



# National Savings and Investments

## Departmental Report 2004

Presented to Parliament by the Financial Secretary to the Treasury and the  
Chief Secretary to the Treasury By Command of Her Majesty

April 2004

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National Savings and Investments produces an Annual Report & Accounts which provides a fuller description of the activities undertaken by the business over the preceding year. As such, the National Savings and Investments Departmental Report is positioned as the main vehicle to explain to Parliament and the public: key accountabilities; expenditure; and performance against our Service Delivery Agreement.

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National Savings and Investments is backed by HM Treasury



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## Who we are and what we do

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National Savings and Investments (NS&I) is a Government Department and became an Executive Agency of the Chancellor of the Exchequer in 1996.

As an integral part of the Government's debt management arrangements, National Savings and Investments is responsible for providing cost effective financing by issuing and selling savings and investment products to the public.

National Savings and Investments is one of the largest savings organisations in the UK, with at end-December 2003 £66.3 billion of investors' money (representing 14% of the National Debt and 8.2% of the cash based deposit market) and annual cashflows in excess of £20bn.

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### Our Mission

We help reduce the cost to the taxpayer of government borrowing now and in the future. To achieve this, our single strategic objective is to provide retail funds for Government that are cost effective in relation to funds raised on the wholesale market.

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### Our Vision

To be recognised as the UK's leading and most trusted savings and investments organisation.

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### Our brand values

Our brand values are security, straightforwardness and integrity – delivered with a human touch. For our customers this means:

- Security: our backing by HM Treasury is fundamental to our business and is unique in retail financial services
- Straightforwardness: describing our products and services in easy to understand language
- Integrity: earning the respect and trust of our customers
- Delivered with a human touch: remembering that customers are individuals and should be treated as such. This is our most challenging and aspirational value, and is the most important one in terms of meeting customer expectations.

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# How we are organised

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National Savings and Investments is an Executive Agency of the Chancellor of the Exchequer.

The Chancellor of the Exchequer is responsible for:

- determining the policy and financial framework within which National Savings and Investments operates
- approving interest rates and the terms and conditions of National Savings and Investment products
- appointing the Chief Executive and Non-Executive Directors to the National Savings and Investments Board
- setting and monitoring key performance targets for National Savings and Investments.

The Chancellor delegates these responsibilities to the Financial Secretary to the Treasury (FST). The position of FST is held by Ruth Kelly MP.

The Chancellor delegates management of National Savings and Investments to the Chief Executive. The Chief Executive is appointed by HM Treasury as Accounting Officer for National Savings and Investments. As such he is accountable for:

- the National Savings and Investments resource and product accounts
- the proper, effective and efficient use of public funds
- ensuring that the requirements of government accounting are met and that National Savings and Investments observes any general guidance issued by central departments.

Assisting the Chief Executive, Alan Cook, in setting corporate policy, ensuring good governance and monitoring performance is the National Savings and Investments Board. This board comprises the Chief Executive, Executive Directors and four Non-Executive Directors, one of whom chairs the board; plus two HM Treasury officials representing the Chancellor of the Exchequer's interest. Full board meetings are held every two months. In addition board workshops are held to discuss specific issues, such as strategy and planning. There are also a separate Audit Committee and an Appointments and Remuneration Committee.

## Regulation

Although National Savings & Investments is not regulated, National Savings & Investments aspires to meet Financial Services Authority standards and ensures compliance with all relevant European Directives.

National Savings & Investments also subscribes to the Banking Code. The Banking Code is a voluntary code designed to set minimum standards of good practice for personal finance providers and help protect customers. The subscription provides greater transparency and improved communications between National Savings & Investments and its customers.

## Partnerships

National Savings and Investments employs a radical and innovative business model built around partnerships, while retaining overall responsibility for the strategy and business direction. This enables National Savings and Investments to concentrate on its core capabilities and maximise the use of those of its partners to continue the modernisation and development of the whole business, for the benefit of customers, the taxpayer, HM Treasury, suppliers and staff.

