



**Annual Report and
Financial Statements
for the year ended 31 March 2007**



Annual Report and Financial Statements for the year ended 31 March 2007

Presented to the House of Commons pursuant to paragraph 15 of Schedule 1 of the Teaching and Higher Education Act 1998 with the accounts, presented on behalf of the C&AG in accordance with paragraph 14 (3) of the Teaching and Higher Education Act 1998

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Introduction from the Chief Executive

This is the sixth annual report of the General Teaching Council for England (GTC) and the first during my tenure as Chief Executive. I would like to pay tribute to my predecessor and the GTC's founding Chief Executive, Carol Adams who died in January.

Carol Adams was recruited by the Secretary of State for Education and Employment in 1999 to establish and then to lead the work of the GTC. We owe her a great debt of gratitude for her unswerving commitment to the profession and to public service. During her seven years as Chief Executive Carol Adams oversaw the creation of an authoritative Register of more than 500,000 qualified teachers; established fair and robust regulatory procedures and established the GTC as an authoritative voice on education policy. She was passionately committed to the cause of good teaching and equality of opportunity.

I am able to present the Annual Report and Financial Statements with confidence because of her sound stewardship and careful attention to good governance.

The past year has seen the organisation make significant progress against a number of strategic objectives that are central to its remit.

The GTC Register is now recognised as the most authoritative source of data on the teacher workforce in England. As a result, findings from its annual survey attracted widespread coverage in September 2006.

The GTC has stepped up the pace of its regulatory work, concluding 144 cases in 2006-07, compared with 75 in the previous year. The increased volume will help to shorten the interval between referral and conclusion of cases. Three quarters of the cases heard led to a reprimand, a restriction on the teacher's practice or their removal from the register.

In addition to patrolling the boundaries of acceptable standards of conduct and competence, the GTC has made a step change forward in promoting and supporting effective teaching practice. By the end of March and the third year of piloting and development, 4,000 registered teachers had enrolled with the GTC Teacher Learning Academy. The Teacher Learning Academy offers a national system for recognising teacher's professional learning through a framework that maximises its impact on pupil learning and classroom practice.

The GTC's professional networks offer teachers opportunities to engage with their professional body, influence its work and develop their practice. Its commissioned research and research digests give busy professionals an accessible means of building research evidence into their professional lives.

During the last year, we have held a series of well received events for teachers on the Every Child Matters framework and on our proposals to reform pupil assessment. We have been encouraged by the very strong consensus among teachers and our partners on both issues.

It is a privilege to have the opportunity to report to Parliament on our activities and I look forward to helping the GTC strengthen its work for children and young people in the public interest.

Keith Bartley
Chief Executive

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Introduction

This Annual Report covers the financial year 1 April 2006 to 31 March 2007 and incorporates the Management Commentary as required under the Government Financial Reporting Manual. It shows how the General Teaching Council for England (GTC) has pursued and delivered against the objectives set out in its Corporate Plan for 2006-09 *for children, through teachers*.

Nature and objectives

The GTC, a Public Corporation (as defined by the Office of National Statistics), was established on 1 September 2000 as a self regulatory professional body under Section 1 of the Teaching and Higher Education Act 1998.

The GTC is the professional body for teaching in England and holds the Register of teachers.

Our statutory aims remain to contribute to improving standards of teaching and the quality of learning, to maintain and improve standards of professional conduct among teachers, in the public interest and to raise the standing of the profession. All our activities are planned and delivered to support our statutory remit.

Three principal statutory functions support those aims.

- The GTC awards qualified teacher status and maintains a Register of qualified teachers in England.
- We regulate the teaching profession in the public interest.
- We advise government and other agencies on key issues affecting the quality of teaching and learning.

The GTC has a strong integrated framework to ensure that the organisation meets its objectives. Each year the GTC's Corporate Plan sets out in detail the plans for the organisation for the three year period ahead. The plan makes explicit the overriding objectives of the organisation, driving the detailed service plans that set out the targets and key actions for each operational unit for the year.

In summary the key criteria of the Corporate Plan 2006-09 were as follows.

Registration

We said we would:

- ensure that the GTC Register provides highly accurate and increasingly comprehensive data on the qualified teacher workforce to employers, policymakers and partners;
- develop a range of measures that can demonstrate improvements in data quality and quantity;
- provide authoritative advice to teachers seeking registration;
- process teachers' applications efficiently, promptly and accurately, improving our response times over those achieved in 2005;
- ensure that registration procedures comply with the recommendations of the Bichard Inquiry and support effective recruitment in schools; and
- encourage employers and partners to make increased use of the Register to check that teachers are registered and of good standing, to inform recruitment and retention strategies, and as a research tool.

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Regulation

We undertook to ensure that:

- the GTC's regulatory work provides assurance to the public that the standards of conduct and competence required of a registered teacher are rigorously maintained;
- GTC regulatory procedures are fair, transparent, quality assured and in line with good regulatory practice;
- regulatory hearings are conducted through cost effective procedures that improve timeliness and achieve a significant reduction in the unit cost of cases; and
- the outcomes from conduct and competence cases and from induction appeals are actively disseminated to employers and teachers including through the web site.

Advisory work and research

Our plans for policy advice and research work were to:

- provide effective support and challenge to policy makers and teachers to promote equality, address underachievement and adopt effective approaches to personalised learning;
- secure support and acknowledgement from teachers and major partners for our proposals on assessment and accountability ;
- continue to have a major influence on the initial education and continuing professional development of teachers;
- influence understanding of teachers' role and professionalism in the children's and wider school workforce;
- through our research programme, and the use of teacher data, provide a robust evidence base for the GTC and the policy work of national partners;
- select research topics that, effectively disseminated, support the exchange of effective teaching practice; and
- develop the GTC survey of teachers to provide useful insights that are recognised and used by partners and policy makers.

Policy learning services

We planned to continue to develop and pilot the GTC Teacher Learning Academy (TLA) with these aims:

- the pilot enrolls at least 6,000 teachers during its third phase of development, of whom at least 60 per cent submit their work for verification;
- our national partners identify significant new programmes for alignment with the TLA;
- the pilot evaluation evidence and development work with teachers and other partners produces a workable blue print for a national system;
- pilot schools actively use the TLA to raise standards and, through TLA leaders in each school, collaborate so to do; and
- to ensure that the TLA is rigorously quality assured.

Our plans for the development of the GTC's three on line networks were that:

- the Engage network is recognised as a valuable source of support and information and access by newly qualified teachers, their mentors and local authority induction advisers and membership of the network increases by 10%;
- the Achieve network provides valued advice on promoting race equality and diversity issues in schools and other educational settings; and
- through the Connect network school continuing professional development (CPD) leaders share knowledge about effective continuing professional development.

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Engaging with teachers and partners

We planned to use communications work to enable:

- effective communications that strengthen teachers' awareness and support for their professional body, with 90 per cent of teachers understanding the GTC's role and remit;
- the GTC to receive favourable comments from teachers on the quality of our publications, conferences and website, and on the service they receive from the teacher enquiry service;
- the GTC's work on registration, regulation, policy and research to be disseminated clearly and cost effectively to teachers, opinion formers and the wider public, making greater use of e-communication tools; and
- the GTC to use independent evaluation and feedback to adapt and improve its communications.

Working effectively

We planned to:

- continue to improve governance in order to maximise Council's effectiveness;
- maintain an assured framework of internal control;
- build on our Investors in People status and develop our staff to meet both organisational priorities and our statutory obligations under equalities legislation;
- look for significant efficiency savings to underpin a continuing programme to use resources as effectively as possible; and
- aim to increase the proportion of teachers paying their registration fees by direct debit to 50 per cent, with 85 percent of fees collected during the first three months of the financial year.

Development and performance of the organisation

The principal developments this year are set out in the sections below that deal with each service area.

Looking ahead

The Corporate Plan for 2007-2010 retains the GTC's mission statement, *for children, through teachers* and sets out a programme of activity which will support the development of higher standards of teaching whilst engaging teachers, parents and our partners in our work for the public interest.

We anticipate the introduction of provisional registration for trainee teachers and the advent of the Independent Barring Board to safeguard children. Developments of the GTC register will help schools to check the registration status of the teachers they employ. We continue our commitment to streamlining our regulatory procedures and to disseminating the lessons learned from disciplinary hearings.

The modernisation of GTC's own structures and governance continues as does our commitment to efficiency savings and effective use of teachers' registration fees.

The Corporate Plan describes how we intend to extend the reach of our professional networks and the Teacher Learning Academy to support teachers' own professional development. We identify particular challenges, such as the changing pattern of childhood disability which will require new pedagogical responses. We look forward to helping the profession work effectively within the *Every Child Matters* framework.

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Registration

At 31 March 2007 more than 532,000 qualified teachers were registered with the GTC.

All qualified teachers teaching in maintained schools, non-maintained special schools or pupil referral units in England must be registered with the GTC. So too must others in these schools who:

- have qualified teacher status (QTS), and
- work in roles such as local authority advisory teachers or higher level teaching assistants, and
- spend time on the teaching tasks of
 - planning and preparing lessons, or
 - delivering lessons, or
 - assessing or reporting on the development, progress and attainment of pupils.

The requirement to register applies to full-time, part-time and supply teachers.

Others with QTS who work in other education roles, or in sectors where registration is not required (such as independent schools or sixth form and further education (FE) colleges and some academies), may register voluntarily and are encouraged to do so by the GTC, although some employers require registration with the GTC as a condition of contract.

The GTC Register provides highly accurate and increasingly comprehensive data on the qualified teacher workforce to employers, policymakers and partners. A range of measures have been developed that demonstrate improvements in data quality and quantity.

Registration procedures comply with the recommendations of the Bichard Inquiry and support effective recruitment in schools.

	31 March 2007	31 March 2006	31 March 2005
Teachers registered with the GTC	532,000	538,000	525,000

Employers and partners make increasing use of the Register to check that teachers are registered and of good standing, to inform recruitment and retention strategies, and as a research tool. The online facility for local authority and supply agency employers is being further developed to improve the range of data available and to extend usage to schools.

	2006-07	2005-06	2004-05
Employer access enquiries received and processed	182,000	90,000	63,000

During the year, the GTC continued to provide authoritative advice to teachers seeking registration and processes teachers' applications efficiently, promptly and accurately, meeting with service level targets and improving our response times over those achieved in 2006 across all channels.

Awarding qualified teacher status

The GTC is the awarding body for qualified teacher status and so ensures, in the interest of the public and the profession that only appropriately qualified teachers can enter the profession. With some 37,000 new entrants to teaching each year, and statutory timescales for the award of QTS, this is one of the key responsibilities of the GTC. Each year the GTC works in partnership with initial teacher training (ITT) providers, the Training and Development Agency for Schools (TDA), the Department for Education and Skills (now the Department for Children, Schools and Families -DCSF) and the Universities Council for the Education of Teachers (UCET), in order to achieve the efficient awarding of qualified teacher status to around 28,000 newly qualified teachers who obtain their qualification through the traditional ITT route.

