
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 for all ages. National Savings and Investments also aims to leverage its core infrastructure and capability further with other government bodies.
- 3 The cost of National Savings and Investments operations comprises of debt interest, tax foregone and administration. The last item is included in the budgets 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 as well as leveraging its capabilities.
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. In July 2011 Siemens IT Solutions and Services Limited were taken over by ATOS. The partnership between NS&I and its outsourced provider 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 Atos account for over 70% of the total of this Estimate.
5. Further details of the expenditure contained in this Estimate can be found in the National Savings and Investments Annual Report and Accounts 2013

Part I

£

| | Voted | Non-Voted | Total |
|---------------------------------------|--------------------|-----------|-------------|
| Departmental Expenditure Limit | | | |
| Resource | 151,615,000 | - | 151,615,000 |
| Capital | 215,000 | - | 215,000 |
| Annually Managed Expenditure | | | |
| Resource | 5,300,000 | - | 5,300,000 |
| Capital | - | - | - |
| Total Net Budget | | | |
| Resource | 156,915,000 | - | 156,915,000 |
| Capital | 215,000 | - | 215,000 |
| Non-Budget Expenditure | - | | |
| Net cash requirement | 149,610,000 | | |

Amounts required in the year ending 31 March 2014 for expenditure by National Savings and Investments on:

Departmental Expenditure Limit:Expenditure arising from:

Cost of delivery of National Savings and Investments operations, and leveraged activities with other bodies including administration, operational research and development works, other payments and non cash items.

Income arising from:

The leveraging of National Savings and Investments core infrastructure and capabilities and associated contracts including rent receipts and other receipts such as loss recovery payments and receipts to enable access to NS&I product.

Annually Managed Expenditure:Expenditure arising from:

Non-cash movements in provisions including changes to fair value of national savings and Investment' properties.

National Savings and Investments will account for this Estimate.

£

| | Voted Total | Allocated in Vote on Account | Balance to complete or surrender |
|---------------------------------------|--------------------|---------------------------------|--|
| Departmental Expenditure Limit | | | |
| Resource | 151,615,000 | 76,478,000 | 75,137,000 |
| Capital | 215,000 | 108,000 | 107,000 |
| Annually Managed Expenditure | | | |
| Resource | 5,300,000 | 2,385,000 | 2,915,000 |
| Capital | - | - | - |
| Non-Budget Expenditure | - | - | - |
| Net cash requirement | 149,610,000 | 73,616,000 | 75,994,000 |

Part II: Subhead detail

£'000

| 2013-14 Plans | | | | | | | | | 2012-13 Provisions | |
|--|---------|---------|-----------|--------|-------|---------|--------|-----|-----------------------|---------|
| Resources | | | | | | Capital | | | Resources | Capital |
| Administration | | | Programme | | | Gross | Income | Net | Net | Net |
| Gross | Income | Net | Gross | Income | Net | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | | | |
| Voted expenditure | | | | | | | | | | |
| 171,200 | -19,585 | 151,615 | - | - | - | 215 | - | 215 | 169,950 | 239 |
| <i>Of which:</i> | | | | | | | | | | |
| A Administration | | | | | | | | | | |
| 171,200 | -19,585 | 151,615 | - | - | - | 215 | - | 215 | 169,950 | 239 |
| Total Spending in DEL | | | | | | | | | | |
| 171,200 | -19,585 | 151,615 | - | - | - | 215 | - | 215 | 169,950 | 239 |
| Spending in Annually Managed Expenditure (AME) | | | | | | | | | | |
| Voted expenditure | | | | | | | | | | |
| - | - | - | 5,300 | - | 5,300 | - | - | - | 6,000 | - |
| <i>Of which:</i> | | | | | | | | | | |
| B Administration | | | | | | | | | | |
| - | - | - | 5,300 | - | 5,300 | - | - | - | 6,000 | - |
| Total Spending in AME | | | | | | | | | | |
| - | - | - | 5,300 | - | 5,300 | - | - | - | 6,000 | - |
| Total for Estimate | | | | | | | | | | |
| 171,200 | -19,585 | 151,615 | 5,300 | - | 5,300 | 215 | - | 215 | 175,950 | 239 |
| <i>Of which:</i> | | | | | | | | | | |
| Voted Expenditure | | | | | | | | | | |
| 171,200 | -19,585 | 151,615 | 5,300 | - | 5,300 | 215 | - | 215 | 175,950 | 239 |
| Non Voted Expenditure | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | - | - |

Part II: Resource to cash reconciliation

£'000

| | 2013-14 Plans | 2012-13 Provisions | 2011-12 Outturn |
|--|------------------|-----------------------|--------------------|
| Net Resource Requirement | 156,915 | 175,950 | 173,104 |
| Net Capital Requirement | 215 | 239 | 191 |
| Accruals to cash adjustments | -7,520 | 1,401 | -11,707 |
| <i>Of which:</i> | | | |
| <i>Adjustments to remove non-cash items:</i> | | | |
| Depreciation | -7,600 | -8,200 | -2,507 |
| New provisions and adjustments to previous provisions | -300 | -300 | 107 |
| Departmental Unallocated Provision | - | - | - |
| Supported capital expenditure (revenue) | - | - | - |
| Prior Period Adjustments | - | - | - |
| Other non-cash items | -820 | -799 | -859 |
| <i>Adjustment for NDPBs:</i> | | | |
| Remove voted resource and capital | - | - | - |
| Add cash grant-in-aid | - | - | - |
| <i>Adjustments to reflect movements in working balances:</i> | | | |
| Increase (+) / Decrease (-) in stock | - | - | - |
| Increase (+) / Decrease (-) in debtors | -300 | -300 | 8,427 |
| Increase (-) / Decrease (+) in creditors | 1,500 | 11,000 | -17,073 |
| Use of provisions | - | - | 198 |
| Removal of non-voted budget items | - | - | - |
| <i>Of which:</i> | | | |
| Consolidated Fund Standing Services | - | - | - |
| Other adjustments | - | - | - |
| Net Cash Requirement | 149,610 | 177,590 | 161,588 |

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

| | £'000 | | |
|---|------------------|-----------------------|--------------------|
| | 2013-14 Plans | 2012-13 Provisions | 2011-12 Outturn |
| Gross Administration Costs | 171,200 | 180,635 | 203,522 |
| <i>Less:</i> | | | |
| Administration DEL Income | -19,585 | -10,685 | -31,255 |
| Net Administration Costs | 151,615 | 169,950 | 172,267 |
| Gross Programme Costs | 6,800 | 7,500 | -10,345 |
| <i>Less:</i> | | | |
| Programme DEL Income | - | - | - |
| Programme AME Income | - | - | - |
| Non-budget income | - | - | 14,659 |
| Net Programme Costs | 6,800 | 7,500 | 4,314 |
| Total Net Operating Costs | 158,415 | 177,450 | 176,581 |
| <i>Of which:</i> | | | |
| Resource DEL | 151,615 | 169,950 | 172,267 |
| Capital DEL | - | - | - |
| Resource AME | 5,300 | 6,000 | 837 |
| Capital AME | - | - | - |
| Non-budget | 1,500 | 1,500 | 3,477 |
| <i>Adjustments to include:</i> | | | |
| Departmental Unallocated Provision (resource) | - | - | - |
| Consolidated Fund Extra Receipts in the budget but not in the SoCNE | - | - | - |
| <i>Adjustments to remove:</i> | | | |
| Capital in the SoCNE | - | - | - |
| Grants to devolved administrations | - | - | - |
| Non-Budget Consolidated Fund Extra Receipts in the SoCNE | - | - | - |
| Other adjustments | -1,500 | -1,500 | -3,477 |
| Total Resource Budget | 156,915 | 175,950 | 173,104 |
| <i>Of which:</i> | | | |
| Resource DEL | 151,615 | 169,950 | 172,465 |
| Resource AME | 5,300 | 6,000 | 639 |
| <i>Adjustments to include:</i> | | | |
| Grants to devolved administrations | - | - | - |
| Prior period adjustments | - | - | - |
| <i>Adjustments to remove:</i> | | | |
| Consolidated Fund Extra Receipts in the resource budget | - | - | - |
| Other adjustments | - | - | - |
| Total Resource (Estimate) | 156,915 | 175,950 | 173,104 |

Part III: Note B - Analysis of Departmental Income

£'000

| | 2013-14 Plans | 2012-13 Provision | 2011-12 Outturn |
|------------------------------------|------------------|----------------------|--------------------|
| Voted Resource DEL | -19,585 | -10,685 | -31,255 |
| <i>Of which:</i> | | | |
| Administration | | | |
| Sales of Goods and Services | -14,340 | -5,440 | -31,255 |
| <i>Of which:</i> | | | |
| A: Administration | -14,340 | -5,440 | -31,255 |
| Other Income | -5,245 | -5,245 | - |
| <i>Of which:</i> | | | |
| A: Administration | -5,245 | -5,245 | - |
| Total Administration | -19,585 | -10,685 | -31,255 |
| | | | |
| Total Voted Resource Income | -19,585 | -10,685 | -31,255 |

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2013-14, 2012-13 or 2011-12.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

| | |
|----------------------------|------------|
| Accounting Officer: | Jane Platt |
|----------------------------|------------|

Jane Platt has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FRM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.