



ANNUAL REPORT

2004/2005

GAD

Government Actuary's Department
www.gad.gov.uk



contents

The Government Actuary's Department (GAD) is a unique organisation: an independent actuarial consultancy working within government for government and other clients throughout the UK public sector and overseas.

page	2	message from the Government Actuary
	4	SECTION 1 pensions
	7	SECTION 2 social security, demography and statistics
	8	SECTION 3 international activities
	9	SECTION 4 professional affairs
	10	SECTION 5 staffing
	11	SECTION 6 finance
	12	SECTION 7 bibliography
	Annex A	- Staff recruitment summaries for year ended 31 March 2005
	Annex B	- Details of staff in post as at 31 March 2005
	Annex C	- Income and Expenditure table for year ended 31 March 2005
	Annex D	- Balance Sheet as at 31 March 2005
inside back cover		contacts at GAD



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message from the Government Actuary

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In March 2005 Sir Derek Morris published his report into the actuarial profession and the Government Actuary's Department and both he and Treasury Ministers endorsed a strong continuing role for GAD, although GAD will be subject to even more competition and some functions will be reallocated within central government.

Notwithstanding the distraction of dealing with the Review over the past year, GAD continued to develop its role as a pre-eminent source of independent actuarial and policy advice for Ministers, departments and the wider public sector and as a valuable source of information for the wider public.

GAD's unique combination of being both a government department and an actuarial consultancy, with staff who are both civil servants and professionals, is highly beneficial to Ministers, to government departments and to many other organisations in the public sector, in the UK and overseas. GAD's advice can be trusted as professional and authoritative, attuned to the needs of the political environment and yet able to be relied on by all sides of the political spectrum.

During the last year GAD published a further set of national population projections, responding to the need to update the previous round of projections to reflect modifications made to the population estimates of England & Wales in the light of the 2001 Census. GAD also published an update of the projections of the Quinquennial Review of the GB National Insurance Fund, in order to ensure that up-to-date long term projections were in the public domain to support the work of the Pensions Commission and to provide a sound baseline for further political debate and policy development for the next rounds of social security reform.

GAD has worked closely with the Pensions Commission to explore their particular interest in the uncertainty surrounding future longevity developments. GAD has also been a major source of information for the Commission on the current status of occupational pension schemes in the UK. This included carrying out a 2004 Occupational Pension Schemes Survey, the 12th of a long series of such surveys since the 1950s. Following some criticism of poor response rates and delays in publication in earlier years, GAD has modernised the survey processes, used the latest internet technology and employed additional resources to implement one of the most successful surveys ever, which has generated a good response rate, with a full set of results being published in June 2005.

The past year has seen consultation under way on changes to most of the major public service pension schemes, reflecting considerable activity by GAD in advising the managers of the schemes and their sponsoring departments. For the first time, the published material supporting the Chancellor's Autumn Statement included projections by GAD of the aggregate cost of the unfunded public service schemes.

These and a vast range of other activities illustrate the vibrant and progressive nature of GAD. In November GAD was reaccredited for the second time as an Investor in People.

GAD continues to develop a portfolio of international clients, both to broaden professional experience and to spread our costs. This gives GAD advisers unparalleled insights into problem solving in social security, pensions and insurance on a global stage.

However, UK public sector pensions and broad comparability remain the principal area of GAD activity and 2004-05 was one of the busiest ever in this field. With the coming into force of new scheme funding requirements, and other aspects of the Pensions Act 2004, as well as the changes to the tax regime for occupational pensions arising from the Finance Acts 2004 and 2005, there has been much to do to help our funded scheme clients to get ready, and the pace of developments will continue to accelerate in the future.

GAD is already accustomed to working in a competitive environment and we expect this to continue and to become even more challenging in the future. We are positioning ourselves to face the future, with continuously improving quality of service, whilst maintaining our customary highly competitive price levels.

We are always on the look-out for opportunities to provide a wider range of services to our existing clients and to open up new markets for our services. The last year has shown continuing evidence of the vitality of GAD as an organisation and the value we can add to our clients through our advice. We look forward to providing these services to an ever widening range of clients in the future.