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The GTC manages this exercise each year to ensure that newly qualified teachers are in receipt of their certificates and have their QTS award correctly recorded on the Register of teachers before the end of August, to facilitate their readiness for taking up teaching posts in early September. In 2006, the summer period saw an industrial dispute in the Higher Education sector which led to significant delays in the process. Despite the effects of this external industrial action the GTC was able to recover this position and the process of awarding QTS was completed on time and without disrupting the initial take up of teaching posts by newly qualified teachers.

The GTC made a further 10,000 awards of QTS in 2006-07 through a variety of routes including employment based routes, requests from European Economic Area (EEA) applicants to have the qualification from their home country recognised in England, teachers qualifying through the Overseas Trained Teacher programme, and manual awards of QTS emanating from our archive work.

The year-on-year figures show a slight dip in the number of total QTS awards however the number of EEA awards continues to rise by 29 per cent, almost entirely the result of continued increase in applicants from Poland. This trend is expected to continue in the coming year with further new applicants from Romania and Bulgaria upon their becoming members of the European Union.

Type of QTS award	2006-07	2005-06	2004-05
ITT college exit process	27,840	28,288	27,606
Scotland	229	215	215
Northern Ireland	88	57	65
European Economic Area	1,700	1,319	938
Flexible post graduate route	787	893	600
Graduate and Registered teacher programmes	4,887	4,808	5,039
Overseas trained teachers	970	1,163	906
Awards resulting from archive work	743	1,553	1,295
Total	37,244	38,296	36,664

Induction

The GTC continues to process induction results in line with recommendations from appropriate bodies on a termly basis. Certificates are issued to successful inductees and results recorded on the Register.

Result	2006-07	2005-06	2004-05
Pass	26,957	25,858	25,216
Deferred	82	109	185
Withdrawn	937	1,090	1,142
Fail	38	22	41

Scope of the GTC Register

Although the Register already contains much valuable demographic data of use to researchers, employers and others, continuing to improve the information held on disability and ethnicity will be an important addition to the data held.

Provisional registration

A detailed project plan has been put in place for the introduction of provisional registration for trainee teachers from September 2008.

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Teacher Enquiry Service

The teacher enquiry service, based in our Birmingham office, is the principal point of contact for teachers using the national telephone number to contact the GTC. After year-on-year increases, call volumes have steadied as teachers' awareness and understanding of the GTC continues to improve.

	2006-07	2005-06	2004-05
Calls handled	124,000	120,000	106,000

Improved management arrangements within the call handling service have enabled the GTC to increase the volume capacity and success rate of receiving and completing calls. In 2005-06 we were experiencing an abandoned call rate of 17%. Improved operational arrangements were introduced in November 2005; 2006-07 is the first full year following these operational improvements, and average abandoned call rates across the year were down to 3%, a significant improvement.

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Regulation

By awarding qualified teacher status the GTC ensures that only appropriately qualified teachers can enter the profession to teach in the maintained sector. Our regulatory procedures have a key role in ensuring that high professional standards of conduct and competence are maintained by each teacher throughout their career.

The GTC's regulatory procedures continue to develop in the light of experience. From April 2006 onwards, the Council implemented a three-year casework strategy, its principal aims being to:

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

All cases are screened by the Registrar, under delegated powers, to determine whether or not they meet a minimum threshold of likely impact upon registration. This work particularly focuses on notifications of minor criminal offences and complaints made directly by the public about the conduct of registered teachers. The table below shows that the total number of cases sifted out through this process in 2006-07 was 168 (154 minor offences plus 14 public complaints).

Registrar's preliminary screening of cases	2006-07
Minor offences	
Referred on to Investigating Committee	7
No case to answer or discontinued	154
Cases adjourned for further investigation	4
Cases referred to Secretary of State	1
Public complaints	
Referred on to Investigating Committee	2
No case to answer or discontinued	14
Cases adjourned for further investigation	19
Total	201

The GTC received 416 new disciplinary referrals in 2006-07, compared to 290 in 2005-06. This brought the overall total of cases referred to the GTC between 1 June 2001 and 31 March 2007 to 1,689.

The task of Investigating Committees is to establish whether there is a prima facie case of unacceptable professional conduct or serious professional incompetence by a teacher or whether a teacher has been convicted of a relevant criminal offence. During 2006-07, Investigating Committees met on 15 occasions, with outcomes as shown below.

Investigating Committee outcomes	2006-07
Cases referred on to hearings	136
No case to answer or case discontinued	41
Cases adjourned for further investigation	5
Cases referred to Secretary of State	-
Total	182

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Conduct, competence and criminal convictions

Where a teacher has been found to fall short of the standards of conduct or competence required of a registered teacher, the GTC's hearing committees may impose an appropriate sanction. This ranges from a Reprimand that remains on the Register for two years, a Conditional Registration Order, a Suspension Order (sometimes with conditions attached) or, ultimately, a Prohibition Order. Where a Conditional Registration Order or a Suspension Order with conditions is imposed, setting limits on a teacher's practice or requiring the completion of remedial training, the GTC's hearing committees ensure that the order is workable and that compliance can be monitored effectively.

By the end of March 2007, the GTC has concluded a total of 307 disciplinary hearings, since the start of its regulatory role on 1 June 2001. Of this total, 126 hearings were concluded in 2006-07; one being a successful application for the variation of an existing Conditional Registration Order. Outcomes are shown in the table below, compared to those for previous years.

The total number of hearings in 2006-07 represents a major increase on previous years, reflecting the aims of the strategy to respond to increasing referral rates and to shorten the time taken to complete individual cases. This increased volume of hearings created significant financial pressure and was a principal reason for the need to increase the registration fee to £33 in 2006-07.

As part of the hearings strategy and the significant increase in the target of hearings to be heard, in March 2007 we completed a process to appoint 25 additional committee members (ACMs) and thus increase the pool of people available and trained to undertake hearings. An open process was used for these appointments which fully complied with the procedures for public appointments. These ACMs will begin to consider cases generally from September 2007.

	2006-07	2005-06	2004-05
Prohibition order	34	10	6
Suspension order (with conditions)	5	9	1
Suspension order	13	3	1
Conditional registration order	35	25	19
Reprimand	23	14	7
No sanction	3	3	2
No finding	12	10	3
Other (i.e., variation/revocation/restoration)	1	1	1
Otherwise disposed of	18	-	-
Total	144	75	40

The GTC has continued to use a framework agreed by the Council to help to assess the seriousness and relevance of convictions. This framework plus the Code of Conduct and Practice and Indicative Sanctions Guidance are measures designed to foster consistency and proportionality of decision making. Steps continue to streamline the GTC's procedures to expedite the hearing of some cases where the facts are not in dispute and guilt is not contested. These procedures help to ensure that the GTC carries out its regulatory work in a targeted and proportionate manner.

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Induction appeals

The GTC hears appeals by teachers who have either failed their induction period or had that period extended but believe that the decision of their employer was incorrect. By the end of March 2007, we had heard a total of 63 induction appeals, of which 8 were concluded during the year. The outcomes of these appeals are shown in the table below.

	2006-07	2005-06	2004-05
Appeal allowed	-	-	1
Appeal dismissed	6	3	7
Extension: one term	-	2	1
Extension: two terms	-	2	3
Extension: three terms	2	4	2
Total	8	11	14

Monitoring of regulatory work

The GTC's Registration and Regulation committee monitors regulatory work, including the time taken to schedule and complete cases. The GTC has continued to invest significant effort into ensuring employers understand their responsibilities with respect to registration and regulation and employers may now check registration status, including the existence of a disciplinary sanction, online. In addition, the GTC continues to issue an Annual Report on registration and regulation, identifying key themes which may lead to improved professional practice. A summary of this report was issued to all schools in the autumn of 2006 and is available on the GTC web site.

Professional standards

The Code of Conduct and Practice, issued in July 2004 after widespread consultation with the profession and partners, sets out the minimum standards required of registered teachers and forms a reference point for our regulatory work. The Code is issued to all teachers on first registration, in accordance with regulations made under Section 5 of the Teaching and Higher Education Act 1998. The Code is kept under review to ensure its continued relevance, and in the coming year the GTC will be looking at it to ensure that it is fully coherent with the Every Child Matters outcomes, as well as ensuring that it will work alongside the emerging work of the new Independent Safeguarding Agency.

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Advisory work

The GTC advisory programme fulfils the statutory remit to advise the Secretary of State and others on issues affecting teachers, teaching and the quality of learning. Advice is developed in conjunction with stakeholders and based on research evidence and evidence directly from practising teachers and others, such as parents. Our work provides practical policy solutions which could be implemented as well as policy analysis.

The formal advice and other responses submitted during the year are shown below. Many of the responses can be accessed through the GTC website.

The GTC has conducted an active programme of policy engagement and research based seminars with a wide range of partners including DfES and the Qualifications and Curriculum Authority (QCA) in order to advance an understanding of the issues for the assessment system and GTC proposals in this area. We have gathered considerable momentum and support for our proposals this year and the need for change is now recognised across many national education, teacher, parent and governor organisations and groups. The GTC worked with the parliamentary Select Committee for Education in advance of its inquiry to facilitate an understanding of the research evidence.

Initial education and continuing professional development of teachers

The GTC has been a key adviser to the DfES and TDA, identifying key national priorities for teachers' continuing professional development (CPD). Advice was submitted to Secretary of State in January 2007. We produced a synthesis of the findings of recent relevant research on effective continuous professional development, produced new research on strategic leadership of CPD in schools and ensured that our Annual Survey of Teachers data on teachers' views on and participation in CPD are used by TDA and other key partners.

We have produced accessible new material for schools and teachers to promote wider understanding of effective approaches to teacher learning and development.

We played a key role advising TDA on the development of performance management, professional standards and induction arrangements and used the lessons from induction appeals to do so. The GTC continued to host the Disabled Teacher Taskforce which produced an evidence paper for the Initial Teacher Training Requirements consultation.

Equality, underachievement and personalised learning

The GTC held a series of seminars bringing together key national policy makers and researchers to consider key issues in the development of personalised learning. This led to published advice to the Secretary of State in response to the Gilbert Review report. The GTC has commissioned research in partnership with the Innovations Unit on the conditions in schools that best encourage innovation and informed creativity.

The GTC has initiated a well received forum of national policy makers to review the extent of support for schools in implementing the Race Relations Amendment Act of 2000 and what more needs to be done.

The GTC has begun work on the policy implications of known predictive indicators for achievement and underachievement and its response to the Treasury Spending Review, the Gilbert Review and the Good Childhood Inquiry advised of the need to focus resource and expertise on preventative interventions.

The GTC developed thinking for the Education Select Committee Inquiry and the readings of the Education Bill on the vital role of teacher expertise in the delivery of special educational needs in mainstream and special settings.

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Work was undertaken at the party political conferences to host of a series of discussions on involving parents in education.

Professionalism in the children’s and wider school workforce

The GTC has played an active role in the Children’s Workforce Network (CWN). The GTC stimulated an active debate on the state and status of registration and regulation across the children’s workforce within the CWN. In partnership with the General Social Care Council and Nursing and Midwifery Council, we have drafted a joint statement of professional values which is in its public and professional engagement and consultation stage. The production of this statement has involved professionals from the three sectors, parents and children and young people.

The GTC commissioned and received a report from Demos on teacher professionalism and has commissioned further work from the Office for Public Management on professionalism in the public interest.

