

City and Guilds 2023

Gender Pay Gap Report

Based on data as at April 2022

Last modified 15-June-2023



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1. About City & Guilds

City & Guilds employs 1378 staff around the world, of whom 85% are in the UK*. Our core vocational qualifications business was founded in 1878 and we have grown predominantly by acquisition in recent years, diversifying into corporate learning and technical training.

55.8% of our UK-based employees are women and 43.9% men, both with an average length of service of 6 years*.

48.2% of our 58 most senior employees by grade are women, including our Chief Executive. Women also represent 37% of the Executive Leadership Team.

*The above stats and the stats in this report are based on the organisation as at April 22

2. Our commitment to diversity, equity and inclusion

Our commitment to DEI has always been implicit within our organisational purpose (to 'help people, organisations and economies develop their skills for growth').

We have been building out our DEI strategy for the past 3 years to connect more explicitly with our internal employee experience and our social impact via more inclusive design of our products, services and partnerships. Ultimately, we will be able to demonstrate our contribution to the United Nations' sustainable development goal to 'achieve gender equality and empower all women and girls'.

We have continued to invest significantly in diversity, equity and inclusion, working increasing intersectionally with our Women's Network, menopause support group and other internal community resource groups to refine our DEI strategy and continue delivering against the actions arising from our October 2021 report.

3. External context

As per the Office for National Statistics (ONS), the national median pay gap stood at 14.9% (at April 2022), having dropped slightly from 15.4% in 2021 and 17.9% in 2019.

4. Internal context

Our Corporate Bonus scheme (a share of surplus for the majority of our staff) and our Senior Leader Bonus Plan all paid out in this period. Sales incentive bonuses and long service awards continued to be paid. An out-of-cycle 'cost of living' pay increase was made in April 22 and is therefore also included in this data.

