Gender & Ethnicity

Pay Gap Report

2023-24

MK College Group

This is the third report produced by MKCG of its type, combining ethnicity and gender pay gap data for 23/24. We are pleased that we continue to make the production of this document a priority and submit and report on the gender pay gap data as close to the year ending as possible (almost a year ahead of our reporting requirement). Additionally, our ethnicity pay gap data is published as we are signatories of Business in the Community's Race at Work Charter and therefore committed to producing, tracking, and responding to this data specifically. This commitment helps us prioritise activities in real time and to produce intersectional data, providing further insights informing our organisational and cultural development.

Our workforce consistently comprises approximately 70% women which, for many in our sector, would mean a large negative gender pay gap. While this is not the case, our pay gaps are small and, indeed, closing over time and our data shows that our Black, Asian, Mixed and Minority Ethnicity representation is increasing in real terms. This report also recognises that an intentional focus on how we appreciate and develop talent, is an essential component to improving equitable outcomes for colleagues, irrespective of their gender and ethnicity.

MKCG worked hard to give as generous a pay award as possible in 2023 to its campus and prison services staff, recognising that teaching and indeed further education is not funded adequately to provide salaries at the highest levels. We know, however, that the experience and outcomes for all our students, wherever they are learning, is closely correlated with the experience of our colleagues. We want to make the experience as good as it can be, whilst recognising that, within our operating environment, there are many economic and social inequities being dealt with by our staff members and students.

This report outlines MKCG's responses to the data and a key one is our decision to commit to the AoC's Equity, Diversity and Inclusion Charter and sign the public statement by colleges. This means we are committed to ensuring equity and inclusion are reflected in our curriculum, putting diversity and inclusion at the heart of our employment policies and practices, listening to, and reflecting on our obligations to the communities we serve and to encouraging those with whom we contract to support our commitments.

Ongoing societal pressures have not relented in 23/24 and, indeed, worldwide conflicts, cost of living challenges and political turbulence are still very much in evidence for everyone. In this context, our EDI activities need to align very much to our values and support our strategy of working towards a fairer futures for all - students, individuals in our communities and, of course, our colleagues. MKCG will be continuing to develop its strategic workforce planning activities to ensure inclusion, equity and diversity are front and centre.

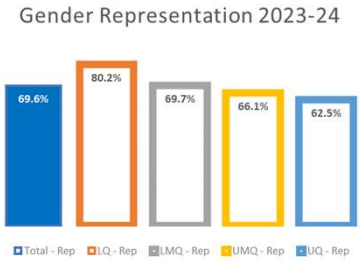
Sally Alexander
CEO & Group Principal

Ruby Parmer
Chair of Governors

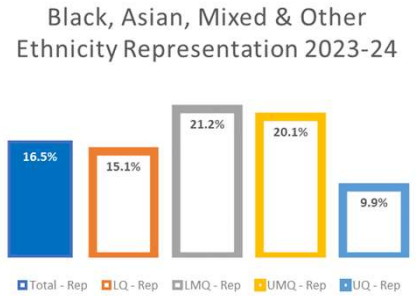
The headlines.

Overall headcount of employees across the group has **increased to just over 1100**, an **increase of 25%** on the previous year.

Gender representation across the four quartiles (upper, upper middle, lower middle, and lower quartiles) for 2023-24:



Minority ethnic representation across the four quartiles (upper, upper middle, lower middle, and lower quartiles) for 2023-24:



The gender pay gap for 2023-24 is as follows:

5.8% ⬇ Mean pay gap

7.3% ⬆ Median pay gap

Which means, **for every £1 a male employee earns**, a female employee earns:

94.2p ⬇ Mean pay gap

92.7p ⬆ Median pay gap

Bonus pay gaps for 2023-24 are:

-47.3% ⬇ Mean

0% ⬇ Median

0.9% Male

0.6% Female

The ethnicity pay gap for 2023-24 is as follows:

5.6% ⬇ Mean pay gap

2.5% ⬆ Median pay gap

Which means, **for every £1 a white employee earns**, employees from all other ethnicities earn:

94.4p ⬇ Mean pay gap

97.5p ⬆ Median pay gap

Bonus pay gaps for 2023-24 are:

89.3% ⬇ Mean

50% ⬇ Median

0.8% White

1.3% All other ethnicities

Data for the year to 31st March 2024

MK College Group

What this report tells us.

