

**General Teaching Council for England  
Annual Report and Financial Statements  
for the year ended 31 March 2010**



Report presented to Parliament pursuant to paragraph 15 of Schedule 1 of the Teaching and Higher Education Act 1998, accounts presented to Parliament pursuant to paragraph 14 (3) of the Teaching and Higher Education Act 1998.

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# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2010

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**Introduction from the Chief Executive**

This Annual Report covers the financial year 2009 to 2010. All the work on which I report pre-dates the 2010 general election, and pre-dates the announcement made by the Secretary of State for Education on 2 June 2010 that the coalition Government intends to introduce primary legislation in the autumn of 2010 which will lead to the abolition of the General Teaching Council for England.

Some amendments have been made to the report to reflect this intention but, at the time of submission, the GTC remains as a public corporation charged with a range of statutory functions which it will continue to fulfil to the best of its ability and until the will of Parliament has been enacted.

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

The Council made good progress during 2009-10 towards its agreed corporate objectives to:

1. improve the development of the knowledge and practice of teaching and learning;
2. promote policies that enable effective teaching and learning;
3. assure standards of conduct and competence of all teaching professionals;
4. promote professional and public debate on teaching; and
5. ensure that the Council's governance and working practices are fit for purpose.

I can confirm that the GTC continues to operate sound systems for registering teachers and for collecting and disbursing fee income responsibly and effectively. More than 567,000 teachers were registered with the GTC at 31 March 2010. We continued to improve the efficiency of our fee collection processes, which handle a high volume of small payments, and succeeded in collecting 96 per cent of the fees due in year.

We awarded qualified teacher status to 35,000 newly qualified teachers, ensuring that all college leavers received their certificates in time for the start of the academic year. The Council also introduced an efficient system for determining the suitability of teachers and potential entrants to teaching, prior to full or provisional registration.

Our online service for employers, which allows local authorities and employing schools to check the registration status of their teacher employees, proved a resounding success, with a 63 per cent rise in usage during the year.

The number of enquiries received from teachers continued to grow last year by almost a quarter compared to the previous year, and with a wider range of enquiries too. Our teacher enquiry service handled this increase in volume and range very effectively, without increasing the number of staff employed.

In September we welcomed 15,000 overseas trained teachers and instructors into provisional registration, following the successful introduction of provisional registration for trainees the previous year. This extension of registration helped the Council discharge one of its key corporate priorities to assure the public of the standards of conduct and competence of members of the teaching profession.

Our regulatory procedures are the means by which the public can be satisfied that the teaching profession is determined to maintain appropriate standards of professional conduct and competence. We concluded 171 cases during the year, the largest number to date. The final quarter saw a significant rise in the number of case referrals. These will proceed to hearings in the current financial year and will necessitate both a major expansion of capacity and a further streamlining of procedures. The rise in referrals is due to the advent of the Independent Safeguarding Authority which now refers a significant number of cases to the GTC which would formerly have been disposed of administratively under List 99 procedures. The rise in referrals does not represent a worsening of teacher conduct, rather a move to greater transparency for the public in how such cases are considered.

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The GTC's regulatory remit covers both conduct and competence issues, but the majority of referrals are for alleged misconduct. We were pleased to conclude a joint research project with Departmental colleagues which sought to uncover the reasons for the variable pattern of referrals for serious professional incompetence.

We successfully concluded our extensive public consultation on a new Code of Conduct and Practice for registered teachers. More than 3,000 respondents took part in the on line consultation and we received feedback from all our major partners. As a result the draft text was revised, shortened and improved. It was approved by Council in July and came into use in October. We now have a modern, affirmative Code which sets out the values that teachers share and the standards of conduct and practice that the public can expect from the profession.

Early feedback from teachers is encouraging. Each teacher received their own personal copy in September and the purpose of the revised Code was clearly understood and accepted. Trainee teachers showed enthusiasm for the Code's approach to professionalism. We expanded our advocacy work with them this year by 50 per cent, meeting 10,500 students at more than 120 teacher training institutions. These interactive workshops enable Council members and staff to welcome new entrants to teaching and ensure that they understand the benefits of registration with their professional body.

The Teacher Learning Academy continued its evolution into a system open to all registered teachers. Building on the independent evaluation conducted by the National Foundation for Educational Research, we continued to disseminate the benefits of this innovative and highly cost effective approach to school and classroom based practice improvement.

At the end of June 2009, the then Government published proposals to introduce a licence to practise for registered teachers. Council established a set of principles that should underpin any licensing system, stating first and foremost that it must bring real and tangible benefits to teaching and learning. Council was clear that licensing should have sufficient rigour to make a difference, but not be unduly burdensome for schools or teachers. GTC officers worked closely with DCSF colleagues to provide technical advice on the development of a suitable and equitable model.

The clauses on licence to practise were dropped due to insufficient time in the run up to the general election, but the time spent developing the model paid dividends in enhanced understanding of the measures that can be deployed or which need to be strengthened to support improved standards of teaching.

As part of our work to promote a positive vision for teaching, the Council has been keen to promote professional and public debate. This year we completed a major new resource on pedagogy and professionalism, undertaken in partnership with the Teaching and Learning Research Programme. The resource adds a valuable new dimension to teachers' examination of their own practice and the art and science that underpin it.

As a public corporation, the GTC is accountable to Parliament. Council therefore keeps MPs and peers briefed on its work. We welcomed the opportunity to give oral and written evidence to the Select Committee, the Fair Access to the Professions Enquiry and to the Bill Committee for the Children, Schools and Families Bill. Other advisory work included the development of evidence, policy proposals and engagement events on curriculum reform, assessment, the participation of children and young people in their own learning and entry to the profession.

In all its work, the Council has been mindful of its duty to serve the public interest, to support improvements in professional conduct and practice and to raise the standing of the profession.

**Keith Bartley**  
**Chief Executive**

# General Teaching Council for England

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### **Looking Ahead**

On 2 June 2010, the Secretary of State for Education announced his intention to introduce primary legislation which will lead to the abolition of the General Teaching Council for England.

It is not yet clear which of the functions currently discharged by the General Teaching Council the Government may wish to retain into the future, or by whom any such functions might be discharged.

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

As Accounting Officer, I will ensure that colleagues in the Department for Education have a full understanding of the range of our functions and their effective delivery, as summarised in this report. I will provide advice on how any continuing functions and the expertise and knowledge of the organisation can be safeguarded.

As disclosed in the financial Review, following the statement by the Secretary of State for Education made in the House of Commons on 2 June 2010, the Government has announced its intention to disband the General Teaching Council for England. At the current time there is no indication when the appropriate legislation will be enacted to enable the GTC to cease its operation. As such, the General Teaching Council for England considers that the going concern basis remains appropriate for the preparation of the financial statements. Accordingly, no adjustments have been made to assets and liabilities in the 2009-10 accounts.

The GTC is funded by the fees it receives from teachers. Looking further ahead to 2011-12 a timely decision will be required as to whether to attempt to collect a fee from teachers if the GTC has not been fully disbanded by 1 April 2011, when the fee for 2011-12 will be due.

**Keith Bartley**  
**Chief Executive**

# General Teaching Council for England

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### Annual Report

#### About this report

This Annual Report covers the financial year 1 April 2009 to 31 March 2010. All the work on which we report precedes the calling of the 2010 General Election and the nomenclature used throughout the report reflects this.

The Report incorporates the management commentary as required under the Government Financial Reporting Manual. It shows how the General Teaching Council for England (GTC) has pursued and delivered against the objectives set out in its Corporate Plan for 2009-12 *Teaching in 2012*.

#### About the General Teaching Council for England

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

We keep a register of qualified teachers in England and set out and enforce standards for the teaching profession, in the interests of the public.

We provide advice to government and other agencies on important issues that affect the quality of teaching and learning.

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

We bring together teachers and other partners with an interest in the education service, including parents, governors and employers. We endeavour to ensure that our advice is informed by teacher expertise and reliable research.

Our Corporate Plan makes explicit the milestones by which our Council measures progress towards its key strategic objectives, which are to:

1. improve the development of the knowledge and practice of teaching and learning;
2. promote policies that enable effective teaching and learning;
3. assure standards of conduct and competence of all teaching professionals;
4. promote professional and public debate on teaching; and
5. ensure that the Council's governance and working practices are fit for purpose.

The Council has a number of overarching corporate programmes and projects to support the delivery of these priorities and the Council's broader vision for teaching.

In the year 2009-10, the most significant of these was the revision and publication of a new Code of Conduct and Practice for registered teachers. See page 8 below.

Strategic objectives also drive the detailed operational plans for each directorate for the year. The principal developments and performance of the organisation for the year are reported in the subsequent pages that look at each service area in turn.

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**Revision of the Code of Conduct and Practice**

During the year we completed a major process of consultation and engagement with teachers, partners, and the public to inform the development of a new edition of the GTC's Code of Conduct and Practice. The new Code came into effect from 1 October 2009.

The purpose of the Code is to:

- support and encourage teacher professionalism and high standards of teaching;
- provide principles and values to support teachers in making professional judgements and dealing with ethical dilemmas;
- take account of new expectations upon teachers and others to collaborate effectively in children's interests; and
- respond to the interests and needs of those who are served by teaching and who work with them to achieve learning outcomes and the wider well-being of children and young people.

Individual copies of the new Code were despatched to all registered teachers in September 2009, promoted on the GTC web site and promoted to the press. Explanatory articles on the Code appeared in *Teaching: the GTC magazine*, on the parent pages of our web site and in professional journals. Early feedback from registered teachers has been encouraging, demonstrating a clear understanding of the purpose of the Code.

The revised Code is now also being used in our regulatory work as a basis for decisions on cases of alleged professional misconduct, serious professional incompetence or relevant criminal convictions of teachers.

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**Registration**

**The Register**

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

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

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

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

On 31 March 2010, more than 567,000 qualified teachers were fully registered with the GTC.

Full Registration	31 March 2010	31 March 2009	31 March 2008
Teachers holding full registration with the GTC	567,817	551,855	538,055

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

On 31 March 2010, nearly 50,000 trainee teachers working towards QTS were provisionally registered with the GTC.

Additionally, from 1 September 2009 a requirement for overseas-trained teachers (OTTs) and instructors to be provisionally registered with the GTC was introduced.

On 31 March 2010 over 5,000 OTTs and 10,000 instructors were provisionally registered with the GTC.

Provisional Registration	31 March 2010	31 March 2009	31 March 2008
Trainee teachers	49,353	35,784	n/a
Overseas Trained Teachers	5,523	n/a	n/a
Instructors	10,352	n/a	n/a

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

Good data are essential if the Register is to be a source of authoritative information. There is a continuous programme of data quality assessment and improvement with a targeting of efforts on addressing root causes of record and data anomalies.

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

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We have comprehensive data on gender and age and continue to work hard to improve the quality of ethnicity and disability data. Improved data in these areas are essential not only for the integrity of the Register but also to allow research on equality and diversity issues in the teaching workforce.

Towards the end of the year, we started detailed work on the preparation for delivering a registration data strategy. This work will continue into the next financial year, and will enable the Council to support the development of the Register as a high quality tool for research and evidence gathering to support our policy advice.

In January 2010, we wrote to all teachers for whom we did not hold ethnicity and/or disability data, asking them to complete an equal opportunities monitoring form to provide details about ethnicity and disability. We sent out 278,000 forms and this produced a return rate of 58,307 (21%), in line with our expectations following a pilot survey. As a result we currently hold ethnicity data for 53% of full and provisional registrants (46.3% at 31 March 2009) and disability data for 23% (10% at 31 March 2009).

**Suitability**

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

Suitability assessment sits alongside the existing checks made by employers and initial teacher educator institutions (ITEs) and involves an applicant for registration making a self declaration that is assessed by the GTC using a streamlined process of delegated authorities. Since its introduction the GTC has found one applicant unsuitable. The implementation of a significant development to our customer relationship management (CRM) system in October 2009 now allows us to track the number of suitability assessments the GTC makes.

	<b>2009-10</b> <b>(since 13/10/09)</b>	<b>2008-09</b>	<b>2007-08</b>
Suitability assessments made	40,697	N/A	N/A
Applicants deemed unsuitable	1	0	0

During the year, we completed a significant development of our CRM system to support the introduction of provisional registration and to provide a platform for future development including the introduction of ISA status monitoring.

**Awarding qualified teacher status**

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

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<b>Type of QTS Award</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
ITE college exit process	26,053	26,014	27,661
Scotland	128	218	209
Northern Ireland	29	69	78
European Economic Area	1,932	1,731	1,511
Flexible post graduate route	910	812	860
Graduate and Registered teacher programmes	4,961	4,927	4,919
Overseas trained teachers	818	1,121	1,307
Teach First	353	n/a	n/a
Awards resulting from archive work	113	409	594
<b>Total</b>	<b>35,297</b>	<b>35,301</b>	<b>37,139</b>

**Induction**

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

2009/10 saw a 6.3% increase in those passing induction compared to the previous year. More information about those failing induction can be found in the 'Regulation' section.

<b>Result</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
Pass	28,248	26,568	25,517
Extended	103	113	72
Not yet completed successfully	1,081	1,121	800
Fail	16	22	26

**Access to the Register**

Our employer access system allows schools, local authorities, supply agencies and ITEs to view the registration, qualifications and restriction status of teachers online. It continues to be a significant success, with for example 13,686 maintained schools (61.6% of the sector) registered for the service at the end of the year. The service also provides direct support to employers in meeting their responsibilities under the 'safeguarding children and safer recruitment in education' initiative.

