



MTC

Gender pay gap report

2020/21



1.0 Introduction

Before June 2021, MTC was the parent company for Thames Valley Community Rehabilitation Company (CRC) and London Community Rehabilitation Company (CRC). We also operated Rainsbrook Secure Training Centre (STC) under contract with the Secretary of State for Justice until 31 December 2021. As required by law, the following is MTC's annual Gender Pay Gap Report based on a snapshot from 5 April 2021, and encompasses figures for MTC (including corporate functions, Norwich Service Centre, Rainsbrook STC), London CRC and Thames Valley CRC.

MTC has been established in the United States since 1981, managing correctional and educational facilities across the country. In 2015, MTC entered the UK market via a partnership with Amey to form a joint venture called MTCnovo. MTCnovo won the contracts to manage probation and community rehabilitation across London and Thames Valley in the form of two new community rehabilitation companies (CRCs). A year later MTCnovo won the contract to run Rainsbrook Secure Training Centre (STC). In 2019 MTC acquired Amey's shares in MTCnovo for MTC to be full owners of the business under MTC UK and sole operators of all three contracts. In 2021, both CRCs were returned to the public sector as part of a nationwide reunification of probation services. In January 2022, Rainsbrook STC was handed back to the MOJ.

The relationship between MTC corporate and both CRCs was complex. London CRC and Thames Valley CRC were organisations in their own rights, steeped in a wealth of probation and public sector culture. The CRCs were led by two separate Managing Directors responsible for their organisational structures, pay and culture. In 2020 MTC appointed a single Managing Director to oversee both CRCs as part of plan to create a unified approach.

At the point of reunification MTC directly employed 484 employees this included MTC corporate and Rainsbrook staff while the two CRCs directly employed 1,105 employees. The following results should be viewed under the comprehension that both CRCs were run semi-independently from MTC and that our work of unifying the processes and practices was only beginning to see successes by the time of reunification in June 2021.

MTC aims to make inclusion part of its culture and wants to make sure services and employment are inclusive for the wide, diverse range of people employed by the business. We aim for fairness, respect and equality of opportunity for all employees from the moment they join MTC and throughout their employment with regards to: talent acquisition, learning and development, wellbeing, appraisal, performance management, recognition, promotion and leaving. We also aim for fairness, respect and equality of opportunity for our service users, partners and suppliers in the actions we and they take in connection with MTC. Making this happen is the responsibility of everyone who is employed by, contracted to, supplies and uses MTC and its services through its various businesses. Accountability, care, transparency and collaboration are core values that define MTC and what it does. This philosophy underpins our mission and rehabilitation approach, creating an environment that is vital to success. MTC have developed an inclusion strategy and action plan which will seek to address any issue of inequality in its pay across genders.

Under the law, men and women must receive equal pay for:



- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

MTC is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

2.0 MTC (including corporate functions, Norwich Service Centre and Rainsbrook STC)

MTC's statistics for the reporting period are:

- Mean gender pay gap: 20%.
- Median gender pay gap: 0%.
- Mean gender bonus gap: 30.4%.
- Median gender bonus gap: 22.3%
- Received Bonus Gap: 5.9%.
- Proportion of male employees receiving a bonus: 29.5%
- Proportion of female employees receiving a bonus: 23.6%.

2.1 Pay quartiles by gender

Band	Males	Females	Description
A	37.6%	62.4%	Includes all employees whose standard hourly rate places them at or below the lower quartile.
B	51.4%	48.6%	Includes all employees whose standard hourly rate places them above the lower quartile, but at or below the median.
C	49.5%	50.5%	Includes all employees whose standard hourly rate places them above the median, but at or below the upper quartile.
D	54.6%	45.4%	Includes all employees whose standard hourly rate places them above the upper quartile.

3.0 Thames Valley CRC

TV CRC's statistics for the reporting period are:

- Mean gender pay gap: 6.4%.
- Median gender pay gap: 3.7%.
- Mean gender bonus gap: 0%.
- Median gender bonus gap: 0%
- Received Bonus Gap: 0%.



- Proportion of male employees receiving a bonus: 0%
- Proportion of female employees receiving a bonus: 0%.

3.1 Pay quartiles by gender

Band	Males	Females	Description
A	14.3%	85.7%	Includes all employees whose standard hourly rate places them at or below the lower quartile.
B	23.6%	76.4%	Includes all employees whose standard hourly rate places them above the lower quartile, but at or below the median.
C	23.2%	76.8%	Includes all employees whose standard hourly rate places them above the median, but at or below the upper quartile.
D	21.8%	78.2%	Includes all employees whose standard hourly rate places them above the upper quartile.

