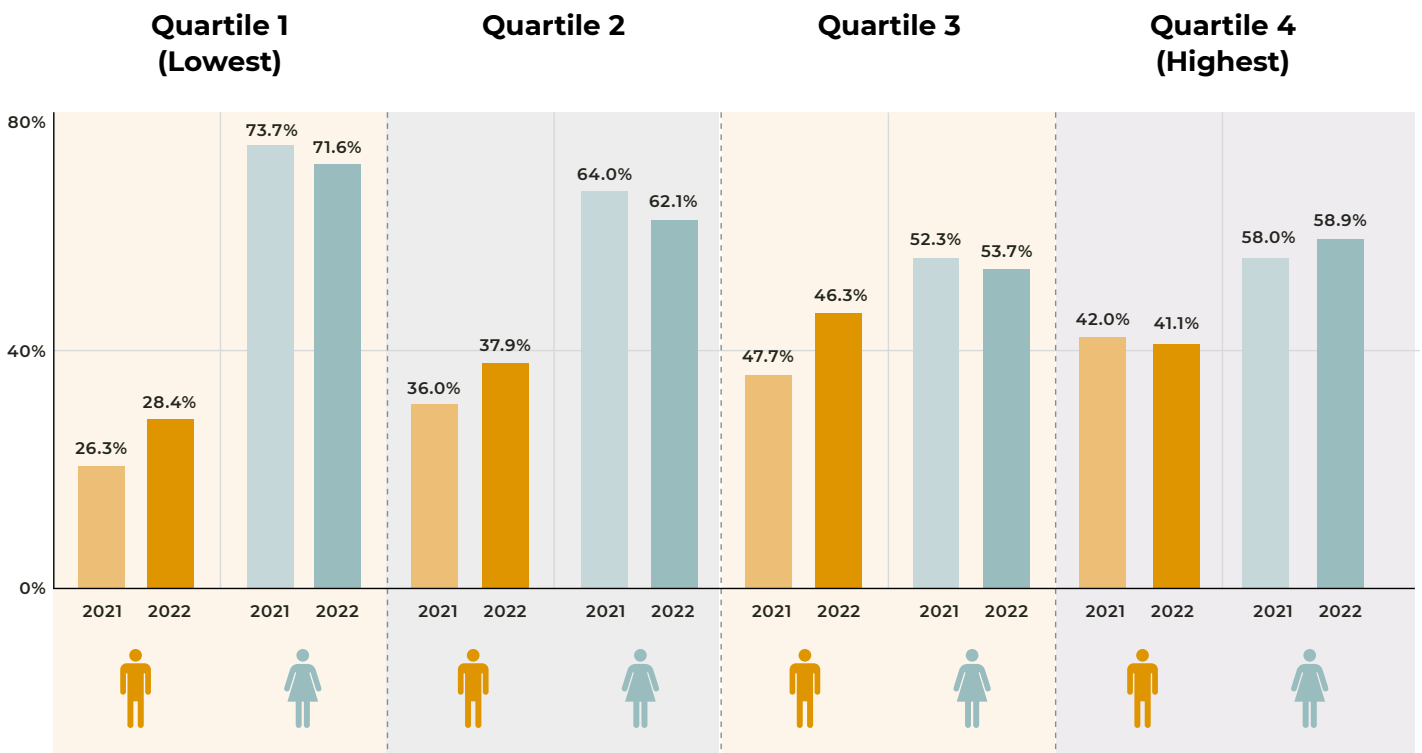
Our median gender pay gap is 3.5%.

- ▶ Our median gender pay gap is **2.7% lower** than 2021 figure.
- ▶ Lower than organisations reporting in the Education sector in 2021 who averaged **23%**.
- ▶ Lower than organisations reporting in the Technical and Vocational Secondary Education sector in 2021 who averaged **17%**.



