

**General Teaching Council for England
Annual Report and Financial Statements
for the year ended 31 March 2012**



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Introduction

This Report covers the 2011-12 financial year, the final year of operation of the General Teaching Council for England (GTCE), which was abolished on 1 April 2012.

With all our work taking place within this context, throughout our last year the Council retained its focus on serving the public interest; supporting improvements in professional conduct and practice; raising the standing of the profession; and enhancing learning outcomes for children and young people.

Indeed in many important respects, GTCE business carried on 'as usual' in that we continued to deliver our statutory functions until closure. We have therefore maintained the Teaching Register of more than 585,000 qualified teachers and discharged our regulatory function, hearing the highest number of cases of serious misconduct or incompetence in our history. We also drew upon our significant body of evidence to provide advice on policy issues.

In parallel, of course it has been crucial to manage the closure of our organisation in a properly planned and professional way. Only by so doing could we ensure an effective transition or transfer of activities that will continue, alongside an efficient closedown of those activities that will not. In the latter case, substantial effort has been directed to ensuring that our intellectual assets and legacy are available after our abolition, both to the profession and the wider education community.

To that end, since the government announced its intention to abolish the GTCE, we have been working to ensure that the rich resources and innovative approach of the Teacher Learning Academy (TLA) remain available for the benefit of as many teachers as possible. I'm delighted to report that the Cathedrals Consortium of universities and university colleges acquired the TLA intellectual property assets through a public sale. As a result, the newly named Teaching and Learning Academy was launched in November. In the meantime, we have worked closely with the Institute of Education at the University of London to ensure that our valuable contributions towards policy and research are safely archived for future use, enabling a wide range of educationalists and others to draw upon our extensive body of evidence-based work.

During the year we developed and built upon close working relationships with our colleagues at the Department for Education ('the Department'), to ensure that the transition was managed as smoothly as possible. The Department has drawn from elements of our experience and expertise to inform the new regulatory environment.

Clear and effective governance has also helped us to negotiate our way and in particular, I thank the Chair and members of the Executive Committee for their hard work in steering us through our final 12 months. I am grateful for the support of all Members during a challenging period.

Traditionally an annual report is an opportunity both to look back at what has been achieved throughout the year and to look forwards, at some of the challenges the future may hold. Clearly in our case this second strand is not directly applicable, as our doors closed for the last time at the end of March 2012, when a newly created body, the Teaching Agency, an executive agency of the Department, took responsibility for teachers' professional regulation and the award of qualified teacher status (QTS) and induction from 1 April 2012.

So instead I would like to conclude this final report with some brief remarks about our contribution to teaching professionalism over the last 12 years. The GTCE has provided a fair and transparent process of regulation of teacher misconduct and incompetence and, as the independent professional body for teaching, helped promote teaching as a profession through the maintenance of the Teaching Register. We have sought to ensure the use of the best available research and stakeholder evidence in the development of national policies which underpin teaching and learning. At the heart of the GTCE's legacy will be our promotion of research-informed teaching practice through the TLA. The GTCE initiated and hosted the National

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Equalities Forum, Disabled Teacher Taskforce and Achieve Network; as such it was at the forefront of promoting equality and diversity issues in national education policy and in the teaching profession. I am confident that in the relatively short life of the GTCE our work has made a difference to: teachers; children and young people; parents; policy and decision makers; and other stakeholders.

Council Members and Additional Committee Members have worked within the diverse portfolio of governance, audit, regulation, assuring and steering research, policy and support for practice; they have fulfilled their duties working to the high standards of public life and with commitment, clarity and expertise. I would also thank the wide range of stakeholders, teachers to policy makers and researchers, who have contributed to GTCE endeavours, influencing our thinking, engaging with the agenda of teacher professionalism and the quality of teaching.

Key to all our achievements has been our staff. Against a background of considerable uncertainty, GTCE staff have demonstrated their unstinting professionalism and I pay tribute to their remarkable efforts. I would also like to wish everyone well in their next career steps, whether that involves working for the Department, one of its executive agencies or another endeavour.

Alan Meyrick
Accounting Officer
14 June 2012

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About this report

This report covers the period 1 April 2011 to 31 March 2012. All the work on which we report takes place in the context of our abolition, which happened on 1 April 2012.

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

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

About the General Teaching Council for England

The GTCE, a public corporation, was established on 1 September 2000 under Section 1 of the Teaching and Higher Education Act 1998.

As part of the implementation of the Education Act 2011 the GTCE was abolished on 1 April 2012. The GTCE continued to undertake the activities required of it by statute up to its abolition date:

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

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

Since the Secretary of State's announcement of the intended abolition of the GTCE in June 2010, all business activity was continually monitored by the senior management and leadership teams to determine our programme of work. The development of the Value the Functions (VtF) Programme to facilitate effective and efficient management of closure, transfer, transition and legacy work was a significant undertaking.

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

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Registration

Background

Despite the impending closure of the GTCE, the levels of work undertaken in this area continued largely unchanged. This is because registration work underpinned the regulatory process. The award of QTS and induction will also continue after the closure of the GTCE in the Teaching Agency.

The Register

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

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

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

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

On 2 March 2012, the last day for new registrations, more than 585,000 qualified teachers were fully registered with the GTCE.

Full Registration	2 March 2012	31 March 2011	31 March 2010
Teachers holding full registration with the GTCE	585,014	578,755	567,817

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

On 31 March 2012 over 58,000 trainee teachers working towards QTS were provisionally registered with the GTCE.

Overseas-trained teachers (OTTs) and instructors have been required to provisionally register with the GTCE since 1 September 2009. On 31 March 2012 over 5,000 OTTs and over 9,000 instructors were provisionally registered with the GTCE.

Provisional Registration	31 March 2012	31 March 2011	31 March 2010
Trainee teachers	58,863	57,055	49,353
Overseas-trained teachers (OTTs)	5,278	4,543	5,523
Instructors	9,059	9,010	10,352

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

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

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

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	31 March 2012	31 March 2011	31 March 2010
Ethnicity data for full and provisional registrants	67%	65%	53%
Disability data for full and provisional registrants	43%	36%	23%

Awarding qualified teacher status

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

Type of QTS Award	2011-12	2010-11	2009-10
ITE college exit process	27,514	27,603	26,053
Scotland	246	141	128
Northern Ireland	92	26	29
European Economic Area	1,930	1,787	1,932
Flexible post graduate route	910	812	910
Graduate and registered teacher programmes	4,725	4,793	4,961
Overseas trained teachers	530	683	818
Teach First	529	455	353
Awards resulting from archive work	40	106	113
Assessment Only	19	-	-
Total	36,535	36,406	35,297

In September 2011 the Department introduced two new routes to QTS, Assessment only and Teach Next, both were being piloted this financial year.

Induction

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

More information about those failing induction can be found in the ‘Regulation’ section.

Result	2011-12	2010-11	2009-10
Pass	26,153	25,406	28,248
Extended	124	92	103
Not yet completed successfully	2,309	1,587	1,081
Fail	10	14	16

Access to the Register

Our employer access system allowed schools, local authorities, supply agencies and initial teacher training institutions (ITTs) to view the registration, qualifications and restriction status of teachers online. The service continued to be heavily subscribed and provided direct support to employers in meeting their responsibilities under the ‘safeguarding children and safer recruitment in education’ initiative.

Whilst the number of enquiries was slightly down on a pro rata basis compared to the previous full year, the facility was still heavily used by employers.

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	2011-12	2010-11	2009-10
Employer access enquiries received and processed	430,380	528,608	636,397
Employer access employment updates made by schools	39,027	39,762	43,325

Teacher Enquiry Service

The Teacher Enquiry Service was the GTCE's central point of contact for teachers looking to update their registration details, pay their registration fee or to enquire about our professional services for teachers. The table below illustrates the service performance for the teams that handled teacher enquiries. From 1 April 2011 to 31 March 2012 we handled 23% fewer calls than for the same period the previous year and maintained an abandonment rate below the target of 5%.

	2011-12	2010-11	2009-10
Calls handled	101,920	132,211	144,235
Abandonment rate	2.8%	1.35%	1.44%

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Regulation

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

These procedures continued to be developed in the light of experience. We aimed to:

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

The number and types of hearings held during the twelve months to 31 March 2012 are shown in the table below.

	2011-12	2010-11	2009-10
Conduct and competence hearings			
Prohibition order	68	33	13
Suspension order (with conditions)	9	12	10
Suspension order	53	43	19
Conditional registration order	26	19	20
Reprimand	74	67	52
No sanction	20	14	15
No finding	18	16	19
Other (i.e. variation/revocation/restoration/discontinued)	3	7	6
Otherwise disposed of	1	6	8
Sub-total	272	217	162
Induction appeals			
Appeal allowed	1	1	2
Appeal dismissed	2	2	1
Extension: one term	0	3	1
Extension: two terms	1	0	4
Extension: three terms	1	2	1
Sub-total	5	8	9
Total	277	225	171

The total of 277 concluded cases (including induction appeals) exceeded our previous highest full year figure. Through the 12 month period we focussed on concluding the older and more complex cases. Because of this the average (mean) time taken to deal with cases increased from 61 to 79 weeks and the median time increased from 53 to 57 weeks.

In October 2011 the decision from a Court of Appeal case, *Kaur v Institute of Legal Executives (ILEx)* led to the GTCE suspending its hearings through November whilst Queens Counsel advice was sought. As a result of this decision and the subsequent legal advice, GTCE sought an urgent change to legislation so that hearing committees could be put in place comprising additional committee members only i.e. not Council Members or ex-Council Members. The change to legislation was approved and enacted so that hearings recommenced, albeit with a smaller pool of compliant committee members, on 28 November 2011.

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

During 2011-12, seven new appeals were lodged in the High Court by teachers who had received a sanction, compared to two in the year before. There were five appeals on-going at the 31 March 2012 which will be dealt with by the Teaching Agency.

Case name	Date of appeal notice	Date of hearing	Outcome	Costs awarded
Teacher A	2010-11		Appeal dismissed	
Teacher B	2010-11	2nd appeal listed for 25/10/12	2nd appeal ongoing	
Teacher C	2011-12	Awaiting date	Ongoing	
Teacher D	2011-12		Appeal dismissed	£10,000
Teacher E	2011-12	Appeal listed for 4/10/12	Ongoing	
Teacher F	2011-12		Case withdrawn	
Teacher G	2011-12		Appeal dismissed	
Teacher H	2011-12	Awaiting date	Ongoing	
Teacher I	2011-12		Claim struck out since 31 March by Tribunal	

Teacher names in the above table have been made anonymous

Professional standards

We continued to work collaboratively with the Independent Safeguarding Authority to ensure that safeguarding children was a priority.

We instructed presenting officers to prepare and conduct hearings before our disciplinary committees. We believed in partnership working and the benefits this brought in terms of shared working arrangements, training and continuous improvement.

We had contracts in place for the provision of external presenting officer services with three firms of solicitors at competitive rates which produced cost savings for us.

From 13 September 2011, we began triaging cases at various points of our process so that we did not transfer cases to the new Teaching Agency (which became responsible for this from 1 April 2012) that had no prospect of meeting the Secretary of State's single sanction of prohibition.

Improving performance

We continued to make significant improvements in performance during this financial year. Most notably:

- there was a 23% increase in concluded hearings compared to the previous full year; and
- at 31 March 2012, 92.6% of cases at the investigating stage had an age profile of 20 weeks or less, compared to 68.7% at 31 March 2011 and only 8.3% on 31 July 2010.

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Policy and research

Our advisory programme fulfilled the statutory remit to advise the Secretary of State and others on issues affecting teachers, teaching and the quality of learning. Our advice was developed in conjunction with partners and based on high quality research and evidence from stakeholders including registered teachers, children and young people, parents and carers. In the context of the planned abolition of the GTCE, no new research had been commissioned.

Responses have been made to the following consultations:

- Submission to the Department review of Teacher Standards (submitted May 2011)
- Ofsted: Inspection 2012 Proposals for inspection arrangements for maintained schools and academies from January 2012 (submitted May 2011)
- Feedback to the Department review of Teacher Standards (submitted June 2011)
- Response to the Government Equalities Office (GEO) Consultation: Building a fairer Britain: Reform of the Equality and Human Rights Commission (EHRC)
- Department: Proposed changes to performance management and capability arrangements for teachers (submitted August 2011)
- The Department consultation: Training our next generation of outstanding teachers: An improvement strategy for discussion on changes to teacher disciplinary and induction regulations (submitted September 2011)
- Submission to Education Select Committee inquiry into attracting, training and retaining the best teachers (submitted October 2011)
- The Department consultation on proposed changes to NQT induction regulations for England (submitted December 2011)
- The Department consultation on proposed changes to allow qualified teachers from Further Education and from USA, Canada, Australia and New Zealand to become permanent teachers in English schools (submitted December 2011)

Since the 2 June 2010 announcement, a review and synthesis of our advisory output was undertaken to ensure the research and evidence of the GTCE is accessible to present and future policymakers and educationalists. This work has sought to provide continuing value from the investment and intellectual assets. A suite of legacy papers, 'The Quality of Teaching' has been developed and published, based on the 11 years of research, evidence and policy thinking. In addition, a further paper containing an analysis of a sample of the Council's casework provides a further source of evidence and was provided to the Secretary of State, together with the legacy papers, as a source of evidence and advice to support national policy on teaching. The strategy for engaging stakeholders with the work and transferring the related knowledge assets of the GTCE included hard copy distribution to key stakeholders; digital packages of policy/research products underpinning each legacy paper via our website; and engagement with key stakeholders on the legacy themes and issues. The Quality of Teaching publication is included in the GTCE archive transferred to the Institute of Education.