The GTC provided advice to the TDA and DfES on revisions to the professional standards framework and contributed to the National Occupational Standards review. The range of advice provided in the year was:

Subject	Consulting agency or department	Date
Revised Race Equality Scheme	Ofsted	May 2006
Proportionate Inspection	Ofsted	May 2006
Early Years Professional	Children’s Workforce Development Council	June 2006
Review of Secretary of State’s Requirements for ITT	Training and Development Agency for Schools	July 2006
Call for Evidence	Teaching and Learning in 2020 Review	July 2006
2006 Review	School Teachers’ Review Body	August 2006
Performance Management for Teachers and Head Teachers	DfES	August 2006
Joint Policy Review on Children and Young People	DfES/HM Treasury	October 2006
Bullying	Education and Skills Select Committee	October 2006
The Good Childhood National Inquiry	Children’s Society	November 2006
A personalised approach to CPD – Advice to the Secretary of State on effective, relevant and sustained CPD for teachers	GTC	Jan 2007
Pupil Voice Memorandum	Public Administration Select Committee	Jan 2007
Gender equality duty	Equal Opportunities Commission	Feb 2007
Making Good Progress	DfES	Mar 2007
Personalised Learning Advice	GTC	Mar 2007
GTC Submission	Primary Review	Mar 2007

Research evidence

A new organisation-wide strategy for the use of research and evidence was developed to support the full range of the GTC’s corporate objectives, which includes work to develop a more systematic approach to consulting, involving and engaging its stakeholders. Research contractors have been commissioned to carry out a series of events to consult parents, on a range of GTC policy issues, and to advise on future arrangements for the GTC’s engagement with parents. A project to explore the role of information and communications in encouraging teachers to participate in the 2008 GTC elections is informing the preparation for the forthcoming elections.

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The web based “Research of the Month” is an increasingly popular resource for teachers. It continues to focus on making relevant research accessible to practising teachers for consideration and application in their teaching. The GTC developed a series of tools for leaders of professional development in schools to help their colleagues to use these research resources as well as a publication and web resources entitled “Research Informed Professional Practice programme for teachers”.

GTC survey of teachers

The GTC commissioned its third annual representative survey of 10,000 teachers. This survey, published in September 2006, asked teachers for their views on several aspects of their professional experience, including teaching and learning, continuing professional development, equality, assessment and developments in their own careers and in education more widely. The survey drew a 37% response rate, well above the national average for educational surveys. This year more detailed information and analysis about teachers from minority ethnic backgrounds, was achieved through a ‘booster sample’ of teachers known to come from visible minority ethnic backgrounds. The findings from 2006 have been used consistently by GTC to inform its advice to Government and others, to develop the GTC networks, and have been used by TDA to develop the national CPD strategy, by NCSL in its succession planning effort and by a wide range of other policy making organisations.

Professional networks

The GTC operates three professional networks, Achieve, Connect and Engage. All three are online networks which disseminate case studies, news and resources through regular e-newsletters. The networks aim to support teaching practice and provide a link between teachers nationwide to share ideas, strategies and expertise. The table below shows the numbers of enrolled members of each network.

Teachers enrolled	March 07	March 06
Achieve Network	3,363	3,196
Connect Network	5,884	5,752
Engage Network	26,985	11,083

The regular Achieve newsletters, providing a mix of case studies, summarised research and policy developments, have been produced to stimulate and support practice. Regular unsolicited feedback testifies to the value of these newsletters. These newsletters are designed to provoke debate and advance practice.

The priority has been to work with teachers to enact their role in schools to meet the Race Relations Amendment Act (2000). Approximately 50 teachers have undertaken enquiry projects within their schools using the TLA processes; the results of these will be disseminated across the network to highlight how and where change can occur to meet the RRAA requirement.

There has been a focus on working with 20 local authorities and approximately 100 teachers to ensure expertise in the development of traveller children and young people’s education is more widely understood and shared among the profession.

The Connect newsletter has continued to develop as the source of challenging support for continuing professional development leaders with extended discourse on key issues for the conceptualisation and delivery of continuing professional development in schools and within the profession. In addition, it has continued to provide continuing professional development policy and research updates from across the national scene.

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The Engage network focused on involving early career teachers in using research on managing and creating behaviour that supports learning in the classroom. Feedback from participants indicates the need for support across the network in both using research in practice and developing competence and confidence in achieving learning behaviours in pupils.

A 33% increase in membership was achieved with approximately half of all the 2006-07 cohort of newly qualified teachers signed up as members of the Engage network.

Teacher Learning Academy

The Teacher Learning Academy is in development as the national professional recognition system for teacher learning and development of practice. It offers a four stage framework with clear criteria for using research and other professional expertise, for planning, undertaking and evaluating development of practice, for being coached or coaching and for transferring what a teacher has learnt.

The GTC has trained 500 school based TLA Leaders, some of whom operate across a hub of schools. The GTC has focused on this capacity and capability building strategy to ensure that the teaching profession owns and takes forward the TLA and to distribute knowledge and participation as widely as possible on a modest investment from the GTC.

In addition, the GTC has worked with our national partners to jointly train a further 128 TLA Leaders who take forward the alignment of national programmes and initiatives with the TLA. These leaders have come from NCSL programme tutors, from TDA mentors, from National Strategy consultants and from the Royal Society of Arts.

A further 70 TLA Leaders have been trained through a major partnership initiative between the GTC TLA and the SSAT Enterprise Schools programme in which TLA is being widely used as a key change and development tool.

Currently just over 1,400 schools across England have teachers participating in the TLA.

This year has seen 2,400 enrolments to the TLA toward an accumulated target of 6,000 by the end of the third development phase in 2009; thus progress is well on course to the target.

Teachers enrolled	March 07	March 06
Teacher Learning Academy	3,825	1,443

The Teacher Learning Academy has continued to attract support both from practising teachers and school leaders and from national organisations that offer programmes, courses, or lead initiatives with schools or groups of teachers. New partnerships with national bodies include:

- National College of School Leadership ‘Leadership Pathways’ programme;
- Specialist Schools and Academies Trust Enterprise Schools;
- National and Regional Science Learning Centres;
- National Strategies;
- Teachers’ TV;
- Creative Partnerships CARA awards; and
- Institute of Educational Assessors.

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This year the GTC and Training and Development Agency for Schools have worked more closely on the Teacher Learning Academy and, thereby, have extended the first offer of TLA involvement to all school-based mentors of trainee teachers to a pilot involvement for the tutors of newly qualified teachers. University partners have increased in number to more than 20 and the GTC and University Council for the Education of Teachers have drafted an agreement on the processes and principles for aligning and recognising TLA and Masters credits.

We commissioned consultancy support to develop the future delivery model for the Teacher Learning Academy which will go through the Member decision making process in the summer and autumn of 2007. The options in development are designed to ensure a viable future for the TLA delivered at a national scale with a sustainable and appropriate contribution from the GTC in the future.

We received a small scale follow up evaluation study from the NFER. TLA participants who took part in this study attributed momentum and success in their development, improvement and innovation effort, in large part, to the TLA.

Field work has investigated and produced evidence of best practice models for the role of TLA in raising standards and transforming the development and improvement activity in schools; support from the Innovation Unit has enabled this work. These exemplars have been disseminated through TLA Leader training, and through the GTC TLA website.

A revised clearer four-stage framework of TLA criteria was consulted upon and published. All the quality, data and operational systems which underpin the TLA have been reviewed and revised to ensure throughput is handled in a timely and efficient way, that there is high quality data management and that there is a robust consistency to the standard of verifier training, verification and moderation.

There are currently 150 trained verifiers in the system; 95% of these are practising teachers or school leaders.

A short film about the Teaching Learning Academy was produced by the GTC with professional support and first shown at the March 2007 Education Show in Birmingham.

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Communications

The GTC's communications aim to meet three principal demands.

We want to keep teachers and the wider public informed by reporting and explaining our activities in clear, accessible formats and by providing a high quality telephone enquiry service.

We aim to raise awareness of the GTC's work with a range of audiences.

We provide opportunities for teachers to engage with their professional body through the website, online networks and conferences.

Publications and mailings

We have continued to offer teachers the option to receive the GTC magazine and other publications by post, or email or to opt out.

Teaching: the GTC magazine has continued to be the GTC's principal regular publication for registered teachers. In the spring term 2007 we engaged the market research agency Ipsos Mori to examine teachers' perceptions of the magazine and options for future development.

During the year, the GTC also sponsored (and co-produced) two supplements with *SecEd* magazine: *Teaching for the future*, on managing change in the classroom, and a reference guide for newly qualified teachers. Other publications included:

- a review of the year;
- revised versions of the GTC's introductory leaflet, *What we do*, and the *Statement of professional values*;
- the annual statistical digest or data from the Register;
- a leaflet in the *Teachers' professional learning framework* series;
- a revised suite of materials for the GTC Teacher Learning Academy; and
- briefing notes for heads and governors.

Guidelines on the GTC's written and visual style were maintained and developed, and staff across the organisation trained in their use. We retain corporate membership of the Plain English Campaign, and gained our first Crystal Marks in September 2006, for the *Review of the Year* and *What we do*.

Events programme

It has been possible to expand GTC's events programme over the year, helped in part by being able to run the Every Child Matters series on a cost-effective 'roadshow' basis. Attendances for teacher-targeted events have been, in general, stronger this year than last, and evaluation feedback remains positive, although the development of event structures remains an important priority for the organisation.

Council meetings continue to be supported by opportunities for local teachers to meet members of Council to discuss key and current issues within the profession and thus informing the GTC's policy and other work. In addition, a number of smaller events, such as seminars and focus groups, took place throughout the year, and we continue to be represented at major professional and commercial education conferences and shows.

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The principal conferences and related events held during the year, with evaluation and attendance data, are shown in the table below:

Date	Venue	Topic	% approval	Delegates
5 May 2006	Sunderland	Continuing professional development	n/a	n/a
15 June 2006	London	GTC Teacher Learning Academy	94%	86
4 July 2006	Sutton Coldfield	Pupil assessment	97%	49
27 September 2006	London	Pupil assessment	95%	98
3 October 2006	Leeds	Pupil assessment	98%	64
12 October 2006	Bristol	Pupil assessment	92%	86
6 November 2006	Coventry	Every Child Matters	93%	51
7 November 2006	Stoke-on-Trent	Every Child Matters	94%	72
9 November 2006	Cheadle	Pupil assessment	99%	61
21 November 2006	Colchester	Every Child Matters	97%	38
22 November 2006	Portsmouth	Every Child Matters	83%	68
22 January 2007	London	Achieve evening seminar	97%	55
5 February 2007	Hull	Every Child Matters	95%	50
6 February 2007	Nottingham	Every Child Matters	92%	56
26 February 2007	Darlington	Every Child Matters	96%	42
13 March 2007	London	Every Child Matters	93%	55
14 March 2007	Plymouth	Every Child Matters	86%	43
21 March 2007	London	Pupil assessment	93%	135
27 March 2007	Cheltenham	Connect evening seminar	n/a	22

Website

During 2006, the GTC increased the range of content on its web site. The year has seen the launch of a new Parents section as well as a relaunch of the Teacher Learning Academy web pages. *Research of the Month* articles continued to be successful. Consultation for the Equalities and Diversity scheme was partly carried out online and is published on the web site.

