



Student Loans Company

GENDER PAY GAP REPORT 2018

March 2019

What is the legislation?

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, all organisations listed at Schedule 2 to the regulations that employ over 250 employees are required to report annually on their gender pay gap. Other organisations with 250 or more employees will need to comply with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

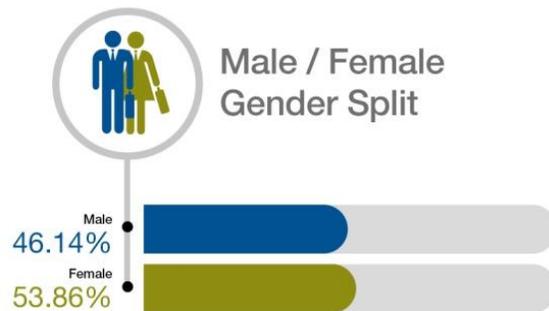
What does the gender pay gap mean?

The gender pay gap is a high level snap-shot of pay within an organisation and shows the difference in the average pay between men and women in a workforce. If a workforce has a particularly large gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

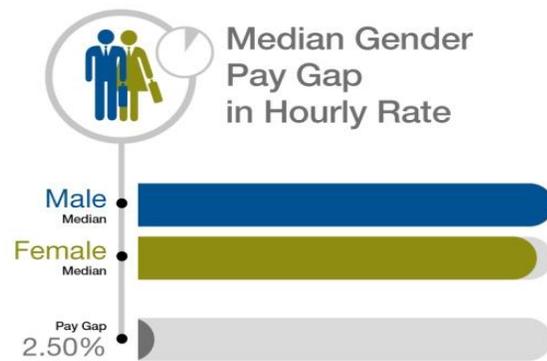
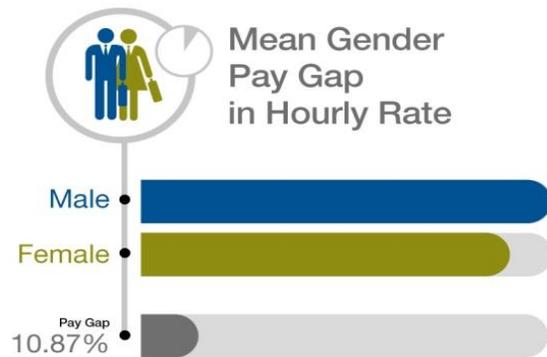
The gender pay gap is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. A gender pay gap does not equate to the existence of an equal pay problem, albeit a gender pay gap may be a trigger for further investigation about the reasons why the gap exists.

Gender Make-up of SLC

The Company profile is 54% of the SLC's workforce are female and 46% of the SLC's workforce are male.



