

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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Government Resources and Accounts Act 2000

Annual Report presented to the House of Commons by Command of His Majesty

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Chair's foreword

This eighth, and last, annual report records the activity of the National Infrastructure Commission (the Commission) in its final year of operation.

The government's decision to merge the Commission and the Infrastructure and Projects Authority and create the National Infrastructure and Service Transformation Authority – which began operating on 1 April 2025 – marked the end of the Commission's role as independent adviser to the government on the UK's long-term infrastructure needs, and the start of an exciting new chapter in the country's infrastructure story.



The new organisation combines under one roof the Commission's strategic, long-term planning expertise and the delivery capability and expertise of the Infrastructure and Projects Authority. Indeed, Commissioners formed the initial membership of NISTA's Expert Advisory Council, which will both help shape NISTA's work and provide a sounding board for ministers on key project decisions.

In its final year, the Commission produced two important reports: one on the future shape of Great Britain's electricity distribution networks, and another identifying the cost drivers of major UK projects. Both achieved good media coverage and positive feedback from stakeholders, indicating that until it ceased operating, the Commission was focused on the issues that matter to the sector.

Addressing these and other challenges to infrastructure planning and delivery now falls to NISTA. The government's publication of its 10-Year Infrastructure strategy and the new UK Infrastructure Pipeline – in line with Commission recommendations, and with significant input from the Commission secretariat now within NISTA – gave the new organisation a strong platform on which to build. The government's approach demonstrated that the Commission's work helping transform the way the UK thinks about infrastructure, and the evidence base it accrued, is now bearing fruit. A fitting coda to the Commission's period of operation.

I would like to express my thanks to my fellow Commissioners, and the secretariat staff, for their support over these last nine years and for their future contributions to the work of NISTA. And I must also acknowledge the support provided by the many stakeholder organisations – in both the public and private sectors – which contributed to our work.

A handwritten signature in black ink, appearing to read 'John Armitt', enclosed within a thin black rectangular border.

Sir John Armitt, Chair

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Introduction

This document meets HM Treasury’s requirement that the Commission publish an annual report of its activity together with its audited accounts after the end of each financial year.

The report is set out in three chapters:

1. Performance Report
2. Accountability Report
3. Financial Statements.

It is structured to:

- comply with HM Treasury’s ‘Financial Reporting Manual’ (FreM);
- outline the Commission’s main activities and performance in 2024-25; and
- provide financial statements for the period

The Annual Report and Accounts shall be laid before Parliament and made available on [gov.uk/nista](https://www.gov.uk/nista).

1. Performance Report

The Performance Report falls in two sections – the overview and the performance analysis.

Overview

The overview gives core organisational information about the National Infrastructure Commission to aid understanding of the organisation's purpose, the way it is structured, the Commission's key risks and the manner in which it has managed to achieve its objectives during 2024-25. It comprises:

- Accounting Officer's Statement
- Statement of Purpose and Activities
- Performance Summary
- Risk Management Strategy
- Adoption of Going Concern

Performance Analysis

The purpose of this section is to provide a detailed summary of how the Commission has measured its performance, and it includes:

- Achievements 2024-25
- Forward plans 2025-26.

Overview

Accounting Officer's Statement

During the period April 2024 – March 2025, the Commission maintained a steady programme of activity to inform infrastructure decision making with expert, impartial advice. The Opposition announced its proposals to create NISTA in May 2024, in the same month the government called a general election.

Following the election in July, the Commission continued its activity to influence the government response to the second National Infrastructure Assessment while refocusing some of its resources to reflect the priorities of the new government and the creation of NISTA.

During the first half of this period the Commission engaged heavily across government and industry to embed the recommendations of the second National Infrastructure Assessment further. This included publishing a short report to support government to develop resilience standards, building on the recommendation in the Assessment.

After the general election, the Commission refocused toward NISTA, taking a decision to continue one of its two major policy studies. It also produced supplementary advice to support the incoming 10-Year Infrastructure Strategy. In October 2024, the Commission published in depth analysis of the cost drivers of UK infrastructure projects. This analysis was designed to help the new government better understand why major projects fail to deliver on time and to budget. The delivery focus of this project enabled closer working with the Infrastructure and Projects Authority ahead of the machinery of government change.

The Commission's final study was published in February 2025. This looked at the expected demand on the electricity distribution network as the country electrifies, and what measures will need to be taken to improve the network in response to this increased demand.

During this period the Commission restated its commitment to equity, diversity and inclusion by publishing an equity, diversity and inclusion statement. Ahead of the creation of NISTA this statement reflected on the ways the Commission progressed its commitments including by enhancing its recruitment practices and developing in depth analysis of the impacts on different groups of its policy recommendations.

The Commission continued to operate hybrid working in both its Leeds and London offices, and the Leeds base grew significantly over the period. Membership of the Commission has remained consistent over the reporting year.

In its final year, the Commission remained influential, building strong consensus for its recommendations with the new government and across economic infrastructure. This laid a strong foundation for its work to continue and grow as NISTA.

Jean-Christophe Gray, Accounting Officer, 15 December 2025

Statement of Purpose and Activities

Remit

On 1 April 2025, the National Infrastructure Commission was merged with the Infrastructure and Projects Authority (IPA) to form the National Infrastructure and Service Transformation Authority (NISTA).

During the year 2024-25, the National Infrastructure Commission's remit was set out in its published Charter and Framework Document. Its purpose was to provide the government with impartial, expert advice on major long-term economic infrastructure challenges and to hold the government to account for the delivery of accepted recommendations.

NISTA's purpose is to ensure the government's strategies for infrastructure and service transformation deliver the growth and opportunity the country needs, bringing key decision making closer to spending decisions in HM Treasury (HMT) and giving Ministers the levers they need to push improvements in infrastructure and service transformation to drive growth.

Organisational Structure – Commission and secretariat

The Commission had a Chair and, at any given time, between four and 12 other non-executive Commissioners, who were appointed for terms of up to five years by the Chancellor, and served for a maximum of 10 years. Details of the active Commissioners during this reporting period are set out in the Corporate Governance Report section of this report. The Chancellor, with advice from the Chair, appointed Commissioners ensuring that the organisation had the right mix of skills and expertise to discharge its functions effectively. The Chancellor also appointed a Deputy Chair from among the Commissioners.

The Commission was supported by a Chief Executive Officer (CEO) and secretariat. The CEO was appointed by the Chancellor in consultation with the Chair. The CEO was also the organisation's Accounting Officer until 21 March 2025 and discharged these duties with oversight from the Commission's Oversight Board. Jean Christophe-Gray was appointed as the interim CEO of NISTA on 3 February 2025. James Heath left the role of CEO of NIC on 21 March 2025 and Jean-Christophe Gray, as NISTA's interim CEO, assumed Accounting Officer responsibilities for the NIC for the remainder of the financial year. Margaret Read was appointed as an Interim Director of Policy and Strategy from 24 March 2025 and held CEO responsibilities. She was responsible for ensuring that the Commission successfully transferred into NISTA. Margaret Read did not assume Accounting Officer responsibility for the NIC.

The secretariat comprised a mix of policy, analytical and operational staff from a variety of backgrounds, and was responsible for supporting the Commission to discharge its responsibilities. Staff responsibilities included: conducting analysis and gathering evidence, policy development, running consultation exercises, developing and formulating recommendations to the government, stakeholder engagement and representing the Commission at public events.

Performance Summary

During the period, the NIC:

- Completed the successful merger with the IPA, moving into HM Treasury to form NISTA
- Published five reports and publications, including the annual Infrastructure Progress Review, a study on boosting investment in Great Britain's local electricity distribution networks and analysis of the cost drivers facing UK infrastructure projects
- Maintained an active programme of speaking engagements, regional visits and stakeholder meetings consistent with its remit.

Risk Management Strategy

During the year 2024-25, the main risks faced by the Commission related to the successful delivery of its core responsibility to produce independent and authoritative analysis of the UK's future infrastructure needs, and the risks related to the transition to NISTA. The Commission faced a low level of operational risk as it was a small organisation with a focused budget that was primarily spent on staff, commissioning external research, and accommodation costs.

Throughout the year, the Commission's risk management strategy was led by the Senior Management Team. A detailed description of its approach is described in the Governance Statement in the Accountability Report. NISTA risks are now managed by its Senior Leadership Team.

Adoption of Going Concern

The Commission was merged with the IPA on 1 April 2025 to form NISTA, a group within HM Treasury and the Commission's budget was transferred to NISTA. The NIC's budget for 2024-25 was £6.0m, based on a carry forward of the 2023/24 budget baseline (£5.9m) plus an additional 1% on the resource budget (£5.3m) to reflect inflationary costs.

