



PAY GAP

REPORT 2021

Welcome



Angela Hunter
Managing Director Group
Operations and Deputy Chief
Executive

It's easy to say what an organisation does but not quite so easy to describe what it believes in.

LTE Group consists of almost 4,000 colleagues in five operating divisions that span a higher education provider, a further education college, a work-based learning business, an apprenticeship training provider and a specialist prison education business. Despite the scale and complexity of our world, we all share one fundamental belief: that education helps learners become who they want to be.

We want our colleagues to feel the same. We want them to believe that LTE Group can provide a long and fulfilling career, where personal contribution and achievement are the only drivers of growth and opportunity. We want to create a space where every colleague, regardless of who they are or where they come from, feels that they belong. We want, in short, to be the best employer that we can possibly be.

We're not there yet. We still have lots to do to become the employer we aspire to be for the talent we have the great privilege to work with. As this Pay Gap Report will show, however, we're hopeful that we're moving in the right direction. It's fantastic to see that women are well represented at all levels and have opportunities to develop and progress. However, we know that more must be done to remove barriers and so we are challenging ourselves to do better.

In this year's report, we've highlighted the reasons behind the gap and our plans to help reduce it. We've also voluntarily reported our ethnicity pay gap data as part of our commitment to diversity and inclusion.

We'll continue to strive for balance by improving representation and supporting progression for all within our Group. Reducing our gaps are longer term challenges and something we're deeply committed to. We have made some great progress in the reporting year and will continue to build on that in the next reporting year. This will include:

- An enhanced focus on health and wellbeing, whether physical, mental or emotional
- Broadening our approach towards equality, diversity and inclusion to make sure that we continue to offer a welcoming, respectful and inclusive workplace for all
- A review of our attraction strategies to find and retain the best talent from a more diverse range of backgrounds.



Philip Johnson
Chair

Creating an inclusive and diverse environment for all is a driving force within LTE Group. In what has been an incredibly challenging year, we have worked hard to ensure that our colleagues can thrive in a truly inclusive workspace where everyone is welcome.

Our Pay Gap Report not only shows a comprehensive breakdown of our 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.

Introduction to the data

This is our fifth LTE Group Gender Pay Gap Report and we are proud to say that women are well represented across the organisation, making up:

- ▶ 64% of our colleagues
- ▶ 64% of our Senior Leadership Group
- ▶ 63% of our Executive Team.

While we continue our commitment to attracting, retaining and developing women, we will also look to ensure that we are attracting men into roles across all levels to strive for gender balance.

We remain committed to making ongoing improvements and offer all our colleagues great opportunities to grow and develop, for example:

- ▶ 65% of our new recruits in the reporting period were women
- ▶ 56% of internal promotions were women.

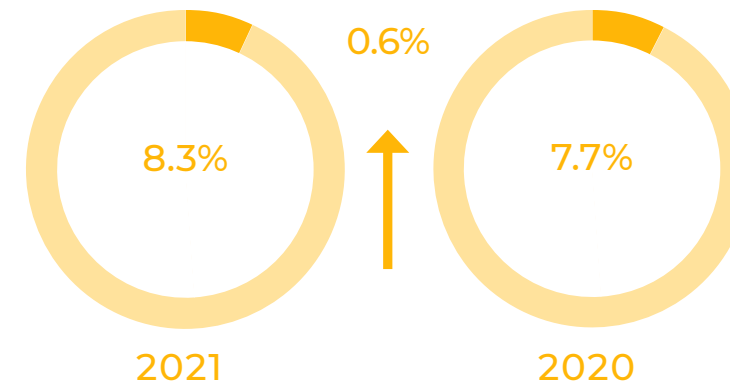
Our ambitious goals for equality, diversity and inclusion mean that this year we're extending our report to include data on ethnicity. While there is no statutory obligation to report this, our aim is to capture a more accurate view of our reporting and activity.

For statutory reporting purposes, our pay gap report does not include Total People or Novus Cambria, as they are separate legal entities and each has fewer than 250 employees for the reporting period (so statutory reporting is not required). The remit of this report is Group Operations, MOL, Novus, The Manchester College and UCEN Manchester.



