

**General Teaching Council for England  
Annual Report and Financial Statements  
for the year ended 31 March 2011**



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# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2011

### Introduction

This Annual Report covers the 2010-11 financial year. In all its work, the Council has been focused on its duty to serve the public interest, to support improvements in professional conduct and practice, to raise the standing of the profession and to enhance learning outcomes for children and young people.

Two months into 2010-11, on 2 June 2010, the Secretary of State for Education announced that the coalition Government intended to introduce primary legislation which would lead to the abolition of the General Teaching Council for England (GTCE).

At the time of writing (June 2011), that draft legislation, the Education Bill, is under consideration by Parliament. The Department for Education and GTCE are planning for the abolition of the GTCE on 31 March 2012. It is important though to restate that, at the time of submission of this report, the GTCE remains an independent public corporation charged with a range of statutory functions which it will continue to fulfil to the best of its ability and until the will of Parliament has been enacted.

At the July 2010 meeting of Council, the first following the 2 June announcement, Council resolved to promote the value of its functions rather than seek to lobby in its own organisational cause. That approach has served both the Council and the profession well, both in terms of ensuring appropriate prioritisation of the work of the GTCE and in terms of stimulating debate about the future of those functions.

All governments recognise that the contribution made by teachers to society is a central one, and it is inevitable that the levers which shape and drive teacher professionalism should sit at the heart of any programme of educational reform. We have therefore been concerned to ensure that the Government has the fullest possible evidence base at hand before moving to enact key changes through the Education Bill. In particular, we submitted a paper to the House of Commons Public Bill Committee to give evidence about the risks to protecting the public interest with regard to the conduct, competence and professionalism of teachers. We will continue to contribute, drawing upon our experience, expertise and evidence to ensure that those considering the proposals in the Bill understand the public interest arguments about its likely impact upon teaching and learning.

In essence, after the 2 June announcement and more particularly from the time of publication of the Bill, there have been two strands to the work of the GTCE. In many respects, business has continued 'as usual' – indeed, as will be seen later in this report, the volume of teacher registrations, and of regulatory casework, reached new high levels during the year; but in parallel, it is important to manage the proposed closure of the organisation in a properly planned way. Only by so doing can we ensure an effective transition or transfer of activities that will continue, and an efficient closedown of those activities that will not. In the latter case, substantial effort has been directed to ensuring that our intellectual assets and legacy can continue to be available after abolition, both to the profession and the wider education community.

Transition, transfer and closedown work is being managed through the Value the Functions (VtF) programme, in line with the principles of Managing Successful Programmes (MSP) and, for the ten individual projects which comprise it, PRINCE2 project management. The programme was fully endorsed by the July 2010 Council. Leadership Team sits as the programme board, while the wider senior management team has become the projects and business performance board for both operational and VtF work.

Two further developments in the governance of the organisation, one relating to Council and the other to joint work with the Department for Education (DfE), have ensured that this work can proceed efficiently.

Council remained the sovereign body during 2010-11. It has been crucial as the organisation has navigated its path through what have at times been uncharted waters, to ensure that governance is both clear and effective. Accordingly, the sovereign body of Council has retained its role in setting the budget, approving the annual report, and appointing the Chief Executive. Other matters have been delegated, in particular to

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the Executive Committee, which now meets monthly and which has strengthened access to high quality advice. The role of the Audit Committee is also critical and so the internal auditors and external auditors are in attendance at every Committee meeting. The challenge that effective audit brings is at the heart of good governance. These steps build upon the enhancements to Council governance that have been in play for some time, and reflects a wider trend among professional bodies for leaner and more nimble decision-making processes.

The other major development reflects the imperative to work closely with the DfE. Since July 2010, co-operation between the GTCE and the DfE has been formalised through a Joint GTCE Transition Board (JTB) of the two organisations. The board, which is jointly chaired, has oversight of the programme and the major risks associated with it (indeed, one of the ten projects – on teacher regulation – is led by the DfE), and like the Executive Committee, it meets approximately monthly.

In July 2010 the DfE wrote to all employers of teachers to reiterate that the GTCE's statutory duties continued, and hence that employer responsibilities in relation to registration and regulation in particular remained in force. In December 2010 ministers agreed arrangements to ensure the effective transfer of any and all assets and liabilities at closure to the DfE.

The expectation of closure of the organisation has made this a particularly difficult year both for those who govern the GTCE and for those who work for it. The additional challenge that followed from the Council's decision to seek to shadow the Efficiency and Reform Group measures set out by the Cabinet Office, and which have in particular impacted upon our communications, ICT and human resources activities, make this yet more so. I must pay tribute though to the professionalism of staff and Members. Their response has been remarkable and this has been recognised by both ministers and senior civil servants.

To ensure that staff are as well placed as possible for the future, we have instituted a wide-ranging support package, including a varied series of briefing sessions (on topics such as starting a business and interview skills) and opportunities for staff to develop their future prospects. We have also worked closely with the DfE to ensure that the GTCE has the expertise and capacity, not only to support current activity but to ensure all future planned activity is managed effectively.

In this as in many other matters relating to closure and indeed business-as-usual, GTCE management have maintained good relations with the GTCE's two recognised unions, FDA and PCS; in particular, their knowledge of closure arrangements in other bodies has been most valuable during this period.

I took up my appointment as Chief Executive of the GTCE on 31 March 2011. In advance of being appointed Accounting Officer on that same date I attended the National School of Government training course for new accounting officers. I have also met with the National Audit Office and the Permanent Secretary for Education as part of my induction programme.

In closing this report I also pay tribute to my immediate predecessor as Chief Executive, Keith Bartley. His final day of service was 30 March 2011 and so I have served as Chief Executive and Accounting Officer for only a single day of the year now being reported. Keith, who became Chief Executive in January 2007, has been appointed to a senior education post in South Australia. His firm belief in the value and importance of good teaching for children and society at large, his clear analysis and leadership, and his deep commitment to the public interest have made a great contribution to the cause of teacher professionalism in England, and I wish him well in his new role.

**Alan Meyrick**  
**Chief Executive**

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### Looking ahead

The Council will continue to operate through 2011-12 as an independent public corporation until such time as the will of Parliament has been enacted. It will endeavour to continue to deliver its activities to the same high standards of professionalism that it has demonstrated in the last decade.

The parliamentary process is necessarily complex and lengthy. The Bill as originally presented may well be amended prior to Royal Assent. We cannot yet be sure of the date of Royal Assent but our planning assumptions are founded on a closure date of 31 March 2012. Planning for the transfer and transition of some of our current duties to the DfE and/or the new Executive Agencies is well in hand; and where activities are not continuing, the preservation of the GTCE's intellectual assets so that they can continue to be available after abolition is a clear priority. But this planning must also sit alongside our delivery of the statutory functions required of us by Parliament.

Staffing levels may need to change to reflect a changing workload. The Leadership Team has considered this from a strategic point of view and in April 2011 introduced a Voluntary Exit scheme, approved by the Cabinet Office, which will allow some staff to leave at the end of either September or October 2011, providing they meet the strict criteria of the scheme.

In relation to the transfer and transition of work, it is now known that Coventry will be a core location of the DfE and its Executive Agencies. We hope that this location in particular will allow some staff to transfer to the Teaching Agency and so ensure that their detailed knowledge of specialist areas of work which are to continue will not be lost. We are also working with the DfE to identify other opportunities for GTCE staff within the wider DfE family, thereby keeping redundancies to a minimum.

Collection of the registration fee from teachers for the 2011-12 financial year has commenced, and early indications are that the target for fee collection will be achieved. As Accounting Officer I consider that the going concern basis remains appropriate for the preparation of the financial statements as, at the date of signing, the Education Bill containing the provisions to enact its abolition has not received Parliamentary approval through Royal Assent. Accordingly, no adjustments have been made to assets and liabilities in the 2011-12 financial statements.

**Alan Meyrick**  
**Chief Executive**

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### Annual Report

#### About this report

This Annual Report covers the financial year 1 April 2010 to 31 March 2011. Most of the work on which we report followed the Secretary of State's 2 June 2010 announcement of the intended abolition of the General Teaching Council for England (GTCE).

The Report incorporates the management commentary as required under the Government Financial Reporting Manual. It shows how the GTCE has continued to carry out its statutory duties while working closely with the Department for Education (DfE) to prepare for the closure of the body corporate and the transfer and transition of some of its functions to the Department and its new executive agencies.

Throughout this report, references are to the Department for Education or to the (former) Department for Children, Schools and Families as appropriate to time and context.

All references to the '2 June announcement' refer to the announcement by the Secretary of State for Education on 2 June 2010 that he intended to introduce primary legislation to abolish the General Teaching Council for England.

#### About the General Teaching Council for England

The General Teaching Council for England, a Public Corporation, was established on 1 September 2000 under Section 1 of the Teaching and Higher Education Act 1998.

Until enactment of the Education Bill, currently making its passage through Parliament, the GTCE continues to undertake the activities required of it by statute:

- we keep a register of qualified teachers in England and set out and enforce standards for the teaching profession, in the interests of the public; and
- we provide advice to government and other agencies on important issues that affect the quality of teaching and learning.

Our remit includes a duty to raise the standing of the teaching profession.

In 2010-11, following the Secretary of State's announcement of the intended abolition of the GTCE, the Corporate Plan for 2009-12, *Teaching in 2012*, was suspended and a review of all business activity undertaken to determine what work should be stopped, changed or continued. This process became a regular monitoring activity for the Senior Management and Leadership teams.

The development of a programme to facilitate effective and efficient management of closure, transfer and transition, and legacy work, the Value the Functions (VtF) programme, was a significant undertaking.

Despite the context of closure throughout most of the year, staff of the GTCE continued to deliver a high quality services to teachers and other stakeholders.

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**Registration**

**Background**

Despite the 2 June announcement, the levels of work undertaken by the GTCE in this area have continued largely unchanged. This is because registration work underpins the regulatory process. The award of qualified teacher status (QTS) and induction will also continue after the closure of the GTCE.

**The Register**

Our registration procedures help schools deliver effective recruitment practices within the wider context of safer recruitment and the Independent Safeguarding Authority (ISA).

All qualified teachers who are teaching in maintained schools, non-maintained special schools and pupil referral units in England must hold full registration with the GTCE.

Others with QTS who are working in other roles or settings where GTCE registration is not required (such as independent schools, further education (FE) colleges and some academies) may also register, and some of these employers require registration with the GTCE as a condition of contract.

Teachers with QTS who are working in sixth form colleges may choose to register either with the GTCE or with the Institute for Learning.

On 31 March 2011, more than 578,000 qualified teachers were fully registered with the GTCE.

Full Registration	31 March 2011	31 March 2010	31 March 2009
Teachers holding full registration with the GTCE	578,755	567,817	551,855

All trainee teachers who started a course on or after 1 September 2008 working towards the award of QTS are required to hold provisional registration with the GTCE.

On 31 March 2011 nearly 57,000 trainee teachers working towards QTS were provisionally registered with the GTCE.

Overseas-trained teachers (OTTs) and instructors have been required to provisionally register with the GTCE since 1 September 2009. On 31 March 2011 over 4,000 OTTs and 9,000 instructors were provisionally registered with the GTCE.

Provisional Registration	31 March 2011	31 March 2010	31 March 2009
Trainee teachers	57,055	49,353	35,784
Overseas-trained teachers	4,543	5,523	n/a
Instructors	9,010	10,352	n/a

We met our target to process all registration requests (full and provisional) within four weeks, unless a formal meeting with the applicant was required to assess suitability.

The Register is an authoritative source of information based on high-quality data. There are rigorous processes in place to address any record and data anomalies. There is also a continuous programme of data quality assessment and improvement.

We continue to build upon our data-sharing partnerships with national partners. New strategic relationships to deliver high-quality data more efficiently are being established all the time, and significant enhancements to the security of data transfers have been implemented with teacher employers, partners and contractors.

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Initiatives to collect diversity data from registrants has resulted in a continuing increase to the number of records which hold this data.

	<b>31 March 2011</b>	<b>31 March 2010</b>	<b>31 March 2009</b>
Ethnicity data for full and provisional registrants	65%	53%	46%
Disability data for full and provisional registrants	36%	23%	10%

**Suitability**

Regulations were enabled in August 2007 that introduced a requirement to assess a teacher’s suitability as part of the registration process. This requirement has been broadened to trainee teachers, OTTs and instructors as regulations have been introduced to extend provisional registration to these groups.

Suitability assessment sits alongside the existing checks made by employers and initial teacher training institutions (ITTs) and involves an applicant for registration making a self-declaration that we assess. Since the introduction of suitability assessment we have found one applicant unsuitable. Improvements to our customer relationship management (CRM) system in October 2009 allow us to track the number of suitability assessments we have made.

	<b>2010-11</b>	<b>2009-10 (since 13 Oct 09)</b>	<b>2008-09</b>
Suitability assessments made	78,472	40,697	N/A
Applicants deemed unsuitable	0	1	0

**Awarding qualified teacher status**

As the statutory awarding body for QTS we ensure, in the interests of the public and the profession, that only appropriately-qualified teachers enter the profession. There are more than 35,000 new entrants to teaching each year. The majority enter through the traditional college-based route, and for these we confirm QTS by 1 September each year.

<b>Type of QTS Award</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
ITE college exit process	27,603	26,053	26,014
Scotland	141	128	218
Northern Ireland	26	29	69
European Economic Area	1,787	1,932	1,731
Flexible post graduate route	812	910	812
Graduate and Registered teacher programmes	4,793	4,961	4,927
Overseas trained teachers	683	818	1,121
Teach First	455	353	n/a
Awards resulting from archive work	106	113	409
<b>Total</b>	<b>36,406</b>	<b>35,297</b>	<b>35,301</b>

**Induction**

Once an appropriate body has recommended that a teacher has met the core standards at the end of their induction period we process the result, record it on the Register and issue the teacher with their induction certificate.

2010-11 saw a 10.1% decrease in those passing induction compared to the previous year. More information about those failing induction can be found in the ‘Regulation’ section.

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<b>Result</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Pass	25,406	28,248	26,568
Extended	92	103	113
Not yet completed successfully	1,587	1,081	1,121
Fail	14	16	22

**Access to the Register**

Our employer access system allows schools, local authorities, supply agencies and ITTs to view the registration, qualifications and restriction status of teachers online. The service continues to be heavily subscribed and provides direct support to employers in meeting their responsibilities under the ‘safeguarding children and safer recruitment in education’ initiative.

Whilst the number of enquiries reduced this year, there were still over half a million enquiries in year.

	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Employer access enquiries received and processed	528,608	636,397	388,484
Employer access employment updates made by schools	39,762	43,325	n/a

**Teacher Enquiry Service**

The Teacher Enquiry Service is the GTCE’s central point of contact for teachers looking to update their registration details, pay their registration fee or to enquire about our professional services for teachers. The table below illustrates the service performance for the teams that handle teacher enquiries. During 2010-11 we handled 8.3% fewer calls than at the peak in 2009-10 and maintained an abandonment rate significantly better than the target of 5%.

	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Calls handled	132,211	144,235	117,026
Abandonment rate	1.35%	1.44%	3.2%

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**Regulation**

Through the award of QTS we ensure that only appropriately qualified teachers can teach in the maintained sector. Our regulatory procedures have a key role in ensuring that professional standards of conduct and competence are maintained by every teacher throughout their career.

These procedures continue to develop in the light of experience. We aim to:

- maximise the throughput of cases in the context of an increased volume of cases; and
- ensure that regulatory hearings are conducted through cost-effective procedures aimed at improving timeliness of case completion.

The number and types of hearings held during the financial year are shown in the table below.

	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
<b>Conduct and competence hearings</b>			
Prohibition order	33	13	25
Suspension order (with conditions)	12	10	8
Suspension order	43	19	15
Conditional registration order	19	20	35
Reprimand	67	52	49
No sanction	14	15	4
No finding	16	19	18
Other (ie variation/revocation/restoration/discontinued)	7	6	2
Otherwise disposed of	6	8	8
<b>Sub-total</b>	<b>217</b>	<b>162</b>	<b>164</b>
<b>Induction appeals</b>			
Appeal allowed	1	2	1
Appeal dismissed	2	1	3
Extension: one term	3	1	0
Extension: two terms	0	4	0
Extension: three terms	2	1	1
<b>Sub-total</b>	<b>8</b>	<b>9</b>	<b>5</b>
<b>Total</b>	<b>225</b>	<b>171</b>	<b>169</b>

The total of 225 concluded cases (including induction appeals) is our highest to date. The casework strategy and our corporate milestones for the year had set a deliberately challenging target of 288. Factors accounting for the shortfall included a high level of postponements and adjournments along with fewer than expected cases being passed through for hearing from Investigating Committee. The average (mean) time taken to deal with cases fell from 61 to 60 weeks; the median time rose from 53 to 58 weeks, although this was largely due to the completion of a number of the oldest cases.