The website hosted a discussion forum on Assessment for the Future, following the GTC's national assessment conference in March 2007.

Work began in January 2007 to review the design, functionality and content of the web site to maximise its usefulness to teachers, parents and other users.

E-newsletters

E-newsletters continue to be an effective way of keeping in touch with teachers and stakeholders across the country. As well as the professional networks, over the year we expanded our digital communications by sending out regular email alerts for the Research of the Month website feature.

The number of registered teachers who have elected to receive *Teaching: the GTC magazine* electronically has increased four fold.

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Delivery, opening and click-through rates for network e-newsletters, which are in general above industry standards, are shown in the table below. (Click-through rates show the proportion of users who opened at least one link in the email).

Network	Newsletter	Sent	% delivered	% opened	% click through
Achieve	Summer 06	3,145	95.6%	48.5%	26.2%
	Autumn 06	3,232	92.9%	43.4%	19.8%
	Spring 07	3,232	91.4%	41.9%	17.7%
Connect	Summer 06	5,701	88.0%	35.7%	12.6%
	Autumn 06	5,700	86.2%	31.6%	11.5%
	Spring 07	5,832	83.6%	29.1%	16.5%
Engage	Summer 06	11,343	95.3%	41.0%	4.7%
	Autumn 06	20,577	90.9%	45.8%	11.0%
	Spring 07	20,577	74.5%	34.3%	11.8%

Media relations and public affairs

The press office continued to manage media communications about the GTC’s regulatory role in the context of an increasing level of interest in GTC hearings from both the regional and national press. The particular interest last year in the Government’s List 99 procedures had a lasting impact on awareness of GTC hearings, and the greater frequency of hearings means more frequent contact with a greater number of regional press on a variety of education matters.

The majority of the media profile continues to come through the regulatory role; however, articles on other aspects of GTC work appeared in the specialist press, and there was a high level of news interest in the findings of the 2006 survey of teachers. The survey was covered in depth in *The Guardian* – both its news pages and the education supplement – and its findings on headship continue to be reported in a variety of media. The press office continues to receive approaches from journalists for information, comment and opinion on GTC work and general educational issues. There is an increasing level of awareness of the GTC Register as a source of statistical information about the teaching profession.

328 media enquiries were dealt with between April 2006 and March 2007, up from 208 the previous year. The number of GTC mentions in the national and specialist press also increased, from 209 to 305.

Face-to-face briefings with parliamentarians continued. We provided a parliamentary bulletin and briefings on the Education and Inspections Bill, special educational needs, the GTC survey of teachers, and challenging homophobic bullying. The GTC supported party conference fringe events organised by the Social Market Foundation on the theme of parental engagement in education.

Liaison with employers

The GTC liaises closely with employers to collect accurate teacher employment data, the GTC fee (from those who pay by salary deduction) and to ensure the checking of teachers’ qualifications, status and the equitable referral of disciplinary cases. A national programme of meetings with local authority employers and employer agencies has contributed to marked improvements in the accuracy of the teacher data collection, the fee collection process and improved confidence in the referral process. To date, we have visited all 150 local authorities and 15 of the largest supply agencies.

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Market research

With the advent of a longer-term market research contract in 2006-07, we took the opportunity to move away from the continued quantitative recording of all the measures from previous years to examine other areas of the GTC's remit – this year, teachers' perceptions of professional regulation, and our advice on pupil assessment.

The former showed strong support for professional regulation, for example 95% agreed that it is in the public interest for teachers to be registered with their professional body, and 90% that it is in the public interest for teachers to be regulated by their professional body. On assessment, 81% of teachers agreed that they could measure and support their pupils' learning progress in more effective ways than the key stage test results allow.

We also undertook qualitative evaluation of *Teaching: the GTC magazine* (see above) and began a study of the factors that might encourage teachers to join our networks.

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Corporate support

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

Governance

During the year the GTC received a report from its internal auditors, RSM Robson Rhodes, into its corporate governance arrangements. This was discussed at a Council development day in October when Council agreed to develop proposals for the creation of a decision making Executive Committee. In March, Council considered the governance issues included in the Healthcare Regulation White Paper published in February 2007, prior to a decision on the way forward to be taken at the July 2007 Council meeting.

The Coordinating Committee, with an expanded membership, met six times in the 2006-07 financial year deliberating on key corporate matters such as the corporate plan and budget, the casework strategy, organisational research strategy, communications strategy, regulation of the Children’s Workforce and the GTC’s equality and diversity Scheme.

Six new Council Members joined the Council during the year. All of the new Members have been trained to undertake casework and Members also received a corporate induction into the work of Council.

Overall participation by Members in the work of Council and its committees and policy groups has remained effective, with good attendance, assisted by a more streamlined structure.

Nature of meeting	Average attendance*
Council	85%
Audit Monitoring and Review Committee	88%
Coordinating Committee	88%
Policy and Research Committee	77%
Registration and Regulation Committee	86%
Resources and Planning (now Finance and General Purposes) Committee	88%

* Attendance is stated after maternity and sickness absence

The GTC has observer or representative status on the Boards of the Training and Development Agency, National College for Schools Leadership, the Specialist Schools and Academies Trust and the College of Teachers with feedback provided at full Council meetings.

The GTC continues to support its Council Members effectively. Satisfaction rates are established through an annual written survey of Members. These continue to be high.

	July 2006	July 2005	July 2004
Satisfaction rating	94%	93%	90%

Planning and control and efficiency savings

The integration of planning, monitoring and risk management continues to provide a firm foundation to support the GTC’s work and governance in conjunction with financial planning and internal controls. Auditors again assessed the overall system of Internal Control as effective. Further improvements were made to systems and procedures to continue to provide this assurance.

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Extensive work was undertaken on preparing the GTC equality and diversity scheme to meet the latest requirements upon public sector organisations. The scheme was widely consulted upon prior to its adoption by Council in March 2007. The consultation resulted in a very pleasing and positive response in respect of the nature and content of the scheme. During 2007-08 this will be fully integrated into the planning process, using the approach adopted previously for risk management.

Consistent with all public bodies and as part of the medium term strategic plan, the GTC is targeting improved efficiency and value for money. New systems and practices introduced in 2005-06 contributed towards the successful achievement of the planned 7% efficiency return in 2006-07.

Human Resources

The GTC holds Investor in People status and during the year sought to build on this achievement. This included a high priority focus on ensuring the effectiveness of performance management and on staff development across the GTC. Diverse means of delivering staff development have been established, relying less on conventional courses and more upon on-the-job related development. An “e-learning facility – the GTC Learning Zone” has been established to increase opportunities for staff to focus on work related skills updating. Personal development plans, integrated with performance review, continued to lead the development of the GTC Training and Development Plan, seeking to achieve an appropriate balance between developing skills to meet the GTC’s business needs and to contribute to personal development.

Personal and organisational performance monitoring continued to show a high level of achievement against targets in most aspects of the GTC’s work. Staff and systems have contributed to this and staff have further embedded the use of the Customer Relationship Management (CRM) database system to offer an improved service to teachers and external stakeholders.

The number of days of staff training, delivered by a combination of in-house training and external delivery, is as follows.

	2006-07	2005-06	2004-05
Training and development days	832	653	897

The pattern of delivery continues to reflect the impact of greater e-learning and internal training resources which have reduced the reliance on externally-provided training courses.

The human resources (HR) service embedded the strategic HR policies reviewed in the previous year and provided renewed training to ensure that all staff involved in recruitment were appropriately trained in best practice procedures. A significant input was made to the drafting of the GTC’s equality and diversity scheme which now covers all the current legislative requirements upon public bodies and which becomes effective from April 2007. This includes policies and practices related to all the equality and diversity responsibilities upon the GTC as employer.

Staff turnover and sickness absence levels reduced within the year to 12% and 2.7% respectively and compared favourably with external benchmarked comparisons.

Registration fee and collection

The annual registration fee increased from £30 to £33 with effect from 1 April 2006 with the aim of keeping the fee static at this level for three years. The principal cost pressures which drove this increase related to the significant increase in regulatory volumes and inflation, partly offset by corporate efficiency savings.

Registration fee collection is an essential part of the GTC’s organisational work, currently generating 97 per cent of the GTC’s income, and is highly dependent upon registration data accuracy. Given that some 150,000 data records vary each year, this is a complex requirement.

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Overall in 2006-07 collection outcomes have improved in terms of the volumes and percentage collected of recognised fees in-year, and of the proportion collected by Direct Debit and met budgeted targets. The GTC set a revised increased target of collecting 510,000 fees in-year based on the forecast of recognised income of 540,000 fees. We met our volume target of collecting the 510,000 fees, as shown below, but this represented a lower proportion of available fee income given the higher than forecast recognised income arising from the continuous improvements in our systems and data.

	2006-07	2005-06	2004-05
Number of fees recognised for income	554,400	543,200	519,100
Number of in year fees collected in year	510,000	494,000	483,000
Percentage of recognised fees collected in year	92%	91%	93%

The GTC requires new registrants to pay their fee by Direct Debit. Liaison with local authorities is also geared to promoting data improvements, with a mutual benefit to both the GTC and employers though improved data and reduced workloads. The number of schools managing their own payroll and therefore responsible for carrying out salary deductions further increased during the year. Although we successfully dealt with this increase and improved the speed of processing, this fragmentation remains a challenge and is a major rationale for the continuing move to payment by Direct Debit.

During the year, the GTC met its target for increasing Direct Debit payments to 50 per cent of fees collected and for collecting 85% of fees within the first three months of the year. Direct Debit payments have increased over the last three years, as follows.

	2006-07	2005-06	2004-05
Number of payments by Direct Debit	257,500	218,600	191,200
Direct Debits as percentage of fees collected	50%	44%	40%

Information and communications technology

The GTC's ICT Strategy has been reviewed and pursued in the year. The approval process to support the prioritisation of business requirements for ICT systems developments has been followed through the Systems Design Group and ICT Authority Group, to ensure decisions are taken quickly and against a clear and shared set of criteria for determining priority.

The GTC's Customer Relationship Management (CRM) system and web site continue to be delivered in line with contracted service levels with a Host and Run partner. By integrating the CRM and Web applications, improved service to teachers, employers and other stakeholders has been delivered through enhanced on-line self service offerings. These are being further extended to support school employer facilities and in support of GTC Networks events.

The same partner continues to provide additional IT support services to the organisation for its internal systems, offering an integrated support service for all the GTC's IT infrastructure including a single Help Desk for logging support calls. This provides a seamless service to staff for resolution of all IT issues. Whilst the KPI for hardware fault resolution is below target, this is heavily influenced by the small number of this type of fault, and there was no business impact as a result.

	achieved	target
Hosted infrastructure availability (website and CRM system)	99.6%	99.5%
IT help desk problem call resolution	96.0%	95.0%
IT hardware fault resolution	90.0%	100.0%

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Resources, Risks and Relationships

Resources

97 per cent of the GTC's income is from registration fees. 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 GTC has an established risk management policy and a supporting set of risk management arrangements. The risk management process continues to be assessed as effective by internal auditors. These include procedures for assessing, prioritising and recording risks, together with associated control measures, regular reviews and reporting to relevant committees and Council. A corporate Risk Management Group (with representatives from all parts of the organisation) is responsible for co-ordinating these actions, overseeing the preparation of the risk register and business continuity plan, and collating evidence upon which the Accounting Officer bases the annual statement of internal control. 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 GTC) are reported to and reviewed by committees and Council.