2021 figures

Our mean gender pay gap this year is 8.3%.



This is lower than the national average of 14% percent and lower than the average for educational establishments which is also 14%.*

It is a marginal increase of 0.6% in our mean pay gap from the 2020 reporting year due to several senior female colleagues leaving our Group.**

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.

This year's report also features our ethnicity pay for the first time. Our mean ethnicity pay gap is 6.1%. Our gender and ethnicity pay reporting data demonstrates that while women and ethnic minority colleagues are supported in progressing within our organisation, we need a continued focus to reduce any gaps.

Reasons for our pay gap

Due to the nature of our organisation, the main contributing factors for any gaps continue to be the demographic of our colleague population. This includes:

- Higher number of women in roles including catering assistants, cleaners, administrators
- Several women in senior roles having left in the reporting period.

*Based on published data on Gov.uk for the 2020 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 work whereas gender pay looks at the difference between men and women's average pay across the whole reporting organisation.



What have we done since 2020?

Diversity and Inclusion

This is a significant area of focus for us as we look to develop a more diverse and inclusive workplace. In the 2020 reporting year, our progress and activity included:

- Ensuring the needs of colleagues across the Group were met as a result of the impact of the pandemic, with differing working practices and approaches embraced and supported
- Offering a range of diversity and inclusion programmes across all our business units to raise awareness and educate colleagues in areas including gender identity, inclusive leadership, disability and sexual orientation
- Supporting Manchester Pride Festival with Group-wide messages
- Sharing inspirational stories through our internal and external communication channels to celebrate success, challenge stereotypes and demonstrate how diversity can add value to our business.



Progression of women

We continue to develop and support our talent from within, helping colleagues to progress. Our Group-wide Evolve professional development programme relaunched in 2021 with over 80 colleagues (54 % women) signing up for professional development apprenticeships in the first half of the year.

Recruitment

- We have gender inclusive practices which include ensuring our job adverts have gender neutral language, using a range of different marketing sources and creating diverse candidate shortlists
- Our recruitment policy has been updated with values-based interview questions and interview pack to support the recruitment of candidates who align with LTE Group values
- We have reviewed and broadened candidate attraction and advertising platforms for greater candidate attraction.

Wellbeing

We have built on our wellbeing agenda by:

- Offering extra time off during the pandemic, to support colleague mental health and wellbeing
- Introducing a Wellbeing campaign that focused on activities and information to improve colleague wellbeing, including supportive seminars such as 'Building personal resilience' and 'Menopause without the medicine'
- Introducing mental health first aiders across the group and wellbeing champions
- Weekly Wellbeing activity on HUB.



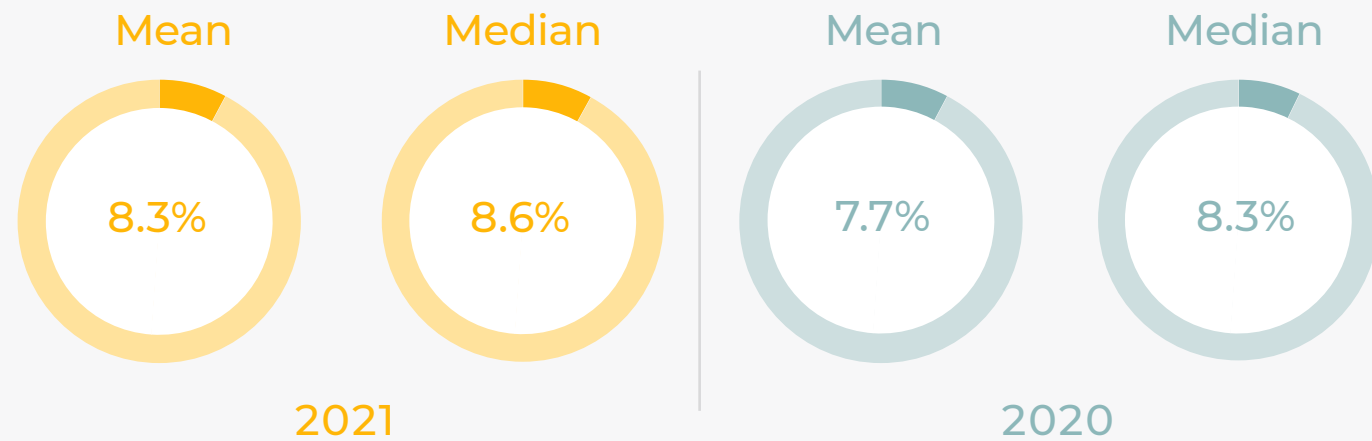
What is our ongoing focus?