This year saw a 63.8% increase in the number of enquiries made through this channel. Schools also updated employment details for over 43,000 teachers through the service.

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
Employer access enquiries received and processed	636,397	388,484	191,000
Employer access employment updates made by schools	43,325	n/a	n/a

**Teacher enquiry service**

Teachers need an effective 'one-call' service when they contact the GTC, whether to update their registration details, to pay their registration fee or to enquire about our professional services for teachers. The table below illustrates the service performance for the teams that handle teacher enquiries. During 2009-10, there has been a significant increase of over 23% in calls handled, whilst abandonment rates have reduced.

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The introduction of provisional registration for OTTs and instructors had a significant impact on call volumes across September and October.

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
Calls handled	144,235	117,026	129,955
Abandonment rate	1.44%	3.2%	1.6%

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**Regulation**

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

These procedures continue to develop in the light of experience. In the three-year casework strategy introduced in April 2006, we aimed to:

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

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

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
<b>Conduct and competence hearings</b>			
Prohibition order	13	25	29
Suspension order (with conditions)	10	8	6
Suspension order	19	15	16
Conditional registration order	20	35	32
Reprimand	52	49	36
No sanction	15	4	6
No finding	19	18	11
Other (ie variation/revocation/restoration/discontinued)	6	2	4
Otherwise disposed of	8	8	10
<b>Sub-total</b>	<b>162</b>	<b>164</b>	<b>150</b>
<b>Induction appeals</b>			
Appeal allowed	2	1	-
Appeal dismissed	1	3	-
Extension: one term	1	-	-
Extension: two terms	4	-	1
Extension: three terms	1	1	3
<b>Sub-total</b>	<b>9</b>	<b>5</b>	<b>4</b>
<b>Total</b>	<b>171</b>	<b>169</b>	<b>154</b>

The total of 171 concluded cases (including induction appeals) is our highest to date, but the casework strategy and our corporate milestones for the year had set a target of 190. Factors accounting for the shortfall included a high level of postponements and a number of more complex cases going part-heard over an extended period. The average (mean) time taken to deal with cases increased from 59 to 61 weeks and the median time from 52 to 53 weeks, although this was due to the completion of a small number of cases delayed by reason of the unavailability of the teacher or key parties to the hearing.

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

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During 2009-10, four appeals were lodged in the High Court by teachers who had received a sanction, compared to three in the year before. Three of these appeals have been concluded within an average timescale of 4.5 months, the other continuing. The outcomes are detailed in the table below.

<b>Case name</b>	<b>Date of appeal notice</b>	<b>Date of hearing</b>	<b>Outcome</b>	<b>Costs awarded</b>
Davies	30 July 2009	2 December 2009 and 10 February 2010	Part decision dismissed, part quashed. Remitted back to Committee for determination of sanction	£2,012 (to GTC)
Duncan	21 September 2009	9 February 2010	Dismissed	£2,622 (to GTC)
Weerasinghe	30 November 2009	5 March 2010	Withdrawn by Applicant	n/a
Khan	11 February 2010		Ongoing	

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

See also: Research and evidence, page 17, about referrals for incompetence.

**Professional standards**

In the course of the year we signed a Memorandum of Understanding with the new Independent Safeguarding Authority, which ensures a set of co-operative working arrangements in relation to safeguarding children.

The GTC instructs presenting officers to prepare and conduct hearings before its disciplinary Committees. A number of presenting officers are employed internally by the GTC. The GTC believes in partnership working and the benefits this brings in terms of shared working arrangements, training and continuous improvement. Consequently, a single contract to provide external presenting officer services with a firm of solicitors operated between 2002 and 2009.

In February 2010, the GTC entered into contracts for the provision of external presenting officer services with three new firms of solicitors at a competitive rate. These new contracts are expected to produce cost savings for the GTC when outsourcing cases.

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**Advisory work**

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

The advice and consultation responses provided in the year are summarised below.

<b>Ref</b>	<b>Submitted</b>	<b>Organisation</b>	<b>Title</b>
130	Mar 2009	NCSL	National Standards for School Leaders
131	Apr 2009	STRB	STRB Eighteenth Report – Part 1
132	Apr 2009	Cabinet Office	Fair Access to the professions
133	May 2009	DCSF	Designated Teachers for Looked After Children: draft Regulations and Statutory Guidance
134	May 2009	DCSF	Draft Regulations for the Training of Newly Appointed Sencos in England.
135	May 2009	CSFSC	Inquiry into allegations against school staff
136	July 2009	QCA [DCSF]	Curriculum Reform Consultation: - Primary Curriculum Review
137	September 2009	DCSF	White Paper Response: 21st Century Schools System
138	September 2009	Government Equalities Office (GEO)	Equality Bill: Making it work: Policy proposals for specific duties
139	October 2009	TDA	Draft requirements for the proposed assessment only route to QTS
140	October 2009	GTC	CPD for Supply Teachers – messages from GTC Survey
141	November 2009	Maurice Smith Review (DCSF)	A review of the provisions to prevent the promotion of racism in schools
142	April 2010	DCSF/NCSL	The School Improvement Partner Programme
143	January 2010	GTC(W)	GTCW Draft Registration Rules
144	March 2010	DCSF	Considering Pupils' Views

*Curriculum and related issues*

We worked in partnership with the Qualifications and Curriculum Authority (QCA) on the Rose review of the primary curriculum. Together, we organised a networks event for primary teachers in July 2009 aimed at supporting teachers with curriculum design and planning. Consultation with teachers and primary curriculum-related research informed our response to the review's final report.

We have continued to engage with the Cambridge Primary Review, culminating in the hosting of a dissemination seminar for national stakeholders in March 2010.

*Equalities*

The GTC Equalities Forum has continued to bring together key educational bodies with some of the leading equalities organisations, and is now focussing on how to optimise the impact of its work with and for the sector. The education bodies have also started to work together on better co-ordination of their equalities effort, and to consider how they can work together to prepare schools and teachers to meet their obligations under the new Equality Act.

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#### *Assessment*

We held two reference group meetings with stakeholders (July 2009) and teachers (December 2009) to explore a greater teacher role in assessment, the outcomes of which will feed into the development of refreshed policy advice. This advice will build on the case made that the primary purpose of assessment is to inform teaching and learning, which in turn should be supported by more sustained teacher learning to underpin a greater degree of teacher-led assessment.

#### *Pedagogy*

We have worked in partnership with the ESRC Teaching and Learning Research Programme (TLRP) and a group of school CPD leaders to develop practicable principles for pedagogy and to promote a debate on it. A GTC/TLRP pedagogy commentary text was agreed in March 2010 and will be distributed in summer 2010.

#### *Pupil voice: the participation of children and young people in their own learning*

In November 2009, we held an event in partnership with Cambridge University which focused on the research and practice principles which inform steps to increase the participation of children and young people in their learning. Policy principles on pupil voice continue to underpin the development of our advice in the areas of curriculum, assessment, equalities and accountability.

#### *Disabled Teacher Taskforce*

The GTC-hosted Disabled Teacher Taskforce has continued to raise concerns around the application of Fitness to Teach and its impact on those with disabilities, both on entry to and progression within the teaching profession. The taskforce has considered issues around HIV (covered by the Disability Discrimination Act), schools and teachers, the role of occupational health, the disclosure of disability, and problems with data coverage relating to disability.

#### *Entry into the profession*

We were called twice to give oral evidence to the Select Committee for Children, Schools and Families on the training of teachers, the first of those occasions covering issues relating to initial teacher training (for the second, see *Continuing professional development*, below). We continue to promote our vision for initial teacher training as part of a clear professional continuum that also involves national recognition for continued and sustained teacher learning.

We responded to the Training and Development Agency's (TDA) consultation on an 'assessment only' route to qualified teacher status. We raised some concerns about the route but welcomed some of the criteria for it.

We submitted evidence to the Fair Access to the Profession inquiry and were called to give oral evidence. Our submissions highlighted: the increasing diversity within the teaching workforce; disability and teaching; diversity within school leadership; and the need for a route to QTS for Higher Level Teaching Assistants (HLTA) in order to support fair access.

#### *Children's workforce*

The GTC played an active role as a member of the DCSF Children and Young People's Workforce Partnership, and was involved with the young people's workforce reform programme managed by the Children's Workforce Development Council (CWDC). We hosted the first in a seminar series entitled *Working Together Better*, that brings together teachers with other members of the children and young people's workforce to consider what supports their collaborative practice.

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#### *Accountability*

We have begun a project to consider the future of accountability in education, with a particular focus on accountability for teaching. The project has been supported by a school leader reference group, which has considered a wide range of evidence including commissioned research into teachers' and parents' views. The project will conclude later in 2010.

#### *Continuing professional development*

The second of our two sessions of oral evidence before the Education and Skills Select Committee on the training of teachers covered induction and continuing professional development (CPD).

We explored a possible entitlement to CPD for teachers, its potential benefits for teacher quality and standards, and how it might work for all teachers, including those working in supply roles.

We published research which considered how the professional development of supply teachers can be better supported. The report identified a range of approaches to improve their access and participation. We responded to the DCSF's consultation on the training of new special educational needs co-ordinators (Sencos).

#### **Research and evidence**

Through a research project that was commissioned jointly with the DCSF, we were able better to understand reasons for the uneven pattern of referrals of teacher competence cases to the GTC by employers. The findings formed the basis of a GTC action plan to improve consistency in referral and ensure that appropriate cases are referred for investigation.

Stakeholder consultation on the draft Code of Conduct and Practice for Registered Teachers provided the evidence for revisions to the draft and finalisation of the text. The revised Code came into force in October 2009.

We carried out a programme of research with teachers to explore the future of accountability in teaching. Possibilities for the future included the concept of 'active registration' – a requirement for teachers to demonstrate their continued competence in order to stay registered as a teacher. This provided a backdrop to work later in the year to research views on possible models for the proposed 'Licence to Practise'.

As part of our continuing commitment to research-informed practice in teaching, we provided our popular Research for Teachers (RfT) web pages, rebranded from 'Research of the Month' during the year. These provide teachers with practical resources based on relevant and validated research. A wide range of topics were covered during the year, including curriculum design and implementation, bilingualism and collaborative mathematics.

#### **Teacher Learning Academy**

General awareness of the Teacher Learning Academy (TLA) has increased as evidenced in a YouGov awareness survey, which reported that 40% of teachers and 60% of head teachers are aware of the TLA.

The development of the TLA was recognised in April 2009 when the Hay Group and the GTC won the prestigious Management Consultancies Association (MCA) award for change management in the public sector.

This year the TLA forged a new strategic partnership with the College of Teachers to support the quality and validation of the TLA professional recognition.

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In December the GTC undertook a ‘gateway review’ of the TLA to assess the status and direction of the programme against the original principles and make appropriate adjustments as required. The impact of the economic downturn on schools saw growth in TLA enrolment slow from 9% to 3% compound growth rate since the start of the transition to the open TLA system in June 2008. The key performance indicator target of 10,000 enrolments was not met with 3,584 enrolments achieved in year.

As a result of the gateway review and agreement with the contracted logistics partner, the operational model of the TLA has been modified to increase participation and deliver maximum benefit from the investment. A simplified TLA model will be introduced in autumn 2010 based on integration of the GTC’s TLA, professional networks and Research for Teachers into one coherent offer. All GTC registrants will have free access to the TLA with a charged option offered by the contracted commercial partner for those who wish to have their learning verified and seek accreditation for it. The new model is designed to deliver at a steady state cost saving of c£900k compared to projected budget for 2010-11.

There will be a wider range of performance indicators reflecting the diverse ways in which teachers, trainees and instructors will use the TLA. These will include:

- numbers of submissions, school based TLA leaders, regional TLA leaders, and TLA Schools;
- the extent of local activity;
- usage of web access to the TLA framework, online fora, and research resources; and
- active response to email communications from the GTC that are designed to elicit response.

An increase, from the baseline, of each indicator is expected as a result of the new model and integrated services offer.

**Professional networks**

The networks have continued to develop during the year. In response to user evaluation, we have shifted the emphasis from two cohort-based networks (Connect and Engage) and one theme network (Achieve) to providing opportunities to consider key themes in teaching.

The themes the networks focussed on over the year were:

- behaviour for learning;
- race equality and your school;
- pupil participation;
- leading professional learning;
- curriculum design; and
- pedagogy.

The membership of the networks increased significantly as teachers from a new cohort, those who qualified in autumn 2009, joined. New approaches within the networks have enabled an increase in the number and impact of our workshops with teachers and in the web-based research resources offered.

	<b>March 2010</b>	<b>March 2009</b>	<b>March 2008</b>
Total unique network teachers	122,688	89,312	63,858

For the behaviour for learning theme, we worked with seven local authorities and schools to support teachers early in their career to engage with high quality research on behaviour for learning. We also updated the web resource available to all teachers.

On race equality, we worked with nine local authorities and schools to support teachers and school leaders to use research on promoting equality for minority ethnic pupils. Teachers could access this research through a new online area, along with activities and case studies.

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For pupil participation, we worked with teachers to start a dialogue on pupil participation, and have since built a network of practitioners who engage with the high-quality research we provide. As part of this work, a major new research anthology was published online and in print.