Our partners, Siemens Business Service and the Post Office Limited, are responsible for collecting and repaying money invested by customers, maintaining customer records and

dealing with correspondence and enquiries, ensuring that we deliver levels of customer service that meet standards of best practice in the retail financial sector.

The back office operations of National Savings and Investments were outsourced to Siemens Business Services in April 1999, under a Public Private Partnership (PPP), following a competitive tendering exercise. The partnership is delivering an efficient and effective operational infrastructure through modernisation and significant system improvements. The partnership will run until 2009, with the possibility of a five year extension.

Our relationship with Post Office Limited extends back to the origins of National Savings and Investments, when National Savings was part of the Post Office group. The Post Office remains our major distribution partner, with approximately 16,500 outlets providing a convenient face to face channel for our customers.

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## What we are aiming to achieve

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As well as providing value to customers by offering competitive, totally secure savings and investments, National Savings and Investments also save taxpayers' money.

When Government spends more than it receives in income, it borrows money to finance the difference. It does this in two ways:

- by selling gilts (marketable government bonds) and Treasury Bills - mostly to the 'wholesale' market, such as pension fund managers or investment companies, through the UK Debt Management Office
- selling cash savings and investment products - to the 'retail' market, i.e. personal savers and investors, through National Savings and Investments

Money borrowed by Government is called the national debt, and paying interest on this debt accounts for a sizeable part of the Government's annual expenditure. National Savings and Investments helps to keep this expense down by providing funds at a lower overall cost than financing the same amount through gilts and Treasury Bills.

Value Added is the name given to the way National Savings and Investments measure how cost effective it is at raising finance for government. The total cost of raising funds, including our operating costs, is compared to how much it would cost the government to raise funds in the wholesale market.

However, in order to achieve the Value Added target National Savings and Investments must give customers a fair deal in a highly competitive market. Therefore National Savings and Investments offer products that suit customers' needs, backed by excellent customer service.

### **Direction 2007**

Direction 2007 is a five year strategic plan developed with involvement from senior managers across National Savings & Investments and Siemens Business Services, and has the support of the National Savings & Investments Board, HM Treasury, the Minister Ruth Kelly MP, and the Post Office Limited. It has been translated into a detailed plan for 2004-05, which will be outlined further in our future corporate reports.

Direction 2007 will deliver dynamic business growth and focus the business on the customer as the centre of value creation. Following the success of year one of the five year strategic plan, and the agreement reached during Spending Review 2004 on our departmental expenditure limit in 2006-07 and 2007-08, the overall strategic intent has been reviewed and updated.

This will be achieved by:

- refreshing and enhancing the existing product portfolio, including new product initiatives where market opportunities exist
- building an integrated multi-channel platform, by further developing direct channels and the Post Office in line with customer preferences
- enhancing customer data and knowledge and developing 'real' relationships through ongoing customer dialogue
- focusing on the most profitable customer segments

While:

- supporting Siemens Business Services delivery of an efficient and effective operations business
  - synchronising cost reduction in operations and business growth
  - aligning Siemens Business Services to the growth agenda
- retaining Post Office Limited support during the development of low cost direct channels and other distribution partners

Implementation of Direction 2007 will be focused around six strategic themes, supported by underlying business objectives:

- Customer Value
  - segmentation, customer experience, retention and development
- Product Portfolio
  - new products, product enhancements, product closures
- Sales Capability
  - direct channels, sales partners, alignment of drivers
- Operational Efficiency
  - common processes, product engines, straight through processing
- Partnership Agenda
  - alignment with Siemens Business Services
- Leadership and People
  - shared purpose, core values, harnessing people and skills

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## What we spend our money on

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Full details of National Savings and Investments' recent and forecast expenditure are set out in the annex of this report. In summary, spending from 2001-02 was as follows:

	2004-05 (estimate) £ '000	2003-04 (provisional) £'000	2002-03 (outturn) £'000	2001-02 (outturn) £'000
Gross administration costs	176,781	185,462	163,888	177,926
Operating income	(4,755)	(4,622)	(4,460)	(4,376)
Net Resource Outturn	172,026	180,800	159,428	173,550
Net Cash Requirements	169,650	180,200	155,500	163,910
- PPP contract costs	89,400	82,000	87,983	102,442
- Selling agents*	36,800	45,800	39,491	41,527

\* Selling Agents include Post Office and Girobank, which are shown separately in the Annual Reports and Accounts

All income and expenditure are derived from continuing operations.