Chris Daykin
Government Actuary

7 June 2005

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SECTION 1

pensions

OCCUPATIONAL PENSIONS

Pension provision is an important part of remuneration for many employees. For employers, it adds significantly to employment costs. Schemes want to know how finances are developing, how they should be determined and presented, and their consequences. Sponsors also need to test from time to time how well provision is supporting employment objectives such as recruitment and retention. Scheme members want to know how secure their benefits are. These topics have become increasingly important over the last few years. General awareness of the impact of demographic changes, downturns in investment markets, new accounting requirements for pension liabilities, the move from defined benefit to defined contribution provision, and new pensions legislation have all contributed to this development.

GAD has continued to play a full part on these and other pensions issues through its advice to a wide range of clients:

- *Managers of pension schemes throughout the public service*
- *Trustees of funded pension schemes in both the public and private sectors*
- *Government departments and sponsoring employers*
- *HM Treasury on general pensions policy where government is either the employer or has a financial interest*

The pension schemes we advise are numerous and varied. Their liabilities range from a few thousand pounds to over £100bn, from schemes designed for individual employees to those in which over one million members are accruing rights. Around five million people are building up pension rights in public service pension schemes, with a similar number either receiving benefits or entitled to a deferred pension. These schemes have a number of unusual features: for example most are unfunded. We specialise in providing the managers of such schemes, and their sponsoring departments with advice on their design, cost, financing and operations.

Our actuaries also advise the trustees, sponsoring employers and departments of a number of funded pension schemes. Such schemes are subject to the same requirements as funded schemes generally. GAD's advice ranges from completing actuarial valuations to development of investment strategy; and the management and communication of scheme changes.

A few examples of GAD's role during the year are:

- *Extensive support for policy-makers in the Ministry of Defence as the legislation for the new Armed Forces Pension Scheme made its way through Parliament*
- *Advising the Home Office on the benefit structure and financing of a new pension scheme for police officers*
- *Extensive advice and support for large public service schemes in connection with reviews of existing provisions and design of new schemes in for example the Teachers' Pension Scheme and the NHS Pension Scheme*
- *Advice to trustees of funded schemes on a wide range of issues, including the impact of the Pensions Act and Finance Act of 2004 as well as regular actuarial valuations.*

SECTION 1

pensions continued

ADVICE TO GOVERNMENT DEPARTMENTS

The majority of our work is for clients in government. They value the development of a good relationship which leads to continuity, consistency and quality advice. We never turn away a public service client no matter how small. Some of our largest departmental clients were:

- *Department of Health*
- *Department for Education and Science*
- *HM Treasury*
- *Ministry of Defence*
- *Department for Transport*

Numerous different forms of advice are provided. We advise for example on the pension implications of pay policies and protecting government's interest in pension schemes operated by bodies, both at home and abroad, which are sponsored by departments. We also advise on the implications of government policy, EU Directives and court decisions across all types of pension arrangements.

A new development this year was the preparation of a set of projections showing the expected income and outgo across the unfunded public service schemes for the next 50 years. This work fed into the Treasury's long-term financial planning and featured in the Pre-Budget Statement published in the Autumn of 2004.

PFI/PPP AND MOVEMENTS WITHIN GOVERNMENT

These government initiatives commonly lead to a change in pension arrangements. The increased general awareness by both employees and employers of the importance of pensions means that pensions consequences of staff transfers need to be addressed if the outsourcing process and the transfer of the business are to be handled successfully.

Our advice is sought extensively and covers:

- *Assessing pension proposals from bidders against the government's Fair Deal policy*
- *Negotiating bulk transfer arrangements which protect the pension rights of those changing employment and the financial interests of taxpayers*
- *Advising departments on sale and purchase agreements as well as devising and presenting communications material for the employees concerned.*



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SECTION 1

pensions continued



Achieving a successful outcome on contract re-letting calls for our advice. We help those letting the contract by identifying their options, the costs and implications; as well as helping with negotiation with the incumbent contractors and bidders. We advised the Treasury on the options for addressing these problems ahead of the publication of the additional Fair Deal guidance last year.

Our passport system of certification of pension schemes offered by private sector contractors continues to flourish. During the year we provided around 200 passports and actuarial statements. These certify that in our opinion the arrangements being proposed by the private sector satisfy the government's policy requirement that staff involved should be given a pension scheme broadly comparable with that which was offered in the public scheme.