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Teacher Learning Academy (TLA)

In order to maximise the potential of the public investment made by the GTCE, and to ensure the rich resources and approach of the TLA remain available to all teachers in England, it was determined to transfer the TLA to a new organisation, via a sale of the TLA intellectual property assets. With full probity, following an open and fair sale process informed by appropriate legal advice, this was achieved on 20 June 2011. The successful bidder was the Cathedrals Group of universities and university colleges, a national consortium of 11 higher education institutions offering full national coverage and extension of the TLA to all those who teach and support teaching in England.

The new TLA consortium is committed by the conditions of the sale to use the assets to raise standards of teaching and learning in England and set up a public stakeholder group to oversee this.

The new TLA was launched as the Teaching and Learning Academy on 29 November 2011 and from January 2012 it will:

- ensure that the continuing professional development framework elements of the assets are live, in use and developed for teachers in England;
- ensure high value recognition is available for teachers' learning;
- ensure the specified assets are live and freely available for teachers in England; and
- use reasonable endeavours to maintain and use the assets for the benefit of: professionals, to learn about, develop and evaluate practice effectively; improved standards of teaching; and improved outcomes and experiences for children and young people.

Information about the new TLA is available at: www.tla.ac.uk

Corporate equality and diversity

In the light of proposed abolition, GTCE did not publish an equalities scheme this year. Instead we have concentrated on ensuring equalities and diversity work were a significant part of our preparation for closure.

This has meant:

- ensuring the equalities dimensions entailed in our functions and activities are understood by the organisations that will take them forward;
- providing written and oral briefing to Department officials and parliamentarians as to how the register of teacher data enables scrutiny of the equality of access to the profession and progress within it;
- supporting all staff in their transitions from the GTCE, mindful of each individual's circumstances;
- through the Quality of Teaching publication and associated materials, making available evidence on equalities and diversity in relation to teaching and learning;
- the transfer of the material and information of the Disabled Teacher Taskforce, initiated and hosted by GTCE, to the Disability Alliance, so that they will co-ordinate the taskforce in the future; and
- Locating an appropriate host for the National Equalities Forum, historically hosted by the GTCE.

Each of the VfF project plans includes details of equality and diversity dimensions and is subject to monitoring to ensure equality and diversity outcomes are achieved.

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Communications

In our final year of operation, our work has focused upon:

- supporting the delivery of our statutory functions;
- providing clear communication to registrants and other stakeholders, external and internal, about the status of the GTCE; and
- ensuring that the GTCE's body of work throughout its lifespan is available for the benefit of future policy and decision-makers.

Media relations and public affairs

There continued to be considerable media interest in the proposal to abolish the GTCE and its possible implications, with our work focusing on explaining the risks to the public interest of abolishing teaching's professional body. To this end, approximately 20 articles focusing on various aspects of abolition were published in various trade press, many authored by the GTCE Chair.

Interest also continued in topics related to our remit, including the regulation of the profession.

Meanwhile the make-up of the workforce also continued to generate considerable media interest. The publication of the GTCE's annual statistics digest led to more than 200 media references, including national, regional and trade press, broadcast and online media.

	2011-12	2010-11	2009-10
Media enquiries *	473	486	695
News and feature mentions	364	585	402

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

The website

During 2011-12, the GTCE website provided a vital mechanism to keep teachers and other stakeholders updated on the latest developments of the GTCE's closure, including the specific implications for them. The major publication of the year was *Teaching quality: policy papers*. Based upon 11 years of evidence-informed policy advice, this GTCE legacy suite of papers identifies a range of factors that enhance the quality of teaching. The papers make available an important source of evidence to current and future policy makers that is based upon research. The GTCE's website is now archived and these archives can be found at <http://webarchive.nationalarchives.gov.uk/20111213132132/http://www.gtce.org.uk>

Engagement and advocacy

Demand for our 'Welcome to the Profession' trainee workshops remained high. Talks were delivered to more than 7,500 trainees at 58 initial teacher training institutions (ITTs). For many ITTs the session has become an integral part of their professional studies course. The advocacy programme was extended through a pilot initiative to reach newly qualified teachers. More than 1,000 new teachers attended one of 12 facilitated workshops. As part of our legacy work, materials from 'Welcome to the Profession' were made available to ITTs in order that they may integrate them into their professional studies programmes.

Internal communications

The internal communications framework was a critical platform for a range of developments created to support colleagues, following the announcement of intended abolition. A high organisational priority was the creation of a central intranet site containing a growing amount of information relating to the GTCE's closure and the transition of its responsibilities to the new Teaching Agency. To help prepare those members

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of staff who would eventually transfer to the Department, a change programme was developed, alongside a support programme for those seeking alternative employment. Staff surveys confirmed the value of the two-way internal communications and engagement programme.

Other activities

Following the announcement of abolition, it was not appropriate to retain certain activities. In this financial year, no sector events were held and there has been no market research. Council meetings took place only when necessary as part of the governance of the GTCE.

Publications activity has also been significantly curtailed, with the exception of predominantly web-based legacy papers focused on teaching quality. In addition a short report, *Removing barriers, promoting opportunities - shaping the future for teachers with disabilities in England*, was produced, following the GTCE's hosting of an on-line conference.

Staff who led these areas of work so professionally in the past were redeployed to other areas of communications work or other GTCE projects that supported closure and eventual transition to the Department.

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Corporate services

This service area supported the work of the GTCE through financial management and administration, corporate planning and review, including risk management, workforce development, governance support and administration, ICT and facilities management.

Workforce development

The year saw us consolidate our equalities activity. We continued to meet the monitoring and reporting standards applicable as an employer. During the year, the focus changed to work relating to supporting all staff through the protracted uncertainties, and to work with managers and staff on the impacts of transition and closure.

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

The GTCE undertook monthly formal consultation meetings with recognised trade unions. Monthly staff meetings were held to keep staff updated on the consultation process, support services and future employment options available to them. All members of staff had at least two individual consultation meetings during the year.

Staff sickness and absence levels were on average 6.78 days (2010-11 7.24 days) per employee which continued to compare well with external benchmark of 9.7 days in the public sector. During the year, 90 staff resigned, this included staff that left the GTCE via voluntary exit, voluntary redundancy or acquiescent compulsory redundancy.

As part of the GTCE's formal consultation process the GTCE's Joint Consultative Committee met regularly to discuss various aspects of the closure including working collaboratively to ensure best outcomes for staff. In addition, the GTCE has met regularly with the Department to agree the approach for staff transfers.

Although the overall number of training and development days reduced, staff continued to access a wide range of developmental opportunities. In addition to support those who were not transferring to the Department, the GTCE provided for a range of support activities to enable staff to identify and secure other external career opportunities. This support included workshops on interviewing skills and CV writing.

	2011-12	2010-11	2009-10
Training and development days	415	833	871

Registration fee and collection

Despite caution about the level of fee collection for the last year of the GTCE the actual collection achieved has shown a further year-on-year improvement. Two thirds of fees collected were by direct debit, the preferred and most economical method of collection.

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	2011-12	2010-11	2009-10
Number of fees recognised as income	616,072	615,000	585,700
Number of in year fees collected in year	589,973	588,000	559,900
Percentage of recognised fees collected in year	96%	96%	96%
Percentage of fees collected by Direct Debit	67%	67%	64%

Data governance and information assurance

Following the 2 June 2010 announcement of the intention to abolish the GTCE, great reliance was placed on the high data quality that helped ensure that fees were collected accurately and promptly, and that employers were able to check accurate records. We continued our commitment to ensure that data held was of a high quality and was suitable for business use.

We held and worked with 2.6 million teacher records of which 1.7 million had QTS. There has been continuous work on data quality management, data sharing with authorised partner organisations and provision of management information. In light of the abolition announcement, we have worked with partners to ensure that data exchanges continued. We worked with partners to ensure that our data remains current and to synchronise data ahead of the GTCE's closure.

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

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

Data protection and freedom of information

Awareness of data protection remained high throughout the organisation, building upon the strong foundations previously established. The Data Protection Team ensured that all new members of staff signed to acknowledge their understanding of the Data Protection and ICT Security User Guidelines; and that they completed level 1 of the Government's "Protecting information" online training. After this initial training, the Data Protection Team continued to support colleagues across the organisation as they carried out a wide range of business functions.

During 2011-12 the Data Protection Team responded to 177 requests for information. The GTCE has not been notified by the Information Commissioner's Office of any complaints during this period.

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Asset management

Asset management is a critical part of preparing for the transition and close down of GTCE services. An exercise was undertaken to identify all assets, including intellectual assets, regardless of format (e.g. paper, electronic).

All assets held by GTCE on 31 March 2012 transferred to the Secretary of State for Education under a Property Transfer Scheme on 1 April 2012. The Department reviewed the asset lists to identify which assets were required for transfer for their operations. Some assets, particularly ICT related, are required for use by the post closure team for the period from April to July 2012. All remaining assets, except those required for on-going Departmental operations, are to be disposed or archived as appropriate by the Department after 1 April 2012, ICT assets having data securely disposed of. An audit trail was maintained of the destination of the assets.

Information and communications technology (ICT)

The ICT infrastructure continued to be provided and supported by our 'host and run' partner Specialist Computer Centres plc (SCC). The key business systems of customer relationship management (CRM), website, email and financial systems continued to be delivered generally in line with contracted service levels. There have been no major service-affecting incidents, and only essential changes made to the infrastructure services to continue to support the 'business as usual' activities. In view of the increased business priority for maintaining communications, both within the GTCE and with external parties, by the Leadership Team and Senior Managers, enhanced support was arranged with the 'host and run' partner for evening and weekend periods, ensuring systems were operational and support could be provided.

In conjunction with the Information Assurance Team, the ICT infrastructure was accredited in June 2011. In support of this status, a formal Change Management Board was established to enhance the controls and assess all proposed service changes, prior to authorisation to proceed.

In preparation for GTCE's closure ICT teams provided significant contributions to the VfF Programme projects, working closely with Department teams to provide detailed information in preparation for systems transferring to the Department. A review of all ICT assets and information was conducted to ensure the correct transfer to the Department of those items required, and the secure decommissioning and disposal of non-transferring items.

Service level measures

	Actual	Target
Hosted infrastructure availability (CRM system)	99.9%	99.5%
Hosted infrastructure availability (web site)	99.8%	99.5%
ICT help desk problem call resolution	92.7%	95.0%
ICT hardware fault resolution	98.6%	100.0%

The figure for help desk call resolution, whilst below target, is affected by a small number of low priority calls which were left open awaiting feedback from the user. All priority 1 and 2 calls were resolved in line with Service Level Agreements.

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Business continuity

This year, work on business continuity plans was given emphasis to ensure that succession planning was carried out at individual team level. Teams considered the work that they did and determined priority levels. Consideration was given to ensuring that plans were in place to enable high priority work to continue up to the date when the GTCE closed. The plans were reviewed for a range of scenarios including flu pandemics and strike action.

An exercise was undertaken in October 2011 to test the ability of the GTCE to restore the Oracle CRM application and database to a known point in time. This exercise was successful in showing that the GTCE and its contractors had the ability to restore the database quickly and accurately.

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Value the Functions (VtF) programme

The VtF programme began in July 2010, following the Secretary of State for Education's announcement to seek through Parliament the abolition of the GTCE.

Success for the VtF programme was defined as:

- continued use and growth of the TLA and GTCE's other intellectual property assets after abolition;
- successful transfer of functions, assets and liabilities;
- efficient and secure close-down of the GTCE's functions;
- there being consideration of safeguarding public interest in future regulatory arrangements; and
- staff are positioned to take advantage of opportunities that arise.

The VtF programme was delivered through a portfolio of 10 projects covering the legacy, transfer, transition and closure of the activities and functions of the public corporation. Each project was led by a project executive, who was a member of the Senior Management Team, and was supported by a project manager. There was a clear line of sight from each project's activities to the eventual outcomes of the programme. Each project tracked risks, issues and progress on a weekly basis.

The programme ran until the end of March 2012 and was divided into three tranches.

Planning and definition	to 31 May 2011
Archiving and legacy in advance of Royal Assent	to 30 November 2011
Transfer and transition	to 31 March 2012

All post closure activity relating to the VtF Programme is being delivered by the Department's Post Closure Team.

Tranches 1 and 2 were completed on time and before the 2011 Education Act passed through the final stages of the parliamentary process. Tranche 2 saw the GTCE's legacy secured. The final tranche of the programme began on 1 December 2011, with the aim of delivering the transfer of functions, assets and some staff to the Department by 1 April 2012, alongside closure of the GTCE and redundancy of other staff, as commencement orders were enacted.

The VtF Programme Board met monthly and comprised the GTCE Leadership Team, with the VtF Programme Manager, Head of Communications, the VtF Finance Manager and the Department Lead sitting as advisers to the Board. The VtF Programme Board received reports from the Senior Management Team Projects and Business Performance Board, which fulfilled the day-to-day management of the 10 projects alongside 'business as usual' activity. The VtF Programme Board reported monthly on the programme to the Executive Committee and the Joint GTCE/the Department's Transition Board.