The Gross Administration costs increase in 2003-04 was a result of the carry over of postponed activities and projects from 2002-03, reflected in a dip and sharp increase. Additionally, the PPP contract costs will increase in 2004-05 as part of a planned capital refresh, and additional annual costs for Banking Code, which were not included in the original contract.

The Public Private Partnership referred to above has changed how National Savings and Investments spend the budget provided by Parliament. Prior to the contract with Siemens Business Services, the majority of annual costs were internal with the balance coming from other suppliers. Internal costs are minimal, with the Siemens Business Services contract accounting for the majority of expenditure and the remaining balance with other suppliers.

National Savings and Investments are committed to making annual payments to Siemens Business Services. The payments for the services originally contracted reduce on a pre-agreed schedule over the life of the partnership as a result of the gains from the capital investment and operational efficiency brought about by the agreement.

The modernisation in the operational systems and processes by Siemens Business Services has allowed National Savings and Investments to make great strides in improving the business offering to stakeholders and offer customers a faster service, longer opening hours, one stop enquiry services, new products and new channels through which to save and invest.

### Investment

National Savings and Investments has a small capital budget. Major capital expenditure is undertaken by Siemens Business Services. The major capital assets that are carried on the balance sheet are the three buildings at Blackpool, Durham and Glasgow which are leased to Siemens Business Services and from where they carry out the operational services functions.

### Senior Civil Service Staff

National Savings and Investments' senior civil service staff, split by salary band is summarised in the table below.

The information is as at 31 March 2004.

Salary band <sup>1</sup>	Number of staff at 1 April 2003	Number of staff at 31 March 2004 <sup>2</sup>
£60,000-£64,999	1	0
£65,000-£69,999	1	1
£70,000-£74,999	3	0
£75,000-£79,999	1	3
£80,000-£84,999	1	1
£85,000-£89,999	0	1
£90,000-£94,999	1	1
£95,000 - £99,999	0	1
£100,000-£104,999	0	0
£105,000-£109,999	0	0
£110,000-£114,999	0	0
£115,000-£119,999	0	1
£120,000-£124,999	1	0
£125,000-£129,999	0	0
£130,000-£134,999	0	0
£135,000-£139,999	0	0
Over £140,000	1	1
<b>Total</b>	<b>10</b>	<b>10</b>

Notes:

<sup>1</sup>salary band information relates only to base salary and does not include bonuses paid relating to performance

<sup>2</sup>salary information for 2004-05 has not yet been agreed with HMT

## How we are doing

As part of the 2002 Spending Review (SR2002), National Savings and Investments established Service Delivery Agreement (SDA) performance measures relating to its overall objectives.

Targets are agreed for each of the performance measures with the Minister responsible as part of our annual corporate planning process. They are included in our corporate plan.

The National Savings and Investments Executive Committee reviews business performance (including performance against these targets) monthly, as does the board at each of its meetings. Performance against targets is audited by Deloitte & Touche, contracted as internal auditors, and is also published in the National Savings and Investments Annual Report and Accounts.