During the year we continued the implementation of our Casework Management System, which enables staff to monitor and track and report on all stages of casework.

Additional Panellists were appointed in the New Year via a public appointment process to increase the member capacity available to Council, and they have continued to support the demand for hearings.

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Teachers have a statutory right to appeal to the High Court within 28 days of receiving notification that a sanction has been imposed upon them by a Professional Conduct or Competence Committee of the GTCE.

During 2010-11, two appeals were lodged in the High Court by teachers who had received a sanction, compared to four in the year before. These two appeals are continuing, and the outstanding appeal from 2009-10 has been concluded. The outcomes are detailed in the table below.

<b>Case name</b>	<b>Date of appeal notice</b>	<b>Date of hearing</b>	<b>Outcome</b>	<b>Costs awarded</b>
Khan	11 February 2010	10 December 2010	Dismissed	£3,815 (to GTCE)
Pavlou	6 September 2010		Ongoing	
Brown	19 January 2011		Ongoing	

A separate annual report on registration and regulation is published each year. It provides further detailed explanations and statistical data in relation to the GTCE's regulatory work and is made available through our website to all employers, including schools with employment responsibilities. We also disseminate the lessons learned from regulatory work through an email bulletin to employers.

**Professional standards**

During 2009-10 we signed a Memorandum of Understanding with the Independent Safeguarding Authority, which ensures a set of co-operative working arrangements in relation to safeguarding children. During 2010-11 these working arrangements have been enhanced and operational processes put in place.

We instruct presenting officers to prepare and conduct hearings before our disciplinary Committees. We believe in partnership working and the benefits this brings in terms of shared working arrangements, training and continuous improvement.

We have contracts in place for the provision of external presenting officer services with three firms of solicitors at a competitive rate; these contracts have produced cost savings for us.

During the financial year we commissioned the social enterprise company Connect Assist to conduct a review of our regulatory processes in the light of significant increases in referral levels. While the review was being undertaken, the context changed as a result of the 2 June announcement. Notwithstanding this, the report made recommendations that have been subsequently introduced to streamline processes to deal with increased volumes.

As a separate exercise we benchmarked ourselves against the standards of good regulation set out in the Council for Healthcare Regulatory Excellence (CHRE) publication 'Performance Review of Health Professionals' Regulatory Bodies', agreeing appropriate changes to process in line with suggested best practice.

Finally, we engaged CHRE to undertake an independent review of cases involving allegations of racism. Overall, CHRE found that the quality of decision making was reasonable and promoted race equality principles.

**Improving performance**

Streamlining of processes has resulted in significant improvements in performance across the financial year. Most notably:

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- there has been a 31% increase in concluded hearings with 35% of those cases concluded in the final quarter of the financial year; and
- on 31 March 2011, 68.7% of cases at the investigating stage had an age profile of 20 weeks or less, compared to only 8.3% on 31 July 2010.

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**Advisory work**

Our advisory programme fulfils the statutory remit to advise the Secretary of State and others on issues affecting teachers, teaching and the quality of learning. Our advice is developed in conjunction with partners and based on high quality research evidence and evidence from stakeholders including registered teachers, children and young people, parents and carers.

The advice and consultation responses provided in year are set out below.

<b>Ref</b>	<b>Submitted</b>	<b>Organisation</b>	<b>Title</b>
145	April 2010	DCSF	Pupil and Parent Guarantees
146	Sept 2010	GTCW	Revised suitability for registration requirements
147	Oct 2010	Education Select Committee	The role and performance of Ofsted
148	Oct 2010	Sarah Teather	Green Paper: Children and young people with SEN and disabilities
149	Nov 2010	Government Equalities Office	Equality Act 2010: The public sector equality duty
150	Dec 2010	DfE	White Paper: The Importance of Teaching
151	Feb 2011	DfE	KS2: Testing and assessment
152	Feb 2011	Public Bodies Committee	Education Bill

**Teaching quality**

Policy work during the year focused on responding to the White Paper ‘The Importance of Teaching’, and ensuring the public interest legacy in GTCE research and policy work. Work in response to the White Paper included submissions to the DfE and to the Secretary of State suggesting revisions to proposals relating to professional standards, and performance management and capability. We also submitted evidence making the case for the entitlement to and the necessity of continuing professional development.

Since the 2 June announcement, advisory activity has been reviewed to ensure that the Council maximises the influence of its expertise and experience on current and future policy-making. The Council has taken the view that a key public interest duty for the GTCE is to ensure others – those with an interest in or responsibility for standards of teaching and the quality of learning, as well as those involved in improving public service effectiveness in other fields – are able to utilise the accumulated knowledge and expertise of the GTCE. Accordingly, a suite of ‘legacy’ papers is planned and in development. The papers, based on a synthesis of 11 years of research and evidence and policy thinking, will address the policy levers in relation to core areas of our concern – entry to teaching, professional standards and qualifications, professional accountability and development, and pedagogy – which are likely to lead to further improvement in teaching quality and pupil learning. A strategy for engaging stakeholders with this work and transferring the related knowledge assets of the GTCE is an integral part of this work.

**Research and evidence**

We commissioned a number of research projects during the year to inform our work on the future of accountability in teaching. Research commissioned from the Office of Public Management (OPM), published in October 2010 to coincide with the publication of the 2010 GTCE Survey of Teachers, reported on parents’ and carers’ views on present and possible future accountability arrangements, including consideration of their own stake in those arrangements. A further report by OPM, published simultaneously, provided a comprehensive review of the principles, policies and practice of engaging children and young people in consultation, research and organisational decision-making. The outcomes of this review were to inform both the reform of GTCE governance arrangements and proposals for teaching policy.

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The 2010 Survey, and associated qualitative research, explored teachers' experiences of various drivers of quality in teaching, and the support they received to maintain and improve teaching standards. The National Foundation for Educational Research (NFER) conducted the survey based on a representative sample of registered teachers. The findings informed GTCE policy and that of Government in relation to capability, standards and performance management.

In October 2010, Research for Teachers, which provides accessible and rigorous research summaries principally through the GTCE website, was brought within a reinvigorated offer as part of the Teacher Learning Academy, to more readily inform teaching practice and professional learning. Five new Research for Teachers summaries were published during the year.

We co-sponsored the research study 'Practitioners' use of research', together with Curee and LSIS. The study examined how teachers in schools and colleges engage with research and the impact of that engagement on learner achievement. Significant changes in their teaching and a positive impact on student achievement were found.

#### **Equalities**

The GTCE Equalities Forum continued to bring together key educational bodies with some of the leading equalities organisations. The Forum had substantive items on each of the main equality strands and had input into the Government's advice for schools on the implementation of the public sector duties under the Equality Act.

The GTCE-hosted Disabled Teacher Taskforce continued to raise concerns around the application of Fitness to Teach and its impact on those with disabilities, both on entry to and progression within the teaching profession. The GTCE also hosted an e-conference for teachers with disabilities which drew on the experiences, both positive and negative, they have faced in relation to their training, employment and everyday practice.

We are, with Forum and Taskforce members, seeking to secure new host organisation(s) for each group.

#### **Teacher Learning Academy**

An expanded and enhanced Teacher Learning Academy (TLA) was launched in October 2010 as a result of a gateway review. The professional networks and Research for Teachers were merged together with the Teacher Learning Academy, thus creating greater opportunities for professional learning within a single GTCE offer.

Monitoring of the logistics partner contracted to operate the TLA was achieved through key performance indicator (KPI) and quality assurance (QA) reporting. All significant KPIs were met throughout the year and QA reporting was to a satisfactory standard.

The TLA set a target of training and supporting one Community Leader within each region. At the end of 2010-11, a total of 82 Community Leaders had been trained and are supporting the growth of the TLA in all regions across the country.

Within the context of proposed closure, the Council has taken the decision to transfer the intellectual property assets of the TLA through a public sale in the interests of securing a future for the TLA. Any assets that are not transferred to a new owner will be included in the GTCE's legacy portfolio.

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#### Communications

Our communications strategy for this year altered significantly in response to two triggers: the introduction of the Efficiency Reform Group (ERG) spending controls and 2 June announcement. Our approach moved from a broad programme to inform and engage teachers, employers, parents and other stakeholders with the work of the Council to a focus on:

- supporting the delivery of our statutory functions;
- communicating the value of the GTCE's functions; and
- providing clear communication to registrants and other stakeholders, external and internal, about the status of the GTCE.

This was reflected in the suspension of *Teaching: the GTC magazine*, the cancellation of much of the GTCE's engagement programme, and ceasing major web development work. However, the website became increasingly important as the primary source of up-to-date information for registrants and other stakeholders.

#### Media relations and public affairs

There was considerable media interest in the proposal to abolish the GTCE and its possible implications. Interest also continued in topics related to our remit, including the regulation of the profession, how performance and competence issues are dealt with, and the make-up of the workforce.

Media work supported the GTCE's approach to focus on the communication of the value of the functions carried out by the organisation. Examples include responses made by the Chair to requests for comment about the implications for the profession and the public of abolition, and media activity during the progress of the Education Bill. The change in pattern of enquiries might be explained by the media team no longer being able to confirm details of what takes place during a hearing, outside of the allegation and decision (as a GTCE staff member is no longer present at all hearings), and a reduction in proactive media work following the announcement of intended abolition. Coverage of a greater number of hearings, along with references in articles relating to wider public body reform, may account for the increased media coverage.

	2010-11	2009-10	2008-09
Media enquiries *	486	695	677
News and feature mentions	585	402	389

\* excluding standing requests for notifications of disciplinary hearings and their outcomes

#### Engagement and advocacy

Following the 2 June announcement, it was necessary to suspend the engagement programme launched in December 2009 which had set out to enhance further our communication with key audiences, to manage systematically our relationships with stakeholder organisations, and to ensure greater clarity about the way we describe the role of the GTCE. Long-term programme commitments were replaced with a focus on maintaining clear communication about the on-going remit of the GTCE.

Demand for our 'Welcome to the Profession' trainee workshop remained high. Over 135 talks were delivered to over 13,600 trainees at 120 initial teacher training institutions: for many ITTs the session has become an integral part of their professional studies course.

The advocacy programme was extended through a pilot initiative to reach newly qualified teachers. Over 450 new teachers attended one of 15 facilitated workshops and work began on legacy materials that will provide ITTs with resources to integrate directly the content and facilitated discussions into their courses after our anticipated closure.

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From the autumn term, we cancelled our attendance at major education and teacher union conferences: promotion of our role to teachers in such forums was felt to be no longer appropriate.

#### Publications

The development of published resources for teachers and other education stakeholders was severely curtailed following the 2 June announcement. Much of the content of the summer 2010 edition of *Teaching: the GTC magazine*, by then in an advanced state of preparation, was overtaken by this event and an early decision was taken to proceed no further with it. This then led to a decision to suspend the magazine entirely. In its place, short FAQ leaflets about the process of abolition and the on-going role of the GTCE were prepared and sent to teachers in the autumn and spring terms, alongside the registration and fee mailings respectively.

A similar decision was taken not to publish the annual update of our general information leaflet *What we do*. The only principal publications which did proceed during the year were the statistical digest, the annual report on registration and regulation, and a leaflet to accompany the advocacy talks with trainee teachers.

#### Market research

The 2010-11 market research programme was cancelled following the 2 June announcement.

#### The website

During 2010-11, the role of the web as a key communications channel became more pertinent than ever as a greater volume of content was revised and published on the GTCE website.

Content publishing highlights included:

- regulation and registration updates;
- enhanced FAQs;
- policy submissions;
- research papers and reviews;
- rich media content (including videos promoting the advocacy programme);
- updated advice on competency referrals for employers; and
- pedagogy materials.

Content development work focused on improving web content publishing skills. Staff received content management system training as well as training in how to apply editorial style guide rules. Web statistics training was also delivered to show staff how to gather and analyse website visitor traffic volume and trends.

While most planned website development activities were halted in response to the abolition announcement, new and scheduled website maintenance tasks were carried out throughout the year to ensure the proper functioning of the website.

There was a marked reduction in website visitor traffic compared to previous years, with page visits in 2010-11 declining by 10.8% compared to 2009-10.

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**Internal communications**

The internal communications framework put in place in the previous financial year became a critical platform for a range of developments created to support colleagues following the announcement of intended abolition. In addition, an employee engagement initiative that had been agreed by the leadership team in April 2010 served to steer internal communications initiatives related to the new organisational context.

New developments included:

- a dedicated intranet area to hold and organise a range of materials related to closure and transition, including internal briefings and support resources;
- a ‘questions and answer’ facility to support staff questions as they arose; and
- face-to-face briefings and guidance for staff or managers when appropriate.

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**Corporate services**

This service area supports the work of the GTCE through financial management and administration, corporate planning and review, including risk management, workforce development, governance support and administration, information and communication technology (ICT) and facilities management.

**Governance**

Between 1 April 2010 and 2 June 2010 significant work was undertaken to develop a revised governance structure of the GTCE. This followed a decision taken by Council at its March 2010 meeting to agree in principle to move towards a sovereign Board of between 12 and 15 Members, supported by an Assembly. This decision was informed by research into other regulatory bodies, guidance to separate adjudication from governance, and a recommendation to this effect from the internal auditors earlier in the year. The 2 June announcement meant that this work could not be progressed.

Prior to 2 June, an Internal Audit report on the effectiveness of the Executive Committee was received and discussed, in the first instance by the Executive Committee and also by the Audit Committee. The report found that overall the auditors concluded that the Committee arrangements that they examined were suitably designed to achieve the desired objectives. Internal auditors made a number of recommendations, accepted by the Executive Committee and management, to support their work to continuously improve the operation of the Committee, and thus help fulfil the GTCE governance requirements.

Following the 2 June announcement, work has focused on governance arrangements up to the anticipated closure on 31 March 2012, incorporating where feasible the recommendations arising from the aforementioned report. Committee remit and frequency of meetings were reviewed and the Terms of Reference for each were updated in light of their changing roles. The terms of office for the existing post holders of Chair and Vice Chair of Council were extended until closure of the GTCE to ensure continuity, and likewise service committee memberships were to remain the same. A vacancy on the Executive Committee was filled by a Member with governance experience and an additional teacher member was recruited to the Committee as it moved to monthly meetings. Two external advisors were appointed following the June announcement, one to attend and advise the Executive Committee in the period up to closure and another to provide legal advice to the Council following the departure of the Council Solicitor. The Chair and Vice Chair of the Council were each the subject of a very positive 360 degree appraisal that was externally validated.

The Executive Committee received regular Governance Update papers covering a wide range of ‘business as usual’ matters and the key issues were fully reported through to Council. The Committee, since 2 June, also received regular reports on transition or closure developments managed through the Value the Functions programme.

Council in February 2011 agreed that full Council would meet once in the 2011-12 financial year and the Chair of Council would notify Council Members on a monthly basis of business considered by the Executive Committee under their increased delegated powers, as well as other developments as the Council moves towards closure. Full Council meetings in 2010-11 have been a mixture of business and Member development sessions.

Members’ attendance levels at Council and its Committees remained good, as set out below.

Nature of meeting	Average attendance		
	2010-11	2009-10	2008-09
Council	86%	**86%	*81%
Audit Committee	88%	96%	96%
Executive Committee	***87%	93%	90%

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Policy and Research Committee	50%	82%	80%
Registration and Regulation Committee	100%	89%	75%
General Purposes Committee	100%	75%	87%

- \* includes additional special meeting held on 25 March 2009
- \*\* includes additional special meeting held on 24 March 2010
- \*\*\* includes special meetings on 9 June 2010 and 14 July 2010 both of which were called at short notice

Council continued to have observer or representative status on the Boards of the Training and Development Agency for Schools, the National College for Leadership of Schools and Children’s Services, and the College of Teachers. Full reports back from observers were reported to the Executive Committee and Council.

The Council in 2010 agreed a format for the disclosure of Member expenses in accordance with best practice. This was published in July 2010 in respect of the 2009-10 financial year and will be published in July 2011 in respect of the 2010-11 financial year.

Support services provided to Council Members continued to be assessed as effective and appropriate through an annual written survey of Members, with a return rate of 79%.

	July 2010	July 2009	July 2008
Satisfaction rating	100%	94%	94%

The list of Council members for 2010-11 appears in the Relationships section of this report.

**Corporate and financial planning and control**

We continued to integrate our planning and monitoring processes for corporate and service planning, risk management and financial management to ensure alignment and coherence across the organisation. In the first quarter of the year, significant changes were made to corporate planning arrangements: plan formats, processes and reporting arrangements were updated, including the introduction of a ‘balanced scorecard’ approach; roles and responsibilities were clarified, and relationships with other corporate processes such as risk management and equality and diversity activity were made more explicit. Regular monthly and quarterly reporting of financial, risk and performance information continued to take place at both governance and senior management levels.

