



Government Actuary's Department Spring 2007 Departmental Report

The Government's Expenditure Plans 2007-08



GOVERNMENT ACTUARY'S DEPARTMENT

Cm 7115

This document is part of a series of Departmental Reports (Cm 7091 to Cm 7117) which, along with the Main Estimates 2007-08, the document Public Expenditure Statistical Analyses 2007 and the Supplementary Budgetary Information 2007-08, present the Government's expenditure plans for 2007-08, and comparative outturn data for prior years.



Government Actuary's Department Spring 2007 Departmental Report

The Government's Expenditure Plans 2007-08

*Presented to Parliament by the Economic Secretary to the Treasury by Command of
Her Majesty May 2007*

CM 7115

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A message from the Government Actuary

The financial year just ended has been another very successful one. Demand for our services from our major clients continues at a very high level, although the Department's overall fee income level fell slightly compared to the previous rather exceptional year. Recently the Department has lost a number of staff and we are currently busy recruiting new staff to replace those that have left and also to build up our numbers to keep pace with the high demand from our clients for our services.

We have once again offered our clients good value for money during the year and our services remain competitively priced. Feedback indicates that our customers value the quality and reliability of our advice.

We completed the machinery of government changes that had been recommended by the Morris Review, saying farewell to the Occupational Pension Scheme Survey, which GAD had carried out at intervals since 1958, and most recently on an annual basis. GAD completed and published the 2005 Survey on 15 June 2006. Responsibility for the production of future Surveys has now passed to the Office for National Statistics.

Public sector pensions remain GAD's predominant area of activity. GAD advised most of the main public service pension schemes, and gave extensive policy advice to HM Treasury as well as advising other government departments and agencies on issues specific to them. Our actuaries advised the trustees and sponsoring employers of a number of funded pension schemes, providing actuarial valuations and everything from assistance on investment strategy to the management and communication of structural changes to schemes. The department continued to be very closely involved in the ongoing discussions about the changes to the main public service pension schemes. We completed a valuation of the Teachers' Pension Scheme under the new arrangements. We currently have a number of major projects in hand. Although the Teachers' Pension Scheme changes were implemented from 1 January 2007, the wide-ranging reviews of the public service pension schemes continue to generate lots of activity for GAD. Those for the NHS and Local Government Pension Schemes will require detailed consideration as they move towards implementation.

GAD's international business continues to flourish and insurance supervision has been much in demand from our clients in Cyprus and Saudi Arabia. GAD continues to give advice to IMSS, the main health provider in Mexico, on risk management and long-term financial stability. Together with requests from other established clients in Bermuda, Channel Islands, Gibraltar and the Falkland Islands, overseas work continues at a very satisfactory level.

The breadth of functions undertaken by GAD is large. Further functions performed included the preparation of the 6th Edition of the Ogden Tables, which give guidance to the Courts on the assessment of damages in personal injury and fatal accident cases. GAD also provided regular certification of the randomness of the monthly premium bond draw (ERNIE).

In an increasingly competitive environment the Department continues to look at ways in which it can improve its service to clients. Our aim is to deliver good quality comprehensive advice quickly, effectively and at a competitive price. A series of internal workshops has generated fresh ideas and initiatives. Greater emphasis is being placed on marketing our services. A selection of clients, both here in the UK and abroad, are being interviewed about what they want from us now and in the future.

This not only allows the department to forge closer links with our clients but also gives us the opportunity to make clients aware of the full range of services GAD has to offer.

It is important that we build on our achievements and keep refreshing our thinking and services. New initiatives put in place over the past year include strengthening our research team to support front line actuarial teams, adopting a more proactive marketing strategy necessitating a change of attitudes of staff to have more of a marketing orientation and providing training to help people to develop new skills appropriate for this new environment.

This year we negotiated a new long-term settlement with HM Treasury for our spending targets for the next 4 years so we now have some certainty over future planning. Looking ahead it is important that the Department should continue to broaden the services it offers and take the active steps necessary to develop and expand our client base.

A handwritten signature in black ink that reads "Chris Daykin". The signature is written in a cursive style with a horizontal line underneath.

Chris Daykin
Government Actuary
May 2007

About the Government Actuary's Department

Our history

GAD was created as a separate Government Department in 1919. Although originally set up to advise on social insurance GAD has been involved in most areas of actuarial work. Today it is primarily a pension consultancy specialising in advice to the public service in the UK and overseas.