The commission's Statement of Financial Position at 31 March 2025 shows net liabilities of £427k. This reflects the inclusion of liabilities arising during the accounting period which are met by funding through supply from central government when they fall due. Under the normal conventions applying to Parliamentary control over income and expenditure, such funding may not be issued in advance of need.

NISTA will continue to carry out the responsibilities of the NIC within HM Treasury. Accordingly, it is appropriate to prepare the financial statements on a going concern basis, in accordance with the FReM's interpretation of IAS 1.

Performance Analysis

The Commission's Corporate Plan for 2023-26 set performance measures developed to track progress against our strategic priorities.

The Commission's assessment of its performance against these measures during 2024-25 is shown below.

Strategic priority	Success measure and key performance indicator target	Key performance indicator or qualitative assessment
Strategic priorities 1 - 3 <ul style="list-style-type: none">• Set the agenda for economic infrastructure• Promote and enable better infrastructure decisions• Secure positive responses to our recommendations and support their delivery	Number of reports delivered on time: KPI target: 100%	KPI actual: Met 100%: The Commission published five reports during the year, with each of them progressing in line with their projected timeframe and being delivered within deadline.

	<p>Stakeholder survey score: The Commission will take an average of key stakeholder survey responses to the following questions, gathering the % that agree or strongly agree with the following statements:</p> <ul style="list-style-type: none"> • Performance: “The NIC is successful in its role of advising the government on the UK’s infrastructure needs.” • Impact: “The NIC’s recommendations on infrastructure development are taken seriously”. • Independence and expertise: “The NIC’s recommendations are expert and impartial” <p>KPI Target: average of 65% across all questions</p>	<p>KPI actual: N/A</p> <p>Due to the transition to NISTA, it was agreed that the Commission would not complete a stakeholder survey in 2024/25s.</p>
	<p>% recommendations accepted: The government has committed to responding to the Commission’s recommendations setting out those which it accepts and those which it rejects.</p> <p>KPI Target: 80% of the NIC’s recommendations from the last 5 years being accepted by government</p>	<p>KPI actual: Met</p> <p>84% of the Commission’s recommendations from the previous 5 years had been endorsed by government as at year end.</p>

<p>Strategic priority 4:</p> <ul style="list-style-type: none"> • Create an organisation built on collaboration, professionalism and a high performing culture. 	<p>Staff engagement: The annual Civil Service People Survey contains a combined metric recording staff engagement.</p> <p>KPI Target: 70% and for the score to remain above the civil service average.</p>	<p>KPI actual: Not met</p> <p>The Commission score for staff engagement in the 2024 People Survey was 63% (66% in 2023). The wider civil service engagement score in 2024 was 64%.</p>
	<p>Diversity (representation): The Commission will set a target that the Commission's workforce should be representative of the UK population as a whole in terms of % of staff by gender, % Diverse ethnic background of staff and % of staff with disabilities.</p> <p>KPI Target: the Commission's staff body will be at least:</p> <ul style="list-style-type: none"> • 50% female staff • 14% staff from diverse ethnic background • 13% staff with disabilities. 	<p>KPI actual: Partially Not met</p> <p>At the end of Q4 2024/25 the Commission's staff body included:</p> <ul style="list-style-type: none"> • 41.3% female staff • 26.1% staff from diverse ethnic backgrounds • 15.2% staff with disabilities.
	<p>Diversity (inclusion): The annual Civil Service People Survey contains a combined metric recording staff inclusion.</p> <p>KPI Target: 85% and for the score to remain above the civil service average.</p>	<p>KPI actual: Not met</p> <p>The Commission's score for diversity and inclusion in the 2024 People Survey was 78%, which was lower than the wider civil service benchmark (81%).</p>
	<p>Skills: We will continue to review our plans for learning and development and recruitment to provide skills relevant for a high performing organisation.</p>	<p>KPI actual: Met</p> <p>In the 2024 People Survey, the learning and development score increased by 17%, up to 56%. This was following a concerted effort to improve the learning and development offer.</p>

	<p>Budget forecasting: The Commission will set out the accuracy of the Commission's budget forecasting and, by extension, budget planning. The measure will note how close the Commission's actual expenditure is to its forecast</p>	<p>KPI actual: Not met</p> <p>Outturn was 19% below budget, largely reflecting activities that were deferred, or no longer required due to the forthcoming merger with the IPA.</p>
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Achievements 2024-25

In May 2024 the general election was announced. At the same time, the then Opposition announced that it would merge the National Infrastructure Commission with the Infrastructure and Projects Authority. These developments limited the amount of published work the Commission produced in this period. The Commission published five studies and papers during the reporting period. Much of the work added further evidence and analysis to support government to respond to and deliver on the recommendations of the second National Infrastructure Assessment (NIA2), which was published in October 2023.

The following studies and papers were published during this last year of operation:

- Infrastructure Progress Review 2024
- Project level design principles guidance
- Developing Resilience Standards in UK Infrastructure
- Cost drivers of major infrastructure projects in the UK
- Electricity distribution networks: creating capacity for the future.

The Commission's final Infrastructure Progress Review charted government progress on the Commission's policy recommendations. The review looked ahead to the priorities for the coming five years, and looked back at policy progress over the previous year. Providing reflections on progress, as well as future priorities allowed the Commission to restate the core recommendations of the second Assessment ahead of the general election, which was announced soon after publication.

In partnership with the Design Group, the Commission launched its Project level design principles at the UKREiiF event in Leeds. This built on the Commission's design principles, providing additional guidance setting out a structured process for applying tailored principles at every stage of the project life cycle for nationally significant infrastructure projects. Following the launch event, members of the Design Group and the secretariat held several bilateral discussions with nationally significant infrastructure project leaders to embed this guidance within projects.

Following up the recommendation on resilience made in the second Assessment, the Commission published a report on routes to develop resilience standards across different sectors of infrastructure. This built on extensive engagement with government departments responsible for digital and telecoms, energy and transport. The paper looked in depth at the options for implementing the recommendations of the second Assessment to set resilience standards. It provided government with further clarity on the types of standards government should look to set, what the trade-offs might be when setting standards, and how to resolve these trade-offs by stress testing infrastructure performance against different scenarios. The paper allowed the Commission to have more in depth conversations about improving infrastructure resilience across the country.

The Commission's analysis of the cost drivers of major infrastructure projects analysed project level data and engaged extensively with stakeholders both within the UK and internationally to establish the root causes that can contribute to systemic failure of cost management on major infrastructure projects, and to understand how the UK compares internationally. The conclusions of the paper were broadly welcomed by stakeholders and received significant media coverage, despite being soft launched.

In February 2025, the Commission published its final major study looking at the expected demand on the electricity distribution network as the country electrifies, and what measures will need to be taken to improve the network in response to this increased demand. The study, commissioned by the previous government, recommended eight system-wide reforms including digitising the network, developing more effective strategic planning of the network, reforming and simplifying price controls and improving the connections process and customer service. It was launched at an online event with nearly 200 stakeholders from across the industry. The Department for Energy Security and Net Zero published a response to the study in July 2025, agreeing with each of the recommendations. The recommendations have also been referenced by Ofgem as part of their work on the forthcoming electricity distribution price control.

As well as its published reports as a Commission, ahead of the transition to NISTA, the Commission produced supplementary advice to support and evidence the 10 Year Infrastructure Strategy. As set out in a published [letter to the Chief Secretary to the Treasury](#), the advice covered surface transport priorities, effective public investment programmes, developing the infrastructure pipeline, strategic and spatial planning and flood risk management.

A further study commissioned by the previous government to look at the infrastructure requirements for connected and autonomous mobility was deprioritised. This was a decision of the new government following the general election.

The Commission did not receive a formal response to the second Assessment ahead of forming NISTA. However, the 10 Year Infrastructure Strategy, for which the Commission produced supplementary advice, was published in June 2025. The Strategy directly addressed several Commission recommendations from the second Assessment and other reports.

Ahead of the Commission's move into central government, it limited proactive work to engage with Parliamentary Committees; but it nonetheless continued to receive invitations to provide evidence on its recommendations. In this period the Commission gave evidence to:

- The Environmental Audit Committee inquiry into climate change and security and into flood resilience
- The Transport Select Committee in a one off evidence session on the Commission's work
- The Lords Industry and Regulator's Committee inquiry into the energy grid and grid connections.

