

11 Philpot Lane, London, EC3M 8UD

**Rt Hon Nicky Morgan MP**  
Chair of the Treasury Committee  
House of Commons  
London  
SW1A 0AA

19 December 2017

Dear Chair,

I am writing to follow up on my undertaking to provide the Treasury Committee with information on the gender pay gap at the National Infrastructure Commission (NIC), further to your letter of 21 November to the Chair of the NIC.

As with other Executive Agencies, formal reporting of the gender pay gap is done by the NIC's sponsor department, HM Treasury. The NIC's pay information has therefore been included in the HM Treasury pay gap report published on Monday. Because the NIC's headcount is significantly lower than the official reporting threshold of 250, the report does not disaggregate the results for the NIC in the same way that it does for the main HM Treasury department and for the Government Internal Audit Agency (the largest of its Executive Agencies).

Given my personal undertaking to the Committee, I have therefore commissioned a one-off internal analysis on the basis of more recent pay data (from August, when our most recent pay remit was implemented). It is important to note, however, that these figures are based on a staff headcount of just 30, so should be treated with some caution. The figures do not include staff seconded to the NIC, whose salaries are set by their home organisations.

The gender split for the NIC's 30 directly-employed staff, as at 1 August 2017, was 50/50. The splits by grade were as follows:

| <b>Grade</b>                 | <b>Female</b> | <b>Male</b> |
|------------------------------|---------------|-------------|
| SCS Payband 2                | 0             | 2           |
| SCS Payband 1                | 0             | 1           |
| Range E2 (G6 equivalent)     | 3             | 2           |
| Range E (G7 equivalent)      | 7             | 4           |
| Range D (HEO/SEO equivalent) | 4             | 4           |
| Range C (EO equivalent)      | 1             | 1           |
| Student Placement            | 0             | 1           |

On the basis of the August pay data, the overall mean gender pay gap was 9.3%. This is driven by the fact that the NIC's three Senior Civil Service (SCS) staff are all male, and when members of this group move on, it will be important to ensure that recruitment processes seek to attract a diverse field. Looking only at staff below the SCS, the gender pay gap favours the NIC's female staff by just over 10%.

Due to the higher numbers of female staff in the team leader grades (Ranges E2 and E), the median pay gap is zero, with the same median pay for both genders.

In terms of bonuses, the Commission gave annual bonuses to 4 of its female staff (26.7%) and to 3 of its male staff (20.0%). The NIC matched HMT's bonus levels for the year, with SCS bonuses set considerably higher than those at other grades. For this reason, as one of the male staff rewarded with a bonus was in the SCS, the mean gender bonus gap is very high, at 72.1%. The median bonus, however, was slightly higher for the NIC's female staff, with a median bonus gap of 20% in favour of the female staff receiving bonuses. Due to the small size of the NIC, it has not been possible to calculate pay quartiles.

In future years, our gender pay gap data will be published as part of the Treasury's overall return, based on salary data as at 31 March each year. In the meantime, I hope this provides a useful overview of the current position in terms of the organisation's gender pay gap.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Philip Graham', with a stylized flourish at the end.

**Philip Graham**  
Chief Executive