

national savings  
& investments



**ns&i**

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Departmental Report 2006

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This document is part of a series of Departmental Reports (Cm 6811 to Cm 6838) which, along with the Main Estimates 2006-07, the document *Public Expenditure Statistical Analyses 2006* and the Supplementary Budgetary Information 2006-07, present the government's expenditure plans for 2005 to 2008.



# **National Savings and Investments**

## Departmental Report 2006

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

May 2006

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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 the key accountabilities, expenditure and performance against our Service Delivery Measures.



National Savings and Investments is backed by HM Treasury

## Who we are and what we do

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, NS&I is responsible for providing cost-effective financing by issuing and selling savings and investment products to the public.

NS&I is one of the largest savings organisations in the UK, with at end-December 2005 £72 billion of investors' money (representing 16.5% of the National Debt and 7.6% of the cash based deposit market) and annual cash flows in excess of £20 billion.

### 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.

### Our vision

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

### 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

### Landscape Review

In 2005, the Debt and Reserves Management team within HM Treasury conducted a Landscape Review of NS&I, five years after the last Quinquennial Review. Landscape Reviews are the process for assessing the effectiveness of the framework for delivering policy within an agency structure. In particular, it examined the alignment between Treasury and NS&I objectives, NS&I capability to deliver against objective, and NS&I governance. Whilst the remit for NS&I remains focussed on delivering cost effective financing for government, thirteen draft recommendations were made to the Economic Secretary to the Treasury in 2006.

## How we are organised

NS&I 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 NS&I 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 NS&I Board
- setting and monitoring key performance targets for NS&I.

The Chancellor delegates these responsibilities to the Economic Secretary to the Treasury (EST). The position of the EST is held by Ivan Lewis MP.

The Chancellor delegates management of NS&I to the Chief Executive. The Chief Executive is appointed by HM Treasury as Accounting Officer for NS&I. As such he is accountable for:

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

Trevor Bayley is the Acting CEO of NS&I following the resignation of Alan Cook which took effect on 1 March 2006. Assisting the CEO in setting corporate policy, ensuring good governance and monitoring performance is the NS&I Board.

The 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, and additional board workshops are held to discuss specific issues, such as strategy and planning. There are also a separate Audit Committee and an Appointments & Remuneration Committee.

### Regulation

NS&I strives to meet both regulatory and best practice standards within the financial services industry.

NS&I subscribes to the Banking Code, which provides greater transparency and improved communications between NS&I and its customers. In October 2004, the Banking Code Compliance Board conducted a review of our processes and gave NS&I a 'green' status. The next banking code review will be in 2007, although self-assessments are conducted annually to ensure compliance.

Although NS&I is not regulated by the Financial Services Authority (FSA), NS&I is cognisant of the relevant legislation and aims to work in the spirit of the overall regulatory framework. NS&I is also Financial Ombudsman Service (FOS) compliant. Over the next 12 months, the focus will be embedding FOS within working practices and ensuring closer adherence to the relevant standards sets out in the FSA Handbook.

In addition to the regulation that applies to the rest of the industry, NS&I is governed by specific Acts of Parliament that regulate the way in which we manage our products, specifically under the National Savings Bank Act 1971 and the National Debt Act 1972. The products that are affected by each of these acts are captured in the following table.

### Products governed by the National Savings Bank Act 1971

Easy Access Savings Account	National Savings Bank Regulations 1972
Individual Savings Account	National Savings Bank Regulations 1972
Investment Account	National Savings Bank Regulations 1972
Ordinary Account	National Savings Bank Regulations 1972
Treasurers' Account	National Savings Bank Regulations 1972

## Products governed by the National Debt Act 1972

British Savings Bonds	National Savings Stock Register Regulations 1976
Capital Bonds	National Savings Stock Register Regulations 1976
Children's Bonus Bonds	Savings Certificates (Children's Bonus Bonds) Regulations 1991
Deposit Bonds	National Savings Stock Register Regulations 1976
First Option Bonds	National Savings Stock Register Regulations 1976
Fixed Rate Savings Bonds	National Savings Stock Register Regulations 1976
Guaranteed Equity Bonds	National Savings Stock Register Regulations 1976
Income Bonds	National Savings Stock Register Regulations 1976
Pensioners' Guaranteed Income Bonds	National Savings Stock Register Regulations 1976
Premium Bonds	Premium Savings Bonds Regulations 1972
Save As You Earn	Savings Contracts Regulations 1969
Savings Certificates	Savings Certificates Regulations 1991
Savings Stamps	National Savings Stamps Regulations 1969
Yearly Plan	Savings Certificates (Yearly Plan) Regulations 1984

British Savings Bonds, Deposit Bonds, First Option Bonds, Gift Tokens, Save As You Earn, Savings Stamps and Yearly Plan were not on sale during the year, but some customer funds are still invested within them.