These key risks include the following.

The risk that the GTC's scheme of governance does not sufficiently support effective governance and decision making or this is perceived to be the case.

We recognise that ineffective governance structures and decision making could impede the GTC through an inadequate strategic focus and decision making process. In order to mitigate against this potential risk, the GTC exposes its scheme of governance to regular review and it is also the subject of external review by auditors, benchmarked against best practice principles. Within the context of a statutory Council of 64 Members the structure and capacity of governance, its strategic planning and decision making capability and its responsiveness have been the subject of further consideration in 2006-07 prior to recommendations being made in summer 2007. Some interim revisions took place in 2006-07 to streamline and simplify governance whilst improving its strategic, cross-organisational, focus.

The risk that the GTC is unable to fulfil its statutory regulatory role in relation to registration and casework.

The GTC is required to prepare and maintain a register of all eligible teachers in England. This register is used to confirm the status of the teacher, and thus their eligibility to teach, and also as a database to facilitate fee collection, information distribution and other communications. We recognise that risks to the database could potentially have a major impact on a number of aspects of the GTC's work, and it we mitigate against this risk by prioritising robust control measures.

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. We recognise that poor management or inconsistent decisions could quickly undermine the GTC's credibility. We mitigate against this by regularly monitoring and reviewing the robust arrangements which we have in place, including increasing capacity in-year by the appointment of 25 Additional Committee Members. Member availability and training, scheduling, resources, and legal and administrative support are key aspects of the revised casework strategy, which ensures we continue to operate an effective regulatory system.

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The risk that GTC's statutory role in relation to the provision of policy advice is undermined due to the poor quality of the advice or because it is ignored by the Government.

It is important that the GTC's advice reflects its unique position representing all teachers and the public interest. We recognise that the GTC's reputation could be damaged if poor quality advice entered the public domain. The combination of specialist staff, comprehensive networks, a robust evidence base and a clear GTC policy framework agreed by Members help ensure that advice is of a high quality and is communicated appropriately.

The risk that communications with stakeholders are poor, compromising the GTC's role as a major player in the education field.

The GTC is a national organisation in a heavily-populated education field. It has a distinct statutory role, but it is important that this is translated into clear aims, valued outputs and good working relationships, particularly with Government. We recognise that risks to these could undermine our credibility and damage our long-term reputation and thus managing stakeholder relationships continues to be given highest priority.

The above represent key corporate risks which could affect the GTC as a whole. The Risk Register comprises a comprehensive list of other corporate and service-specific operational risks, scored as gross and net risks, with the intervening control measures. All of these are reviewed annually as part of the planning cycle. The risk management arrangements are regularly examined in detail by internal auditors. Strategic risks are reported to, and considered by, Council and governance reporting procedures in-year with regular updates as to the management of such risks.

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Relationships

Corporate structure and Governance

Council is the governing body of the GTC. Council Members play 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 practising teachers (a majority of Council), school governors and parents, as well as nominees from further and higher education, teacher unions and associations, and local government and equalities bodies.

Council Members

The Council comprises 64 Members. The following Members have served on the Council during the period:

Elected primary teachers (11 Members)

Paul Bird	Patricia Castro Castro	Christine Green	Sheila Mountain
Sarah Bowie	Philip Cole (from July 2006)	Derek Johns	John Peebles (until July 2006)
Peter Britcliffe (until April 2006)	Anthony Cuthbert	Misbah Mann	David Storrie
Janis Butler (from April 2006)			

Elected secondary teachers (11 Members)

Martin Allen	Peter Butler	Barbara Hibbert	John Rimmer
Terry Bladen	Ronald Clooney	Bulvinder Michael	Neil Taylor
Nigel Bowler	Anthony Handley	Gail Mortimer	

Elected special school teacher

David Dewhirst

Elected primary head teacher

Peter Strauss

Elected secondary head teacher

Ralph Ullmann

Nominees from teacher associations and unions (9 Members)

Michael Moore <i>ATL</i>	David Wilkinson <i>NASUWT</i>	Judy Moorhouse <i>NUT</i> (Chair)
Gillian Stainthorpe <i>ATL</i>	John Mayes <i>NASUWT</i>	David Whitewright <i>PAT</i>
Elizabeth Paver <i>NAHT</i> (until June 2006)	Hazel Danson <i>NUT</i> (until June 2006)	Tony Neal <i>ASCL</i>
Tony Woodward <i>NAHT</i> (from July 2006)	Max Hyde <i>NUT</i> (from July 2006)	

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Nominees from other bodies (17 Members)

Andrew Baxter <i>Association of Directors of Children's Services</i>	Anne Madden <i>Equal Opportunities Commission</i>	Robert Gordon <i>Local Government Association</i> (from April 2006)	Chris Cook <i>Universities' Council for the Education of Teachers</i>
Conchita Henry <i>Association of Colleges</i>	John Hawkins <i>Independent Schools Council</i>	Philippa Stobbs <i>National Children's Bureau</i>	Geoff Whitty <i>Universities UK</i>
Oona Stannard <i>Catholic Education Service</i>	Sam Crooks <i>Local Government Association</i>	Dorothy Elliott <i>National Governors Council</i>	Suma Das <i>Commission for Racial Equality</i> (from October 2006)
Liz Carter <i>Church of England</i>	Peggie Harrison <i>Local Government Association</i>	Arthur Naylor <i>Standing Conference of Principals</i>	Vacancy <i>Confederation of British Industry</i>
Barry Carpenter <i>Disability Rights Commission</i>			

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

Jean Scott <i>Parent</i>	Lesley Ansari <i>Parent</i>	Peter Cooper <i>SEN practitioner</i>	Nicola Wilson <i>Primary teacher</i>
Anne Garner <i>Head teacher</i>	Angela Stones <i>Former Head teacher of nursery school</i>	Naz Bokhari <i>Former college principal</i>	Gloria Hyatt <i>Education adviser</i>
Kirit Modi <i>Assistant Director of Education</i>	Anthony Wilkes <i>Education and training advisor</i>	Janet Draper <i>Senior university lecturer</i>	Robert Millea <i>Chartered accountant</i>
Sashi Sivaloganathan <i>Advanced skills teacher</i> (Vice-Chair)			

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

Executive

The Senior Management Team during the year comprised:

Carol Adams	Chief Executive to 31 October 2006
Keith Bartley	Chief Executive from 19 March 2007
Fiona Johnson	Director of Communications
Dennis Jones	Director of Finance and Administration (Acting Chief Executive 1 November 2006 to 18 March 2007)
Alan Meyrick	Registrar and Director of ICT
Sarah Stephens	Director of Policy

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Corporate governance

The GTC has established procedures to enable us to 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 DfES (in line with the Treasury Code of Best Practice for Board Members of Public Bodies). However, further improvements in governance practices have been considered in the year as part of developing final recommendations by July 2007. The financial statements also include a Statement on Internal Control based upon Treasury Guidance. There is an established Code of Conduct for Council Members and for the Audit, Monitoring and Review Committee and the Remuneration group, which is part of the new Finance and General Purposes Committee.

The Audit, Monitoring and Review Committee met on five occasions during the year. Its responsibilities include a regular review of the adequacy of accounting systems and controls, and the determination and review of the internal audit programme. In addition, the Committee reviews the reports of the external auditors in relation to the GTC's compliance with the regulatory and financial reporting requirements.

Audit, Monitoring and Review Committee

Anthony Cuthbert	Barbara Hibbert (to August 2006)	Robert Millea	Gail Mortimer (Chair)
Arthur Naylor	Jean Scott	Ralph Ullmann	

The Chief Executive is the Accounting Officer and is personally responsible to the Council and to the Accounting Officer and Permanent Secretary of the DfES (now the Department for Children, Schools and Families – DCSF), for the financial propriety and regularity of the GTC's expenditure and control. In addition the Chief Executive has responsibility for the overall organisation, its leadership, management and staffing.

Relations with stakeholders

Teachers are very significant stakeholders for the GTC, and much of this annual report indicates the way in which we have continued to build our relationships with teachers.

Many stakeholders have direct representation on Council as noted on the list of Council Members. Relationships with other bodies range from clearly established partnerships to more occasional or project-based working.

Particular effort was made over the year to strengthen relationships with parent and governor bodies, including the National Confederation of Parent Teacher Associations and the National Governors' Council. Other stakeholder relationships are described further in the sections on the work of the policy and communications teams.

Relations with employees

The GTC continues to foster strong relationships with its staff. There are effective consultative and negotiating arrangements with the two recognised trade unions, FDA and PCS. The GTC's equal opportunities policy informs its employment policies and practices and is regularly reviewed to ensure that high standards are maintained.

The GTC has held Investor in People status since November 2005, a recognition of the high priority we place in the development of our staff as part of the delivery of our business objectives. We have an effective performance review process for assessing the performance of staff and identifying their development needs.

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Policy on disabled employees

The GTC welcomes job applications from people with disabilities in accordance with its equal opportunities policy, which is to provide equal access to employment for all who are eligible, on the basis of ability, qualifications and fitness for work. The organisation also aims to give disabled staff equal access to training, career development and promotion opportunities and employs a small number of staff with disabilities, as defined under the Disability Discrimination Act 1995. In cases where an existing employee becomes disabled, or a disability worsens, the GTC will consider all reasonable adjustments to help them continue in their employment.

Relationships with contractors

Contractors are encouraged to understand the context in which the GTC works and their own part in the GTC's wider work. Contractors in the communications field meet regularly with key GTC staff to ensure they are aware of and understand current developments in the GTC's work, particularly the views and attitudes of registered teachers.

Supplier payments policy

The GTC is committed to paying suppliers promptly. The policy with regard to all suppliers is to make payment within the stated credit terms or within 30 days of receipt of a valid invoice.

Environmental issues

The GTC operates 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 travel being undertaken through public transport.

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

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

Social and community issues

The GTC's principal purposes concern a major area of public life and by its very existence the GTC plays an important role in the development of social and community policy in England.

GTC 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.

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Remuneration Report

Remuneration subcommittee

The GTC governance structure included a Remuneration subcommittee as a subcommittee of the Resources and Planning Committee until October 2006. It usually met three or four times a year. From November 2006, as part of streamlining the GTC's governance structure, the role of the sub-committee incorporated into its parent committee with this committee in turn being renamed as the Finance and General Purposes (F&GP) Committee. All matters falling within the remit of the previous Remuneration Sub-Committee are now included within the remit of the F&GP Committee. Membership during 2006-07 was as follows:

Remuneration subcommittee (to October 2006)

Lesley Ansari	Andrew Baxter	Sarah Bowie	Christine Green	John Mayes (chair)
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Finance and General Purposes Committee (from November 2006)

Lesley Ansari	Sarah Bowie	Robert Gordon	Gloria Hyatt	John Mayes
Andrew Baxter	Sam Crooks	Christine Green	Max Hyde	Tony Woodward (chair)

Terry Bladen

The Chair and Vice-Chair have the right to attend and vote in both of the above committee meetings in an ex-officio capacity.