Our Aims and Objectives

The Government Actuary's Department's (GAD's) fundamental aim is:

To provide mainly public sector clients with independent, professional, actuarial advice of the highest quality.

Our main objectives are:

- to offer high quality client-orientated service to clients at all times
- to maintain the highest standards of professionalism and relevance in the giving of actuarial advice
- to provide clients with value for money in the provision of actuarial services
- to maintain a well-trained and well-motivated staff with up-to-date skills and expertise
- to meet the targets set out in the Comprehensive Spending Review 2007.

Meeting these aims and objectives is the responsibility of the Government Actuary, supported by the Management Board and his senior management team. The Government Actuary is answerable to the Economic Secretary to the Treasury who has ministerial responsibility for the department.

What makes us different from a private sector actuarial firm?

Our focus is the public sector. For these clients we:

- offer independent actuarial advice, free from commercial pressures
- offer confidentiality on sensitive political or commercial issues
- deliver consistent advice across the public sector – this is particularly important for the public service pension schemes
- offer value for money to our customers in the fee structure we use; and
- provide a cost-effective government actuarial service with a strong professional ethos.

We believe clients choose us because we:

- are not driven by a profit motive
- have no conflict created by the interests of private sector clients
- are part of the public service, so we understand the constraints and the considerations which affect decision-making in that environment; and
- give advice that is not influenced by a wish to sell other services.

It has always been, and will remain, important for us to be seen as a provider of good value, high quality actuarial services to government and public sector bodies around the world.

Our expertise

Actuarial practice in the UK has a number of strands but each of these relies on the assessment, analysis and management of different types of risk, primarily financial risk. The main branches of our expertise are:

- pensions
- social insurance
- life Insurance
- general insurance
- investment
- health care

We can also provide assistance with modelling for manpower planning and with other employee benefits, including redundancy packages.

With our public service focus, GAD's main areas of activity in the UK are pensions and social insurance. Internationally, the main activities are social insurance, pension reform and pension and insurance regulation. GAD is also advising on the financing of health care, risk management and strategic investment and asset/liability considerations.

Demand for our services remains high and we are recruiting additional actuaries, actuarial trainees and other numerate graduates to help us meet the demands of our clients. Improvements in efficiency and effectiveness will flow from our planned investment in systems and processes.

Our financial structure

For most of the twentieth century GAD was voted monies by Parliament to provide the advice which other parts of government required. The move towards greater transparency of costs across the public services led, in April 1989, to a full repayment régime being introduced for GAD. All those who commission us to advise them, from the public or private sector, from the UK or overseas, are required to pay fees for the services they receive. Those charges must cover the full cost of that advice.

GAD has retained a small net Parliamentary Vote (around 5% of overall expenditure) to deliver 'core' activities which could not be attributed to a single owner.

These changes mean that our resource funding now has to be almost entirely found from the fees we charge to our clients. However, GAD remains confident that the loss of most of the Vote funding will not significantly impact on its ability to operate. GAD is actively expanding both its UK pensions advice and its international activities. We have confidence that GAD is managing itself so that its prices are competitive for a range of services that our clients recognise and value.

Our operational structure

We have a streamlined management and an operational structure in keeping with our size. It is important that we are a flexible and dynamic service provider.

We are organised into UK and overseas business and central services. The Government Actuary is accountable for the running of the department. He is supported by the Management Board, which he chairs. The Board has two non-executive directors from the private sector and four senior managers for the business areas.

Responsibility for day-to-day running rests with the Operations Committee chaired by the Deputy Government Actuary (and head of UK Business) with the head of international business, the Director of Finance and the Personnel Director.

Other working groups and committees report to the Board on specific aspects of professional work and operations.

More information is given in Annex A.

Our people

The success of GAD is critically dependent on having staff who perform to the highest standards. This applies across the department: to those who are working with clients, those who are managing our operations and those who are providing infrastructure and support on which others depend. Our programme of selection, training and development is aimed at ensuring that everyone can gain the skills and experience to realise their full potential. For such a small organisation we have a very wide range of personal attributes _ a diversity which we treasure.

Our qualified actuaries are, for example, drawn from a wide range of backgrounds, many of them having worked in the private sector before joining GAD, as well as a good number we have recruited as graduates and developed within the department.

The actuarial profession is comparatively small. It is important for the public service and for a healthy profession that GAD plays its part in training the actuaries of the future in the needs of the public service and that we encourage all our actuarial staff to be active in the wider development of the profession.