Gender Pay Gap



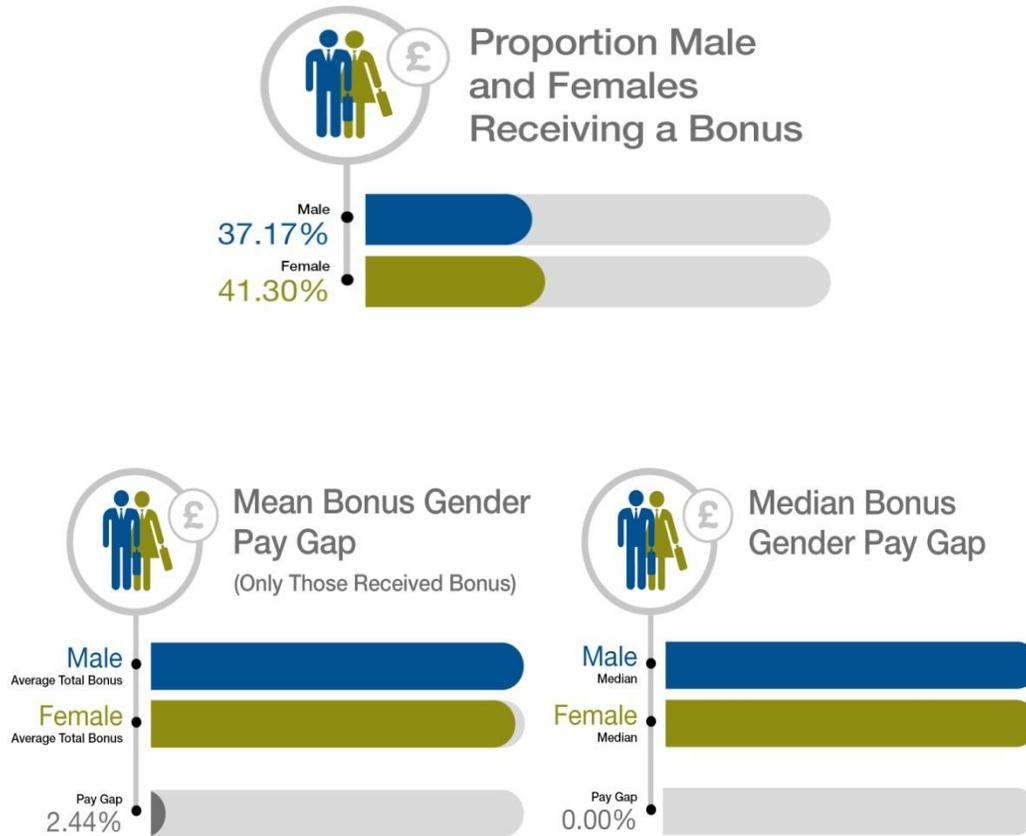
The mean female hourly rate is 10.87% lower than the mean male hourly rate. The median female hourly rate is 2.5% lower than the median male hourly rate.

There has been a slight increase in the GPG year on year. The following table details the GPG figures for the last two years:

| | 2018 Pay Gap | 2017 Pay Gap | Change between 2017 and 2018 |
|--------|--------------|--------------|------------------------------|
| Median | 2.5% | 0% | + 2.5% |
| Mean | 10.87% | 10% | + 0.8% |

The year on year variance in the mean and median pay gaps has been driven by the continuation of a relatively high percentage of males in technical roles/grades within the SLC. The SLC has made positive improvements to gender pay gaps in all other grades over the last 12 months.

Performance Related Pay – Bonus



The mean female bonus pay is 2.44% lower than the mean male bonus pay. The median female bonus pay is 0% lower than the median male bonus pay.

As at 31 March 2018 the SLC's performance related pay awards were made to the top 25% of performers. Performance related pay is paid as a set amount, depending on grade and performance level, irrespective of gender. In addition, SLC operate an employee recognition reward scheme plus a separate bonus scheme for a proportion of the workforce in Repayments.

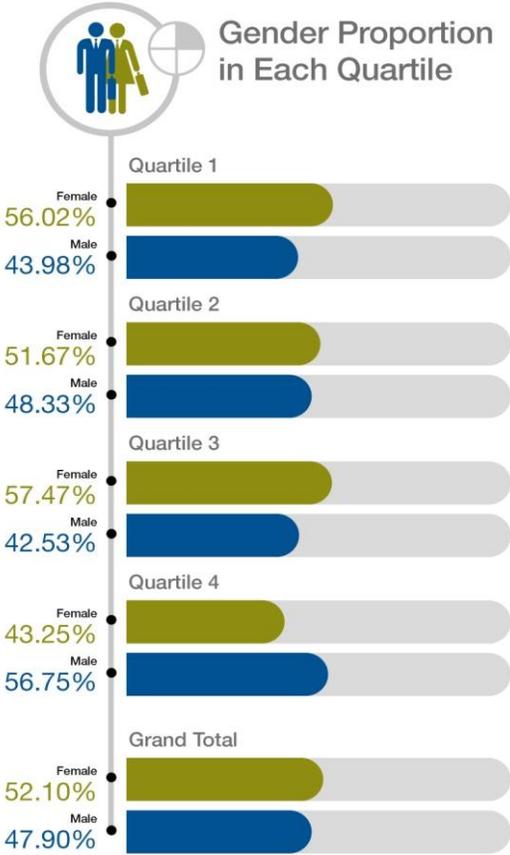
The SLC's year on year figures show a reduction in the median bonus pay gap when compared with last year. The following table details the bonus pay gaps for the last two years:

