
National Savings and Investments

Introduction

1. This Estimate provides for the expenditure on the administration of National Savings and Investments (NS&I).
2. NS&I aims to reduce the cost to the taxpayer of government borrowing now and in the future. To achieve this, their single strategic objective is to provide the government with cost effective retail finance compared to the funds raised on the wholesale market. NS&I are committed to keeping its range of products under review so that the changing needs of its customers continue to be met. Products cover tax-free investments such as Premium Bonds and Inflation Beating Savings and taxable products such as Investment Account.
3. The cost of NS&I operations covered by this Estimate includes: payments to Siemens for the maintenance of customer holdings, receiving and making payments to and conducting correspondence with customers, project costs and other service costs; payments to Post Office for sales and repayments; cost of advertising NS&I's products; staff costs and other costs.
4. NS&I's operations were outsourced to Siemens at the start of 1999-2000. The initial period of the contract 10 years was extended to 15 years in 2005. The partnership is integral to running the sales, operations and product accounting for NS&I. Under the contract, Siemens are incentivised to reducing these costs as well as increasing efficiency. The contract payments to Siemens IT Solutions account for in excess of 55% of the total of this Estimate.
5. The Post Office undertakes a substantial amount of NS&I's business on an agency basis. Approximately £26 million (over 15%) will be required to pay them for counter and other services to invest or divest in NS&I's products.
6. Further details of the expenditure contained in this estimate can be found in the NS&I's Departmental Report 2007 (Cm 7116)
7. Symbols are explained in the Introduction to this booklet.

National Savings and Investments

Part I

	£
Request for Resources 1: Reducing the costs to the taxpayer of government borrowing now and in the future	165,294,000
Total net resource requirement	165,294,000
Net cash requirement	162,672,000

Amounts required in the year ending 31 March 2008 for expenditure by the 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.

The National Savings and Investments will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	165,294,000	74,382,000	90,912,000
Total net resource requirement	165,294,000	74,382,000	90,912,000
Net cash requirement	162,672,000	73,236,000	89,436,000

Part II: Subhead detail

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital	Non- operating	Net Total	Net Total
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
1	2	3	4	5	6	7	8	9	10
RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future									
170,340	-	-	170,340	5,046	165,294	500	-	179,294	175,203
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration									
170,340	-	-	170,340	5,046	165,294	500	-	179,294	175,203
Total for Estimate:									
170,340	-	-	170,340	5,046	165,294	500	-	179,294	175,203

Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement	165,294	179,294	175,203
Voted capital items			
Capital	500	500	237
Less Non-operating A-in-A	-	-	-
Total net voted capital	500	500	237
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-1,132	-1,122	-517
Depreciation	-3,090	-3,030	-2,667
New provisions and adjustments to previous provisions	-900	-895	-164
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-500	-500	-566
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-400	-400	134
Increase (-) / Decrease (+) in creditors	2,000	2,000	-2,082
Use of provisions	900	900	694
Total accruals to cash adjustments	-3,122	-3,047	-5,168
Excess cash to be CFERd	-	-	-
Net Cash Requirement	162,672	176,747	170,272

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2007-08 or 2006-07. None were received in 2005-06.

Forecast Operating Cost Statement

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Administration Costs			
RfR 1	165,294	179,294	175,203
Total Net Administration costs	165,294	179,294	175,203
Total Net Operating Cost	165,294	179,294	175,203
<i>of which:</i>			
Net Resource Requirement	165,294	179,294	175,203
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	170,294	179,294	175,203

Notes to the Main Estimate (*continued*)

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement (Estimates)	165,294	179,294	175,203
<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 Cost (Accounts)	165,294	179,294	175,203
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-
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	5,000	-	-
Other adjustments	-	-	-
Resource Budget (Budget)	170,294	179,294	175,203
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	170,294	179,294	175,203
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Voted Capital (Estimates)	500	500	237
<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	500	237
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	500	500	237
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main 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 appointment for the Request for Resources within this Estimate.

Request for Resources 1: Jane Platt, Permanent Head of the Department

Jane Platt as the Accounting Officer of the 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 the 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 Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future			
Administration	5,046	5,347	5,212
<i>of which:</i>			
Sale of goods and services	5,046	5,347	5,212
Total RfR 1	5,046†	5,347	5,212
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: rent receipts.</i>			
Total Operating A in A	5,046	5,347	5,212

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	165,294	5,000	170,294
<i>of which: †</i>			
Administration budget	165,294	5,000	170,294
Near-cash in RDEL	159,672	5,900	165,572
Capital DEL ††	500	-	500
Less Depreciation †††	-3,090	-	-3,090
Total DEL	162,704	5,000	167,704

† The total of the '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.

Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2007-08 of £165,294,000 is 7.8 per cent lower than the final net provision for 2006-07 of £179,294,000 and 0.0 per cent higher than the forecast outturn for 2006-07 of £165,219,000.

Cash which may be retained to offset expenditure

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
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.	5,046	5,347	5,212