Hourly pay quartiles

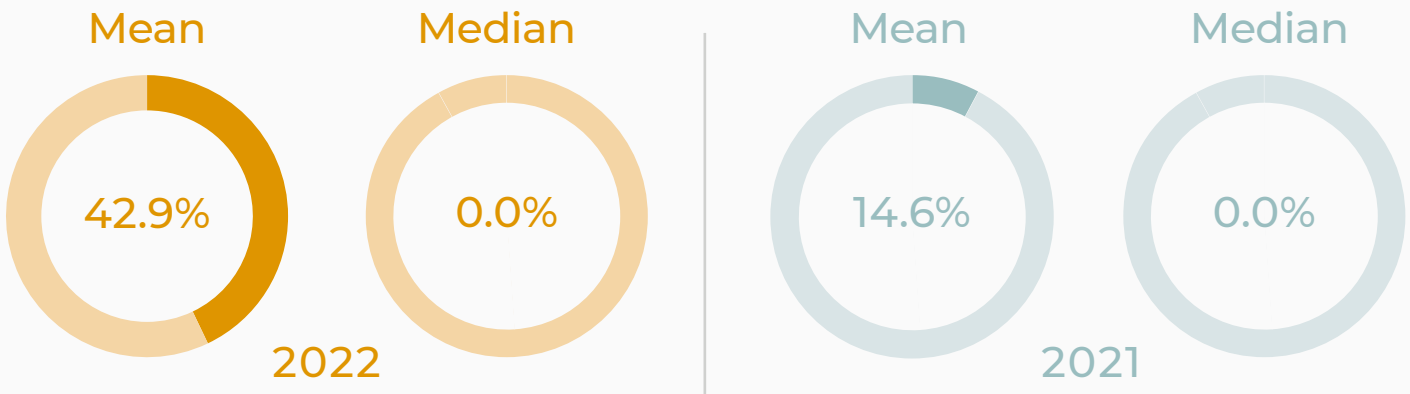
- ▶ The percentage of men and women in **each quartile varies**, compared to our overall **62%** female representation.
- ▶ In the **lower quartile**, our female representation is **higher than the overall** make-up of the organisation due to a higher female representation in roles such as admin, cleaners and catering staff.
- ▶ Every quartile has a more equal female representation than last year.
- ▶ Our average pay for each quartile has **increased** for all male and female colleagues.
- ▶ We have **no gender pay gap** within **Quartile 2**.
- ▶ We have also seen a **decrease in female representation** in **Quartile 4**, which is a contributing factor to our increased pay gap in this quartile.