Remuneration policy

The GTC 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 GTC 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 GTC seeks to pay at levels consistent with the 'mid-market' pay values for each respective level within the organisation, having regard to locational factors for the London and Birmingham employment markets.
- The GTC 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 GTC has a performance monitoring and review scheme.
- 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 GTC are informed by the Starting Salary policy which seeks to ensure consistent and objective determination of initial salaries. The GTC 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 GTC's overall Equalities Policy and pay and other benefits are provided on the basis of securing high standards of equality and a periodic equality audit of the pay structure and system will be undertaken.
- The GTC will provide access to an appropriate employment pension scheme which is currently secured through membership of the Principal Civil Service Pension Scheme and the GTC will make the required employer contributions to this Scheme in respect of any member of staff electing to join the PCSPS. An alternative stakeholder pension will also be made available.
- Other benefits through the GTC's conditions of service (such as annual leave, maternity pay provision) will be 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 GTC uses an external consultant to advise the Remuneration subcommittee in respect of 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 GTC, other than for misconduct, would result in the individual receiving compensation as set out in our HR policy. As part of the appointment process for the GTC's new Chief Executive the period of notice for the post of Chief Executive was changed during the year from three months to six months. The notice period for the remainder of the senior management team remains unchanged at three months.

Salary and pension entitlements

The following sections provide details of the audited remuneration and pension interests of Council Members and senior staff.

Remuneration of Chair and Vice-Chair of Council

The GTC pays a daily allowance to the Chair and Vice-Chair of Council. The daily sum is set and reviewed annually, independently of the GTC. The GTC adopts the outcomes of the independent annual review as applied nationally for equivalent positions in National Non-Departmental Public Bodies (NDPBs). It is anticipated that the paid duties of the Chair and Vice-Chair normally amount to approximately 2 days and 1 day per week respectively.

The GTC also pays a sum of £225 per day attendance allowance to other Members of Council who are either self-employed or not employed. The sum is annually indexed by the rate of inflation. 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 GTC business days.

Chair's remuneration

	2006-07	2005-06
	£'000	£'000
Judy Moorhouse	19.6	28.7

Vice-Chair's remuneration

	2006-07	2005-06
	£'000	£'000
Sashi Sivaloganathan	18.2	19.1

Of the above remuneration figures, £5,449 (Chair) and £5,829 (Vice-Chair) represent the amount paid to their employer for 2006-07 as a contribution to salary costs for time spent on GTC business. The equivalent figures for 2005-06 were £8,146 and £5,974 respectively.

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Chief Executive emoluments

	2006-07	2005-06
	£'000	£'000
Carol Adams (to 31 October 2006)		
Salary	72	123
Employers pension contributions	18	29
Keith Bartley (from 19 March 2007)		
Salary	4	-
Employers pension contributions	1	-
	<u>95</u>	<u>152</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.

Salary and pension entitlement of senior managers

The salary (total emoluments in post) and pension entitlements, including cash equivalent transfer values (CETV), of senior managers within the organisation, employed during the year, were as follows:

	Salary Payments	Benefits in kind	Real increase in pension	Total accrued pension and related lump sum	CETV at 1 April 2006/ start of service	CETV at 31 March 2007/ end of service	Employer funded real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carol Adams (to 31 October 2006)	70-75	-	2.5- 5 and 10-12.5 lump sum	35-40 and 110-115 lump sum	763	876	85
Keith Bartley (from 19 March 2007)	0-5	-	0-2.5 and - lump sum	0-5 and - lump sum	-	1	1
Dennis Jones*	80-85	-	2.5-5 and 12.5-15 lump sum	30-35 and 95-100 lump sum	508	665	137
Alan Meyrick	75-80	-	0-2.5 and 2.5-5 lump sum	15-20 and 55-60 lump sum	234	276	37
Fiona Johnson	75-80	-	0-2.5 and - lump sum	5-10 and - lump sum	58	82	20
Sarah Stephens	75-80	-	0-2.5 and 2.5-5 lump sum	10-15 and 40-45 lump sum	199	230	27

During the year there has been no compensation paid to former senior managers or Council Members.

* Includes emoluments paid whilst undertaking the role of acting Chief Executive from 1 November 2006 to 18 March 2007.

The total salary payments to senior managers for the year totalled £393,000 (2006: £417,000). None of the senior managers received any benefits in kind in either year.

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Pension benefits

Pension benefits are provided through the Civil Service pension arrangements, as last revised from October 2002. Currently members of the scheme may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year, but actual contributions are paid annually into the scheme by the GTC for its employees. Pensions payable are increased annually in line with changes in the Retail Prices Index. New entrants may choose between membership of the 'premium scheme' or joining a good quality 'money purchase' stakeholder arrangement 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 and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

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 selection of approved products. 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 60, or immediately on ceasing to be an active member of the scheme if they are already 60.

The cash equivalent transfer value (CETV)

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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the Cabinet Office's Civil Superannuation Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the member of staff (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.

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Financial Review

Income

Income for the year was £18.80m (2006: £17.16m), a 9.5 per cent increase on the previous year, mainly attributable to an increase in the registration fee.

Most (97 per cent) of the GTC's income is from registration fees. Qualified teachers are required to be registered and pay the GTC's registration fee if they are employed as teachers in a maintained school or a non-maintained special school. Other qualified teachers may register on a voluntary basis. The annual registration fee for the year was £33 (2006: £30).

The GTC's accounting policy on fee recognition for those teachers required to be registered is that the registration fee is only recognised 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 the fee is delayed until the information becomes available.

The benefits of the ICT system, implemented in April 2005, and the continued improvement in the registration data has meant that individuals on the Register, where there is sufficient certainty with regard to their registration data, continue to be identified more effectively and hence invoiced and recognised during the year.

For the 2006-07 year the GTC has invoiced 555,000 individuals for the annual fee of £33. This included 600 voluntary registrants, where the fee has not been received and so is not recognised as income. Therefore in accordance with accounting policies fee income for the current year has been recognised for 554,400 teachers.

To be consistent with the GTC's income recognition policy, a further 9,400 fees from prior years have been 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 2006-07 8,800 such credit notes were raised against fees relating to prior years.

There is a variety of means by which teachers currently pay the fee: direct debit, cheque, credit card and deduction from salary. Payment by direct debit provides greater economy and efficiency and the GTC wishes to move increasingly to this payment method, in order to provide best value from the registration fee, to provide teachers with greater control over their payment and reduce the work load for employers. New registrants are required to pay by direct debit.

The GTC based its cash flow for the year on the collection of 510,000 fees, a prudent assessment which took into account the difficulties inherent in collecting large volumes of relatively low value amounts. In the event, this has been achieved with 510,000 fees having been collected by the end of the year (2006: 494,000 fees) with collection still continuing.

The collection process is a complex one where the key issue is that of accurate, up-to-date personal data. It is estimated that in any one year, there could be 150,000 changes to individual records as teachers enter or leave the profession, change jobs or move house. Accordingly at any one time there will be a percentage of teachers on the Register for whom there is out of date information such as the contact address, which creates difficulties for fee collection. The GTC is committed to continuing to improve the accuracy of data on the Register. Teachers have an individual responsibility to keep the GTC informed of their up-to-date personal data.

Other income relates to a number of specific grants, the largest of which were from the DfES to fund the processing of teacher qualifications, the development of an improved on-line Employer Access system and the innovation of the Teacher Learning Academy.

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Financial Review

Expenditure

During the year, expenditure on operational costs (excluding notional interest) was £18.25m (2006: £18.59m), a 1.8 per cent decrease on the prior financial year. Areas of significant variation compared to the 2005-06 financial year are as follows:

- **Regulation.** The number of cases completed during the year increased to 144 compared with 75 in the previous year as predicted in the three year casework strategy and in line with the increased number of referrals that are being made to the GTC. However the rise in the total cost for regulation has been limited by the casework strategy which has resulted in reduced unit costs per case and a substantial efficiency saving.
- **Award of QTS.** The current year costs include one off expenditure for electronically archiving all of the teacher qualification college exit paper work from the last six years.
- **Policy services.** This represents the costs of operating the three Professional networks and the Teacher Learning Academy pilot. 2006-07 saw the first full year of the operation of the Engage Network that was launched in September 2005. The TLA pilot continued to be developed during 2006-07 with initial work to consider and develop strategic options for the future delivery of the TLA. This included identifying business model options that could sustain the TLA on a wider national basis. The work will report in 2007-08 with an aim to implement the agreed strategy from September 2008.
- **GTC magazine and publications.** Efficiencies in the production and distribution of the GTC magazine and publications has resulted in a reduction in the total costs compared to previous years.
- **External relations.** The two sponsored supplements co-produced with SecEd magazine were considerably cheaper than the two supplements co-produced with the Times Education Supplement last financial year and the Parliamentary reception was deferred until after the year of the financial year to enable the event to incorporate the new Chief Executive.
- **Conferences and events.** The events programme varies each year depending on the requirements of the current education policy work. The programme for 2006-07 was expanded over last year and incorporated two series of events, Every Child Matters and Pupil Assessment, which included a large national event for Pupil Assessment in March 2007 attended by over 130 delegates.
- **Council and committee costs.** Due to the timings of the academic year, five Council meetings fell during the prior financial year but it reverted back to the usual number of four meetings in this financial year.
- **Provision and charge for doubtful debts.** Continued improvement in information recording and the data on individuals on the register has resulted in a larger number of fees being recognised. However, not all these fees are collectable, as contact addresses for registrants can be lost during the course of the year where individuals do not update the GTC with their new details. This has meant an increase in the doubtful debts provision against fee debtors. On the other hand, collection of prior years fees has been higher than anticipated in the 2005-06 financial statements, resulting in fees that had a provision against them at 31 March 2006 being collected. This has the impact of reducing the bad debt charge in the income and expenditure account for the current financial year.

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Financial Review

Staff costs have increased by 8.7 per cent primarily as a result of the increased regulatory workload. The full time equivalent number of employees averaged 201 (2006:192) for the year, a 4.7 per cent increase.

The principal changes from the prior year were:

- additional senior and support staff employed within the Policy team to work on the delivery of the pilot of the GTC Teacher Learning Academy
- professional standards administrative staff as additional regulatory cases are managed
- a further two in house legal presenting officers, whose employment will continue to yield overall savings in the cost of casework hearings

After several years' of increases in staff numbers as the GTC became established, the level of staff has now stabilised and there are no significant increases forecast.

Surplus for the year

The surplus for the year was £0.96m (2006: £1.12m deficit) compared to a budgeted deficit of £1.01m. This strengthens the organisation's financial position. The significant elements of the variance are £0.80m from additional recognised fee income and a reduced bad debt charge and a £0.40m under spend on casework, where although a greatly increased number of cases were heard, this was lower than the originally budgeted number.