Communications and Stakeholder Engagement

Press and Publicity

Despite publishing fewer reports following the announcement of the creation of NISTA in May 2024, the Commission continued to generate good coverage for the reports it published and maintained its role as a widely recognised participant in UK infrastructure policy.

Over the period covered by this report, the Commission generated 611 pieces of coverage across all types of media; this included 186 stories in national newspapers referencing the Commission and its work, including 11 interviews on broadcast media (not counting syndication of clips on regional and affiliate stations).

The study on electricity distribution networks, published in February 2025, achieved 41 pieces of media coverage overall, including in the Financial Times, BBC News, The Guardian and the Daily Mail. In October, the costs drivers report was soft launched on the Commission website, but still generated sectoral media coverage initially, and was later quoted in a number of stories on infrastructure projects by other commentators.

The Commission ensured its website continued to make available publicly all policy reports and supporting data, as well as regular updates on the Commission's work and responses to external developments. At 31 March 2025, the Commission website was successfully archived on the National Archives website, providing access to the Commission's reports and data.

Stakeholder Engagement

In this period the Commission continued to engage extensively across government and industry to embed the recommendations of the second Assessment. It maintained strong relationships across government and industry and continued to hold discussions with the mayors and senior leaders of combined authorities through its regional visits programme. A significant portion of stakeholder engagement over this period focused on testing and embedding the recommendations of the electricity distribution study and building the evidence base for and testing the conclusions of the cost drivers of infrastructure report.

Teams involved in these reports and the supplementary advice for the 10 Year Infrastructure Strategy took part in discussions across industry and with international stakeholders to develop and test their work, including roundtables with the Institution of Civil Engineers and the Boston Consulting Group and the French and Spanish Chambers of Commerce.

Toward the end of this period engagement activity pivoted toward the 10 Year Infrastructure Strategy itself. The Commission worked closely with HM Treasury to test the emerging conclusions of the strategy with cross-cutting stakeholders including contractors, consultants and investors.

Senior level strategic engagements over the period included:

- Across senior leadership, attending more than 300 bilateral meetings, dinners and roundtables

- Giving evidence to four parliamentary committees, and providing a private briefing to one further committee
- Three regional visits attended by Sir John Armitt and other Commissioners, including senior level mayoral or chief officer roundtables, infrastructure site visits and community visits to Cambridge, Liverpool City Region and the North East Combined Authority
- Four roundtables attended by Commissioners in support of studies and projects including a discussion with four cities on developing mass transit systems, a roundtable and site visit discussing connected and autonomous mobility; an online discussion with industry on the electricity distribution study; and a roundtable in partnership with the Chief Secretary and the GIIA on building investor confidence in infrastructure ahead of the 10 Year Infrastructure Strategy
- Two events to launch the electricity distribution networks study including a large scale online launch to 190 attendees, followed by an in depth, senior level in person roundtable to discuss the recommendations across electricity networks, government and the wider industry.

The Commission also continued to send a quarterly newsletter to around 2,080 Parliamentarians and other key stakeholders with news of the organisation's latest reports, responses and data releases. The final update was sent out in March 2025

Commission Activities 2024-25 in numbers

- Infrastructure reports and papers published: **5**
- Regional visits and roundtables: **10**
- Speeches by Commissioners & SMT: **47**
- Pieces of media coverage referencing the Commission's work: **611**
- National media coverage (broadcast and newspapers): **186**
- Broadcast interview: **11**
- LinkedIn followers: **15,690**
- Select Committee oral evidence sessions: **4**.

Corporate Services, Accommodation, Finance and Human Resources

The Commission's financial management and oversight arrangements were established in the Framework Document. Its sponsor department was HM Treasury and the organisation was funded via a delegated budget. The Commission's Framework Document committed HM Treasury to provision of a multi-year budget which was negotiated under the last Spending Review. The Chief Executive Officer of the Commission was designated as the Accounting Officer responsible for the effective management of public funds. Following the departure of the Chief Executive Officer in March 2025, Jean-Christophe Gray was appointed as the Accounting Officer. HM Treasury gave the Commission's Chief Executive Officer delegated authority to approve external appointments and procurements up to £5 million.

In June 2024 the Commission moved to a new office in 2 Whitehall Quay in Leeds. In July 2024, the Commission moved its London office from Windsor House to new temporary accommodation at 10 Victoria Street.

The Commission received some of its transactional services including IT, HR and Finance from HM Treasury. NISTA now sits within HM Treasury and therefore these services will be provided by HM Treasury.

Forward Plan 2025-26

From 1st April 2025 the Commission's functions were transferred to NISTA. This included the movement of the NIC's operations into NISTA, which is part of HM Treasury.

Jean-Christophe Gray, Accounting Officer, 15 December 2025

Chapter 2 - Accountability Report

The Accountability Report contains:

- the Corporate Governance Report, which includes an assessment of the Commission's delivery against its responsibilities set out in the Framework Document
- the Statement of Accounting Officer's Responsibilities
- the Accounting Officer's Governance Statement
- the Remuneration and Staff Report, which details the pay, pension arrangements and staffing structure of the office; and
- the Parliamentary Accountability and Audit Report, which details the audit arrangements and the relevant parliamentary accountability disclosures.

Corporate Governance Report

The Commission – Background

All appointments to the Commission were made by the Chancellor of the Exchequer. In making appointments, the Chancellor had responsibility for ensuring that the Commission had the right mix of skills and expertise to discharge its functions effectively.

The Commissioners were appointed to provide expert, impartial advice to the government on infrastructure, work with the Chair and each other to shape and develop the National Infrastructure Assessment and other specific studies, and generate consensus between government, industry and others.

One or more Commissioners were appointed to act as ‘lead Commissioner/s’ for each of the Commission’s projects and studies – providing guidance and challenge to the secretariat teams undertaking the work, managing relationships with key stakeholders and agreeing project plans and draft recommendations for discussion with the Commission.

On 1 April 2025, most Commissioners were appointed to NISTA’s Expert Advisory Council until 31 December 2025, with the exception of Sadie Morgan and Tim Besley, whose terms ended on 31 October 2025.

During the 2024-25 period the Commission had a Chair and nine other Commissioners. These were as follows:

- Sir John Armitt CBE (Chair)
- Julia Prescott CBE (Deputy Chair)
- Professor Sir Tim Besley CBE
- Neale Coleman CBE
- Dr Michele Dix OBE
- Andy Green CBE
- Professor Jim Hall FREng
- Professor Sadie Morgan OBE
- Kate Willard OBE
- Nick Winser CBE

Commissioner Biographies are available on our archived website at <https://webarchive.nationalarchives.gov.uk/ukgwa/20250307155705/https://nic.org.uk/about/the-commission/>

Commissioner Attendance	Commission Meetings Meetings attended out of those eligible
Sir John Armitt CBE	11 of 11

Julia Prescott	11 of 11
Professor Sir Tim Besley CBE	11 of 11
Neale Coleman CBE	11 of 11
Dr Michele Dix CBE	11 of 11
Andy Green CBE	9 of 11
Professor Jim Hall FREng	10 of 11
Professor Sadie Morgan OBE	7 of 11
Kate Willard OBE	10 of 11
Nick Winser CBE	10 of 11

Oversight Board

The Oversight Board supervised the Commission's financial management and administrative functions. It ensured the Commission had the staff and support it needed to enable it to provide high quality advice to the government and to provide assurance that effective internal control and risk management systems were in place.

The Oversight Board consisted of the Chair of the Commission, a representative of HM Treasury, appropriate executive members including the Chief Executive and Chief Operating Officer, and non-executive members who were either Commissioners nominated by the Chair, or external members appointed by the Chair.

Dennis Skinner and Katherine Easter's terms ended on 31 March 2024 and Kirsty Shaw and Matt Miller were appointed to the Board on 1 May 2024.

In 2024/25, the members of the Oversight Board were:

- Sir John Armitt (Chair)
- James Heath (CEO – Executive Member) (until March 2025)
- Mark Ardrone (COO – Executive Member)
- Kirsty Shaw (Non-Executive Member)
- Matt Miller (Non-Executive Member)
- David Finlay (Non-Executive Member)

The Board is also attended by:

- Linda Timson (Treasury Representative)

Non-Executive Director Biographies are available on our archived website at <https://webarchive.nationalarchives.gov.uk/ukgwa/20250307153835/https://nic.org.uk/about/governance/>

Member & Executive Attendance	Oversight Board Meetings Meetings attended out of those eligible
Sir John Armitt CBE (Chair)	4 of 4
James Heath (Executive)	4 of 4
Mark Ardron (Executive)	4 of 4
Kirsty Shaw (Non-Executive)	1 of 4
Matt Miller (Non-Executive)	4 of 4
David Finlay (Non-Executive)	4 of 4

The Oversight Board’s functions related to the corporate management of the Commission and it had no role in agreeing or reviewing the Commission’s policy reports or recommendations. During the year the Oversight Board satisfied itself with the Commission’s performance reporting. The Oversight Board ensured that the performance reporting data, provided by HM Treasury and subject to internal and external audit, was complete and accurate.