### SR2000 SDA Targets

Our performance against the targets for 2003-2004, up to end February 2004 was as follows:

SR2002 SDA Goals	SR2002 SDA Objectives	SR2002 SDA Performance measures	2003-04 Targets	Performance
1. To achieve the financing remit and improve efficiency	To create at least an agreed amount of Value Added	Absolute amount of Value Added requirement	Confidential	<b>Met</b> <ul style="list-style-type: none"> <li>In line with the overall market trend towards safety we have seen increased activity and a definite trend towards safety, which has continued to benefit us</li> <li>Value added for the year to date at the end of February 2004 was £227 million, with a full year forecast of £253 million</li> </ul>
	To raise an amount of net financing within an agreed range	Absolute amount of net financing from all NS&I products	£1.5 billion (+/- £1.5 billion)  Revised remit £3.0 billion (+/- £1.5 billion)	<b>Met</b> <ul style="list-style-type: none"> <li>As above, market conditions have remained favourable with customers continuing the trend towards low risk investments. This has resulted in increased activity, in particular on Premium Bonds where the maximum limit was raised to £30k in May 2003</li> <li>Net financing for the year to date at the end of February 2004 was £3.4 billion, with a full year forecast of £3.5 billion, which will exceed the target</li> </ul>

SR2002 SDA Goals	SR2002 SDA Objectives	SR2002 SDA Performance measures	2003-04 Targets	Performance
	To invest in capability and subsequently return the efficiency of administering total funds to the level achieved in 2002-03	Ratio of total NS&I administrative costs to average funds invested by customers	Less than 30 basis points	<b>Met and ongoing</b> <ul style="list-style-type: none"> <li>Our administrative costs have been slightly below plan for the first half of the year and this combined with an increased funds invested has resulted in our efficiency measure varying averaging 24 basis points</li> <li>The cost ratio year to date is 25 basis points and the full year forecast is 25 basis points</li> </ul>
2. To improve the effectiveness of fraud management	To minimise the proportion of fraud resulting in actual loss	Ratio of net fraud losses after blame assessment to total fraud detected	Less than 25%	<b>Met and ongoing</b> <ul style="list-style-type: none"> <li>Fraud by its nature is unpredictable and past experience has shown that the levels of fraud are greater in the early part of the year</li> <li>Actual results are substantially lower than plan due to the detection of a large attempted fraudulent transaction</li> <li>The fraud ratio year to date is 9% and the full year forecast is 11%</li> </ul>
3. To improve the accessibility of NS&I for customers	To increase the proportion of customer interactions with NS&I <i>capable</i> of being carried out via non-paper based means	Ratio of the number of customer initiated transactions capable of being carried out via non-paper based means to the total number of customer transactions	At least 60%	<b>Met and ongoing</b> <ul style="list-style-type: none"> <li>Performance against this metric is affected by both capability developed and the overall mix of transactions</li> <li>February 2004 performance was 71.8%, taking year to date performance to 62.7%, with a full year forecast of 69.2%</li> </ul>

SR2002 SDA Goals	SR2002 SDA Objectives	SR2002 SDA Performance measures	2003-04 Targets	Performance
	To increase the percentage of customer interactions with NS&I <i>actually</i> carried out via non-paper based means	Ratio of the number of customer initiated transactions actually carried out via non-paper based means to the total number of customer transactions	At least 20%	<b>Met and ongoing</b> <ul style="list-style-type: none"> <li>As above, performance against this measure is affected by both capability and the overall mix of customer transactions, but is also affected by customer preferences</li> <li>February 2004 performance was 30.6%, taking year to date performance to 21.1%, with a full year forecast of 23.7%</li> </ul>

<b>4. To maintain the current high levels of customer service and satisfaction}</b>	To achieve consistent accuracy in meeting increasingly challenging targets	Average performance against Accuracy Key Performance Indicator targets	At least 98.5%	<b>Met and ongoing</b> <ul style="list-style-type: none"> <li>Performance against Accuracy KPIs remains very high</li> <li>February 2004 performance was 99.18%, taking year to date performance to 99.4%, with a full year forecast of 99.21%</li> </ul>
	To achieve consistent timeliness in meeting increasingly challenging targets	Average performance against Timeliness Key Performance Indicator targets	At least 96%	<b>Met and ongoing</b> <ul style="list-style-type: none"> <li>Performance against Timeliness KPIs has been very strong</li> <li>The relevant KPI targets themselves were increased as part of continuous development</li> <li>February 2004 performance was 95.51%, taking year to date performance to 99.37%, with a full year forecast of 99.22%</li> </ul>
	To establish and then exceed a threshold level of customer satisfaction with NS&I	New measure to be established during 2003-04	Establish new measure	<b>Met</b> <ul style="list-style-type: none"> <li>A customer satisfaction measure has been identified, agreed and included in the SDA targets for 2004-05</li> </ul>

### Business Performance

The NS&I Executive Management Team reviews business performance monthly (including performance against these targets), using the balanced scorecard methodology, as does the NS&I Board at each of its meetings.

