
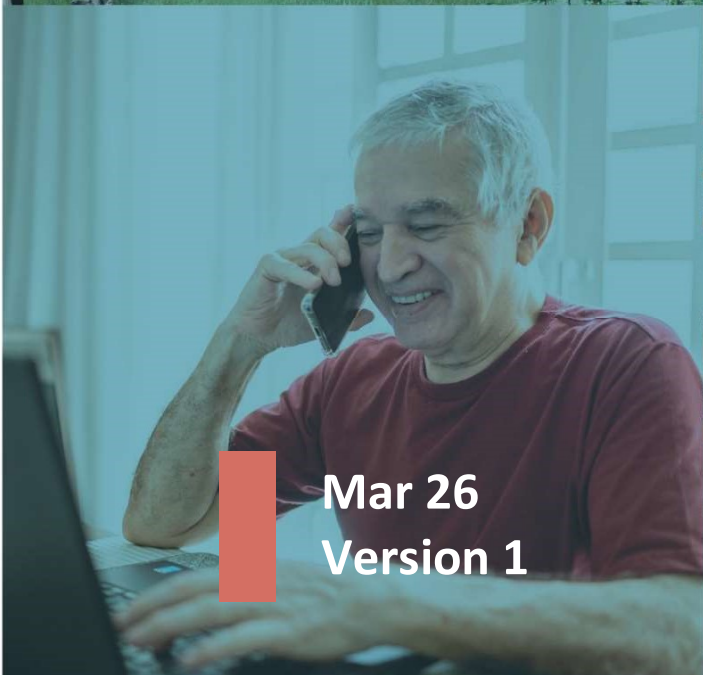




Ethnicity Pay Gap Report 2025.



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Version 1

Introduction

Executive summary

This report sets out Milton Keynes City Council's (MKCC) Ethnicity Pay Gap (EPG) position using a snapshot date of 31 March 2025. While ethnicity pay gap reporting is not currently a statutory requirement, MKCC has published its EPG annually since 2020, reflecting our commitment to transparency, accountability and fairness, and aligning with emerging national best practice.

Key messages

- Overall EPG remains stable (mean 10%, median 2%)
- Black colleagues continue to experience the widest gaps
- Under-representation at senior levels remains the primary driver
- Recruitment trends are improving the future pipeline

As at the snapshot date, MKCC employed 2,609 colleagues, with 2,594 on full pay included in the pay gap calculations. Colleagues from All Other Ethnic Groups Combined account for approximately 30% of the workforce, rising to an estimated 31% when accounting for undeclared ethnicity. This represents a diverse workforce, particularly in comparison to many public sector employers nationally.

The headline figures show a mean ethnicity pay gap of 10% and a median ethnicity pay gap of 2% when comparing All Other Ethnic Groups Combined to White British colleagues. However, consistent with national research, these aggregated figures mask significant variation between ethnic groups. When examined at a more granular level, colleagues of Black ethnicity experience a notably wider pay gap, with a 13% mean and 8% median gap relative to White British colleagues, while colleagues from Mixed and Other White ethnic backgrounds show little or no pay gap.

Analysis by pay quartile demonstrates that colleagues from ethnic minority backgrounds are over-represented in the lower pay quartiles and under-represented in the upper quartile, a pattern mirrored in national ethnicity pay gap research. This reflects structural factors including occupational distribution, tenure, and historical recruitment patterns rather than unequal pay for equal work. MKCC's relatively stable workforce and long average length of service mean that change at senior pay levels takes time to work through the organisation.

Encouragingly, 2024/25 recruitment data shows a significant shift, with new recruits being 45% from other ethnic backgrounds than White British. This indicates that actions already underway are beginning to influence workforce composition and provide a stronger pipeline for future progression.

In line with national guidance and research, understanding and publishing ethnicity pay gap data enables MKCC to identify where barriers exist, target action effectively, and monitor progress over time. The findings reinforce the importance of sustained focus on inclusive recruitment, progression and development to ensure colleagues from all backgrounds can thrive and succeed at every level of the organisation.