The VtF Programme Board met for the last time on 27 March 2012 and confirmed that the vision and benefits of the programme were successfully delivered to time and budget as summarised below:

- The GTCE and the Department agreed a joint communications plan to update key stakeholders on the legacy, transition and closure of the GTCE;
- The legacy functions that transferred to the Teaching Agency on 1 April 2012 were regulation, the award of QTS and induction appeals;
- To support the start-up of the Teaching Agency the Department commissioned changes to the GTCE business systems in advance of the transfer of functions;
- The House of Lords Education Bill Committee debate drew on information provided by the GTCE;

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- A synthesis of the policy research and evidence of the GTCE *'the Quality of Teaching'* was produced and shared, together with primary sources of evidence, with key stakeholders, and placed online;
- The GTCE deposited archive digital files and boxes of hard copy material with the Institute of Education. This retains the key documents of the organisation within the framework of the National Archive;
- The TLA was sold to a consortium of higher education institutions - the Cathedrals Group - who through the commitments of the Sale and Purchase Agreement will seek the ongoing success of this legacy product;
- GTCE staff were matched to posts in the Teaching Agency and Corporate Services directorates of the Department wherever possible;
- Staff who did not have rights under the Cabinet Office statement of practice on staff transfers in the public sector (COSOP) were redeployed where possible into the Department;
- All staff had access to a voluntary redundancy scheme and to a retraining allowance, individual coaching sessions and job seeking advice;
- A process for managing capacity and transferring knowledge transfer was implemented for the temporary reassignment of staff to critical tasks and to ensure key activities could continue in the context of business continuity;
- An internal communications programme ensured that staff members were regularly updated and had access to opportunities and information to optimise future employment;
- The GTCE created a complete register of all assets; the majority of assets transferred to the Department on 1 April 2012 as part of a Property Transfer Scheme;
- The GTCE implemented an ICT decommissioning process through an Information Decommissioning and Transfer Policy and Procedure framework;
- A contract management framework was created to either close contracts or novate contracts to the Department by 1 April 2012; and
- The Department took over responsibility for the GTCE estate on 1 April 2012 as part of the Property Transfer Scheme.

The VfF programme was independently audited by the internal auditor PwC to ensure the aims and objectives of the programme could be delivered by 30 March 2012.

The VfF programme had 270 risks and 31 issues. All the issues were closed, 266 risks were closed and the remaining 4 risks were transferred to the Department.

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Resources and relationships

Resources

Registration fees made up virtually all of the GTCE's income. All qualified teachers were required to be registered and pay the registration fee if they were employed as teachers in a maintained school or a non-maintained special school or pupil referral unit. Other qualified teachers could register on a voluntary basis.

Governance

Council in February 2011 agreed a streamlined governance structure for the final year of the Council's life. This included revised Committee remits and frequency of meetings, in light of the Council's circumstances - specifically an organisation under notice of closure.

Following the 2 June 2010 announcement, work focused on governance arrangements up to the anticipated closure date. Where feasible, this incorporated the recommendations arising from the last governance review, carried out by the previous internal auditors. Committee memberships remained largely unchanged to ensure continuity. The external advisor to the Executive Committee has attended all the Executive Committee meetings and advised the Chair and Vice Chair of Council in the period up to closure. Meanwhile another adviser provided legal advice to the Council, following the departure of the Council Solicitor.

In February 2011, Council agreed that full Council would meet twice in the 2011-12 financial year including one final Council meeting immediately prior to closure. The Chair of Council notified Council Members on a monthly basis of business considered by the Executive Committee under their increased delegated powers, as well as other developments as the Council moved towards closure.

The Chair of Council wrote regularly to Council Members following each Executive Committee meeting, in addition to other updates on transition/closure. In the absence of a scheduled Council meeting in the summer, Council Members in May and July received detailed reports in respect of Service Committee business. This included acceptance by email of the Annual Report and Financial Statements for 2010-11, following detailed consideration by the Executive Committee and Audit Committee.

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

Nature of meeting	Average attendance		
	2011-12	2010-11	2009-10
Council	71% ¹	86%	86%
Audit Committee	97%	88%	96%
Executive Committee	83%	87%	93%
Registration and Regulation Committee	86%	100%	89%

¹ Council met on 30 November 2011 (a day of planned public sector strikes, which adversely affected the attendance figures) and on 20 March 2012.

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

A Member expenses disclosure for the 2010-11 financial year was published on the GTCE website in July 2011, in accordance with best practice. The disclosure for the 2011-12 financial year will be placed on the Department's website.

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The declaration of interest for each Council Member was published on the GTCE website. Prior to any Committee or Council meeting, Members were also asked to declare any interests in business to be considered at the meeting.

As part of their Information Assurance and Data Protection responsibilities all Council Members and Panellists signed an agreement to adhere to updated guidelines in respect of the use of e-mail for communicating GTCE correspondence.

The list of Council members for 2011-12 appears in the Relationships section of this report.

The Chair and Vice Chair of Council met on a termly basis with the Chief Executive and Council Secretary to review governance issues and plan the duties of the Chair and Vice Chair of Council for the term ahead.

Corporate and financial planning and control

The VfF programme was initiated and developed to manage the process of transferring, transitioning and closing down the GTCE's functions.

The Leadership Team was supported by a wider Senior Management Team, meeting as Project and Business Performance Board (PB2), to reflect its new responsibilities to include oversight of 'business as usual' and the VfF programme and risk management.

We continued to integrate our planning and monitoring processes for corporate and service planning, risk management and financial management to ensure alignment and coherence across the organisation. Regular monthly and quarterly reporting of financial, risk and performance information continued to take place at both governance and senior management levels. During the year, a risk trend analysis was developed as a way of monitoring risks and identifying patterns and risk trends. This was reported to the monthly meetings of the Executive Committee from October onwards, and to meetings of the Audit Committee, in addition to meetings of the Programme Board, VfF Project and Business Performance Board and the Leadership team.

Relationships

Corporate structure and governance

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

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

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Council Members

There were 64 seats on the Council; at 31 March 2012 there were four unfilled posts. The following Members served on the Council during the period (with their attendance percentage of the two meetings held during the year):

Elected primary teachers (11 Members)

Flora Barton (50%)	Paul Bird (100%)	Sarah Bowie (100%)	Janis Butler (50%)
Philip Cole (100%)	Lisa Copeland (0%)	Christine Green (100%) <i>(Vice Chair)</i>	Derek Johns (100%)
Aaron King (50%)	Alex Parker (50%)	Vacancy	

Elected secondary teachers (11 Members)

Andy Connell (100%)	Dominic Coughlin (50%)	Barbara Hibbert (100%)	Pete McAleer (0%)
Andrew McKinnon (100%)	Gail Mortimer (100%) <i>(Chair)</i>	Annette Pateman (100%)	Elizabeth Purnell (50%)
Alice Robinson (50%)	Colin Surrey (50%)	Kathy Thomson (100%)	

Elected special school teacher

Vacancy

Elected primary head teacher

Eric Gledhill (100%)

Elected secondary head teacher

David Lowe (0%)

Nominees from teacher associations and unions (9 Members)

Tony Neal (100%) <i>ASCL</i>	Caroline Kolek (50%) <i>ATL</i>	Gillian Stainthorpe (50%) <i>ATL</i>	Gussie Andersen (0%) <i>NAHT</i>
Mick Lyons (50%) <i>NASUWT</i>	John Rimmer (0%) <i>NASUWT</i>	Max Hyde (50%) <i>NUT</i>	Julie Davies (0%) <i>NUT</i>

David Whitewright (100%) *Voice*

Nominees from other bodies (17 Members)

Rajinder Mann (100%) <i>Association of Colleges</i>	Andrew Baxter (100%) <i>Association of Directors of Children's Services</i>	Oona Stannard (0%) <i>Catholic Education Service</i>	Jill Hill (100%) <i>Confederation of British Industry</i>
Liz Carter (100%) <i>Church of England</i>	Anne Madden (50%) <i>EHRC</i>	Vacancy <i>EHRC</i>	Vacancy <i>EHRC</i>
Muriel Robinson (100%) <i>GuildHE</i>	Neil Roskilly (100%) <i>Independent Schools Council</i>	Robert Gordon (50%) <i>Local Government Association</i>	Tony Lewis (50%) <i>Local Government Association</i>

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Sam Crooks (100%) <i>Local Government Association</i>	Fergus Crow (50%) <i>National Childrens Bureau</i>	John Adams (100%) <i>National Governors Association</i>	Chris Cook (100%) <i>Universities' Council for the Education of Teachers</i>
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Geoff Whitty
(100%)
Universities UK

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

Clare Craig (100%) <i>Centrally-employed teacher</i>	Janet Draper (50%) <i>Senior university lecturer</i>	Sheba Joseph (100%) <i>Second career teacher</i>	Zubair Mohammed Khan (50%) <i>Community school governor</i>
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Rebecca Kroese (50%) <i>Foundation Stage teacher</i>	Nasreen Majid (100%) <i>Advanced skills teacher</i>	Stephanie Mason (100%) <i>Audit / finance expertise</i>	Aamer Naeem (100%) <i>High level governance / committee experience</i>
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Susan Netherton (100%) <i>Parent governor</i>	Adam Nichols (100%) <i>High level governance / committee experience</i>	Carl Phillips (0%) <i>14-19 curriculum experience</i>	Sally Townsend (100%) <i>Foundation Stage teacher</i>
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Jason Whyborn
(100%)
Youth / guidance work experience

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

Executive

The Leadership Team during the year comprised:

Alan Meyrick	Chief Executive
Sally Staples	Deputy Chief Executive – Corporate Services
Sarah Stephens	Deputy Chief Executive – Policy and Performance
Paul Heathcote	Registrar

Executive Committee

The Executive Committee had responsibility for a range of key governance decisions and since June 2010, exercised delegated powers upon behalf of the Council. The Committee met monthly - from September 2011 to March 2012 - to enable decisions to be taken in a timely manner. The priorities of the Committee included oversight, in conjunction with the Joint GTCE Transition Board, of the transfer of functions and the closure of the organisation; and to ensure transparency for all decisions taken in a fast moving environment. Any decisions taken by the Chief Executive or a director, under delegated powers, in consultation with a committee chair were recorded in a register held by the Secretariat and reported to Members. The membership of the Executive Committee comprised the Chair and Vice-Chair of Council, the chairs of the (former) General Purposes Committee, the (former) Policy and Research Committee and the

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Registration and Regulation Committee and eight other Members, a mixture of 'lay' and 'teacher' Council Members. Decisions taken by the Executive Committee (and other service committees) were posted on the website termly.

Membership of the Executive Committee for 2011-12 (with their attendance percentage of the twelve meetings held during the year) was as follows.

John Adams (58%)	Barbara Hibbert (100%)
Andrew Baxter (75%)	Jill Hill (58%)
Sarah Bowie (92%)	Max Hyde (67%)
Andy Connell (83%)	Gail Mortimer (<i>Chair</i>) (100%)
Chris Cook (83%)	Tony Neal (83%)
Sam Crooks (100%)	Gillian Stainthorpe (92%)
Christine Green (<i>Vice Chair</i>) (83%)	

The Chair of Audit Committee sat as an observer on the Executive Committee and the Committee had received advice from an external adviser from the Institute of Directors.

Audit Committee

The Audit Committee met on 5 occasions during the year. Its responsibilities included a regular review of the adequacy of accounting systems and controls, risk management processes and the determination and scrutiny of the internal audit programme. The annual report of the Committee for the 2010-11 Council year was circulated to all Council Members in July 2011.

Membership of the Audit Committee for 2011-12 (with their attendance percentage of the five meetings held during the year) was as follows.

Eric Gledhill (100%)	Stephanie Mason (<i>Vice Chair</i>) (100%)
Derek Johns (100%)	Andrew McKinnon (100%)
Caroline Kolek (<i>Chair</i>) (100%)	Aamer Naeem (80%)

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

The General Purposes Committee

The Council in February 2011 agreed to revise the remit of this Committee in transferring responsibility for financial scrutiny to the Executive Committee. During the 2011-12 financial year there was no requirement for the Committee to formally meet. Recommendations were made by e-mail in relation to amendments to the Member and Panellists' expense scheme. Reports on requirements on the Council relating to Treasury/Cabinet Office control measures were reported to the Executive Committee. The disposal of assets is part of a strand of the VfF programme, overseen by the Executive Committee, and formed part of the Committee's consideration of the Property Transfer Scheme in January and February 2012. A copy of the full Fixed Assets Schedule plus accommodation leases and a list of contracts was sent to the Chair of the General Purposes Committee in January 2012

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Membership of the General Purposes Committee for 2011-12 was as follows.

Andrew Baxter (*Chair*)

Susan Netherton

Lisa Copeland

David Whitewright (*Vice Chair*)

Julie Davies

The Registration and Regulation Committee

The Registration and Regulation Committee was concerned with all matters relating to the Council's registration and disciplinary functions. The Committee met three times during the year.

Membership of the Registration and Regulation Committee for 2011-12 (with their attendance percentage of the three meetings held during the year) was as follows.

Janis Butler (67%)

Elizabeth Purnell (67%)

Liz Carter (100%)

Gill Stainthorpe (*Chair*) (100%)

Zubair Khan (67%)

Relations with stakeholders

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

Many stakeholders had direct representation on Council, as noted in the list of Council Members on pages 24 and 25. Relationships with other bodies ranged from clearly established partnerships to more occasional or project-based working. These stakeholder relationships are described further in the sections which report the work of the policy and communications teams.

Relations with employees

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

Relationships with contractors

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

Supplier payments policy

We were committed to paying suppliers promptly. The aggregate amount owed to trade creditors at the year end, compared to the total invoiced by suppliers during the year expressed in days, amounted to 7.5 days (2010-11 4.7 days). Since January 2009, in accordance with a request from the former Department of Children Schools and Families, we endeavoured to make payment to all small and medium sized suppliers within 10 days of receipt of a valid invoice, to assist such companies in the current difficult financial

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climate. The policy for all other suppliers was to make payment within the stated credit terms or within 30 days of receipt of a valid invoice.

Social and community issues

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

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

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

Sustainability report

The environmental policy of the GTCE was to minimise its impact on the environment wherever possible by implementing policies regarding travelling, purchasing and recycling. Purchasing policies required recycled, energy efficient or sustainable products and services to be given priority.

We operated from two city centre offices which adopted 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, resulted in virtually all business and commuting travel being undertaken through public transport.

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

The offices were serviced by the landlord's agents who have the responsibility of maintaining or improving the energy performance of the buildings.

The Birmingham Office occupied the Lower ground floor of an office block in Birmingham city centre. The Energy Performance Certificate (EPC) of the entire building shows an energy performance rating of 89 which is rated at level D. This rating is benchmarked, on the EPC, below a rating of 110 which is typical of a building from existing stock.