## Partnerships

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

The back office operations of NS&I 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. As a result on 30 September 2004 NS&I and Siemens Business Services exercised the option to extend the partnership contract to run until 2014.

Siemens Business Services, is 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.

Our relationship with Post Office Limited extends back to the origins of NS&I, when National Savings was part of The Post Office group. Post Office Limited remains our major distribution partner, with approximately 14,500 outlets providing a convenient face-to-face channel for our customers. Historically, this partnership contract has been negotiated annually, but on 14 October 2004 a contract was signed, effective from April 2004, that gives an ongoing annual contract with a two-year termination period.

On 9 September 2005, NS&I signed a five-year marketing partnership agreement with Tesco Personal Finance, to support the promotion of Premium Bonds and Inflation Beating Savings (formerly known as Index Linked Saving Certificates). This new partnership is part of the wider strategy to broaden NS&I's product availability, and increase brand awareness among customers. All customers receive the same high levels of attention offered by NS&I, who retain responsibility for sales enquiries and customer service.

A pilot to test the operational systems of this partnership took place in 50 Tesco stores between November 2005 and February 2006. This pilot proved successful for both organisations, and national roll-out to 732 stores began from 1 March 2006.

## What we are aiming to achieve

As well as providing value to customers by offering competitive, totally secure savings and investments, NS&I also saves 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 NS&I

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. NS&I 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 NS&I measures how cost effective it is at raising finance for government. The total cost of raising funds, including our operating costs and tax foregone, 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 NS&I must give customers a fair deal in a highly competitive market. Therefore, NS&I offers products that suit customers' needs, backed by excellent customer service.

### Direction 2007

Direction 2007 is the five-year strategic plan developed with involvement from senior managers across NS&I and Siemens Business Services, and has the support of the NS&I Board, HM Treasury, and Post Office Limited. It has been translated into a detailed plan for 2006-07, which will be outlined further in our future corporate reports.

Direction 2007 is delivering dynamic business growth and will continue to focus the business on putting the customer as the centre of value creation. Key ongoing tasks in achieving this are:

- refreshing and enhancing the existing product portfolio, including new product initiatives where market opportunities exist
- in response to known customer preferences, developing an integrated multi-channel platform based upon direct channels (telephone, internet and post), Post Office Limited, Tesco Personal Finance and potentially further distribution partnerships in the future
- enhancing customer data and knowledge and developing 'real' relationships through ongoing customer dialogue
- focusing on the most profitable propositions for our customer base

In addition, NS&I will also seek to:

- support Siemens Business Services delivery of an efficient and effective operations business
- synchronise cost reduction in operations and driving business growth
- drive mutual benefits with Siemens Business Services through the 'growth agenda'
- retain Post Office Limited support during the deployment and enhancement of low cost direct channels and the embedding of the Tesco Personal Finance partnership.

Implementation of Direction 2007 is focused around six strategic themes which are used within the corporate balanced scorecard to monitor progress against deployment. The strategic themes that supported the 2005-06 business objectives were:

- 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 Delivery
  - customer service, timely and accurate common processes
- Change Management
  - major change initiatives, capability to deliver, increased pace of change
- Leadership and People
  - shared purpose, core values, harnessing people and skills

Metrics relating to both the sales and back-office operations are embedded throughout the corporate balanced scorecard rather than captured separately reflecting the integrated approach used within NS&I.

In 2005-06, NS&I also introduced the use of Business Unit Scorecards to ensure key metrics are measured at both corporate and business unit level.

As the Direction 2007 strategy is deployed through detailed planning for each year, there is a need to ensure that the monitoring systems reflect the measures that are most important for the year ahead. As a result, for 2006-07, NS&I has changed the focus slightly in relations to some of these themes:

- Channel (will replace Sales Capability)
  - reducing cost of acquisition, ease of use, effective and diversified channels
- Operational Efficiency (will replace Operational Delivery)
  - mutually profitable operations, customer service, timely and accurate processes
- Change and Capability (will replace Change Management)
  - delivering the business benefits of change, improved capability, timely.