Performance against targets is audited by Deloitte & Touche, contracted as internal auditors, and is published within NS&I's corporate reports (Annual Report and Accounts and Departmental Report) which are laid before both Houses of Parliament.

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## **Other information of public interest**

### **Public Appointments**

Sue Owen and Allison Holland joined the NS&I Board as HM Treasury representatives in spring 2003, replacing Paul Mills and Steve Evans.

Sandra Postles was appointed as Human Resources Director in July 2003.

John Prout was appointed as Sales Director in August 2003 into the new Sales Director position established as part of Direction 2007.

Michael Medlicott and Paul Spencer joined the NS&I Board in September 2003, replacing James Turner and Judy Lowe, who left at the end of their second term of appointment.

### **Recruitment Practice**

National Savings and Investments aims to promote and maintain best practice in the recruitment of staff to meet its resourcing manpower needs, subject to the requirements of the equal opportunities and employment legislation.

To achieve this, National Savings and Investments has a monitoring system in place to ensure that recruitment is carried out on the basis of fair and open competition and selection on merit in accordance with the Civil Commissioners Recruitment code, and is subject to internal audit.

### **Responsive Public Services**

National Savings and Investments successfully joined the Banking Code and subscription began on 1 March 2003, which supersedes the National Savings and Investments Customer Code, which was introduced temporarily in April 2001.

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## Contacts and more information

We want to make it as easy as possible for you to contact us at any time in a way that is convenient for you.

### Telephone

- Call us on 0845 964 5000. Lines are open 24 hours, seven days a week. Calls are charged at local rates. To maintain a high level of service, we may record calls.

### Internet

- Visit our website at [www.nsandi.com](http://www.nsandi.com)

### Textphone

- Use our free textphone service on 0800 056 0585 if you have Minicom equipment.

### Post

- Write to us at  
National Savings and Investments  
FREEPOST BJ2092  
Blackpool  
FY3 9XR

# Annex – core tables

**TABLE 1 : NATIONAL SAVINGS AND INVESTMENTS PUBLIC SPENDING**

**£000s**

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 projected	2004-05 projected	2005-06 projected
<b>Consumption of resources :</b>								
Reducing the costs to the taxpayer of government borrowing now and in the future	174,615	178,385	164,882	173,552	159,428	180,800	172,026	170,294
<b>Total National Savings and Investments Resource Budget</b>	<b>174,615</b>	<b>178,385</b>	<b>164,882</b>	<b>173,552</b>	<b>159,428</b>	<b>180,800</b>	<b>172,026</b>	<b>170,294</b>
<i>of which :</i>								
<i>National Savings and Investments resource departmental expenditure limit (DEL)</i>	174,615	178,385	164,882	173,552	159,428	180,800	172,026	170,294
Resource DEL (2)	174,615	178,385	164,882	173,552	159,428	180,800	172,026	170,294
<b>Capital Spending :</b>								
Reducing the costs to the taxpayer of government borrowing now and in the future	6,110	-120	3,169	122	213	1,300	500	500
<b>Total National Savings and Investments Capital Budget</b>	<b>6,110</b>	<b>-120</b>	<b>3,169</b>	<b>122</b>	<b>213</b>	<b>1,300</b>	<b>500</b>	<b>500</b>
<i>of which :</i>								
<i>Resource DEL capital departmental expenditure limit (DEL)</i>	6,110	80	3,302	122	213	1,300	500	500
<b>Total public spending by National Savings and Investments (2)</b>	<b>174,346</b>	<b>174,044</b>	<b>166,042</b>	<b>171,546</b>	<b>157,080</b>	<b>179,386</b>	<b>169,666</b>	<b>167,824</b>