In the leading professional learning theme, we supported CPD leaders to engage with research on effective professional learning and contribute to the development of the web resources available.

On curriculum design, we explored the implications of changes to the primary and secondary national curriculum, with a particular focus on how teachers can be supported to develop their curriculum design expertise.

As part of our work on pedagogy, we worked with hundreds of teachers to develop and refine our thinking on pedagogy. This informed the joint publication with the Teacher Learning Research Programme (see page 16).

During the year, the networks held five events to learn more about how they can support and improve teaching. The data from these events shaped, and will continue to shape, the development of the networks.

In addition to shifting to a thematic approach with the GTC networks, there have been the following developments.

- We introduced an enhanced data management system to record and report information about teachers participating in the networks.
- We streamlined the networks area of the GTC website and improved its email communications.
- We improved processes to:
  - identify themes for the networks;
  - work in partnership with local authorities, schools and other partners;
  - run low cost, high impact workshops; and
  - build network leadership capacity within the teaching community to extend the impact of the networks.

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#### Communications

Our communications programmes aim to support teachers, employers and parents to access information about the GTC and to engage with the work of the Council. The aim is to reach our principal audiences as cost effectively as possible by deploying the best mix of communications channels. All registered teachers receive *Teaching: the GTC magazine* once a term unless they choose not to, and we are encouraging a progressive switch to on-line readership. Dedicated parent pages on the GTC website supplement the general information available through public libraries and through editorial coverage.

#### Media relations and public affairs

Our media profile continued to develop during the year, and interest in the full breadth of the GTC's remit continued to grow. Three specific instances of this were:

- the publication of our annual digest of statistics;
- the development and publication of the revised code; and
- the publication of the joint DCSF/GTC report into competence referrals.

Each of these attracted considerable interest across press, radio, TV and web channels.

This helped us to strengthen our media partnerships, in particular those with SecEd magazine and The Guardian. The parent-targeted media campaign in support of the revised code provided us with an opportunity to use regional advertising to convey information about the GTC.

A freelance writers' panel was established by competitive recruitment in April 2009, for joint use by the media, publications and web teams. The 12 writers appointed have considerable experience in education journalism and have proved a significant asset in all three areas.

We provided briefings to parliamentarians on topics including the revised Code of Conduct and Practice, the Teacher Learning Academy and on the proposals for a Licence to Practise. As noted previously, the licensing clauses were later dropped in the final days of the last Parliament.

	2009-10	2008-09	2007-08
Media enquiries *	695	677	450
News and feature mentions	402	389	344

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

#### Engagement and advocacy

To ensure greater clarity, we started to review the way in which we explain our key activities to different audiences. We introduced a tracking tool to ensure that our relationships with stakeholder organisations are managed more systematically.

Within the teacher audience, we identified trainee teachers and head teachers as two key groups. Our advocacy programme continues to promote the engagement of students with their professional body at an early stage of their career. In the academic year 2008-09, workshops in over 120 ITT institutions involved more than 10,500 students – the latter an increase of some 50% on the year before. More than 75 Council members and staff are now trained to deliver the workshops.

We have started to develop the ways in which we communicate with head teachers, to ensure that key content is transmitted in as efficient and effective a manner as possible.

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We continued to promote the GTC's remit, engaging with teachers and other stakeholders through our programme of industry and GTC-hosted events. Three NQT receptions provided a forum for new teachers to engage with their professional body and each other. Other events helped the GTC to gather evidence relevant to our current work.

A GTC presence at major education and teacher union conferences during the year also provided opportunities for direct engagement with key audiences.

#### Publications

New publications over the year included:

- the revised *Code* (October 2009);
- a major joint publication with the Teaching and Learning Research Programme, *Professionalism and pedagogy* (March 2010); and
- two new anthologies of Research for Teachers studies, *Promoting race equality* (April 2009) and *Pupil participation* (March 2010), and a revised edition of the *Behaviour for learning* anthology (March 2010).

The 2009-10 editions of our leaflets on Council members and for parents both gained Crystal Marks from the Plain English Campaign, bringing the number currently held to five.

In addition, we maintained a wide range of recurrent publications, such as *What we do* and the *Annual digest of statistics*, and continue to develop *Teaching: the GTC magazine* following its successful re-launch in January 2008.

#### Market research

We commission independent market research each November to track teachers' perceptions of us. We now have time series data dating back to 2003. This year, through a new contract with BMG, we were able to use a custom survey using data from the Register.

Results from the BMG survey showed that, for the first time, half the profession says that they know 'a great deal' or 'a fair amount' about the GTC. We also established baseline data for awareness of the revised code, and questions about channel preferences indicated greatly-increased willingness by teachers to embrace e-communication.

#### The website

During the whole of 2009-10, website performance was outstanding, with 100% service availability. Correspondingly, there has been a sharp decline in service complaints. Page views have increased by 26% and page visits by 31%, comparing the first six months of 2008-09 with the equivalent period in 2009-10.

Groups of GTC staff were trained to use the content management system adhering to updated style guidelines, procedures and workflow. They belong to a web editors' user group, set up to ensure consistency of practice and quality.

The web team played a central part in the joint project on pedagogy with TLRP, preparing information structures to accommodate the material. Similarly, the team has been central in specifying and project managing the development of a professional learning microsite.

Other significant developments included:

- creation of a user acceptance and development environment enabling us to test and release new developments and train in house editors;
- purchase and installation of three Google mini search devices;

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- upgrade to our web statistics package Web Trends;
- over 12 new web features commissioned, with the freelance writers' panel valuable in sourcing out-house writers; and
- more than 80 web issues, change requests or errors resolved.

Alongside this activity, the web team has continued to publish press releases and regulatory decisions and despatch e-newsletters. As the table below shows the number of e mails increased significantly compared to the previous year.

	2009-10			2008-09		
	messages	delivered	opened	messages	delivered	opened
Achieve network	1	2,357	694	2	6,479	1,963
Connect network	1	4,861	1,287	2	10,010	2,341
Engage network	1	93,843	20,861	1	48,206	10,090
All-network	5	446,896	104,465	4	322,780	74,016
Magazine	3	14,976	4,620	3	14,382	4,393
<b>Total</b>	<b>11</b>	<b>562,933</b>	<b>131,927</b>	<b>12</b>	<b>401,857</b>	<b>92,803</b>

**Internal communications**

The tools that were introduced last year have been further developed and their variety, especially those associated with the intranet, have helped ensure that internal communications remain proportionate and effective. One additional focus this year has been on the efficient use of email, with new protocols that ensure that only key staff can send out pan-staff emails, and guide staff to use email in targeted ways.

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**Corporate services**

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

**Governance**

This was the second full year of operation of the revised governance structure. This had introduced the decision-making Executive Committee and brought some consequential revisions to the role of the Council itself and the remits of other committees.

To mark the end of the first two years of operation, the Executive Committee conducted an in-depth self effectiveness review of their activity; the questionnaire had regard to best practice as found in other professional regulatory bodies, and the Committee examined all areas of their operation. The Committee's deliberations informed subsequent developments in Member engagement, the Lead Member role and a revamped Member advocacy programme. Two areas where greater clarity was identified include benchmarking of the Committee's effectiveness against others and induction for new Executive Committee Members. An independent review of the Executive Committee by Grant Thornton was concluded during the year.

Significant work was undertaken to review the governance structure of the GTC. This followed an earlier audit recommendation and changes across the regulatory sector since 2005. At a special Council meeting in March 2010, the Council agreed in principle to move towards a preferred model of a sovereign Board of between 12 and 15 Members, supported by an Assembly.

The internal auditors reviewed progress during 2009-10 as part of the follow up review of 2008-09, and reported their findings to the Audit Committee. Improvements noted were the use of breakout sessions at full Council meetings, the update of the Council effectiveness questionnaire reported to Council in July 2009, and regular governance update papers to the Executive Committee from the Council Secretary. At the special Council Meeting in March 2010, the Council received a presentation from David Nicholls of the Chartered Institute of Public Finance and Accountancy on 'Corporate Governance and the Public Interest'. In respect of the earlier audit recommendation regarding an annual performance assessment of the Chair and Vice Chair, it has been agreed that both post holders will undertake a formal assessment of performance at the end of their first year in post.

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

Nature of meeting	Average attendance	
	2009-10	2008-09
Council	*86%	*81%
Audit Committee	96%	96%
Executive Committee	93%	90%
Policy and Research Committee	82%	80%
Registration and Regulation Committee	89%	75%
Finance and General Purposes Committee	75%	87%

\* includes additional special meetings held on 24 March 2010 and 25 March 2009 respectively

The GTC continues to have observer or representative status on the Boards of the Training and Development Agency, the National College for Leadership of Schools and Children's Services, the College of Teachers and the Institute for Learning. Observer status was granted to the Specialist Schools and Academies Trust in March 2010. Full reports back from observers are reported at Council meetings.

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In 2009-10 the Executive Committee undertook a full review of the role of observers to the GTC, as well as the expectations that the GTC has of its Members who serve as observers elsewhere. A protocol was agreed by the Committee and reported through to Council in January 2010.

During the year the processes for the appointment of Public Appointees led to the 13 vacancies arising on 1 September 2009 being filled in good time. A comprehensive skills audit of all Council Members was prepared, and had become a valuable information tool to recognise skills and experience gaps which could be filled by the appointments process. The appointments were publicised extensively and we secured a good range of practising teachers and lay candidates, including those with high-level governance experience and parent governors, and a more diverse Council was achieved. The appointments were agreed by the Secretary of State in June 2009, and the independent assessor signed off the process as 'exemplary'. All 13 appointed Members have since completed a full Member induction programme and took office on 1 September 2009.

The 2009 Council Effectiveness Questionnaire was updated to make reference to stakeholder views vis-à-vis decision making as well as to considering the Council's aims as a whole. Returns were received from 30 out of 62 Members, a slight improvement on the 2008 position (25 returns). A breakout session on governance was held at the October Council meeting, prior to Council consideration of governance reform at the March 2010 special meeting of Council.

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

Support services provided to Council Members continue to be assessed as effective and appropriate through an annual written survey of Members, with a return rate in excess of 80%.

	July 2009	July 2008
Satisfaction rating	94%	94%

The list of Council members for 2009-10 appears in the Relationships section of this report.

#### Corporate and financial planning and control

We continue 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. During the year significant changes were made to corporate planning arrangements: plan formats, processes and reporting arrangements were updated, including the introduction of a 'balanced scorecard' approach; roles and responsibilities were clarified, and relationships with other corporate processes such as risk management and equality and diversity activity were made more explicit. The changes will come into effect from April 2010.

Regular monthly and quarterly reporting of financial, risk and performance information continued to take place at both governance and senior management levels. The Leadership Team is supported by a wider Senior Management Team to include a specific focus on the integrated reporting framework.

Efficiency savings in excess of £200,000 have been achieved during the year. Further annual and recurring savings targets are built into the three-year financial strategy going forward.

#### Workforce development

Following assessment in November 2008, we successfully retained our Investors in People status for another three years.

The year has seen us consolidate our equality activity. We undertook an equal pay audit, with input from staff representatives, which fully complied with Equalities and Human Rights Commission guidelines. The

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review gave assurance that there is no evidence of deliberate or direct gender, race or disability discrimination within the GTC. We will continue to meet the monitoring and reporting standards applicable as an employer.

Staff sickness and absence levels (average 7.05 days per employee) continue to compare well with external benchmarks (9.7 days in public sector).

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

The number of overall training days increased due to a growing emphasis on targeted development activity. The effectiveness of training and development as assessed by staff and managers remains high.

	2009-10	2008-09	2007-08
Training and development days	867	581	534

**Registration fee and collection**

Fee collection continues to show year-on-year improvement in both volumes and in the numbers paying by Direct Debit, the preferred payment mechanism. Continuous improvement in collection efficiency has also reduced fee debtor levels without increasing collection costs.

We based our cash flow for the year on the collection of 555,000 fees, a prudent assessment which took into account the difficulties inherent in collecting large volumes of relatively low value amounts. In the event, we collected 560,000 fees by the end of the year. Of these 64% were collected by Direct Debit, another year on year increase.

	2009-10	2008-09	2007-08
Number of fees recognised as income	585,700	571,300	563,100
Number of in year fees collected in year	559,900	543,700	528,300
Percentage of recognised fees collected in year	96%	95%	94%
Percentage of fees collected by Direct Debit	64%	60%	55%

We are keeping the withdrawal of salary deduction as a payment option under consideration, although we will give teachers substantial notice of any changes.

**Data Governance and Information Assurance**

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

We hold and work with a significant amount of data and there is continuous work on data quality management, data sharing with authorised partner organisations and provision of management information. In response to the government's data handling review and the specific requirements of the Security Policy Framework, temporary and dedicated resources have been allocated to lead the continued implementation of proportionate information assurance arrangements throughout our operations. This work has included collaboration with partners and contractors to establish the necessary safeguards and assurances for the security of GTC data. This continues to be a significant undertaking and necessarily requires the involvement of staff at all levels.

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We have recognised that we need to embed the principles of information assurance into all aspects of our work. To that end, an Information Assurance Governance Group has been established. Chaired by the Senior Information Risk Owners, the group oversees the effectiveness of the management of information risk. This includes scrutiny of the risk management practices of its contractors and data sharing partners. In this year, there have been significant improvements to the data transmission arrangements with local authorities due to the introduction of a secure email facility.

