

# Schools must publish gender pay gap statistics

(see below for up to date guidance)

Academy trusts and schools will be required to publish the pay gap between men and women if they employ more than 250 workers the government revealed this week.

On Tuesday, prime minister David Cameron announced that all businesses with more than 250 employees will have to publish the difference in average pay between male and female workers.

This will affect many academy trusts, who directly employ staff across multiple schools. Foundation or maintained schools with large staff rolls could also be included.

Women employees in the UK are paid almost 20 per cent less than men. Education secretary Nicky Morgan, whose brief includes equalities, said: "That is why we are committing to eliminating the gender pay gap in a generation.

"This is not just the right thing to do, it makes good business sense: supporting women to fulfil their potential could increase the size of our economy by 35 per cent."

The government is consulting on the gender pay audits and members of the public are invited to make representations. It will close in September.

In the consultation, respondents are asked to give views on how frequent the audits should be and what type of information should be supplied (that is, overall or differences in full and part-time staff) and where or if it should be published publicly on a website.

The schools sector has a smaller than average pay gap, analysis by Schools Week has shown.

The greatest difference is in leadership positions with an average 8 per cent difference between male and female senior leaders.

The gap increases in primary academies where men are, on average, paid £55,000 and women £49,000 – a difference of 11 per cent.

For classroom teachers the gap is smaller again, with men earning 3 per cent more than women.

But in primary academies, women classroom teachers are paid, on average, 7 per cent more than their male counterparts.

Concerns have been flagged by teaching unions that the decision to move teachers' pay to a fully performance-related scale, rather than one that automatically increased with experience, may cause this gap to increase.

Dr Mary Bousted, general secretary of the Association of Teachers and Lecturers (ATL), said: “A recent survey of ATL members showed that women fared worse under the performance-related pay system.

“The average salary for a female teacher is £2,900 lower than that of a male teacher. The only way that we can address the difference is for there to be more transparency over pay. The information should not be difficult to compile.

“ATL has called for schools to undertake equality audits of the decisions made on pay to highlight any difference in pay in relation to gender or any other protected characteristic in accordance with the Equality Act 2010.”

## Gender pay gap reporting: what schools need to know

October 2016

Many schools will need to be ready for the new rules on reporting pay statistics for men and women from as early as April 2017.

The Office for National Statistics reported in February 2016 that full time working women are paid 9.4% less than full time working men. The gender pay gap for all workers, including those working part time is 19.2%. Reasons cited for the pay gap include discrimination, an imbalance of caring responsibilities and a lack of women in senior roles. It has been suggested that the gap is compounded by secrecy about rates of pay.

In an attempt to bring more transparency to bear on the problem, the Government intends to enact The Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 (the Draft Regulations) which will create a legal obligation to report gender pay gap statistics on medium-sized and large UK employers.

### **Who has to publish gender pay gap statistics?**

Private and voluntary sector employers who have 250 or more relevant employees (meaning those who ordinarily work under a contract of employment in Great Britain) will have to report their gender pay gap statistics. It is estimated that the rules will catch nearly 8,000 employers.

Public authority employers, including maintained schools, academies and free schools, are currently outside the scope of the new rules. However, the Government has announced its intention to introduce gender pay gap reporting obligations for the public sector within the same time period as those for the private sector. A consultation seeking views on these proposals was opened on 18 August 2016.

### **When will reports have to be made?**

The Draft Regulations are expected to be in force by April 2017. The first reports are likely to be due by April 2018, but it is expected that they will report the gender pay gap statistics for the key date of 30 April 2017.

An analysis of gender pay gap figures will then have to be carried out on a "snapshot" date every April and an annual report published within twelve months of that date.

### **What must be reported?**

Schools caught by the rules will have to publish the following statistics (figures for gross pay should be used in all cases):

1. Average women's hourly earnings as a percentage of average men's hourly earnings (based on both the mean and median average)
2. Average bonuses for women as a percentage of average bonuses for men (based on the mean average)
3. The percentage of women who receive bonuses and the percentage of men who receive bonuses
4. The number of male and female employees in each quartile of the employer's pay distribution (based on rates of hourly pay)

#### ***Mean is***

- *the average of the numbers*
- *To calculate the mean add up all the numbers and ÷ by how many numbers there are*

#### ***Median is***

- *the middle number in a sorted list of numbers*
- *To find the median place all the numbers you are given in value order and find the middle number*

### **What is included in "pay"?**

When working out the gross hourly rate of pay for an employee, overtime pay, expenses, benefits in kind and the value of salary sacrifice schemes should not be taken into account. On the other hand, shift premiums, on call and standby allowances will be counted. Under the Draft Regulations, reduced pay, for example where an employee is on sick leave or maternity leave, should be used in the calculations rather than the normal contractual rate of pay. Commentators have pointed out that this will widen the pay gap statistics and there is a possibility that this will change when the rules are finalised.

### **Where will the statistics be published?**

Employers must upload the report to a government website and publish the statistics on their website. There is no requirement for the information to be prominent but it should be accessible to both employees and members of the public. Statistics must be accessible on the website for three years. Employers can, if they wish, include annotations and narrative to give a context for the figures.

### **What happens if employers do not report or if figures are inaccurate?**

There are currently no penalties or enforcement measures for non-compliance in the Draft Regulations. Neither are there any checking mechanisms to ensure accuracy. However, there are likely to be reputational risks where an employer does not comply and the Government is considering naming and shaming employers who do not comply.

Schools should be aware that a Freedom of Information Act request could be made and that the underlying salary information and calculations are likely to be disclosable.

### **Action points for schools**

Although only larger independent schools are currently caught by the legislation, it is advisable for academies, academy trusts and maintained schools with around or over 250 employees to prepare to make the report.

1. All school employers should work out the number of relevant employees they have (including considering which members of staff are "employed under a contract of employment").
2. Schools which are under but fairly close to the 250 threshold should consider seeking legal advice on this point.
3. Schools with 250 or more relevant employees may wish to carry out a "dry run" analysis of the figures. This will help to uncover tricky aspects to the calculations. Schools will also have forewarning where the gender pay gap is significant and may need addressing on a strategic level.