

National Savings and Investments

Introduction

1. This Supplementary Estimate is required for the following purposes:

Changes in resources

Amount £

RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future

Increases:

Take up of End Year Flexibility

1. Section A	£2,500,000
take up of DEL administration costs end year flexibility of £2,500,000 for further support to the major projects in National savings and investments modernisation	
Increase to the level of Operating Appropriations in Aid for increase in rental income (corresponding expenditure)	£400,000

Decreases:

Increase in level of Appropriations in Aid

increase to the level of Operating Appropriations in Aid for increase in rental income	-£400,000
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Total change in resources for RfR1 £2,500,000

Total change in resources for Estimate £2,500,000

2. As a result of the above changes the net cash requirement will increase by £ 2,500,000 from £ 177,673,000 to £ 180,173,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future	2,500,000
Total additional net resource requirement	2,500,000
Additional net cash requirement	2,500,000

SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by National Savings and Investments on:

RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future

Administration and operational costs, research and development works, equipment and other payments, and associated non-cash items.

National Savings and Investments will account for this Estimate.

Changes proposed

Resources	£'000				
	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future					
Spending in Departmental Expenditure Limits (DEL)					
<i>Central Government spending</i>					
RfR 1 - A Administration	179,794	2,900	400	2,500	182,294
Total RfR 1		2,900	400	2,500	
Total Changes to RfRs		2,900	400	2,500	

Capital and Cash	£000		
	Present Provision	Change in Provision	New Provision
Total Capital Expenditure	500	-	500
Non-Operating A in A	-	-	-
Net cash requirement	177,673	2,500	180,173

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future								
187,544	-	-	187,544	5,250	182,294	500	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration								
187,544	-	-	187,544	5,250	182,294	500	-	
Total for Estimate:								
187,544	-	-	187,544	5,250	182,294	500	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	£'000 <u>Revised</u>
Net total Resources	179,794	2,500	182,294
Voted capital items			
Capital expenditure	500	-	500
<i>Less:</i> non-operating A in A	-	-	-
Total net voted capital	500	-	500
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-1,108	-	-1,108
Depreciation	-2,970	-	-2,970
New provisions and adjustments to previous provisions	-893	-	-893
Profit (+) / loss (-) on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-500	-	-500
Increase(+)/decrease(-) in stock	-	-	-
Increase(+)/decrease(-) in debtors	-450	-	-450
Increase(-)/decrease(+) in creditors	2,400	-	2,400
Use of provisions	900	-	900
Total accruals to cash adjustments	-2,621	-	-2,621
Excess cash to be CFERd	-	-	-
Net cash requirement	177,673	2,500	180,173

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2005-06 provision
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Net administration costs	RfR 1	<u>182,294</u>
Total Net Administration Costs		182,294
Net Programme Costs	RfR 1	<u>-</u>
Total Net programme costs		-
Total Net Operating Cost		182,294
<i>of which:</i>		
	Net Resource Outturn	182,294
	CFERs	-
	Non-voted expenditure	-
Resource Budget Outturn		182,294
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Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	182,294
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts (CFERS) in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	182,294
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	-
voted expenditure outside the budget	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non-departmental public bodies	-
unallocated resource provision	-
Other adjustments	-
Resource Budget Outturn (Budget)	182,294
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	182,294
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
Net Voted Capital Outturn (Estimates)	500
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants to local authorities	-
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget Outturn (Budget)	500
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	500
Annually Managed Expenditure (AME)	-

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1 Alan Cook, permanent head of department

Alan Cook, as the Accounting Officer (AO) of the National Savings and Investment has personal responsibility for the proper presentation of the National Savings and Investments' resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, in addition to the responsibilities for the assigned RfR, remains in general overall charge of National Savings and Investments.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the National and Investments' policies, aims and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate

Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non- operating A in A
RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future		
Accommodation rental receipts	5,250	-
Total RfR 1	5,250 *	-
<i>of which: Administration budgets</i>	-	-
** Amount that may be applied as appropriation in aid in addition to the net total, arising from rent receipts.		
Total A in A	5,250	-

Notes to the Estimate

Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the National Savings and Investments Departmental Expenditure Limit (DEL) will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource DEL	2,500	182,294	-	182,294
<i>of which : Administration Budget</i>	2,500	182,294	-	182,294
Capital DEL	-	500	-	500
Less depreciation *	-	-2,970	-	-2,970
Total DEL	2,500	179,824	-	179,824

* Depreciation, which forms part of resource DEL, is excluded from total DEL since Capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Cash which may be retained to offset expenditure

£'000

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid

5,250