The Work We Do

The overall structure of the department

The organisation is split into two main business areas: UK Business (Public Sector Pensions and Pensions Policy) and International Business (Pension Reform, Regulation of Insurance and Pensions and Social Insurance (this last also for the UK)). These are supported by the Corporate Centre (Central Services).

The work of the actuarial business teams

Although we work for a wide range of clients, there is a significant group for whom we provide continuing service each year. We expect these to form the major part of our business for the foreseeable future. Each team has, however, set its own targets for service delivery as shown below.

UK Business

The UK Business teams will provide actuarial support on demand to a wide range of clients, whether pension schemes, employers or other scheme sponsors. A significant activity is advising contracting authorities on the implications of the Fair Deal policy on staff transfers, both within and across the boundary of the public service, and assessing proposals from potential contractors for meeting the broad comparability standard and other aspects of staff transfers. Other major areas of activity include:

- ongoing and wide-ranging actuarial and pension consultancy advice to public sector, near public sector and private sector pension schemes, both funded and unfunded, including for a number of schemes, Scheme Actuary responsibilities under the Pensions Act 2004. For example, we advise on benefit design and cost, financing and investment strategy
- advice to government departments, including HM Treasury, on policy for pension provision within the public sector, taxation considerations relating to pensions, specific individual pensions issues and supervisory matters
- advising on accounting for pensions liabilities and preparing appropriate disclosures of funded and unfunded pension liabilities
- working to ensure that government policy protecting employees' pension rights on transfers from public sector pension schemes is implemented on behalf of sponsoring departments and public sector employers, and that the interests of the taxpayer are protected in Public Private Partnerships (PPP), Private Finance Initiative (PFI) and other reorganisation exercises and machinery of government changes
- other ad-hoc jobs, including compensation assessments, appearing as expert witnesses, arbitration work, second opinions and wider financing and design issues for pension schemes in the UK
- Social Security and Pensions policy – advising DWP and HM Revenue & Customs on policy for social security and all aspects of occupational, personal and stakeholder pensions
- advising the DWP and HM Treasury on the terms for contracting out of the State Second Pension
- assessment of damages and loss of pension rights – advice to the Courts and Tribunals on how to set a value on future financial loss
- miscellaneous items – including verification of the statistical randomness of the Premium Bond system

- providing advice to the Pensions Regulator (tPR) and to the Pension Protection Fund (PPF).

International Business

The International Business team predominantly supports work on Social Insurance and on Insurance Regulation and Supervision, including:

- Social Security schemes – undertaking statutory duties in advising on the finances of the National Insurance Fund (GB)
- advising overseas governments on the design and financing of social security schemes
- advising the DWP and HM Revenue & Customs on the financial aspects of the National Insurance benefits and contributions
- supervision of Insurance – advising on the regulation of the insurance industry and on the supervision of individual insurance companies in a number of jurisdictions outside the UK
- health and long-term care – advice on long-term financing issues for health and long-term care.

All teams

Regardless of client, both actuarial business units must ensure that GAD:

- organises itself so as to be able to give a good quality of service to Ministers and government departments at all times
- diversifies its client base, particularly within the broad public sector in the UK and overseas to ensure a cost-effective staffing and fee structure and adequate breadth of expertise
- maintains practical experience of advising a reasonable number of funded pension clients including those which are subject to the full requirements of the Pensions Act 2004
- actively promotes its services at home and abroad to all parts of government and the public sector
- always seeks to obtain a satisfactory level of remuneration for work undertaken, except where:
 - it is deemed to be in the public interest to act or to undertake work for which it is not clear that the effort will be directly or fully reimbursed; or
 - the work may provide valuable spin-offs in terms, for example, of training and development opportunities, information gathering or potential new business.

The Efficiency Programme

Together with the other Chancellor's Departments, GAD was asked to make efficiency savings to reflect a reducing dependence on vote funding. At the time the department offered savings of 11% of our then resource vote (some £120k) to be found in the three years 2005-08. We were delighted to achieve these savings in full in the first year of the efficiency programme.

GAD's efficiencies are composed of the following workstreams:

- re-allocation of staff and work to allow actuarial staff to spend a higher proportion of their time on chargeable work for clients (£94,000 achieved to December 2006)
- better VFM through improved procurement (£151,000 to December 2006)
- providing shared services in IT, Finance, Facilities Management and payroll to GAD's sub-tenants in Finlaison House (£144,000 to December 2006).