The London Office occupied the fourth floor of an office block in central London. The EPC of the entire building shows an energy performance rating of 110 which is rated at level E. This rating is benchmarked, on the EPC, below a rating of 134 which is typical of a building from existing stock. The benchmark rating for the London office was different from the Birmingham office as it was a different type of building.

Both offices implemented recycling policies relating to the GTCE's operations and jointly with other tenants in the buildings and the managing agents.

Publications were issued electronically but where printed, were on paper sourced from sustainable forests and in print works within England that conformed to the ISO14001 environmental standard.

Other Non financial data is not disclosed in this report due to data not being available and the abolition of the GTCE.

Alan Meyrick
Accounting Officer
14 June 2012

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Remuneration Report

Part A - Unaudited

Remuneration Sub-Group

The GTCE governance structure provided for remuneration matters to be governed through the General Purposes Committee. A remuneration sub-group of the Committee previously met to review the performance and pay of the Chief Executive and also to act, if needed, as a disciplinary or appeals panel within HR policies and practices. The group did not meet during 2011-12 in its appellant role. The Chief Executive regularly met with the Chair of Council to review performance against objectives. This was noted by the Executive Committee.

Remuneration policy

The GTCE had no separate policy for the remuneration of senior staff and the following statement related to all employees:

- To provide a pay structure that was competitive and appropriate to enable the GTCE to recruit and retain staff of appropriate experience, skills and qualifications so as to enable a high standard of service delivery to be secured.
- In maintaining competitiveness, the GTCE sought to pay at levels consistent with the 'mid-market' pay values for each respective level within the organisation, having regard to location factors for the London and Birmingham employment markets:

The GTCE policy did not provide for performance related pay other than in respect of the Chief Executive (detailed below), although pay increase benefits could be withheld in instances of serious under-performance by an individual member of staff. The GTCE had a performance monitoring and review scheme.

- The value of salaries and pay ranges was normally the subject of annual review, in consultation with staff representatives, having regard to the requirement to apply national pay review guidelines.
- Individual salaries on joining the GTCE were informed by the starting salary policy, which sought to ensure consistent and objective determination of initial salaries. The GTCE adopted a job evaluation scheme to further contribute to ensuring that salaries were appropriate to the role of each individual.
- The pay policy formed part of the GTCE's overall equalities policy, and pay and other benefits were provided on the basis of securing high standards of equality.
- The GTCE provided access to an appropriate employment pension scheme, which was secured through membership of the Principal Civil Service Pension Scheme (PCSPS). The GTCE made the required employer contributions to this scheme, in respect of any member of staff electing to join the PCSPS.
- Other benefits through the GTCE's conditions of service (such as annual leave and maternity pay provision) were provided broadly consistent with good public sector practice, at least meeting statutory obligations.
- This policy applied 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 was determined by assessed performance.
- The GTCE used an external consultant to advise the General Purposes Committee and the Remuneration Group in respect of the pay comparability, including the Chief Executive's remuneration.

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Remuneration Report

Service contracts

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

Salary and pension entitlements

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

Part B - Audited

Remuneration of Chair and Vice-Chair of Council

The GTCE paid a daily attendance allowance to the Chair and Vice-Chair of Council. The daily sum was set and reviewed annually, independently of the GTCE. We adopted the outcomes of the independent annual review, as applied nationally for equivalent positions in national non-departmental public bodies (NDPBs) for the purpose of this annual review. It is anticipated that the paid duties of the Chair and Vice-Chair normally amount to approximately two days and one day per week respectively. In addition, Chair and Vice Chair have also undertaken regulatory duties.

We also paid a sum of £235 per day attendance allowance to other Members of Council who are either self-employed or not employed. The total cost for 2011-12 was £230k (2010-11 £279k). For all other Members of Council this daily sum is eligible to be paid to the Member's employer in recognition of their release from employment duties on GTCE business days. Self-employed Members were entitled to receive remuneration at £235 per day, which was made net of tax and National Insurance. Self-employed Members' travel and subsistence payments were assessed by the HMRC during the year as being taxable. The GTCE therefore paid the PAYE and National Insurance Contributions on these payments.

Chair's remuneration

	2011-12 £'000	2010-11 £'000
Gail Mortimer (Chair of Council)	<u>32</u>	<u>30</u>
	<u>32</u>	<u>30</u>

Vice-Chair's remuneration

	2011-12 £'000	2010-11 £'000
Christine Green (Vice Chair of Council)	<u>19</u>	<u>24</u>
	<u>19</u>	<u>24</u>

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Remuneration Report

Chief Executive Emoluments

	2011-12	2010-11
	£'000	£'000
Salary	142	143
Benefits in Kind	12	-
Employer's pension contributions	27	30
	181	173

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

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Salary and pension entitlements of the Leadership Team

The salary (total emoluments in post) and pension entitlements, including cash equivalent transfer values (CETV), of the Leadership Team within the organisation, employed during the year, was as follows (figures in brackets refer to 2010-11).

all figures in £'000	Salary Payments	Benefits in kind	Real increase in pension	Total accrued pension and related lump sum	CETV at 1 April 2011: start of service¹	CETV at 31 March 2012: end of service	Employer funded real increase in CETV
Alan Meyrick ²	140-145 (85-90)	11.7 (-)	7.5-10 and 22.5-25 lump sum (0-2.5 and 2.5-5.0 lump sum)	30-35 and 100-105 lump sum (20-25 and 75-80 lump sum)	415 (350)	585 (387)	135 (6)
Sally Staples ³	115-120 (80-85)	- (-)	5-7.5 and nil lump sum (2.5-5.0 and nil lump sum)	10-15 and nil lump sum (5-10 and nil lump sum)	62 (58)	141 (86)	29 (22)
Sarah Stephens ⁴	120-125 (90-95)	- (-)	0-2.5 and 0-2.5 lump sum (0-2.5 and 2.5-5.0 lump sum)	20-25 and 65-70 lump sum (20-25 and 60-65 lump sum)	372 (318)	403 (357)	- (10)
Paul Heathcote ⁵	100-105 (0-5 70-75 full year equivalent)	- (-)	0-2.5 and nil lump sum (0-2.5 and nil lump sum)	10-15 and nil lump sum (0-5 and nil lump sum)	159 (131)	214 (155)	39 (nil)
Keith Bartley ⁶	- (140-145)	- (-)	- (0-2.5 and nil lump sum)	- (75-80 and nil lump sum)	- (1,267)	- (1,358)	- (nil)
Fiona Johnson ⁶	- (70-75 85-90 full year equivalent)	- (-)	- (0-2.5 and nil lump sum)	- (10-15 and nil lump sum)	- (157)	- (184)	- (13)

¹ The actuarial factors used to calculate CETVs changed in 2011-12. The CETVs at 31 March 2011 and 31 March 2012 have both been calculated using the new factors. The CETV at 31 March 2011 differs from the corresponding figure in last years report which was calculated using the previous factors.

² Alan Meyrick was appointed as Chief Executive on 31 March 2011. Role for 10-11 as Registrar.

³ Sally Staples was appointed as Deputy Chief Executive on 31 March 2011. Role for 10-11 Director for Corporate Services.

⁴ Sarah Stephens was appointed as Deputy Chief Executive on 31 March 2011. Role for 10-11 Director of Policy.

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

⁶ Keith Bartley resigned on 30 March 2011 and Fiona Johnson resigned on 4 February 2011.

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Remuneration Report

The total salary payments to members of the Leadership Team for the year totalled £480,593 (2010-11: £478,155). The Chief Executive received a benefit in kind relating to travel to an additional office during the year. Prior to his appointment Alan Meyrick was based in the Birmingham office but the Chief Executive had an office in London. This resulted in the travel by Alan Meyrick to the London office becoming a taxable benefit under HMRC rules. Due to the short nature of his appointment, the GTCE agreed to pay this additional travel which has resulted in a benefit in kind during the year.

Exit Packages – for year ended 31 March 2012

Name	Date of employment termination	Redundancy payment £000
Sarah Stephens	31 March 2012	£105 - £110

All redundancy payments were contractual payments in accordance with the individual’s contract of service. No compensation payments have been made to former Council Members.

Fair pay review disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation’s workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind and severance pay. It does not include employer pension contributions and the cash equivalent transfer value of pensions. No employees received remuneration in excess of the highest paid director.

	2011-12	2010-11
Band of highest paid director’s total remuneration (£000)	225-230	140-145
Median total remuneration (£)	30,868	25,669
Ratio	7.4	5.6

The 2011-12 ratio is high due to the exit package received by the highest paid director. The ratio for 2011-12 excluding the exit package was 6.3 reflecting new appointments for the leadership team from 31 March 2011.

Pension benefits

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

Employee contributions were set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ initial pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic, and benefits for service from October 2002 worked out as in Premium. In Nuvos, a member builds up a pension based on his or her pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March),

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the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is up rated in line with pensions increase legislation. In all cases members may opt to give up (commute) pension for lump sum, up to the limits set by the Finance Act 2004.

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

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

Cash equivalent transfer values

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

The real increase in the value of the CETV

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

Alan Meyrick
Accounting Officer
14 June 2012

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Financial Review

Foreword to the Financial Review

When the Council set its budget for 2011-12 it took a cautious and prudent approach, principally because of the significant range of uncertainties affecting the year ahead. We made provision for anticipated closure costs, including significant potential redundancy and onerous lease costs, and we made conservative assumptions about the level of fee income in our final year of operation.

In the course of the year there have been a number of changes which have led to lower than expected expenditure, including our decision to shadow the Cabinet Office Efficiency Reform Group guidelines. Redundancy compensation payable was lower than expected due to a significant number of staff transferring to the Department and consequently not taking redundancy. Staff salary related costs were lower than expected due to some staff transferring prior to the year end date. On the income side, fee collection remained constant and significantly exceeded our initial projections.

Income

Income for the period (excluding interest received) was £22.5m (2010-11 restated: £22.5m). The steady level of income year on year has been possible due to the continued support by teachers in paying their registration fees.

The vast majority of the GTCE's income came from teacher registration fees. During 2011-12, the GTCE invoiced 635,841 individuals and raised 19,539 cancellation credits for the annual fee of £36.50. In accordance with the GTCE's accounting policy, fee income for the current year was recognised for 616,000 teachers (2010-11: 615,000). This was the final year of fee collection by the GTCE.

Interest was received from money market investments placed in the year.

The prior year other income was restated due to a change in accounting policy as detailed in note 2.

Expenditure

During the period, expenditure on operational costs was £25.7m (2010-11: £18.3m). Costs are higher due to costs incurred due to abolition such as exit packages for staff and also an onerous lease provision for the Birmingham Office. Areas of variation compared to the full 2010-11 financial year to note are as follows.

- **Closure and transition costs.** The GTCE incurred £10.4m of closure and transition related costs within the year. This included onerous lease costs of £6.2m and staff exit costs £1.6m.
- **Teacher Learning Academy (TLA) and Informing Practice Networks.** The decision early in the financial year to sell the intellectual property rights of the TLA and its associated networks resulted in savings of £545k (36%) against the prior year.
- **Fee Collection.** The positive variance of £472k (47%) compared to 2010-11 reflects the reduction in activity in advance of the cessation of fee collection on 2 March 2012.
- **Regulation.** The GTCE completed a record number of hearings during the 2011-12 year but the implications of the court case *Kaur v ILEX* significantly reduced the number of cases that could have been heard. Full year expenditure for 2011-12 was £4.2m compared to £4.1m in 2010-11. This adverse variance reflects the increase in number of cases the GTCE heard. GTCE heard 272 cases in 2011-12 compared to 217 in 2010-11.
- **Award of QTS.** This area shows a saving of £136k (12%) mainly due to lower staff costs.

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Financial Review

- **Registration.** A small increase in cost of £127k occurred due to changes in activity as the registration function transitions to the new Department model.
- **GTCE magazine and publications.** The spend on publications fell even further at £399k (65%) due to shadowing the Cabinet Office Efficiency Reform Group guidelines.
- **Evidence and Advice.** The combined reduction in policy advice and research was £399k (79%) largely due to the activities being discontinued. Staff were redeployed within the organisation to ensure that the best use was made of their time and skill sets.
- **Council, committee and Member election costs.** The prior year contained a £210k provision for a potential tax liability to HMRC regarding the treatment of Member travel expenses. Agreement was reached with HMRC during the 2011-12 year with a final settlement of £240k. Other savings resulted from the reduction in the number of council meetings during the final year.
- **Provision and charge for doubtful debts.** The GTCE's accounting policy was to write off all debts over 3 years old. A normal provision for bad debts was charged during the year of £285k (2010-11 £526k). Upon cessation of fee collection the provision of £1.224m was utilised for remaining debts of over 3 years or where registration was not required and a further £575k was charged to transition and closure costs for all remaining debts of under 3 years resulting in a total write off of £1.799m during the year.

The full time equivalent number of employees averaged 169 (2010-11: 199) for the year, a 15.1% decrease. The main driver for this decrease was staff turnover following the 2 June 2010 announcement and early leavers through the voluntary exit schemes and redeployment to the Department.

Deficit / Surplus for the year

The deficit for the year was £2.9m (2010-11 restated surplus: £4.4m) compared to a full year budgeted deficit of £17.5m. The key drivers of this variance have been lower exit package costs £6.4m, a lower provision for onerous leases of £1.7m primarily due to the assignment of the London office lease, higher than budgeted fee income £4.7m and a lower impairment charge on the carrying value of non-current assets £0.7m

Reserves

As an independent public corporation, almost entirely dependent on income from teacher fees and without powers to borrow, the GTCE ensured that it had an adequate level of reserves to maintain its financial viability.

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

The designated reserves were transferred to the general reserve during the year as the requirements for them became no longer valid. The reserves at the year end were comprised of the general reserve of £10.6m and a re-valuation reserve of £0.1m.