In 2024/25 the Commission’s internal audit service was provided by the Government Internal Audit Agency (GIAA). GIAA gave an opinion of moderate assurance with a limited scope on the NIC’s governance, risk and control arrangements. The limitation of scope was because management scaled back the internal audit programme following the announcement the NIC’s closure. GIAA therefore relied on work from previous years rather than a full programme of internal audit coverage.

Over the last year we can confirm that the board has delivered against all its core functions (See table below).

Delivery of Oversight Board Responsibilities:

Objectives
Ensuring the Commission has the resources required to discharge its functions
Ensuring that any statutory or administrative requirements for the use of public funds are complied with, and that the Commission acts in line with the principle of providing value for money

Operating within the limits of any delegated authority agreed with the Treasury, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Oversight Board takes into account administrative or financial guidance issued by the Treasury
Overseeing the remuneration of the Commission members (as determined by the Treasury), and HR policies for Commission staff, including pay consistent with the framework document
Ensuring that it receives and reviews regular financial information concerning the management of the Commission, and processes are in place to facilitate the sharing of any concerns about the activities of the Commission
Approving the Commission's annual report and accounts
Assuring itself of the effectiveness of the internal control and risk management systems of the Commission
Ensuring that the Commission demonstrates high standards of corporate governance at all times

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) of the Oversight Board supports the board in discharging its responsibilities in relation to issues of risk, control and governance, and associated assurances.

In 2024-25 the independent members of the Audit and Risk Assurance Committee were:

- David Finlay (Chair)
- Kirsty Shaw
- Matt Miller.

Member and Executive Attendance	Audit and Risk Assurance Committee Meetings
	Meetings attended out of those eligible
James Heath (Executive Member)	3 of 4
Mark Ardron (Executive Member)	4 of 4
Matt Miller (Non-Executive Member)	4 of 4
David Finlay (Non-Executive Member)	4 of 4
Kirsty Shaw (Non-Executive Member)	3 of 4

Register of Interests

The register of interests for each of the Commissioners, non-executive directors and senior management team is maintained online. Details can be found at the following web link: <https://webarchive.nationalarchives.gov.uk/ukgwa/20250307172518/https://nic.org.uk/corporate-reports/register-of-interests-2024/>. The Commission's conflict of interest policy can be found at the following web link: <https://webarchive.nationalarchives.gov.uk/ukgwa/20250307173006/https://nic.org.uk/corporate-reports/conflicts-of-interest-policy/>. The Commission collects a full updated disclosure of interests from Commissioners on an annual basis in advance of publication of its register of interests. This was reviewed and any potential conflicts and proposed controls are discussed with Commissioners. In addition, time is allotted at each monthly Commission meeting for Commissioners to declare interests arising in year. Minutes of these meetings, including declared interests, are published on the Commission's website: <https://webarchive.nationalarchives.gov.uk/ukgwa/20250307155802/https://nic.org.uk/about/corporate-reports/>.

Chair's Report

Assessment

As Chair, I am confident that the Commission has throughout the period of these accounts performed its main duties in line with the objectives set out within its Framework Document, to progress:

1. communicate and build on the recommendations in the second National Infrastructure Assessment
2. its current studies on pressing infrastructure challenges; and
3. gathering of intelligence to inform the annual monitoring report.

Within the reporting period I note that the executive:

- published a study into how regulatory and governance reforms could encourage more anticipatory investment in the country's electricity distribution network
- shared its analysis of the comment cost drivers facing major UK infrastructure projects
- provided more detailed guidance on the development of effective resilience standards, building on recommendations in the second Assessment
- produced new guidance for project leads on implementing its design principles within projects, and
- published the Commission's Annual Report and Accounts.

These outputs were published on our website and have been robust, authoritative and objective.

My interactions and those of my fellow Commissioners with the Commission's secretariat have enabled me to remain confident that the Commission has been free to use its own discretion in taking judgements and reaching analytical conclusions. The structures and processes for

working with HM Treasury and government have operated effectively, and the Commission has been transparent about these interactions. I am clear from my conversations with the Commission's Chief Executive and Senior Management Team that they have come under no pressure from Ministers, special advisers or officials to change the conclusions of their analysis.

In 2024-25, the Commission continued to maintain its governance and control environment, focussing on organisational efficiency and reducing operational risks.

The organisation had professional dedicated support for programme management, HR and financial management.

From conversations with the CEO and participation in the Oversight Board I am content that the Commission's key operational risks were managed effectively.

Considering these developments, I am content that the Commission's internal management structures and working practices led by the Chief Executive were effective and that the Commission's governance was compliant with the requirements laid out by HM Treasury in our Framework Document. I have also given regard to the HM Treasury's guidance 'Corporate governance code for central government departments' – as suggested, the Commission has adopted the practices set out in the Code and guidance commensurate with its size, status and legal framework.

My overall assessment is that the Commission has responded effectively to its Charter and has delivered its remit.

The Statement of Accounting Officer's Responsibilities

The Principal Accounting Officer (PAO) of HM Treasury has designated the Chief Executive of the Commission as Accounting Officer for the Commission. Following the departure of the Chief Executive Officer in March 2025, the interim Chief Executive Officer for NISTA was appointed as the Accounting Officer for the Commission. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Commission's assets, are set out in Managing Public Money published by HM Treasury.

Under the terms of the Commission's Charter, HM Treasury has directed the National Infrastructure Commission to prepare for each financial year a statement of accounts in the form and on the basis set out in the account's direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, Statement of Financial Position and cash flows for the financial year. In preparing the accounts I have complied with the requirements of the Government Financial Reporting Manual and in particular to

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosures requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis;
- sign the accounts and ensure that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by HM Treasury;
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the judgements required for determining that it is fair, balanced and understandable.

As far as I am aware there is no relevant audit information of which the Commission's auditors are unaware and as CEO and Accounting Officer I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

I confirm that the Annual Report and Accounts gives a fair, balanced and understandable view of the Commission's activities for the year ended 31 March 2025 and its financial position as at 31 March 2025.

I confirm also that I am personally responsible for this Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

My view is informed by the work of the Commission's internal and external auditors, and the staff within the Commission who have responsibility for the development and maintenance of internal processes.

Accounting Officer's Governance Statement

The following statement summarises the Commission's approach to corporate governance, risk management and oversight of any local responsibilities.

As Accounting Officer, I am personally responsible for:

- safeguarding the public funds for which I have charge;
- ensuring propriety, regularity, value for money and feasibility in the handling of those public funds;
- the day-to-day operations and management of the Commission;
- ensuring that the Commission is run based on the standards, in terms of governance, decision-making and financial management set out in Managing Public Money; and
- giving evidence (normally with the PAO) when summoned before the Public Accounts Committee on the Commission's stewardship of public funds.

I have responsibility for reviewing the effectiveness of our governance arrangements and risk management. Additionally, the Government Internal Audit Agency (GIAA) conducted a governance audit in 2024/25. GIAA gave a moderate assurance based on a limited scope of the Commission's governance arrangements. Their review was limited following management's decision to scale back the internal audit programme, because the Commission was closing.

The Commission had an Oversight Board and Audit and Risk Assurance Committee (ARAC) in accordance with the terms of our Framework Document.

The Oversight Board oversees the operational management of the Commission and includes the Chair of the Commission and independent non-executive members and a representative from HM Treasury. This board met four times during the period of these accounts.

The ARAC is responsible on behalf of the Oversight Board for overseeing any issues of risk, control and governance. The ARAC has also provided assurance on the quality of the Commission's financial statements. The ARAC met four times during the period of the 2024–25 accounts with representatives from the National Audit Office (NAO) and Internal Audit (Government Internal Audit Agency) also attending.

The Accounting Officer had overall responsibility for the management of the Commission and led the Senior Management Team which included the Chief Economist, two Directors of Policy (including a job share) and the Chief Operating Officer. We are responsible for implementing strategic decisions taken by the Commission and the Oversight Board, for making any necessary and appropriate decisions relating to the day-to-day performance of the Commission's business, and for the effective management of Commission staff. The SMT met fortnightly to discuss emerging issues and risks and overarching strategic direction.