The 2 June announcement resulted in a number of short- and medium-term changes to these procedures. During summer 2010, reviews of all operational plans and ‘Teaching in 2012’ projects were undertaken, alongside budget reviews and reforecasting. A further tranche of changes to corporate planning, performance management and reporting arrangements was introduced during the third quarter. Operational plans were rolled forward to 2011-12 and, instead of new ones being developed, formal and detailed quarterly monitoring was replaced by ‘light touch’ monthly monitoring by exception. The Teaching in 2012 projects were brought to a close and reviewed as planned. The ‘Value the Functions’ (VtF) Programme was initiated and developed to manage the process of transferring, transitioning and close down of GTCE functions.

The Leadership Team was supported by a wider Senior Management Team. The remit of the latter was revised to include oversight of ‘business as usual’ and the VtF Programme and risk management. Its title was changed to Project and Business Performance Board (PB2) to reflect its new responsibilities.

**Workforce Development**

The year saw us consolidate our equality activity. We continued to meet the monitoring and reporting standards applicable as an employer. During the year, the focus changed to work relating to supporting all

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staff through the protracted uncertainties, and to work with managers and staff on the impacts of transition and closure.

We also continued to have good relationships with our staff. There are effective consultative and negotiating arrangements with the two recognised trade unions, FDA and Public and Commercial Services (PCS). Our suite of workforce development policies ensures practice was regularly reviewed to ensure that high standards are maintained.

Staff sickness and absence levels (average 7.24 days per employee) continued to compare well with external benchmarks (9.7 days in public sector). During the year, 41 staff resigned including the Chief Executive and Director of Communications.

Our childcare voucher scheme continued to allow eligible staff the opportunity to receive child care vouchers as part of a salary sacrifice agreement. Take up remained encouraging.

Due to targeted development activity, the number of overall training days remained constant. The effectiveness of training and development as assessed by staff and managers remained high.

	2010-11	2009-10	2008-09
Training and development days	833	871	581

**Registration fee and collection**

Fee collection continued to show year-on-year improvement despite the news of proposed abolition. The number of teachers paying by Direct Debit, the preferred payment mechanism, continued to increase. Continuing improvements in collection efficiency also reduced fee debtor levels without increasing collection costs.

We based our cash flow for the year on the collection of 560,000 fees, which for the first time included a small allowance for instructors and overseas-trained teachers. In the event, we collected 588,000 fees by the end of the year. Of these 67% were collected by Direct Debit, another year-on-year increase.

	2010-11	2009-10	2008-09
Number of fees recognised as income	615,000	585,700	571,300
Number of in year fees collected in year	588,000	559,900	543,700
Percentage of recognised fees collected in year	96%	96%	95%
Percentage of fees collected by Direct Debit	67%	64%	60%

**Data Governance and Information Assurance**

High levels of good data quality help ensure that fees can be collected accurately and promptly, employers are able to check accurate records, and policy and research work is based on relevant data. Our ongoing commitment to data quality work helped ensure that the data we hold is of a high quality and is suitable for our business uses.

We hold and work with 2.3 million person records of which 1.5 million are qualified teachers. There is continuous work on data quality management, data sharing with authorised partner organisations and provision of management information. In light of the 2 June announcement, we have worked with partners to ensure that data exchanges continue. We have been working with partners to ensure that our data remained current and to synchronise data ahead of anticipated GTCE closure.

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In response to the Government's data handling review and the specific requirements of the Security Policy Framework, dedicated resources continued to be allocated to lead the implementation of proportionate information assurance arrangements throughout our operations and those of our contractors. The 2 June announcement prompted a re-examination of our information assurance priorities. This led to a focus for the rest of the operational year on activities which would deliver effectively information security whilst proportionately balancing information risk management with managing operational risks in the context of planning for closure and transition. Information risk management has been overseen at a strategic level by the Information Assurance Governance Group which is chaired by the Senior Information Risk Owners and reports to the Accounting Officer.

The highest information assurance priority has been to complete the full and formal accreditation of the GTCE's entire ICT infrastructure in line with Her Majesty's Government's Information Assurance standards 1 and 2. This project has involved the detailed examination of risks to information and the formal definition and application of a range of technical and non-technical controls to mitigate them. The accreditation was completed formally on 24 June 2011.

Awareness of data protection remained high throughout the organisation, building upon the strong foundations previously established. New members of staff received full training, and temporary staff are briefed on the key points of data protection and information assurance that will affect them and their work at the GTCE. Temporary staff that remain with the GTCE for longer than six days are required to complete successfully the Cabinet Office Protecting Information Level 1 training. After the initial data protection training, the Data Protection Officer continues to support colleagues across the organisation as they carry out a range a wide range of business functions.

During 2010-11 the Information Commissioner's Office (ICO) advised the GTCE on how to proceed in relation to an application for information which had been made under the Freedom of Information Act 2000. Following our initial response to this application, the applicant requested an internal review which was duly carried out but which resulted in no further disclosure being made. A complaint was subsequently lodged with the ICO who confirmed that the GTCE had applied the FOI Act correctly but suggested further unredacted disclosures which the GTCE then made.

During 2010-11 no complaints were upheld by the Information Commissioner's Office in relation to the GTCE's handling of requests made under the Data Protection Act 1998 or the Freedom of Information Act 2000, and there was no requirement to notify the Information Commissioner of any serious information security incidents.

### **Asset Management**

Asset management is a critical part of preparing for the legacy, transfer, transition or close down of GTCE services. All assets, including intellectual assets, regardless of format (eg paper, electronic) were grouped based on intended destination. Assets are being checked against original purchase records and asset lists, with a full and consolidated list planned to be complete in the summer of 2011.

Assets will be categorised into one of the following four categories.

- Assets for transfer – these include assets to be sold, for example the TLA discussed below; and assets transferring to the new DfE Executive Agency.
- Assets to be archived – materials useful for posterity will be preserved at the Institute of Education, British Library, DfE and the National Archives, and in the UK Data Archive.

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- ICT assets for disposal – these include the disposal of ICT assets, after the data has been securely removed. The GTCE will review, during 2011-12, the best means of disposing assets, which may include the sale of some of these assets.
- Non-ICT assets for disposal – all other assets will be disposed of in a controlled manner, including by sale where feasible.

A full audit record will be held of the destinations of all assets on the register.

#### Information and communications technology (ICT)

The IT infrastructure continues to be provided and supported by our ‘host and run’ partner SCC. The procurement exercise to award a managed service contract for five years was in the final stages of negotiation when the Council’s intended abolition was announced. A revised service requirement was formulated and the contract with SCC signed in August for a rolling service contract until the anticipated closure.

A minimal amount of essential infrastructure upgrades was undertaken to secure continued delivery of IT services and applications in support of our business needs. Some additional security features were also implemented in support of the accreditation of the ICT infrastructure.

The key business systems of customer relationship management (CRM), website, email and financial systems continue to be delivered generally in line with contracted service levels. In October and November 2010 two separate failures of the GTCE’s external data connection service caused six days of disruption to business. Planned changes which were cancelled by the GTCE were nevertheless acted upon by the service provider in error as a result of their internal communication and system problems. The failures were the subject of formal complaint and review, and written assurances to the Chief Executive from the Director of Global Crossing Customer Service were received from the supplier that the service will not be affected in future.

An independent review was undertaken following these service failures to identify any additional features of the infrastructure that could be enhanced to minimise the risk of failures in future. The report recommended a small number of enhancements to provide additional resilience for network data connections and these have been implemented.

	Actual	Target
Hosted infrastructure availability (CRM system)	99.9%	99.5%
Hosted infrastructure availability (web site)	99.7%	99.5%
IT help desk problem call resolution	91.2%	95.0%
IT hardware fault resolution	98.5%	100.0%

The help desk call rates and hardware resolution figures were below target due to the high volume of calls in October and November and a delay in receiving printer parts.

Following the 2 June announcement, all information and communications technologies system developments were subject to review and only essential work necessary to maintain system operations was authorised.

#### Business continuity

During the year, work on the GTCE’s Business Continuity Plan concentrated mainly on the repercussions of the 2 June announcement.

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Emphasis was placed on ensuring that succession planning has been carried out at individual team level. Teams considered the work that they do and determined priority levels. Consideration has been given to ensuring that plans are in place to ensure that high priority work can continue to be carried out in a climate of high staff turnover. This work will continue throughout the coming year.

In addition, continuity planning remained in place; each team carried out a review of their team plan to ensure that they are prepared for any interruption to normal working conditions.

An exercise was undertaken to test the ability of the GTCE to restore lost email accounts. Following a successful test, recommendations were made to improve access.

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**Planning for abolition – Value the Functions programme**

The 2 June announcement added an additional focus for 2010-11 to include planning for transfer and transition of services, maintaining the GTCE’s legacy and eventual close down of the GTCE. Utilising the Cabinet Office’s Managing Successful Programmes and PRINCE2 methodologies, the Value the Functions (VtF) programme was formed, the GTCE’s Chief Executive taking over the role of Senior Responsible Owner for the programme. The VtF programme links to the Department for Education (DfE) through a Joint GTCE Transition Board, co-chaired by the GTCE’s Chief Executive and the DfE Director for Workforce Group. The Joint GTCE Transition Board is attended by members of the VtF Programme Board, the DfE Workforce Group and advisors as required.

The VtF programme will be deemed a success if:

- there is continued use and growth of the Teacher Learning Academy and GTCE’s other intellectual assets after abolition;
- there is an efficient transfer of functions, assets and liabilities;
- there is an efficient and secure close-down of the GTCE’s functions;
- there is consideration of safeguarding public interest in future regulatory arrangements; and
- staff are positioned to take advantage of opportunities that arise.

The VtF programme is divided into these four tranches.

Planning and definition	to 31 May 2011
Archiving and legacy in advance of Royal Assent	to 30 November 2011
Transfer and transition	to 31 March 2012
Final close out	to complete after abolition to cover the final aspects of closure following abolition.

These dates assume Royal Assent for the Education Bill in late 2011, and that the Teaching Agency (the new body set up by the DfE which is proposed to be responsible for the award of qualified teacher status and teacher regulation after abolition of the GTCE on 31 March 2012) will come into effect from 1 April 2012.

The VtF programme is delivered through a portfolio of ten projects covering the legacy, transfer, transition and closure of our activities and functions. Each project is led by a project executive who is a member of the our Senior Management Team and is supported by a project manager. There is a clear line of sight from each project’s activities to the eventual outcomes of the programme. The projects track risks, issues and progress on a weekly basis.

The VtF Programme Board meets monthly and comprises the GTCE Leadership Team, with the VtF Programme Manager, Head of Communications and the VtF Finance and Risk Manager sitting as advisers to the Board. The VtF Programme Board receives reports from the GTCE’s Senior Management Team Projects and Business Performance Board, which fulfils the day-to-day management of the ten projects alongside ‘business as usual’ activity. The VtF Programme Board reports monthly on the programme to the Executive Committee and the Joint GTCE Transition Board.

At 31 March 2011 the programme was on track to realise its benefits.

- Bids were under way to ensure the continuing success of TLA.
- Twelve publications were in development engaging key stakeholders across the education sector.
- The Institute of Education, National Archives, British Library, DfE and UK Data Archive had been selected as the places of archiving.
- The Education Bill provided some clarity on the functions transferring to one of the Department’s new Executive Agencies, including the awarding of qualified teacher status and teacher regulation.

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- Forecast liabilities at final closure had been agreed with the Department and detailed plans developed for abolition by 31 March 2012, subject to Royal Assent of the Education Bill.

Staff members have been regularly updated and have access to a wide array of opportunities to help maximise their individual opportunities after abolition.

During 2011-12, Council's responsibility for maintaining standards in teaching will transfer to the Secretary of State. It will be a particularly challenging year, with the VtF programme remaining highly dependent on the passage of the Education Bill, decisions by Ministers and a series of other major transformation programmes across the Department and Government. The programme is steered by strong leadership, effective governance and robust methodologies in readiness for the many challenges ahead.

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**Resources, Risks and Relationships**

**Resources**

Registration fees make up 99 per cent of the GTCE's income. All qualified teachers are required to be registered and pay the registration fee if they are employed as teachers in a maintained school or a non-maintained special school or pupil referral unit. Other qualified teachers may register on a voluntary basis.

**Risks and uncertainties**

The GTCE's risk management policy, and the supporting set of risk management arrangements, were reviewed and revised during the year. Towards the end of the year, the VtF Programme and Corporate risk registers were combined to produce a single risk register. During the year, we completed the Treasury's recommended 'Managing the Risk of Financial Loss' toolkit, which showed that we are operating controls over the risk of financial loss at an appropriate level.

A set of criteria has been produced against which risks are assessed. The highest ranking risks (those which would have the most significant impact on the GTCE) are now reported to, and reviewed by, Executive Committee on a monthly basis and Audit Committee quarterly. Council also reviews risks at their meetings. These key risks include the following.

**Risk: The risk that the GTCE fails to meet its statutory duties and/or stakeholder expectations in respect of professional regulation and its registration function.**

The disciplinary casework system is the core of professional self regulation. It is high profile, sensitive and integral to the safeguarding of high professional standards.

Inability to continue regulatory activities has been identified as our highest strategic risk. A significant increase in referrals has increased pressures on staff and other resources allocated to the investigation and hearings processes.

The risks relating to registration have a high gross risk score, according to our risk scoring mechanism. However, robust and detailed control measures ensure that risks in this area are dealt with immediately and appropriately.

**Risk: The GTCE may not have sufficient funds to cover its liabilities at closure.**

Teachers might believe that the GTCE's powers have been rescinded and therefore resist the regulatory, fee collection or other requirements of registrants. The 2010-11 fee collection exceeded budget but the 2011-12 fee collection is critical to ensuring that there are sufficient funds to cover our liabilities at closure. In February 2011 Council approved the budget for 2011-12 which set out the costs associated with the anticipated closure of the GTCE. The Joint GTCE Transition Board has had oversight of these costs and the 2011-12 budget.

On 16 December 2010, the DfE wrote to the GTCE confirming that the Department will accept any continuing liability that may remain at the point of the GTCE's closure, subject to those liabilities being incurred in accordance with agreed closure plans and offset as far as possible within 2011-12.

**Risk: The GTCE is unable to fulfil its statutory duties due to a loss of staff expertise.**

Key members of staff could leave the GTCE in the period to transfer, transition or closure leading to a loss of organisational memory and insufficient resource to meet our statutory duties. Management have reviewed

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the level of resource required across all directorates and have implemented a programme of cross-skilling and internal recruitment where appropriate.

A further risk derives from continuing business as usual activities whilst undergoing transfer, transition and closure activities and the pressure this puts on the limited staff resource base.

**Risk: GTCE policy advice and other policy areas are ineffective.**

We recognise that our reputation could be damaged by poor quality policy advice and that the 2 June announcement could lead to a consequent loss of credibility. Our advice is supported by good quality research evidence, carried out by the GTCE and others. The combination of specialist staff, comprehensive networks, a robust evidence base, Member review and a clear GTCE policy framework helps to ensure that advice is of a high quality and is communicated appropriately. The VtF Programme includes projects to secure influence and credibility through legacy and transfer.

**Risk: The GTCE fails to ensure the security, availability and accessibility of personal and GTCE information.**

The risk is that GTCE business information, or personal information about individuals, handled by us, or on our behalf by contractors, is not available to use when needed, or is lost or disclosed inappropriately, resulting in damage and distress to individuals, or damage to our reputation or loss of stakeholder confidence in us.

Information risks are managed within our existing mature risk management approach. Executive Committee approved Leadership Team (LT) recommendation for a 'cautious' information risk appetite.

To address this risk, we prioritised the following activities in 2010-11:

- sustaining a culture which places the appropriate value on information;
- staff training and awareness;
- implementation of appropriate policies and technical controls;
- ensuring contractor and third party compliance;
- regular testing of business continuity plans; and
- implementing plans for accreditation of new IT systems.

Risks relating to GTCE information assets are actively managed by senior GTCE staff including those who have been designated as Information Asset Owners (IAOs). Advised and supported by the Information Assurance Team, IAOs are responsible for ensuring that risks to their information assets are identified and managed and for promoting a culture which values and protects information. They report formally to Senior Information Risk Owners (SIROs) who are Directors. They in turn report on Information Assurance (IA) matters to the Chief Executive who is also the Accounting Officer.

We continue to implement an ongoing programme of training and awareness, set out in the IA Cultural Change Policy. We have undertaken additional security testing of our systems and made technical improvements where required to further enhance our security arrangements. We have identified those existing contractors which conduct significant data processing on our behalf and we continue to work with them to ensure they safeguard personal data. We specify our IA requirements to those organisations tendering for work and obtain reasonable and necessary assurances of proportionate compliance with those requirements before awarding a contract. We have implemented effective plans for the accreditation of ICT systems. We are reviewing our existing business continuity arrangements and will test the effectiveness of those plans.