The gender pay gap for 2023-24 is as follows:

5.8%⬇ Mean pay gap

7.3%⬆ Median pay gap

Which means, **for every £1 a male employee earns**, a female employee earns:

94.2p⬇ Mean pay gap

92.7p⬆ Median pay gap

This represents a **decrease in the mean pay gap of 1.4ppt** and an **increase in the median pay gap of 1ppt** (ppt means percentage point) compared to the previous year.

Bonus pay gaps for 2023-24 are:

-47.3%⬇ Mean

0%⬇ Median

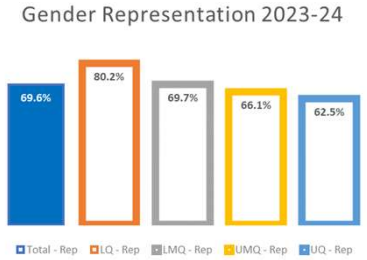
0.9% Male

0.6% Female

Bonus payments are not a key feature of the MKCG pay process. For this period there were 8 payments totalling £9,500. A higher number of payments were made to female employees and the mean indicates a positive bonus pay gap in favour of female employees.

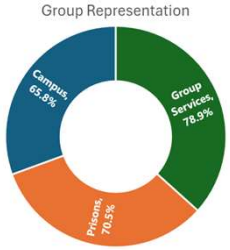
Data for the year to 31st March 2024

Representation across the four quartiles (upper, upper middle, lower middle, and lower quartiles) for 2023-24 are:



Overall representation remains relatively consistent at just below 70% for female employees. There has been a decrease of just over 3ppt in the lower middle quartile, an increase of just over 4ppt in the upper middle quartile and a 1.5ppt increase in the upper quartile.

Representation across the group:



Group Services has the highest proportion of female employees at 78.9%, followed by Prison Services at 70.5%, and with the lowest representation on Campus at 65.8%.

MK College Group

Is it the same for all women?

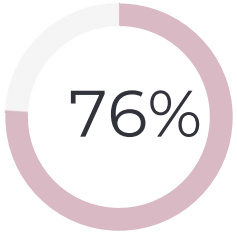
Black Female

Of all Black employees, 59% are female. This is a 7ppt increase on 2023.

Pay gaps as compared to All Male employees are:

7.3% median

9.1% mean



Asian Female

Of all Asian employees, 76% are female. This is a 1ppt decrease on 2023.

Pay gaps as compared to All Male employees are:

11.5% median

7.7% mean

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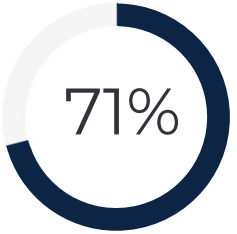


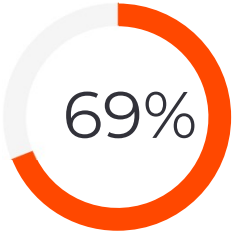
Mixed Female

Of all Mixed employees, 71% are female. This is 1ppt increase on 2023.

Pay gaps as compared to All Male employees are:

10.4% median

9.0% mean



White Female

Of all White employees, 69% are female. This is 2ppt decrease on 2023.

Pay gaps as compared to All Male employees are:

3.7% median

3.7% mean

Data for the year to 31st March 2024

MK College Group

What we need to address and how we are making a difference.