Going concern

On 3 June 2010, the Secretary of State for Education, Rt Hon Michael Gove MP, wrote to the Chair of the GTCE, Gail Mortimer, to confirm that the Government proposed to introduce legislation to abolish the

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GTCE. The Education Act 2011 abolished the GTCE on 1 April 2012 when the remaining functions, staff and property transferred to the Department.

Management have therefore reviewed the appropriateness of the preparation of these financial statements on a “going concern” basis as defined under IAS 1 as interpreted for the public sector by the FReM. These accounts are produced on a going concern basis because some of GTCE’s former functions will continue in operational existence for the foreseeable future albeit through a different delivery body. The GTCE’s assets and liabilities were transferred to the Department under a Property Transfer Scheme dated 1 April 2012 and some GTCE staff were transferred to the Department under a Staff Transfer Scheme also dated 1 April 2012.

The GTCE was an independent public corporation charged with a range of statutory functions and responsibilities that ceased with the abolition of the GTCE on 1 April 2012. The GTCE remained self-financed up to the 31 March 2012. Closure costs containing redundancy costs, bad debt charges, impairment charges and provisions relating to staff exits, closing functions and assets that will be redundant after the closure team has completed its work have been included in these financial statements. Council Members and management were satisfied that sufficient funding was in place to enable the Department to pay any remaining obligations as they fall due out of reserves remaining.

Treasury management

The GTCE received payment for the bulk of its fees in the first quarter of the year. These were prudently invested in money market deposits in low risk (B+ and above rated) investments with high street banks. All investments were in sterling and gave rise to interest receivable of £276k for the period. In practice, current legislation does not allow the GTCE to borrow, therefore we have ensured that there is sufficient cash to manage fluctuations in activity levels and also the funding of the VtF programme which effectively and efficiently managed closure, transition and transfer within existing funds.

Non-current assets

The non-current assets are reported according to the requirements of IFRS, which separates out the property, plant and equipment and intangible assets and provides details of the types of asset. The remaining fixed and intangible assets at the date of abolition were transferred to the Department under the Property Transfer Scheme.

Auditors

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

Disclosure of relevant information to auditors

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

Alan Meyrick
Accounting Officer
14 June 2012

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Statement of the General Teaching Council for England
and Accounting Officer's Responsibilities

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

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

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

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

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Governance Statement

As Accounting Officer I had personal responsibility for maintaining a sound system of governance, internal control and risk management within the GTCE to support the achievement of the GTCE's policies, aims and objectives, whilst safeguarding public funds and the organisation's assets.

I confirm that I have reviewed the governance, internal control and risk management arrangements in operation within the GTCE. My review of the effectiveness of the system of internal control has been informed by the work of the Deputy Chief Executive - Corporate Services, Deputy Chief Executive - Policy and Performance and the Registrar who have responsibility for the development and maintenance of the internal control framework. Internal Audit reports have also provided assurance on the internal control framework.

The system of governance, internal control and risk management is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide high and not absolute assurance on effectiveness.

Governance

Corporate governance

Within our existing constitutional structure set out in regulations, we established procedures to enable us to best comply with the UK Corporate Governance Code and associated guidance. There was an established Code of Conduct for Council Members; and an Audit Committee; and procedures for reporting remuneration matters. The Council continued to choose to shadow guidance received from the Cabinet Office Efficiency Reform Group. The Board did not assess its own effectiveness or assess the quality of the information it received in its final year of operation.

Where applicable the GTCE was compliant with the Treasury Corporate Governance Code.

The Council

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

Membership and attendance details of the Council are detailed on pages 24 and 25.

Executive Committee

The Executive Committee had responsibility for a range of key governance decisions and since June 2010 for exercising delegated powers upon behalf of the Council. The Committee met monthly from September 2011 to March 2012 to enable decisions to be taken in a timely manner. The priorities of the Committee have included oversight, in conjunction with the Joint GTCE Transition Board, of the transfer of functions and the closure of the organisation and to ensure transparency for all decisions taken in a fast moving environment. Any decisions taken by the Chief Executive or a Director under delegated powers in consultation with a Committee Chair were recorded in a register held by the Secretariat and reported to Members. The membership of the Executive Committee comprised the Chair and Vice-Chair of Council, the Chairs of the (former) General Purposes Committee, the (former) Policy and Research Committee and the Registration and Regulation Committee and eight other Members, a mixture of 'lay' and 'teacher' Council Members. Decisions taken by the Executive Committee (and other service Committees) were posted on the website termly. Attendance of the Executive Committee is detailed on page 26.

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Governance Statement

Post 2 June 2010 the following key roles of the Executive Committee were identified:-

- i. govern the closure of the public corporation with due diligence and in line with statutory / legislative requirements;
- ii. act in the public interest in working with Government on the transfer of functions / closure of the organisation;
- iii. ensure that all steps taken over the arrangements made for staff and disposal of assets were fair and equitable;
- iv. to have oversight on corporate planning, monitoring and reporting arrangements which enabled the GTCE to continue to deliver on strategic priorities;
- v. to monitor and review the financial plan covering all financial aspects of the GTCE until closure including monthly management accounts; and
- vi. direct oversight of the Value the Functions (VtF) programme.

In 2011-12 the Executive Committee met monthly specifically in providing direct oversight of the VtF programme and its component projects. At its monthly meetings, the Committee received formal updates on the following items:

- progress with the VtF programme and the 10 individual strands;
- risk management, including the introduction of a risk trend analysis process and revised reporting to the Executive and Audit Committees;
- staffing updates in terms of the transition/closure process;
- monthly consideration of the management accounts and key performance indicators; and
- updates from the Chief Executive and the Chair and Vice Chair of Council.

The Executive Committee received regular governance update papers covering a wide range of 'business as usual' matters, with key issues fully reported to Council Members. These updates have covered among other things:

- regular progress of internal and external communications;
- review of the internal audit plan for 2011-12;
- review of the Member expense scheme;
- information assurance updates;
- review of GTCE's statutory remit, in terms of its advisory role and its continuance up to closure of the GTCE; and
- review of future use of GTCE Code of Conduct and Practice.

In conjunction with the Registration and Regulation Committee, the Executive Committee considered a series of papers on managing casework up to closure, agreeing a strategy. This included the implications of the Court of Appeal judgement in autumn 2011 of *Kaur v ILEx*.

The Committee also approved responses to various Department consultations, including those relating to functions that have now transferred to the new Teaching Agency.

In May 2011, the Committee received the service reflections of the Leadership Team for 2010-11 and the view forward for 2011-12.

The Committee received regular financial management reports, in addition to the accounts, specifically relating to the closure of the public corporation and received assurance that the GTCE has managed the risks to confidentiality of its information proportionately prior to abolition, and in preparation for decommissioning and transition.

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Governance Statement

The Leadership Team

The Leadership Team comprised the Chief Executive, Deputy Chief Executive - Corporate Services, Deputy Chief Executive - Policy and Performance and the Registrar.

The VtF Programme was initiated and developed to manage the process of transferring, transitioning and close down of GTCE functions. The VtF Programme Board membership comprised the Leadership Team and a Department observer.

The Leadership Team was supported by a wider Senior Management Team meeting as Project and Business Performance Board (PB2) to reflect its new responsibilities to include oversight of 'business as usual' and the VtF Programme and risk management.

GTCE continued to integrate its planning and monitoring processes for corporate and service planning, risk management and financial management to ensure alignment and coherence across the organisation. Regular monthly and quarterly reporting of financial, risk and performance information continued to take place at both governance and senior management levels. During the year a risk trend analysis was developed as a way of monitoring risks and identifying patterns and risk trends. From July 2011 this risk trend analysis was reported and reviewed through the regular meetings of the Project and Business Performance Board, VtF Programme Board, Audit Committee and Executive Committee.

Audit Committee

The GTCE had a properly constituted Audit Committee that played a key role in the governance arrangements. Specifically in the final year of Council, the Committee's focus was on providing assurance to the Council and the Chief Executive on the management of risk around transition and anticipated closure of the organisation, and providing assurance on the financial management of the organisation. The membership and attendance of the Audit committee is detailed on page 26. The Chair and Vice-Chair of the Audit Committee will meet on two separate occasions to review the 2011-12 Annual Report.

Internal Controls

As Accounting Officer, I had responsibility for reviewing the effectiveness of the system of internal controls. My review of the effectiveness of the system of internal control was informed by the work of the internal auditors, who were GIAS (Government Internal Audit Service) compliant, and also by the Deputy Chief Executives within the GTCE who had responsibility for the development and maintenance of the internal control framework, and by any comments made by the external auditors in their management letter and other reports.

The system of internal control was based on an ongoing process designed to identify and prioritise the risks to the achievement of the GTCE's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control operated to the date of abolition, 1 April 2012, and accorded with Treasury guidance.

The Directors of Service provided me with assurance statements, which did not identify any issues that required disclosure. In particular, the Registrar provided me with assurance relating to the accuracy and currency of the Register of Teachers. I have also taken account of the annual statement of the management of information risk from the SIROs. I have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the work of the Audit Committee and a plan to address any areas of identified weakness and ensure continuous improvement of the system was in place.

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

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

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

The Audit Committee reviewed all internal and external audit reports and tracked the implementation of recommendations. The Committee provided me with assurance on the standards of effectiveness of the organisation's internal controls and also reported to Council on the range of its work.

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

Risk Management

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

Risks were either identified by departmental managers, the Leadership team or from a risk assessment following the 2 June 2010 announcement. The risks were then integrated into the VfF projects and business as usual reporting and were contained in one centrally held risk register. Managers reviewed and updated the risks at least monthly or as circumstances changed as part of their regular review of performance. Each paper submitted to meetings and committees included an assessment of risk and the controls in place to mitigate that risk.

The Risk Register was shared with the Joint GTCE Transition Board and was reviewed monthly by the Leadership Team, the VfF Programme Board and the Executive Committee.

The GTCE's Executive Committee set the risk appetite and the Audit Committee reviewed the processes to support the risk strategy and reported back to the Executive committee. The Audit Committee received a report of the Risk Register at each meeting. The GTCE's overall approach to risk was one of caution.

Key risks and issues within the year

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

The disciplinary casework system was the core of professional self regulation. GTCE's regulatory work was high profile, sensitive and integral to the safeguarding of high professional standards. Inability to continue

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

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

Key members of staff could leave the GTCE in the period to transfer, transition or closure leading to a loss of organisational memory and insufficient resource to meet our statutory duties. Management reviewed the level of resource required across all directorates and implemented a programme of cross-skilling and internal recruitment where appropriate.

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

On 19 October 2011 the Court of Appeal ruled in the case of Kaur vs ILEx that very senior members of a regulator could not sit on disciplinary tribunals convened by a regulator. On 17 November the GTCE made a request to the Department for changes in its Disciplinary Functions Regulations to address two risks. Namely if the regulations were not updated an appeal to the High Court could quash a case outcome and that a delay in hearings could have occurred leaving teachers accused of more serious matters remaining eligible to teach and practice in schools.

Risk: The risk that GTCE functions are not fit for purpose at handover

This risk was in reference to the Teaching Agency start-up on 1 April 2012 and was on the GTCE risk register for several months and appeared in the Executive Committee risk table. This was because there was an increased level of risk that these systems would not be fit for purpose at handover. The GTCE has confirmed the level of quality assurance activity with the Department, but recognised that this is a Department-led activity.

Continued uncertainty over the Government's specific intentions regarding the continuation of functions could affect the orderly transfer and transition of functions or legacy measures. Effective engagement with the Department through the Joint GTCE Transition Board provided a clear communication channel for transition and legacy arrangements to be discussed. The effective oversight of transfer, transition and closure by Executive Committee further offset this risk. We set up the VtF programme to manage the risks of transfer, transition and closure. The individual projects within this programme were reported to Project Board on a monthly basis and the programme itself was reviewed on a monthly basis by the VtF Programme Board, Executive Committee and the Joint GTCE Transition Board.

Programme and Project Management

The VtF Programme which planned for the closure or transfer of GTCE's operations utilised the Cabinet Office's Managing Successful Programmes and PRINCE2 methodologies as well as the GTCE's Governance, Internal Control and Risk processes detailed on pages 41 to 42. The programme was divided into ten projects and each project tracked risks, issues and progress on a fortnightly basis. The programme had benefit criteria to be achieved if the programme was to be deemed successful. Specialist key resources have had to be recruited for the programme due to key staff leaving.

The report of the VtF Programme for the year is on pages 20 to 21.

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Financial Management and Achievement against Business Plan

An effective system of budget management was operated during the year with regular monthly and quarterly reporting of financial, risk and performance information at governance, senior management and budget manager levels. This ensured that accurate financial records were maintained. The review of budgets and forecasts was achieved using monitoring by exception. Forecasts were reviewed and updated on a quarterly basis. The financial controls were subject to a review by internal audit and although no items of a critical or high risk nature were discovered the Internal Auditors made a number of recommendations that were implemented by management during the year.

Management of key third party partners

All of the Council's ICT support services were delivered in line with a contractual Service Level Agreement and subject to GTCE's policy for security, operations and backup. The provision of this service was by a leading supplier from an external host and run data centre that provided important benefits from the application of the supplier's own control and security safeguards. This also mitigated the impact of any major incident affecting the Council's offices, allowing continued operation of the Council's key ICT systems.

Monthly service review meetings were held at which the performance reports were reviewed and discussed. This included a security report including details of incidents monitored by firewalls and intrusion detection facilities. GTCE had direct access to the monitoring tools deployed on the infrastructure. Data backups continued to be taken to an agreed schedule and the tapes stored at an off-site location.

Detailed technical documentation describing the ICT infrastructure and support processes and procedures continued to be maintained and was additionally held off-site to facilitate recovery of systems and applications by appropriately skilled people who might be unfamiliar with GTCE systems. This information was key to discussions with the Department for them to gain an understanding of GTCE systems and applications and support the transition of relevant systems to the Department.