Our internal auditors have reviewed the effectiveness of our plans to accredit new ICT systems. They have confirmed that the risk management activities and controls which they examined in relation to the accreditation were suitably designed to achieve the objectives required by management. The first GTC accreditation will be for our new ICT managed service. Though the accreditation will take place in 2010-11, substantial preparation for the accreditation began in 2009-10.

Awareness of data protection remains high throughout the organisation, building upon the strong foundations previously established. All new staff received full training in data protection and freedom of information, whilst temporary employees were all briefed on the key points of the legislation and the ways in which it would affect their work. Additionally, all staff successfully completed Level 1 of the Cabinet Office’s online training package, “Protecting Information”. Over half of all staff members were also required to undertake Level 2 of the training and once again all were successful. This training, along with ongoing support for all staff from the data protection team, has helped to ensure that no complaints have been upheld against the GTC during 2009-10 in relation to its handling of requests received under the Data Protection Act 1998 or the Freedom of Information Act 2000.

We reported one data security incident to the Information Commissioner’s Office (ICO) during the year, relating to a set of regulatory case papers that were mislaid within GTC premises. The GTC reviewed its procedures and reminded staff of their responsibilities for safeguarding paper documents. The ICO took no further action.

**Information and communications technology**

Our IT infrastructure is provided by our ‘host and run’ partner SCC. The key business systems of customer relationship management (CRM), website, email and financial systems continue to be delivered generally in line with contracted service levels. Some performance issues arose during the third quarter of the year associated with storage area network which affected the office systems. These were addressed by firmware upgrades and no further issues have arisen. A general service improvement plan has been developed and taken forward with the partner.

	<b>achieved</b>	<b>target</b>
Hosted infrastructure availability (CRM system)	99.8%	99.5%
Hosted infrastructure availability (web site)	99.7%	99.5%
IT help desk problem call resolution	93.8%	95.0%
IT hardware fault resolution	99.0%	100.0%

The Systems Design Group continues to ensure that all decisions regarding ICT systems developments are taken promptly and against a clear and shared set of criteria for determining priority and business needs.

During the year, a major procurement was undertaken to select a supplier to provide a new ICT managed service commencing April 2010. Government framework contracts were used as the mechanism for supplier selection against a statement of requirements. A preferred supplier, the existing contractor SCC, was selected in March 2010, and contract discussions were in train at year end. ICT services are part of the Corporate Services directorate and a Head of ICT leads the ICT strategy and manages the full range of ICT services.

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**Business continuity**

We began a review of our business continuity plans to ensure that the organisation is properly equipped to manage our overall business risks. The review is being carried out with reference to British Standard 25999, the business continuity standard, and will review and test:

- individual team plans;
- ICT plans in light of the new ICT support contract; and
- roles of senior management.

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#### Resources, Risks and Relationships

##### Resources

Registration fees make up 98 per cent of the GTC's income. All qualified teachers are required to be registered and pay the registration fee if they are employed as teachers in a maintained school or a non-maintained special school or pupil referral unit. Other qualified teachers may register on a voluntary basis.

##### Risks and uncertainties

The GTC's risk management policy, and the supporting set of risk management arrangements, were reviewed and revised during the year. The Senior Management Team was given responsibility for the administration, implementation and maintenance of the risk management policy and processes. A set of criteria has been produced against which risks are assessed. The highest ranking risks (those which would have the most significant impact on the GTC) are reported to, and reviewed by, committees and Council. These key risks include the following.

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

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

Information risks are managed within our existing mature risk management approach. We have a 'cautious' information risk appetite.

To address this risk, we prioritised the following activities in 2009-10:

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

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

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

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**Risk: Maintenance and management of the regulatory processes, including liaison with the Independent Safeguarding Authority, are ineffective.**

The previous strategic risk, which related to both registration and regulation, has been split into two separate strategic risks. The disciplinary casework system is the core of professional self regulation. It is high profile, sensitive and integral to the safeguarding of high professional standards.

Regulation has been identified as the GTC's highest strategic risk. A significant increase in referrals has increased pressures on staff and other resources allocated to the investigation and hearings processes. Consultants were commissioned to examine our regulatory processes and advise on appropriate ways forward; this work is continuing.

The risks relating to registration continue to have high gross risk scores. However, robust and detailed control measures ensure that risks in this area are dealt with immediately and appropriately and therefore the net risk scores are correspondingly lower.

**Risk: Change to GTC governance arrangements may be imposed.**

We have long recognised that ineffective governance structures and decision making could impede our decision making processes. We also recognise that, unless governance arrangements are benchmarked against best practice principles, they could become inappropriate and ineffective. In order to mitigate these potential risks, we expose our scheme of governance to regular review and it is also the subject of external review by auditors. The introduction of an Executive Committee with delegated powers has proved operationally efficient. All service Committees and Council regularly review their effectiveness.

During 2009-10 proposals were developed to revise the GTC's governance structures and processes. A series of options was considered by the Executive Committee and Council. The latter identified a preferred option on which it requested further work be undertaken.

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

We recognise that our reputation could be damaged by poor quality policy advice. Our advice is supported by good quality research evidence, carried out by the GTC and others. The combination of specialist staff, comprehensive networks, a robust evidence base, Member review and a clear GTC policy framework helps to ensure that advice is of a high quality and is communicated appropriately.

**Risk: The Teacher Learning Academy is underused by teachers and therefore is not able to contribute to raising standards of teaching.**

During 2009-10, the Teacher Learning Academy progressed from its pilot stage to become a national programme, delivered in partnership with schools, contractors and national education organisations. The TLA has been independently evaluated for impact on standards of practice and is supported by robust governance arrangements.

**Risk: The registration fee increase proposed by Council is not approved by the Secretary of State.**

Ninety eight per cent of the GTC's income is derived from teachers' registration fees. It is a legislative requirement that the Secretary of State approve the registration fee on the recommendation of the Council. If approval were not to be secured or were to be significantly delayed, this could have a major impact on planned budgets, operational activity and the fee collection process itself. During 2009-10 the GTC developed proposals requiring an increase in the fee, which had been frozen for three years. The Secretary of State's decision was received in late March. Although this increased pressure on the organisation, the full impact of the risk was avoided.

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**Relationships**

**Corporate structure and governance**

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

The composition of Council is defined by legislation and reflects the diversity of the education community. Members include practising teachers (a majority of Council), school governors and parents, as well as nominees from stakeholders including further and higher education, teacher unions and associations, and local government and equalities bodies. Public appointments are also made to the Council to ensure an appropriate mix of expertise and involvement.

**Council Members**

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

**Elected primary teachers (11 Members)**

Flora Barton	Paul Bird	Sarah Bowie <i>(Vice Chair until 31 Aug 09 )</i>	Janis Butler
Philip Cole	Lisa Copeland	Christine Green <i>(Vice Chair from 1 Sept 09 )</i>	Derek Johns
Aaron King	Alex Parker	Sarah Reed	

**Elected secondary teachers (11 Members)**

Peter Butler <i>(until 20 Nov 09)</i>	Andy Connell	Barbara Hibbert	Pete McAleer
Andrew McKinnon	Gail Mortimer <i>(Chair from 1 Sept 09)</i>	Annette Pateman	Elizabeth Purnell
Alice Robinson	Colin Surrey	Kathy Thomson <i>(from 16 Dec 09)</i>	Tom Trust

<b>Elected special school teacher</b>	<b>Elected primary head teacher</b>	<b>Elected secondary head teacher</b>
Stephen Viner	Eric Gledhill	David Lowe

**Nominees from teacher associations and unions (9 Members)**

Tony Neal <i>ASCL</i>	Caroline Kolek <i>ATL</i>	Gillian Stainthorpe <i>ATL</i>	Gussie Andersen <i>NAHT</i>
Mick Lyons <i>NASUWT</i>	John Rimmer <i>NASUWT</i>	Max Hyde <i>NUT</i>	Julie Davies <i>NUT</i> <i>(from 1 Sept 09)</i>
Judy Moorhouse <i>(Chair until 31 Aug 09)</i> <i>NUT</i> <i>(Until 31 Aug 09)</i>	David Whitewright <i>Voice</i>		

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

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

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

Lesley Ansari <i>Parent (until 31 Aug 09)</i>	Naz Bokhari <i>Former college Principal (until 31 Aug 09)</i>	Peter Cooper <i>SEN practitioner (until 31 Aug 09)</i>	Clare Craig <i>Centrally-employed teacher</i>
Janet Draper <i>Senior university lecturer</i>	Anne Garner <i>Head teacher (until 31 Aug 09)</i>	Gloria Hyatt <i>Education advisor (until 31 Aug 09)</i>	Sheba Joseph <i>Second career teacher (from 1 Sept 09)</i>
Zubair Mohammed Khan <i>Parent governor (from 1 Sept 09)</i>	Rebecca Kroese <i>Foundation Stage teacher (from 1 Sept 09)</i>	Nasreen Majid <i>Advanced skills teacher (from 1 Sept 09)</i>	Stephanie Mason <i>Audit / finance expertise (from 1 Sept 09)</i>
Robert Millea <i>Chartered Accountant (until 31 Aug 09)</i>	Kirit Modi <i>Education advisor (until 31 Aug 09)</i>	Aamer Naeem <i>High level governance / committee experience (from 1 Sept 09)</i>	Susan Netherton <i>Parent governor (from 1 Sept 09)</i>
Adam Nichols <i>High level governance / committee experience (from 1 Sept 09)</i>	Carl Phillips <i>14-19 curriculum experience (from 1 Sept 09)</i>	Jean Scott <i>Parent governor (until 31 Aug 09)</i>	Angela Stones <i>Former nursery school head teacher (until 31 Aug 09)</i>
Sally Townsend <i>Foundation Stage teacher (from 1 Sept 09)</i>	Jason Whyborn <i>Youth / guidance work experience (from 1 Sept 09)</i>	Anthony Wilkes <i>Education and training advisor (until 31 Aug 09)</i>	Nicola Wilson <i>Primary teacher (until 31 Aug 09)</i>

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

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#### Executive

The Leadership Team during the year comprised:

Keith Bartley	Chief Executive
Fiona Johnson	Director of Communications
Alan Meyrick	Registrar
Sally Staples	Director of Corporate Services
Sarah Stephens	Director of Policy and Research

#### Corporate governance

The GTC has established procedures to enable us to comply with both the Combined Code of the Committee on Corporate Governance and with the Guidelines for Best Practice on Corporate Governance published by the DCSF (in line with the Treasury Code of Best Practice for Board Members of Public Bodies). The financial statements also include a Statement on Internal Control based upon Treasury Guidance. There is an established Code of Conduct for Council Members; an Audit Committee; and a Remuneration Sub-Group, which is part of the Finance and General Purposes Committee.

#### Executive Committee

The Executive Committee has responsibility for a range of key governance decisions and for developing strategic recommendations to Council. Its members are the Chair and Vice-Chair of Council, the Chairs of the Finance and General Purposes Committee, Policy and Research Committee and Registration and Regulation Committee and seven Members elected by the Council.

John Adams (from 21 Sep 09)	Max Hyde (from 21 Sep 09)
Andrew Baxter	Kirit Modi (until 31 Aug 09)
Paul Bird (until 21 Sept 09)	Judy Moorhouse (Chair until 31 Aug 09)
Sarah Bowie (Vice Chair until 31Aug 09)	Gail Mortimer (Chair from 1 Sep 09)
Chris Cook	Tony Neal
Sam Crooks	Gillian Stainthorpe
Christine Green (Member until 31 Aug 09 and Vice Chair from 1 Sep 09)	Angela Stones (until 31Aug 09)
Barbara Hibbert (from 21 Sep 09)	Ralph Ullmann

#### Audit Committee

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

Eric Gledhill	Robert Millea (Vice Chair until 31 Aug 09)
Derek Johns	Gail Mortimer (Chair until 31 Aug 09)
Caroline Kolek (Member until 31 Aug 09 and Chair from 29 Sep 09)	Aamer Naeem (from 7 Sep 09)
Andrew McKinnon (from 7 Sep 09)	Jean Scott (until 31 Aug 09)
Stephanie Mason ( Member from 1 September 2009 and Vice Chair from 29 Sep 09)	

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

#### **The Policy and Research Committee**

The Policy and Research committee is responsible for developing the overarching policy and research strategy for the Council. More particularly, the committee develops the strategy for formal advice and the research and intelligence base. It provides Member scrutiny and sets the strategy for the Council's work to support the profession to develop its practice. The Committee has appointed Lead members to focus to key areas of the Committee's work, such as accountability and pedagogy.

John Adams (until 31 Aug 09)	Pete McAleer (until 31 Aug 09)
Paul Bird (Member from 25 Sep 09 and Vice Chair from 13 Oct 09)	Tony Neal (Chair)
Liz Carter (until 31 Aug 09)	Adam Nichols (from 25 Sep 09)
Claire Craig (from 25 Sep 09)	Alex Parker
Janet Draper	Annette Pateman (until 31 Aug 09)
Anne Garner (until 31 Aug 09)	Tom Trust (from 25 Sep 09)
Jill Hill (until 31 Aug 09)	Geoff Whitty (until 31 Aug 09)
Sheba Joseph (from 25 Sep 09)	Jason Whyborn (from 25 Sep 09)
Becky Kroese (from 25 Sep 09)	Anthony Wilkes (until 31 Aug 09)
Nasreen Majid (from 25 Sep 09)	

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

The Registration and Regulation committee is concerned with all matters relating to the Council's registration and disciplinary functions.