All parts of LTE Group are fully committed to creating an inclusive, respectful environment for every colleague. In 2022 we intend to strengthen our approach by undertaking the following initiatives:

- A review of our recruitment process to identify any opportunities to design out unconscious bias whilst appealing to a wider talent pool
- A detailed assessment of our internal promotion and talent development practices to ensure parity in access to opportunities for colleagues to develop their careers with us
- Introduction of a broader suite of EDI measures to improve our understanding of our colleague demographic
- Refresh of our colleague onboarding programme to make sure our corporate welcome is truly welcoming for all our new recruits, and that any individual needs or preferences are understood and acted on quickly
- Further EDI training for all leaders and managers to supplement our existing online training module
- An enhanced focus on wellbeing to ensure our colleagues have maximum support in managing any challenges with mental, physical or emotional health
- A review of our working patterns and arrangements to spot opportunities for greater flexibility in how people can work
- A new calendar of engaging events that celebrate the diversity of our colleague team.

Our statutory numbers

Gender Pay Gap



Our mean gender pay gap is 8.3%

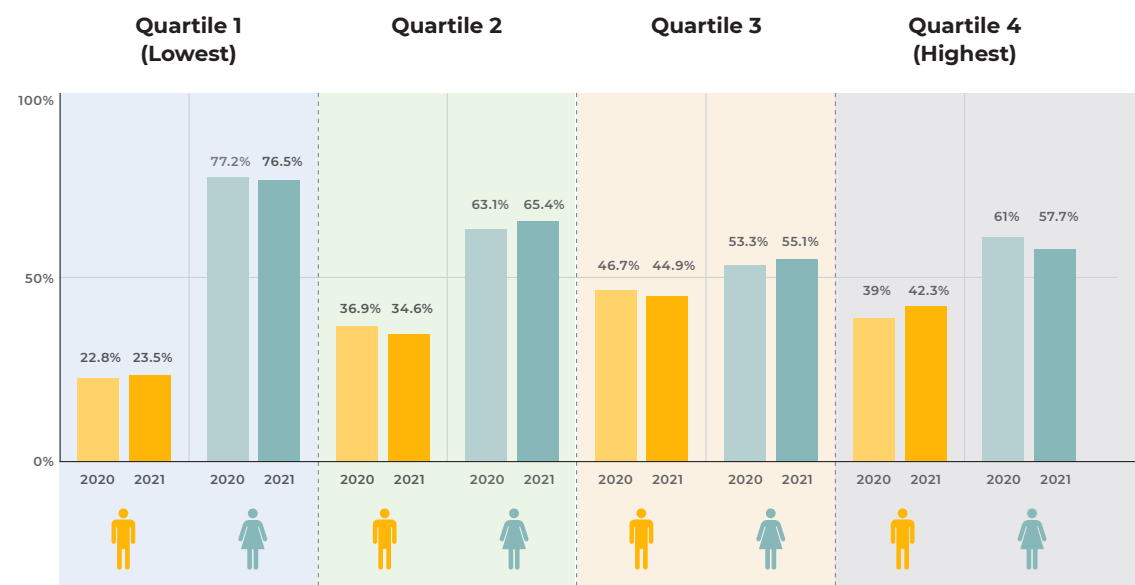
- The mean pay gap is the difference in the average hourly pay for women compared to men
- 0.6% higher than 2020 figure
- Lower than education sector average for 2020 reporting year which stood at c14%.