The GTCE's HMG approved information assurance contractors carried out a physical security assessment of the third party data centre where the GTCE's infrastructure was hosted. The physical security was deemed compliant with minimum HMG standards and appropriate for protecting the ICT Infrastructure assets located there.

Information: ICT Management and Data Safeguarding

Following the announcement of the abolition of the GTCE, decisions were made to not make any further investment in ICT systems, but to maintain the existing portfolio and complete the implementation of the new Casework Management system. All systems continued to be delivered in line with agreed Service Levels that meet the business needs.

The GTCE was responsible for maintaining a register of qualified teachers, trainee teachers, overseas trained teachers and instructors. The GTCE always paid special attention to controls around data protection and privacy. On 24th June 2011 the GTCE successfully completed the information assurance accreditation of the GTCE's ICT infrastructure. The accreditation process involved the structured application of Government approved risk assessment and treatment methodologies, policies and standards. Where the planned abolition of the GTCE meant it was not feasible to treat all risk in full compliance with Government standards the acceptance of those risks was formally documented and shared with the Department. The accreditation process resulted in improvements to ICT and information security, supported by documented and evidenced based risk treatment decisions taken by the Senior Information Risk Owners. Having attained accreditation the GTCE carried out a regular schedule of accreditation standards compliance monitoring to provide assurance that technical and non-technical controls remained effective in treating risk. The physical security

General Teaching Council for England

Report and Financial Statements for the year ended 31 March 2012

Governance Statement

controls for the GTCE's ICT and information were assessed as part of the formal accreditation against HMG standards and were deemed to be appropriate and proportionate.

Within the organisation we had well-established Information Asset Owners (IAOs) who were responsible for identifying and managing information risks in their operational areas. They reported formally and regularly on information risk management to the Senior Information Risk Owners (SIROs). Their annual reports 2012 indicated that all the IAOs had taken reasonable steps to manage securely their information assets and had exercised appropriate information assurance controls. Where areas for improvement were identified they were addressed, so far as was feasible in the context of preparing for the abolition of the GTCE.

The SIROs made a formal annual statement of information risk management to the Accounting Officer. Their report for this year confirmed that the GTCE had aligned itself appropriately with Government data handling requirements; and that the GTCE had taken all reasonable and proportionate steps to manage data securely, including the decommissioning of its ICT in accordance with HMG requirements.

Significant information security risks, and the appropriateness and effectiveness of agreed mitigations, have been reviewed every quarter by the Information Assurance Governance Group. It was chaired by the SIROs and reported to the Accounting Officer.

All GTCE staff were required to complete successfully the Cabinet Office's Protecting Information Level One training, and where appropriate, the Protecting Information Level Two or Level Three training. All staff were formally reminded of their personal responsibilities for safeguarding information and required every six months to show their acceptance by signing a Data Protection & ICT Responsibilities Acknowledgement Form. All members and panellists were also formally reminded of their personal responsibilities for safeguarding information and all confirmed their acceptance by also signing a Data Protection & ICT Responsibilities Acknowledgement Form.

There was one data loss that required notification to the to the Information Commissioner's Office. This related to the theft of regulatory case papers. Where minor incidents occurred corrective action was taken to address underlying root causes to help prevent future incidents.

Specific ICT Business continuity testing was undertaken during the year with a successful test restoration of the main teacher database to a given point.

People and Change Management

As the GTCE planned for closure the priorities for business continuity management were reviewed. There were major risks to ensuring business as usual was maintained in the context of experienced and knowledgeable staff leaving the organisation in greater numbers than normal. Through capacity planning and knowledge transfer exercises the effects of this was mitigated.

Systems were implemented for ensuring that succession planning and knowledge transfer was carried out at individual team level. Consideration was given to ensure that plans were in place to ensure that high priority work could continue to be carried out in a climate of high staff turnover due to leavers or transfers to the Department.

Alan Meyrick
Accounting Officer
14 June 2012

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2012
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 2012 under the Teaching and Higher Education Act 1998. The financial statements comprise: the Statement of Comprehensive Net Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the General Teaching Council for England's affairs as at 31 March 2012 and of its deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Teaching and Higher Education Act 1998 and Secretary of State directions issued thereunder.

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2012
The Certificate and Report of the
Comptroller and Auditor General to the Houses of Parliament

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

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

Report

In forming my opinion, which is not qualified, I have considered the adequacy of disclosures made in note 1b and note 21 to the financial statements concerning the application of the going concern principle in light of the abolition of the General Teaching Council for England. As some of the General Teaching Council for England's functions are transferring to other Government bodies, it remains appropriate for the General Teaching Council for England to continue to prepare the financial statements on a going concern basis in accordance with the Government Financial Reporting Manual issued by HM Treasury.

Amyas C E Morse
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date: 20 June 2012

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2012
Statement of Comprehensive Income for the year ended 31 March 2012

		2011-12			2010-11 Restated		
		Continued	Disconti- -nued	Total	Continued	Disconti- -nued	Total
		£000	£000	£000	£000	£000	£000
Income:							
Teacher registration fees	3a	-	22,487	22,487	-	22,481	22,481
Other operating income (restated)	3b	-	50	50	-	11	11
		<u>-</u>	<u>22,537</u>	<u>22,537</u>	<u>-</u>	<u>22,492</u>	<u>22,492</u>
Expenditure:							
Staff costs	6c	2,177	6,319	8,496	2,195	5,944	8,139
Depreciation, amortisation and impairment	7	683	259	942	503	226	729
Other expenditure		4,916	11,329	16,245	4,986	4,445	9,431
Total expenditure	5	<u>7,776</u>	<u>17,907</u>	<u>25,683</u>	<u>7,684</u>	<u>10,615</u>	<u>18,299</u>
Operating (deficit) / surplus		(7,776)	4,630	(3,146)	(7,684)	11,877	4,193
Interest receivable	9	-	276	276	-	257	257
(Deficit) / Surplus for the year before tax		<u>(7,776)</u>	<u>4,906</u>	<u>(2,870)</u>	<u>(7,684)</u>	<u>12,134</u>	<u>4,450</u>
Tax on interest receivable	10	-	(55)	(55)	-	(54)	(54)
Retained (deficit) / surplus for the year		<u>(7,776)</u>	<u>4,851</u>	<u>(2,925)</u>	<u>(7,684)</u>	<u>12,080</u>	<u>4,396</u>

Some functions transferred to the Teaching Agency on 1 April 2012.

Other Comprehensive Income

	2011-12 £000	2010-11 £000
Net loss on revaluation of property, plant and equipment	-	(10)
Net (loss) / gain on revaluation of intangibles	(2)	46
Total comprehensive (deficit) / income for the year ended 31 March 2012	<u>(2,927)</u>	<u>4,432</u>

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2012

Statement of Financial Position

As at 31 March 2012

		31 March 2012	31 March 2011 restated	1 April 2010 restated
		£'000	£'000	£'000
Non-current assets				
Property, plant and equipment	11	77	247	241
Intangible assets	12	871	1,345	1,375
Total non-current assets		948	1,592	1,616
Current assets				
Trade and other receivables	14	64	968	1,285
Financial assets	15	-	-	1,000
Cash and cash equivalents	16	18,216	13,839	8,385
Total assets		19,228	14,807	10,670
Current liabilities				
Trade and other payables	17	2,429	1,989	2,392
Deferred grants falling due within one year	18	-	48	48
Total assets less current liabilities		16,799	14,362	9,846
Non-current liabilities				
Provisions	19	6,157	210	-
Other payables	17	-	583	709
Assets less liabilities		10,642	13,569	9,137
Reserves				
Designated reserves	20	-	8,488	990
Revaluation reserve		79	81	45
General reserve		10,563	5,000	8,102
		10,642	13,569	9,137

The financial statements on pages 48 to 77 were approved and signed on behalf of the Council by:

Alan Meyrick
Accounting Officer
Date: 14 June 2012

General Teaching Council for England
Annual Report and Financial Statements for the year ended 31 March 2012

Statement of Cash Flows

For the year ended 31 March 2012

	2011-12	2010-11
	£'000	restated £'000
Cash flows from operating activities		
Operating (deficit) / surplus (restated)	(3,146)	4,193
Adjustments for:		
Depreciation, amortisation, impairment and revaluation	942	729
Loss on disposal of non-current assets	21	-
Decrease in receivables	904	317
(Decrease) / Increase in registration fees received in advance	(552)	506
Increase / (decrease) in payables	407	(1,030)
Increase in provisions	5,947	210
Decrease in deferred grants (restated)	(48)	-
Inflow from operating activities	4,475	4,925
Taxation	(54)	(51)
Net cash inflow from operating activities	4,421	4,874
Cash flows from investing activities		
Purchase of property, plant and equipment	(37)	(215)
Purchase of intangible assets	(283)	(462)
Sale of investments	-	1,000
Interest received	276	257
Net cash (outflow) / inflow from investing activities	(44)	580
Increase in cash and cash equivalents	4,377	5,454
Cash and cash equivalents at the start of the year	13,839	8,385
Cash and cash equivalents at the end of the year	18,216	13,839
Cash and cash equivalents consists of:		
Cash and cash equivalents	18,216	13,839

General Teaching Council For England
Financial Statements for the year ended 31 March 2012

Statement of Changes in Reserves

	Designated reserves	Government Capital Grant Reserve	Revaluation reserve	General reserve	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2010	990	618	45	7,409	9,062
Change in accounting policy	-	(618)	-	693	75
Restated Balance as at 1 April 2010	990	-	45	8,102	9,137
Changes in reserves 2010-11					
Transfers between reserves (restated)	7,498	-	-	(7,498)	-
Comprehensive income for the year	-	-	36	4,396	4,432
Total recognised income and expense for 2010-11	7,498	-	36	(3,102)	4,432
Balance as at 31 March 2011	8,488	-	81	5,000	13,569
Changes in reserves 2011-12					
Transfers between reserves	(8,488)	-	-	8,488	-
Comprehensive Income for the year	-	-	(2)	(2,925)	(2,927)
Total recognised income and expense for 2011-12	(8,488)	-	(2)	5,563	(2,927)
Balance as at 31 March 2012	-	-	79	10,563	10,642

A change in accounting policy has resulted in a restatement of the prior years as disclosed in note 2.

General Teaching Council For England
Financial Statements for the year ended 31 March 2012
Notes to the Financial Statements

1 Accounting Policies

1a Accounting convention

These financial statements have been prepared in accordance with the 2011-12 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the GTCE for the purpose of giving a true and fair view has been selected. The particular policies adopted by the General Teaching Council for England are described below. They have been applied consistently in dealing with items that are considered material to the Financial Statements.

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates but are not considered to be material.

1b Going concern

On 3 June 2010, the Secretary of State for Education, Rt Hon Michael Gove MP, wrote to the Chair of the GTCE, Gail Mortimer, to confirm that the Government proposed to introduce legislation to abolish the GTCE. The Education Act 2011 abolished the GTCE on 1 April 2012 when the remaining functions, staff and property transferred to the Department.

Management have therefore reviewed the appropriateness of the preparation of these financial statements on a “going concern” basis as defined under IAS 1 as interpreted for the public sector by the FReM. These accounts are produced on a going concern basis because some of GTCE’s former functions will continue in operational existence for the foreseeable future albeit through a different delivery body. The GTCE’s assets and liabilities were transferred to the Department under a Property Transfer Scheme dated 1 April 2012 and some staff of the GTCE have transferred to the Department under a Staff Transfer Scheme also dated 1 April 2012.

The GTCE was an independent public corporation charged with a range of statutory functions and responsibilities that ceased with the abolition of the GTCE on 31 March 2012. The GTCE remained self-financed up to the 31 March 2012. Closure costs containing redundancy costs, bad debt charges, impairment charges and provisions relating to staff exits, closing functions and assets that will be redundant after the closure team has completed its work have been included in these financial statements. Council Members and management were satisfied that sufficient funding was in place to enable the Department to pay any remaining obligations as they fall due out of reserves remaining.

General Teaching Council For England

Financial Statements for the year ended 31 March 2012

Notes to the Financial Statements

1c Income

Fee income

The Registration Fee is set by the Council and approved by the Secretary of State, the fee collection year (1 April to 31 March) is the same as the financial year of the GTCE.

Registration Fees for those teachers required to be registered are accounted for on an accruals basis, where there was 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 was delayed until the information became available.

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

The fee collection operations of GTCE ceased at 2 March 2012. Consequently all outstanding fees of over three years were written off to Other Expenditure and all outstanding fees of under three years were written off as closure costs.

Grant income

The FReM has introduced a change to the accounting treatment for grants and donations. Accordingly GTCE changed its accounting policy to recognise income in the financial year it was received rather than deferring the income to match expenditure, except where the donor has imposed conditions which had to be fulfilled in order for the grant to be used. In this latter case the income is deferred until the pre-conditions for its use have been met or the deferred grant has been gifted to another party with the same conditions attached for its future use. The prior years have been restated as detailed in note 2.

Interest income

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

1d Key sources of estimation uncertainty

The key sources of estimation uncertainty that had a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial statements are the estimation of an onerous lease provision and the measurement and impairment of property, plant and equipment and intangible assets. The valuation of the onerous lease provision included the estimation of service charges and other building related costs over the life of the lease and the selection of a suitable discount rate. Measurement of the impairment of property, plant and equipment and intangible assets required the estimation of the assets' recoverable amount and selection of a suitable discount rate.

1e Property, plant and equipment

Property, plant and equipment held for use in the pursuit of the objectives of the GTCE is stated in the balance sheet at current cost less any accumulated depreciation. The GTCE's policy is to capitalise items where their expected useful life exceeds one year and the cost of acquisition exceeds £250. In instances where there are large numbers of separate individual items of ICT 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 fell within the capitalisation threshold.

Property, plant and equipment are re-valued as at 31 March 2012 using indices taken from "Producer Price Indices" issued by the Office for National Statistics.