Reserves

The current reserves policy of the GTC is to maintain sufficient general reserves to provide a minimum of the equivalent to two months cash requirement (which is currently approximately £3.0m). The GTC's three year financial strategy budgets for this to be raised to the equivalent of three months cash requirement by the end of March 2009 (which will be approximately £5m).

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. Reserves can be held by the GTC and carried forward for use in future years. At 31 March 2007 the general reserves of the GTC were £5.95m, with designated reserves of £2.80m.

Treasury management

The GTC receives payment for the bulk of its fees in the first quarter of the year. It prudently invests these cash reserves in money market deposits in low risk (B+ and above rated) investments with high street banks. All its investments are in sterling and gave rise to interest receivable of £545,000 for the year. Current legislation does not allow the GTC to borrow. Therefore it has to ensure that it has sufficient cash to manage fluctuations in activity levels and also the funding of major projects.

Fixed assets

The gross current cost value of fixed assets purchased up to the 31 March 2007 was £7.53m. These all relate to the operational infrastructure of the GTC and are classified into two categories:

- Non-Grant Funded (assets purchased from registration fee income).
- Grant Funded (assets purchased by DfES and transferred to the GTC and assets funded by DfES Grant-in-Aid in the early years of the GTC).

The accounting policy is to include fixed assets in the financial statements at current cost, revaluing annually on 31 March using the Price Index Numbers for Cost Accounting, issued by the Office for National Statistics. The assets have been depreciated in line with the GTC's accounting policy and had a written down value of £3.33m at 31 March 2007.

General Teaching Council for England
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Financial Review

Auditors

As provided by Schedule 1 paragraph 14(3) of the Teaching and Higher Education Act 1998, the financial statements are audited by the National Audit Office (NAO), on behalf of the Comptroller and Auditor General.

Disclosure of relevant information to auditors

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

Keith Bartley 5 July 2007
Chief Executive

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2007
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 GTC 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 GTC's state of affairs at the year-end and its income and expenditure and cash flows for the financial year.

In preparing the financial statements the GTC is required 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 have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The Accounting Officer for the DfES (now DCSF), under the endorsement of the Council, has designated the Chief Executive as the Accounting Officer for the GTC. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the public finances and the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2007
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 Government Accounting and through Treasury Guidance and Requirements.

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 GTC'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 GTC for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

As Accounting Officer, I place a high value on the existence of an effective risk management strategy. Accordingly the GTC 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 GTC's overall approach to risk is one of caution.

The risk management policy and strategy has been approved by the Council Members, who receive regular reports on current 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. The Council Members also require each paper submitted to Council Meetings and Committees, to include an assessment of risk, and the controls in place to mitigate that risk.

During the year new staff have received up to date training in risk management. The Corporate Planning Manager also acts as a permanent source of advice and guidance on risk matters for all staff, working to, and under the guidance of, the Director of Finance and Administration. A Risk Management Group meets during the year to consider and monitor risk issues and comprises managers representing all divisions of the organisation.

The risk and control framework

A comprehensive risk management strategy is in place which establishes a standard procedure throughout the organisation for identifying and documenting risk. The GTC adopts a medium level appetite to risk, encouraging appropriate innovation whilst ensuring that effective internal control and good management practice is in place. This risk appetite has been established by Council taking into account the source of the GTC's income (teacher fees), the nature of its responsibilities and the risks attached.

Risks are identified by the operational team, and integrated into annual service plans, budget plans and corporate objectives. They are regularly reviewed by team management and updated quarterly or as circumstances change as part of the regular review of performance. Risks are evaluated according to their inherent risk in relation to Operational, Financial and Reputational matters and graded from 1 to 5 in order of importance. The likelihood of risks occurring is also assessed on scale of 1 to 5. Guidance is in place to

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2007
Statement on Internal Control

ensure the consistent evaluation of risks and their likelihood. Control measures are set out which reduce the level of the identified risks.

The risks are recorded in a centrally held risk register and at least quarterly each operational team reviews risks, identifies any new risks, and assesses the adequacy of controls. The risk reports are reviewed by senior management and Council Members in conjunction with service delivery reviews.

The GTC 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. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and also by the Heads of Service within the GTC 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. 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, Monitoring and Review 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 system identifies key risks and their related controls. The review of risk is integrated with that of service performance 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, Monitoring and Review Committee. The system is also reviewed by the Risk Management Group of senior staff, chaired by the Director of Finance and Administration, and through reports by the RMG to the Chief Executive and Senior Management Team. The GTC's Council and Audit, Monitoring and Review Committee receive 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 and adjusted annually 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 weaknesses by audit and by internal review, allows management to improve systems and give improved levels of assurance.

The Audit, Monitoring and Review 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 GTC's auditors, has not identified any weaknesses in the control framework sufficient for me to draw attention to in this annual statement.

Keith Bartley 5 July 2007
Accounting Officer

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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 2007 under the Teaching and Higher Education Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet and the Cash Flow Statement 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

The General Teaching Council for England and Chief Executive are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Teaching and Higher Education Act 1998 and directions made thereunder by the Secretary of State for Education and Skills and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the General Teaching Council for England and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Teaching and Higher Education Act 1998 and directions made thereunder by the Secretary of State for Education and Skills. I report to you whether, in my opinion, certain information given in the Annual Report and Financial Review is consistent with the financial statements. I also report whether 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.

In addition, I report to you if the General Teaching Council for England has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the General Teaching Council for England's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the General Teaching Council for England's corporate governance procedures or its risk and control procedures

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the General Teaching Council for England and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the General Teaching Council for England's circumstances, consistently applied and adequately disclosed.

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The Certificate and Report of the
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I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Teaching and Higher Education Act 1998 and directions made thereunder by the Secretary of State for Education and Skills, of the state of the General Teaching Council for England's affairs as at 31 March 2007 and of its surplus for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Teaching and Higher Education Act 1998 and directions made thereunder by the Secretary of State for Education and Skills; and
- information given within the Annual Report and Financial Review is consistent with the financial statements.

Audit 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.

Report

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Date: 12 July 2007

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2007
Income and Expenditure Account
For the year ended 31 March 2007

		2006-07		2005-06	
		£'000	£'000	£'000	£'000
Income					
Teacher registration fees	2a		18,304		16,459
Other operating income	2b		498		705
			18,802		17,164
Expenditure					
Staff costs	3	7,122		6,553	
Depreciation and revaluation	4	1,680		1,757	
Other operating charges		9,754		10,553	
Total expenditure	5		18,556		18,863
Operating surplus/ (deficit) on ordinary activities			246		(1,699)
Interest receivable	6		545		400
Surplus/ (deficit) for the year after interest			791		(1,299)
Reversal of notional interest on capital employed			306		273
Surplus/ (deficit) for the year before tax			1,097		(1,026)
Tax on interest receivable	7		(137)		(90)
Retained surplus/ (sustained deficit) for the year			960		(1,116)
Net transfer from designated reserves	13		1,090		1,471
Retained surplus after transfer			2,050		355
General reserve brought forward			3,895		3,540
General reserve carried forward			5,945		3,895

Note: All operations are continuing

There were no recognised gains or losses other than those included in the income and expenditure account.

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2007

Balance Sheet

As at 31 March 2007

		2007		2006	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8		3,330		4,611
Current assets					
Debtors and prepayments	9	1,676		1,815	
Cash at bank and in hand	10	6,678		4,624	
		8,354		6,439	
Current liabilities					
Creditors - amounts falling due within one year	11	2,782		3,247	
Deferred grants falling due within one year	12	154		-	
		2,936		3,247	
Net current assets			5,418		3,192
Total assets less current liabilities			8,748		7,803
Represented by:					
Capital and reserves					
Government capital reserve	14		-		15
Designated reserves	13		2,803		3,893
General reserve	14		5,945		3,895
			8,748		7,803

Approved on 5 July 2007 by

Keith Bartley
Accounting Officer

Authorised for issue on 12 July 2007

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2007

Cash Flow Statement

For the year ended 31 March 2007

		2006-07	2005-06
		£'000	£'000
Net cash inflow from operating activities	17	2,033	576
Returns on investments and servicing of finance			
Interest received		476	399
Taxation		(90)	(129)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(365)	(1,449)
Increase/(decrease) in cash and cash equivalents	16	2,054	(603)

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

1 Accounting Policies

1a Accounting Convention

The financial statements cover the period 1 April 2006 to 31 March 2007.

The financial statements have been prepared under the accruals concept and the historic cost convention, except as modified by the revaluation of fixed assets as highlighted in 1c below. Without limiting the information given, and subject only to compliance with the requirements set out in the Accounts Direction, they also comply with the accounting and disclosure requirements of the Companies Act 1985, the Financial Reporting Manual and with accounting standards issued or adopted by the Accounting Standards Board except where HM Treasury has issued alternative guidance except for the requirement to provide historical cost information in accordance with Financial Reporting Standard 3 "Reporting Financial Performance". The particular accounting policies adopted by the GTC are described below. These have been applied consistently in dealing with items considered as material in relation to the financial statements.

1b 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 GTC.

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

Grant-in-Aid received from DfES in respect of revenue expenditure is recognised in the income and expenditure account in the year it is received. Grant-in-Aid relating to specific capital expenditure is credited to the Government Capital Reserve and released to the income and expenditure account over the estimated useful economic life of the assets to which it relates, matching the depreciation charged on these assets.

Specific grants received from DfES 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 DfES and other funding bodies is are credited to a deferred 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.

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

1c Fixed Assets

Tangible fixed assets are stated at current cost less depreciation. The GTC'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 threshold.

Fixed 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.

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:

Class of asset	Standard expected useful life (years)
Computer hardware and telecommunications	3 - 4
Computer software and development	2 - 4
Fixtures & fittings	5
Office refurbishment	5

Assets under construction are not depreciated.

1d Operating Leases

Rentals payable under operating leases are charged in the income and expenditure account on a straight-line basis over the lease term.

1e Notional Charges

Interest on Capital Employed

Interest on capital employed is charged to the income and expenditure account through other operating charges and credited back to the retained surplus at the end of the year. This cost of capital is calculated in accordance with HM Treasury requirements at the HM Treasury required rate on the average value of capital employed during the period. Capital employed is defined as being total assets less all liabilities.

1f Value Added Tax

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

1g Corporation Tax

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

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

1h Pension Costs

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 GTC's share of the underlying assets and liabilities. Therefore the GTC accounts for the contributions to the scheme as if it was a defined contribution scheme as required by Financial Reporting Standard 17. A full actuarial valuation was carried out at 31 March 2003. 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 GTC to both schemes in respect of the year.

1i 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.

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

2 Income

	2006-07		2005-06	
	<i>Number of teachers</i>	£'000	<i>Number of teachers</i>	£'000
2a Registration fee income				
Registrants	554,400	18,295	543,200	16,297
Recognition of prior year fees		9		162
		18,304		16,459

Rounded figures are used for the number of teachers.

During the course of the year the maximum number on the Register was 556,500 individuals with new registrations occurring and individuals leaving the profession throughout the year. The Register contained approximately 532,000 individuals as at 31 March 2007.

Better information recording, resulting from the changes in the ICT system used to register teachers and record fees, has resulted in a larger number of fees being recognised. For the 2006-07 year the GTC has invoiced 555,000 individuals for the annual fee of £33. This included 600 voluntary registrants, where the fee has not been received by 31 March 2007 and so is not recognised as income. Therefore in accordance with accounting policies income has been recognised for 554,400 teachers.