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#### **Risk: The risk of failure to secure the transition of functions or adequate legacy measures.**

Continued uncertainty over the Government's specific intentions regarding the continuation of functions could affect the orderly transfer and transition of functions or legacy measures. Effective engagement with the DfE through the Joint GTCE Transition Board provides a clear communication channel for transition and legacy arrangements to be discussed. The effective oversight of transfer, transition and closure by Executive Committee further offsets this risk. We set up the VtF programme to manage the risks of transfer, transition and closure. The individual projects within this programme are reported to PB2 on a monthly basis and the programme itself is reviewed on a monthly basis by the VtF Programme Board. Additionally, there is regular reporting to Executive Committee (monthly for 2011-12), and the Joint GTCE Transition Board has oversight.

#### **Relationships**

##### **Corporate structure and governance**

The Council is the governing body of the GTCE. Council Members have played a crucial role in developing and supporting effective relationships within the education community and beyond.

The composition of Council is defined by legislation and reflects the diversity of the education community. Members include teachers (a majority of Council), school governors and parents, as well as nominees from stakeholders including further and higher education, teacher unions and associations, the faith sector and local government and the Equality and Human Rights Commission and other key educational organisations. Public appointments are also made to the Council to ensure an appropriate mix of expertise and involvement.

#### **Council Members**

There are 64 seats on the Council; at 31 March 2011 there were 4 vacancies. The following Members have served on the Council during the period.

##### **Elected primary teachers (11 Members)**

Flora Barton	Paul Bird	Sarah Bowie	Janis Butler
Philip Cole	Lisa Copeland	Christine Green <i>(Vice Chair)</i>	Derek Johns
Aaron King	Alex Parker	Sarah Reed <i>(until February 2011)</i>	Vacancy <i>(from March 2011)</i>

##### **Elected secondary teachers (11 Members)**

Andy Connell	Dominic Coughlin <i>(from January 2011)</i>	Barbara Hibbert	Pete McAleer
Andrew McKinnon	Gail Mortimer <i>(Chair)</i>	Annette Pateman	Elizabeth Purnell
Alice Robinson	Colin Surrey	Kathy Thomson	Tom Trust <i>(until October 2010)</i>

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<b>Elected special school teacher</b>	<b>Elected primary head teacher</b>	<b>Elected secondary head teacher</b>
Vacancy ( <i>from October 2010</i> )	Eric Gledhill	David Lowe
Stephen Viner ( <i>until September 2010</i> )		

**Nominees from teacher associations and unions (nine Members)**

Tony Neal <i>ASCL</i>	Caroline Kolek <i>ATL</i>	Gillian Stainthorpe <i>ATL</i>	Gussie Andersen <i>NAHT</i>
Mick Lyons <i>NASUWT</i>	John Rimmer <i>NASUWT</i>	Max Hyde <i>NUT</i>	Julie Davies <i>NUT</i>
David Whitewright <i>Voice</i>			

**Nominees from other bodies (17 Members)**

Rajinder Mann <i>Association of Colleges</i>	Andrew Baxter <i>Association of Directors of Children's Services</i>	Oona Stannard <i>Catholic Education Service</i>	Jill Hill <i>Confederation of British Industry</i>
Liz Carter <i>Church of England</i>	Anne Madden <i>EHRC</i>	Vacancy <i>EHRC</i>	Vacancy <i>EHRC</i>
Muriel Robinson <i>GuildHE</i>	Neil Roskilly <i>Independent Schools Council (from November 2010)</i>	Ralph Ullmann <i>Independent Schools Council (until October 2010)</i>	Robert Gordon <i>Local Government Association</i>
Tony Lewis <i>Local Government Association</i>	Sam Crooks <i>Local Government Association</i>	Fergus Crow <i>National Childrens Bureau</i>	John Adams <i>National Governors Association</i>
Chris Cook <i>Universities' Council for the Education of Teachers</i>	Geoff Whitty <i>Universities UK</i>		

**Secretary of State appointees (13 Members)** Appointed via an open public appointment process

Clare Craig <i>Centrally-employed teacher</i>	Janet Draper <i>Senior university lecturer</i>	Sheba Joseph <i>Second career teacher</i>	Zubair Mohammed Khan <i>Community school governor</i>
Rebecca Kroese <i>Foundation Stage teacher</i>	Nasreen Majid <i>Advanced skills teacher</i>	Stephanie Mason <i>Audit / finance expertise</i>	Aamer Naeem <i>High level governance / committee experience</i>
Susan Netherton <i>Parent governor</i>	Adam Nichols <i>High level governance / committee experience</i>	Carl Phillips <i>14-19 curriculum experience</i>	Sally Townsend <i>Foundation Stage teacher</i>
Jason Whyborn <i>Youth / guidance work experience</i>			

None of the Council Members had a service contract with the GTCE.

# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2011

### Annual Report

#### Executive

The Leadership Team during the year comprised:

Keith Bartley	Chief Executive (until 30 March 2011)
Fiona Johnson	Director of Communications (until 4 February 2011)
Alan Meyrick	Registrar (until 30 March 2011, Chief Executive from 31 March 2011)
Sally Staples	Deputy Chief Executive – Corporate Services
Sarah Stephens	Deputy Chief Executive – Policy and Performance
Paul Heathcote	Registrar (from 31 March 2011)

#### Corporate governance

Within its existing constitutional structure set out in regulations, we have established procedures to enable us to best comply with both the Combined Code of the Committee on Corporate Governance and with the Guidelines for Best Practice on Corporate Governance published by the former Department for Children Schools and Families (in line with the Treasury Code of Best Practice for Board Members of Public Bodies). The financial statements also include a Statement on Internal Control based upon Treasury Guidance. There is an established Code of Conduct for Council Members; an Audit Committee; and a Remuneration Sub-Group, which is part of the General Purposes Committee. The Council has also shadowed guidance received from the Efficiency Reform Group with regard to new restrictions on the use of first class travel. Consequently staff and Member expense schemes have been updated to reflect that standard class should be the normal travel option.

#### Executive Committee

The Executive Committee has responsibility for a range of key governance decisions and for developing strategic recommendations to Council. Following the 2 June announcement, the priorities of the Committee have included oversight, in conjunction with the Joint GTCE Transition Board, of the transfer of functions and the closure of the organisation and to ensure transparency for all decisions taken in a fast moving environment. In June the Committee moved to meeting monthly and in February 2011 Council confirmed the delegation of additional powers to the Committee to ensure decisions could be taken in a timely manner. Any decisions taken by the Chief Executive or a Director under delegated powers in consultation with a Committee Chair are recorded in a register held by the Secretariat and reported to Members. The membership of the Executive Committee comprises the Chair and Vice-Chair of Council, the Chairs of the General Purposes Committee, the Policy and Research Committee and the Registration and Regulation Committee and eight other Members, a mixture of ‘lay’ and ‘teacher’ Council Members.

Membership of the Executive Committee for 2010-11 was as follows.

John Adams	Barbara Hibbert
Andrew Baxter	Jill Hill ( <i>from November 2010</i> )
Sarah Bowie	Max Hyde
Andy Connell ( <i>from February 2011</i> )	Gail Mortimer ( <i>Chair</i> )
Chris Cook	Tony Neal
Sam Crooks	Gillian Stainthorpe
Christine Green ( <i>Vice Chair</i> )	Ralph Ullmann ( <i>until October 2010</i> )

# General Teaching Council for England

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#### Audit Committee

The Audit Committee met on four occasions during the year. Its responsibilities include a regular review of the adequacy of accounting systems and controls, risk management processes and the determination and scrutiny of the internal audit programme. In addition, the Committee reviews the reports of the external auditors in relation to the GTCE's compliance with the regulatory and financial reporting requirements. Following the 2 June announcement, the Committee's focus was on providing assurance to the Council and the Chief Executive on the management of risk around transition and anticipated closure of the organisation.

Membership of the Audit Committee for 2010-11 was as follows.

Eric Gledhill	Stephanie Mason ( <i>Vice Chair</i> )
Derek Johns	Andrew McKinnon
Caroline Kolek ( <i>Chair</i> )	Aamer Naeem

The Chief Executive is the Accounting Officer and is personally responsible to the Council, and to the Accounting Officer and Permanent Secretary of the DfE, for the financial probity and regularity of the GTCE's expenditure and control. In addition the Chief Executive has responsibility for the overall organisation, its leadership, management and staffing.

#### The General Purposes Committee

Prior to the 2 June announcement the Committee's remit encompassed matters relating to the Council's organisational management, including financial administration, human resources, governance and Members' services, and accommodation. This also included remuneration, which is detailed later in the report. The Committee met once in the year as part of the streamlined governance structure.

Following the 2 June announcement, it was agreed that the financial function of the Finance and General Purposes Committee would become a function of the Executive Committee and therefore the title of the F&GP Committee would be amended to the 'General Purposes Committee'. The General Purposes Committee now considers and advises the Executive Committee on the Council's position with regard to the requirements of the Treasury / Cabinet Office Efficiency Reform Groups control measures and considers and advises the organisation in terms of the efficient disposal of GTCE assets with due regard to the public purse.

Membership of the General Purposes Committee for 2010-11 was as follows.

Andrew Baxter ( <i>Chair</i> )	Susan Netherton
Lisa Copeland	David Whitewright ( <i>Vice Chair</i> )
Julie Davies	

#### The Policy and Research Committee

Prior to the 2 June announcement, the Policy and Research Committee was responsible for developing the overarching policy and research strategy for the Council. The Committee provided Member scrutiny and set the strategy for the Council's work to support the profession to develop its practice. Following the announcement, the Committee provided assurance of the quality of the relevant policy and research products within the Teaching Quality project and knowledge transfer legacy work. The Committee had its final meeting on 8 March 2011.

# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2011

### Annual Report

Membership of the Policy & Research Committee for 2010-11 was as follows.

Paul Bird ( <i>Vice Chair</i> )	Tony Neal ( <i>Chair</i> )
Claire Craig	Adam Nichols
Janet Draper	Alex Parker
Sheba Joseph	Tom Trust ( <i>until September 2010</i> )
Becky Kroese	Jason Whyborn
Nasreen Majid	

#### **The Registration and Regulation Committee**

The Registration and Regulation committee is concerned with all matters relating to the Council's registration and disciplinary functions. The Committee reviewed its remit in the light of the 2 June announcement but considered no changes were required as the functions of Registration and Regulation were continuing as normal.

Membership of the Registration and Regulation Committee for 2010-11 was as follows.

Janis Butler	Zubair Khan
Liz Carter	Elizabeth Purnell
Andy Connell ( <i>Vice Chair</i> ) ( <i>until February 2011</i> )	Gill Stainthorpe ( <i>Chair</i> )

#### **Relations with stakeholders**

Teachers are key stakeholders for the GTCE and much of this annual report indicates the way in which we have continued to build our relationships with them.

Many stakeholders have direct representation on Council as noted on the list of Council Members on pages 29 and 30. Relationships with other bodies range from clearly established partnerships to more occasional or project-based working. These stakeholder relationships are described further in the sections which report the work of the policy and communications teams.

#### **Relations with employees**

The GTCE continues to have good relationships with its staff through the Joint Consultative Committee and other effective consultative and negotiating arrangements with the two recognised trade unions, FDA and PCS. Our equal opportunities policy informs our employment policies and practices and it is regularly reviewed to ensure that high standards are maintained.

We were initially awarded Investor in People (IIP) status in November 2005, recognising the high priority we place in the development of our staff as part of the delivery of our business objectives. In November 2008 we were re-assessed and successfully retained this status.

# General Teaching Council for England

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### Annual Report

#### Policy on equality and diversity

In the light of proposed abolition it would not be appropriate to plan for future work, and so we have not this year published an equalities scheme. We have concentrated instead on ensuring equalities and diversity work are a significant part of our preparation for closure.

This means:

- working to support other bodies which will undertake GTCE functions to understand and honour the equalities dimensions of that work;
- promoting the need to ensure that teacher data continues to allow the investigation of equity in access to the profession and progress within it;
- supporting all staff in their transitions from the GTCE, mindful of the particular circumstances of each;
- capturing and making available our work on equalities and diversity in education for the use of others in the sector; and
- seeking appropriate new sponsors for the equalities-related forums hosted by the GTCE.

Each of the project plans associated with transfer or completion of GTCE work includes details of equality and diversity dimensions and is subject to monitoring to ensure that equality and diversity outcomes are achieved.

In 2010, we invited an authoritative independent regulator, the Council for Healthcare Regulatory Excellence (CHRE), to review all of our regulatory cases with a race equality dimension to them, in response to a hearing decision that prompted some internal and external concern. The CHRE gave the GTCE's regulatory work a clean bill of health as regards its approach to racism or discrimination in conduct cases, making some useful suggestions for future practice. The review can be found on our website.

#### Policy on disabled employees

We welcome job applications from people with disabilities and are positive about their disabilities. We commit to:

- interviewing all disabled applicants who meet the minimum criteria for a job vacancy and consider them on their abilities;
- ensuring that there is a mechanism in place to discuss, at any time, but at least once a year, with disabled employees, what can be done to make sure they can develop and use their abilities;
- make every effort when employees become disabled to make sure they stay in employment;
- take action to ensure that all employees develop the appropriate level of disability awareness needed to make these commitments work; and
- an annual review of what has been achieved and identify ways to improve.

In 2009-10 we were awarded the 'positive about disability' kite mark for use in recruitment advertising, reflecting our sound practice in this arena.

#### Relationships with contractors

Contractors are encouraged to understand the context in which we work and their contribution to our wider work. We hold two series of meetings with our print and distribution contractor, to review the service level agreement and to prepare for future work. Contractors in fields such as ICT are briefed on the areas they are to be involved in and the impact of their work. Finance contractors, such as the internal auditor have regular relationship meetings. Relationships with all our contractors are good.

# General Teaching Council for England

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#### Supplier payments policy

We are committed to paying suppliers promptly. The aggregate amount owed to trade creditors at the year end compared to the total invoiced by suppliers during the year expressed in days amounts to 4.7 days. Since January 2009, in accordance with a request from the former Department of Children Schools and Families, we have endeavoured to make payment to all small and medium sized suppliers within 10 days of receipt of a valid invoice, to assist such companies in the current difficult financial climate. The policy for all other suppliers is to make payment within the stated credit terms or within 30 days of receipt of a valid invoice.

#### Environmental issues

We operate from two city-centre offices which adopt modern technology to minimise the use of power for heating and lighting. Their location, close to major public transport interchanges and the presence of only very limited parking facilities, results in virtually all business and commuting travel being undertaken through public transport.

To minimise staff and Member travel, video conferencing is used both between the two GTCE offices and with other locations. Travel by air is subject to an appropriate business case being made.

Our publications are printed on paper sourced from sustainable forests and in print works within England that conform to the ISO14001 environmental standard.

Both offices implement recycling policies relating to the GTCE's operations and jointly with other tenants in the buildings and the managing agents. Purchasing policies require recycled, energy efficient or sustainable products and services to be given priority.

#### Social and community issues

Our principal purposes concern a major area of public life with an impact on social and community policy in England. They are:

- raising the standing of the teaching profession;
- improving the standards of teaching and the quality of learning; and
- maintaining and improving standards of conduct among teachers.

Our staff from time to time support a variety of charities through fund-raising efforts. Several staff serve on the governing bodies of schools and colleges in a personal capacity.

# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2011

### Remuneration Report

#### Remuneration Sub-Group

The GTCE governance structure provides for remuneration matters to be governed through the General Purposes (GP) Committee. A remuneration sub-group of the Committee exists to review the performance and pay of the Chief Executive and also to act, if needed, as a disciplinary or appeals panel within HR policies and practices.

The Chair and Vice-Chair of Council have the right to attend and vote in the meetings of both the GP Committee and Remuneration Sub-Group in an ex-officio capacity. The Chair of the General Purposes Committee is the Chair of the Remuneration Sub-Group.

Membership of the Remuneration Sub-group during 2010-11 was as follows.

Andrew Baxter (*Chair*)

Gail Mortimer

Julie Davies

David Whitewright

#### Remuneration policy

The GTCE has no separate policy for the remuneration of senior staff and the following statement relates to all employees.