Hourly pay quartiles

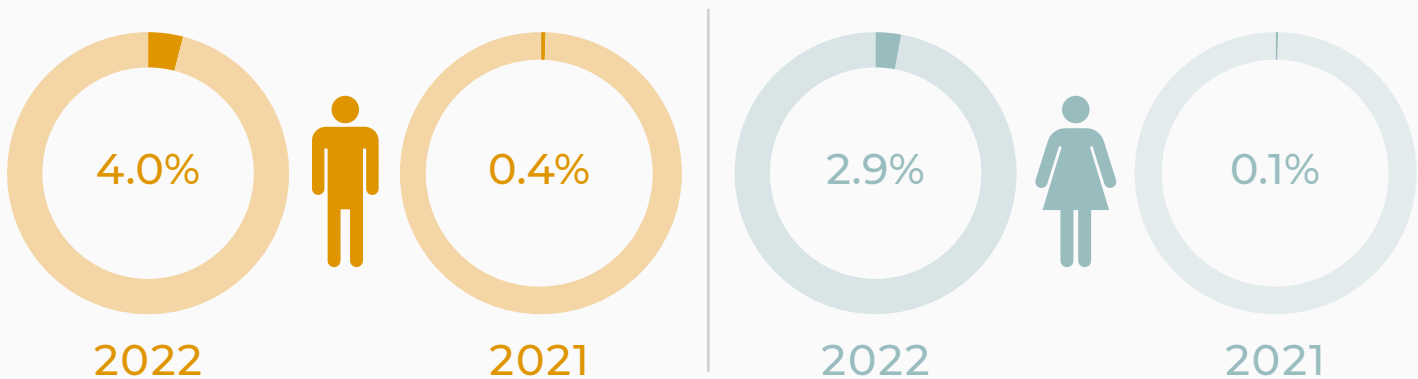
Employee Bonus Gap

- ▶ Our **mean** bonus gap has **increased by 28.3%** to 42.9%, however our **median** bonus gap **remains 0%**.
- ▶ This year we have had a considerable **increase in colleagues receiving bonuses** thanks to our introduction of the 'Spotlight Awards' which recognise the excellent work from some colleagues entitling them to an additional £100 or £250 bonus depending on the category. We have paid this out on 80 occasions.
- ▶ We have also **reintroduced bonuses** that were suspended in the reporting year that spanned the **Covid-19** pandemic.
- ▶ We have a much **larger gap** due to a higher amount of **male** colleagues receiving the **contractual and executive performance pay**. This combined with more female colleagues receiving the smaller Spotlight Award results in a large Mean % Gap.



In terms of our bonus gap, **we do not typically have a culture of bonuses across our Group**. In the reporting year that spanned the **Covid-19** pandemic, the Executive Team scheme and any bonus **payments to senior leaders were suspended**. Only a **limited number of colleagues remained eligible** for bonus payments, relating to an incentive scheme / commission arrangement.

Proportion of men and women who were paid a bonus in the 12 month period ending 31 March 2022

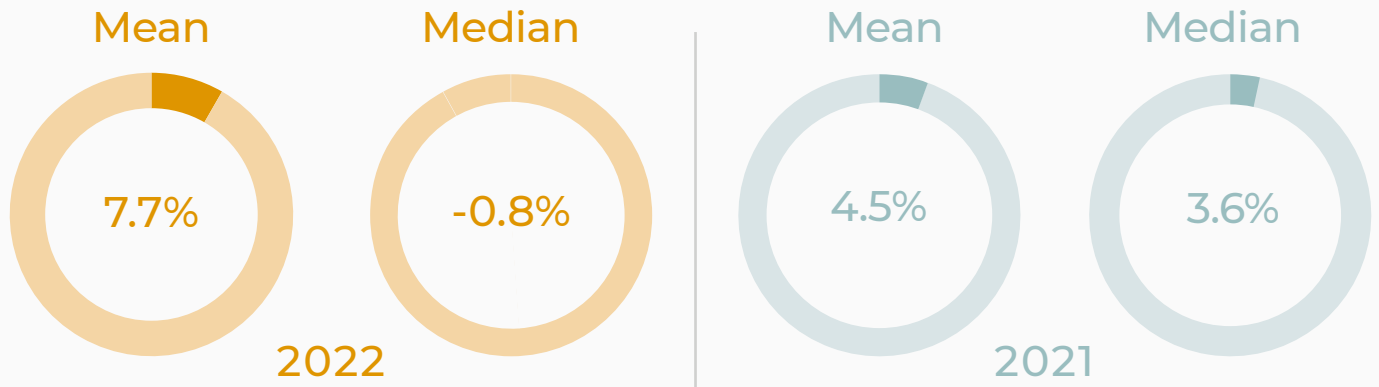




Our voluntary numbers

Ethnicity Pay Gap

This is our second year of reporting on ethnicity pay gap data. **95.3%** of our full pay relevant staff have **recorded their ethnicity** and based on this our pay gap **mean is 7.7%** and our **median is -0.8%**.



Our **mean** ethnicity pay gap is **7.7%**.

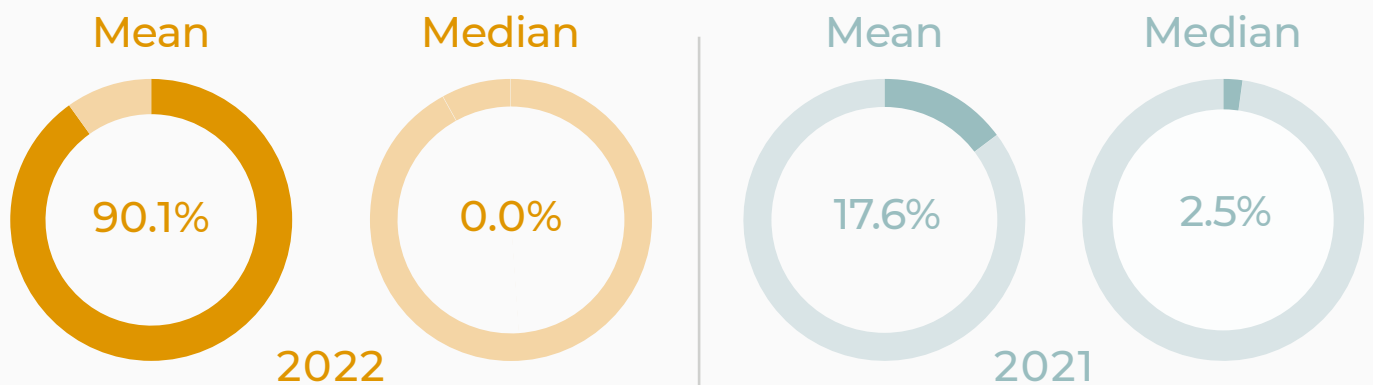
- ▶ **3.2% higher** than 2021 figure.

