

National Savings and Investments

Introduction

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

	Amount £
<u>Changes in resources</u>	
RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future	
Increases:	
<u>Take up of End-Year Flexibility (EYF)</u>	
1. Section A	
take up of DEL administration costs end year flexibility of £9,000,000 for further support to the major projects in National savings and investments modernisation programme.	9,000,000
<u>Transfers from non-voted spending</u>	
2. Section A	
take up of departmental unallocated provision for further support to the National Savings and Investments modernisation programme (administration)	5,000,000
Neutral Changes:	
<u>Increased spending offset by income</u>	
3. An increase in Appropriations in Aid of £ 400,000 generated by an increase in rental income offset by an increase in running costs of £ 400,000.	-
Total change in resources for RfR1	14,000,000
Total change in resources for Estimate	14,000,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £14,000,000.

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	14,000,000
Total additional net resource requirement	14,000,000
Additional net cash requirement	14,000,000

SUPPLEMENTARY amounts required in the year ending 31 March 2007 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.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
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RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future

Spending in Departmental Expenditure Limits (DEL)

RfR 1 - A Administration	165,294	14,400	400	14,000	179,294
Total RfR 1		14,400	400	14,000	
Total Changes to RfRs		14,400	400	14,000	

£000

	Present Provision	Change in Provision	New Provision
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Capital and Cash

Total Capital Expenditure	500	-	500
Non-Operating A in A	-	-	-
Net cash requirement	162,747	14,000	176,747

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								
184,641	-	-	184,641	5,347	179,294	500	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration								
184,641	-	-	184,641	5,347	179,294	500	-	
Total for Estimate:								
184,641	-	-	184,641	5,347	179,294	500	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	Increase (+)/ Decrease (-)	£'000 <u>Revised</u>
Net Resource Requirement	165,294	14,000	179,294
Voted capital items			
Capital	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	-1,122	-	-1,122
Depreciation	-3,030	-	-3,030
New provisions and adjustments to previous provisions	-895	-	-895
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-500	-	-500
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-400	-	-400
Increase(-)/decrease (+) in creditors	2,000	-	2,000
Use of provisions	900	-	900
Total accruals to cash adjustments	-3,047	-	-3,047
Excess cash to be CFERd	-	-	-
Net Cash Requirement	162,747	14,000	176,747

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2006-07 provision
Net Administration Costs	
RfR1	179,294
Total Net Administration Costs	179,294
Net Programme Costs	
RfR1	-
Total Net Programme costs	-
Total Net Operating Cost	179,294
<i>of which:</i>	
Net Resource Requirement	179,294
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
Resource Budget	179,294

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Requirement (Estimates)	179,294
<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 in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	179,294
<i>Adjustments to remove:</i>	
capital grants	-
European Union income related to capital grants	-
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 (Budget)	179,294
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	179,294
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital (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	-
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget (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 Jane Platt, Permanent Head of the Department

Jane Platt as the Accounting Officer of National Savings and Investments has personal responsibility for the proper presentation of the department's 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, 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 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 the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims, and objectives and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)
Analysis of operating appropriations in aid (A in A)

	£'000
	2006-07 Provision
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RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future	
Administration	5,347
<i>of which:</i>	
Amount that may be applied as appropriation in aid in addition to the net total arising from rent receipts	5,347
<hr/> Total RfR1	<hr/> 5,347 †
† Amount that may be applied as appropriation in aid in addition to the net total, arising from: rent receipts.	
<hr/> Total Operating A in A	<hr/> 5,347

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	14,000	-5,000	179,294	-	179,294
<i>of which:</i>					
<i>Administration budget*</i>	14,000	-5,000	179,294	-	179,294
<i>Near-cash in RDEL</i>	14,000	-5,000	173,747	900	174,647
Capital**	-	-	500	-	500
Less Depreciation†	-	-	-3,030	-	-3,030
Total	14,000	-5,000	176,764	-	176,764

* The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

**Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

†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

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

£'000
5,347