General Teaching Council For England
Financial Statements for the year ended 31 March 2012
Notes to the Financial Statements

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
Fixtures & fittings	5
Office refurbishment	5

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

1f Intangible assets

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

Intangible assets were re-valued at 31 March 2012 using indices taken from “Producer Price Indices” issued by the Office for National Statistics.

1g Impairment

Property, plant and equipment and intangible assets are subject to an impairment review to ensure they are carried at no more than the recoverable amount. Further to this all property, plant and equipment and intangible assets were subject to a further review due to the closure of the GTCE and consequently all assets becoming redundant as part of the closure process were subject to an impairment charge.

1h Cash and cash equivalents

Cash includes cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments in money market deposits that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. A cash strategy was implemented in the period up to abolition to control the maturity of money market deposits in readiness to return surplus cash to the Department in April 2012.

1i Financial instruments

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

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

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

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

General Teaching Council For England
Financial Statements for the year ended 31 March 2012
Notes to the Financial Statements

1j Provisions

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

1k Finance and operating leases

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

At the abolition of the GTCE an onerous lease provision has been made to provide for the remaining period outstanding on a lease. The value was calculated on a discounted cash flow basis. The lease is considered onerous because there is a legal obligation for payments to be made under the terms of the lease and at the date of signing these accounts the Department does not intend to use the premises and no sub-tenant has been identified to enable the lease to be assigned to another party.

1l Value Added Tax

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

1m Corporation Tax

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

1n Pension costs

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

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

1o 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 are released to the General Reserve.

General Teaching Council For England
Financial Statements for the year ended 31 March 2012
Notes to the Financial Statements

1p New accounting standards

New Accounting standards and interpretations that have been issued but not required to be followed until 2012-13 have not been disclosed due to the abolition of the GTCE on 1 April 2012.

2 Change in Accounting Policy

The GTCE implemented a change in the FReM relating to government grants. Accordingly GTCE has changed its accounting policy to recognise income in the financial year it was received rather than deferring the income to match expenditure, except where the donor imposed conditions relating to the use of the grant where the deferral still applied.

The effect on the 2010-11 financial statements of this change is shown below.

	Designated Reserves £'000	Government Grant Reserve £'000	Revaluation Reserve £'000	General Reserve £'000	Total £'000
Reserves at 31 March 2010 as previously stated	990	618	45	7,409	9,062
Adjustments:	-	(618)	-	693	75
Reserves at 31 March 2010 as restated	990	-	45	8,102	9,137
					£'000
Retained surplus for 2010-11 as previously stated					4,635
Adjustments:					(239)
Retained surplus for 2010-11 as restated					<u>4,396</u>

The change in accounting policy has reduced other operating income within the Statement of Comprehensive Income for 2010-11 by £239k. This other operating income and the deferred elements of the grants £454k held on the 2010-11 balance sheet have been restated to be received as other operating income prior to the 2010-11 financial year and consequently the 2010-11 retained surplus has increased by £693k as detailed above.

General Teaching Council For England
Financial Statements for the year ended 31 March 2012
Notes to the Financial Statements

3 Income

3a Registration fee income

	2011-12		2010-11	
	<i>Number of teachers</i>	<i>£'000</i>	<i>Number of teachers</i>	<i>£'000</i>
Registrants	616,000	22,487	615,000	22,481

Rounded figures are used for the number of teachers.

During the course of the year the number of individuals on the Register fluctuated with new registrations occurring and individuals leaving the profession throughout the year.

3b Other operating income

	2011-12	2010-11
	<i>£'000</i>	restated <i>£'000</i>
Deferred grant income	48	-
Other income	2	11
Total	50	11

The deferred grant income relates to amounts received by GTCE upon the winding up of the Hewett/Driver Education Trust (note 18). GTCE has now made a gift (note 25) of this amount to the CG TLA Consortium. Accordingly in these financial statements the deferred grant held in the balance sheet on 1 April 2011 has been released to income and the amount gifted has been treated as expenditure.

The prior year has been restated as disclosed in note 2 due to a change in accounting policy.

General Teaching Council For England
Financial Statements for the year ended 31 March 2012
Notes to the Financial Statements

4 Analysis of net expenditure by segment

For both management and financial reporting purposes, the GTCE was split into four operating directorates: Registration and regulation; Evidence, advice and practice; Communications; and Governance, fee collection and corporate support. These were each classed as reportable segments for the analysis required by IFRS 8, Operating Segments. In addition to the four operating directorates the closure and transition related costs of the Value the Functions Programme have been separately disclosed.

Analysis of net expenditure by function:

	2011-12	2010-11
	£'000	£'000
Registration and regulation	9,196	8,884
Evidence, advice and practice	1,547	2,972
Communications	1,071	1,936
Governance, fee collection and corporate support	3,583	4,166
Closure and transition related costs	10,286	341
Total	<u>25,683</u>	<u>18,299</u>

This analysis includes apportionments of depreciation and premises costs and therefore cannot be directly compared to the analysis of expenditure in note 5.

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

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

General Teaching Council For England
Financial Statements for the year ended 31 March 2012
Notes to the Financial Statements

5 Analysis of expenditure

5a The total expenditure of the GTCE analysed by activity:

	2011-12	2010-11
	£'000	£'000
Regulation	4,247	4,149
Registration	2,481	2,354
Award of QTS	1,045	1,181
Evidence & advice - policy advice	256	647
Teacher Learning Academy	697	1,162
Informing practice - Networks	273	353
Evidence & advice - research and information	107	506
GTCE magazine and publications	212	611
External relations	347	423
Conferences and events	47	223
Web site	300	509
Fee collection	537	1,009
Council, committee and Member election costs	430	685
Corporate Support	1,676	1,489
Premises	1,526	1,396
Depreciation, amortisation and loss on disposal	862	735
Provision and charge for doubtful debts	285	526
Closure and transition related costs (note 5b)	10,355	341
	25,683	18,299

5b Closure and transition related costs:

	2011-12	2010-11
	£'000	£'000
Onerous lease provision (note 19)	6,157	-
Severance costs (note 6d)	1,641	-
Staff costs	1,207	301
Bad debt write off	575	-
Post closure team office staff, accommodation and services	299	-
ICT decommissioning costs	204	-
Final Teacher Mailing	186	-
Other Professional fees	182	40
Impairment of fixed assets	101	-
Archiving / legacy costs	79	-
Outplacement service	76	-
One off costs for transferring functions	64	-
Lease incentive payments (note 27)	167	-
Release of rent free periods on lease accrual (note 17)	(583)	-
	10,355	341

General Teaching Council For England
Financial Statements for the year ended 31 March 2012
Notes to the Financial Statements

6 Staff numbers and related costs

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

	Permanently employed staff	Other	Total 2011-12
	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>
Directly employed	150	-	150
Other (excludes specialist contractors)	-	19	19
	150	19	169

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

	2011-12	2010-11
<i>Section</i>	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>
Chief Executive's office	3	4
Registration	42	40
Regulation and legal	31	47
Corporate services (including finance, administration and ICT)	50	51
Communications	9	16
Policy and research	15	27
Agency staff (excludes specialist contractors)	19	14
	169	199

6c Staff costs

	Permanently employed Staff	Other	Total 2011-12	Total 2010-11
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries	4,928	681	5,609	6,611
Social security costs	421	-	421	467
Other pension costs (see note 28)	825	-	825	1,061
Exit packages	1,641	-	1,641	-
	7,815	681	8,496	8,139

6d Staff exit packages

Exit package cost band	Number of compulsory redundancies	Number of departures by other means	Total number of exit packages by cost band
Under £10,000	2	23	25
£10,000 - £25,000	3	44	47
£25,000 - £50,000	2	10	12
£50,000 - £100,000	-	4	4
£100,000 - £150,000	-	1	1
Total	7	82	89
Total cost £	£129,614	£1,510,939	£1,640,553

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Redundancy and other departure costs totalling £1,640,553 have been paid or accrued in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the GTCE has agreed early retirements, the additional costs are met by the GTCE and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

There were no exit packages in the prior year.

7 Depreciation, amortisation and impairment

	2011-12	2010-11
	£'000	£'000
Depreciation charge for the year	123	191
Amortisation charge for the year	718	538
Impairment charge for the year	101	-
	942	729

During the 2011-12 financial year the surplus and depreciation adjustment on current cost revaluation have been taken to the revaluation reserve.

8 Other expenditure

The operating deficit / surplus is stated after charging:

	2011-12	2010-11
	£'000	£'000
Operating lease rentals		
Office equipment	18	14
Other (land and buildings)	1,190	1,277
Loss on disposal of fixed assets	21	-
Provision for Onerous Lease	6,157	-
Non cash items		
Depreciation, amortisation and revaluation	942	729
Payments to external auditors		
Audit fee	35	28

There was no remuneration for non-audit work.

9 Interest receivable

	2011-12	2010-11
	£'000	£'000
Interest receivable from cash deposits	276	257

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10 Taxation charge

	2011-12	2010-11
	£'000	£'000
Corporation tax	<u>55</u>	<u>54</u>

Factors affecting the tax charge for the year:

The GTCE was 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 26%. The differences are explained below:

	2011-12	2010-11
	£'000	£'000
Investment income for the year	<u>276</u>	<u>257</u>
Investment income multiplied by the small companies rate of corporation tax in the UK of 20% (2010-11: 21%)	<u>55</u>	<u>54</u>
Current tax charge for the year	<u>55</u>	<u>54</u>

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11 Property, plant and equipment

	Office refurbishment £'000	Information technology £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2011	1,284	1,506	592	3,382
Additions	-	37	-	37
Disposals	(386)	(98)	(54)	(538)
Current cost revaluation	-	(1)	1	-
At 31 March 2012	898	1,444	539	2,881
Depreciation				
At 1 April 2011	1,266	1,314	555	3,135
Charge for year	7	103	13	123
Impairment charge for the year	-	52	12	64
Disposals	(375)	(98)	(44)	(517)
Current cost revaluation	-	(1)	-	(1)
At 31 March 2012	898	1,370	536	2,804
Net book value				
At 31 March 2012	-	74	3	77
At 1 April 2011	18	192	37	247

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

All fixed assets held were used in the furtherance of the GTCE's objectives and were re-valued as at 31 March 2012 using indices taken from "Produce Price Indices" issued by the Office for National Statistics. The index used for information technology assets is "JV5A", which tracks the cost of computers and peripheral equipment. An impairment charge has been made in the year to reflect that the fixed assets useful economic life has been reduced following the announcement that GTCE would be abolished on 1 April 2012. All remaining property, plant and equipment at 1 April 2012 transferred to the Department under a property transfer scheme (PTS).

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12 Intangible assets

	Assets under construction	Information technology & Software Licences	Total
	£'000	£'000	£'000
Cost			
At 1 April 2011	8	6,532	6,540
Additions	232	51	283
Disposals	-	(4,221)	(4,221)
Current cost revaluation	-	(7)	(7)
At 31 March 2012	240	2,355	2,595
Amortisation			
At 1 April 2011	-	5,195	5,195
Charge for year	-	718	718
Impairment for the year	-	37	37
Disposals	-	(4,221)	(4,221)
Current cost revaluation	-	(5)	(5)
At 31 March 2012	-	1,724	1,724
Net book value			
At 31 March 2012	240	631	871
At 1 April 2011	8	1,337	1,345

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

Intangible assets held were used in the furtherance of the GTCE's objectives and were re-valued as at 31 March 2012 using indices taken from "Producer Price Indices" issued by the Office for National Statistics. The index used for information technology and software licences is "JV5A", which tracks the cost of computers and peripheral equipment. An impairment charge has been made in the year to reflect that the intangible assets useful economic life has been reduced following the announcement that GTCE would be abolished on 1 April 2012. All remaining intangible assets at 1 April 2012 transferred to the Department under a property transfer scheme (PTS). All intangible asset additions under construction during the year relate to items of software that the Department commissioned GTCE to undertake to enable the transfer of certain functions to the Teaching Agency. No amortisation was provided on these items as they will not be operationally implemented until after 1 April 2012 in the Teaching Agency.

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13 Financial instruments

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

Liquidity and interest rate risk

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

Currency risk

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

Fair values

There was no difference between the book value and fair value of any of the Council's financial assets and liabilities as at 31 March 2012.

Loans and receivables

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

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
Registration fees	-	1,342	1,234
Provision for doubtful debts	-	(939)	(711)
Trade receivables	-	5	215
Other receivables	1	8	15
Other financial assets	-	-	1,000
Cash and cash equivalents	18,216	13,839	8,385
	18,217	14,255	10,138

Other financial liabilities

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

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14 Trade receivables and other current assets

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
Registration fees	-	1,342	1,234
Provision for doubtful debts	-	(939)	(711)
Trade receivables	-	5	215
Other receivables	1	8	15
Prepayments and accrued income	63	552	532
	64	968	1,285

Balances analysed by body:

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
Central government bodies	-	3	-
Bodies external to government	64	965	1,285
	64	968	1,285

The GTCE invoiced all registered teachers for their annual fee on 1 April 2011. Newly qualified teachers were invoiced when they became fully registered with the GTCE, usually before the end of September. All material balances receivable from teachers were more than 120 days old at the end of fee collection on 2 March 2012.

The provision for doubtful debts relating to registration fees has been fully utilised immediately prior to abolition when all remaining debts were written off. The Department will not be collecting an annual fee from Teachers.

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

Movement in the allowance for doubtful debts was as follows.

	31 March 2012	31 March 2011
	£'000	£'000
Balance at the beginning of the year	939	711
Recognised in the statement of comprehensive income	860	228
Utilised in year	(1,799)	-
	-	939

The amount recognised in the statement of comprehensive income in 2011-12 was £285k for debts over 3 years or where registration was not required and £575k charged to transition and closure costs for debts of under 3 years.