- To provide a pay structure that is competitive and appropriate to enable the GTCE to recruit and retain staff of appropriate experience, skills and qualifications so as to enable a high standard of service delivery to be secured.
- In maintaining competitiveness the GTCE seeks to pay at levels consistent with the 'mid-market' pay values for each respective level within the organisation, having regard to location factors for the London and Birmingham employment markets.
- The GTCE policy does not provide for performance related pay other than in respect of the Chief Executive, although pay increase benefits may be withheld in instances of serious under-performance by an individual member of staff. The GTCE has a performance monitoring and review scheme. The Chief Executive again chose not to draw down any performance-related remuneration in the last financial year.
- The value of salaries and pay ranges will normally be the subject of annual review in consultation with staff representatives, having regard to the requirement to apply national pay review guidelines.
- Individual salaries on joining the GTCE are informed by the Starting Salary policy which seeks to ensure consistent and objective determination of initial salaries. The GTCE adopts a job evaluation scheme to further contribute to ensuring that salaries are appropriate to the role of each individual.
- The pay policy forms part of the GTCE's overall Equalities Policy and pay and other benefits are provided on the basis of securing high standards of equality.
- The GTCE provides access to an appropriate employment pension scheme which is currently secured through membership of the Principal Civil Service Pension Scheme and the GTCE makes the required employer contributions to this Scheme in respect of any member of staff electing to join the Principal Civil Service Pension Scheme (PCSPS). An alternative stakeholder pension will also be made available.
- Other benefits through the GTCE's conditions of service (such as annual leave, maternity pay provision) are provided broadly consistent with good public sector practice and at least meeting statutory obligations.

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- This policy applies to all staff including the Chief Executive but with a specific pay review process for the Chief Executive whereby progression within the agreed pay range is determined by assessed performance.
- The GTCE uses an external consultant to advise the GP Committee and the Remuneration Group in respect of the pay comparability including the Chief Executive's remuneration.

**Service contracts**

Senior management covered by this report hold permanent appointments subject to the standard retirement age provisions whereby under age discrimination regulations this is now age 65. Early termination by the GTCE, other than for misconduct, would result in the individual receiving compensation as set out in our HR policy and in accordance with the terms of the Civil Service Compensation Scheme. The notice period for the Chief Executive is six months but for the remainder of the Leadership Team the notice period is three months.

**Salary and pension entitlements**

The following sections provide details of the audited remuneration and pension interests of Council Members and the Leadership Team.

**Remuneration of Chair and Vice-Chair of Council**

The GTCE pays a daily attendance allowance to the Chair and Vice-Chair of Council. The daily sum is set and reviewed annually, independently of the GTCE. We adopt the outcomes of the independent annual review as applied nationally for equivalent positions in National Non-Departmental Public Bodies (NDPBs) for the purpose of this annual review. It is anticipated that the paid duties of the Chair and Vice-Chair normally amount to approximately two days and one day per week respectively. In addition, Chair and Vice Chair also undertake regulatory duties.

We also pay a sum of £235 per day attendance allowance to other Members of Council who are either self-employed or not employed. The sum is periodically reviewed. For all other Members of Council this daily sum is eligible to be paid to the Member's employer in recognition of the release from employment duties on GTCE business days. Self-employed Members are entitled to receive remuneration at £235 per day which is made net of tax and National Insurance.

**Chair's remuneration**

	<b>2010-11</b>	<b>2009-10</b>
	<b>£'000</b>	<b>£'000</b>
Judy Moorhouse (Chair of Council until 31 August 2009)	-	<b>10</b>
Gail Mortimer (Chair of Council from 1 September 2009)	<b>30</b>	<b>27</b>
	<b>30</b>	<b>37</b>

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**Vice-Chair's remuneration**

	<b>2010-11</b> <i>£'000</i>	2009-10 <i>£'000</i>
Sarah Bowie (Vice Chair of Council until 31 August 2009)	-	9
Christine Green (Vice Chair of Council from 1 September 2009)	<u>24</u>	<u>13</u>
	<u><u>24</u></u>	<u><u>22</u></u>

Of the above remuneration figures, £6,064 (Chair) and £nil (Vice-Chair) represent the amount paid to their employer for 2010-11 as a contribution to salary costs for time spent on GTCE business. The equivalent figures for 2009-10 were £15,959 and £nil respectively.

**Chief Executive emoluments**

	<b>2010-11</b> <i>£'000</i>	2009-10 <i>£'000</i>
Salary	<b>143</b>	138
Employer's pension contributions	<u>30</u>	<u>32</u>
	<u><u>173</u></u>	<u><u>170</u></u>

The Chief Executive is entitled to be an ordinary member of the Principal Civil Service Pension Scheme with the organisation's contribution to the scheme amounting to the equivalent of 25.5 per cent of salary.

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**Salary and pension entitlements of the Leadership Team**

The salary (total emoluments in post) and pension entitlements, including cash equivalent transfer values (CETV), of the Leadership Team within the organisation, employed during the year, were as follows (figures in brackets refer to 2009-10).

<b>all figures in £'000</b>	<b>Salary Payments</b>	<b>Benefits in kind</b>	<b>Real increase in pension</b>	<b>Total accrued pension and related lump sum</b>	<b>CETV at 1 April 2010: start of service<sup>1</sup></b>	<b>CETV at 31 March 2011: end of service</b>	<b>Employer funded real increase in CETV</b>
Keith Bartley <sup>2</sup>	<b>140-145</b> (135-140)	- (-)	<b>0-2.5 and nil lump sum</b> (2.5-5.0 and nil lump sum)	<b>75-80 and nil lump sum</b> (70-75 and nil lump sum)	<b>1,267</b> (1,128)	<b>1,358</b> (1,362)	<b>nil</b> (56)
Fiona Johnson <sup>3</sup>	<b>70-75</b> <b>(85-90 full year equivalent)</b> (85-90)	- (-)	<b>0-2.5 and nil lump sum</b> (0-2.5 and nil lump sum)	<b>10-15 and nil lump sum</b> (10-15 and nil lump sum)	<b>157</b> (140)	<b>184</b> (172)	<b>13</b> (22)
Alan Meyrick <sup>4</sup>	<b>85-90</b> (80-85)	- (-)	<b>0-2.5 and 0-2.5 lump sum</b> (0-2.5 and 2.5-5.0 lump sum)	<b>20-25 and 75-80 lump sum</b> (20-25 and 70-75 lump sum)	<b>350</b> (362)	<b>387</b> (400)	<b>6</b> (16)
Sally Staples	<b>80-85</b> (75-80)	- (-)	<b>0-2.5 and nil lump sum</b> (2.5-5.0 and nil lump sum)	<b>5-10 and nil lump sum</b> (0-5 and nil lump sum)	<b>58</b> (24)	<b>86</b> (63)	<b>22</b> (36)
Sarah Stephens	<b>90-95</b> (85-90)	- (-)	<b>0-2.5 and 0-2.5 lump sum</b> (0-2.5 and 2.5-5.0 lump sum)	<b>20-25 and 60-65 lump sum</b> (15-20 and 55-60 lump sum)	<b>318</b> (310)	<b>357</b> (353)	<b>10</b> (22)
<sup>5</sup> Paul Heathcote	<b>0-5</b> <b>(70-75 full year equivalent)</b>	-	<b>0-2.5 and nil lump sum</b>	<b>0-2.5 and nil lump sum</b>	<b>155</b>	<b>155</b>	<b>nil</b>

<sup>1</sup> The figures are different from the closing figures in last year's Financial Statements. This is a result of the actuarial factors used in the calculation of the CETV changing in 2010 from RPI to CPI which was due to changes in the demographic assumptions.

<sup>2</sup> Keith Bartley resigned on 30 March 2011

<sup>3</sup> Fiona Johnson resigned on 4 February 2011

<sup>4</sup> Alan Meyrick was appointed as Chief Executive on 31 March 2011

<sup>5</sup> Paul Heathcote was appointed as Registrar on 31 March 2011. Prior to this appointment, Paul Heathcote was not a member of the Leadership Team. The figures shown are therefore for one day's appointment.

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During the year there has been no compensation paid to former members of the Leadership Team or Council Members. The total salary payments to members of the Leadership Team for the year totalled £478,155 (2009-10: £475,946). None of the Leadership Team received any benefits in kind in either year.

**Pension benefits**

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (Classic, Premium or Classic Plus); or a 'whole career' scheme (Nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 worked out as in Premium. In Nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and, immediately after the scheme year end, the accrued pension is up rated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The Partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus and 65 for members of Nuvos.

**Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment)

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Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**The real increase in the value of the CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

**Alan Meyrick**  
**Chief Executive**  
29 June 2011

# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2011

### Financial Review

#### Foreword to the Financial Review

The Council made significant achievements against its corporate objectives despite operating in conditions of considerable uncertainty for much of the year.

The 2 June announcement and the Council's decision to shadow, where possible, the Cabinet Office's Efficiency Reform Group guidelines, led to a significant change in the Council's financial strategy. The Council took the decision that any savings made in the year due to curtailed activities should be transferred to a designated reserve, called the Closure Fund, to provide resources to meet the costs of transfer, transition and closure.

#### Income

Income for the year (excluding interest received) was £22.73m (2009-10: £19.69m). The increase in income reflects the rise in the number of teachers who registered with the GTCE year on year and an increase in the teacher registration fee from £33 in 2009-10 to £36.50 in 2010-11.

The vast majority (99 per cent) of the GTCE's income came from teacher registration fees. During 2010-11, the GTCE invoiced 615,186 individuals for the annual fee of £36.50. This included 186 voluntary registrants whose fee has not been received and so is not recognised as income. In accordance with the GTCE's accounting policy, fee income for the current year has been recognised for 615,000 teachers (2009-10: 585,700). The fee for 2011-12 was confirmed by the Secretary of State at £36.50 and the GTCE has been collecting fees for the financial year 2011-12 from 1 April 2011.

To be consistent with the GTCE's income recognition policy (see accounting policy for income on page 58), a further £33,000 of fees from prior years were recognised as income in the year where we gained sufficient certainty with regard to the respective individual's registration data during the year. Where an individual does not inform us until after the relevant fee year but can prove that they were not required to be registered for any part of that fee year, a credit note is raised to cancel the original fee. In 2010-11, credit notes to the value of £55,000 were raised against fees paid relating to prior years.

Other income relates to a number of specific grants from the (then) DCSF. These include a contribution to the development of the customer relationship management (CRM) system to accommodate provisional registration and recognition of the contribution to the development of the on-line employer access system.

#### Expenditure

During the year, expenditure on operational costs was £18.30m (2009-10: £18.87m excluding notional interest), a 3.0 per cent decrease on the prior financial year. Areas of variation compared to the 2009-10 financial year to note are as follows.

- **Regulation.** The number of cases completed in the year rose by 46% with a higher work in progress figure offsetting savings made by outsourcing investigations and streamlining processes to achieve throughput improvement. The charge for 2010-11 was £1,242k (43%) higher than 09-10 due to the increase in referrals and cases being heard.
- **Teacher Learning Academy (TLA) and Networks.** The TLA and Networks showed savings of £1,128k (43%) against prior year, partly due to the gateway review which realised real savings through the launch of an enhanced product in October 2010 and also due to the decision to sell the intellectual property of the TLA combined with Networks. This decision resulted in a reduction of spend in the second half of the year.
- **GTCE magazine and publications.** The 2 June announcement coincided with the planned publication of the summer magazine which had been printed but was not mailed as a result. Subsequent

# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2011

### Financial Review

communications have been restricted to registration-related mailings only giving a saving of £699k (53%) over 09-10 costs.

- **Research and information.** The reduction in costs of £381k (43%) was largely due to lower staff numbers and a reduced ability to perform research work as a result.
- **Provision and charge for doubtful debts.** Continued improvement in information recording and the data on individuals on the Register, including the effect of schools being able to check the registration status of their teachers through the on-line employer access system, has resulted in a larger number of fees being recognised. Not all of these fees are collectable, as contact addresses for registrants can be lost during the course of the year if individuals do not update the GTCE with their new details. A provision is required against some of the fees still outstanding at the year end. Following the 2 June announcement, there is now likely to be a more limited time frame in which to collect fees resulting in an increased likelihood that older fees will not be recovered. The provision against these has been increased leading to a £347k (194%) increase in cost in the year.
- **Corporate Support.** There have been a significant number of savings in the year which offset the introduction of the Value the Functions (VtF) programme covering the costs of closure, transition and transfer. Overall there is a net increase in cost of £315k (21%).
- **External relations.** The costs in this area in 09-10 largely arose due to the impact of the new code of conduct and the extra consultation with stakeholders and marketing. This was not repeated in 2010-11 leading to a £286k (40%) saving.
- **Conferences and events.** Fewer conferences and events have been hosted or attended due to both the decision to shadow the Cabinet Office's Efficiency Reform Group guidelines and the impact of the 2 June announcement.
- **Council, committee and Member election costs.** There is an ongoing discussion with the HMRC on the treatment of Member travel expenses for which a provision has been made in the accounts. This accounts for all of the £129k (23%) increase over 09-10.
- **Website.** Spend has decreased by £118k (19%) due to the decision to shadow the Cabinet Office's Efficiency Reform Group guidelines.
- **Registration.** An increase in cost of £113k (5%) occurred due to spend on the CRM database and increased staff costs to deal with higher volumes of registration.

The full time equivalent number of employees averaged 199 (2009-10: 207) for the year, a 3.9 per cent decrease. The main driver for this decrease was staff turnover following the 2 June announcement.

### Surplus for the year

The surplus for the year was £4.64m (2009-10: £1.02m surplus) compared to a budgeted deficit of £1.17m. The key drivers of this variance have been the decision to shadow the Efficiency Reform Group guidelines and 2 June announcement.

### Reserves

Reserves can be retained by the GTCE and carried forward for use in future years. As an independent public corporation, almost entirely dependent on income from teacher fees and without powers to borrow, we need to ensure that we have an adequate level of reserves to maintain our financial viability and flexibility to respond to new requirements.

# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2011

### Financial Review

Council has adopted a reserves policy, in accordance with prudent accounting practice and with that of comparable organisations, which requires maintenance of sufficient general reserves to provide a minimum of the equivalent to three months' cash requirement (currently approximately £5m) and sets aside separate designated reserves for future purposes.

During the year, we set up a new designated reserve to cover the costs of transition, transfer and closure called the Closure Fund. The budget for 2011-12, agreed by Council in February 2011 with full oversight by the Joint GTCE Transition Board, incorporates the costs of the VtF programme.

At 31 March 2011 the general reserves of the GTCE were £5.00m (2010: £7.41m), with designated reserves of £8.03m (2010: £0.99m). These designated reserves include the Closure Fund of £6.59m

#### Going concern

On 3 June 2010, the Secretary of State for Education, Rt Hon Michael Gove MP, wrote to the Chair of the GTCE, Gail Mortimer, to confirm that the Government proposed to introduce legislation to abolish the GTCE. The bill to do so, the Education Bill, was published on 27 January 2011.

Management have therefore reviewed the appropriateness of the preparation of the financial statements on a "going concern" basis.

The GTCE remains an independent public corporation charged with a range of statutory functions which we will continue to fulfil to the best of our ability and until the will of Parliament has been enacted. On 16 December 2010 the DfE wrote to the Chief Executive, as Accounting Officer, stating that the Department will "confirm the acceptance of any continuing liability that may remain at the point of the GTCE's closure, subject to those liabilities being incurred in accordance with agreed closure plans". We will remain self-financed to the planned point of closure on 31 March 2012. Council Members and management are satisfied that sufficient funding is in place to enable the GTCE to continue operating and meet its obligations as they fall due.

Given the proposed abolition, Members and management have concluded that there exists a material uncertainty about the GTCE's ability to continue as a "going concern". In such circumstances it is possible that the GTCE may not be able to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless, after considering the circumstances described above, together with the DfE's letter of assurance about liabilities, Members and management expect that the GTCE will have adequate resources, in particular sufficient cash reserves, to continue in operational existence for the foreseeable future or until such time as repealing legislation is enacted. Members and management note that repealing legislation is required to be enacted before the GTCE can be abolished and statutory responsibilities cease or are transferred and that they do not yet have clarity on the nature or timing of this. The period considered for "going concern" by management is therefore at least 12 months after the date of signing of this report within the constraint that legislation is still to be enacted.

For these reasons, the GTCE continues to adopt the "going concern" basis in preparing the annual report and financial statements. The accounts therefore do not include any adjustments which may result if the GTCE were unable to continue as a "going concern".

#### Treasury management

The GTCE receives payment for the bulk of its fees in the first quarter of the year. These are prudently invested in money market deposits in low risk (B+ and above rated) investments with high street banks. All investments are in sterling and gave rise to interest receivable of £257k for the year. In practice, current legislation does not allow the GTCE to borrow, therefore we have to ensure that there is sufficient cash to

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**

**Financial Review**

manage fluctuations in activity levels and also the funding of the VfF programme which will effectively and efficiently manage closure, transition and transfer within existing funds.

**Fixed assets**

The fixed assets are reported according to the requirements of IFRS, which separates out the tangible and intangible assets and provides details of the types of asset. In 2009-10 the assets were also reported under IFRS.