PENSIONS REGULATION AND SUPERVISION

GAD acted as the principal actuarial adviser to the Occupational Pensions Regulatory Authority (Opra) in 2004/05, and continues to advise the Pensions Regulator (TPR) which replaced Opra on 6 April 2005. Two GAD actuaries are seconded to TPR's offices in Brighton, forming part of an expanding 'in-house' TPR actuarial team. In 2004/05 this team worked closely with both Department for Work and Pensions (DWP) and Opra officials to develop the detail of certain key aspects of the Regulator's responsibilities under the Pensions Act 2004, including the preparation of the Regulator's codes of practice on reporting breaches and on scheme funding. The Opra actuarial team also participated in discussions with the Morris review team and prepared, for the Opra Board's approval, a response to the Morris review consultation.

Additional support was provided from GAD's offices in London as required - for example, giving independent actuarial advice to the Opra Board when it considered applications for the extension of the normal periods over which schemes in deficit should plan to restore funding to the Minimum Funding Requirement (MFR) level.

PENSIONS POLICY AND STATISTICS

During the year, considerable input was given to the Department for Work and Pensions (DWP), assisting with the progress of the Pensions Bill through Parliament, leading up to Royal Assent in November 2004. Key policy issues on which advice was given included the detailed frameworks for the Pension Protection Fund and the Financial Assistance Scheme, along with the scheme funding requirements that will replace the Minimum Funding Requirement (MFR). Assistance was also provided on a wide range of other matters, for example the pensions aspects of the Civil Partnership Act and the reshaping of the rules permitting pension scheme surpluses to be repaid to employers.

Since the mid-1950's, GAD has carried out a comprehensive survey of occupational pension schemes every four or five years. Following a 2003 review, GAD moved to a three-year cycle of annual surveys, each addressing part of the subject-matter covered by the earlier surveys. The 2004 survey, the first in this series, has as its focus the benefits provided by both public and private sector pension schemes. Fieldwork was carried out in autumn 2004, using an internet-based questionnaire developed with input from an advisory group. This group comprised representatives of pensions industry organisations and of government departments and bodies with a key interest in pension statistics, including the Pensions Commission and the Pensions Regulator. A significantly-improved survey response rate was achieved for private sector schemes - 45%, compared with 28% for the previous, 2000, survey. Responding schemes covered around 72 per cent of the total membership of all private sector schemes. The quality of responses was also much improved. Results of the 2004 survey were published on GAD's website in June 2005. Preparatory work is in hand for a 2005 survey, again drawing on the expertise of the survey advisory group; with a focus on defined-contribution schemes, and on the expenses of running all types of occupational pension scheme.

SECTION 2

social security, demography and statistics

SOCIAL SECURITY

GAD continued to advise the Department for Work and Pensions and the Inland Revenue on the financial aspects of the National Insurance Fund benefits and contributions. The annual report to the UK Parliament on the short-term review of the finances of the National Insurance Fund was published in January 2005 (Cm 6457). **GAD also published an update of the projections of the Quinquennial Review of the GB National Insurance Fund, in order to ensure that up-to-date long term projections were in the public domain.**

POPULATION PROJECTIONS AND LIFE TABLES

The Government Actuary produces the official national population projections for the UK and its constituent countries, usually every second year, at the request of, and after consultation with, the Registrars General for England and Wales, Scotland and Northern Ireland. Although formal responsibility for the production of the national projections for each country lies with the appropriate Registrar General, to ensure consistency of approach they formally commission the Government Actuary to produce the national projections on their behalf. Normally, these projections are produced every two years and the latest set of 'full' projections, based on the population at mid-2002, was published on GAD's website in December 2003.

Following an announcement in July 2004 by the Office for National Statistics (ONS) that earlier population estimates for England & Wales would be revised in the light of the 2001 Census, an 'interim' set of 2003-based population projections was commissioned by the Registrars General, and published in September 2004, in accordance with the agreed timetable. A full range of variant projections was published the following month. In March 2005, 2002-based marital status projections for England & Wales were published, these projections having been delayed by the ONS population estimate revisions.