Our **median** ethnicity pay gap is **-0.8%**.

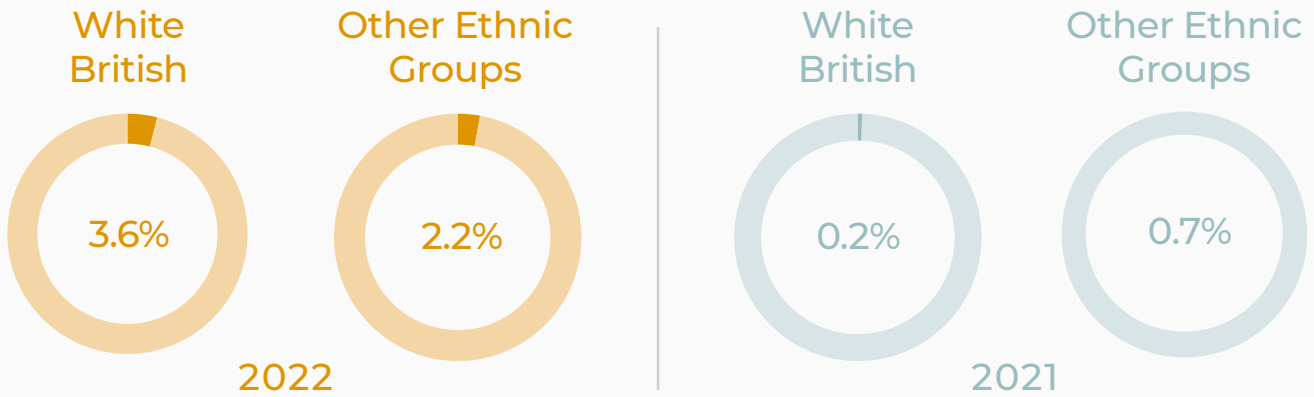
- ▶ Our median ethnicity pay gap is **4.4% lower** than 2021 figure.
- ▶ The median is **more in favour of our colleagues from other ethnic groups**.

Ethnicity Bonus Gap

- ▶ Our **mean** bonus gap has **increased** from 17.6% to 90.1%, however our **median** bonus gap has **reduced** from 2.5% to 0%.
- ▶ Introduction of a **new colleague awards scheme** - Spotlight Awards - during 2019, enabled colleagues to be entered in a number of categories and be recognised for going above and beyond, with **cash bonuses** awarded.
- ▶ **Bonuses** that were suspended during Covid-19 have been **re-introduced**.
- ▶ We have a **much larger gap** due to a higher amount of **white British colleagues receiving the contractual and executive bonuses**. This combined with colleagues from other ethnic groups receiving the smaller Spotlight Award results in a large Mean % gap.