Janis Butler	Zubair Khan (from 5 Oct 09)
Liz Carter (from 5 Oct 09)	Beth Purnell (from 5 Oct 09)
Andy Connell (Previous Member and Vice Chair from 10 Nov 09)	John Rimmer (until 31 Aug 09)
Robert Gordon (until 31 Aug 09)	Gill Stainthorpe (Chair)
Barbara Hibbert (until 31 Aug 09)	

#### **Relations with stakeholders**

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

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

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A more structured approach to developing and monitoring relations with stakeholders has been developed over the past year.

#### **Relations with employees**

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

We were initially awarded Investor in People (IIP) status in November 2005, recognising the high priority we place in the development of our staff as part of the delivery of our business objectives. In November 2008 we were re-assessed and successfully retained this status. We have an effective performance review process for assessing the performance of staff and identifying their development needs.

#### **Policy on equality and diversity**

We have a corporate equalities and diversity scheme which encompasses our role as a public body and as an employer, and sets out the organisation's intentions in relation to the statutory equalities duties applying to public bodies across the areas of race, gender and disability. It was developed by a cross team staff working group, which continues to meet and monitor progress towards equality targets and provide training in impact assessment.

Work began to update the scheme, with the intention to publish at the end of 2010. The organisation's intentions continue to be identified through the process of screening and impact assessment. Areas of particular focus have been to:

- improve the quality of data in relation to race and disability on the Register;
- ensure a fair and non-discriminatory approach to regulatory work;
- provide support to schools in relation to meeting their equality duties; and
- ensure that all of our advice and policy support activities reflect best practice in equalities and diversity.

In March, nearly 60,000 registered teachers responded to a request to provide information on their ethnicity and disability status. This represents a significant enhancement to the quality and comprehensiveness of data held.

In the employment sphere, we conducted our first equal pay audit during the year. The findings of the review give assurance that there is no evidence of deliberate or direct gender, race or disability discrimination within the GTC.

In addition we will publish a summary of the results of recent employment assessment findings during 2010, as required under the Race Equality Duty. We will continue to meet the monitoring and reporting standards applicable to the GTC as an employer.

#### **Policy on disabled employees**

The GTC welcomes job applications from people with disabilities and are positive about their disabilities and we commit to:

- interviewing all disabled applicants who meet the minimum criteria for a job vacancy and consider them on their abilities;
- ensuring that there is a mechanism in place to discuss, at any time, but at least once a year, with disabled employees, what can be done to make sure they can develop and use their abilities;
- make very effort when employees become disabled to make sure they stay in employment;

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- take action to ensure that all employees develop the appropriate level of disability awareness needed to make these commitments work; and
- an annual review of what has been achieved and identify ways to improve.

We now hold the “positive about disability” kitemark for use in recruitment advertising, reflecting our sound practice in this arena.

**Relationships with contractors**

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

**Supplier payments policy**

We are committed to paying suppliers promptly. The policy with regard to all suppliers is to make payment within the stated credit terms or within 30 days of receipt of a valid invoice. From January 2009, in accordance with a request from DCSF, we have endeavoured to make payment to all small and medium sized suppliers within 10 days of receipt of a valid invoice, in order to assist such companies in the current difficult financial climate. The aggregate amount owed to trade creditors at the year end compared to the total invoiced by suppliers during the year expressed in days amounts to 17.8 days.

**Environmental issues**

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

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

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

**Social and community issues**

The GTC’s principal purposes concern a major area of public life with an impact on social and community policy in England.

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

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### Remuneration Report

#### Remuneration Sub-Group

The GTC governance structure provides for remuneration matters to be governed through its Finance and General Purposes (F&GP) Committee. A sub-group of the Committee exists to review the performance and pay of the Chief Executive and also to act, if needed, as a disciplinary or appeals panel within HR policies and practices. The F&GP Committee met twice in the year as part of the GTC's streamlined governance structure. Membership of the Remuneration Sub-group during 2009-10 was as follows:

Andrew Baxter ( Chair from 14 Sept 09)	Judy Moorhouse (until 31 Aug 09)
Naz Bokhari (until 31 Aug 09)	Gail Mortimer (from 01 Sep 09)
Julie Davies (from 01 Dec 09)	David Whitewright
Christine Green (Chair until 31 Aug 09 and ex officio from 1 Sep 09)	

#### Finance and General Purposes Committee

The Chair and Vice-Chair of Council have the right to attend and vote in the meetings of both the F&GP Committee and Remuneration Sub-Group in an ex-officio capacity. The Chair of the F&GP Committee is the chair of the Remuneration Sub-Group. Membership of the F&GP Committee during 2009-10 was as follows:

Andrew Baxter (Chair, from 14 Sep 09)	Gloria Hyatt (until 31 Aug 09)
Naz Bokhari (until 31 Aug 09)	Max Hyde (until 31 Aug 09)
Peter Butler (until 31 Aug 09)	Susan Netherton (from 14 Oct 09)
Lisa Copeland (from 14 Oct 09)	Annette Pateman (from 14 Oct 09)
Julie Davies (from 14 Oct 09)	David Whitewright (Vice Chair from 1 December 09)
Christine Green (Chair until 31 Aug 09)	

#### Remuneration policy

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

- To provide a pay structure that is competitive and appropriate to enable the GTC to recruit and retain staff of appropriate experience, skills and qualifications so as to enable a high standard of service delivery to be secured.
- In maintaining competitiveness the GTC seeks to pay at levels consistent with the 'mid-market' pay values for each respective level within the organisation, having regard to location factors for the London and Birmingham employment markets.
- The GTC policy does not provide for performance related pay other than in respect of the Chief Executive, although pay increase benefits may be withheld in instances of serious under-performance by an individual member of staff. The GTC has a performance monitoring and review scheme. The Chief Executive again chose not to drawn down any performance-related remuneration in the last financial year.
- The value of salaries and pay ranges will normally be the subject of annual review in consultation with staff representatives, having regard to the requirement to apply national pay review guidelines.
- Individual salaries on joining the GTC are informed by the Starting Salary policy which seeks to ensure consistent and objective determination of initial salaries. The GTC adopts a job evaluation scheme to further contribute to ensuring that salaries are appropriate to the role of each individual.

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- The pay policy forms part of the GTC's overall Equalities Policy and pay and other benefits are provided on the basis of securing high standards of equality and a periodic equality audit of the pay structure and system will be undertaken.
- The GTC will provide access to an appropriate employment pension scheme which is currently secured through membership of the Principal Civil Service Pension Scheme and the GTC will make the required employer contributions to this Scheme in respect of any member of staff electing to join the PCSPS. An alternative stakeholder pension will also be made available.
- Other benefits through the GTC's conditions of service (such as annual leave, maternity pay provision) will be provided broadly consistent with good public sector practice and at least meeting statutory obligations.
- This policy applies to all staff including the Chief Executive but with a specific pay review process for the Chief Executive whereby progression within the agreed pay range is determined by assessed performance.
- The GTC uses an external consultant to advise the F&GP Committee and the Remuneration Group in respect of the pay comparability including the Chief Executive's remuneration.

**Service contracts**

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

**Salary and pension entitlements**

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

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

The GTC pays a daily attendance allowance to the Chair and Vice-Chair of Council. The daily sum is set and reviewed annually, independently of the GTC. The GTC adopts the outcomes of the independent annual review as applied nationally for equivalent positions in National Non-Departmental Public Bodies (NDPBs) 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.

The GTC also pays a sum of £235 per day attendance allowance to other Members of Council who are either self-employed or not employed. The sum is periodically reviewed. For all other Members of Council this daily sum is eligible to be paid to the Member's employer in recognition of the release from employment duties on GTC business days.

**Chair's remuneration**

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>£'000</i>
Judy Moorhouse (until 31 Aug)	<b>10</b>	29
Gail Mortimer (from 1 Sep)	<b>27</b>	-
	<b>37</b>	29

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**Vice-Chair's remuneration**

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>£'000</i>
Sarah Bowie (until 31 Aug)	<b>9</b>	18
Christine Green (from 1 Sep)	<b>13</b>	-
	<u><b>22</b></u>	<u>18</u>

Of the above remuneration figures, £15,959 (Chair) and £nil(Vice-Chair) represent the amount paid to their employer for 2009-10 as a contribution to salary costs for time spent on GTC business. The equivalent figures for 2008-09 were £5,026 and £nil respectively.

**Chief Executive emoluments**

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>£'000</i>
Salary	<b>138</b>	136
Employer's pension contributions	<b>32</b>	35
	<u><b>170</b></u>	<u>171</u>

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

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**Salary and pension entitlement of the leadership team**

The salary (total emoluments in post) and pension entitlements, including cash equivalent transfer values (CETV), of the Leadership Team within the organisation, employed during the year, were as follows (figures in brackets refer to 2008-09):

	<b>Salary Payments</b>	<b>Benefits in kind</b>	<b>Real increase in pension</b>	<b>Total accrued pension and related lump sum</b>	<b>CETV at 1 April 2009 start of service*</b>	<b>CETV at 31 March 2010 end of service</b>	<b>Employer funded real increase in CETV</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Keith Bartley	<b>135-140</b> (135-140)	- (-)	<b>2.5-5.0 and nil lump sum</b> (0-2.5 and nil lump sum)	<b>70-75 and nil lump sum</b> (60-65 and nil lump sum)	<b>1,128</b> (980)	<b>1,362</b> (1,071)	<b>56</b> (23)
Fiona Johnson	<b>85-90</b> (85-90)	- (-)	<b>0-2.5 and nil lump sum</b> (0-2.5 and nil lump sum)	<b>10-15 and nil lump sum</b> (5-10 and nil lump sum)	<b>140</b> (108)	<b>172</b> (139)	<b>22</b> (20)
Alan Meyrick	<b>80-85</b> (80-85)	- (-)	<b>0-2.5 and 2.5-5.0 lump sum</b> (0-2.5 and 2.5-5.0 lump sum)	<b>20-25 and 70-75 lump sum</b> (20-25 and 65-70 lump sum)	<b>362</b> (321)	<b>400</b> (362)	<b>16</b> (18)
Sally Staples	<b>75-80</b> (80-85)	- (-)	<b>2.5-5.0 and nil lump sum</b> (0-2.5 and nil lump sum)	<b>0-5 and nil lump sum</b> (0-5 and nil lump sum)	<b>24</b> (-)	<b>63</b> (23)	<b>36</b> (20)
Sarah Stephens	<b>85-90</b> (85-90)	- (-)	<b>0-2.5 and 2.5-5.0 lump sum</b> (0-2.5 and 2.5-5.0 lump sum)	<b>15-20 and 55-60 lump sum</b> (15-20 and 50-55 lump sum)	<b>310</b> (269)	<b>353</b> (310)	<b>22</b> (21)

*\*The figure may be different from the closing figure in last year's Financial Statements. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008*

During the year there has been no compensation paid to former members of the Leadership Team or Council Members. The total salary payments to members of the Leadership Team for the year totalled £475,946 (2008-09: £478,000). None of the Leadership Team received any benefits in kind in either year.

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### Remuneration Report

#### Pension benefits

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

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

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

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

#### Cash Equivalent Transfer Values

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

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**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.

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## Annual Report and Financial Statements for the year ended 31 March 2010

### Financial Review

#### Foreword to the Financial Review

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

In late December 2008 a remit review was announced for five organisations working in the arena of children's services, including the GTC. The review was due to conclude by April 2009, but was not completed until September of last year.

Pending the conclusion of the remit review, and as reported in our Annual Report for 2008-09, the Secretary of State declined to approve an increase in the GTC registration fee. This decision meant that the GTC fee was held at £33 for a fourth year and required an emergency recasting of the budget by Council very shortly before the start of the financial year. A balanced budget was achieved through further efficiency savings, a partial freeze on recruitment, by drawing down or not replenishing certain reserves and by delaying the start of some of our programmes and projects.

Council's prudent approach to expenditure during the current year was further vindicated when its financial planning was subject to delay for a second time. The Secretary of State's decision to approve a registration fee for the GTC of £36.50 for the coming year came too late to ensure fee collection on the due date of 1 April.

In the final quarter of the year, as part of his Budget statement, the then Chancellor of the Exchequer announced a review of all arm's-length bodies. Some work on this began in the run up to the 2010 general election, but the GTC's involvement has been overtaken by the Secretary of State's announcement on 2 June 2010.

#### Income

Income for the year (excluding interest received) was £19.69m (2008-09: £18.97m). The increase in income reflects the rise in the number of teachers on the register year on year.

The vast majority (98 per cent) of the GTC's income came from teacher registration fees. The annual registration fee for the year was £33 (2008-09: £33).

For the 2009-10 year the GTC has invoiced 585,750 individuals for the annual fee of £33. This included 50 voluntary registrants whose fee has not been received and so is not recognised as income. Therefore in accordance with accounting policies fee income for the current year has been recognised for 585,700 teachers (2008-09: 571,300).

To be consistent with the GTC's income recognition policy (see accounting policy for income on page 58), a further £35,000 of fees from prior years have been recognised as income in the year where we gained sufficient certainty with regard to the respective individual's registration data during the year. Where an individual does not inform us until after the relevant fee year but can prove that they were not required to be registered for any part of that fee year, a credit note is raised to cancel the original fee. In 2009-10, credit notes to the value of £100,000 were raised against fees relating to prior years.