The latest in GAD's annual series of interim life tables for the UK and constituent countries, for 2001-03, was published in October 2004. ONS' revised population estimates for England & Wales for the years 1992 to 2000 were used to update GAD's historic interim life tables for 1990-92 to 2000-02; these were published in November 2004.

The 'Ogden tables', used to help the Courts when awarding damages in personal injury and fatal accident cases, were re-issued in November 2004 to reflect the mortality assumptions used for the 2002-based population projections.

PREMIUM BONDS

GAD continues to check the randomness of the monthly premium bond output (ERNIE). Statistical checks are used to show that the premium bond numbers generated are free from bias and that each existing bond has an equal chance of winning a prize. In autumn 2004 GAD reviewed, and enhanced, the computer software used to undertake these monthly statistical checks

SECTION 3

international activities

**PENSIONS**

GAD has provided pensions advice to a variety of overseas clients. GAD is an associate member of the International Organisation of Pensions Supervisors (IOPS), and is represented on the IOPS Technical Committee. IOPS was established in Paris on 12 July 2004, at the instigation of the Organisation for Economic Co-operation and Development's network of pensions supervisors and regulators.

SOCIAL SECURITY

GAD worked in many countries delivering advice on social security policy issues and the financing of social security arrangements. Countries we advised in 2004/05 included Ghana, Gambia, Saudi Arabia, Guernsey, Jersey and the Isle of Man. We continued to advise on risk management and the establishment of reserves for the Mexican Social Security Institute.

The Government Actuary continued to chair the Technical Commission for Statistical, Actuarial and Financial Studies of the International Social Security Association (ISSA), and presented a paper on Financial Governance and Risk Management of Social Security at the 28th General Assembly of the International Social Security Association in Beijing in September 2004.

INSURANCE SUPERVISION IN OTHER COUNTRIES

GAD provided regular advice on insurance supervision to a number of other countries as well as undertaking a number of one-off projects to assist countries to update their insurance legislation and supervision. Some projects were completed under the First Initiative, financed by the World Bank in association with the Department for International Development and some other aid agencies, and a large new project begun for the Saudi Arabian Monetary Agency.

GAD has observer status at the International Association of Insurance Supervisors and participated in some of their meetings during the year.

OVERSEAS VISITORS

GAD is always happy to welcome overseas visitors to Finlaison House, especially at the request of government departments or in connection with client projects. Representatives of the insurance regulatory authorities in Malaysia and Vietnam were among the visitors to GAD during the year.

SECTION 4

professional affairs

COUNCIL AND COMMITTEES

GAD encourages actuarial members of staff to play active roles in the affairs of their profession, as this contributes greatly to the individuals' professional development. It also helps GAD to keep abreast of professional affairs and enables us to provide a public sector perspective in some of the discussions and debates that go on in the profession.

George Russell continued to serve on the Council of the Institute of Actuaries, to which he was elected in July 2002, and is a member of the Pensions Board of the UK Actuarial Profession. He is also a member of the Finance and General Purposes Board and is to be Treasurer of the Institute for the next two years. The Government Actuary continues to be a member of the Education and Continuing Professional Development Board and chair of the profession's Genetics Group and the International Education Committee. David Lewis continued to serve on the Social Policy Board and was chairman of the Ageing Population committee. Several other members of the Department are members of committees, working parties or research groups of profession.

The Government Actuary continued to chair the Education Committee of the European Actuarial Consultative Group and Chairman of the Pensions, Benefits and Social Security Section of the International Actuarial Association. Members of GAD continued to participate in committees of the International Actuarial Association and the International Organisation of Pension Supervisors.

PROFESSIONAL EXAMINATIONS

GAD is committed to the principles of Investors in People, and to continuing personal development for all staff. We are pleased to report the success of many of our staff in professional exams - for the actuarial profession, accountancy, IT skills and the Institute of Personnel Development. We congratulate Yong Choong, Chris Mulholland and Natacha Lamaletie on qualifying as a Fellows of the Institute of Actuaries, Pantelis Argyrou and Sherry Naidoo on completing the examinations to become Associates of the Institute of Actuaries and Daniel Selby, Katharina Haslip, Garth Foster, Richard Haines and Matthew Lendon on completing the first part of the examinations of the Faculty and Institute of Actuaries, to achieve the Diploma in Actuarial Techniques. We also congratulate Kevin Lei on completing the second part of the examinations of the Chartered Institute of Management Accountants, to achieve the CIMA Certificate in Business Accounting and Simon Bancroft-Rimmer on obtaining the Diploma of the Institute of Pay and Pension Management.