There are some key themes that are emerging from this and previous reporting periods. These are:

- **The highest female representation in the lowest quartile, which has consistently been at 80%, and is higher than the average across the group.**
- **Campus based employees represent 46% of all employees and has the lowest representation of female employees.**
- **The experience of female employees from different ethnicities varies considerably and will impact the overall pay gap data.**

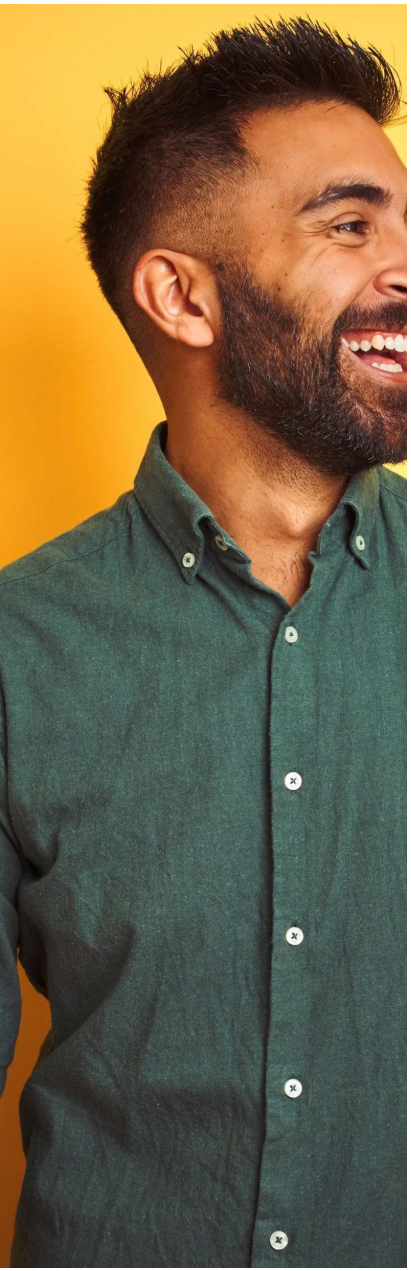
Note: The difference of the mean and median shows us we have a group of high earning females (the majority from a White ethnicity) and the spread of earnings is distributed unequally across all levels of earning.

The increase in the higher pay regions have driven the decrease in the mean pay gap and increase in the median pay gap.

Focusing on female representation at all levels and ensuring that female employees of all backgrounds benefit from our actions will have a positive impact on eliminating gender pay gaps

The key actions we have taken, and will continue to take to improve equity for all female employees include:

- **Transform: Aspire programme** to develop our leaders of tomorrow. This is in addition to our existing Transform: Develop for existing leaders. We actively encourage all our female employees to join either programme and specifically those from under-represented backgrounds.
- **Flexible and Hybrid working** continues to be an active component of our people strategy to ensure we create an inclusive culture where all employees, where possible, are able to work in a way that suits their needs.
- **Women's Employee Network** has been a key driver in raising awareness of issues that specifically impact our female employees. An important milestone this year has been to create a menopause friendly workplace.



What this report tells us.

The ethnicity pay gap for 2023-24 is as follows:

5.6%⬇ Mean pay gap

2.5%⬆ Median pay gap

Which means, **for every £1 a white employee earns**, employees from all other ethnicities earn:

94.4p⬇ Mean pay gap

97.5p⬆ Median pay gap

This represents a marginal **decrease in the mean pay gap of 0.1ppt** and an **increase in the median pay gap of 0.6ppt** (ppt means percentage point) compared to the previous year.

Bonus pay gaps for 2023-24 are:

89.3%⬇ Mean

50%⬇ Median

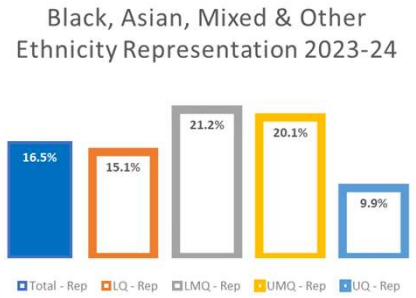
0.8% White

1.3% All other ethnicities

Bonus payments are not a key feature of the MKCG pay process. For this period there were 8 payments totalling £9,500. No bonus payments were paid to Black, Asian, Mixed or Other ethnicities in the previous year.