Reporting metrics

Using a snapshot of pay from 31 March 2025, we use six calculations to show the difference between the average earnings of White British employees and people of different ethnicity. These are:

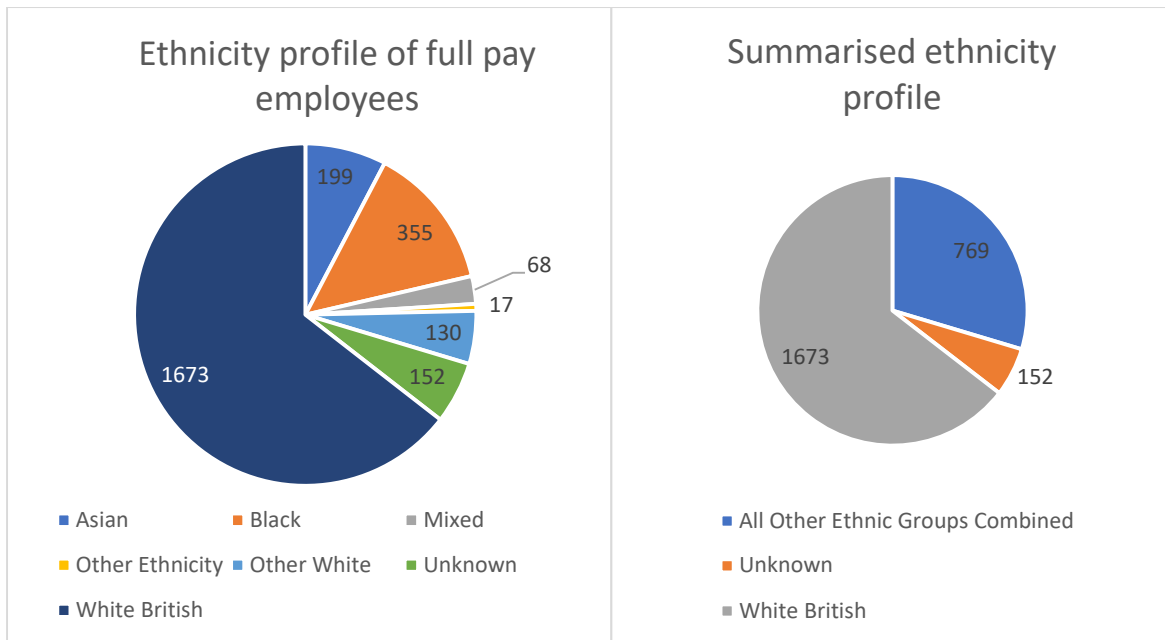
1. Our mean ethnicity pay gap
2. Our median ethnicity pay gap
3. Our mean bonus ethnicity pay gap
4. Our median bonus ethnicity pay gap
5. The proportion of each ethnic group receiving a bonus payment
6. The proportion of each ethnic group divided into four quartile pay bands

Ethnicity pay gap vs equal pay

The ethnicity pay gap shows differences in average earnings across the organisation. It does not mean people are paid differently for doing the same job. MKCC uses a single pay framework backed by a robust pay policy that ensures fair remuneration for all. The differences that exist are driven by representation across roles and grades.

Workforce Profile

On 31 March 2025 we employed 2609 people. Pay gap figures are calculated on all full pay employees, a reduced pay employee being someone who is receiving less than their standard salary for example on career break, maternity leave etc. At the reference date we had 2594 employees on full pay.



All Other Ethnic Groups Combined account for 30% of the workforce. However, 6% of our workforce have not disclosed their ethnicity, if ratios held steady across all employees it suggests that this workforce is 31% of all staff. Improving ethnicity declaration rates remains a priority, as higher disclosure will strengthen future analysis and confidence in trends.

Mean EPG

White British colleagues mean hourly rate is £21.32

	Asian	Black	Mixed	Other	Other white	Unknown	All Other Ethnic Groups	All Staff
Mean hourly rate	£18.66	£18.48	£20.90	£19.20	£20.81	£20.04	£19.15	£20.60
Mean pay gap to White British	12%	13%	2%	10%	2%	6%	10%	3%

The data shows the real importance of looking at ethnicity in more detail than at the overarching all other ethnic group level. The 10% pay gap felt for this group masks the granular experience where colleagues of Other White or Mixed Ethnicity are only 2% behind White British colleagues, colleagues of black ethnicity are much worse off with a 13% mean pay gap.

Median EPG

White British colleagues median hourly rate is £18.72

	Asian	Black	Mixed	Other	Other white	Unknown	All Other Ethnic Groups	All Staff
Median Hourly Pay	£18.26	£17.29	£18.72	£17.02	£18.26	£18.26	£18.26	£18.26
Median pay gap to White British	2%	8%	0%	9%	2%	2%	2%	2%

The Median EPG to All Other Ethnic Groups Combined is 2% but this masks the granular story where colleagues of Black or Other Ethnicity have a considerably wider Median EPG.