Impact of the Efficiency Programme

GAD operates in competition with other providers of actuarial consultancy and this competitive pressure means GAD must operate efficiently in order to win and retain business by providing relevant services and value for money to its clients. Efficiency and effectiveness are imperatives for the Department.

The most recent client survey carried out by GAD showed strong evidence that clients are satisfied with the service provided. A client satisfaction score of 88% was achieved compared to 87% the previous year.

Expenditure on consultancy and professional services

During 2006/07 GAD spent £72,000 on consultancy and professional services. This included advice on re-tendering our Facilities Management contract (£15,000), a review of our IT operations (£11,250), a series a of marketing workshops for all staff (£8,000) and legal advice on various contract issues (£23,000).

Our strategies and finances in more detail

GAD works hard to ensure compliance with all Central Government initiatives, although the small size of the department means that this can be a challenge, especially as GAD also has to operate as a competitive business and generate fee income to recover costs in full. Quality advice and good value for money to all our clients go hand in hand with curtailing costs and improving effectiveness.

Apart from setting targets for our actuarial business units, we also set strategies for the support teams, who play an essential role in the delivery of our actuarial services through the support they provide. Annexes B to F set out the main elements of the strategies in the support areas and Annex G considers progress against our Performance Management Indicators. Annex H sets out the core tables on financing, showing past history and projections for the future.