In compliance with Business Appointment rules, the Commission was transparent in the advice given to individual applications by senior staff to take up business appointments upon leaving the Commission.

I am satisfied with the effectiveness of the Commission's whistleblowing arrangements. The Commission's Whistleblowing Policy, and an annual record of whistleblowing events, was reviewed by the Audit and Risk Assurance Committee on an annual basis.

Assurance has been formally provided to me as the incoming Accounting Officer for the National Infrastructure Commission, effective 22nd March 2025. My predecessor confirmed that all Accounting Officer responsibilities for 2024-25 had been met, with no known irregularities, deviations, or instances of fraud. Effective governance and risk management arrangements had been maintained throughout the year.

I worked with Margaret Read who was appointed as interim Director of Policy and Strategy on March 24th, to provide leadership for the NIC during its transition into NISTA. She held CEO responsibilities for the commission whilst reporting to me.

Risk management

During the year 2024-25, the main risks faced by the Commission related to the successful delivery of its core responsibility to produce independent and authoritative analysis of the UK's future infrastructure needs, and the risks related to the transition to NISTA. The Commission faced a small level of operational risk as it was a small organisation with a focused budget that was primarily spent on staff, commissioning external research, and accommodation costs.

The Commission's risk management strategy involved all members of staff in the Commission, its Oversight Board and its Audit and Risk Assurance Committee. Risks were identified by members of staff at project and operations level and high risk areas were escalated to the strategic risk register, maintained by the Chief Operating Officer. The strategic risk register was discussed at least quarterly by the senior management team and was reviewed quarterly by the Audit and Risk Assurance Committee and bi-annually by the Oversight Board. I was responsible, alongside members of the senior management team, for ensuring mitigation strategies were implemented and reported back to the Committee and the Board.

The Commission's risk management arrangements were reviewed by the Audit and Risk Assurance Committee on an annual basis to ensure they were effective.

Principal risks

The key risks for the Commission during 2024/25 included the transition to NISTA and the impact on staff. We put in place mitigations and managed these risks throughout the year which included open and transparent communication with staff.

Jean-Christophe Gray, Accounting Officer, 15 December 2025

Remuneration and Staff Report

Remuneration Report (audited)¹

The table below reports the remuneration of each Commissioner which is set by HM Treasury on appointment (audited). Current Commissioners' letters of appointment, which include detailed remuneration arrangements can be provided on request.

	2024-25 £000	2023-24 £000
Sir John Armitt CBE Chair of the Commission	85-90	85-90
Professor Sir Tim Besley CBE Commissioner	20-25	20-25
Andrew Green CBE Commissioner	20-25	20-25
Professor Sadie Morgan OBE Commissioner	20-25	20-25
Julia Prescott CBE Commissioner	20-25	20-25
Neale Coleman CBE Commissioner	20-25	20-25
Nicholas Winser CBE Commissioner	20-25	20-25
Kate Willard OBE Commissioner	20-25	20-25
Jim Hall FREng Commissioner	20-25	20-25
Dr Michele Dix Commissioner (from 01/11/23)	20-25	5-10 (20-25)

All figures in this table are audited.

Payment is reflective of three days a week for the Chair and two days a month for Commissioners.

As stipulated in the letters of appointment, Commissioners are not entitled to any bonus payments. 'Salary' includes gross salary only. The fees disclosed have been subject to external audit.

The remuneration shown is the gross fees paid to Commissioners and are subject to the deduction of appropriate taxes via the PAYE system.

¹ Certain disclosures within the remuneration report have been audited as per the FReM 6.2.1

No benefits in kind have been paid to Commissioners. The NIC does not pay any pension contributions on behalf of any of the members of the Commission.

It is to be noted that the chair of the oversight board is also a commissioner, whose remuneration is set out in this report. Other non-executive members of the Oversight Board and Audit and Risk Assurance Committee are unremunerated.

Senior management – single total figure of remuneration² (audited)

2024-25				
£000	Salary (FYE)	Bonuses/ allowances	Pension Benefits ³	Total
Jean-Christophe Grey Accounting Officer (from March 2025) ⁴	-	-	-	-
James Heath Chief Executive Officer (to March 2025)	135-140 (140-145)	5-10	54	195-200
Jonathan Saks Chief Economist	85-90	0-0	35	120-125
Hannah Brown Director of Policy ⁵	50-55	0-0	31	80-85
Jen Coe Director of Policy ⁶	50-55	0-0	10	60-65
Mark Ardron Chief Operating Officer	85-90	0-0	-31	50-55
Margaret Read Director of Policy (April 2024 to March 2025) Director of Policy and Strategy (in March 2025) ⁷	90-95	0-5	53	145-150

2 Salary, full year equivalents (FYE) and totals are presented in £5,000 bands. FYE and FTE for part-time staff is shown in brackets.

3 The value of pension benefits accrued during the accounting period is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decreases due to a transfer of pension rights. Figures are restated for retrospective updates and reported before tax.

4 Jean-Christophe Gray was appointed as Accounting Officer for NISTA and the NIC on the 22 March 2025. He was an employee of HM Treasury, so was not remunerated by the NIC.

5 Hannah Brown and Jen Coe work in a job share part time (0.6 FTE each). The full-time equivalent salary is £85-£90k.

6 Jen Coe and Hannah Brown work in a job share part time (0.6 FTE each). The full-time equivalent salary is £85-£90k.

7 Margaret Read was appointed as an Interim Director of Policy and Strategy from 24 March 2025 and held CEO responsibilities.

2023-24				
£000	Salary (FYE)	Bonuses/ allowances	Pension Benefits	Total
James Heath Chief Executive Officer	130-135	5-10	52	190-195
James Richardson Chief Economist (to August 2023)	45-50 (110-115)	0-5	105	155-160
Christopher Durham Interim Chief Economist (from July to October 2023) ⁸	15-20 (80-85)	0-5	6	20-25
Jonathan Saks Chief Economist (from October 2023)	40-45 (80-85)	-	16	55-60
Hannah Brown Director of Policy	50-55	-	30	80-85
Jen Coe Director of Policy	45-50	-	48	95-100
Mark Ardron Chief Operating Officer	75-80	5-10	32	120-125
Margaret Read Director of Policy	85-90	0-5	43	130-135

8 Christopher Durham acted as interim Chief Economist on a temporary promotion basis while the permanent role was vacant. James Richardson's last working day was 30/07/2023, followed by a period of annual leave.

Senior management – Pension benefits (audited)

£000	2024-25				
	Accrued annual pension at pension age as at 31/3/25 and related lump sum	Real increase in annual pension at pension age	CETV* at 31/3/25	CETV at 31/3/24 ⁴	Real increase in CETV ⁹
James Heath Chief Executive Officer	25-30	2.5-5	263	209	22
Jonathan Saks Chief Economist	25-30	0-2.5	324	286	6
Hannah Brown Director of Policy	15-20	0-2.5	315	286	15
Jen Coe Director of Policy	15-20	0-2.5	125	109	2
Mark Ardron Chief Operating Officer	35-40 plus a lump sum of 95-100	0-2.5 plus a lump sum of 0-2.5	787	799	-48
Margaret Read Director of Policy and Strategy	30-35 plus a lump sum of 70-75	2.5-5 plus a lump sum of 0-2.5	574	519	29

* a definition of Cash Equivalent Transfer Value (CETV) is provided below

⁹ Taking account of inflation, the CETV funded by the employer has decreased in real terms where the value is negative.

Fair Pay and Pay Multiples (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration (full year equivalent) of the highest paid director employed by the NIC in the accounting period was 140-145,000 (2023-24 £130-135,000) plus bonus of £5-10,000 (2023-24: £5-10,000). This was 2.4 (2023-24: 2.5) times the median remuneration of the workforce, which was £60,357 (2023-24: £57,396).

The median pay ratio for 2024-25 reflects the remuneration policies and bonuses paid for the performance year 2023-24.

Remuneration of NIC employees ranged from £25-£30,000 to £145-150,000 (2023-24: £25-£30,000 to £130-135,000); no employees received pay in excess of the highest paid senior manager/commissioner.

The remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Commissioners' remuneration is excluded from the fair pay and pay multiples disclosures.

Highest paid director	2024-25 £000	2023-24 £000	Movement %
Salary and allowances	140-145	130-135	7.55%
Performance Pay and Bonuses	5-10	5-10	0.00%

Average (mean) remuneration of other employees ¹⁰	Movement %
Salary and allowances	1.17%
Performance Pay and Bonuses	26.40%

¹⁰ These figures exclude the highest paid director in line with the fair pay disclosure guidance 2.2. This reflects the earnings of staff in post on 31 March 2025.