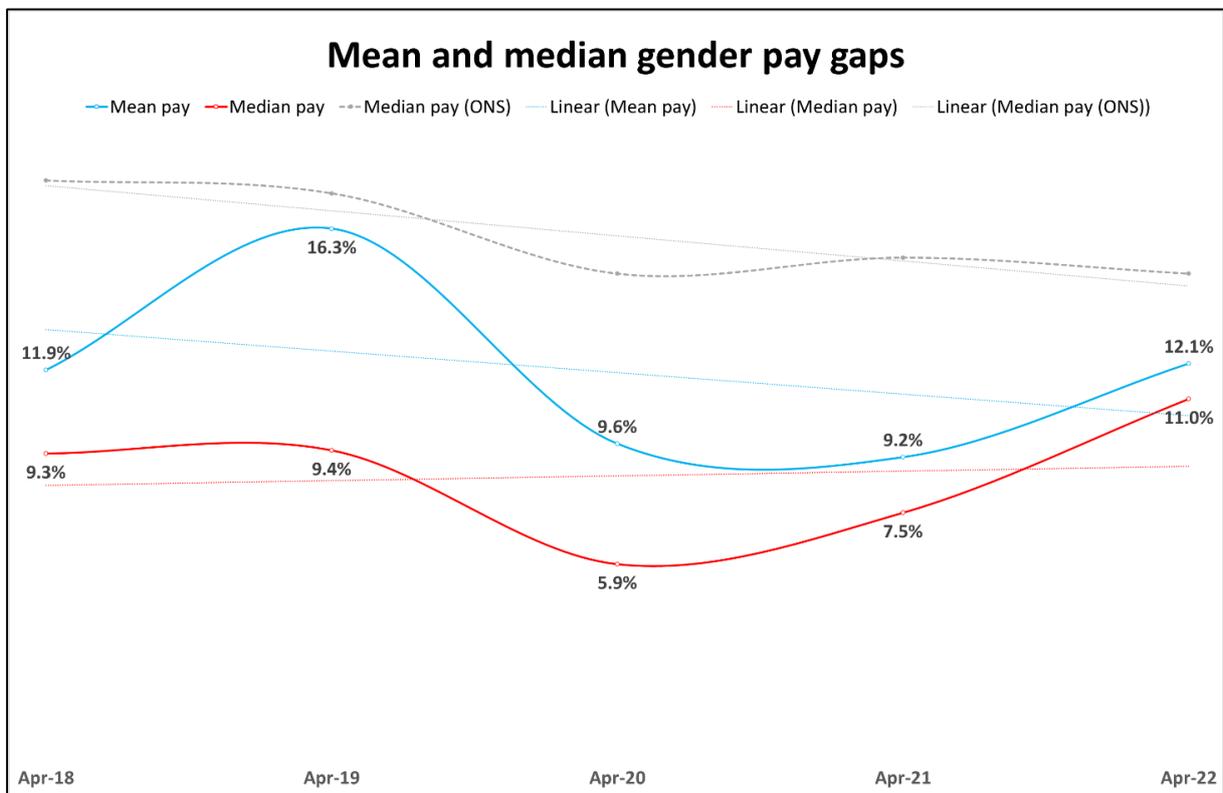
5. Metrics

5.1. Mean and median pay gaps

Our mean pay gap is 12.1% and has increased by 2.9% percentage points (pp) from 9.2% since 2021.

Our median pay gap is 11% and has increased by 3.5% from 7.5% since 2021.

We believe this is due to an increase in the number of females recruited in our lower and middle quartiles. Despite the increase, our median pay gap continues to compare favourably with the national average of 14.9% per the ONS.



5.2. Mean and median bonus gaps

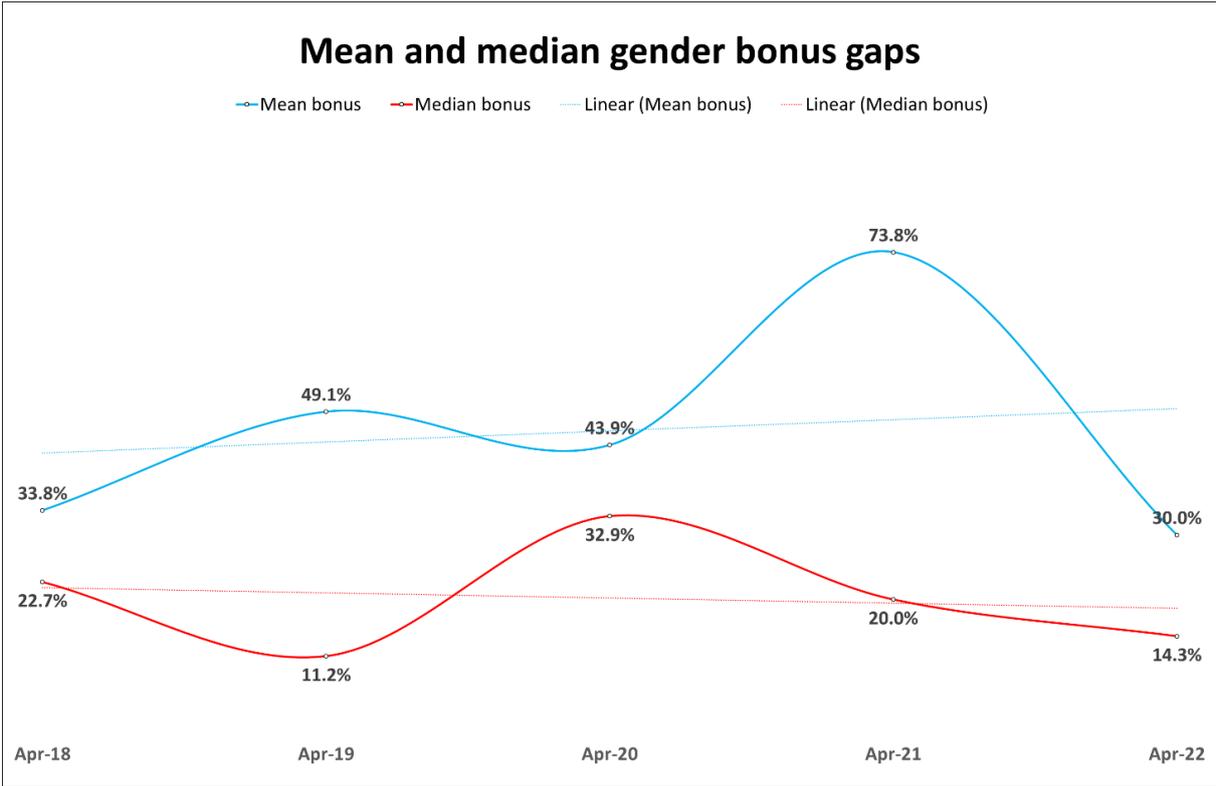
Our mean bonus gap is 30% a decrease from 73.8% in 2021.