Annex A

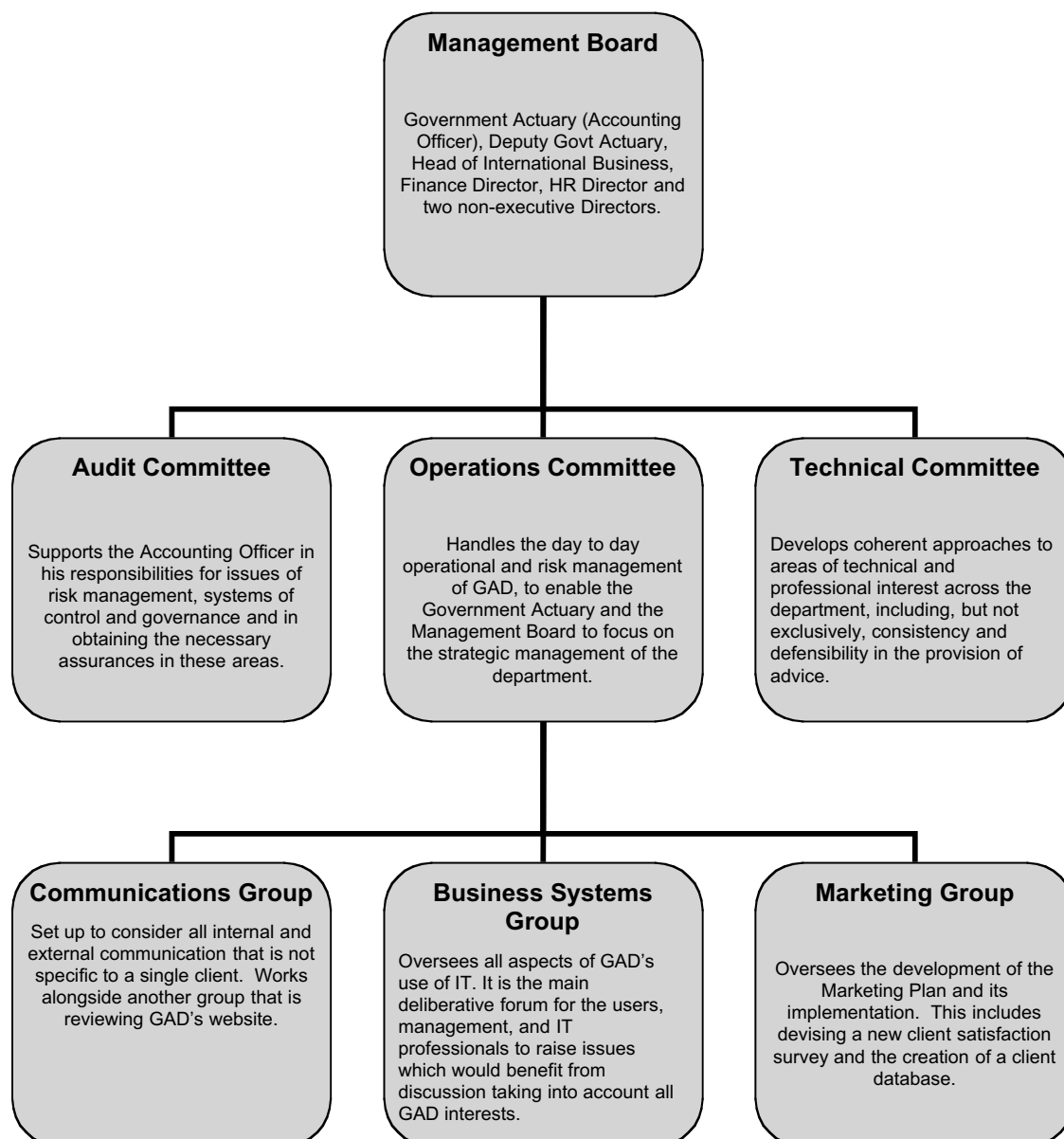
Management structure

The head of UK business (Deputy Government Actuary), the head of overseas business (Chief Actuary), Director of Finance (Grade 7) and Director of Personnel (Grade 7) report to the Government Actuary, who is the Head of Department and Accounting Officer. There are four business units within the UK, two covering public service pensions, one for wider public sector pensions and one for pension policy. Each of these units is headed by a Chief Actuary. The Director of Personnel is responsible for human resources, information technology and office services.

GAD is not formally covered by the senior civil service. A number of posts have equivalent job weight to those in the SCS.

	Number	Pay band (£000s)
Government Actuary	1	142-200
Deputy Government Actuary	1	111-143
Chief Actuaries	5	93-126

GAD committee structure



Human Resources Strategy

Retaining and Recruiting Staff

The key HR challenge facing GAD over the medium term is the need for structured succession planning as a number of long-serving senior staff reach their pension age and leave the Department. To meet this challenge we will need to ensure that we are able to recruit and retain staff at all levels so that our clients continue to receive a high quality service. In order to achieve this, GAD will:

- recruit and train an adequate number of staff with recognized actuarial qualifications, or as trainees prepared to study with a view to obtaining such qualifications and maintain its professional staff with up-to-date knowledge of relevant actuarial and related topics through Continuing Professional Development
- maintain sufficient professional staff satisfying specific practising requirements set by the UK actuarial profession, for example to act as Scheme Actuaries to pension fund clients to meet the needs of our clients
- provide sufficient variety and depth of client work to train professional staff and to give them a grounding in the operation and financial management of pension funds, social security schemes and insurance companies (particularly for our overseas market), particularly with a view to the need to maintain an adequate capability to advise Ministers and departments on the relevant policy issues
- recruit and retain an adequate number of technical, administrative, executive and other staff to perform all the necessary support functions and to assist actuarial staff in areas where it is appropriate and cost-effective for work to be done by non-actuaries
- negotiate pay and grading arrangements for all members of staff.

Training and Development Strategy

GAD is an accredited Investor in People and is committed to giving all its staff the opportunity to develop their skills and potential in support of GAD business.

GAD has a substantial budget for training to allow for training programmes and professional actuarial examinations, together with training for other professions represented in the department. In addition, the department provides general computer and Management Development training. Each annual performance round involves consideration of the required training to develop an individual; this training needs requirement is fed into an annual training plan for the department. The development of all our staff is of paramount importance to the management team of GAD.

Scheme actuaries of funded UK pension schemes are required, under mandatory rules laid down by the UK Actuarial Profession, to fulfil annually the requirements of the Continuing Professional Development (CPD) Scheme in order to have their practising certificate renewed. The Government Actuary and a number of the qualified actuaries in the UK Business area have Scheme Actuary practising certificates and are affected directly by this requirement. The CPD Scheme requires a minimum of 15 hours verifiable CPD per year, 10 hours of which must be directly relevant to the subject matter of the practising certificate and at least 5 hours of which must come from activities that are external to GAD.

During the last year, mandatory CPD requirements were extended to all working actuaries in the UK, although the rules are somewhat less strict for those not requiring a practising certificate. All actuaries should spend at least two hours a year on skills relevant to their work but outside their technical specialism. This should include some training in professionalism and ethics. GAD is committed to providing the resources to enable all qualified actuaries in the department to complete the recommended amount of CPD.