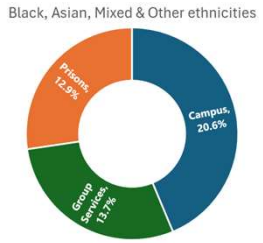
Data for the year to 31st March 2024

Representation across the four quartiles (upper, upper middle, lower middle, and lower quartiles) for 2023-24 are:



Overall representation has increased by 1.6ppt to 16.5% compared to the previous year. When Occasional Workers are included, this figure increases to 18.5%.
There has been increases in three of the lower quartiles; lower 15.1% (up 4.4ppt), lower middle 21.2% (up 5.7ppt), and upper middle 20.1ppt (up 0.7ppt). However, there has been a decrease in the highest quartile of 4.7ppt to 9.9% from the previous year.

Representation across the group:



Campus has the highest proportion of employees from a Black, Asian, Mixed & Other ethnicity at 20.6%, followed by Group Services at 13.7%, and with the lowest representation in Prison Services at 12.9%.

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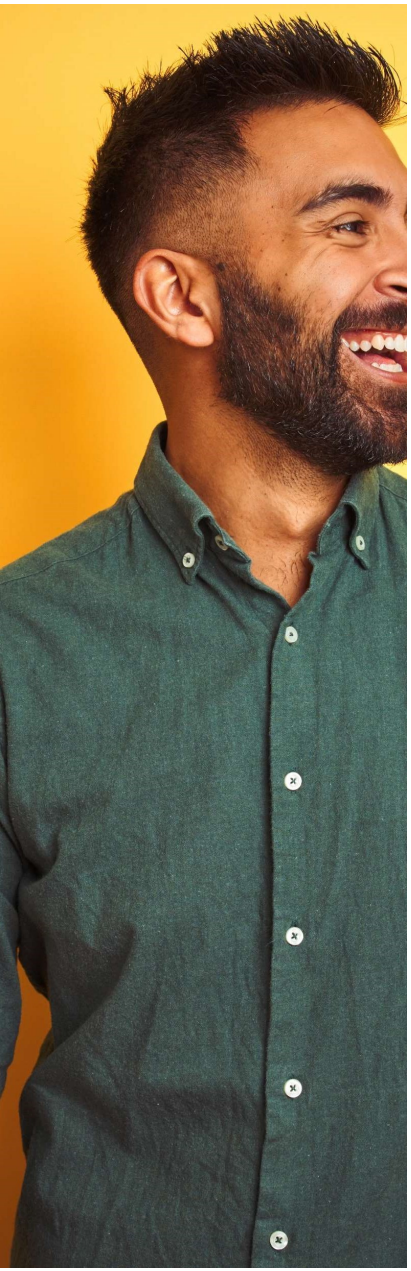


What we need to address and how we are making a difference.

There are some key themes that are emerging from this and previous reporting periods. These are:

- **Representation of all ethnicities except White do not feature in the higher pay levels**
- **Representation of all ethnicities except White within Group and Prison Services is consistently below average**
- **Ethnicity sharing rates have been consistently between 85-90%.**
- **Female employees from under-represented backgrounds have the largest pay gaps**

As with gender pay gaps, representation is the key driver to reduce the inequality of pay.

The key actions we have taken, and will continue to take to improve equity for all female employees include:

- **Transform: Aspire programme** to develop our leaders of tomorrow. This is in addition to our existing Transform: Develop for existing leaders. We actively encourage all our female employees to join either programme and specifically those from under-represented backgrounds.
- **#FEVoices on Racial Justice** podcasts were launched year to have open dialogues around race and opportunity. The series invited honest discussions from business leaders, our learners and the FE Commissioner.
- **Cultural Diversity Employee Network** has continued to build on the previous year's successes by focussing on awareness of the diverse talent within the group and challenging the group to improve representation.
- **Embedded approach** to our decision making and makers development. This year we launched our ACE Recruiter programme to improve consistency within our hiring processes.