LECTURES AND PUBLICATIONS

Members of GAD gave many talks and lectures at professional meetings, conferences and seminars, in the UK and across the world.

Some GAD staff served as examiners for the professional examinations of the Faculty and Institute of Actuaries. Articles were contributed to The Actuary magazine, the British Actuarial Journal, Population Trends, the Journal of the Manchester Statistical Society and the Public Service Review.



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SECTION 5

staffing



RECRUITMENT

GAD has been successful in both recruiting and retaining qualified and trainee actuaries during the year. GAD recruited five qualified actuaries, five trainee actuaries and reappointed one qualified actuary and one part qualified actuary. One trainee actuary resigned and one qualified actuary retired.

All appropriate systems, records and controls are in place to ensure that any recruitment which takes place within GAD is carried out on the basis of fair and open competition and selection on merit, and in accordance with the Recruitment Code laid down by the Civil Service Commissioners. These systems, records and controls are subject to internal checks. Recruitment statistics are shown in Annex A.

Administrative staff were appointed during the year through open competition. No permanent appointments were made, instead vacancies were filled through casual appointment, loan from other Departments, short term secondments and fixed term appointments. Including two members of staff on extended career breaks, there were 42 non actuarial staff in post as at 31 March 2005. A summary of staff in post is given in Annex B.

QUALIFIED ACTUARIES

The outward secondment of two actuaries to Opra/the Pensions Regulator continued. On 31 March 2005 there were 40 qualified actuaries in post, four of whom were working part time (between three days and 33 hours per week). As in previous years some retired GAD actuaries were used on an ad-hoc consultancy basis on specific projects.

TRAINEE ACTUARIES

Six trainee actuaries appointments were made during the year, two of which derived from the 2003/04 Graduate Trainee Actuary Open Competition. One trainee resigned during the year. One ethnic minority candidate and no disabled candidates with a declared disability were successful in the 2004/05 Graduate Trainee Actuary Open Competition. On 31 March 2005, there were 29 trainee actuaries in post.

TRAINING AND DEVELOPMENT

Building on progress made in 2003/04 we continued with our in-house Management Development Programme, delivered by our in-house trainer. We continued with our policy of making personal development a key priority and some £140,000 was spent on training and development during the year. A number of administrative staff have participated in a range of professional training programmes and have gained qualifications in IT, finance and personnel. Other benefits accruing to the Department include improvement in personal effectiveness, presentation skills, maintenance of Continuing Professional Development and IT literacy. In recognition of our continued commitment to learning and development, our liP assessor was pleased to confirm our status as an Investor in People organization for another three years.

FINANCES IN GOVERNMENT

GAD is a non-profit making government department. It does not have cash reserves to draw upon unless it seeks additional funds from HM Treasury through the parliamentary vote and consequently a great deal of control on expenditure is required throughout the year to ensure that the Department can stay within cash funding as well as resource funding targets.

We are very pleased to note that our accounts have remained within all the HM Treasury targets at year end especially that our predictions on income and expenditure stayed very close to original estimates. The work of our client liaison team has again improved our cashflow position by reducing client debt. A summary of the Resource Accounts is given in Annexes C and D.

GROWTH AND DEVELOPMENT

It is always satisfying to report growth in the business of the Department and this year saw an additional 175 client accounts being created. Of course we were happy to continue to be a major provider to government departments in the UK for actuarial services and we have seen a further 22% growth in services provided to the Wider Public Sector in year.

Our overseas business has always been a developing business area for GAD and it was very pleasing to note that services to existing and new clients in this area increased by more than 70% during the last year. Overall our fee rates increased by 3.5% on those used in 2003-2004 and our income increased by 20%, confirming the growth of the business during the year.

WHAT WE SPENT MONEY ON

Salaries account for the majority of our in-year expenditure, this year accounting for 67% of overall expenditure with gross building related expenditure accounting for a further 20%. Part of the income this year relates to charges levied on our sub-tenant (CSCI) for rent and other building costs.