## What we spend our money on

Full details of NS&I's recent and forecast expenditure are set out in the annex of this report. In summary, spending from 2003-06 was as follows:

	2006-07 (estimate) £'000	2005-06 (estimate) £'000	2004-05 (provisional) £'000	2003-04 (outturn) £'000
Gross administration costs	£188,581	175,144	174,630	176,668
Operating income	(£4,850)	(4,850)	(4,676)	(4,582)
Net Resource Outturn	£183,731	170,294	169,954	172,086
Net Cash Requirements	£162,560	162,560	162,560	167,399
– PPP contract costs	£82,286	99,362	92,006	98,060
– Selling agents*	£30,770	29,280	33,330	43,508

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

All income and expenditure is derived from continuing operations.

The Public Private Partnership referred to above has changed how NS&I 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 now minimal, with the Siemens Business Services contract accounting for the majority of expenditure and the remaining balance with other suppliers.

NS&I is contractually 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. However, there are increases in variable payments to Siemens Business Services as volumes of transactions continue to increase, as well as to cover the provision of services to NS&I, which were not part of the original contract.

The modernisation in the operational systems and processes by Siemens Business Services has allowed NS&I 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

NS&I 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 from where it carries out the operational services functions.

## Senior Civil Service Staff

NS&I's senior civil service staff, split by salary band is summarised in the table below.

The information is as at 31 March 2005(provisional).

Salary band <sup>1</sup>	Number of staff at at 31 March 2005	Number of staff at 31 March 2006 <sup>2</sup>
£70,000-£74,999	2	1
£75,000-£79,999	3	1
£80,000-£84,999	1	3
£85,000-£89,999		1
£90,000-£94,999	1	
£95,000 - £99,999	1	
£100,000-£104,999		2
£105,000-£109,999		
£110,000-£114,999		1
£115,000-£119,999		
£120,000-£124,999	1	
£125,000-£129,999		1
£130,000-£134,999		
£135,000-£139,999		
£140,000-£144,999		
£145,000-£149,999		
Over £150,000	1	
<b>Total</b>	<b>10</b>	<b>10</b>

### Notes:

1. salary band information relates to gross salary; overtime; rights to London weighting or London allowances, recruitment and retention allowances; private office allowance and any other allowances to the extent that it is subject to UK taxations. It does not include bonuses paid relating to performance which are potentially 20% of salary.

2. salary information for 2006-07 has not yet been agreed with The Cabinet Office

## How we are doing

As part of the 2004 Spending Review (SR2004), Service Delivery Measures (SDMs) were established as part of a new reporting mechanism between NS&I and HMT. These measure the performance of NS&I in relation 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. These SDMs will be reviewed in 2006-07 as part of the Comprehensive Spending Review 2007.

### SR2004 SDM Targets

Our performance against the targets for 2005-2006, up to end January 2006 was as follows:

SR2004 SDM Goals	SR2004 SDM Objectives	SR2004 SDM Performance Measures	2005-06 Targets	Performance
1. To achieve the financing remit and improve efficiency	To create at least an agreed amount of Value Added	Absolute amount of (delagged) Value Added from NS&I's products, excluding Index Linked Saving Certificate extension terms	At least £215m	Met <ul style="list-style-type: none"> <li>• Lower than expected interest costs and higher stock levels combined with lower management costs have helped NS&amp;I exceed target.</li> <li>• At the end of 2005-2006 the full year outturn for Valued Added was £256m</li> </ul>
	To raise an amount of net financing within an agreed range	Absolute amount of net financing from all National Savings and Investment products	£3.5bn which was renegotiated in year in year to £4.2bn (+£0.6bn or -0.4bn)	Not met (exceeded) <ul style="list-style-type: none"> <li>• Favourable market conditions, increased awareness and visibility of NS&amp;I as well as excellent retention levels caused the business to exceed target (which was raised in year in line with expectations)</li> <li>• At the end of 2005-06 the full year outturn for Net Financing was £4.84bn</li> </ul>
2. To maintain the current high levels of customer satisfaction	To exceed a threshold level of customer satisfaction with NS&I	Average responses from question: "How satisfied are you overall in terms of savings and investments with NS&I"	At least 84%	Met and ongoing <ul style="list-style-type: none"> <li>• Metric has been achieved every month this year, with an average satisfaction rating of 89%</li> </ul>