Bonus EPG

Milton Keynes City Council (MKCC) does not operate any performance related pay or bonus schemes and therefore has no bonus EPG.

MKCC rewards employees who achieve 25 years' service to the Milton Keynes community, with a long service award. The award is a gift in vouchers, administered annually in December.

Ethnicity representation by pay band

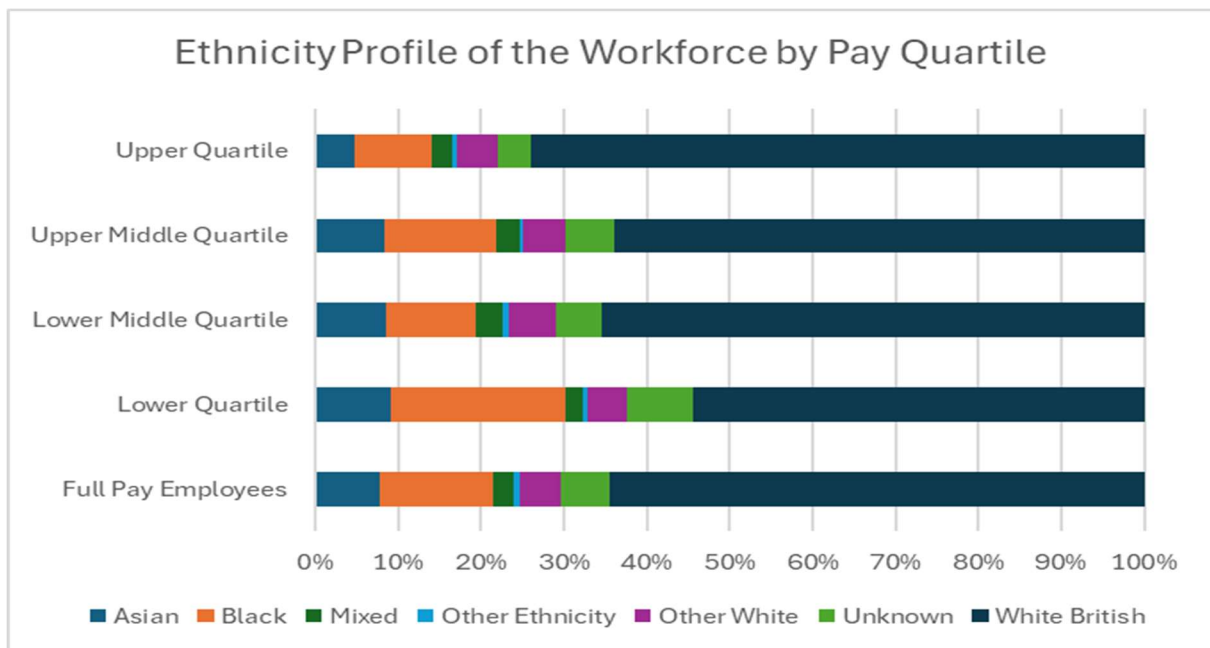
The full pay workforce is split into quartiles to show the proportion of each ethnicity in each broad pay band. There are 648 people in the Upper and lower Quartiles and 649 in each of the middle two quartiles.