Other income relates to a number of specific grants from the (then) DCSF. These include a contribution to the development of the customer relationship management (CRM) system to accommodate provisional registration; recognition of the funding contribution to the development of the on-line employer access system, and the costs incurred in preparing technical advice on the proposed introduction of a licence to practise.

# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2010

### Financial Review

#### Expenditure

During the year, expenditure on operational costs (excluding notional interest) was £18.87m (2008-09: £21.14m), a 10.7 per cent decrease on the prior financial year. Areas of variation compared to the 2008-09 financial year to note are as follows.

- **Regulation.** Despite an increase in the volume of regulatory work, the Council achieved a 7 per cent reduction in costs, amounting to a £226,000 reduction from 2008-2009. This was achieved through a reduction in staffing, recruitment and training costs. General GTC overheads have reduced, meaning that less overhead charge was apportioned to regulatory activity.
- **Depreciation** has fallen by £949k (59%) due to a lower level of capital expenditure. 2008-09 was the final year that the Oracle CRM system was written off (cost in 2008-09: £954,000), hence there was no corresponding charge in 2009-10.
- **Teacher Learning Academy.** The previous year saw the Teacher Learning Academy (TLA) establish its contractual relationship with its logistics partner. This involved one-off infrastructure and operational subsidies as well as marketing costs towards the end of the year to support the national launch in the summer of 2009. The non-recurring additional expenditure from 2008-09, together with a year on year reduction in staff costs, meant that expenditure in 2009-2010 reduced by £591k (22%).
- **Research and evidence to support policy advice.** The reduction in costs of £169k (22%) was largely due to lower expenditure on the development of policy advice and a reduction in staff costs.
- **Other corporate research expenditure.** The previous year's expenditure includes the non-recurring costs of undertaking work on stakeholder engagement to inform the revision of the Code of Conduct and Practice. A research post was held vacant in 2009-10 with a consequential impact on research commissioning and a shortfall in expenditure of £162k (15%).
- **Conferences and events.** During the 2008-09 financial year two significant events series were undertaken to support the organisation's work on the new Code of Conduct and Practice and the Teaching in 2012 Programme. This work has been taken forward through other channels in 2009-10, resulting in a £183k (28%) reduction in event costs.
- **External relations.** The costs in this area increased by £108k (18%) due to the impact of the new code of conduct and the extra consultation with stakeholders and marketing that has been required.
- **Website.** The major part of the work on the redesigned website occurred during the previous year with it going live very early in 2009-10, hence the decrease in costs of £528k (46%).
- **Finance, corporate planning and legal.** This expenditure increased by £411k due to restructuring and increasing the salary costs, plus an increase in legal and professional services. It was necessary to create a new information assurance team to reduce the risk profile and ensures compliance with new guidelines.
- **Premises charges** increased by £172k (14%) due to rent reviews at both the London and the Birmingham offices. Also included in the increase is a provision for a service charge increase including large retrospective charges imposed by our Birmingham landlords, which is currently being disputed.
- **Provision and charge for doubtful debts.** Continued improvement in information recording and the data on individuals on the Register, including the effect of schools being able to check the registration status of their teachers through the on-line employer access system, has resulted in a larger number of fees being recognised. However, not all these fees are collectable, as contact addresses for registrants can be lost during the course of the year if individuals do not update the GTC with their new details. A provision is required against some of the fees still outstanding at the year end. However the improved collection rate has meant that this is lower than last year. In addition, there was a one-off exercise to write off approximately £50k of accumulated credit balances during the year. This resulted in a reduction in the bad debt expense of £143k (44%).

The full time equivalent number of employees averaged 207 (2008-09: 204) for the year, a 1.5 per cent increase. Part of the increase was due to additional staff being recruited to reduce the information assurance risks to the organisation and to comply with demanding guidelines issued by the Cabinet Office.

# General Teaching Council for England

## Annual Report and Financial Statements for the year ended 31 March 2010

### Financial Review

#### Surplus for the year

The surplus for the year was £1.02m (2008-09: £1.58m deficit) compared to a budgeted deficit of £1.3m. This strengthens the organisation's financial position. The significant elements of the variance are £0.7m increase in teacher fee income which is directly attributable to the increase in teacher numbers. There was also an additional one-off grant.

Significant cost efficiencies of more than £200,000 were achieved during the year. There was also reduction in the cost base including £0.3m from a reduced bad debt charge, £0.2m from additional grant income and £0.2m from a reduced depreciation charge. Certain activities that were budgeted for during the year have been diverted to 2010-11.

#### Reserves

Reserves can be retained by the GTC and carried forward for use in future years. As an independent organisation, almost entirely dependent on income from teacher fees and without powers to borrow, the GTC needs to ensure that it has an adequate level of reserves to maintain its financial viability and flexibility to respond to new requirements.

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

At 31 March 2010 the general reserves of the GTC were £7.41m (2009: £6.69m), with designated reserves of £0.99m (2009: £0.69m).

The GTC's three-year financial strategy 2010-13, agreed by Council in March 2010, again budgets for a deficit of £1m for the 2010-11 financial year. This will utilise that element of general reserves above the minimum required. There will also be extra cash requirements for increases in casework and other future pressures.

#### Going concern

On 3 June 2010 Rt. Hon Michael Gove MP, the Secretary of State from the Department for Education, wrote to Gail Mortimer, Chair of the GTC, confirming that the Government propose to introduce legislation in the autumn of 2010 to abolish the GTC.

The remit for the GTC remains in place for 2010-11 to cover those activities that will be continuing and to manage the transition of non-continuing activities and, for the time being, maintain non-continuing statutory activities until new legislation is in place.

In light of this event the management have reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis.

Management note that legislation is required to be passed before the GTC can be abolished and statutory responsibilities ceased or transferred. Department for Education officials have indicated that any such legislation, if passed, is unlikely to receive royal assent until some time between March and July 2011. In the interim period, management are satisfied that sufficient funding is in place to enable the GTC to continue trading and meet its obligations as they fall due.

Given the announced intentions of the Government and the lack of clarity at this early stage regarding the implications of the abolition of the GTC, management have concluded that there exists a material uncertainty that casts significant doubt upon GTC's ability to continue as a going concern. In such

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2010**

**Financial Review**

circumstances GTC may be unable to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless after making enquiries, and considering the circumstances described above, together with the outcome of their discussions with the Department for Education, management have a reasonable expectation that GTC will have adequate resources, in particular sufficient cash reserves, to continue in operational existence for the foreseeable future. The period considered by management is at least 12 months after the date of signing of this report. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The accounts do not include the adjustments which would result if the GTC were unable to continue as a going concern.

**Treasury management**

The GTC receives payment for the bulk of its fees in the first quarter of the year. It prudently invests these cash reserves in money market deposits in low risk (B+ and above rated) investments with high street banks. All its investments are in sterling and gave rise to interest receivable of £245k for the year. In practice, current legislation does not allow the GTC to borrow. Therefore it has to ensure that it has sufficient cash to manage fluctuations in activity levels and also the funding of major projects.

**Fixed assets**

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

**Auditors**

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

**Disclosure of relevant information to auditors**

So far as the Accounting Officer is aware, there is no relevant audit information of which the GTC's auditors are unaware. 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.

**Keith Bartley**  
**Chief Executive**  
6 July 2010

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2010**  
**Statement of the General Teaching Council for England**  
**and Chief Executive's Responsibilities**

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

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

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

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2010**  
**Statement on Internal Control**

**Scope of responsibility**

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

Within the DCSF, relationship management responsibility for the GTC was transferred from the Schools Directorate to the Workforce Group, within the Young People's Directorate. I worked closely with the Director and Deputy Directors of the Workforce Group and met with them approximately once a month. I also met with other officials as is required – over the last year I met with the Director Generals of the Schools and Young People's Directorates – and had termly meetings with the Deputy Schools Commissioner. On occasion, I met with the Secretary of State and more frequently with his policy advisors (at least every two months).

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

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

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

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the GTC's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in the GTC for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2010**  
**Statement on Internal Control**

**Capacity to handle risk**

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

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

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

The Risk Sub Group, a sub set of the Senior Management Team, acts as a permanent source of advice and guidance on risk matters for all staff, working to, and under the guidance of, the Director of Corporate Services. The Risk Sub Group is made up of a representative from each directorate and meets quarterly during the year to assess all Operational and Corporate risks, in preparation to report to Senior Management Team, Leadership Team, Executive Committee and Council, on key risks within the organisation.

We take advice from internal auditors on current best practice, when they review our risk management practice and the responsible manager keeps up to date with the latest developments.

**The risk and control framework**

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

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

Project and Programme risks are identified and recorded on a register held by the individual Project or Programme team. The risks are reviewed regularly by the Project or Programme Board; risks above the accepted tolerance level are reported to SMT and monitored on a monthly basis.

The risks are recorded in two centrally held risk registers, and at least quarterly Leadership Team and each operational plan owner reviews risks, identifies any new risks and assesses the adequacy of controls. The risk reports are reviewed by Senior Management Team, Leadership Team and Council Members.

Project and Programme risks are identified and recorded on a register held by the individual Project or Programme team. The risks are reviewed regularly by the Project or Programme Board; risks above the accepted tolerance level are reported to SMT and monitored on a monthly basis.

The GTC is responsible for maintaining a register of qualified teachers, trainee teachers, overseas trained teachers and instructors. The GTC and has always paid special attention to controls around data protection

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2010**  
**Statement on Internal Control**

privacy. During the year we redesigned our information assurance activities in line with the government's Data Handling Requirements and then more recently with the Security Policy Framework, published December 2008.

Within the organisation we have established Information Asset Owners (IAOs) who are responsible for identifying and managing information risks in their operational areas. They report formally on information risk management every quarter to the Senior Information Risk Owners (SIROs). The reports as at 31 March 2010 indicated that all the IAOs had taken reasonable steps to securely manage their information assets and have exercised appropriate information assurance controls. Where areas for improvement have been identified they are being addressed.

In turn SIROs make a formal annual statement on information risk management to the Accounting Officer. Their report for this year confirms that: the GTC is making effective progress in fully aligning itself with government data handling requirements; the GTC has taken, and is taking, all reasonable and proportionate steps to manage data securely, in the interests of the data subjects and in the interests of the reputation of the GTC; and that the SIRO annual assessment of information risk has been completed satisfactorily in line with Cabinet Office Guidance. The GTC has appointed specialist Information Assurance consultants to assist with the accreditation of its ICT systems. An internal audit confirmed that the risk management activities and controls examined in relation to the accreditation were suitably designed to achieve the objectives required by the GTC.

All GTC staff have successfully completed the Cabinet Office's Protecting Information Level One training. All staff identified as needing to complete the Protecting Information Level Two training (123 staff) have successfully completed this training.

The GTC has communicated its information assurance requirements to those contractors undertaking significant data handling on its behalf and assessed their compliance, agreeing improvements where necessary.

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

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and also by the Directors of Service within the GTC who have responsibility for the development and maintenance of the internal control framework, and by any comments made by the external auditors in their management letter and other reports. The Directors of Service provide me with assurance statements, which did not identify any issues that require disclosure. I have also taken account of the annual statement on the management of information risk from the SIROs. I have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the work of the Audit Committee and the Risk Management Group and a plan to address any areas of identified weakness and ensure continuous improvement of the system is in place.

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

**General Teaching Council for England**  
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**Statement on Internal Control**

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

The Head of the Internal Auditors concluded that the risk management activities and controls that we 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.

In December 2009 the GTC undertook a 'Gateway Review' of the TLA to assess the status and direction of the programme against the original principles and make appropriate adjustments as required. As a result of the gateway review and agreement with the contracted logistics partner, the operational model of the TLA has been modified to increase participation and deliver maximum benefit from the investment.

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

**Significant internal control problems**

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

**Keith Bartley**  
**Chief Executive**  
6 July 2010

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2010**  
**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 2010 under the Teaching and Higher Education Act 1998. These comprise the Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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

As explained more fully in the Statement of the General Teaching Council for England and Chief Executive's Responsibilities, the General Teaching Council for England and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and 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 am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

**Opinion on Regularity**

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

**Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the General Teaching Council for England's affairs as at 31 March 2010 and of its surplus, movement in reserves and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Teaching and Higher Education Act 1998 and directions made thereunder by the Secretary of State.

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2010**  
**The Certificate and Report of the**  
**Comptroller and Auditor General to the Houses of Parliament**

**Emphasis of matter – Going concern**

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures made in note 1(b) and note 27 to the financial statements concerning the application of the going concern principle in light of the Government's announced proposal to introduce legislation in the autumn of 2010 to abolish the General Teaching Council for England. This proposal indicates the existence of a material uncertainty which may cast significant doubt about the ability of the General Teaching Council for England to continue as a going concern. The financial statements do not include the adjustments that would result if the General Teaching Council for England was unable to continue as a going concern.

**Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited have been properly prepared in accordance with the Teaching and Higher Education Act 1998 and the Secretary of State's directions made thereunder; and
- information, which comprises the unaudited part of the Remuneration Report, the Introduction from the Chief Executive, certain information given in the Annual Report and the Financial review, included within the Annual Report, 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 are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

**Report**

I have no observations to make on these financial statements.