Our median gender pay gap is 8.6%

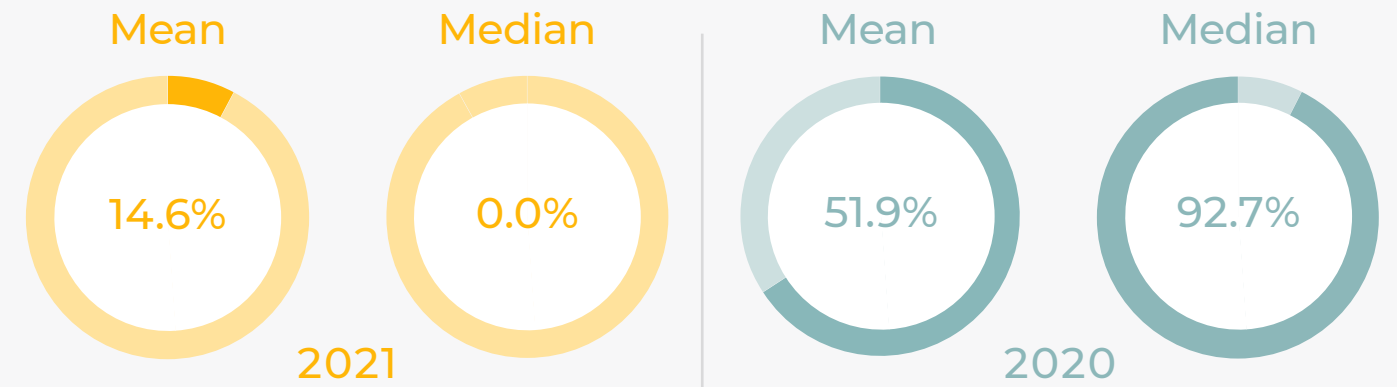
- If all the men and women from one organisation lined up in two separate lines in order of salary, the median gender pay gap is the difference in salary between the woman in the middle of her line and the man in the middle of his line
- 0.3% higher than 2020 figure
- Lower than education sector average for 2020 reporting year which stood at c18%.

Hourly pay quartiles

- This shows the gender distribution when colleagues are placed in four equally sized quartiles based on pay (lowest to highest)
- The percentage of men and women in each quartile varies compared to our 64% female representation
- In the lower quartile our female representation is higher than the overall make-up of the organisation due to more women being in roles such as administrative
- We have also seen a decrease in female representation in the higher quartile, which is a contributing factor to our increased pay gap.