Non-actuarial staff are encouraged to pursue their personal development by studying for additional qualifications consistent with the needs of GAD's business. We currently sponsor training programmes for members of staff in professional accountancy training (CIMA), training towards graduate membership of the Chartered Institute of Personnel and Development (CIPD), professional pensions training (PMI), statistical, computer science qualifications (like MCSE) and Health and Safety qualifications. As with other government departments, we also encourage personal development through degree studies.

IT Strategy

New systems and processes have always been important to GAD's delivery of its services to clients. This year will see more development of our existing systems to ensure that we continue to deliver best value for money.

Management Information System (MIS)

The system continues to support effective financial reporting for the Management Board and the Department fully expects to achieve a pre-summer recess timetable for the completion of Resource Accounts, having been the third Department to complete our accounts for 2005/06. Looking forward we will continue developing facilities for reporting to project managers.

Electronic Records Management

In 2005-06 we piloted an Electronic Records Management System. Results from that trial led us to re-evaluate our requirements and an on-going project is developing our policies and procedures in this area. Part of that process will be the implementation of the Microsoft Sharepoint environment for required sharing and dissemination of information.

Business Continuity Planning

To ensure we provide a continuous service to our clients, GAD has been developing a business continuity plan. Major components are already in place, such as offsite back-up servers set up and the provision of accommodation for key staff outside of the building. Over the next few months we will finalise the plans and carry out testing.

Pensions Valuation Software

Enhancements and improvements to our pension valuation software will be made in 2007-08. All these improvements will assist in enhancing our capability as well as delivering value for money and better service for clients.

Extending our business links

Effective and secure electronic communications with our clients is ever more important. After trialling a small systems GSI solution, called GSX, with limited success it is likely that GAD will be joining the GSI in the coming year.

Building & Facilities Management Strategy

Accommodation strategy

GAD continues to operate on two floors of the building with a suite of meeting rooms available for use by both GAD and two sub-tenants. The other three floors of the building are leased to sub-tenants, who also share the costs of rent, rates and facilities management for the building.

New FM service provider

Mitie Managed Services won a re-tendering exercise to provide Facilities Management (FM) services to Finlaison House. The 3 year contract, based on the new OGC framework agreement specifically tailored to meet the needs of estate managers, will help support the smooth running of the building by providing a whole raft of necessary key functions including security, waste control/management, cleaning, planned maintenance, annual statutory inspections and pest control.

Information Management

Paper filing

We will continue to rely on paper storage for a significant number of years. We have practical plans to ensure that future materials will be stored electronically and are investigating tools to improve record retrieval.

Library and Information Services

GAD is very proud of both its library services and the ability of our information management staff to research on behalf of our clients and colleagues alike. We have links to library resources outside the department and share materials with the UK Actuarial Profession's library.

Client Liaison and Marketing Strategy

GAD is pleased to have managed to put more effort into client liaison in the past year. Satisfied clients are essential to the future viability of the Department and we must continue to do as much as possible to give them the service they need.

We have re-affirmed our view that we must:

- offer actuarial advice of the highest quality
- offer a quality service, in terms of timeliness and presentation
- think ahead and identify needs which clients may have in the future
- offer the highest standards of customer service at all times
- carry out work efficiently and offering value for money for clients
- listen to our clients, improve our service and get invoicing right.

GAD must remain totally committed to meeting the requirements of clients and to ensuring their complete and continuing satisfaction with our work. All staff, in every part of GAD, need to be fully aware that the focus of our activities must be, not just on the work itself, but on the way in which that work and output is targeted to meet the needs of our clients. This must include arrangements for appointment, responsiveness to client contacts and demands, availability when clients call, monitoring of tasks in progress, clear and prompt invoicing and the quality of the work product itself.

Client focus requires good communication about client issues and their requirements. It also requires consistent handling of client problems. Appropriate training on client service and satisfaction issues will form part of our Management Development Programme.

Marketing

GAD's first marketing plan was agreed by the Management Board in October 2006. Our marketing strategy for UK business is to:

- increase awareness of GAD and the services we provide to both existing and target customers;
- convert this general awareness into business opportunities; and to
- ensure retention of our key customers by strengthening relationships and demonstrating that our services add value.

Our strategy for international business is to:

- build on the work we do for existing clients;
- actively seek to keep up with developments around the world, particularly on the insurance side; and to
- target potential clients in a few selected areas of the world.

