

# Ethnicity Pay Gap Report 2026

Based on data as at 5 April 2025

Version 1

Last modified 11-May-2026

For internal use



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# 1. Introduction

**At City & Guilds, our purpose is to help people, organisations and economies grow through lifelong learning.**

We believe in the power of skills to change lives, and we know that creating a fairer, more inclusive workplace is essential to making that happen.

That purpose is grounded in our values - building *trust* through openness, empowering people to *achieve* their potential, striving to *improve*, and creating a space that *inspires* and ensures everyone's contributions are seen and celebrated. These values guide how we work and how we hold ourselves accountable.

As proud signatories of the Race at Work Charter, we have committed to improve the experiences of Black and Ethnic Minority colleagues. That's why for the last five years we've chosen to proactively report our ethnicity pay gap, because we believe transparency and targeted action drives change. This approach is guided by our Diversity, Equity & Inclusion (DE&I) strategy and our long-term vision to be the global skills partner of choice.

This report shares our ethnicity pay gap data as of 5 April 2025. It reflects both the progress we've made and the challenges we continue to address.

Of the 235 UK-based Ethnic Minority background employees who have disclosed ethnicity data, 81 (34%) identify as of Asian/Asian British ethnicity, 50 (21%) Black ethnicity, 14 (6%) mixed/multiple ethnicities and 90 (38%) Other ethnicity.

This year's report starts to show a different picture: A small pay gap has emerged after two years with none, with employees from a White background earning slightly more than colleagues from Ethnic Minority backgrounds (by 1.9 percentage points on average) . This increase likely results from an improved ethnicity disclosure rate. We continue to monitor these trends as we look at our annual pay gap reporting.

## 1.1. Understanding the Ethnicity Pay Gap

Ethnicity pay gap reporting is not a legal requirement in the UK, however the Government are currently consulting on introducing reporting for all organisations with 250 or more employees. We've chosen to report proactively, using the same methodology to calculate our ethnicity pay gap as we used to calculate our gender pay gap.

The ethnicity pay gap looks at the average earnings of ethnic groups across the entire organisation, regardless of their roles.

In this report, the ethnicity pay gap is shown as a percentage of White employees pay. This helps highlight the overall difference in average earnings between Ethnic Minority and White colleagues across the organisation.

There are 3 measures we report on:

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|   | Measure                          | What it means                                                                                                                                                                                                                                                                             |
|---|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Mean Hourly Pay Gap              | The average hourly pay difference between Ethnic Minority and White employees. Calculated by adding all White employees' hourly pay and dividing by the number of White employees and doing the same for Ethnic Minority employees. The gap is the difference between these two averages. |
| 2 | Median Hourly Pay Gap            | The middle value of hourly pay when all employees are lined up from lowest to highest. The gap is the difference between the middle (median) value of pay for White and Ethnic Minority employees.                                                                                        |
| 3 | Proportion by Hourly Pay Quarter | Shows the percentage of White and Ethnic Minority employees in each of four pay bands (quarters), from lowest to highest. All employees are ranked by hourly pay and split into four equal-size groups.                                                                                   |

For more definitions and explanations of terms used in this report, see the [glossary](#).

1.2. Key Findings

Summary of our 2026<sup>1</sup> data

| Hourly Pay Gap |       |      |        |
|----------------|-------|------|--------|
|                | 2025  | 2026 | Trend  |
| Mean           | -3.6% | 1.9% | +5.5pp |
| Median         | -2.1% | 3.2% | +5.3pp |

Ethnicity proportions by Hourly Pay Quarters

<sup>1</sup> In the charts shown, for the year defined as 2026, this is based on data as at April 2025. This is the same for the year defined as 2025, this is based on data as at April 2024.

| Year | Ethnicity                      | Upper | Upper Middle | Lower Middle | Lower |
|------|--------------------------------|-------|--------------|--------------|-------|
| 2025 | White                          | 79%   | 82%          | 80%          | 85%   |
|      | Other ethnicities <sup>2</sup> | 21%   | 18%          | 20%          | 15%   |
| 2026 | White                          | 72%   | 77%          | 71%          | 72%   |
|      | Other ethnicities              | 28%   | 23%          | 29%          | 28%   |

### 1.3. What does the data tell us

This year's data shows that we now have a small ethnicity pay gap, for the first time after two years with a negative ethnicity pay gap. This means that on average, colleagues from a White background earn slightly more than those from Ethnic Minority backgrounds. The mean hourly pay gap has increased by 5.5 percentage points and the median by 5.3 percentage points.

Factors likely behind this shift include an improvement in the number of colleagues sharing their ethnicity data, with the disclosure rate now standing at 65% (increasing by 12 percentage points), however showing the proportion of Ethnic Minority colleagues increasing the most in lower-paying roles. The pay gap remains minor as the proportion of Ethnic Minority colleagues has also increased in the highest-paying roles although at a slower pace than the above-mentioned category.