Our median bonus gap is 14.3% a decrease from 20.0% in 2021.

In this GPG reporting period the majority of bonuses in scope relate to the Corporate Bonus Scheme. It is positive to see that this year the mean bonus gap has improved, and it is now at the lowest it has been for five financial years, however, clearly, some work is still required around our bonus pay gap.

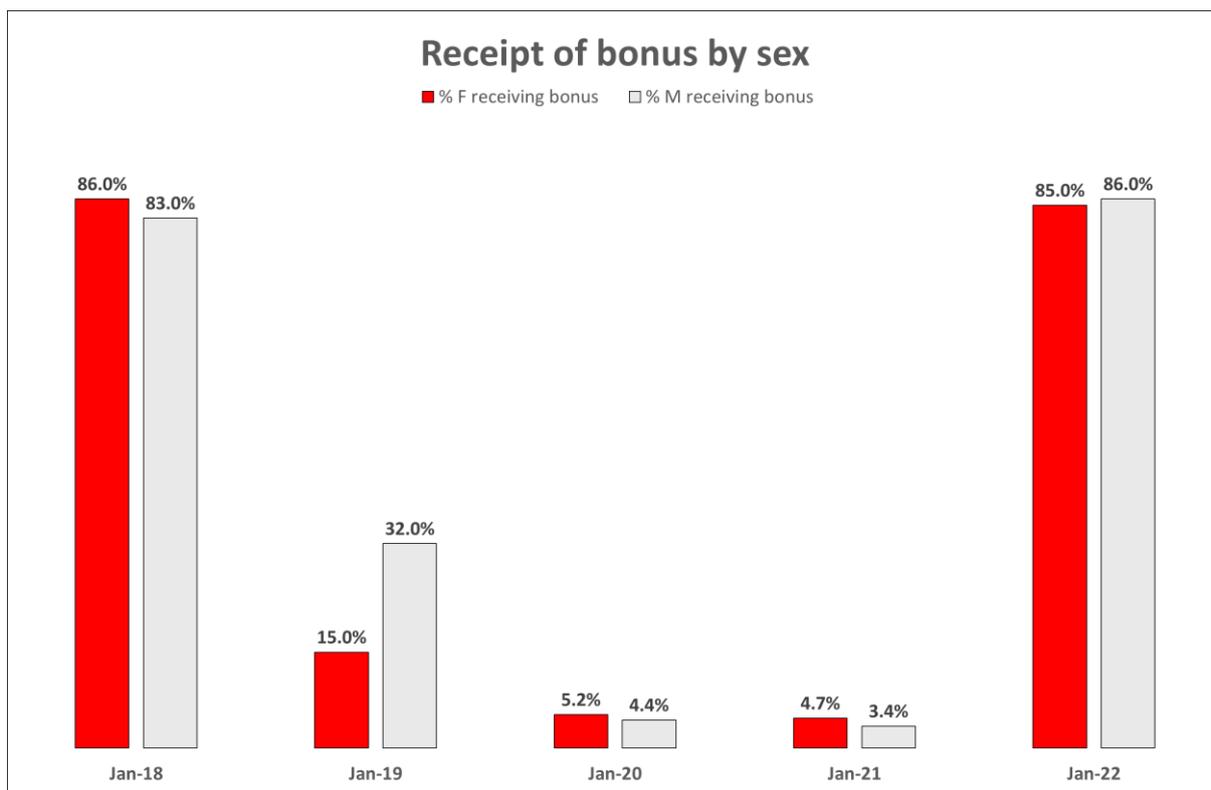
After investigation, we believe the bonus gap exists because:

- 1) Across the board we see male pay on average higher than female pay, especially in our management grades, this excludes Boards where female pay is higher.
- 2) On looking at our performance scores, more men (46%) than women (42.1%) received the highest performance score. This filters down into the gap because the bonus scheme has a 40% element for individual performance.