Representation within leadership.

As mentioned throughout this and previous reports, representation is one key factors that drive pay inequality.

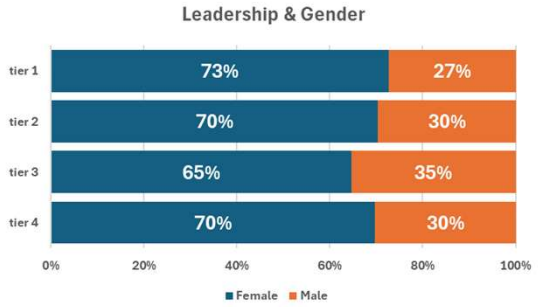
MK College Group has a complex structure to its leadership pipeline and to give a clear a picture as possible, the following categories have been created for this report's purposes:

- Tier 1 includes the traditional C-Suite of roles and anybody with a Director in their title.
- Tier 2 includes all Managers and Heads of functions.
- Tier 3 includes all Deputy and Assistant Managers/Heads, Leads, Programme Managers, and Team Leaders.
- Tier 4 includes all traditional Entry Level roles, Lecturers, Teachers, Tutors, Trainers, Practitioners, Advisors, Coordinators, and Course Team Leaders.

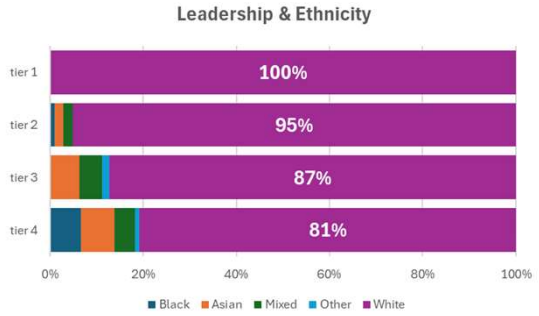
Progression from Tier 4 to Tier 1 impacts pay inequality. Internal and external hiring outcomes also impact representation within each tier.

This is the first year of this aspect of reporting.

Data for the year to 31st March 2024



There is good consistency of female representation across all tiers. The lowest representation is within Tier 3 at 65% and the highest in Tier 1 at 73%. This again, points to why the mean pay gap is lower than the median pay gap.



Representation of all ethnicities, with the exception of White, from Tier 4 to 1. Tier 1 is 100% White of those that have shared their ethnicity. All ethnicities feature in Tier 4,19% from minority ethnicities, reducing to 5% in Tier 2.

MK College Group

What will make the difference over the next 3 years.

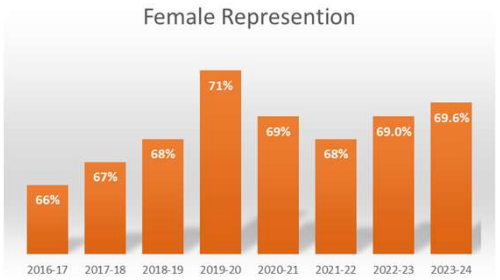
Working towards a fairer future for all can take time. The vast majority of our culture development work will span several years.