This data set is improving year-on-year, strengthening the accuracy of our reporting so we can have greater confidence in the progress we have made, and are clearer on the drivers behind any changes in the gap.

We will continue to work to build trust in how we collect and use our colleagues' demographic information. By demonstrating how we are taking action to improve equity and measuring the impact of our activity, through work like this report, we aim to create an inclusive environment where everyone has the opportunity to thrive.

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<sup>2</sup> Other ethnicities refers to all Ethnic Minority employees grouped together (aggregated).

## 2. Our actions

We remain committed to taking targeted, evidence-based action to close the ethnicity pay gap. Our approach is guided by our Diversity, Equity and Inclusion (DE&I) strategy and our belief that everyone should have the opportunity to thrive, grow and progress.

### What does this look like?

- **Ensuring fair pay at entry**  
We are strengthening our processes for reviewing pay decisions at the point of hire to ensure consistency and fairness from the outset.
- **Monitoring internal progression**  
We are enhancing our oversight of promotion practices and pay progression to ensure equity in how opportunities and rewards are distributed.
- **Strengthening DE&I data and transparency**  
We are improving our demographic data sets, and how we analyse and report DE&I data internally, through initiatives like our data disclosure campaign and improved reporting tools. This helps us better understand where inequities exist and take targeted action to close gaps in pay, progression and representation.
- **Investing in inclusive leadership**  
We are investing in leadership training on inclusive behaviours and practices on topics such as, cultural competence, disability, neurodiversity and menopause inclusion. These sessions help leaders understand the lived experiences of underrepresented groups and lead with inclusion to create more equitable workplace environment.

These actions build on what we're already doing to bring our people together and put their voice at the heart of our DE&I approach with our colleague-led Community Support Groups (CSGs), Local Feedback Group (LFG), and the Future Group (FG) continuing to be a vital part of how we listen, learn and act.

By embracing intersectionality, they help us better understand the lived experiences of our people and shape a more inclusive culture. This year, we've strengthened our approach: coordinating CSG activities more strategically, refreshing our DE&I content, and launching a shared language lexicon to ensure we speak about inclusion in a consistent, respectful and empowering way. Together, these efforts are building stronger communities and a workplace where every voice is heard.

## **Our Actions**

- **Increasing the Integrity of our Data**

With Ethnicity pay gap reporting becoming mandatory before the end of this parliament, ensuring that we are able to be confident in the data we are reporting. We are currently sitting at 65% engagement with our DEI disclosure form, we aim for 70%+ We will be launching a further disclosure campaign to both new starters, but also those within the training business. Additionally we will change our onboarding process to successfully capture any disclosure made at that point.

- **Succession Planning and Progressing Diverse Talent**

We will formulate and launch a succession planning and promotion strategy and process for senior roles (SLT) paying due regard to diverse talent.

- **Senior Role Recruitment**

When recruiting for senior roles (HOF, ELT, and E grade) when working with external recruiters we commit to requesting a diverse shortlist with relation to Ethnicity.

- **Sponsorship programme**

City & Guilds will formulate a formal sponsorship programme available to all, to promote and invest in diverse talent across the business.

### **3. Our commitment**

Closing the ethnicity pay gap isn't just about numbers - it's about people. It's about making sure everyone has a fair chance to grow and succeed, whatever their role or background. That's why we are focused on the things that matter: how we hire, how we support progression, how we embed flexibility, and how we hold ourselves accountable.

With the support of our Executive Leadership Team, colleagues, and wider community of partners and suppliers, we're committed to building a more inclusive organisation and culture that reflects the diversity of the world we live in and delivers better outcomes for everyone we work with and serve. Equity isn't just a goal - it's a shared responsibility.

## 4. Declaration

We confirm the information and data reported is accurate as of the snapshot date 5 April 2025.

Signed by:

A handwritten signature in black ink, appearing to read 'Barbara le Fleming'. The signature is fluid and cursive, with a large initial 'B' and a long, sweeping underline.

Barbara le Fleming

**Acting Chief Executive, City & Guilds  
Foundation**

8/09/2026

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City & Guilds is the global skills partner, empowering people, organisations and economies to develop the skills they need for growth. With almost 150 years of trusted expertise, we support people into work, help them develop on the job and move into the next job.

We work with Governments, employers, training providers, colleges and industry stakeholders to design and deliver high-quality training, qualifications, assessments and credentials that lead to meaningful career progression. We understand the life changing link between skills development, social mobility and success. Our solutions span critical sectors including construction, engineering, transport, energy and electrical, serving over 1 million learners annually.

Through our comprehensive portfolio of brands and trusted global network, we set industry-wide standards for technical, behavioural and commercial skills to improve performance and productivity. We believe you can achieve your potential - and we're here to help make it happen.

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