SR2004 SDM Goals	SR2004 SDM Objectives	SR2004 SDM Performance Measures	2005-06 Targets	Performance
3. To maintain the current high levels of customer service	To achieve consistent accuracy in meeting increasingly challenging targets	Average performance against Accuracy Key Performance Indicator targets	At least 98.5%	Met and ongoing <ul style="list-style-type: none"> <li>• Performance against Accuracy KPIs has been met every month</li> <li>• At the end of 2005-06, the full year outturn for accuracy against key performance indicators was 99.32%</li> </ul>
	To achieve consistent timeliness in meeting increasingly challenging targets	Average performance against Timeliness Key Performance Indicator targets	At least 97%	Met and ongoing <ul style="list-style-type: none"> <li>• Performance against Timeliness KPIs has been very strong</li> <li>• At the end of 2005-06, the full year outturn for timeliness against key performance indicators was 99.29%</li> </ul>
4. 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%	Met and ongoing <ul style="list-style-type: none"> <li>• Fraud by its nature is unpredictable although the removal of ORDAC has had a positive impact on fraud levels</li> <li>• At the end of 2005-06 the full year outturn was 14.2%</li> </ul>
5. Ratio of total NS&I administrative costs to average funds invested by customers	To invest in capability and continue to improve the efficiency of administering total funds	Ratio of total NS&I administrative costs to average funds invested by customers	Less than 28 basis points	Met and ongoing <ul style="list-style-type: none"> <li>• Our administrative costs have been below plan throughout the year, with the exception of August when the new marketing campaign was launched, requiring initial up-front investment.</li> <li>• The average for the year was 24.3 basis points</li> </ul>
6. To maintain Banking Code Compliance	To ensure compliance with the Banking Code	Self assessment of compliance checked by Banking Code Standard Board	Agreement by Banking Code Standard Board that NS&I remain compliant	Met and ongoing NS&I remain compliant against the Banking Code

## 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, 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.

## Other information of public interest

### Public Appointments

Alan Cook resigned as CEO from NS&I to take up the role of Managing Director of Post Office Limited at the end of February 2006. It is hoped that this move will help continue to strengthen the relationship between NS&I and Post Office Limited. Trevor Bayley has taken up the role of Acting CEO for NS&I while the recruitment process takes place.

Karen Jones was appointed to the role of Marketing Director and the associated role on the Board on 11 April 2005, and left the role in March 2006.

### Recruitment Practice

NS&I aims to promote and maintain best practice in the recruitment of staff to meet its resourcing needs, subject to the requirements of equal opportunities and employment legislation. To achieve this, NS&I 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 and external audit. NS&I also have a reciprocal audit arrangement in place with the Office of the Rail Regulator.

### Investors in People

NS&I has been recognised as an Investor in People organisation since October 1999, and achieved re-accreditation in March 2005. This accreditation remains valid for three years.

### Responsive Public Services

We are subscribers to the Banking Code which provides greater transparency and improved communications between NS&I and its customers. The Banking Code Compliance Board conducted a review of our processes in 2004 and gave NS&I a 'green' status. The next banking code review will be in 2007.

### Call Centre Association Excellence Awards

NS&I achieved best in sector award for Financial Services reflecting the exceptional levels of customer service provided to that market aligned with the dramatic growth of the call centre and services available.

### European Call Centre Awards

NS&I were highly commended in the area of 'best outsourcer' award. The judges stated that NS&I provided excellent evidence of a well managed and balanced relationship – effective integration, openness and investment in the partnership was very clear to see.

### Design Effectiveness Awards

NS&I's website took home the honours in the DBA Design Effectiveness Awards in November 2005, winning the digital media award, signalling the continued progress towards our goal of improving and modernising the service to customers.