*Notes*

(1) Departmental Expenditure Limits set as part of the 2002 Spending Review

(2) Total public spending calculated as the total of the resource budget plus the capital budget less depreciation

**TABLE 2 : NATIONAL SAVINGS AND INVESTMENTS RESOURCE BUDGET**

**£000s**

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 projected	2004-05 projected	2005-06 projected
Reducing the costs to the taxpayer of government borrowing now and in the future								
<b>Resource DEL</b>								
<i>Administration</i>								
RfR1 A	174,615	178,489	164,813	173,550	159,428	180,800	171,526	169,794
<b>Total Voted</b>	<b>174,615</b>	<b>178,489</b>	<b>164,813</b>	<b>173,550</b>	<b>159,428</b>	<b>180,800</b>	<b>171,526</b>	<b>169,794</b>
Non Voted							500	500
<b>Total National Savings and Investments Resource DEL</b>	<b>174,615</b>	<b>178,489</b>	<b>164,813</b>	<b>173,550</b>	<b>159,428</b>	<b>180,800</b>	<b>172,026</b>	<b>170,294</b>
<b>Resource AME</b>								
<i>Administration</i>								
RfR1 A		-104	69	2				
<b>Total Voted</b>		<b>-104</b>	<b>69</b>	<b>2</b>				
<b>Total National Savings and Investments Resource AME</b>		<b>-104</b>	<b>69</b>	<b>2</b>				
<b>Total National Savings and Investments Resource DEL</b>	<b>174,615</b>	<b>178,385</b>	<b>164,882</b>	<b>173,552</b>	<b>159,428</b>	<b>180,800</b>	<b>172,026</b>	<b>170,294</b>
<i>of which :</i>								
Voted	174,615	178,385	164,882	173,552	159,428	180,800	171,526	169,794
Other non-voted							500	500
and of which :								
Central government own spending	174,615	178,385	164,882	173,552	159,428	180,800	172,026	170,294

**TABLE 3 : NATIONAL SAVINGS AND INVESTMENTS CAPITAL BUDGET**
**£000s**

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 projected	2004-05 projected	2005-06 projected
Reducing the costs to the taxpayer of government borrowing now and in the future								
<b>Capital DEL</b>								
<i>Administration</i>								
RfR1 A	6,110	80	3,302	122	213	1,300	500	500
<b>Total Voted</b>	<b>6,110</b>	<b>80</b>	<b>3,302</b>	<b>122</b>	<b>213</b>	<b>1,300</b>	<b>500</b>	<b>500</b>
<b>Total Capital DEL</b>	<b>6,110</b>	<b>80</b>	<b>3,302</b>	<b>122</b>	<b>213</b>	<b>1,300</b>	<b>500</b>	<b>500</b>
<b>Capital AME</b>								
<i>Administration</i>								
Resource DEL		-200	-133					
<b>Total Voted</b>		<b>-200</b>	<b>-133</b>					
<b>Total Capital AME</b>		<b>-200</b>	<b>-133</b>					
<b>Total National Savings and Investments Capital Budget</b>	<b>6,110</b>	<b>-120</b>	<b>3,169</b>	<b>122</b>	<b>213</b>	<b>1,300</b>	<b>500</b>	<b>500</b>
<i>of which :</i>								
<i>Voted</i>	6,110	-120	3,169	122	213	1,300	500	500
<i>and of which :</i>								
<i>Central government own spending</i>	6,110	-120	3,169	122	213	1,300	500	500
<b>NB Voted net capital in Estimate entitled : National Savings and Investments</b>								
<i>Capital DEL in budgets</i>	6,110	80	3,302	122	213	1,300	500	500
<i>Capital AME in budgets</i>		-200	-133					
<b>Total capital consumption in Estimate</b>	<b>6,110</b>	<b>-120</b>	<b>3,169</b>	<b>122</b>	<b>213</b>	<b>1,300</b>	<b>500</b>	<b>500</b>