4.0 London CRC

London CRC's statistics for the reporting period are:

- Mean gender pay gap: 6.4%.
- Median gender pay gap: 3.9%.
- Mean gender bonus gap: 0%.
- Median gender bonus gap: 0%
- Received Bonus Gap: -0.2%.
- Proportion of male employees receiving a bonus: 0%
- Proportion of female employees receiving a bonus: 0.2%.

4.1 Pay quartiles by gender

Band	Males	Females	Description
A	18.1%	81.9%	Includes all employees whose standard hourly rate places them at or below the lower quartile.
B	33.2%	66.8%	Includes all employees whose standard hourly rate places them above the lower quartile, but at or below the median.
C	36.7%	63.3%	Includes all employees whose standard hourly rate places them above the median, but at or below the upper quartile.



D	34.2%	65.8%	Includes all employees whose standard hourly rate places them above the upper quartile.
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5.0 Analysis

The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

MTC is confident that its gender pay gaps do not stem from paying men and women differently for the same or equivalent work. Rather, the gaps are the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

The make-up of MTC's workforce across MTC can be seen in the above tables depicting pay quartiles by gender. The breakdowns show the workforce divided into four equal-sized groups based on hourly pay rates, with band A including the lowest-paid 25% of employees (the lower quartile) and band D covering the highest-paid 25% (the upper quartile). For there to be no gender pay gap, there would need to be an equal ratio of men to women in each band.

The vast majority of organisations have a gender pay gap, and we are pleased that across MTC the gap compares favourably with that of others. According to the April 2021 ONS ASHE figures, the median gender pay gap for the whole economy was 15.4 per cent. MTC's gender pay gap has increased by five percent from 2020's gender pay gap. This is a result of the gender of those occupying senior positions (including factors such as maternity leave) and not a discrepancy in pay. It is also partly due to a number of short-term fixed term contracts taken to address issues at Rainsbrook STC.

London CRC's median gender pay gap is 3.9 per cent (-0.8 per cent from 2020), and is therefore significantly lower than that of the whole economy with Thames Valley CRC also lower at 3.7 per cent (-5.1 per cent from 2020) and MTC lower at 0 per cent. This is a result of the gender of those occupying senior positions and not a discrepancy in pay.

To clarify the mean gender bonus gap and the median gender bonus gap across London CRC, Thames Valley CRC and MTC, it is important to look at the make-up of those who receive a bonus:

- The mean and median gender bonus pay gap for London CRC is 0 per cent and 0 per cent respectively, for Thames Valley CRC is 0 per cent and 0 per cent respectively and for MTC 30.4 per cent and 22.3 per cent respectively. This is reflective of the current bonus rules in those business areas. Bonus Pay Gaps for Received Bonus stand at -0.2 per cent for London, 0 per cent for Thames Valley CRC, and -5.9 per cent for MTC.
- The figures above reflect that no employee received a bonus in Thames Valley CRC and that one employee received a bonus in London CRC.



- They also reflect higher mean payments were made to men in MTC at a mean of £5,741.43 for men and £3,994.43 for women with a median of £643.75 for men and £500.00 for women. This reflects men in senior positions which, under our current bonus policy, attract a performance bonus.

6.0 What is MTC doing to address its gender pay gap?

While MTC's gender pay gaps across each of its organisations compare favourably with that of organisations across the whole UK economy, we are committed to doing everything we can to reduce the gaps. However, MTC recognises that its scope to act is limited in some areas due to, for example, employee career choices, national union agreements and action plans.

Before June 2021's reunification of probation services

MTC and its wider businesses developed an inclusion strategy to address any issues relating to inequality in pay across all genders. Before June 2021, an equality and diversity board met monthly to provide corporate focus to strategies such as gender pay gap. The board was represented by employees at all levels across the business and worked with the Inclusion Business Partner and the wider HR team to examine data provided and suggest relevant adjustments that could be applied across the businesses should disproportionality exist.

After June 2021's reunification of probation services

After June 2021's reunification of the probation services, MTC significantly reduced staff numbers and restructured the offering to ensure diversity and equality. We have developed a new Social Value focus, which is split into the Unlocking Potential fund, Learning through Lived Experience and MTC Conserves (combatting climate change). This is supported by the new Social Value and Inclusion committee which includes employees at all levels across the business. This committee works with key stakeholders at MTC to examine data provided on strategies including tackling gender pay gap. They will suggest relevant adjustments should disproportionality exist.

Any further initiatives launched throughout the year will be reported on the company intranet.

I confirm that MTC is committed to the principle of gender pay equality and has prepared its 2021 gender pay gap results in line with mandatory requirements.

Ian Mulholland
Managing Director
For and on behalf of MTC