Capital expenditure this year included the purchase of new actuarial valuation software One-per-desk which is due to go live in June after extensive testing and enhancements to the base package. We have also purchased the platform for the new Electronic Records Management system with software delivery in June 2005 - allowing us to prototype the system during the summer with a full roll-out before the end of the year. During the year we purchased an in-house payroll and personnel system which we successfully switched over to in November 2004. We have also commissioned enhancements to our finance and workflow system which will reduce or remove paper forms and provide up-to-the-minute resource information to our project managers - these changes are due to go-live during the summer.

SHARED SERVICES

GAD is pleased to report that it continues to provide services to other government bodies in Facilities Management (sub-tenancy arrangements) and Internal Audit. We expect this to continue in order to provide a reduction in overhead costs to support the ongoing business aims of GAD.

SECTION 7

select bibliography

A range of GAD publications can be found on the publications page of our website, which can be accessed directly from the home page at www.gad.gov.uk

SOCIAL INSURANCE

Government Actuary's Quinquennial Review of the National Insurance Fund as at 6 April 2000. Cm 6008 (an update of the figures from this Review to take into account the latest population projections was published on the GAD website in December 2004).

National Insurance Fund Long Term Financial Estimates. Report by the Government Actuary on the Financial Effects on the National Insurance Fund of the Child Support, Pensions and Social Security Bill 1999. Cm 4573.

Report by the Government Actuary on the cost of Uprating the Basic Retirement Pension in line with the General Level of Earnings. Cm 4920.

Report by the Government Actuary on the drafts of the Social Security Benefits Up-rating Order 2005 and the Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Order 2005. Cm 6457.

Occupational and Personal Pension Schemes: Review of Certain Contracting-out Terms. March 2001. Cm 5076.

A crisis of longer life - reforming pensions systems. C D Daykin and D Lewis. *British Actuarial Journal*, Volume 5, 55-113.

The financial consequences of sickness and disability. C D Daykin. *Politeia* 2000.

The role of the Government Actuary's Department in social security in the United Kingdom. *British Actuarial Journal*, Volume 7, 765-790.

Privately managed pension funds - theory and reality. C D Daykin. *Social Security challenges in Asia and the Pacific*. Asia and Pacific Series No 25. International Social Security Association.

Pension Systems: The EU and Accession Countries - Lessons for the UK. C D Daykin. *Politeia* 2002.

Review of the Public Reports Prepared by the Government Actuary's Department on the Great Britain National Insurance Fund as at December 2002. J-C Ménard and M Millette. Available on www.gad.gov.uk

Financial governance and risk management of social security. C D Daykin. 28th General Assembly of the International Social Security Association, 2004.

OCCUPATIONAL PENSIONS

Occupational Pension Schemes 2004. Twelfth Survey by the Government Actuary. Published in June 2005 on www.gad.gov.uk.

Contracting-out in the United Kingdom: A Partnership between Social Security and Private Pension Plans. *Journal of Aging and Social Policy* Volume 14, 23-34.

The Role of the Actuary in the Context of Reformed Pension Schemes. *Pensions: Financial and Actuarial Bases*, 2002. ISSA

Risk management and regulation of defined contribution schemes. *Actuarial Aspects of Pension Reform*, 2002. ISSA

DEMOGRAPHY

English Life Tables No. 15. The Stationery Office. 1997

Life Tables 1990-92. First supplement to the Annual Report of the Registrar General for Scotland 1996. The Stationery Office. 1998

2002-based national population projections. Series PP2 no 24. The Stationery Office. 2004 (2003-based population projections are available on the GAD website at www.gad.gov.uk and 2004-based projections will be available on the website from October 2005)

Interim 2003-based national population projections for the United Kingdom and constituent countries. C Shaw. *Population Trends* 118, 2004.

National population projections: Review of methodology for projecting mortality. *National Statistics Quality Review Series* No 8 (2001). http://www.statistics.gov.uk/methods_quality/quality_review/population.asp

Mortality projections in the United Kingdom. A Gallop and J Thompson. Proceedings of the 14th International Conference of Social Security Actuaries and Statisticians, Mexico City, September 2003. ISSA.

