



Rt Hon. Mel Stride MP
Chair of the Treasury Committee
House of Commons
Committee Office
London SW1A 0AA

NS&I
1 Drummond Gate
London SW1V 2QX

nsandi.com
020 7932 6600

13 May 2021

Dear Mr Stride,

NS&I's median gender pay gap and median gender bonus gap

During NS&I's appearance before the Treasury Committee on 17 March 2021, I said that I would write to the Committee to explain in more detail why NS&I has a median gender pay gap of 11% but a median gender bonus pay gap of 25% (data as at 31 March 2019, published in our 2019-2020 Annual Report and Accounts); together with an update on what NS&I is doing to address both gender pay gaps.

1) Why do our 2019-20 Annual Report and Accounts show a gender pay gap?

The key driver is the higher proportion of women in lower pay grades (approximately a 60:40 split) which is reversed for higher paid grades. As a small organisation with an average headcount of 205 (below the threshold at which companies are required to report their gender pay gap) a small change in gender mix at senior levels can have a significant impact on our pay gap. Our performance on both the mean and median measures has been broadly flat.

2) Why is the bonus pay gap larger than the pay gap?

NS&I bonuses are a function of base salary and therefore the gender mix explained above will tend to create a wider gap when bonuses are included. In addition, more senior grades are eligible for higher percentages of their salary as a bonus. These higher grades have more men than women and therefore there is a wider bonus pay gap as a consequence. Of those Directors and Assistant Directors who received a bonus, 62% were male, which is in line with the gender mix at this level in the organisation.

This summer, we will be publishing our 2020-21 Annual Report and Accounts that will show a reduction in the median bonus pay gap of 13.62 percentage points. A full updated breakdown is detailed in the appendix.

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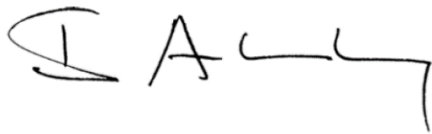


NS&I is committed to doing more to achieve gender balance in our pay and reward arrangements:

- We are a signatory of HM Treasury's Women in Finance Charter and we have a gender balance target for our pay bands 1 to 3, but we recognise that we have room for improvement.
- To help improve our performance on the ordinary pay gap, in 2020-21 NS&I joined the civil-service wide Crossing Thresholds programme. We are supporting six women at junior and middle grades on the programme and see this is an important initiative in helping them develop their careers. We have a comprehensive programme of learning and development to support women in developing their careers, including mentoring, coaching and career conversations.
- Our overall pay and reward package includes flexible working arrangements, including a 9-day fortnight and working from home.

I recognise there is more to do to address the gender pay gap and increase female representation in senior roles, and my executive team and I are committed to achieving this objective. I hope that the information provided here addresses the Committee's questions.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'I Ackerley'.

Ian Ackerley
Chief Executive
National Savings and Investments (NS&I)
Email: i.ackerley@nsandi.com



Appendix

The data for 31 March 2020, which will be published in full in our 2020-21 Annual Report and Accounts later in 2021, is also described below.

NS&I gender pay gap 2020-21 (as at 31 March 2020)

Gender pay gap	March 2020		March 2019		March 2018		March 2017	
1. Mean gender pay gap - Ordinary pay	12.40%		13.97%		13.29%		11.54%	
2. Median gender pay gap - Ordinary pay	12.20%		11.23%		11.35%		6.55%	
3. Mean gender pay gap - Bonus pay in the 12 months ending 31 March	15.72%		23.18%		21.27%		19.99%	
4. Median gender pay gap - Bonus pay in the 12 months ending 31 March	11.08%		24.70%		32.63%		13.02%	
5.The proportion of male and female employees paid a bonus in the 12 months ending 31 March:								
Male	100.00%		97.94%		93.18%		94.40%	
Female	98.13%		96.43%		95.00%		96.80%	
Gender pay gap	March 2020		March 2019		March 2018		March 2017	
6. Proportion of male and female employees in each quartile *	Female	Male	Female	Male	Female	Male	Female	Male
Lower quartile	60.80%	39.20%	57.69%	42.31%	61.70%	38.30%	64.40%	35.60%
Lower middle quartile	66.00%	34.00%	71.15%	28.85%	61.70%	38.30%	54.30%	45.70%
Upper middle quartile	41.20%	58.80%	40.38%	59.62%	42.55%	57.45%	34.80%	65.20%
Upper quartile	44.00%	56.00%	44.23%	55.77%	45.65%	54.35%	53.30%	46.70%