2024-25			
Total pay and benefits	Lower quartile (25%)	Median (50%)	Upper quartile (75%)
Remuneration	46,746	60,357	71,329
Ratio	3.2	2.4	2.1
Salary only			
Remuneration	46,494	58,434	69,657
Ratio	3.1	2.4	2.0
2023-24			
Remuneration	43,725	57,396	69,523
Ratio	3.3	2.5	2.0
Salary only			
Remuneration	43,675	56,419	67,582
Ratio	3.0	2.3	2.0

Remuneration Policy

The NIC's permanent employees are civil servants and their pay arrangements are governed by the policy framework set out by the Cabinet Office and HM Treasury and the NIC specific Pay Remit agreed by the NIC's Oversight Board. Total staff costs (including those for secondees and agency staff) for NIC in the year were £3,834k (2023-24: £3,947k).

The pay of senior civil servants (SCS) including those working for the NIC is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. From time to time, the Review Body advises the Prime Minister on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In making its recommendations, the Review Body considers:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional and local variations in labour markets and their effects on the recruitment and retention of staff;

- government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the government's departmental expenditure limits; and
- the government's inflation target, wider economic considerations, and the affordability of its recommendations.

Bonuses

In-year bonuses are awarded on an ad-hoc basis to staff to recognise an exceptional contribution, or piece of work during the year. Annual bonuses are paid in respect of performance in the previous year, following the year-end appraisal process.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **Classic**, **Premium**, and **Classic Plus** provide benefits on a final salary basis, whilst **Nuvos** provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of **Classic**, **Premium**, and **Classic Plus**, 65 for members of **Nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. The pension figures in this report show pension earned in PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy¹¹ is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or **alpha** benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The

¹¹ www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Value (CETV)

CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure benefits in another scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a result of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the civil service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are calculated in accordance with The Occupational Pension Scheme (Transfer Values) (Amendment) Regulations 2008 and do not take into account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025.

Real Increase in CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by senior management. It is worked out using common market valuation factors for the start and end of the period.

Compensation for Loss of Office (audited)

There were no payments made for the loss of office during the accounting period (2023-24: no payments made).

Payments to past directors (audited)

There were no payments made to past directors in the accounting period (2023-24: no payments).

Staff Report

At 31 March 2025, the NIC had 46 members of staff comprising of permanent employees and temporary employees on loan from other Civil Service departments. Whilst terms and conditions differ dependent on point of origin, all staff members report to and are accountable to the Chief Executive.

As at 31 March 2025 the gender balance of NIC's 46 employees was as set out below.

The Commission's leadership team includes 1 (FTE) SCS2 staff, 2.2 (FTE) SCS1 and 1 (FTE) E2 staff. Within this the gender balance was 1 (FTE) female SCS2 members of staff, 1.2 (FTE) SCS1 female, 1 (FTE) SCS1 male and 1 (FTE) E2 male. Jean-Christophe Gray is not included in the NIC's FTE, because he was always an employee of HM Treasury.

The Commission's annualised staff turnover rate, excluding secondments, was 28.7%.

Employee Gender Balance

25 male and 21 female.

Sickness Absence

During the reporting period the average number of working days lost due to sickness absence was 2.2 days per full-time equivalent (FTE).

Staff policies

The NIC was committed to ensuring equality of opportunity for all disabled staff. Applicants for positions at the NIC were invited to notify the organisation if special arrangements are required to enable them to participate in the recruitment process.

The NIC used a confidential occupational health service through which staff may request reasonable adjustments to support them in the workplace in accordance with the NIC's duty under the Equality Act 2010.

The Commission was committed to the professional development of its staff. Our L&D programme was designed for all staff based on role, specialisms and grade and sets out the key learning and development activities to be undertaken.

Health, Safety and Wellbeing

The Commission actively promoted the health, safety and wellbeing of its staff. No work related accidents, near misses or ill health reports were received in the reporting period. Mental wellbeing guidance and details of support available were provided to all Commission employees. Support included wellbeing materials, and access to trained Mental Health First Aiders and the Employee Assistance Programme, which provided awareness and counselling sessions as appropriate.

Trade union facilities time

No employees were relevant union officials during the period and so the Commission has nothing to disclose on payments to relevant union officials for facilities time. The Commission has no agreement in place for facilities time and therefore has nothing to disclose in relation to the percentage of time spent on facility time or paid trade union activities by employees

Analysis of Staff Costs and Numbers (audited)

The following disclosures on staff costs (including pension costs), average number of persons employed and exit packages have been audited. Total costs of £3,834k comprised £3,787k related to permanent employees, £47k related to secondees from other public and private sector institutions less £119k related to recoveries from outward secondments.

Staff Costs (audited)

2024-25	Employees	Other Staff	Total
	£000	£000	£000
Wages and salaries	2,843	38	2,881
Social Security costs	336	4	340
Other pension costs	727	5	732
Sub total costs	3,906	47	3,953
Less recoveries in respect of outward secondments	(119)	-	(119)
Total costs	3,787	47	3,834

2023-24	Employees	Other Staff	Total
	£000	£000	£000
Wages and salaries	2,908	23	2,931
Social Security costs	339	3	342
Other pension costs	688	4	692
Sub total costs	3,935	30	3,965

Less recoveries in respect of outward secondments	(18)	0	(18)
Total costs	3,917	30	3,947

Average Number of Persons Employed

The average number of full-time equivalent persons employed during the accounting period was as follows:

	Employees	Other staff	2024-25 Total	2023-24 Total
Total persons employed	41.4	1.4	42.8	42.8

Staff Pension Costs

The Civil Servants and Others Pension Scheme (alpha) was launched as a new pension scheme for civil servants from 1 April 2015. Details on the transition arrangements between alpha and Principal Civil Service Pension Scheme (PCSPS) are outlined from pages 37-39. The PCSPS scheme actuary valued the scheme as at 31 March 2016. Details can be found in the valuation report by the Government Actuary Department.

For the accounting period, employers' contributions of £727k were payable to the PCSPS at a rate of 28.97 per cent of pensionable earnings, based on salary bands. The scheme actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Exit Packages (audited)

During the reporting period, the NIC incurred £Nil in relation to exit packages (2023-24: £Nil).

Off-payroll Transactions

The off payroll figures included in the table below relate to members of the Commission's Design Group who are serving on this advisory group. Off-payroll arrangements are those where individuals, either self-employed or acting through a personal service company (PSC) are paid gross by the employer. There were no board members and/or senior officials with significant financial responsibility engaged in off-payroll between 1 April 2024 and 31 March 2025.

The ten engagements relate to members of the Commission's Design Group who are not Commission employees and are serving a term of between two and seven years on this advisory group. Seven were appointed in May 2019 and one was appointed in April 2020, therefore eight

been off payroll for between four and six years. One was appointed in September 2022 and one was appointed in October 2022, therefore two have been off payroll for between two and three years. Two members appointed in May 2019 completed their terms in May 2022.

Off-payroll engagements as of 31 March 2025, earning at least £245 per day or greater

	Total
The total number of existing engagements	8
Of which:	
No. that have existed for less than 1 year at time of reporting	-
No. that have existed for between 1 and 2 years at time of reporting	-
No. that have existed for between 2 and 3 years at time of reporting	2
No. that have existed for between 3 and 4 years at time of reporting	-
No. that have existed for 4 or more years at time of reporting	6

All off-payroll engagements at any point during the year ended 31 March 2025 and earning at least £245 per day or greater

The total number of engagements	10
Of which:	
Not subject to off-payroll legislation -	-
Subject to off-payroll legislation and determined in-scope of IR35 -	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	10
No. of engagements reassessed for compliance or assurance purposes during the year -	-
Of which:	
No. of engagements that saw a change to the IR35 status following review -	-

**Off-payroll engagements between 1 April 2024 and 31 March 2025
for board members, and/or, senior officials with significant financial
responsibility**

	Total
No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility during the financial year	-
Total no. of individuals on payroll and off payroll that have been deemed “board members and/or senior officials with significant financial responsibility”, during the financial year	9

Parliamentary Accountability and Audit Report

The accounts of the NIC are audited by the Comptroller and Auditor General under the Government Resources and Accounts Act 2000. The audit fee charged was £40,000 (2023-24: £37,500). The auditors did not provide any non-audit services. The auditors have been provided with all relevant audit information necessary to complete their audit and the Accounting Officer has taken all of the necessary steps to ensure that the auditors are aware of any relevant information.