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15 Financial assets

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
Investments	-	-	1,000
	<u>-</u>	<u>-</u>	<u>1,000</u>

In 2009-10 the GTCE's financial assets comprised a single bond held at a commercial bank that could be recalled at 30 days' notice.

16 Cash and cash equivalents

	2011-12	2010-11
	£'000	£'000
Balance at 1 April:	13,839	8,385
Net change in cash and cash equivalent balances	4,377	5,454
Balance at 31 March:	<u>18,216</u>	<u>13,839</u>

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
The following balances were held at:			
Commercial bank money market deposits	6,615	13,343	7,351
Commercial bank current accounts	11,601	496	1,034
Balance at:	<u>18,216</u>	<u>13,839</u>	<u>8,385</u>

17 Trade payables and other current liabilities

Amounts falling due within one year:

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
Corporation tax	55	54	51
Registration fees received in advance	-	552	46
Trade payables	202	122	642
Other payables	216	272	382
Accruals	1,956	989	1,271
	<u>2,429</u>	<u>1,989</u>	<u>2,392</u>

Amounts falling due after one year:

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
Accruals	-	583	709
	<u>-</u>	<u>583</u>	<u>709</u>

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The prior year accrual falling due after one year related to rent free periods on the GTCE's property leases, which were being released to the Statement of Comprehensive Income and Expenditure over the life of the leases. At 31 March 2012 these accruals were fully released to closure costs. Future liabilities relating to the remaining lease are contained in the provision disclosed in note 19.

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

Balances analysed by body:

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
Central government bodies	1,597	299	365
Bodies external to government	832	2,273	2,736
	<u>2.429</u>	<u>2,572</u>	<u>3,101</u>

18 Deferred grants (restated)

Hewett/Driver TLA bursaries grant:

	31 March 2012	31 March 2011
	£'000	£'000
Balance at the beginning of the year	48	48
Deferred grant income (note 3b)	(48)	-
	<u>-</u>	<u>48</u>

During 2008 the GTCE received funds upon the winding up of the Hewett/Driver Education Trust. The GTCE has been unable to utilise this fund and identified the CG TLA Consortium as an appropriate recipient of the remaining sums in the fund. The GTCE entered into a Deed of Gift with the CG TLA Consortium on 30 March 2012 that states conditions for the utilisation of the fund. Accordingly in these financial statements the deferred grant held in the balance sheet on 1 April 2011 has been released to income and the amount gifted has been treated as expenditure.

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19 Provisions for liabilities and charges

	Onerous Lease Provision	Tax liability	Total
	£'000	£'000	£'000
Balance at 1 April 2011	-	210	210
Provided in the year	6,157	31	6,188
Utilised in the year	-	(241)	(241)
Balance at 31 March 2012	<u>6,157</u>	<u>-</u>	<u>6,157</u>
	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
<i>Aging of provisions for liabilities and charges</i>			
Not later than one year	660	210	-
Later than one year and not later than five years	3,420	-	-
Later than 5 years	2,077	-	-
	<u>6,157</u>	<u>210</u>	<u>-</u>

The provision brought forward was created in the 2010-11 year for a potential tax liability for financial years 2006-2011 relating to Members' expenses. An agreement was reached with HMRC with a final liability for prior years of £240,707 having been paid in the year under review.

An onerous lease provision was created on 31 March 2012 relating to the Birmingham office of GTCE. It is planned that the office will become vacant in August 2012 after the departure of the closure team and hence a provision has been created to cover the costs of the lease, service charge, business rates, dilapidations and other building related costs through to the expiry date of the lease on 14 July 2019. The discount rate of 2.2%, based on HM Treasury guidance, has been applied to the calculation of the provision.

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20 Reserves

Designated Reserves

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

Casework	A contingency reserve to cover any significant costs arising from legal challenges to rulings of the GTCE's disciplinary function.
Election	To equalise four yearly election costs across financial years. This reserve was transferred to the Closure Fund in 2010-11 following the announcement of the abolition of the GTCE.
ICT Strategy	This reserve was originally created to fund the depreciation charge of the large initial capital costs of the investment in the original ICT strategy. The final adjustment took place during the 2009-10 financial year. This reserve was transferred to the Closure Fund in 2010-11 following the announcement of the abolition of the GTCE.
Closure Fund	This reserve had been created during the previous financial year to fund the costs of closure, transition and transfer. This reserve was transferred to the general reserve at 31 March 2012 because all liabilities had been provided for.

	Casework	Election	ICT	Closure	Total
	£'000	£'000	Strategy	Fund	£'000
			£'000	£'000	
Balance as at 1 April 2010	250	140	600	-	990
Transfer from general reserve	1,475	280	380	5,855	7,990
Released to general reserve	(285)	-	(207)	-	(492)
Net transfer to / (from) general reserve	1,190	280	173	5,855	7,498
Released to closure fund	-	(420)	(773)	1,193	-
Balance as at 31 March 2011	1,440	-	-	7,048	8,488
Balance as at 1 April 2011	1,440	-	-	7,048	8,488
Released to general reserve	(1,440)	-	-	(7,048)	(8,488)
Net transfer to general reserve	(1,440)	-	-	(7,048)	(8,488)
Released to closure fund	-	-	-	-	-
Balance as at 31 March 2012	-	-	-	-	-

Other Reserves

Revaluation	This reserve was set up to provide for the difference in asset valuation using current cost accounting instead of historical cost accounting.
General Reserve	This reserve historically provided for approximately three months' cash requirement of the GTCE but at 31 March 2012 contains all GTCE's reserves except for the Revaluation reserve.

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21 GTCE Closure and Machinery of Government Changes

As part of the implementation of the Education Act 2011 GTCE was abolished. Some of GTCE's operations from 1 April 2012 will be continued in the Teaching Agency, a new executive agency of the Department. The functions transferred to the Teaching Agency are Regulation, Registration and the Award of QTS. In the Teaching Agency GTCE's Register is replaced by a database of teachers.

The 2011-12 FReM includes a dispensation allowing the presumption of a going concern where some operations are transferred without significant changes. GTCE's accounting policy regarding going concern is disclosed in note 1b to the financial statements.

The table below shows GTCE's income and expenditure for 2011-12 analysed by destination to enable comparative year financial reporting to take place in the future.

Statement of Comprehensive Income with destination organisation

	2011-12 GTCE	2011-12 Discontinued	2011-12 Teaching Agency	2011-12 The Department
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Income				
Teacher registration fees	22,487	22,487	-	-
Other operating income (restated)	50	50	-	-
	<u>22,537</u>	<u>22,537</u>	<u>-</u>	<u>-</u>
Expenditure				
Staff costs	8,496	6,319	2,177	-
Depreciation, amortisation and impairment	942	259	-	683
Other expenditure	16,245	11,329	4,916	-
Total expenditure	<u>25,683</u>	<u>17,907</u>	<u>7,093</u>	<u>683</u>
Operating (deficit) / surplus	<u>(3,146)</u>	<u>4,630</u>	<u>(7,093)</u>	<u>(683)</u>
Interest receivable	276	276	-	-
(Deficit) / Surplus for the year before tax	<u>(2,870)</u>	<u>4,906</u>	<u>(7,093)</u>	<u>(683)</u>
Tax on interest receivable	(55)	(55)	-	-
Retained (deficit) / surplus for the year	<u>(2,925)</u>	<u>4,851</u>	<u>(7,093)</u>	<u>(683)</u>

The depreciation and amortisation of non-current assets with a destination of 'the Department' would ultimately be subject to a recharge to the Teaching Agency as part of inter-departmental operational recharges.

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21 GTCE Closure and Machinery of Government Changes (continued)

Balance sheet with destination of assets and liabilities

	31 March 2012 GTCE	1 April 2012 Discontinued	1 April 2012 The Department
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Non-current assets			
Property, plant and equipment	77	24	53
Intangible assets	871	-	871
Total non-current assets	<u>948</u>	<u>24</u>	<u>924</u>
Current assets			
Trade and other receivables	64	-	64
Cash and cash equivalents	18,216	2,053	16,163
	<u>18,280</u>	<u>2,053</u>	<u>16,227</u>
Total assets	<u>19,228</u>	<u>2,077</u>	<u>17,151</u>
Current liabilities			
Trade and other payables	2,429	2,026	403
Total assets less current liabilities	<u>16,799</u>	<u>51</u>	<u>16,748</u>
Non-current liabilities			
Provisions	6,157	-	6,157
Assets less liabilities	<u>10,642</u>	<u>51</u>	<u>10,591</u>
Represented by			
Revaluation reserve	79	-	79
General reserve	10,563	51	10,512
Total reserves	<u>10,642</u>	<u>51</u>	<u>10,591</u>

The GTCE's remaining assets and liabilities as at 31 March 2012 were transferred to the Department under a Property Transfer Scheme dated 1 April 2012. The table above reflects the transfer destination of the closing assets and liabilities to the Department and its executive agency. Operationally, assets less liabilities of £979k were transferred to the Department and will be utilised by the Teaching Agency who will receive recharges for the use of the assets. Discontinued non-current assets will be disposed of by the Department's closure team and discontinued trade payables will be paid by the Department's closure team.

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22 Commitments under leases

22a Operating Leases

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

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
<i>Buildings</i>			
Not later than one year	696	1,164	1,131
Later than one year and not later than five years	2,783	3,762	4,101
Later than 5 years	894	2,308	2,910
	4,373	7,234	8,142

An onerous lease provision was created on 31 March 2012 relating to the Birmingham office of GTCE as detailed in note 19 to the financial statements.

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
<i>Other</i>			
Not later than one year	-	14	14
Later than one year and not later than five years	-	6	20
	-	20	34

22b Finance Leases

There are no obligations under finance leases.

23 Capital Commitments

Contracted capital commitments at 31 March 2012 not otherwise included in these financial statements

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
Property, plant and equipment	-	-	24
Intangible assets	-	-	-
	-	-	24

24 Contingent Assets and Liabilities

There were no contingent assets or liabilities at 31 March 2012 (1 April 2011: £Nil).

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25 Gifts

The GTCE gifted £47,610 to the CG TLA Consortium. This sum relates to an amount the GTCE received in the 2008-09 financial year upon the winding up of the Hewett/Driver Education Trust. This sum has been gifted to the CG TLA Consortium with conditions that it is to be utilised to subsidise or incentivise high quality learning by teachers, which were the aims of the Hewett/Driver Education Trust

There were no gifts received during the year ended 31 March 2012.

26 Related Party Transactions

The Department was the sponsoring body for the GTCE.

During the year the GTCE had a number of transactions with other government departments and other central government bodies. Exit packages were administered and charged to GTCE by The Cabinet Office and their third party agent and pension administration services were provided by the Department of Work and Pensions. There were material transactions during the year with the Office of Government Commerce as provider of telecommunications services.

None of the Council Members, key managerial staff or other related parties has undertaken any material transactions with the GTCE during the year to 31 March 2012.

27 Losses and special payments

The GTCE applied for and received HM Treasury approval to write off the remaining balances of teacher fee accounts amounting to £1,789,000.

HM Treasury approvals were also received, to make a special payment of £166,923 to the landlords of the former London office in order to assign a lease to a new tenant from 30 March 2012 and to make special payments totalling £240,707 to HMRC to settle a tax liability relating to Members expenses for years 2006-11.

As disclosed in note 19 an onerous lease provision of £6,157,000 has been made in the financial statements relating to the Birmingham office of GTCE. Under HM Treasury's 'Managing Public Money' guidelines the sums payable against this provision are defined as a 'constructive loss' which has occurred due to a change of policy by the Department. It is planned that the office will become vacant in August 2012, the Department has no plans to occupy the office up to the expiry of the lease on 14 July 2019.

Other constructive losses were incurred totalling £31,886 relating to the termination of contracts with three suppliers.

28 Pension costs

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

For 2011-12, employers' contributions of £809,525 were paid or payable to the PCSPS (2010-11 £1,043,270) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2011-12 to be paid when the

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member retires and not the benefits paid during this period to existing pensioners. Contributions due to the PCSPS scheme at the balance sheet date were £65,902 (2010-11 £90,407).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £15,942 (2010-11 £18,195) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

Contributions due to the partnership pension providers at the balance sheet date were £1,505 (2010-11 £1,942). Contributions prepaid at that date were £nil.

29 Events after the reporting period

The accounts were authorised by the Accounting Officer for issue on 20 June 2012. Events after that date have not been considered.

The GTCE was abolished on 1 April 2012 under the enactment of the Education Act 2011.

As a consequence of Machinery of Government changes, certain functions and responsibilities were transferred to the Department and its agencies on 1 April 2012 as disclosed in note 21.

General Teaching Council For England

Financial Statements for the year ended 31 March 2012

Glossary

ASCL	Association of School and College Leaders
ATL	Association of Teachers and Lecturers
CETV	Cash Equivalent Transfer Value
CRM	Customer Relationship Management
DfE	Department for Education
EHRC	Equalities and Human Rights Commission
EPC	Energy Performance Certificate
FE	Further Education
GTCE	General Teaching Council for England
HMG	Her Majesty's Government
HMRC	Her Majesty's Revenue & Customs
IAO	Information Asset Owners
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
ILEx	Institute of Legal Executives
ITE	Initial Teacher Education
ITTs	Initial teacher training institutions
MHCA	Modified Historical Cost Accounting
NAHT	National Association of Head Teachers
NAO	National Audit Office
NASUWT	National Association of Schoolmasters and Union of Women Teachers
NDPB	Non-Departmental Public Body
NQT	Newly qualified teacher
NUT	National Union of Teachers
Ofsted	Office for Standards in Education
OTT	Overseas-trained teachers
PCS	Public and Commercial Services Union
PCSPS	Principal Civil Service Pension Scheme
PTS	Property Transfer Scheme
QTS	Qualified teacher status
RPI	Retail Prices Index
SIRO	Senior Information Risk Owner
The Department	Department for Education
TLA	Teacher Learning Academy
VAT	Value Added Tax
VtF	Value the Functions



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