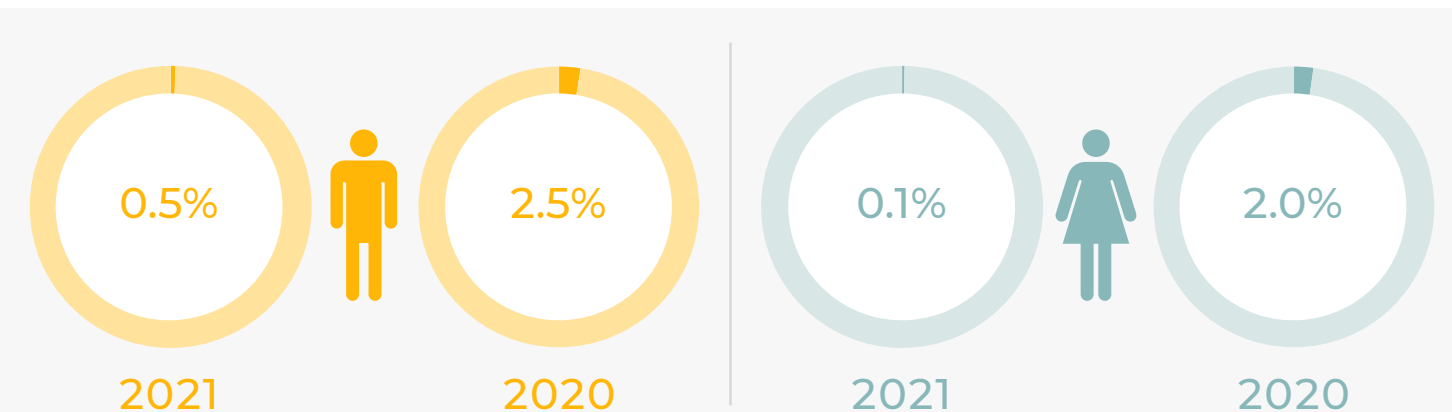


Employee Bonus Gap



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 2021



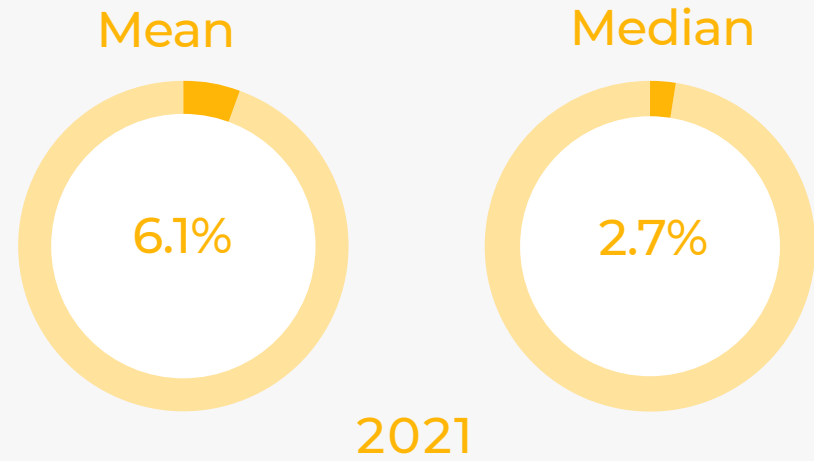
Our voluntary numbers

Ethnicity Pay Gap

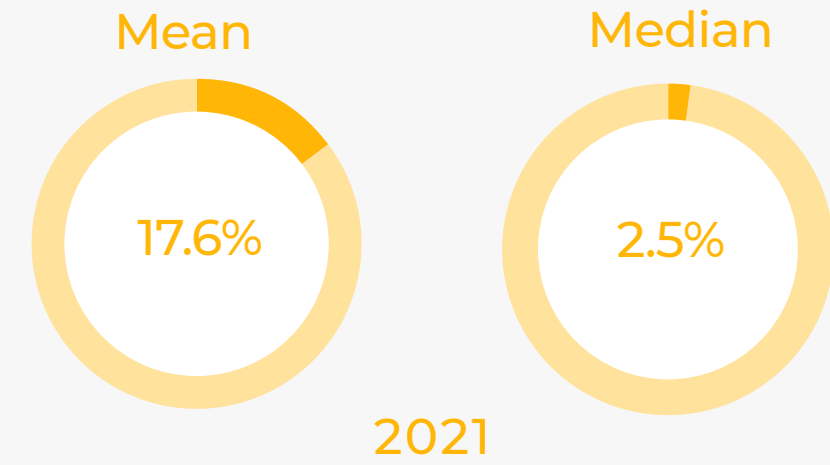
This is our first year of reporting our ethnicity pay gap. A total of 94% of colleagues recorded their ethnicity and based on this, our mean pay gap is 6.1%.

Employee Ethnicity Pay Gap

Of the 94% of colleagues who reported on their ethnicity, 13.8% identified as being from ethnic minorities.