## 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 from 7am to midnight 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 & Investments  
FREEPOST BJ2092  
Blackpool  
FY3 9YP

## Annex – core tables

**Table 1: National Savings and Investments Public Spending**
**£000s**

	1990-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 projected	2006-07 projected	2007-08 projected
<b>Consumption of resources:</b>									
Reducing the costs to the taxpayer of government borrowing now and in the future (1)	178,385	164,882	173,552	159,111	172,086	165,796	175,521	170,294	170,294
<b>Total National Savings and Investments Resource Budget</b>	<b>178,385</b>	<b>164,882</b>	<b>173,552</b>	<b>159,111</b>	<b>172,086</b>	<b>165,796</b>	<b>175,521</b>	<b>170,294</b>	<b>170,294</b>
<i>of which:</i>									
<i>National Savings and Investments resource departmental expenditure limit (DEL)</i>	<i>178,385</i>	<i>164,882</i>	<i>173,552</i>	<i>159,111</i>	<i>172,086</i>	<i>165,796</i>	<i>175,521</i>	<i>170,294</i>	<i>170,294</i>
Resource DEL (2)	-	-	-	-	-	-	-	-	-
<b>Capital Spending:</b>									
Reducing the costs to the taxpayer of government borrowing now and in the future	(120)	3,169	122	213	1,124	137	310	500	500
<b>Total National Savings and Investments Capital Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>of which:</i>									
<i>Resource DEL capital departmental expenditure limit (DEL)</i>	<i>80</i>	<i>3,302</i>	<i>122</i>	<i>213</i>	<i>1,124</i>	<i>137</i>	<i>310</i>	<i>500</i>	<i>500</i>
<b>Total public spending by National Savings and Investments (2)</b>	<b>174,148</b>	<b>166,175</b>	<b>171,546</b>	<b>156,225</b>	<b>170,510</b>	<b>163,665</b>	<b>172,861</b>	<b>167,764</b>	<b>167,704</b>

**Notes**

(1) Departmental Expenditure Limits set as part of the 2004 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

	1990-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 projected	2006-07 projected	2007-08 projected
Reducing the costs to the taxpayer of government borrowing now and in the future									
<b>Resource DEL</b>									
<i>Administration</i>									
RfR1 A	178,489	164,813	173,550	159,111	172,086	165,794	175,521	165,294	165,294
<b>Total voted</b>	<b>178,489</b>	<b>164,813</b>	<b>173,550</b>	<b>159,111</b>	<b>172,086</b>	<b>165,794</b>	<b>175,521</b>	<b>165,294</b>	<b>165,294</b>
Non Voted								5,000	5,000
<b>Total National Savings and Investments Resource DEL</b>	<b>178,489</b>	<b>164,813</b>	<b>173,550</b>	<b>159,111</b>	<b>172,086</b>	<b>165,794</b>	<b>175,521</b>	<b>170,294</b>	<b>170,294</b>
<b>Resource AME</b>									
<i>Administration</i>									
RfR1 A	(104)	69	2			2			
<b>Total voted</b>	<b>(104)</b>	<b>69</b>	<b>2</b>			<b>2</b>			
Total National Savings and Investments Resource AME	(104)	69	2			2			
<b>Total National Savings and Investments Resource DEL</b>	<b>178,385</b>	<b>164,882</b>	<b>173,552</b>	<b>159,111</b>	<b>172,086</b>	<b>165,796</b>	<b>175,521</b>	<b>170,294</b>	<b>170,294</b>
<i>of which:</i>									
Voted	178,385	164,882	173,552	159,111	172,086	165,796	175,521	170,294	170,294
Other non-voted								5,000	5,000
and of which:									
Central government own spending	178,385	164,882	173,552	159,111	172,086	165,796	175,521	175,294	175,294

**Table 3: National Savings and Investments Capital Budget****£000s**

	1990-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 projected	2006-07 projected	2007-08 projected
Reducing the costs to the taxpayer of government borrowing now and in the future									
<b>Capital DEL</b>									
<i>Administration</i>									
RfR1 A	80	3,302	122	213	1,124	137	310	500	500
<b>Total voted</b>	<b>80</b>	<b>3,302</b>	<b>122</b>	<b>213</b>	<b>1,124</b>	<b>137</b>	<b>310</b>	<b>500</b>	<b>500</b>
<b>Total Capital DEL</b>	<b>80</b>	<b>3,302</b>	<b>122</b>	<b>213</b>	<b>1,124</b>	<b>137</b>	<b>310</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>-120</b>	<b>3,169</b>	<b>122</b>	<b>213</b>	<b>1,124</b>	<b>137</b>	<b>310</b>	<b>500</b>	<b>500</b>
<i>of which:</i>									
<i>Voted</i>	-120	3,169	122	213	1,124	137	310	500	500
<i>and of which:</i>									
<i>Central government own spending</i>	-120	3,169	122	213	1,124	137	310	500	500
<b>NB Voted net capital in Estimate entitled: National Savings and Investments</b>									
<i>Capital DEL in budgets</i>	80	3,302	122	213	1,124	137	310	500	500
<i>Capital AME in budgets</i>									
<b>Total capital consumption in Estimate</b>	<b>-120</b>	<b>3,169</b>	<b>122</b>	<b>213</b>	<b>1,124</b>	<b>137</b>	<b>310</b>	<b>500</b>	<b>500</b>