5.3. Receipt of bonus %

In this year the bonus was paid out in our Senior Leader Bonus plan and Corporate Bonus, which it did not in 2021 because of the dip in organisational income due to the pandemic. This meant a significant increase in the number of employees receiving the bonus of which **85% were women** (last year 4.7%) and **86% were men** (last year 3.4%). It's positive that receipt of bonus is a near 50/50 split.

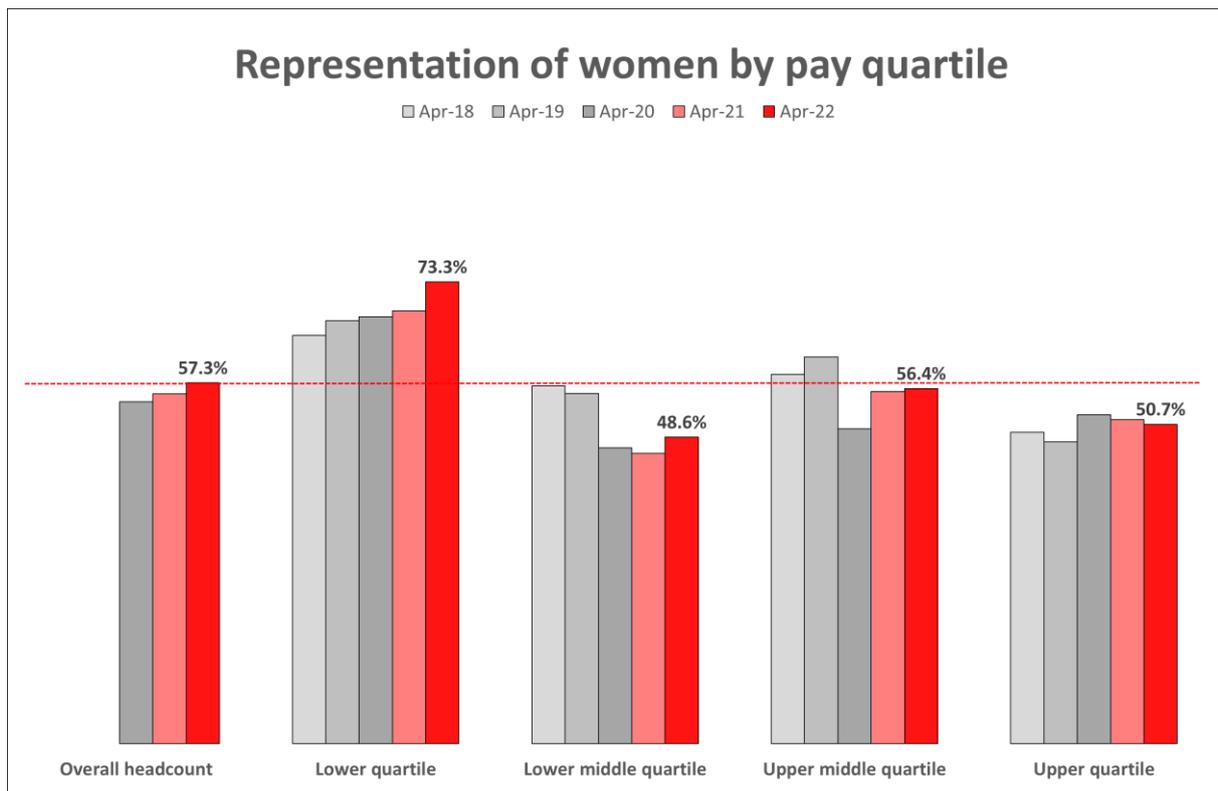


5.4. Pay quartiles as at April 2022

Quartile	Female %	Male %	Quartile	Female %	Male %
Lower	73.3	26.7	Upper Middle	56.4	43.6
Lower Middle	48.6	51.4	Upper	50.7	49.3

Women are still significantly over-represented in our lowest pay quartile (73.3% of all employees in this quartile are women, compared to only 55.8% of overall headcount being women).

We have seen a slight increase in the upper middle quartile to 56.4% compared to 55.9% in 2021. We have again seen a small decline in representation in our upper quartile from 51.4% to 50.7%.