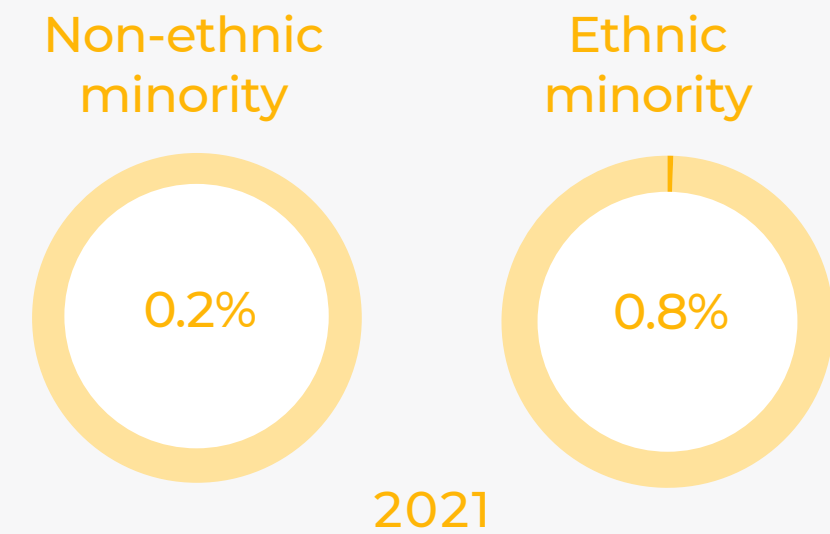
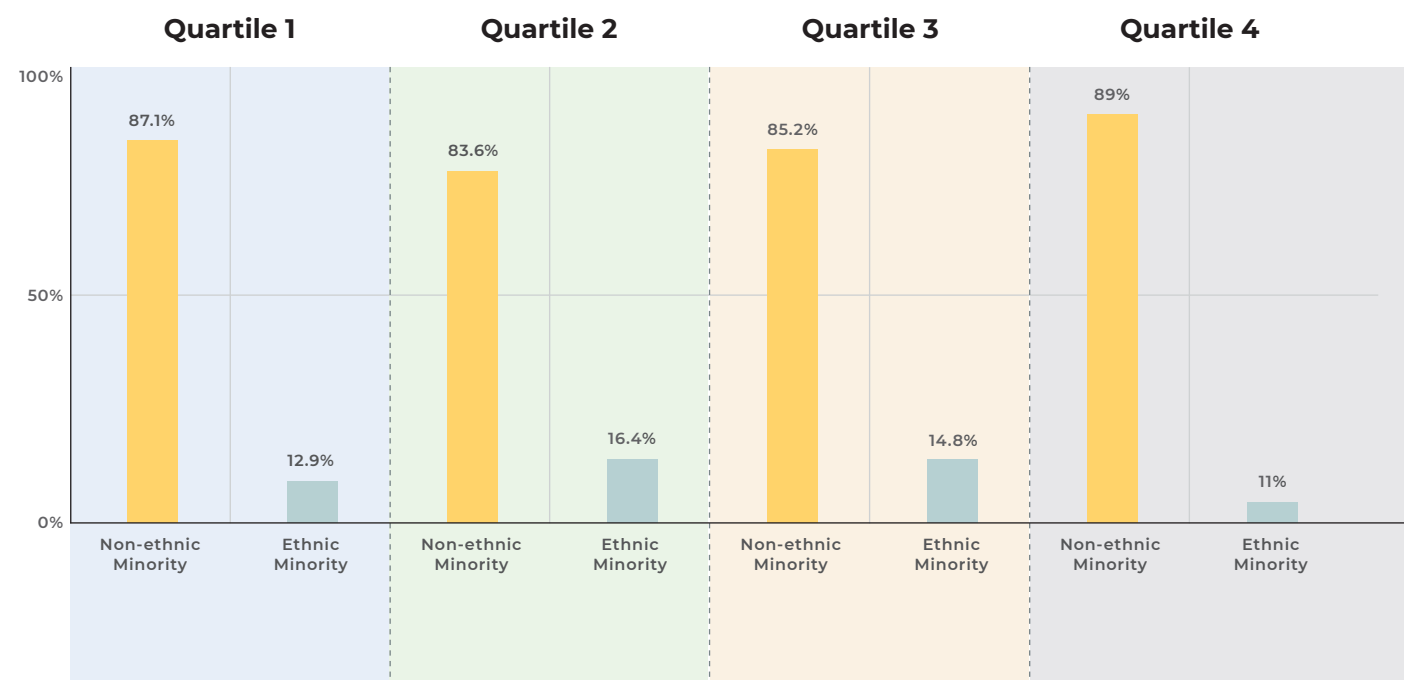
Employee Bonus Gap



Proportion of non-ethnic minority and ethnic minority who were paid a bonus in the 12 month period ending 31 March 2021.

Hourly Pay Quartiles (2021)

We are broadly consistent across all quartiles although there is a marginally lower percentage of ethnic minority representation in the highest paid quartile (Quartile 4).



We confirm the data reported
is accurate.



John Thornhill

CEO



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