2003-based marital status projections for England and Wales were published on the GAD website (www.gad.gov.uk) in March 2005.

COMPENSATION

Industrial Tribunals. Compensation for Loss of Pension Rights. Guidelines prepared by a Committee of Chairmen of Industrial Tribunals in consultation with the Government Actuary's Department. (ISBN 0-11-322624 -1). The Stationery Office 2003.

Actuarial Tables with Explanatory Notes for use in Personal Injury and Fatal Accident Cases (the Ogden Tables) 5th Edition. (ISBN-0-11-560117-1) The Stationery Office 2004.

annex a

STAFF RECRUITMENT SUMMARIES FOR YEAR ENDED 31 MARCH 2005

Details of staff recruited or re-appointed during 2004/05 are shown in the first table below. We also show the breakdown of staffing by ethnic group.

STAFF RECRUITED OR REAPPOINTED DURING 2004/05

	MALE	FEMALE
Actuaries	4	2
Trainee Actuaries	4	2
Unified Grades	–	–
Executive Grades	3	–
Administrative Grades	–	1
Total	11	5

In total 16 staff were recruited or re-appointed in year.

STAFF RECRUITED DURING 2004/05 BY ETHNIC ORIGIN

	1	2	3	4	5
Actuaries	–	–	–	–	6
Trainee Actuaries	1	–	–	1	4
Unified Grades	–	–	–	–	–
Executive Grades	–	–	–	–	3
Administrative Grades	1	–	–	–	–
Total	2	–	–	1	13

Key: 1 Asian - Indian 2 Asian – Other 3 Black – African 4 Chinese 5 White

No use of the permitted exceptions to the recruitment code were made during 2004/05



annex b

DETAILS OF STAFF IN POST AS AT 31 MARCH 2005

The table shows in detail the grades of staff employed by GAD and the full time equivalent posts these represent.

STAFF IN POST AS AT 31 MARCH 2005

	STAFF IN POST	FULL TIME EQUIVALENTS
Actuaries	40	38.5
Trainee Actuaries	30	30
Unified Grades	7	7
Executive Grades	27	26.5
Administrative Grades	7	7
Support Grades	1	1
Total	112	110

annex c

INCOME AND EXPENDITURE TABLE FOR YEAR ENDED 31 MARCH 2005

This is the un-audited version of income and expenditure taken from our draft Resource Accounts and includes details of the Net Cash Requirement for the Department. The full audited account will be published in October.

	2004/05	2003/04
Expenditure	£,000	£,000
Staff costs	6,466	5,686
General administrative costs	2,652	2,294
Movements in work in progress	88	(126)
Non-cash costs	377	417
Total expenditure	9,583	8,271
Income		
Fees and charges to other government departments	3,537	3,325
Fees and charges to the National Insurance Fund	520	467
Fees and charges to the wider public sector and others	4,515	3,125
Total income	8,572	6,917
Balance of expenditure over income	1,011	1,354
Purchase of fixed assets	365	1,515
Non-cash items	(377)	(417)
Adjustment for changes in working capital other than cash	(671)	(356)
Use of provision	9	8
Adjustment for vote funds not drawn down at year end	130	-
Net cash requirement for the year	467	2,104



annex d

BALANCE SHEET AS AT 31 MARCH 2005

This is the un-audited version of our Balance Sheet taken from our draft Resource Accounts. The full audited account will be published in October.

	31 March 2005		31 March 2004	
	£,000	£,000	£,000	£,000
Fixed assets				
Tangible assets	1,541		1,571	
Intangible assets	<u>317</u>		<u>139</u>	
		1,858		1,710
Current assets				
Work-in-progress	508		596	
Debtors	2,096		2,325	
Cash at bank and in hand	<u>412</u>		<u>87</u>	
	3,016		3,008	
Creditors (due within one year)	(1,810)		(1,130)	
Net current assets		<u>1,206</u>		<u>1,878</u>
Total assets less current liabilities		3,064		3,588
Provisions for liabilities and charges		<u>(14)</u>		<u>(22)</u>
Total net assets		3,050		3,566
Taxpayers' equity				
General fund		3,037		3,561
Revaluation reserve		<u>13</u>		<u>5</u>
Total equity		3,050		3,566



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