	2006-07		2005-06	
	£'000	£'000	£'000	£'000
2b Other operating income				
<i>Grant-in-Aid</i>				
Government Capital Reserve Released to Income and Expenditure Account	15		14	
		15		14
<i>Other Grants</i>				
DfES Teacher qualifications grant	400		400	
DfES Continuing professional development grants	-		123	
Innovation Unit grant	30		-	
DfES Teacher Learning Academy Innovations grant	49		86	
Hamlyn Foundation grant	-		12	
Alumni Association	1		4	
		480		625
<i>Other income</i>		3		66
		498		705

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

3 Remuneration

3a Average Number of Employees

	2006-07	2005-06
<i>Section</i>	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>
Chief Executive's office	4	5
Registration and ICT	78	70
Regulation and legal	34	27
Finance and administration	25	27
Communications	16	13
Policy and research	36	33
Agency staff	8	17
	<u>201</u>	<u>192</u>

3b Staff Costs

	2006-07	2005-06
	<i>£'000</i>	<i>£'000</i>
Wages and salaries	5,312	4,538
Teacher secondees	204	430
Social security costs	421	358
Other pension costs	1,010	825
Agency staff	175	402
	<u>7,122</u>	<u>6,553</u>

4 Depreciation and revaluation

	2006-07	2005-06
	<i>£'000</i>	<i>£'000</i>
Depreciation charge for the year	1,554	1,570
Depreciation adjustment for current cost revaluation	(117)	(57)
Deficit on current cost revaluation	243	244
	<u>1,680</u>	<u>1,757</u>

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

5 Expenditure

The total expenditure of the GTC analysed by function:

	2006-07	2005-06
	£'000	£'000
Regulation	2,659	2,295
Registration	1,957	1,913
Award of QTS	879	783
Policy advice	685	702
Policy services	2,157	2,067
Policy research and information	907	915
GTC magazine and publications	1,219	1,335
External relations	498	600
Conferences and events	655	578
Website	588	568
Fee collection	1,008	991
Council and committee costs	639	744
Finance, HR and administration	941	1,060
Premises	1,184	1,201
ICT Strategy	-	186
Depreciation, current cost revaluation and loss on disposal	1,680	1,757
Notional interest on capital employed	306	273
Provision and charge for doubtful debts	594	895
	<u>18,556</u>	<u>18,863</u>

The operating surplus/(deficit) is stated after charging:

	2006-07	2005-06
	£'000	£'000
Payments to external auditors		
Audit fee	31	32
Other fees	2	2
Operating lease rentals		
Office equipment	15	20
Other (land and buildings)	886	870
	<u>934</u>	<u>924</u>

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

6 Interest Receivable

	2006-07	2005-06
	<i>£'000</i>	<i>£'000</i>
Interest receivable from cash deposits	<u>545</u>	<u>400</u>

7 Taxation Charge

	2006-07	2005-06
	<i>£'000</i>	<i>£'000</i>
Corporation tax	<u>137</u>	<u>90</u>

Factors affecting the tax charge for the year:

The GTC 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 30%. The differences are explained below:

	2006-07	2005-06
	<i>£'000</i>	<i>£'000</i>
Investment income for the year	<u>545</u>	<u>400</u>
Investment income multiplied by the standard rate of corporation tax in the UK of 30%	164	120
Marginal relief	(27)	(30)
Current tax charge for the year	<u>137</u>	<u>90</u>

General Teaching Council For England
 Financial Statements for the year ended 31 March 2007
 Notes to the Financial Statements

8 Fixed Assets

	Fixtures and fittings £'000	Hardware £'000	Software £'000	Office re- furbishment £'000	Assets under construction £'000	Total £'000
Cost						
At 1 April 2006	535	1,232	4,592	1,120	-	7,479
Additions	22	37	120	34	186	399
Disposals	-	(101)	-	-	-	(101)
Current cost revaluation	3	(49)	(262)	65	-	(243)
At 31 March 2007	560	1,119	4,450	1,219	186	7,534
Depreciation						
At 1 April 2006	402	702	1,433	331	-	2,868
Charge for year	49	227	1,050	228	-	1,554
Disposals	-	(101)	-	-	-	(101)
Current cost revaluation	2	(27)	(123)	31	-	(117)
At 31 March 2007	453	801	2,360	590	-	4,204
Net book value						
At 31 March 2007	107	318	2,090	629	186	3,330
At 1 April 2006	133	530	3,159	789	-	4,611

All fixed assets held are used in the furtherance of the GTC's objectives.

'Assets under construction' represent the capital costs in respect of the on-going development of the new Employer on-line access system.

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

9 Debtors

	2007	2006
	£'000	£'000
Registration fees	2,053	2,211
Provision for doubtful debts	(1,267)	(829)
Trade debtors	81	4
Other debtors	9	10
Prepayments and accrued income	800	419
	<u>1,676</u>	<u>1,815</u>

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

10 Cash at bank and in hand

	2007	2006
	£'000	£'000
Money market deposits	6,500	4,500
Current accounts	178	124
	<u>6,678</u>	<u>4,624</u>

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

11 Creditors – Amounts Falling Due Within One Year

	2007	2006
	£'000	£'000
Trade creditors	814	1,410
Corporation tax	137	90
Other creditors	78	127
Accruals	1,753	1,620
	<u>2,782</u>	<u>3,247</u>

Accruals include £1,088,620 (2006: £1,069,197), relating to the averaging of lease costs to recognise rent free periods, which will be released to the income and expenditure account after more than one year.

General Teaching Council For England
 Financial Statements for the year ended 31 March 2007
 Notes to the Financial Statements

12 Deferred Grants

	Balance as at 1 April 2006 £'000	Received during the year £'000	Recognised in the income and expenditure account £'000	Balance as at 31 March 2007 £'000
Teacher qualifications	-	400	(400)	-
TLA Innovations grant	-	49	(49)	-
Alumni Association	-	5	(1)	4
Innovation Unit	-	30	(30)	-
DfES Employer Access	-	150	-	150
	-	634	(480)	154

Deferred incomes includes £112,500 (2006: £nil) which will be released to the income and expenditure account after more than one year.

13 Designated Reserves

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

- Casework To equalise the impact of the costs of fluctuating casework loads across future financial years and a contingency reserve to cover any significant costs arising from legal challenges to rulings of the GTC's disciplinary function.
- Election To equalise four yearly election costs across financial years.
- ICT Strategy To fund the depreciation charge in future years of the large initial capital costs of the investment in the ICT strategy. The ICT strategy is designed to improve service delivery to teachers and employers through the use of more effective and efficient processes involving the use of a customer relationship management system, supported by appropriate information and communication strategies, channels and systems.

	Casework £'000	Election £'000	ICT Strategy £'000	Total £'000
Balance as at 1 April 2006	500	225	3,168	3,893
Transfer from general reserve	-	125	-	125
Released to general reserve	-	(29)	(1,186)	(1,215)
Balance as at 31 March 2007	500	321	1,982	2,803

General Teaching Council For England
 Financial Statements for the year ended 31 March 2007
 Notes to the Financial Statements

14 Movement on Reserves

	Balance as at 1 April 2006 £'000	Surplus for the year £'000	Released to income and expenditure account £'000	Net transfer to/from designated reserves £'000	Balance as at 31 March 2007 £'000
Government capital reserve	15	-	(15)	-	-
Designated reserves	3,893	-	-	(1,090)	2,803
General reserve	3,895	960	-	1,090	5,945
	7,803	960	(15)	-	8,748

15 Leases

15a Annual obligations under operating leases comprise:

	2007 £'000	2006 £'000
<i>Land and Buildings</i>		
Expiry after 5 years	870	870
	<u>870</u>	<u>870</u>
	2007 £'000	2006 £'000
<i>Other</i>		
Expiry within 1 year	-	4
Expiry within 2 to 5 years	15	12
	<u>15</u>	<u>16</u>

15b Finance Leases

There are no obligations under finance leases.

16 Analysis of Balances and Movements of Cash and Cash Equivalents during the Year

	Balance as at 1 April 2006 £'000	Cash Flow £'000	Other Changes £'000	Balance as at 31 March 2007 £'000
Cash at bank and in hand	124	54	-	178
Current asset investments	4,500	2,000	-	6,500
	4,624	2,054	-	6,678

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

17 Reconciliation of Operating Surplus/ (Deficit) to Net Cash Inflow from Operating Activities

	2006-07	2005-06
	£'000	£'000
Operating surplus (deficit)	246	(1,699)
Depreciation and revaluation	1,680	1,757
Released from Government capital reserve	(15)	(14)
Notional interest on capital employed	306	273
Decrease/(increase) in debtors	208	(425)
Decrease in registration fees received in advance	-	(297)
(Decrease)/increase in creditors	(546)	1,077
Increase/(decrease) in deferred grants	154	(96)
Net cash inflow from operating activities	2,033	576

18 Reconciliation of net cash flow to movement in net cash

	2006-07	2005-06
	£'000	£'000
Increase in cash in year	2,054	(603)
Net cash at 1 April 2006	4,624	5,227
Net cash at 31 March 2007	6,678	4,624

19 Capital Commitments

Capital commitments amounting to £125,915 (2006: £nil) were contracted and authorised as at 31 March 2007.

20 Contingent Assets and Liabilities

There were no contingent assets or liabilities at 31 March 2007.

21 Gifts

There were no gifts received or made by the GTC during the year ended 31 March 2007 other than a £250 donation that the GTC made to charity in lieu of paying a speaker's fee.

General Teaching Council For England
Financial Statements for the year ended 31 March 2007
Notes to the Financial Statements

22 Related Party Transactions

During the year the GTC had various material transactions with other Government departments and other central Government bodies. These were with the Office of Government Commerce as provider of telecommunications and with DfES for the provision of payroll services and pension administration.

As at 31 March 2007 the GTC was owed £33,785 (2006: £nil) by the Home Office.

None of the Council Members, key managerial staff or other related parties has undertaken any material transactions with the GTC during the year to 31 March 2007.

23 Losses and special payments

The GTC incurred no material losses or special payments in the year to 31 March 2007.

24 Pension costs

For members of the PCSPS defined benefit scheme, employers' contributions are payable at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands. The rates will remain in the range of 17.1 to 25.5 per cent for the next financial year, subject to revalorisation of the salary bands. Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

For members of the PCSPS defined contribution stakeholder scheme, employers' contributions are payable, to one or more of a panel of the appointed stakeholder pension providers, in the range of 3 to 12.5 per cent of pensionable pay, based on the age of the member. Any contributions made by employees are matched by a further employer contribution up to a limit of 3 per cent. In addition, a contribution of 0.8 per cent of pensionable pay is paid to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

The defined benefit scheme is a multi-employer scheme but the GTC is unable to identify its share of the underlying assets and liabilities and so accounts for the contributions to the scheme as if it was a defined contribution scheme.

The assets of both schemes are held separately from those of the GTC in independently administered funds. The pension charge in the income and expenditure account represents the total amounts payable by the GTC to both schemes in respect of the year and is disclosed in note 3.

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