All expenditure was applied to the purpose intended by Parliament (audited).

No fees or charges were charged by the NIC (audited).

The NIC has not incurred any losses or special payments in excess of £300k during the reporting period to 31st March 2025 (2023-24: none) (audited).

The NIC has no remote contingent liabilities. NIC's total expenditure during the accounting period was £4,887k (2023-24: £5,348k) (audited).

No gifts were made over the limits proscribed in Managing Public Money.

Jean-Christophe Gray, Accounting Officer, 15 December 2025

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on financial statements

I certify that I have audited the financial statements of the National Infrastructure Commission for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the National Infrastructure Commission's

- Statement of Financial Position as at 31 March 2025
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the National Infrastructure Commission's affairs as at 31 March 2025 and its total net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the National Infrastructure Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. In applying the Ethical Standards, I have considered the potential implications for my audit arising from entering into a loan staff arrangement with the Office of Value for Money within HM Treasury, to October 2025. The National Infrastructure Commission is an Executive Agency of HM Treasury. HM Treasury also provide administrative support to the

Commission. The loan staff arrangement concerns one of my directors and was for an initial period of 12 months from September 2024. The arrangement was extended by a further two months so that the secondee was able to support the completion of the Office for Value for Money's work. I am satisfied that appropriate safeguards have been implemented to protect my and the NAO team's independence and objectivity throughout the audit. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Infrastructure Commission's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Infrastructure Commission's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the National Infrastructure Commission is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Infrastructure Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the National Infrastructure Commission or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;

- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Infrastructure Commission from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the National Infrastructure Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the National Infrastructure Commission will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the National Infrastructure Commission's accounting policies.
- inquired of management, the National Infrastructure Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Infrastructure Commission's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Infrastructure Commission's controls relating to the National Infrastructure Commission's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;
- inquired of management, the National Infrastructure Commission's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Infrastructure Commission for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the National Infrastructure Commission's framework of authority and other legal and regulatory frameworks in which the National Infrastructure Commission operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Infrastructure Commission. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2024, employment law, pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation

to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

17 December 2025

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Chapter 3 – Financial Statements

Statement of Comprehensive Net Expenditure

for the period ended 31 March 2025

		2024/25	2023/24
	Note	£000	£000
Expenditure			
Staff costs	2	3,834	3,947
Other expenditure	3	1,049	1,393
Net expenditure		4,883	5,340
Finance expense		4	8
Total net expenditure		4,887	5,348

There were no items of other comprehensive income.

The notes on pages 58 to 69 form part of these accounts.

Statement of Financial Position

As at 31 March 2025

		2024/25	2023/24
	Note	£000	£000
Non-current assets			
Right of use Assets	4	-	50
Total non-current assets		-	50
Current assets			
Cash and cash equivalents	7	-	600
Trade and other receivables	8	80	37
Total current assets		80	637
Total assets		80	687
Current liabilities			
Payables due within one year	9	(465)	(707)
Lease liabilities within one year	11	(42)	(60)
Total current liabilities		(507)	(767)
Total assets less current liabilities		(427)	(80)

Taxpayers' equity			
General fund		(427)	(80)
Total taxpayers' equity		(427)	(80)

The notes on pages 58 to 69 form part of these accounts.

The financial statements were approved by HM Treasury's Audit and Risk Committee on 10 December 2025.

Jean-Christophe Gray, Accounting Officer, 15 December 2025

Statement of Cash Flows

for the period ended 31 March 2025

		2024/25	2023/24
	Note	£000	£000
Cash flows from operating activities			
Net operating cost	(SoCNE)	(4,883)	(5,340)
Changes in working capital other than cash		(285)	(48)
Movements in provisions		-	(98)
Gains and Losses from Remeasurement of Fixed Assets		-	(9)
Depreciation and Amortisation	3	50	224
Notional expenditure		40	38
Net cash outflow from operating activities		(5,078)	(5,233)
Cash flows from investing activities		-	-
Cash flows from financing activities			
Capital payments against lease		(18)	(189)
Finance payments against leases		(4)	(8)
Funding from HM Treasury		4,500	6,000
Net financing		4,478	5,803
Net increase/(decrease) in cash and cash equivalents in the period	7	(600)	570

Cash and cash equivalents at the beginning of the period		600	30
Cash and cash equivalents at the end of the period	7	-	600

The notes on pages 58 to 69 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the period ended 31 March 2025

	Note	2024/25 General Reserve £000	2023/24 General Reserve £000
Balance at 1 April 2024		(80)	(770)
Total net expenditure for the period	SoCNE	(4,887)	(5,348)
Net parliamentary funding		4,500	6,000
Notional expenditure		40	38
Balance at 31 March 2025		(427)	(80)

The notes on pages 58 to 69 form part of these accounts.

Notes To The Accounts

1. Statement of Accounting Policies

1.1 Statement of Accounting Policies

Pursuant to the Government Resources and Accounts Act 2000 (GRAA) 7(2), these financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM).¹ The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NIC has been selected. The particular policies adopted by the NIC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Basis of Preparation

The NIC was established as an Executive Agency on 24 January 2017. Its functions transferred from HM Treasury on this date along with net liabilities of £822k. These liabilities along with the costs incurred during successive accounting periods were met by a funding-through-supply arrangement with HM Treasury.

On 17 January 2025² a Machinery of Government change was announced creating the new National Infrastructure and Service Transformation Authority (NISTA). NISTA combined the functions of the Commission and the Infrastructure and Projects Authority (IPA). These financial statements are therefore the final set for the former National Infrastructure Commission.

The FReM 2024-25 interprets IAS 1's going concern for the public sector context and as noted in section (3) "where an entity ceases to exist it should consider whether its services will continue to be provided in determining whether to use the concept of going concern for the final set of financial statements". The activities of the former National Infrastructure Commission continue under the newly formed NISTA. It has therefore been considered appropriate to adopt a going concern basis for the preparation of the financial statements.

Following the closure of the NIC and its transfer to NISTA, all assets and liabilities of the NIC were transferred to HM Treasury on 1 April 2025.

The NIC was domiciled in the United Kingdom and was located at 10 Victoria Street, London, SW1H 0NB. The presentational and functional currency is pound sterling.

1 <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>

2 <https://questions-statements.parliament.uk/written-statements/detail/2025-01-17/hcws368>

1.3 Significant judgements and estimates

The preparation of accounts statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts in the accounts. We consider there to be no areas of critical judgment used in applying the accounting policies. There are no significant sources of estimation uncertainty.

1.4 Standards issued but not yet effective

The NIC has not early-adopted any new or amended standards in preparing these consolidated financial statements. The expected financial impact of adopting this standard is summarised below:

IFRS 17 Insurance contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on, or after, 1 January 2025 subject to endorsement by the UK Endorsement Board (UKEB). IFRS 17 is not expected to have a material impact on the NIC financial statements as NIC does not enter into insurance contracts.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 was issued in April 2024 and applies to annual reporting periods beginning on or after 1 January 2027. NIC does not intend to early adopt IFRS 18. IFRS 18 sets out general and specific requirements for the presentation and disclosure of information in general purpose financial statements. The objective of IFRS 18 is to improve comparability of financial performance between organisations applying IFRS. Once effective, IFRS 18 will replace IAS 1 Presentation of Financial Statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024 and applies to annual reporting periods beginning on or after 1 January 2027 (subject to UK endorsement). The Standard permits certain eligible subsidiaries to apply reduced disclosure requirements when preparing their financial statements. NIC does not intend to early adopt IFRS 19 Subsidiaries without Public Accountability: Disclosures.

There are no other IFRS or IFRIC interpretations not yet effective that would be expected to have a material impact on the NIC.

1.5 Financing

During the reporting period, receipts and payments relating to NIC transactions passed through both the NIC's own bank account and a HM Treasury bank account. The NIC is financed by funding through HM Treasury, where the regular method of financing is by transfer of requested funds to NIC's bank account by HM Treasury. This ensures that the NIC has direct management of its funding requirements and enables the NIC to settle liabilities as they fall due. These transfers from HM Treasury, whether to settle directly in certain circumstances on the NIC's behalf or more regularly to fund the NIC's bank account, are recorded as funding from HM Treasury within the primary statements.

1.6 Pensions

The provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS), which are described in the Remuneration and Staff Report, cover past and present employees who are participants in the schemes. The defined benefit schemes within the PCSPS and CSOPS are contributory, and the NIC's expenses are treated similarly to defined contributions since scheme liabilities are held by central government. The NIC recognises the expected costs of the scheme on a systematic and rational basis over the period during which it benefits from employees' service by payments of amounts calculated on an accruing basis.