**Table 4: National Savings and Investments Capital Employed****£000s**

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 projected	2006-07 projected	2007-08 projected
<b>Assets on balance sheet at end of year</b>									
Fixed Assets									
Intangible	20	155	154	200	109	141	150	180	200
Tangible	23,510	26,774	28,157	28,306	29,953	24,841	27,200	29,000	30,800
<i>of which</i>									
Land and Buildings	23,358	23,704	25,347	25,714	26,672	22,014	24,000	25,500	27,000
Plant and machinery	152	3,070	2,810	2,592	3,281	2,827	3,200	3,500	3,800
Vehicles									
Investments									
Current Assets	16,435	14,695	13,418	10,783	11,706	10,384	9,000	7,500	6,000
Creditors (<1 year)	13,079	10,230	16,756	16,117	20,612	17,833	18,000	18,000	18,500
Provisions	2,299	2,131	2,061	1,720	1,480	1,575	1,045	950	850
<b>Capital Employed within main department</b>	<b>24,587</b>	<b>29,263</b>	<b>22,912</b>	<b>21,452</b>	<b>19,676</b>	<b>15,958</b>	<b>17,305</b>	<b>17,730</b>	<b>17,650</b>

Table 5: National Savings and Investments Administration Costs

£000s

	1990-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 projected	2006-07 projected	2007-08 projected
Gross Administration costs	176,759	162,603	171,530	156,626	169,651	163,216	172,750		
Paybill	5,746	6,587	6,398	6,945	7,017	7,226	7,621		
<b>Total gross administration costs</b>	<b>182,505</b>	<b>169,190</b>	<b>177,928</b>	<b>163,571</b>	<b>176,668</b>	<b>170,442</b>	<b>180,371</b>	<b>175,241</b>	<b>175,340</b>
<i>Related administration cost receipts</i>	<i>(4,120)</i>	<i>(4,308)</i>	<i>(4,376)</i>	<i>(4,460)</i>	<i>(4,582)</i>	<i>(4,678)</i>	<i>(4,850)</i>	<i>(4,947)</i>	<i>(5,046)</i>
<b>Total net administration costs</b>	<b>178,385</b>	<b>164,882</b>	<b>173,552</b>	<b>159,111</b>	<b>172,086</b>	<b>165,764</b>	<b>175,521</b>	<b>170,294</b>	<b>170,294</b>
<b>Total net administration costs by activity</b>									
Reducing the costs to the taxpayer Resource DEL in the future	178,385	164,882	173,552	159,669	172,086	165,764	175,521	170,294	170,294
<b>Total net administration costs</b>	<b>178,385</b>	<b>164,882</b>	<b>173,552</b>	<b>159,111</b>	<b>172,086</b>	<b>165,764</b>	<b>175,521</b>	<b>170,294</b>	<b>170,294</b>
<b>Controls and limits:</b>									
Administration costs limits (net) for gross controlled areas: National Savings and Investments	178,385	164,882	173,552	159,669	172,086	165,764	175,521	170,294	170,294
<b>Resource DEL</b>	<b>178,385</b>	<b>164,882</b>	<b>173,552</b>	<b>159,111</b>	<b>172,086</b>	<b>165,764</b>	<b>175,521</b>	<b>170,294</b>	<b>170,294</b>

Table 6: National Savings and Investments Staff Numbers

Staff-years

	01-Apr-02	01-Apr-03	01-Apr-04	01 April 2005 estimate	01 April 2006 estimate
Permanent	111	111	110	123	118
Casual	2	5	8	4	7
<b>TOTAL</b>	<b>113</b>	<b>116</b>	<b>119</b>	<b>127</b>	<b>125</b>





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