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

Date: 8 July 2010

**General Teaching Council for England**  
**Annual Report and Financial Statements for the year ended 31 March 2010**  
**Income and Expenditure Account**

		<b>2009-10</b>		<b>2008-09</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>					
Teacher registration fees	3a		<b>19,293</b>		18,810
Other operating income	3b		<b>401</b>		158
			<b>19,694</b>		18,968
<b>Expenditure</b>					
Staff costs	6	<b>8,317</b>		8,143	
Depreciation, amortisation and revaluation	7	<b>661</b>		1,610	
Other expenditure		<b>10,209</b>		11,665	
<b>Total expenditure</b>	5		<b>19,187</b>		21,418
<b>Operating surplus / (deficit)</b>			<b>507</b>		(2,450)
Reversal of notional interest			<b>317</b>		274
Interest receivable	9		<b>245</b>		813
<b>Surplus / (deficit) for the year before tax</b>			<b>1,069</b>		(1,363)
Tax on interest receivable	10		<b>(51)</b>		(216)
<b>Sustained surplus / (deficit) for the year</b>			<b>1,018</b>		(1,579)
Net transfer (to) / from designated reserves	19		<b>(300)</b>		598
<b>Sustained surplus / (deficit) after transfer</b>			<b>718</b>		(981)
<b>General reserve brought forward</b>			<b>6,691</b>		7,672
<b>General reserve carried forward</b>			<b>7,409</b>		6,691

*Note: All operations are continuing*

General Teaching Council for England  
Annual Report and Financial Statements for the year ended 31 March 2010

**Statement of Financial Position**

As at 31 March 2010

		31 March 2010	31 March 2009	1 April 2008
		£'000	£'000	£'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	241	444	743
Intangible assets	12	1,375	1,188	1,604
<b>Total non-current assets</b>		<b>1,616</b>	1,632	2,347
<b>Current assets</b>				
Trade and other receivables	14	1,285	1,206	1,475
Financial assets	15	1,000	-	-
Cash and cash equivalents	16	8,385	7,766	8,919
<b>Total assets</b>		<b>12,286</b>	10,604	12,741
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	17	2,392	1,766	2,626
Deferred grants falling due within one year	18	123	161	193
		<b>2,515</b>	1,927	2,819
<b>Non-Current liabilities</b>				
Other payables	17	709	836	962
		<b>709</b>	836	962
<b>Total liabilities</b>		<b>3,224</b>	2,763	3,781
<b>Assets less liabilities</b>		<b>9,062</b>	7,841	8,960
<b>RESERVES</b>				
<b>Reserves</b>				
Designated reserves	19	990	690	1,288
Revaluation reserve		45	-	-
Government capital reserve		618	460	-
General reserve		7,409	6,691	7,672
		<b>9,062</b>	7,841	8,960

**Approved by:**

Keith Bartley  
Accounting Officer  
Date: 6 July 2010

General Teaching Council for England  
Annual Report and Financial Statements for the year ended 31 March 2010

**Statement of Cash Flows**

*For the year ended 31 March 2010*

	2009-10	2008-09
	£'000	£'000
<b>Cash flows from operating activities</b>		
Operating surplus / (deficit)	507	(2,450)
<b>Adjustments for:</b>		
Depreciation, amortisation and revaluation	661	1,610
Notional interest on capital employed	317	274
(Increase) / Decrease in receivables	(137)	305
Increase / (Decrease) in registration fees received in advance	20	(338)
Increase / (Decrease) in payables	666	(639)
Increase in deferred grants	117	430
<b>Inflow / (Outflow) from operating activities</b>	<b>2,151</b>	<b>(808)</b>
Taxation	(216)	(237)
<b>Net cash outflow from operating activities</b>	<b>1,935</b>	<b>(1,045)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(69)	(189)
Purchase of intangible assets	(531)	(696)
Purchase of investments	(1,000)	-
Interest received	284	777
<b>Net cash (outflow) / inflow from investing activities</b>	<b>(1,316)</b>	<b>(108)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>619</b>	<b>(1,153)</b>
Cash and cash equivalents at the start of the year	7,766	8,919
<b>Cash and cash equivalents at the end of the year</b>	<b>8,385</b>	<b>7,766</b>
<b>Cash and cash equivalents consists of:</b>		
Cash and cash equivalents	<b>8,385</b>	7,766

General Teaching Council For England  
Financial Statements for the year ended 31 March 2010

**Statement of Reserves**

	Designated reserves £'000	Government Grant Reserve £'000	Revaluation reserve £'000	General reserve £'000	Total £'000
<b>Balance as at 31 March 2008</b>	1,288	-	-	7,672	8,960
Changes in accounting policy	-	-	-	-	-
Balance as at 1 April 2008	1,288	-	-	7,672	8,960
<b>Changes in reserves 2008-09</b>					
Release of reserves to the Income and Expenditure account	(598)	-	-	598	-
Retained Surplus / (Deficit)	-	-	-	(1,579)	(1,579)
<b>Total recognised Income and expense for 2008-09</b>	<b>(598)</b>	<b>-</b>	<b>-</b>	<b>(981)</b>	<b>(1,579)</b>
Grant received	-	460	-	-	460
<b>Balance as at 31 March 2009</b>	<b>690</b>	<b>460</b>	<b>-</b>	<b>6,691</b>	<b>7,841</b>
<b>Changes in reserves 2009-10</b>					
Transfers between reserves	300	-	-	(300)	-
Net gain / (loss ) on revaluation of Property, Plant & Equipment	-	-	4	-	4
Net gain / (loss ) on revaluation of intangible assets	-	-	41	-	41
Release of reserves to the Income and Expenditure account	-	(101)	-	-	(101)
Retained Surplus / (Deficit)	-	-	-	1,018	1,018
<b>Total recognised Income and expense for 2009-10</b>	<b>300</b>	<b>(101)</b>	<b>45</b>	<b>718</b>	<b>962</b>
Grant received	-	259	-	-	259
<b>Balance as at 31 March 2010</b>	<b>990</b>	<b>618</b>	<b>45</b>	<b>7,409</b>	<b>9,062</b>

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**1 Accounting Policies**

**1a Accounting convention**

These financial statements have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the General Teaching Council for England for the purpose of giving a true and fair view has been selected. The particular policies adopted by the General Teaching Council for England are described below. They have been applied consistently in dealing with items that are considered material to the Financial Statements.

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

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

**1b Going concern**

On 3 June 2010 Rt. Hon Michael Gove MP, the Secretary of State from the Department for Education, wrote to Gail Mortimer, Chair of the GTC, confirming that the Government propose to introduce legislation in the autumn of 2010 to abolish the GTC.

The remit for the GTC remains in place for 2010-11 to cover those activities that will be continuing and to manage the transition of non-continuing activities and, for the time being, maintain non-continuing statutory activities until new legislation is in place

In light of this event the management have reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis.

Management note that legislation is required to be passed before the GTC can be abolished and statutory responsibilities ceased or transferred. Department for Education officials have indicated that any such legislation, if passed, is unlikely to receive royal assent until some time between March and July 2011. In the interim period, management are satisfied that sufficient funding is in place to enable the GTC to continue trading and meet its obligations as they fall due.

Given the announced intentions of the Government and the lack of clarity at this early stage regarding the implications of the abolition of the GTC, management have concluded that there exists a material uncertainty that casts significant doubt upon GTC's ability to continue as a going concern. In such circumstances GTC may be unable to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless after making enquiries, and considering the circumstances described above, together with the outcome of their discussions with the Department for Education, management have a reasonable expectation that GTC will have adequate resources, in particular sufficient cash reserves, to continue in operational existence for the foreseeable future. The period considered by management is at least 12 months after the date of signing of this report. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

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The accounts do not include the adjustments which would result if the GTC were unable to continue as a going concern.

**1c First time adoption of International Financial Reporting Standards (IFRS)**

These are the first financial statements prepared for the General Teaching Council for England under IFRS. The date of the organisation's conversion to IFRS was 1 April 2008.

**1d Income**

**Fee Income**

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

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

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

**Grant Income**

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

**Interest income**

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

**1e Key sources of estimation uncertainty**

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

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**1f Property, plant and equipment**

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

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

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

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

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

**1g Intangible assets**

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

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

**1h Financial instruments**

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

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

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

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

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**1i Provisions**

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

**1j Finance and operating leases**

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

**1k Capital charges**

A charge, reflecting the potential cost of capital utilised by the GTC is included in operating costs and credited back to the retained surplus through the face of the income and expenditure account. The charge is calculated at the real rate (currently 3.5%) set by HM Treasury on the average carrying amount of all assets less liabilities.

**1l Value Added Tax**

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

**1m Corporation Tax**

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

**1n Pension costs**

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

The defined benefit scheme is a multi-employer scheme where it is not possible to identify the GTC's share of the underlying assets and liabilities. Therefore the GTC accounts for the contributions to the scheme as if it was a defined contribution scheme as required by 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 GTC 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 will be released to the General Reserve.

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**1p New accounting standards**

The GTC has not adopted early the requirements of the following accounting standards and interpretations, which have an effective date (shown in brackets) after the starting date of these financial statements:

- Amendments to IFRIC 9 and IAS 39 Embedded Derivatives (June 2009)
- IFRIC 18 Transfer of Assets from Customers (1 July 2009)
- IFRS 9 Financial Instruments – Classification and Measurement (1 January 2013)
- IAS 24 (Revised) Related Party Disclosures (1 January 2011)
- IAS 32 (Revised) Financial Instruments: Presentation (1 February 2010)
- IAS 39 (Revised) Financial Instruments: Recognition and Measurement (1 July 2009)

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

**2 First-time adoption of IFRS**

	Designated reserves <i>£'000</i>	Government Grant Reserve <i>£'000</i>	General reserve <i>£'000</i>	<b>Total</b> <i>£'000</i>
<b>Reserves at 31 March 2008 under UK GAAP</b>	1,288	-	7,672	8,960
Adjustments:	-	-	-	-
<b>Reserves at 31 March 2008 under IFRS</b>	<u>1,288</u>	<u>-</u>	<u>7,672</u>	<u>8,960</u>
				<i>£'000</i>
<b>Net expenditure for 2008-09 under UK GAAP</b>				1,579
Adjustments:				-
<b>Net expenditure for 2008-09 under IFRS</b>				<u>1,579</u>

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**3 Income**

3a	Registration fee income	2009-10		2008-09	
		<i>Number of teachers</i>	<i>£'000</i>	<i>Number of teachers</i>	<i>£'000</i>
	Registrants	<b>585,700</b>	<b>19,328</b>	571,300	18,854
	Recognition of prior year fees		<b>(35)</b>		(44)
			<b>19,293</b>		<b>18,810</b>

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

During the course of the year the number of individuals on the Register fluctuates with new registrations occurring and individuals leaving the profession throughout the year. The Register contained approximately 567,800 individuals as at 31 March 2010.

The continuing improvement of the information recorded on the register has resulted in a larger number of fees being recognised. For the 2009-10 year the GTC has invoiced 585,750 individuals for the annual fee of £33.

3b		2009-10		2008-09	
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	Other operating income				
	<i>Other Grants</i>				
	DCSF on-line employer access grant	<b>38</b>		<b>37</b>	
	DCSF referrals research grant	-		<b>70</b>	
	DCSF registration categories grant	<b>142</b>		<b>40</b>	
	DCSF Licence to Practise grant	<b>200</b>		-	
	Hewitt Driver TLA bursaries grant	-		-	
	TLRP grant	<b>3</b>		-	
	BECTA grant	<b>15</b>		-	
	Alumni Association	-		<b>1</b>	
			<b>398</b>		148
	<i>Other income</i>		<b>3</b>		10
			<b>401</b>		<b>158</b>

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**4 Analysis of Net Expenditure by Segment**

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

Analysis of net expenditure by function

	<b>2009-10</b>	2008-09
	<b>£'000</b>	£'000
Registration and regulation	7,504	7,967
Evidence, advice and practice	4,498	5,556
Communications	3,274	3,859
Governance, fee collection and corporate support	3,594	3,762
Total	<u>18,870</u>	<u>21,144</u>

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

The expenditure figures above exclude notional interest expense of £317,000 (2008-09: £274,000) which is a notional charge which has no net effect on the income and expenditure account.

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

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**5 Analysis of expenditure (restated)**

The total expenditure of the GTC analysed by activity:

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>(restated)</i>
	<i>£'000</i>	<i>£'000</i>
Regulation	2,907	3,133
Registration	2,241	2,347
Award of QTS	1,156	1,051
Evidence & advice - policy advice	606	775
Teacher Learning Academy	2,128	2,719
Informing practice - Networks	515	462
Evidence & advice - research and information	887	1,049
GTC magazine and publications	1,310	1,267
External relations	709	601
Conferences and events	464	647
Web site	627	1,155
Fee collection	1,005	1,045
Council, committee and Member election costs	556	625
Corporate Support	1,515	1,104
Premises	1,404	1,232
Depreciation, current cost revaluation and loss on disposal	661	1,610
Notional interest on capital employed	317	274
Provision and charge for doubtful debts	179	322
	<b>19,187</b>	<b>21,418</b>

The analysis of costs has been restated to apportion overheads between activities in a more appropriate manner, better reflecting which activities are generating costs.

