

Our Chairman's statement



2009–10 has proved to be a good time to pick up the reins as Chairman of NS&I. Not only is the business in very good shape, as this report shows, but the more stable market conditions we have seen over the year have also enabled us to progress our strategy significantly.

We have made major steps in the programme to modernise both the way we work and the products and services we offer our customers. At the same time, we successfully met our Net Financing target of £0 with a range of £2 billion either side of this – a more challenging task than may be immediately apparent after the growth the previous year.

Achieving our target meant dealing with large volumes of transactions both in and out of the business, and careful and responsible management. At all times, we had to balance the interests of our customers, the need to deliver cost-effective finance for government and supporting the stability of the wider financial services sector: meeting this Net Financing target helps show that we have done that.

The importance of partnership

Throughout the year we maintained our high customer service standards and met our Service Delivery Measures which is a credit both to NS&I and those colleagues employed by our delivery partner, Siemens. This year saw the 10th anniversary of our partnership, which continues to deliver and is recognised as a good example of a Public Private Partnership. The awards received by the call centre team provide ample evidence of the quality of the frontline service, but from my perspective the joint work at management level to deliver complex change projects is equally important.

Taking our strategy forward

That gave us the platform to continue with our essential programme of strategic change, the benefits of which are now becoming apparent to our customers. It also enabled us, with the backing of our Minister and HM Treasury, to extend our **NS&I adding value** strategy for a further two years, for sound business reasons which are explained in 'Our strategy' on pages 8–11.

Experienced leadership

As well as saying goodbye to Paul Spencer CBE, my predecessor as Chairman, this year also saw the departure of another long-serving board member, Michael Medicott. Both had served the maximum two terms as NS&I Non-executive board members and presided over an important period of change in this near 150-year-old organisation. On behalf of all at NS&I, I would like to extend my thanks to both for the dedication and diligence they showed throughout their tenure.

I am delighted to welcome to our board David Hulf, an authority on governance and risk, and Sir John de Trafford, who brings considerable financial service experience and a real insight into customer needs.

The Executive Management Team remains unchanged and I would also like to thank them for their efforts over the last year. They run a large organisation exceptionally efficiently and effectively, and I look forward to working with them, my fellow Non-executive Directors and the wider NS&I team in the coming year.

Martin Gray
Chairman
NS&I