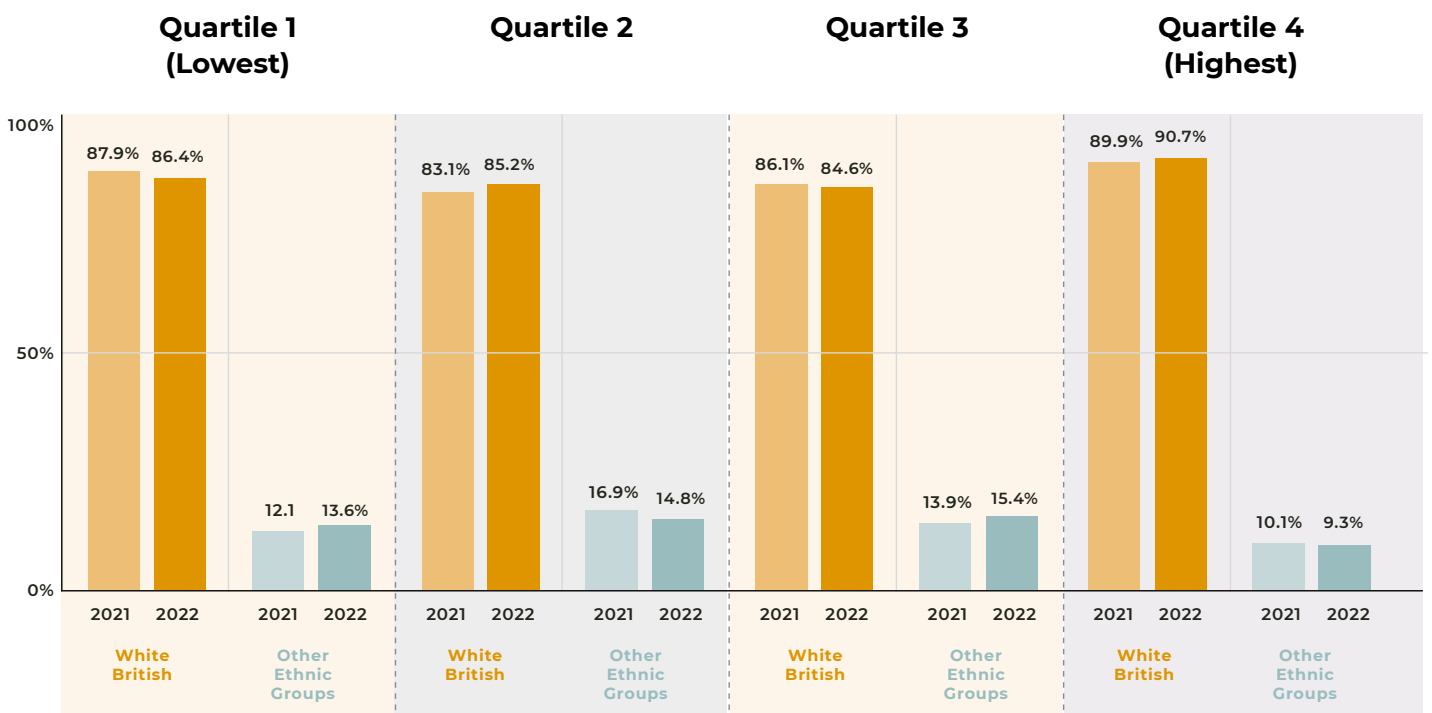


Proportion of white British colleagues and colleagues from other ethnic groups who were paid a bonus in the 12 month period ending 31 March 2022



Hourly Pay Quartiles

- ▶ The percentage of colleagues from other ethnic groups in **each quartile varies**, compared to our overall **13.8%** representation from other ethnic groups.
- ▶ **Average pay has increased** in all quartiles amongst white British colleagues and colleagues from other ethnic groups.
- ▶ In Quartiles 1 and 3, colleagues from other ethnic groups are receiving a **more favourable mean pay per hour** than white British colleagues.



Understanding the Gaps

What is a Pay Gap?

A pay gap shows the difference in average earnings between women and men or white British and colleagues from other ethnic groups in terms of the pay they receive.

What is equal pay?

A Pay Gap is not the same as equal pay. It has been unlawful to pay women and men or white British and colleagues from other ethnic groups differently for the same work after the Equal Pay Act 1970 was introduced, and more recently the Equality Act 2010.

What is a mean pay gap?

The mean pay gap is the difference in the average hourly pay for women compared to men within an organisation.

What is a median pay gap?

For example, if all the men and women from one organisation lined up in two separate lines in order of salary, the median Gender Pay Gap is the difference in salary between the woman in the middle of her line and the man in the middle of his line.







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