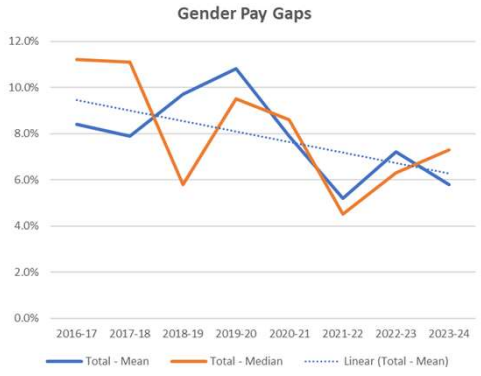
Here is a flavour of some of actions we are developing over the coming years:

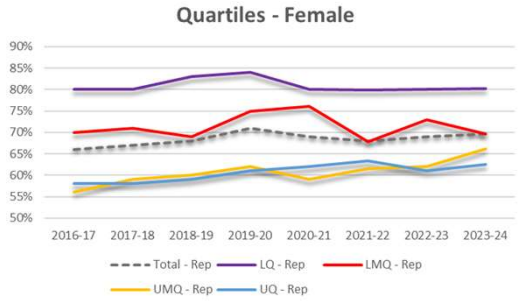
- **Grow More Mentoring programme** is currently being piloted in a small part of the group. The programme will constitute as our internal mentoring programme to support and connect colleagues across the group.
- **People development strategy** to continue to embed inclusivity and equity at its heart. We know that we need to grow those that have chosen us as an employer, and we will continue to ensure opportunity is there for all.
- **Review of blind recruitment process** will be carried out over the coming 12-month period to establish whether a more honest and transparent can be delivered.
- **Increased visibility and senior leadership sponsorship of employee networks.** The networks are now entering their next stage of formalisation, and an increased level of allyship from leaders will be developed.
- **Inclusive curriculum development** will be piloted over the next 12 months on campus and prison education, with external support. The first phase will a targeted externally driven and supported audit.
- **Sharing rates** across all protected characteristics to be encouraged to improve our informed approach to inclusion.
- **Continued development and roll out of our ACE Recruiter programme for hiring managers**
- **New Equality Impact Assessment and Risk Management process**

How this looks over time.

Gender







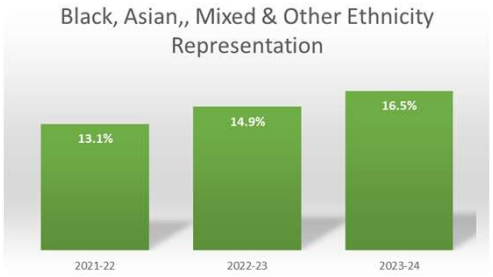
Representation of female employees across the group has increased since first reporting in 2016, from 66% to just under 70%. Mean and median pay gaps have decreased since first reporting. Mean pay gap has reduced from 8.4%% to 5.8%, and median pay gap has reduced from 11.2% to 7.3%. Notably, there is closer alignment between mean and median, which indicates a more consistent representation of female employees at different levels of the pay structure. This last point is shown in the representation across all quartiles, where the upper and upper middle quartiles have steadily increased towards 70%.

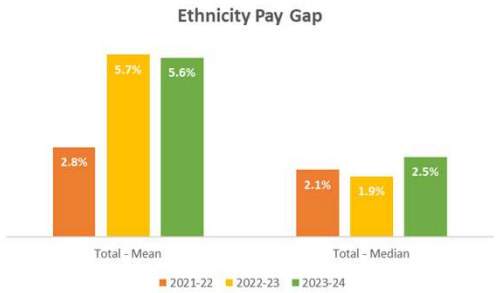
Data for the year to 31st March 2024

MK College Group

How this looks over time.