| | 2018 Bonus Gap | 2017 Bonus Gap | Change between 2017 and 2018 |
|--------|----------------|----------------|------------------------------|
| Median | 0% | 17% | - 17% |
| Mean | 2.44% | 10% | -7.56% |

Proportionately more females than males have received a bonus during the calculation year. The mean highlights that males are paid more due to pro-rating for part-time workers, who are traditionally more likely to be females.

Pay by Quartiles

- 1 = Top quartile
- 2 = Upper middle quartile
- 3 = Lower middle quartile
- 4 = Lower quartile



The overall percentage of females employed at SLC has remained at 53% since 2017.

The following table details the percentage of females only in each quartile for the last two years:

| | 2018 | 2017 | Change between 2017 and 2018 |
|-----------------------|--------|------|------------------------------|
| Lower Quartile | 43.25% | 56% | - 12.75% |
| Lower Middle Quartile | 57.47% | 51% | + 6.47% |
| Upper Middle Quartile | 51.67% | 61% | - 9.33% |
| Upper Quartile | 56.02% | 45% | + 11.02% |

During the last 12 months, we have seen an increase in the number of women within our upper pay quartile (employees earning in excess of £30,342 per annum).

What we are doing to eradicate the Gender Pay Gap?

The SLC continues to undertake a number of activities to focus on closing the Gender Pay Gap since first reporting in 2017. Key actions included:

- As part of our People Strategy we continue to work on building our attraction processes, talent pools and line manager capability to recruit more women into roles traditionally held by men such as technology focused jobs.
- We seek to develop a new 'fit for purpose' pay and grading approach that will help us to reward for skills, behaviours and experience and attract from the widest possible talent pool. This has not been delivered yet but is being integrated into our wider transformational plans and we are currently working with a third party to help expedite this.
- Improving support and advice for colleagues who are returning to work following time away from SLC for matters such as carer responsibilities, career breaks or family leave. Drop in sessions were held in 2018 for pregnant women and new or expectant parents of any gender. Going forward we wish to evolve our employee value proposition to more closely align with staff needs, including flexible working.
- We continue to invest in developing our female leaders in the organisation through a variety of programmes such as supporting further cohorts of women through the "women in leadership" programme, women in Technology Scotland programme and Aspire Women events. These all help support personal development and career progression for our existing and future female leaders at all levels.
- To ensure that gender equality remains as a core point in the development of our SLC Equality Diversity and Inclusion (EDI) strategies so that we attract from the widest possible talent pools. In 2018 we recruited more apprentices than ever before developing routes into the SLC who want to

develop a career beyond a frontline staff role. We will also ensure that the Gender Pay Gap is taken into consideration when reviewing the SLC's strategic workforce plan as we scrutinise our EDI strategies ready for publishing our new equality objectives in March 2020.

- Share best practice using existing cross-government reward networks and meetings with other non departmental public bodies to talk about the Gender Pay Gap and share ideas on closing the gap.

Staff included in the Gender Pay Gap data

This report sets out the SLC's Gender Pay Gap based on the snapshot of data taken at 31st March 2018. The SLC data does not include Agency workers or Contractors as these are not included in the SLC payroll and will be captured by the employing entity.

Declaration

We confirm that data reported by the Student Loans Company Department for Education is accurate and has been calculated according to the requirements and methodology set out in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.



Paula Sussex
Chief Executive