
National Savings and Investments

Introduction

1. This Estimate provides for the expenditure on the administration of National Savings and Investments.
2. National Savings and Investments aims to reduce the cost to the taxpayer of government borrowing now and in the future. To achieve this, our single strategic objective is to provide the government with cost effective retail finance compared to funds raised on the wholesale market. National Savings and Investments are committed to keeping its products under review so that the changing needs of its customers continue to be met. Products cover tax-free investments for taxpayers, gross paying investments for non-taxpayers and savings schemes suitable for all ages.
3. The cost of National Savings and Investments operations is comprised of debt interest, tax foregone and administration. The last item is included in the public expenditure planning total and is covered by this resource estimate which provides for administering and selling National Savings and Investments products, maintaining customer holdings, and making payments to and conducting correspondence with investors.
4. National Savings and Investments operations were outsourced to Siemens IT Solutions and Services Limited (SIS) 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 operations, investing in NS&I and reducing the costs of the operations business as well as increasing efficiency. The contract payments to SIS account for over 60% of the total of this Estimate.
5. The Post Office undertakes a substantial amount of National Savings and Investments business on an agency basis. Approximately £26 million will be required to pay for selling National Savings and Investments products in this way. National Savings and Investments also sells its products by post, by telephone, by internet and also through distribution channels such as its partnership with WH Smith.
6. Further details of the expenditure contained in this estimate can be found in the National Savings and Investments Departmental Report 2008 (Cm 7416).
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	161,153,000
Total net resource requirement	161,153,000
Net cash requirement	158,634,000

Amounts required in the year ending 31 March 2009 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	161,153,000	74,382,000	86,771,000
Total net resource requirement	161,153,000	74,382,000	86,771,000
Net cash requirement	158,634,000	73,202,000	85,432,000

Part II: Subhead detail

£'000

2008-09 Provision							2007-08 Provision	2006-07 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									
167,071	-	-	167,071	5,918	161,153	488	-	170,294	168,615
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration									
167,071	-	-	167,071	5,918	161,153	488	-	170,294	168,615
Total for Estimate:									
167,071	-	-	167,071	5,918	161,153	488	-	170,294	168,615

Part II: Resource to cash reconciliation

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement	161,153	170,294	168,615
Voted capital items			
Capital	488	500	68
Less Non-operating A-in-A	-	-	-
Total net voted capital	488	500	68
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-867	-1,132	-321
Depreciation	-3,090	-3,090	-2,703
New provisions and adjustments to previous provisions	-	-900	-106
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-650	-500	-607
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-400	-400	610
Increase (-) / Decrease (+) in creditors	2,000	2,000	-8,185
Use of provisions	-	900	-422
Total accruals to cash adjustments	-3,007	-3,122	-11,734
Excess cash to be CFERd	-	-	-
Net Cash Requirement	158,634	167,672	156,949

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2008-09 or 2007-08. None were received in 2006-07.

Forecast Operating Cost Statement

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Administration Costs			
RfR 1	161,153	170,294	168,615
Total Net Administration costs	161,153	170,294	168,615
Total Net Operating Cost	161,153	170,294	168,615
<i>of which:</i>			
Net Resource Requirement	161,153	170,294	168,615
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	166,147	170,294	168,615

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement (Estimates)	161,153	170,294	168,615
<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)	161,153	170,294	168,615
<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	4,994	-	-
Other adjustments	-	-	-
Resource Budget (Budget)	166,147	170,294	168,615
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	166,147	170,294	168,615
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Voted Capital (Estimates)	488	500	68
<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)	488	500	68
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	488	500	68
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 Resource 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 Chapter 3 of Managing Public Money. 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		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Reducing the costs to the taxpayer of government borrowing now and in the future			
Administration	5,918	5,746	5,347
<i>of which:</i>			
Sale of goods and services	5,918	5,746	5,347
Total RfR 1	5,918†	5,746	5,347
<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	5,918	5,746	5,347

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	161,153	4,994	166,147
<i>of which:</i> [†]			
Administration budget	161,153	4,994	166,147
Near-cash in RDEL	156,546	4,994	161,540
Capital DEL ^{††}	488	-	488
Less Depreciation ^{†††}	-3,090	-	-3,090
Total DEL	158,551	4,994	163,545

[†] 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 2008-09 of £161,153,000 is 5.4 per cent lower than the final net provision for 2007-08 of £170,294,000 and 0.1 per cent higher than the forecast outturn for 2007-08 of £161,029,000.

Cash which may be retained to offset expenditure

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 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.	5,918	5,746	5,347