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**6 Staff numbers and related costs**

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

	Permanently employed staff	Other	Total 2009-10
	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>
Directly employed	<b>199</b>	-	<b>199</b>
Other	-	<b>7</b>	<b>7</b>
Staff engaged on capital projects	<b>1</b>	-	<b>1</b>
	<b>200</b>	<b>7</b>	<b>207</b>

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

	<b>2009-10</b>	2008-09
<i>Section</i>	<i>Full Time Equivalent</i>	<i>Full Time Equivalent</i>
Chief Executive's office	<b>4</b>	4
Registration	<b>53</b>	55
Regulation and legal	<b>39</b>	37
Corporate services (including finance, administration and ICT)	<b>53</b>	50
Communications	<b>16</b>	13
Policy and research	<b>35</b>	37
Agency staff	<b>7</b>	8
	<b>207</b>	204

**6c Staff Costs**

	Permanently employed staff	Other	Total 2009-10	Total 2008-09
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries	6,374	278	6,652	6,466
Social security costs	496	-	496	481
Other pension costs (see note 26)	1,169	-	1,169	1,230
	<b>8,039</b>	<b>278</b>	<b>8,317</b>	<b>8,177</b>
Less recoveries in respect of outwards secondments	-	-	-	(34)
	<b>8,039</b>	<b>278</b>	<b>8,317</b>	<b>8,143</b>

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**7 Depreciation, amortisation and revaluation**

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>£'000</i>
Depreciation charge for the year	<b>277</b>	487
Amortisation charge for the year	<b>384</b>	1,107
Depreciation adjustment for current cost revaluation	-	(118)
Deficit on current cost revaluation	-	134
	<b>661</b>	1,610

During the 2009-10 financial year the surplus and depreciation adjustment on current cost revaluation have been taken to the revaluation reserve.

**8 Other Expenditure**

The operating surplus is stated after charging:

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>£'000</i>
Operating lease rentals		
Office equipment	<b>13</b>	12
Other (land and buildings)	<b>1,042</b>	847
Non cash items		
Depreciation, amortisation and revaluation	<b>661</b>	1,610
Notional interest charges	<b>317</b>	274
Payments to external auditors		
Audit fee	<b>31</b>	31
Other fees	-	-

The audit fee for 2009-10 includes £3,200 relating to the audit of preparation for IFRS transition (2008-09: £4,000). There was no remuneration for non-audit work.

**9 Interest Receivable**

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>£'000</i>
Interest receivable from cash deposits	<b>245</b>	813

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**10 Taxation Charge**

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>£'000</i>
Corporation tax	<b>51</b>	216

Factors affecting the tax charge for the year:

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

	<b>2009-10</b>	2008-09
	<i>£'000</i>	<i>£'000</i>
Investment income for the year	<b>245</b>	813
Investment income multiplied by the small companies rate of corporation tax in the UK of 21% (2008-09: multiplied by the standard rate of corporation tax of 28%)	<b>51</b>	228
Marginal relief	-	(12)
Current tax charge for the year	<b>51</b>	216

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**11 Property, plant and equipment**

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

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	Office refurbishment £'000	Information technology £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 April 2008	1,261	1,233	546	3,040
Additions	-	158	31	189
Disposals	-	(38)	-	(38)
Current cost revaluation	-	(16)	5	(11)
<b>At 31 March 2009</b>	<b>1,261</b>	<b>1,337</b>	<b>582</b>	<b>3,180</b>
<b>Depreciation</b>				
At 1 April 2008	863	974	460	2,297
Charge for year	252	193	42	487
Disposals	-	(38)	-	(38)
Current cost revaluation	-	(13)	3	(10)
<b>At 31 March 2009</b>	<b>1,115</b>	<b>1,116</b>	<b>505</b>	<b>2,736</b>
<b>Net book value</b>				
<b>At 31 March 2009</b>	<b>146</b>	<b>221</b>	<b>77</b>	<b>444</b>
At 1 April 2008	398	259	86	743

All fixed assets held are used in the furtherance of the GTC's objectives and are re-valued as at 31 March using indices taken from "Price Index Numbers for Current Cost Accounting" issued by the Office for National Statistics. The index used for information technology assets is "DZR3", which tracks the cost of ICT equipment that is both imported and domestically produced.

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12 Intangible assets

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

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	Assets under construction	Information technology & Software Licences	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 April 2008	-	4,812	4,812
Additions	462	244	706
Current cost revaluation	-	(123)	(123)
<b>At 31 March 2009</b>	<b>462</b>	<b>4,933</b>	<b>5,395</b>
<b>Amortisation</b>			
At 1 April 2008	-	3,208	3,208
Charge for year	-	1,107	1,107
Current cost revaluation	-	(108)	(108)
<b>At 31 March 2009</b>	<b>-</b>	<b>4,207</b>	<b>4,207</b>
<b>Net book value</b>			
<b>At 31 March 2009</b>	<b>462</b>	<b>726</b>	<b>1,188</b>
At 1 April 2008	-	1,604	1,604

All intangible assets held are used in the furtherance of the GTC's objectives and are re-valued as at 31 March using indices taken from "Price Index Numbers for Current Cost Accounting" issued by the Office for National Statistics. The index used for information technology and software licences is "DZR3", which tracks the cost of ICT equipment that is both imported and domestically produced.

### **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 GTC's activities it is not exposed to a high degree of financial risk. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Council in undertaking its activities.

#### Liquidity risk

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

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Interest rate risk

The GTC's financial assets comprise a single bond held at a commercial bank that can be recalled at 30 days' notice. The asset is denominated in sterling; therefore there is no exposure to currency risk. It is also held at a fixed rate and there is therefore no exposure to interest rate risk.

Currency risk

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

Fair values

There is no difference between the book value and fair value of any of the Council's financial assets and liabilities as at 31 March 2010.

Loans and receivables

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

	<b>31 March 2010</b>	31 March 2009	1 April 2008
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Registration fees	<b>1,234</b>	1,539	1,934
Provision for doubtful debts	<b>(711)</b>	(940)	(1,212)
Trade receivables	<b>215</b>	-	189
Other receivables	<b>15</b>	14	10
Cash and cash equivalents	<b>8,385</b>	7,766	8,919
	<b>9,138</b>	8,379	9,840

Other financial liabilities

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

**14 Trade receivables and other current assets**

	<b>31 March 2010</b>	31 March 2009	1 April 2008
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Registration fees	<b>1,234</b>	1,539	1,934
Provision for doubtful debts	<b>(711)</b>	(940)	(1,212)
Trade receivables	<b>215</b>	-	189
Other receivables	<b>15</b>	14	10
Prepayments and accrued income	<b>532</b>	593	554
	<b>1,285</b>	1,206	1,475

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

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

In determining the recoverability of a trade receivable GTC applies specific criteria based on historical information. The GTC's credit risk is relatively low because of direct payment methods which are available. Accordingly the directors believe there is no further credit provision required in excess of the allowance for doubtful debts.

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

Movement in the allowance for doubtful debts

	<b>31 March 2010</b>	31 March 2009
	<i>£'000</i>	<i>£'000</i>
Balance at the beginning of the year	<b>940</b>	1,212
Recognised in the Income and expenditure account	<b>(229)</b>	(272)
	<hr/> <b>711</b> <hr/>	<hr/> 940 <hr/>

The GTC makes a general provision for doubtful debts, but does not provide against any specific balances or types of debtor.

**15 Financial Assets**

	<b>31 March 2010</b>	31 March 2009	1 April 2008
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Investments	<b>1,000</b>	-	-
	<hr/> <b>1,000</b> <hr/>	<hr/> - <hr/>	<hr/> - <hr/>

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**16 Cash and cash equivalents**

	<b>2009-10</b>	2008-09
	<b>£'000</b>	£'000
Balance at 1 April:	<b>7,766</b>	8,919
Net change in cash and cash equivalent balances	<b>619</b>	(1,153)
<b>Balance at 31 March:</b>	<b><u>8,385</u></b>	<u>7,766</u>

	<b>31 March</b>	31 March	1 April
	<b>2010</b>	2009	2008
	<b>£'000</b>	£'000	£'000
The following balances were held at:			
Commercial bank money market deposits	<b>7,351</b>	7,560	7,900
Commercial bank current accounts	<b>1,034</b>	206	1,019
Balance at:	<b><u>8,385</u></b>	<u>7,766</u>	<u>8,919</u>

**17 Trade payables and other current liabilities**

Amounts falling due within one year

	<b>31 March</b>	31 March	1 April 2008
	<b>2010</b>	2009	
	<b>£'000</b>	£'000	£'000
Corporation tax	<b>51</b>	216	237
Registration fees received in advance	<b>46</b>	44	382
Trade payables	<b>642</b>	621	910
Other payables	<b>382</b>	136	207
Accruals	<b>1,271</b>	749	890
	<b><u>2,392</u></b>	<u>1,766</u>	<u>2,626</u>

Amounts falling due after one year

	<b>31 March</b>	31 March	1 April 2008
	<b>2010</b>	2009	
	<b>£'000</b>	£'000	£'000
Accruals	<b>709</b>	836	962
	<b><u>709</u></b>	<u>836</u>	<u>962</u>

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

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

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**18 Deferred Grants**

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

	<b>Balance as at 1 April 2008 £'000</b>	<b>Received during the year £'000</b>	<b>Recognised in the income and expenditure account £'000</b>	<b>Repayable to awarding body £'000</b>	<b>Balance as at 31 March 2009 £'000</b>
DCSF Referrals Research grant	-	70	(70)	-	-
DCSF Registration Categories grant	-	40	(40)	-	-
Alumni Association	3	-	(1)	(2)	-
Hewett Driver Education Trust grant	40	8	-	-	48
DCSF Employer Access grant	150	-	(37)	-	113
	<b>193</b>	<b>118</b>	<b>(148)</b>	<b>(2)</b>	<b>161</b>

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**19 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 GTC's disciplinary function.
- Election**        To equalise four yearly election costs across financial years.
- 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 for this has taken place in the current year. Going forward it represents amounts set aside to support the future ICT strategy, designed to deliver internal efficiencies and to further improve service delivery to teachers and employers through the use of more effective and efficient processes involving the use of an enhanced customer relationship management system, supported by appropriate information and communication strategies, channels and systems.

	<b>Casework</b>	<b>Election</b>	<b>ICT</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>Strategy</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance as at 1 April 2008	250	84	954	1,288
Transfer from general reserve	-	140	300	440
Released to general reserve	-	(84)	(954)	(1,038)
<b>Net transfer to / (from) general reserve</b>	<b>-</b>	<b>56</b>	<b>(654)</b>	<b>(598)</b>
<b>Balance as at 31 March 2009</b>	<b>250</b>	<b>140</b>	<b>300</b>	<b>690</b>
<b>Balance as at 1 April 2009</b>	<b>250</b>	<b>140</b>	<b>300</b>	<b>690</b>
Transfer from general reserve	-	-	300	300
Released to general reserve	-	-	-	-
<b>Net transfer to general reserve</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>300</b>
<b>Balance as at 31 March 2010</b>	<b>250</b>	<b>140</b>	<b>600</b>	<b>990</b>

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**20 Commitments under leases**

**20a Operating Leases**

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

	<b>31 March 2010</b>	31 March 2009	1 April 2008
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Buildings</i>			
Not later than one year	<b>1,131</b>	973	973
Later than one year and not later than five years	<b>4,101</b>	3,892	3,892
Later than 5 years	<b>2,910</b>	3,355	4,328
	<b>8,142</b>	8,220	9,193
	<b>31 March 2010</b>	31 March 2009	1 April 2008
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Other</i>			
Not later than one year	14	9	11
Later than one year and not later than five years	20	17	20
	<b>34</b>	26	31

**20b Finance Leases**

There are no obligations under finance leases.

**21 Capital Commitments**

Contracted capital commitments at 31 March 2010 not otherwise included in these financial statements

	<b>31 March 2010</b>	31 March 2009	1 April 2008
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Property, plant and equipment	<b>24</b>	-	-
Intangible assets	-	288	-
	<b>24</b>	288	-

**22 Contingent Assets and Liabilities**

There were no contingent assets or liabilities at 31 March 2010 (April 2009: £Nil).

**23 Gifts**

There were no gifts received or made by the GTC during the year ended 31 March 2010

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**24 Related Party Transactions**

During the year the GTC had various material transactions with other Government departments and other central Government bodies. These were with the Office of Government Commerce as provider of telecommunications, with the Department for Children, Schools and Families for the provision of payroll services and with the Department of Work and Pensions for the provision of pension administration.

None of the Council Members, key managerial staff or other related parties has undertaken any material transactions with the GTC during the year to 31 March 2010

**25 Losses and special payments**

The GTC incurred no material losses or special payments in the year to 31 March 2010.

**26 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. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2009-10, employers' contributions of £1,153,387 were payable to the PCSPS (2008-09 £1,199,254) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. From 2010-11, the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2009-10 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £14,449 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 £1,775. Contributions prepaid at that date were £Nil.

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**27 Events after the reporting period**

The accounts were authorised for issue on 8 July 2010.

As disclosed in the financial Review, following the statement by the Secretary of State for Education made in the House of Commons on 2 June 2010, the Government has announced its intention to disband the General Teaching Council for England. At the current time there is no indication when the appropriate legislation will be enacted to enable the GTC to cease its operation. As such, the General Teaching Council for England considers that the going concern basis remains appropriate for the preparation of the financial statements. Accordingly, no adjustments have been made to assets and liabilities in the 2009-10 accounts.

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**Glossary**

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