**Auditors**

Schedule 1 paragraph 14(3) of the Teaching and Higher Education Act 1998, provides that the government's Comptroller and Auditor General is appointed Auditor of the GTCE and the National Audit Office (NAO) audits the accounts on his behalf.

**Disclosure of relevant information to auditors**

The Accounting Officer has taken all required steps to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the GTCE's auditors are unaware.

**Alan Meyrick**  
**Chief Executive**  
29 June 2011

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**  
**Statement of the General Teaching Council for England**  
**and Chief Executive's Responsibilities**

Under Schedule 1 paragraph 14(1) of the Teaching and Higher Education Act 1998 the GTCE is required to prepare a statement of accounts in the form and on the basis determined by the Secretary of State, with the consent of the Treasury. The financial statements are prepared on an accruals basis and must give a true and fair view of the GTCE's state of affairs at the year-end and its income and expenditure and cash flows for the financial year.

In preparing the accounts, the GTCE's Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the *Government Financial Reporting Manual*, have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The Accounting Officer for the DfE, under the endorsement of the Council, has designated the Chief Executive as the Accounting Officer for the GTCE. The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the GTCE's assets, are set out in the Accounts Direction issued by the Secretary of State.

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**  
**Statement on Internal Control**

**Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the General Teaching Council for England's policies, aims and objectives, whilst safeguarding the public and registrants' funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

I took on these responsibilities on 31 March 2011 following the retirement of the previous Chief Executive, Keith Bartley. I had been the Deputy Chief Executive for the two previous years and in addition the previous Chief Executive and I had a structured handover of the Accounting Officer responsibilities during the last six weeks of the financial year. This ensured that there was continuity of understanding and practice. In addition I was able to undertake formal National School of Government training in the Accounting Officer role before taking up the appointment.

Within the Department for Education, relationship management responsibility for the GTCE lies with the Workforce Group within the Schools Directorate. My predecessor and I worked closely with the Director and Deputy Directors of the Workforce Group and met with them approximately once a month. We also met with other officials as is required – over the last year we met with the Directors General of the Schools Directorate and the Arms Length Body Reform Programme. On occasion, we met with the Secretary of State and Ministers, and my predecessor met more frequently with his policy advisors (at least every two months).

Since the General Election, my predecessor maintained contact with the Director of the Workforce Group and was invited to join, as an observer, a DfE Group of Chief Executives of Arm's Length Bodies convened by the Permanent Secretary, which I have now joined. I am now apprised of all DfE communications regarding finance and human resources and have taken the position that the GTCE will, wherever possible, follow through our own policies the new measures being required of Government departments and agencies.

Since the announcement on 2 June 2010 by the Secretary of State for Education that he intended to bring forward legislation to abolish the GTCE and the subsequent Education Bill presented to Parliament on the 26 January 2011, my predecessor and I have put in place stringent business continuity measures to secure the effective discharge of all of our services and functions. These include consideration of all planned activities and projects; revised information assurance safeguards; a review of all contracts and their terms; a record of all decisions made regarding changes to plan; a list of prioritised decisions to be taken in the light of the announcement; and complete review of all operational and corporate risk registers.

I have met fortnightly, accompanied by the Deputy Chief Executive - Corporate Services, the Deputy Chief Executive - Policy and Performance and the Registrar, with the Director of Workforce Group and his staff and we have established a Joint GTCE Transition Board to oversee the development of a transition plan to deal with the transfer of continuing functions and the wind down of non-continuing functions in line with the legislative provisions as they become clear. The transition plan includes a jointly-owned risk register and issues log.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the GTCE's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in the GTCE for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**  
**Statement on Internal Control**

**Capacity to handle risk**

As Accounting Officer, I place a high value on the existence of an effective risk management strategy. Accordingly the GTCE has ensured that an integrated process for managing risk is embedded within the service planning and monitoring of the organisation.

Having regard to the effective use of funds generated from teacher fees, the GTCE's overall approach to risk is one of caution.

During this year the risk management policy has been revised in light of the Secretary of State's announcement and approved by Council Members who receive regular reports on risks. The risk management process enables key strategic risks to be identified and these, in particular, are the focus of Council Member and senior management scrutiny during the year. Each paper submitted to Council Meetings and Committees includes an assessment of risk and the controls in place to mitigate that risk.

For the first seven months of the year, the Risk Sub Group, a sub set of the Senior Management Team, acted as a permanent source of advice and guidance on risk matters for all staff, working to, and under the guidance of, the then Director of Corporate Services. The Risk Sub Group was made up of a representative from each directorate and met quarterly during the early part of the year to assess all Operational and Corporate risks, in preparation to reporting to Senior Management Team, Leadership Team, Value the Functions Programme Board, Executive Committee, Audit Committee and Council, on key risks within the organisation.

We take advice from internal auditors on current best practice, when they review our risk management practice and the responsible manager keeps up to date with the latest developments. Specialist experts have given advice to Officers and Members on transfer, transition and closure issues.

Following the 2 June announcement, an additional risk assessment was undertaken. As a result a number of new corporate and operational risks relating to transfer and closure of functions, managing 'business as usual' statutory functions, reduced staff resources and issues relating to working with stakeholders were added to the Risk Registers. During the latter part of the year, the Leadership Team initiated a process to bring the risk registers together into a single register that is shared with the Joint GTCE Transition Board.

**The risk and control framework**

A comprehensive risk management process is in place which establishes a standard procedure throughout the organisation for identifying and documenting risk. The GTCE adopts a cautious appetite to risk. However, encouragement is given to those areas of work which recommend a higher/lower risk appetite to better reflect the area of activity. Overall this encourages appropriate innovation whilst ensuring that effective internal control and good management practice is in place. The overall risk appetite has been established taking into account the source of the GTCE's income (teacher fees), the nature of its responsibilities, the risks attached and the potential reputational damage that the GTCE could suffer should it fail to protect that information appropriately. The risk appetite was reviewed following the abolition announcement and a decision made to maintain it as 'cautious'.

Strategic risks have been identified by the Leadership Team and recorded on the Corporate Risk Register. Operational risks have been identified by operational plan owners, and then integrated into annual operational plans. They have been regularly reviewed by the Senior Management Team and operational plan owners and updated quarterly or as circumstances changed as part of the regular review of performance.

Project and programme risks have been identified and recorded on a register held by the individual project or programme team. The risks have been reviewed regularly by the Project or Programme Board; risks above the accepted tolerance level are reported to the Senior Management Team and monitored on a monthly basis.

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**  
**Statement on Internal Control**

A Joint GTCE Transition Board (JTB), co-chaired by the DfE and GTCE, has been established to develop the detailed transition plan to manage the transfer, transition and closure of GTCE functions following the abolition announcement. The GTCE subsequently set up the 'Value the Functions' (VtF) Programme to secure the effective implementation of the plan. The VtF Programme is divided into a number of projects and each of these has contributed to a VtF Risk Register. The JTB reviews these risks regularly and internal management teams scrutinise them to ensure they are congruent with those on the GTCE's risk registers.

During the latter part of the year, the Leadership Team initiated a process to bring the VtF and Corporate risk registers together into a single register that is jointly owned with the Joint GTCE Transition Board. The risks are now recorded in one centrally held risk register, and at least quarterly the Leadership Team, the Value the Functions Programme Board and the Executive Committee review risks, identify any new risks and assess the adequacy of controls. Operational risks continue to be reviewed and assessed by each operational plan owner. The risk reports are reviewed by Senior Management Team, Leadership Team and Council Members.

The GTCE is responsible for maintaining a register of qualified teachers, trainee teachers, overseas trained teachers and instructors. The GTCE has always paid special attention to controls around data protection and privacy. During the year we made effective progress towards the information assurance accreditation of the GTCE's ICT infrastructure. The accreditation was completed formally on 24 June 2011.

Within the organisation we have well-established Information Asset Owners (IAOs) who are responsible for identifying and managing information risks in their operational areas. They report formally on information risk management every quarter to the Senior Information Risk Owners (SIROs). The reports as at 31 March 2011 indicated that all the IAOs had taken reasonable steps to manage securely their information assets and have exercised appropriate information assurance controls. Where areas for improvement have been identified they are being addressed.

Subsequently, SIROs made a formal annual statement of information risk management to the Accounting Officer. Their report for this year confirms that: the GTCE has aligned itself appropriately with government data handling requirements; the GTCE has taken, and is taking, all reasonable and proportionate steps to manage data securely, in the interests of the data subjects and in the interests of the reputation of the GTCE; and that the SIRO annual assessment of information risk has been completed satisfactorily in line with Cabinet Office Guidance.

Significant information security risks, and the appropriateness and effectiveness of agreed mitigations, are reviewed every quarter by the Information Assurance Governance Group. It is chaired by the SIROs and reports to the Accounting Officer.

The SIROs have approved a policy for secure data exchanges and data exchange arrangements to be reviewed twice a year by IAOs and the Information Assurance team to ensure they are compliant with the policy. Any exceptions would be formally reported to the SIROs for their decision. There were no new exceptions in the financial year.

All GTCE staff have been required to complete successfully the Cabinet Office's Protecting Information Level One training, and where appropriate, the Protecting Information Level Two training. All staff are formally reminded of their personal responsibilities for safeguarding information every six months and required to show their acceptance by signing a Data Protection & GTCE ICT User Guidelines Acknowledgement Form every six months.

The GTCE has carried out compliance monitoring activities with contractors processing significant amounts of personal data, agreeing improvements where necessary.

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**  
**Statement on Internal Control**

The GTCE has effective working relationships with key stakeholder organisations and meets with them regularly. This helps to ensure that new proposals work effectively and reduces risk around the delivery of key aims.

**Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and also by the Directors of Service within the GTCE who have responsibility for the development and maintenance of the internal control framework, and by any comments made by the external auditors in their management letter and other reports.

The Directors of Service provide me with assurance statements, which did not identify any issues that require disclosure. I have also taken account of the annual statement of the management of information risk from the SIROs. I have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the work of the Audit Committee and the Risk Management Group and a plan to address any areas of identified weakness and ensure continuous improvement of the system is in place.

The risk management process identifies key risks and their related controls. The review of risk is integrated with that of operational performance monitoring and results in summary reports of key risks to Committees and Council. The effectiveness of the system of internal control is reviewed through a series of measures including taking account of advice and findings from auditors. All audit reports are made in full to the Audit Committee. For the early part of the year, the system was also reviewed via reports from the Risk Sub Group to Executive Committee, Leadership Team and Senior Management Team. The GTCE's Council and Audit Committee received reports on the findings of these reviews and on the Risk Register.

The work plan of the Internal Audit Service is based on the assessment of risk produced annually but kept under continuous review to reflect changes in key risks. The findings of Internal Audit provide evidence and assurance to management of the effectiveness of internal controls. The identification of any weaknesses by audit and by internal review allows management to improve systems and give increased levels of assurance.

The Head of the Internal Auditors concluded that the risk management and corporate governance activities and internal controls which they examined were suitably designed to achieve the objectives required by management. Also, those activities and controls were operating with sufficient effectiveness to provide reasonable but not absolute assurance, that the related risk management objectives were achieved during the period under review.

The Audit Committee reviews all internal and external audit reports and tracks the implementation of recommendations. The Committee provides me with assurance on the standards of effectiveness of the organisation's internal controls and also reports annually to Council on the range of its work.

**Significant internal control problems**

The review of internal control, including that undertaken by the GTCE's internal auditors has not identified any weaknesses in the control framework significant enough for me to draw attention to them in this annual statement.

**Alan Meyrick**  
Chief Executive  
29 June 2011

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**  
**The Certificate and Report of the**  
**Comptroller and Auditor General to the Houses of Parliament**

I certify that I have audited the financial statements of the General Teaching Council for England for the year ended 31 March 2011 under the Teaching and Higher Education Act 1998. These comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

**Respective responsibilities of the General Teaching Council for England, Chief Executive and auditor**

As explained more fully in the Statement of the General Teaching Council for England and Chief Executive's Responsibilities, the General Teaching Council for England and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Teaching and Higher Education Act 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the General Teaching Council for England's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Teaching Council for England; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

**Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

**Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the General Teaching Council for England's affairs as at 31 March 2011 and of its surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Teaching and Higher Education Act 1998 and Secretary of State directions issued thereunder.

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**  
**The Certificate and Report of the**  
**Comptroller and Auditor General to the Houses of Parliament**

**Emphasis of matter – Going concern**

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures made in note 1(b) to the financial statements concerning the application of the going concern principle in light of the publication of the Education Bill which proposes the abolition of the General Teaching Council for England. This proposal indicates the existence of a material uncertainty which may cast significant doubt about the ability of the General Teaching Council for England to continue as a going concern. The financial statements do not include the adjustments that would result if the General Teaching Council for England was unable to continue as a going concern.

**Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State directions made under the Teaching and Higher Education Act 1998; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

**Report**

I have no observations to make on these financial statements.

Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Date: 5 July 2011

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**  
**Statement of Comprehensive Income for the year ended 31 March 2011**

		2010-11		2009-10 (restated)	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Teacher registration fees	3a		<b>22,481</b>		19,293
Other operating income	3b		<b>250</b>		401
			<hr/>		<hr/>
			<b>22,731</b>		19,694
<b>Expenditure</b>					
Staff costs	6	<b>8,139</b>		8,317	
Depreciation and amortisation	7	<b>729</b>		661	
Other expenditure		<b>9,431</b>		9,892	
		<hr/>		<hr/>	
<b>Total expenditure</b>	5		<b>18,299</b>		18,870
<b>Operating surplus</b>			<b>4,432</b>		824
Interest receivable	9		<b>257</b>		245
			<hr/>		<hr/>
<b>Surplus for the year before tax</b>			<b>4,689</b>		1,069
Tax on interest receivable	10		<b>(54)</b>		(51)
			<hr/>		<hr/>
<b>Retained surplus for the year</b>			<b>4,635</b>		1,018
			<hr/>		<hr/>

**Other Comprehensive Income**

		2010-11	2009-10
		£'000	£'000
Net (loss)/gain on revaluation of property, plant and equipment		<b>(10)</b>	4
Net gain on revaluation of intangibles		<b>46</b>	41
		<hr/>	<hr/>
<b>Total comprehensive income for the year ended 31 March 2011</b>		<b>4,671</b>	1,063
		<hr/>	<hr/>

General Teaching Council for England  
Annual Report and Financial Statements for the year ended 31 March 2011

**Statement of Financial Position**

As at 31 March 2011

		31 March 2011 £'000	31 March 2010 £'000	1 April 2009 £'000
<b>Non-current assets</b>				
Property, plant and equipment	11	247	241	444
Intangible assets	12	1,345	1,375	1,188
<b>Total non-current assets</b>		<b>1,592</b>	1,616	1,632
<b>Current assets</b>				
Trade and other receivables	14	968	1,285	1,206
Financial assets	15	-	1,000	-
Cash and cash equivalents	16	13,839	8,385	7,766
		<b>14,807</b>	10,670	8,972
<b>Total assets</b>		<b>16,399</b>	12,286	10,604
<b>Current liabilities</b>				
Trade and other payables	17	1,989	2,392	1,766
Deferred grants falling due within one year	18	85	123	161
		<b>2,074</b>	2,515	1,927
<b>Non-current liabilities</b>				
Provisions	19	210	-	-
Other payables	17	583	709	836
		<b>793</b>	709	836
<b>Total liabilities</b>		<b>2,867</b>	3,224	2,763
<b>Assets less liabilities</b>		<b>13,532</b>	9,062	7,841
<b>Reserves</b>				
Designated reserves	20	8,034	990	690
Revaluation reserve		81	45	-
Government capital grant reserve		417	618	460
General reserve		5,000	7,409	6,691
		<b>13,532</b>	9,062	7,841

The financial statements on pages 53 to 56 were approved by the Council on 29 June 2011 and were signed on its behalf by:

**Alan Meyrick**  
**Accounting Officer**  
Date: 29 June 2011

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2011**

**Statement of Cash Flows**

*For the year ended 31 March 2011*

	<b>2010-11</b>	2009-10 (as restated)
	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>		
Operating surplus	4,432	824
<b>Adjustments for:</b>		
Depreciation, amortisation and revaluation	729	661
Decrease / (increase) in receivables	317	(137)
Increase in registration fees received in advance	506	20
(Decrease) / increase in payables	(1,030)	666
Increase in provisions	210	-
(Decrease) / increase in deferred grants	(239)	117
<b>Inflow from operating activities</b>	<b>4,925</b>	2,151
Taxation	(51)	(216)
<b>Net cash inflow from operating activities</b>	<b>4,874</b>	1,935
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(215)	(69)
Purchase of intangible assets	(462)	(531)
Purchase of investments	-	(1,000)
Sale of investments	1,000	-
Interest received	257	284
<b>Net cash inflow / (outflow) from investing activities</b>	<b>580</b>	(1,316)
<b>Increase in cash and cash equivalents</b>	<b>5,454</b>	619
Cash and cash equivalents at the start of the year	8,385	7,766
<b>Cash and cash equivalents at the end of the year</b>	<b>13,839</b>	8,385
<b>Cash and cash equivalents consists of:</b>		
Cash and cash equivalents	13,839	8,385

General Teaching Council For England  
Financial Statements for the year ended 31 March 2011

Statement of Changes in Reserves

	Designated reserves	Government Capital Grant Reserve	Revaluation reserve	General reserve	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31 March 2009</b>	690	460	-	6,691	7,841
Change in accounting policy	-	-	-	-	-
Restated Balance as at 1 April 2009	690	460	-	6,691	7,841
<b>Changes in reserves 2009-10</b>					
Transfers between reserves	300	-	-	(300)	-
Release of reserves to the Comprehensive income account	-	(101)	-	-	(101)
Comprehensive income for the year	-	-	45	1,018	1,063
<b>Total recognised income and expense for 2009-10</b>	<b>300</b>	<b>(101)</b>	<b>45</b>	<b>718</b>	<b>962</b>
Grant received	-	259	-	-	259
<b>Balance as at 31 March 2010</b>	<b>990</b>	<b>618</b>	<b>45</b>	<b>7,409</b>	<b>9,062</b>
<b>Changes in reserves 2010-11</b>					
Transfers between reserves	7,044	-	-	(7,044)	-
Release of reserves to the Comprehensive Income account	-	(201)	-	-	(201)
Comprehensive Income for the year	-	-	36	4,635	4,671
<b>Total recognised income and expense for 2010-11</b>	<b>7,044</b>	<b>(201)</b>	<b>36</b>	<b>(2,409)</b>	<b>4,470</b>
<b>Balance as at 31 March 2011</b>	<b>8,034</b>	<b>417</b>	<b>81</b>	<b>5,000</b>	<b>13,532</b>

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**1 Accounting Policies**

**1a Accounting convention**

These financial statements have been prepared in accordance with the 2010-11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the General Teaching Council for England for the purpose of giving a true and fair view has been selected. The particular policies adopted by the General Teaching Council for England are described below. They have been applied consistently in dealing with items that are considered material to the Financial Statements.