Our approach to identifying future opportunities will be overseen directly by the Management Board and will be developed:

- by creation of a marketing work group who will be tasked with progressing agreed initiatives;
- by greater internal collaboration with individuals working under a specific mandate to share information and present possible opportunities for debate.

PMI Targets

Departmental Targets

Like other government departments, GAD agreed Performance Management Indicators (PMIs) under Spending Review 2004 with HM Treasury.

		Our Achievements against the Targets	
		At March 2004	At March 2007
PMI Targets set under SR 2004			
Objective 1 - Provide actuarial advice to Government Departments and other GAD clients in respect of employer- sponsored pension arrangements (particularly the main public service pension schemes) and other employee benefits;			
PMI 1	To maintain our existing Central Government (CG) client base and grow the number of large CG projects by 3% over the next three years.	Our benchmark was 59 UK Government projects large enough to bring in income of £10,000 or more in year.	Met. We have 78 UK Government projects in place matching this criterion.
PMI 2	To increase our client base in the wider public sector by an additional 5 clients in the next three years.	We had 93 Wider Public Sector active clients on our books.	Met. This has grown so that we now have 134 active Wider Public Sector clients.
Objective 2 - Provide the social security projections, demographic analyses and actuarial advice necessary to underpin Ministerial decision-making in social security and pension policy and to provide the actuarial advice necessary for the regulation and supervision of financial institutions overseas.			
PMI 3	To maintain the volume of work on overseas contracts involving our Insurance Team over the next three years.	The annual income was £410k.	Met. The income in 2006-07 was £983k.
PMI 4	To continue to advise UK pensions regulators and pension policy setters with the retention of our advisory role to DWP, HMT and Opra (and its successor body).	GAD held these contracts.	Met. GAD continues to advise all these policy setters and additionally advises the Pension Protection Fund

PMI Targets set under SR 2004		Our Achievements against the Targets	
		At March 2004	At March 2007
General Objective – set in our Business Strategy - To provide mainly public sector clients with independent, professional, actuarial advice of the highest quality.			
PMI 5	To retain high professional standards – to implement a new system of internal peer review with the objective of attaining and maintaining an average rating of 90% or more in peer review assessments on completed major projects each quarter.	Our peer review average rating was 90%.	Met. Peer review is carried out for all major projects and assessments confirm that we continue to maintain a very high quality rating on all reports issuing from the department.
PMI 6	To manage our finances within targets agreed in the Spending Review and to publish our Annual Report (including Resource Accounts) within the 'faster closing' timetable set by HM Treasury.	Resource accounts were published in November 2004 – within the timetable agreed by HMT. All targets achieved.	Met. Resource accounts for 2005-06 showed that we managed our finances within the agreed targets. They were presented for audit within the timetable agreed with NAO, with a view to publication of the Annual Report and Accounts before the end of June 2006. We fully expect to meet the same timetable in 2007.

Core Data Tables

Table 1: Total Departmental Spending

	£'000						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
Resource budget							
Resource DEL							
Government Actuary's Department	167	-186	822	557	-553	389	572
Total resource budget DEL	167	-186	822	557	-553	389	572
<i>of which: Near-cash</i>	-48	-420	504	189	-967	-127	58
Resource AME							
Government Actuary's Department	67	-	91	-	82	-	46
Total resource budget AME	67	-	91	-	82	-	46
<i>of which: Near-cash</i>							
Total resource budget	234	-186	913	557	-471	389	618
<i>of which: depreciation</i>	178	115	267	226	347	348	422
Capital budget							
Capital DEL							
Government Actuary's Department	211	184	1,506	356	381	228	228
Total capital budget DEL	211	184	1,506	356	381	228	228
Capital AME							
Total capital budget AME	-	-	-	-	-	-	-
Total capital budget	211	184	1,506	356	381	228	228
Total departmental spending†							
Government Actuary's Department	267	-117	2,152	687	-437	269	424
Total departmental spending†	267	-117	2,152	687	-437	269	424
<i>of which:</i>							
Total DEL	267	-117	2,152	687	-437	269	424
Total AME	-	-	-	-	-	-	-

† Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Table 2: Resource budget DEL and AME