Lower Quartile- Hourly rates to £15.08

Lower Middle Quartile- Hourly rates £15.08 - £18.26

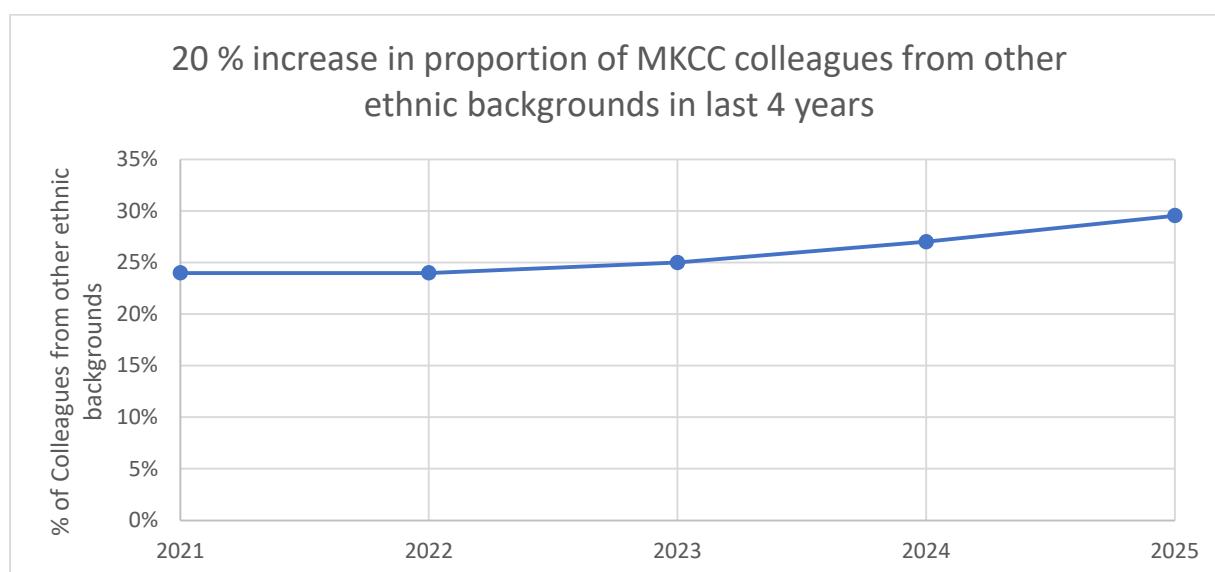
Upper Middle Quartile- Hourly rates £18.26 - £23.70

Upper Quartile- Hourly rates £23.70 and above



This chart shows that ethnic minority colleagues are least represented in the upper quartile, reinforcing that progression rather than pay rates is the primary driver of the ethnicity pay gap. While small numbers mean that some quartile trends may be exaggerated or masked, comparison across quartiles shows clear patterns. White British colleagues are underrepresented in the lower quartile, with Asian, Black and Unknown Ethnicity colleagues correspondingly overrepresented. As pay quartiles increase, the proportion of White British colleagues rises, with the inverse pattern seen for most other ethnic groups, who experience their lowest representation in the upper quartile. This reflects a range of factors, including tenure. MKCC has a stable workforce with an average length of service of seven years, meaning that changes in workforce composition take time to be reflected at higher pay levels.

Our Changing Workforce



The proportion of colleagues from ethnic minority backgrounds has risen from 24% in 2021 to 30% in 2025, demonstrating meaningful progress in attracting a more diverse workforce. However, improvements in workforce diversity typically take several years to influence pay gaps due to progression timescales. The increased diversity of the workforce is positive, but it also helps to explain why the ethnicity pay gap has remained relatively stable.

Recruitment into the organisation is concentrated in lower pay quartiles, meaning that increased diversity is currently most visible at the lower end of the pay scale. Over time, as these colleagues progress and develop within the organisation, this growing pipeline is expected to support improved representation at higher pay levels and contribute to a narrowing of the ethnicity pay gap.

Our Focus for 2025/26

- **Inclusive recruitment practices.** In January 2025 we undertook a comprehensive review of recruitment and selection from a diversity and inclusion perspective and were encouraged to find that this is working well as is borne out by 2024/25, new recruits to MKCC being 45% from other ethnic backgrounds.
- **Progression and development.** We want to build on the success of appealing to a diverse workforce by ensuring that MKCC is a place where everyone can thrive and progress. Our 'Workplace for Everyone', a comprehensive programme of championing diversity and inclusion that underpins all we do at MKCC has had a development for everyone focus this past year, promoting this message with focus groups and targeted initiatives enabling colleagues from all backgrounds to access development opportunities, progress into higher-paid roles, and build sustainable career pathways within the council.

- **Workforce planning and pipeline development.** Recognising that recruitment is currently concentrated in lower pay quartiles and that meaningful change at senior levels takes time.
- **Employee engagement and data quality.** Encouraging disclosure of ethnicity data to improve the accuracy and insight of future reporting.

MKCC recognises that publishing this report is not an end in itself. In line with emerging UK policy direction and best practice, we will continue to use ethnicity pay gap analysis as a tool to inform action, track progress, and hold ourselves accountable. By doing so, we aim to build a workforce that better reflects the community we serve and ensures fairness, opportunity and inclusion for all colleagues.