Ethnicity

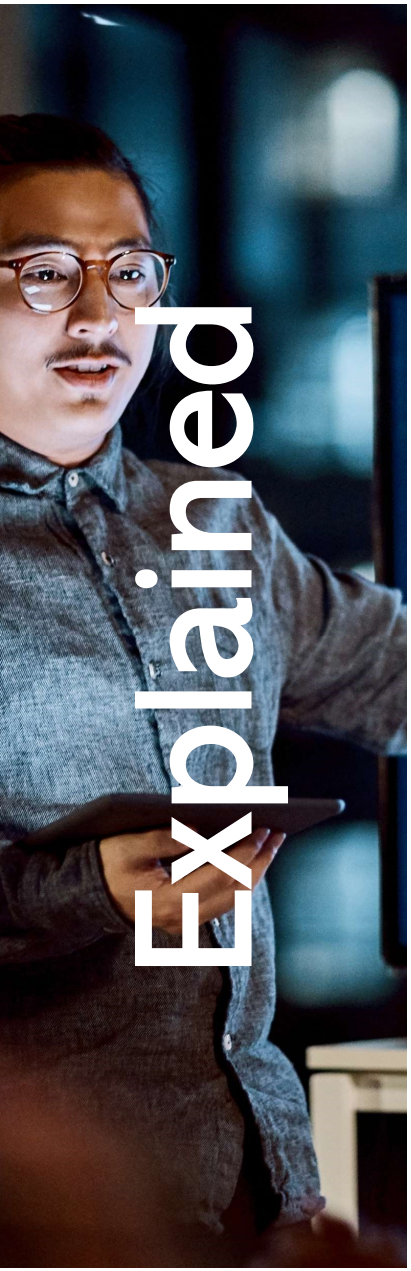




This is the third year of voluntary ethnicity pay gap data. There are two factors that impact stability of this data; the relatively low number of employees from minority ethnic backgrounds and it only being the third year of reporting. Bearing these two factors in mind, there has been substantial increase this year compared to the previous year. As representation improves across different pay levels there is likely to be volatility to the mean and median pay gaps. This year, an above average increase in the representation lower and lower middle, a decrease in the upper quartile has contributed to the increase in the pay gaps.

Data for the year to 31st March 2024

MK College Group



What we report and what it means.

In the UK, the government requires public, private and voluntary sector organisations with 250 or more employees to report on their gender pay gaps annually. Ethnicity pay gaps are shared voluntarily as part of our commitments to our 'Building Fairer Futures' strategy and The Race At Work Charter.

The pay reports show the difference between the average earnings of men and women, expressed relative to men's earnings, and different ethnicities compared to the white ethnicities. **If an organisation reports a pay gap, it does not mean women or different ethnicities are paid less for doing the same job,** but it does show that, on average, men and white ethnicities occupy higher-paying roles.

Employers must report six different measures, based on a snapshot of pay data on a date set out by the Government Equalities Office:

- **median pay gap** – the difference between the median hourly rate of pay of male or white ethnicities full-pay relevant employees and that of female or other ethnicities full-pay relevant employees
- **mean pay gap** – the difference between the mean hourly rate of pay of male or white ethnicities full-pay relevant employees and that of female or other ethnicities full-pay relevant employees
- **median bonus gap** – the difference between the median bonus pay paid to male or white ethnicities relevant employees and that paid to female or other ethnicities relevant employees
- **mean bonus gap** – the difference between the mean bonus pay paid to male or white ethnicities relevant employees and that paid to female or other ethnicities relevant employees
- **bonus proportions** – the proportions of male and female, or white and other ethnicities, relevant employees who were paid bonus pay during the relevant period. **Ethnicity proportions are calculated from the total of employees that have shared their characteristics.**
- **quartile pay bands** – the proportions of male and female, or white and other ethnicities full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands. **Ethnicity proportions are calculated from the total of employees that have shared their characteristics.**

Headlines about the pay gap tend to focus on the median figure, which ignores extremes and is therefore thought to be the most representative measure. But it's important to report all of these measures. Each one tells you something different about the underlying causes of the pay gap and each one can mask issues that another may highlight.

If there's a big difference between an organisation's mean and median pay gap, this tells us the dataset is skewed – either by the presence of very low earners (making the mean lower than the median), or by a group of very high earners (making the mean higher than the median).

Taking a 'snapshot' of this data on a set date, as required by regulation, creates a level playing field for all reporting organisations. But it masks the fluidity of gender pay gaps, which can fluctuate from month to month and across pay quartiles depending on changes to headcount.