	£'000						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
Resource DEL							
Government Actuary's Department	167	-186	822	557	-553	389	572
<i>of which:</i>							
Government Actuary's Department	167	-186	822	557	-553	389	572
Total resource budget DEL	167	-186	822	557	-553	389	572
<i>of which:</i>							
Near-cash	-48	-420	504	189	-967	-127	58
<i>of which:†</i>							
Pay	4,355	4,950	5,440	6,204	7,138	7,175	
Procurement	-4,403	-5,370	-4,936	-6,015	-8,105	-7,302	-9,017
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-
Current grants to local authorities	-	-	-	-	-	-	-
Depreciation	111	115	176	226	265	348	376
Resource AME							
Government Actuary's Department	67	-	91	-	82	-	46
<i>of which:</i>							
Government Actuary's Department	67	-	91	-	82	-	46
Total resource budget AME	67	-	91	-	82	-	46
<i>of which:</i>							
Near-cash	-	-	-	-	-	-	-
<i>of which:†</i>							
Pay	-	-	-	-	-	-	-
Procurement	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-
Current grants to local authorities	-	-	-	-	-	-	-
Depreciation	67	-	91	-	82	-	46
Total resource budget	234	-186	913	557	-471	389	618

† The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but aren't included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.

Table 3: Capital Budget DEL and AME

	£'000						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
Capital DEL							
Government Actuary's Department	211	184	1,506	356	381	228	228
<i>of which:</i>							
Government Actuary's Department	211	184	1,506	356	381	228	228
Total capital budget DEL	211	184	1,506	356	381	228	228
<i>of which:</i>							
Capital expenditure on fixed assets net of sales†	211	184	1,506	356	381	228	228
Capital grants to the private sector and abroad	-	-	-	-	-	-	-
Net lending to private sector	-	-	-	-	-	-	-
Capital support to public corporations	-	-	-	-	-	-	-
Capital support to local authorities††	-	-	-	-	-	-	-
Capital AME							
Total capital budget AME	-	-	-	-	-	-	-
Total capital budget	211	184	1,506	356	381	228	228
<i>Of which:</i>							
Capital expenditure on fixed assets net of sales†	211	184	1,506	356	381	228	228
Less depreciation†††	178	115	267	226	347	348	422
Net capital expenditure on tangible fixed assets	33	69	1,239	130	34	-120	-194

† Expenditure by the department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.

†† This does not include loans written off by mutual consent that score within non-cash Resource Budgets.

††† Included in Resource Budget.

Table 4: Capital Employed

	£'000						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
Assets on Balance Sheet at start of year							
Fixed Assets	382	462	1,710	1,858	1,971	1,873	1,679
Of which:							
Tangible Assets ⁽¹⁾	253	247	1,571	1,541	1,605	1,596	1,431
Intangible Assets	129	215	139	317	366	277	248
Current Assets	2,737	3,391	3,008	2,998	4,352	3,760	3,760
Creditors (<1 year) ⁽²⁾	616	1,157	1,130	986	1,815	1,644	1,644
Creditors (>1 year) ⁽³⁾	0	0	0	824	1,208	1,439	1,533
Provisions	32	27	22	14	6	1	0
Capital employed by Government Actuary's Department	2,471	2,669	3,566	3,032	3,294	2,549	2,262

Notes:

- (1) Increase in tangible fixed assets represents fit-out costs for Finlaison House and the introduction of a new management information system.
- (2) Includes amounts returned to the consolidated fund (£1,104,000 in 2005-06 and £950,000 in 2006-07)
- (3) Creditors in 2003-04 and onwards reflect the amounts carried on the accounts to spread over the full term of the lease (20 years) the rent reduction GAD receives for the first five years.

Table 5: Administration Costs

	£'000						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
Administration Expenditure							
Paybill	4,355	4,950	5,440	6,204	7,138	7,175	
Other	1,857	1,709	2,443	3,080	2,994	3,523	
Total administration expenditure	6,212	6,659	7,883	9,284	10,132	10,698	13,700
Administration income	-6,045	-6,845	-7,061	-8,727	-10,685	-10,309	-13,128
Total administration budget	167	-186	822	557	-553	389	572
Analysis by activity							
Government Actuary's Department	167	-186	822	557	-553	389	572
Total administration budget	167	-186	822	557	-553	389	572

Table 6: Staff Numbers

	£'000						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans
Summary							
Civil Service full time equivalents	91.5	99.5	101	106	108	100	110
By business area							
Objective 1	56.5	66	69	75	78	78	86
Objective 2	33	33.5	32	31	30	22	24
Objective 3 (moved from GAD in 2001)	2	-	-	-	-	-	

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