These Financial Statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets as highlighted in 1e and 1f below.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the year end date. However, the nature of estimation means that actual outcomes could differ from those estimates.

**1b Going concern**

On 3 June 2010, the Secretary of State for Education, Rt Hon Michael Gove MP, wrote to the Chair of the GTCE, Gail Mortimer, to confirm that the Government proposed to introduce legislation to abolish the GTCE. The bill to do so, the Education Bill, was published on 27 January 2011.

Management have therefore reviewed the appropriateness of the preparation of the financial statements on a “going concern” basis.

The GTCE remains an independent public corporation charged with a range of statutory functions which it will continue to fulfil to the best of its ability and until the will of Parliament has been enacted. On 16 December 2010 the DfE wrote to the Chief Executive, as Accounting Officer, stating that the Department will “confirm the acceptance of any continuing liability that may remain at the point of the GTCE’s closure, subject to those liabilities being incurred in accordance with agreed closure plans”. The GTCE will remain self-financed to the planned point of closure on 31 March 2012. Council Members and management are satisfied that sufficient funding is in place to enable the GTCE to continue operating and meet its obligations as they fall due.

Given the proposed abolition of the GTCE, Members and management have concluded that there exists a material uncertainty about the GTCE’s ability to continue as a “going concern”. In such circumstances it is possible that the GTCE may not be able to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless, after considering the circumstances described above, together with the DfE’s letter of assurance about liabilities, Members and management expect that the GTCE will have adequate resources, in particular sufficient cash reserves, to continue in operational existence for the foreseeable future or until such time as repealing legislation is enacted. Members and management note that repealing legislation is required to be enacted before the GTCE can be abolished and statutory responsibilities cease or are transferred and that they do not yet have clarity on the nature or timing of this. The period considered for “going concern” by management is therefore at least 12 months after the date of signing of this report within the constraint that legislation is still to be enacted.

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For these reasons, the GTCE continues to adopt the “going concern” basis in preparing the annual report and financial statements. The accounts therefore do not include any adjustments which may result if the GTCE were unable to continue as a “going concern”.

**1c Income**

**Fee income**

The Registration Fee is set by the Council and approved by the Secretary of State and the fee year is the same as the financial year of the GTCE.

Registration Fees for those teachers required to be registered are accounted for on an accruals basis, where there is sufficient certainty with regard to the registration data, specifically with regard to teacher or employer contact details. In the absence of this certainty the recognition of fees is delayed until the information becomes available.

Fees for voluntary registrants are accounted for on a receipts basis.

**Grant income**

Specific grants received from the former DCSF and other funding bodies are credited to a deferred grant account and released to the income and expenditure account as the related expenditure is incurred. Grants relating to specific capital expenditure received from the former DCSF and other funding bodies are credited to a Government grant account and released to the income and expenditure account over the expected useful economic life of the asset on a basis consistent with the depreciation policy for the type of asset to which the grant relates.

**Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**1d Key sources of estimation uncertainty**

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and impairment of property, plant and equipment and intangible assets, together with the recoverability of teachers’ fees and the provision for bad and doubtful debts. Measurement of the impairment of property, plant and equipment and intangible assets requires the estimation of the assets’ recoverable amount and selection of a suitable discount rate. The recoverability of teachers’ fees requires an estimation of the percentage of outstanding fees that will ultimately be received.

**1e Property, plant and equipment**

Property, plant and equipment held for use in the pursuit of the objectives of the GTCE is stated in the balance sheet at current cost less any accumulated depreciation. The GTCE’s policy is to capitalise items where their expected useful life exceeds one year and the cost of acquisition exceeds £250. In instances where there are large numbers of separate individual items of IT hardware and office furniture, which individually fall below the capitalisation threshold, items of the same nature are grouped together and the combined cost is used for the purposes of determining whether they fall within the capitalisation threshold.

Property, plant and equipment is re-valued as at 31 March using indices taken from “Price Index Numbers for Current Cost Accounting” issued by the Office for National Statistics.

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Depreciation is provided at rates calculated to write off the current cost of fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis. The classes and standard expected useful lives are reviewed annually. The categories and respective depreciation rates applied are as follows.

<b>Class of asset</b>	<b>Standard expected useful life (years)</b>
Computer hardware and telecommunications	3 - 4
Fixtures & fittings	5
Office refurbishment	5

Assets in the course of construction are carried at cost. Depreciation of these assets commences when the assets are ready for their intended use.

**1f Intangible assets**

Computer software that is not integral to an item of property, plant or equipment is classified as an intangible asset and is held on the balance sheet at cost. These assets are amortised over their estimated useful lives, which are between two and four years.

Intangible assets are re-valued as at 31 March using indices taken from “Price Index Numbers for Current Cost Accounting” issued by the Office for National Statistics.

**1g Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**1h Financial instruments**

Financial assets and financial liabilities are recognised on the GTCE’s balance sheet when the GTCE becomes a party to the contractual provisions of the instrument.

The GTCE’s financial asset categories are loans and receivables. Loans and receivables comprise ‘registration fees net of provision’, ‘trade and other receivables’, ‘cash and cash equivalents’ and ‘other financial assets’ in the balance sheet. Loans and receivables are measured at amortised cost less any impairment.

The GTCE’s financial liabilities are all categorised as other financial liabilities. This comprises ‘trade and other payables’. Other financial liabilities are initially measured at fair value and subsequently measured at amortised cost.

The GTCE does not account for any financial assets or liabilities at fair value through the income and expenditure account.

**1i Provisions**

Provisions are recognised when the GTCE has a present obligation (legal or constructive) as a result of a past event, it is probable that the GTCE will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

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**1j Finance and operating leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rental costs under operating leases are charged to the income statement in equal amounts over the term of the lease.

**1k Value Added Tax**

The GTCE cannot currently be registered for Value Added Tax. All expenditure reported in these statements therefore includes VAT where this was charged.

**1l Corporation Tax**

The GTCE is only liable to Corporation Tax on investment income.

**1m Pension costs**

Past and present employees are covered by the provision of the Principal Civil Service Pension Scheme (PCSPS), an unfunded multi-employer defined benefit scheme, and a defined contribution stakeholder scheme.

The defined benefit scheme is a multi-employer scheme where it is not possible to identify the GTCE's share of the underlying assets and liabilities. Therefore the GTCE accounts for the contributions to the scheme as if it was a defined contribution scheme as required by International Accounting Standard 19. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation. The pension charge in the income and expenditure account represents the total contributions payable by the GTCE to both schemes in respect of the year.

**1n Designated reserves**

The Council has determined that it may at its discretion set aside unrestricted funds for designated future purposes. Where such funds are no longer required for the intended purposes, they will be released to the General Reserve.

**1o New accounting standards**

The GTCE has not adopted early the requirements of the following accounting standards and interpretations, which have an effective date after the starting date of these financial statements:

- IFRS 13 Fair value measurement
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 11 Joint Arrangements
- IAS 27 (revised May 2011) Investments in Associates and Joint Ventures
- IAS 27 (Revised) Separate Financial Statements
- Amendments to IAS 12 (December 2010) Deferred tax: Recovery of underlying assets
- Amendments to IFRS 1 (December 2010) Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to IFRS 7 (October 2010) Disclosure – Transfer of Financial Assets
- Amendment to IFRS 1 (January 2010) Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- IFRS 9 Financial Instruments
- IAS 24 (Revised November 2010) Related Party Disclosures
- Amendments to IAS 1 Presentation of financial statements

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- Amendments to IAS 34 Interim financial reporting
- Amendments to IFRIC 14 (Nov 09) Prepayments of a Minimum Funding Requirement
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Accounting Officer does not anticipate that the adoption of these standards and interpretations will have a material impact on the GTCE's financial statements.

**2 Change in Accounting Policy**

In previous years a notional capital charge was included in operating costs and then credited back to retained reserves on the face of the Statement of Comprehensive Income.

The GTCE has implemented a change in the FREM by updating its accounting policy and will no longer apply a capital charge.

The effect on the 2009-10 financial statements of this change is shown below.

	Designated reserves <i>£'000</i>	Government Grant Reserve <i>£'000</i>	General reserve <i>£'000</i>	<b>Total</b> <i>£'000</i>
<b>Reserves at 31 March 2009 as previously stated</b>	690	460	6,691	7,841
Adjustments:	-	-	-	-
<b>Reserves at 31 March 2009 (restated)</b>	690	460	6,691	7,841
				<i>£'000</i>
<b>Retained surplus for 2009-10 as previously stated</b>				1,018
Adjustments:				-
<b>Retained surplus for 2009-10 as restated</b>				1,018

The change in accounting policy has reduced Other expenditure within the Statement of Comprehensive Income for 2009-10 by £317k. The corresponding Reversal of notional interest line, which was previously recognised in the Statement of Comprehensive Income, has also been removed. Therefore there is a nil impact on the 2009-10 retained surplus as detailed above.

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**3 Income**

3a		2010-11		2009-10	
		<i>Number of teachers</i>	<i>£'000</i>	<i>Number of teachers</i>	<i>£'000</i>
	Registrants	<b>615,000</b>	<b>22,448</b>	585,700	19,328
	Recognition of prior year fees		<b>33</b>		(35)
			<u><b>22,481</b></u>		<u>19,293</u>

*Rounded figures are used for the number of teachers.*

During the course of the year the number of individuals on the Register fluctuates with new registrations occurring and individuals leaving the profession throughout the year. The Register contained approximately 590,000 individuals as at 31 March 2011.

The continuing improvement of the information recorded on the register has resulted in a larger number of fees being recognised. For the 2010-11 year the GTCE has invoiced 615,186 individuals for the annual fee of £36.50.

3b		2010-11		2009-10	
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	Other operating income				
	<i>Other Grants</i>				
	DCSF on-line employer access grant	<b>38</b>		38	
	DCSF registration categories grant	<b>201</b>		142	
	DCSF Licence to Practise grant	-		200	
	TLRP grant	-		3	
	BECTA grant	-		15	
			<u><b>239</b></u>	<u>398</u>	
	<i>Other income</i>		<u><b>11</b></u>	<u>3</u>	
			<u><b>250</b></u>	<u>401</u>	

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**4 Analysis of net expenditure by segment**

For both management and financial reporting purposes, the GTCE is split into four operating directorates: Registration and regulation; Evidence, advice and practice; Communications; and Governance, fee collection and corporate support. These are each classed as reportable segments for the analysis required by IFRS 8, Operating Segments.

Analysis of net expenditure by function

	<b>2010-11</b>	2009-10
	<b>£'000</b>	£'000
Registration and regulation	8,884	7,504
Evidence, advice and practice	2,972	4,498
Communications	1,936	3,274
Governance, fee collection and corporate support	4,507	3,594
Total	<u>18,299</u>	<u>18,870</u>

The GTCE has only one material source of income, through teachers' fees, that cannot be apportioned across the different functions the organisation carries out.

The GTCE's assets and liabilities cannot be analysed between the functions the organisation serves.

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**5 Analysis of expenditure (restated)**

The total expenditure of the GTCE analysed by activity:

	<b>2010-11</b>	2009-10
	<b>£'000</b>	<i>(restated)</i> £'000
Regulation	4,149	2,907
Registration	2,354	2,241
Award of QTS	1,181	1,156
Evidence & advice - policy advice	647	606
Teacher Learning Academy	1,162	2,128
Informing practice - Networks	353	515
Evidence & advice - research and information	506	887
GTCE magazine and publications	611	1,310
External relations	423	709
Conferences and events	223	464
Web site	509	627
Fee collection	1,009	1,005
Council, committee and Member election costs	685	556
Corporate Support	1,830	1,515
Premises	1,396	1,404
Depreciation, amortisation and loss on disposal	735	661
Provision and charge for doubtful debts	526	179
	<b>18,299</b>	18,870

The analysis of costs has been restated to no longer include notional interest due to the change in accounting policy detailed in note 2.

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**6 Staff numbers and related costs**

**6a Average number of full time equivalent persons employed during the year was as follows**

	Permanently employed staff	Other	Total 2010-11
	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>
Directly employed	185	-	185
Other	-	14	14
	<b>185</b>	<b>14</b>	<b>199</b>

**6b Average number of full time equivalent persons employed during the year analysed by function**

	2010-11	2009-10
<i>Section</i>	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>
Chief Executive's office	4	4
Registration	40	53
Regulation and legal	47	39
Corporate services (including finance, administration and ICT)	51	53
Communications	16	16
Policy and research	27	35
Agency staff	14	7
	<b>199</b>	<b>207</b>

**6c Staff costs**

	Permanently employed Staff	Other	Total 2010-11	Total 2009-10
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries	6,030	581	6,611	6,652
Social security costs	467	-	467	496
Other pension costs (see note 26)	1,061	-	1,061	1,169
	<b>7,558</b>	<b>581</b>	<b>8,139</b>	<b>8,317</b>

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**7 Depreciation and amortisation**

	<b>2010-11</b>	2009-10
	<i>£'000</i>	<i>£'000</i>
Depreciation charge for the year	<b>191</b>	277
Amortisation charge for the year	<b>538</b>	384
	<u><b>729</b></u>	<u>661</u>

During the 2010-11 financial year the surplus and depreciation adjustment on current cost revaluation have been taken to the revaluation reserve.

**8 Other expenditure**

The operating surplus is stated after charging:

	<b>2010-11</b>	2009-10
	<i>£'000</i>	<i>£'000</i>
Operating lease rentals		
Office equipment	<b>14</b>	13
Other (land and buildings)	<b>1,277</b>	1,042
Non cash items		
Depreciation, amortisation and revaluation	<b>729</b>	661
Payments to external auditors		
Audit fee	<b>28</b>	31
	<u><b>28</b></u>	<u>31</u>

There was no remuneration for non-audit work.