**TABLE 4 : NATIONAL SAVINGS AND INVESTMENTS CAPITAL EMPLOYED**
**£000s**

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 projected	2004-05 projected	2005-06 projected
<b>Assets on balance sheet at end of year</b>								
<b>Fixed Assets</b>								
Intangible	37	20	155	154	200	250	300	300
Tangible	22,966	23,510	26,774	28,157	28,306	32,300	32,900	34,200
<i>of which</i>								
Land and Buildings	22,873	23,358	23,704	25,347	25,714	28,500	29,400	31,000
Plant and machinery	93	152	3,070	2,810	2,592	3,800	3,500	3,200
Vehicles								
Investments								
Current Assets	26,653	16,435	14,695	13,418	10,873	10,800	9,900	8,700
Creditors (<1 year)	18,212	13,079	10,230	16,756	16,117	14,000	13,000	12,000
Creditors (>1 year)								
Provisions	2,770	2,299	2,131	2,061	1,720	1,900	1,800	1,700
<b>Capital Employed within main department</b>	<b>28,674</b>	<b>24,587</b>	<b>29,263</b>	<b>22,912</b>	<b>21,542</b>	<b>27,450</b>	<b>28,300</b>	<b>29,500</b>
NDPB net assets								
<b>Total capital employed in departmental group</b>	<b>28,674</b>	<b>24,587</b>	<b>29,263</b>	<b>22,912</b>	<b>21,542</b>	<b>27,450</b>	<b>28,300</b>	<b>29,500</b>

**TABLE 5 : NATIONAL SAVINGS AND INVESTMENTS ADMINISTRATION COSTS**
**£000s**

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 projected	2004-05 projected	2005-06 projected
Gross Administration Costs								
Other	101,836	176,988	162,622	171,528	153,471			
Paybill	73,323	5,746	6,587	6,398	5,957			
<b>Total gross administration costs</b>	<b>175,159</b>	<b>182,734</b>	<b>169,209</b>	<b>177,926</b>	<b>159,428</b>	<b>185,462</b>	<b>176,781</b>	<b>174,851</b>
<i>Related administration cost receipts</i>	<i>-501</i>	<i>-4,120</i>	<i>-4,308</i>	<i>-4,376</i>	<i>-4,551</i>	<i>-4,662</i>	<i>-4,755</i>	<i>-4,850</i>
<b>Total net administration costs</b>	<b>174,658</b>	<b>178,614</b>	<b>164,901</b>	<b>173,550</b>	<b>154,877</b>	<b>180,800</b>	<b>172,026</b>	<b>170,001</b>
<b>Total net administration costs by activity</b>								
Reducing the costs to the taxpayer Resource DEL in the future	174,658	178,614	164,901	173,550	154,877	180,800	172,026	170,001
<b>Total net administration costs</b>	<b>174,658</b>	<b>178,614</b>	<b>164,901</b>	<b>173,550</b>	<b>154,877</b>	<b>180,800</b>	<b>172,026</b>	<b>170,001</b>
<b>Controls and limits :</b>								
Administration costs limits (net) for gross controlled areas :								
National Savings and Investments	174,658	178,614	164,901	173,550	154,877	180,800		
Resource DEL	<b>174,658</b>	<b>178,614</b>	<b>164,901</b>	<b>173,550</b>	<b>154,877</b>	<b>180,800</b>		

**TABLE 6 : NATIONAL SAVINGS AND INVESTMENTS STAFF NUMBERS**
**Staff-years**

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 projected	2004-05 projected	2005-06 projected
CS FTEs	4,049	120	121	120	120	120	120	120
Overtime	46	4	4	4	0	0	0	0
Casuals	19	5	11	3	5	5	5	5
<b>TOTAL</b>	<b>4,114</b>	<b>129</b>	<b>136</b>	<b>127</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>