1.7 Employee Benefits

The NIC has accrued for the cost of the outstanding employee paid holiday entitlement. It is estimated based on pay and Employers' National Insurance Contributions.

1.8 VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

1.9 Property, Plant and Equipment

Property, plant and equipment consist of capitalised leasehold improvements, which are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised as a provision. Items of property, plant and equipment with a value below £5k are not capitalised and are expensed in the year of purchase.

Depreciation is provided on property, plant and equipment so as to write off their carrying value over their expected useful economic lives. For leasehold improvements, depreciation is provided on a straight-line basis over the lease term. ICT equipment is depreciated on a straight-line basis for 3 to 10 years.

1.10 Cash

Cash and cash equivalents comprise cash at bank.

1.11 Financial Instruments

Trade receivables and payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.12 Leases

IFRS 16 has been applied to the NIC from 1 April 2022. Under this policy, at the inception of each contract, the NIC assesses whether the contract is, or contains a lease, where a lease is any arrangement which conveys the right to control an asset for a period of time in exchange for consideration. The NIC recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and is depreciated on a straight-line basis over the residual lease term. The lease liability is initially measured at the present value of remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, a rate determined by HM Treasury and based on government's incremental borrowing rate.

1.13 Provisions

Provisions are carried in respect of certain known or forecast future expenditure. Provisions are recognised when there is a present obligation arising from past events, it is probable that a transfer of economic benefits will be required, and a reliable estimate can be made. In calculating provisions, future payments may be subject to discount rates depending on the expected timing of cash flows. Provisions are calculated using the best available information, but the actual future outcomes of items provided for may differ from expectations.

2. Staff Costs

	2024/25	2023/24
	£000	£000
Wages and salaries	2,881	2,931
Social Security costs	340	342

Other pension costs	732	692
Sub total costs	3,953	3,965
Less recoveries in respect of outward secondments	(119)	(18)
Total costs	3,834	3,947

Staff costs comprise permanent staff, secondees and agency staff from other public and private-sector institutions. Further details of staff costs and numbers are disclosed in the Remuneration and Staff Report (see pages 30-43).

3. Other Expenditure

	2024/25	2023/24
	£000	£000
Accommodation costs	139	7
Printing and office services	60	52
IT costs	178	192
Contracted-out services	180	525
External auditor's remuneration	40	38
Staff Support and Staff-related costs, including training and travel	102	67
Professional and office services	120	88
Accommodation related goods and services	170	274
Depreciation and amortisation	50	224
Other purchases of goods and services	10	33
Gains and losses from remeasurement of fixed assets	-	(9)
Movement in Provisions	-	(98)
Total costs	1,049	1,393

Accommodation costs is related to the rental costs of the NIC's offices.

IT costs were predominantly recharges from HM Treasury of £131k (2023-24: £173k).

Contracted-out services were predominantly research costs of £180k (2023-24: £521k).

Staff support is mainly travel costs £46k (2023-24: £42k) and training £30k (2023-24: £12k).

Professional & office services were predominantly payroll services £70k (2023-24: £50k).

Accommodation related goods and services were primarily business rates £87k (2023-24: £65k) and service charges £84k (2023-24: £89k).

No payments were made to the external auditors in respect of non-audit services.

4. Right of Use Assets

	2024/25	2023/24
	£000	£000
Costs		
At 1 April	193	516
Additions	-	139
Disposals	(193)	(337)
Revaluation	-	(125)
Cost at 31 March	-	193
Amortisation		
At 1 April	(143)	(277)

Charged in year	(50)	(203)
Disposals	193	337
Revaluations	-	-
Amortisation at 31 March	-	(143)
Carrying value at 31 March	-	50

On implementation of IFRS 16, the NIC has recognised a right of use asset for its lease of office space in London and Leeds.

5. Property, Plant and Equipment

	2024/25	2023/24
	£000	£000
Leasehold Improvements and ICT Equipment		
Cost		
Opening Balance	7	319
Disposal	-	(312)
Total Cost	7	7
Accumulated Depreciation		
Opening Balance	(7)	(298)
Change in Year	-	(21)
Released on disposal	-	312

Total accumulated Depreciation	(7)	(7)
Net book value (year end)	-	-

6. Financial Instruments

The cash requirements for NIC are met by funding through Supply provided by HM Treasury. For this reason, financial instruments play a limited role in creating and managing risk than would otherwise be the case for a non-public sector body. Most of NIC's financial instruments relate to contracts to buy non-financial items in line with the expected purchase and usage requirements which limit the NIC's exposure to credit, liquidity or market risks.

7. Cash and Cash Equivalents

	2024/25	2023/24
	£000	£000
Balance at 1 April 2024	600	30
Net change in cash balances – inflow/(outflow)	(600)	570
Balance at 31 March 2025	-	600

All cash balances are held with the Government Banking Service.

8. Trade and Other Receivables

	2024/25	2023/24
	£000	£000
Trade and other receivables	28	11
VAT receivable	20	15
Other	32	11
Total trade and other receivables	80	37

9. Payables and Other Current Liabilities

	2024/25	2023/24
Amounts falling due within one year	£000	£000
Trade and other payables	35	150
Accruals	430	468
Taxation and social security	-	89
Total payables and other current liabilities	465	707

Trade and other payables is predominantly made up of payables within the Treasury Group £32k (2023-24: £20k) and trade payables nil (2023-24: £72k).

Accruals are made up of £88k (2023-24: £142k) annual leave accrual, £57k (2023-24: £54k) for shared services, £204k (2023-24: £179k) for accommodation, £47k (2023-24: £nil) for inbound secondees and £34k (2023-24: £63k) which relates to various other accruals. There were no accrued costs for research (2023-24: £30k).

10. Commitments

NIC occupied its London office space at 10 Victoria Street between July 2024 and July 2025 under Memorandum of Terms of Occupation (MOTO) with the Government Property Agency. Previously NIC occupied Windsor House until July 2024 under a similar MOTO that covered the provision of accommodation and office services. As the 10 Victoria Street arrangement was for less than twelve months, the short-term lease exemption was applied, and no right of use asset was recognised.

NIC occupied its Leeds office space at One Embankment until June 2024 and Whitehall Quay from June 2024 to July 2027, under licence agreements with the National Wealth Fund (formerly UK Infrastructure Bank). The Whitehall Quay licence does not meet the recognition criteria for a right-of-use asset and can be terminated by either party on four months' notice.

As at 31 March 2025 the non-lease commitments under the current agreements for the remaining lease period comprise:

	2024/25	2023/24
	£000	£000
Accommodation		

Within one year	72	-
Between one and five years	26	-
Later than five years	-	-
Office services		
Within one year	73	51
Between one and five years	25	-
Later than five years	-	-

11. Lease Liabilities

	2024/25	2023/24
	£000	£000
Buildings		
No later than one year	42	60
Later than one year and not later than five years	-	-
Lease Liabilities Later than five years	-	-
Total	42	60
Less interest element:		
No later than one year	-	-
Later than one year and not later than five years	-	-
Total Interest	-	-

Present value of obligations	42	60

12. Provisions

	2024/25	2023/24
	£000	£000
Balance at 1 April	-	98
Released during the year	-	(98)
Balance at 31 March	-	-
Within one year	-	98
Between one and five years	-	-
Later than five years	-	-

13. Related Party Transactions

The sponsoring department of the NIC is HM Treasury. HM Treasury is regarded as a related party with which the NIC has had various material transactions during the period, including the provision of HR, IT and financial services to the NIC.

The NIC had a license agreement with National Wealth Fund (NWF) and the Government Property Agency (GPA). The license relates to the provision of office accommodation and associated management services to be provided for the NIC's offices in Leeds and London.

Other government departments also enter into arrangements to provide staff on secondment or loan to the NIC.

Board member remuneration is disclosed in the Remuneration Report. No Board member, key manager or other related party has undertaken any other material transactions on preferential terms with the NIC or other entities within the HM Treasury group.

14. Events after the Reporting Period

There were no adjusting post-balance sheet events after the reporting period. There has been one non-adjusting event, being the transfer of assets and liabilities from the NIC to NISTA on the 1st April, when the executive agency was dissolved. NIC staff also joined NISTA on the 1st April.

15. Date Authorised for Issue

The financial statements were authorised for issue on the date of the Comptroller and Auditor General's signature.

There were no changes to the accounts between the date when the Accounting Officer signed the accounts and the date they were authorised for issue.