6. Progress against actions

Since last year, we have taken active steps:

a. In our recruitment process, to try and improve diversity we have introduced:

- Mandatory diverse shortlists in our management and senior grades
- Manager training on Diversity and Inclusion and Managing Unconscious bias.
- Gender-proofing language in advertising using a software tool.
- Resourcing Champions - Colleagues selected from across the organisation who help us to implement and embed Inclusion and Diversity within our Resourcing, Talent Selection and Assessment processes.
- Diversity and Inclusion data reporting on hires by gender and level

b. In our Leadership and Development process between September 21 to 22 we:

- Selected 22% more women than men into leadership development programmes.
- Selected 34% more women than men into coaching programmes.

c. This year we will continue to commit and follow up with the actions from previous GPG reporting:

- Select 1.2x more eligible women for leadership development programmes than eligible men per year to 2025.
- Identify and eliminate any internally controllable factors influencing variance in starting salaries between women and men.
- Identify and eliminate any factors influencing variance in salary increases between women and men.

d. And commit to the following additional actions:

- A clear Gender Pay Gap Action Plan
- Accountability to be given to a member of the Reward Team and DEI Team to work in partnership on the Action Plan, including quarterly monitoring with progress updates throughout the year (Pay GAP Review meetings)
- Monitoring of DEI (Diversity, Equality & Inclusion) data in the Performance Management Process to check for bias with recommendations to rectify if bias is found.
- More specific actions around commitments from previous GPG reports, by working with the Resourcing Team, the DEI Future Group, the Women's Support Group and the Board.
- A review of our Sales Incentive Plan which will include a stress test to ensure no discrimination is built in within the plan.
- A review of our feedback from the Times Top 50 Employers for Women and build into the Action Plan
- Further DEI monitoring in People processes such as the Employee Engagement Survey and turnover collation using the insights to inform continuous improvement.

7. Concluding comments

We continue to take many positive steps and actions to close the gap such as the improvements we have made to our recruitment process as mentioned above. Specific circumstances, as explained in the report, have impacted our journey to close the gap this year but we believe this to be temporary and that progress continues to be made. This will eventually track through into our data in future reports.

We are pleased to report we have appointed a new Head of Diversity, Equity and Inclusion who is committed to leading our work towards closing the gender pay gap as well as working on our ethnicity pay gap as part of our overall DEI strategy. Also, we are pleased to report that in recent months we have made more female appointments to our Senior Leadership team and these will have a positive impact on our future gender pay gap data.

We appreciate the increasingly collaborative and intersectional work being done by our network of Community Support Groups (CSGs), our Diversity, Equity & Inclusion team and others. They have the full support of our Trustees and Executive Leadership Team to take

forward the recommendations outlined above. We expect to see further positive progress in the coming years as we remain fully committed to eradicating the gender pay gap, to drive diversity, equity and inclusion as a whole and to demonstrate the social impact that is implicit in our organisational purpose.

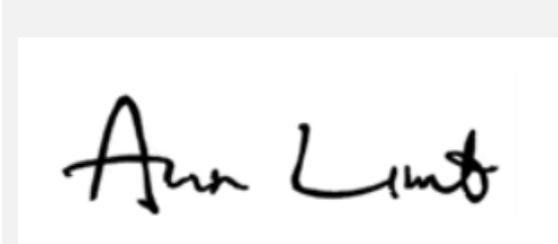
Signed by:



Kirstie Donnelly MBE
Chief Executive

1/06/2023

Signed by:



Dame Ann Limb DBE CBE
Chair

1/06/2023

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About City & Guilds

Since 1878 we have worked with people, organisations and economies to help them identify and develop the skills they need to thrive. We understand the life changing link between skills development, social mobility, prosperity and success. Everything we do is focused on developing and delivering high-quality training, qualifications, assessments and credentials that lead to jobs and meet the changing needs of industry.

We work with governments, organisations and industry stakeholders to help shape future skills needs across industries. We are known for setting industry-wide standards for technical, behavioural and commercial skills to improve performance and productivity. We train teams, assure learning, assess cohorts and certify with digital credentials. Our solutions help to build skilled and compliant workforces.

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