**9 Interest receivable**

	<b>2010-11</b>	2009-10
	<i>£'000</i>	<i>£'000</i>
Interest receivable from cash deposits	<b>257</b>	245
	<u><b>257</b></u>	<u>245</u>

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**10 Taxation charge**

	<b>2010-11</b>	2009-10
	<b>£'000</b>	£'000
Corporation tax	<b>54</b>	51

Factors affecting the tax charge for the year:

The GTCE is only liable to corporation tax on investment income. The tax charge for the year is less than the standard rate of corporation tax in the UK of 28%. The differences are explained below:

	<b>2010-11</b>	2009-10
	<b>£'000</b>	£'000
Investment income for the year	<b>257</b>	245
Investment income multiplied by the small companies rate of corporation tax in the UK of 21% (2009-10: 21%)	<b>54</b>	51
Current tax charge for the year	<b>54</b>	51

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**11 Property, plant and equipment**

	Office refurbishment £'000	Information technology £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 April 2010	1,281	1,369	598	3,248
Additions	-	206	9	215
Disposals	-	(63)	(11)	(74)
Current cost revaluation	3	(6)	(4)	(7)
<b>At 31 March 2011</b>	<b>1,284</b>	<b>1,506</b>	<b>592</b>	<b>3,382</b>
<b>Depreciation</b>				
At 1 April 2010	1,247	1,220	540	3,007
Charge for year	17	150	24	191
Disposals	-	(59)	(7)	(66)
Current cost revaluation	2	3	(2)	3
<b>At 31 March 2011</b>	<b>1,266</b>	<b>1,314</b>	<b>555</b>	<b>3,135</b>
<b>Net book value</b>				
<b>At 31 March 2011</b>	<b>18</b>	<b>192</b>	<b>37</b>	<b>247</b>
At 1 April 2010	34	149	58	241

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	<b>Office refurbishment £'000</b>	<b>Information technology £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2009	1,261	1,337	582	3,180
Additions	17	37	15	69
Disposals	-	(7)	(3)	(10)
Current cost revaluation	3	2	4	9
<b>At 31 March 2010</b>	<b>1,281</b>	<b>1,369</b>	<b>598</b>	<b>3,248</b>
<b>Depreciation</b>				
At 1 April 2009	1,115	1,116	505	2,736
Charge for year	130	110	37	277
Disposals	-	(7)	(3)	(10)
Current cost revaluation	2	1	1	4
<b>At 31 March 2010</b>	<b>1,247</b>	<b>1,220</b>	<b>540</b>	<b>3,007</b>
<b>Net book value</b>				
<b>At 31 March 2010</b>	<b>34</b>	<b>149</b>	<b>58</b>	<b>241</b>
At 1 April 2009	146	221	77	444

All fixed assets held are used in the furtherance of the GTCE's objectives and are re-valued as at 31 March using indices taken from "Price Index Numbers for Current Cost Accounting" issued by the Office for National Statistics. The index used for information technology assets is "JV5A", which tracks the cost of computers and peripheral equipment.

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12 Intangible assets

	Assets under construction	Information technology & Software Licences	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 April 2010	104	5,883	5,987
Additions	8	454	462
Transfers	(104)	104	-
Current cost revaluation	-	91	91
<b>At 31 March 2011</b>	<b>8</b>	<b>6,532</b>	<b>6,540</b>
<b>Amortisation</b>			
At 1 April 2010	-	4,612	4,612
Charge for year	-	538	538
Current cost revaluation	-	45	45
<b>At 31 March 2011</b>	<b>-</b>	<b>5,195</b>	<b>5,195</b>
<b>Net book value</b>			
<b>At 31 March 2011</b>	<b>8</b>	<b>1,337</b>	<b>1,345</b>
At 1 April 2010	104	1,271	1,375

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	Assets under construction	Information technology & Software Licences	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 April 2009	462	4,933	5,395
Additions	104	426	530
Transfers	(462)	462	-
Current cost revaluation	-	62	62
<b>At 31 March 2010</b>	<b>104</b>	<b>5,883</b>	<b>5,987</b>
<b>Amortisation</b>			
At 1 April 2009	-	4,207	4,207
Charge for year	-	384	384
Current cost revaluation	-	21	21
<b>At 31 March 2010</b>	<b>-</b>	<b>4,612</b>	<b>4,612</b>
<b>Net book value</b>			
<b>At 31 March 2010</b>	<b>104</b>	<b>1,271</b>	<b>1,375</b>
At 1 April 2009	462	726	1,188

All intangible assets held are used in the furtherance of the GTCE's objectives and are re-valued as at 31 March using indices taken from "Price Index Numbers for Current Cost Accounting" issued by the Office for National Statistics. The index used for information technology and software licences is "JV5A", which tracks the cost of computers and peripheral equipment.

### **13 Financial instruments**

IFRS 7, Financial Instruments - Disclosure, requires disclosure of the role financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the nature of the GTCE's activities it is not exposed to a high degree of financial risk. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Council in undertaking its activities.

#### Liquidity and interest rate risk

The GTCE has no borrowings and relies primarily on fee income for its cash requirements and is therefore not exposed to liquidity risks. It has material deposits invested only in B+ rated investments at fixed rates and is therefore not exposed to interest rate risk.

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Currency risk

All material assets and liabilities are denominated in sterling; therefore there is no exposure to currency risk.

Fair values

There is no difference between the book value and fair value of any of the Council's financial assets and liabilities as at 31 March 2011.

Loans and receivables

As detailed in the accounting policy for financial instruments loans and receivables make up financial assets and comprise the following.

	<b>31 March 2011</b>	31 March 2010	1 April 2009
	<b>£'000</b>	£'000	£'000
Registration fees	<b>1,342</b>	1,234	1,539
Provision for doubtful debts	<b>(939)</b>	(711)	(940)
Trade receivables	<b>5</b>	215	-
Other receivables	<b>8</b>	15	14
Other financial assets	-	1,000	-
Cash and cash equivalents	<b>13,839</b>	8,385	7,766
	<b>14,255</b>	10,138	8,379

Other financial liabilities

As detailed in the accounting policy for financial instruments other financial liabilities make up financial liabilities and are detailed in note 17.

**14 Trade receivables and other current assets**

	<b>31 March 2011</b>	31 March 2010	1 April 2009
	<b>£'000</b>	£'000	£'000
Registration fees	<b>1,342</b>	1,234	1,539
Provision for doubtful debts	<b>(939)</b>	(711)	(940)
Trade receivables	<b>5</b>	215	-
Other receivables	<b>8</b>	15	14
Prepayments and accrued income	<b>552</b>	532	593
	<b>968</b>	1,285	1,206

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The provision for doubtful debts relating to registration fees reflects collection experience to date.

The GTCE's principal financial assets are cash and cash equivalents and trade and other receivables which represent the GTCE's maximum exposure to credit risk in relation to its financial assets.

Through reviewing the recoverability of a trade receivable GTCE applies specific criteria based on historical information to determine the bad debt provision. The GTCE's credit risk is relatively low because of direct payment methods which are available. Accordingly the Leadership Team believe there is no further credit provision required in excess of the allowance for doubtful debts.

The GTCE invoices all registered teachers for their annual fee on 1 April of each year. Newly qualified teachers are then invoiced when they become fully registered with the GTCE during the year, usually before the end of September. All material balances receivable from teachers were more than 120 days old at the end of the financial year.

Movement in the allowance for doubtful debts was as follows.

	<b>31 March 2011</b>	31 March 2010
	<b>£'000</b>	£'000
Balance at the beginning of the year	<b>711</b>	940
Recognised in the statement of comprehensive income	<b>228</b>	(229)
	<b>939</b>	711

**15 Financial assets**

	<b>31 March 2011</b>	31 March 2010	1 April 2009
	<b>£'000</b>	£'000	£'000
Investments	-	1,000	-
	-	1,000	-

In the prior year the GTCE's financial assets comprised a single bond held at a commercial bank that could be recalled at 30 days' notice.

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**16 Cash and cash equivalents**

	<b>2010-11</b>	2009-10
	<b>£'000</b>	£'000
Balance at 1 April:	<b>8,385</b>	7,766
Net change in cash and cash equivalent balances	<b>5,454</b>	619
<b>Balance at 31 March:</b>	<b>13,839</b>	8,385

	<b>31 March</b>	31 March	1 April
	<b>2011</b>	2010	2009
	<b>£'000</b>	£'000	£'000
The following balances were held at:			
Commercial bank money market deposits	<b>13,343</b>	7,351	7,560
Commercial bank current accounts	<b>496</b>	1,034	206
Balance at:	<b>13,839</b>	8,385	7,766

**17 Trade payables and other current liabilities**

Amounts falling due within one year

	<b>31 March</b>	31 March	1 April 2009
	<b>2011</b>	2010	
	<b>£'000</b>	£'000	£'000
Corporation tax	<b>54</b>	51	216
Registration fees received in advance	<b>552</b>	46	44
Trade payables	<b>122</b>	642	621
Other payables	<b>272</b>	382	136
Accruals	<b>989</b>	1,271	749
	<b>1,989</b>	2,392	1,766

Amounts falling due after one year

	<b>31 March</b>	<b>31 March</b>	1 April 2009
	<b>2011</b>	<b>2010</b>	
	<b>£'000</b>	<b>£'000</b>	£'000
Accruals	<b>583</b>	<b>709</b>	836
	<b>583</b>	<b>709</b>	836

The accruals falling due after one year relate to a rent free period on the GTCE's property leases, which is being released to the Statement of Comprehensive Income and Expenditure over the life of the lease period.

All balances included within this note are classified as other financial liabilities with the exception of fees in advance and amounts falling due in more than one year as detailed in note 13.

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**18 Deferred Grants**

	<b>Balance as at 1 April 2010 £'000</b>	<b>Received during the year £'000</b>	<b>Recognised in the income and expenditure account £'000</b>	<b>Repayable to awarding body £'000</b>	<b>Balance as at 31 March 2011 £'000</b>
Hewett Driver TLA bursaries grant	48	-	-		48
Former DCSF on-line employer Access grant	75	-	(38)		37
	<b>123</b>	<b>-</b>	<b>(38)</b>		<b>85</b>

	<b>Balance as at 1 April 2009 £'000</b>	<b>Received during the year £'000</b>	<b>Recognised in the income and expenditure account £'000</b>	<b>Repayable to awarding body £'000</b>	<b>Balance as at 31 March 2010 £'000</b>
Hewett Driver TLA bursaries grant	48	-	-	-	48
Former DCSF on-line employer Access grant	113	-	(38)	-	75
	<b>161</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>123</b>

**19 Provisions for liabilities and charges**

	<b>Tax liability £'000</b>	<b>Total £'000</b>
Balance at 1 April 2010	-	-
Provided in the year	<b>210</b>	<b>210</b>
Balance at 31 March 2011	<b>210</b>	<b>210</b>

The provision relates to a potential tax liability which is still under discussion with the HMRC. The liability is expected to be confirmed in financial year 2011-12. The value of the provision has been calculated using estimates of the potential cost to the GTCE.

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**20 Reserves**

**Designated Reserves**

In accordance with the Council's financial strategy, designated reserves have been established as follows.

Casework	A contingency reserve to cover any significant costs arising from legal challenges to rulings of the GTCE's disciplinary function.
Election	To equalise four yearly election costs across financial years. This reserve was transferred to the Closure Fund following the 2 June announcement.
ICT Strategy	This reserve was originally created to fund the depreciation charge of the large initial capital costs of the investment in the original ICT strategy. The final adjustment took place during the 2009-10 financial year. This reserve was transferred to the Closure Fund following the 2 June announcement.
Closure Fund	This reserve has been created during the year to fund the costs of closure, transition and transfer.

	<b>Casework</b>	<b>Election</b>	<b>ICT</b>	<b>Closure</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>Strategy</b>	<b>Fund</b>	<b>£'000</b>
			<b>£'000</b>	<b>£'000</b>	
Balance as at 1 April 2009	<b>250</b>	<b>140</b>	<b>300</b>	-	<b>690</b>
Transfer from general reserve	-	-	300	-	300
Released to general reserve	-	-	-	-	-
<b>Net transfer to / (from) general reserve</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>300</b>
<b>Balance as at 31 March 2010</b>	<b>250</b>	<b>140</b>	<b>600</b>	<b>-</b>	<b>990</b>
<b>Balance as at 1 April 2010</b>	<b>250</b>	<b>140</b>	<b>600</b>	-	<b>990</b>
Transfer from general reserve	1,475	280	380	5,401	<b>7,536</b>
Released to general reserve	(285)	-	(207)	-	<b>(492)</b>
<b>Net transfer to general reserve</b>	<b>1,190</b>	<b>280</b>	<b>173</b>	<b>5,401</b>	<b>7,044</b>
Released to closure fund	-	(420)	(773)	1,193	-
<b>Balance as at 31 March 2011</b>	<b>1,440</b>	<b>-</b>	<b>-</b>	<b>6,594</b>	<b>8,034</b>

**Other Reserves**

Revaluation	This reserve was set up to provide for the difference in asset valuation using current cost accounting instead of historical cost accounting.
Government Capital Grant	This reserve is the unapplied balance of grants received.
General Reserve	This reserve provides for approximately three months' cash requirement.

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**21 Commitments under leases**

**21a Operating Leases**

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	<b>31 March 2011</b>	31 March 2010	1 April 2009
	<b>£'000</b>	£'000	£'000
<i>Buildings</i>			
Not later than one year	<b>1,164</b>	1,131	973
Later than one year and not later than five years	<b>3,762</b>	4,101	3,892
Later than 5 years	<b>2,308</b>	2,910	3,355
	<b>7,234</b>	8,142	8,220

	<b>31 March 2011</b>	31 March 2010	1 April 2009
	<b>£'000</b>	£'000	£'000
<i>Other</i>			
Not later than one year	<b>14</b>	14	9
Later than one year and not later than five years	<b>6</b>	20	17
	<b>20</b>	34	26

**21b Finance Leases**

There are no obligations under finance leases.

**22 Capital Commitments**

Contracted capital commitments at 31 March 2011 not otherwise included in these financial statements

	<b>31 March 2011</b>	31 March 2010	1 April 2009
	<b>£'000</b>	£'000	£'000
Property, plant and equipment	-	24	-
Intangible assets	-	-	288
	-	24	288

**23 Contingent Assets and Liabilities**

There were no contingent assets or liabilities at 31 March 2011 (April 2010: £Nil).

**24 Gifts**

There were no gifts received or made by the GTCE during the year ended 31 March 2011.

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**25 Related Party Transactions**

The Department for Education (DfE) is the sponsoring body for the GTCE.

During the year the GTCE had various transactions with other Government departments and other central Government bodies. There were material transactions with the Office of Government Commerce as provider of telecommunications totalling £145k (2009-10 £138k) and there were material transactions with the Department of Work and Pensions for the provision of pension administration. At the current and previous year ends there were no outstanding balances with either party.

None of the Council Members, key managerial staff or other related parties has undertaken any material transactions with the GTCE during the year to 31 March 2011.

**26 Losses and special payments**

The GTCE incurred no material losses or special payments in the year to 31 March 2011.

**27 Pension costs**

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the General Teaching Council for England is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details are in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2010-11, employers' contributions of £1,043,270 were payable to the PCSPS (2009-10 £1,153,387) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. From 2010-11, the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Contributions due to the PCSPS scheme at the balance sheet date were £90,407.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £18,195 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

Contributions due to the partnership pension providers at the balance sheet date were £1,942. Contributions prepaid at that date were £nil.

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**28 Events after the reporting period**

The accounts were authorised by the Accounting Officer for issue on 5 July 2011.

# General Teaching Council For England

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### Glossary

ASCL	Association of School and College Leaders
ATL	Association of Teachers and Lecturers
Becta	British Educational Communications and Technology Agency
CETV	Cash Equivalent Transfer Value
CPD	Continuing Professional Development
CRM	Customer Relationship Management
CSFSC	Children, Schools and Families Select Committee
CWDC	Children's Workforce Development Council
CWN	Children's Workforce Network
CWS	Children's Workforce Strategy
DCSF	Department for Children, Schools and Families (Now Department for Education)
DfE	Department for Education
ECM	Every Child Matters
EHRC	Equalities and Human Rights Commission
ESRC	Economic and Social Research Council
ESSC	Education and Skills Select Committee
F&GP	Finance and General Purposes committee
FE	Further Education
GP	General Purposes committee
GTCE	General Teaching Council for England
IAO	Information Asset Owners
ICT	Information and Communication Technology
IfL	Institute for Learning
IFRS	International Financial Reporting Standards
IIP	Investors in People
ISA	Independent Safeguarding Authority
ITE	Initial Teacher Education
MHCA	Modified Historical Cost Accounting
NAHT	National Association of Head Teachers
NAO	National Audit Office
NASUWT	National Association of Schoolmasters and Union of Women Teachers
NCSL	National College for School Leadership
NDPB	Non-Departmental Public Body
NQT	Newly qualified teacher
NUT	National Union of Teachers
Ofsted	Office for Standards in Education
OGC	Office of Government Commerce
OPM	Office of Public Management
OTT	Overseas-trained teachers
PCS	Public and Commercial Services Union
PCSPS	Principal Civil Service Pension Scheme
QCDA	Qualifications and Curriculum Development Agency
QTS	Qualified teacher status
RfT	Research for Teachers
RoM	Research of the Month
RMG	Risk Management Group
RPI	Retail Prices Index
SEN	Special educational needs
SIRO	Senior Information Risk Owner
STRB	School Teachers' Review Body
SWR	School Workforce Remodelling
TDA	Training and Development Agency for Schools
TLA	Teacher Learning Academy
UCET	Universities' Council for the Education of Teachers

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VAT	Value Added Tax
VtF	Value the Functions



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