

DRIVING FORWARD PROFESSIONAL
STANDARDS FOR TEACHERS



Annual Report and Accounts

2016-2017

Registered Charity: SC006187

Vision

The General Teaching Council for Scotland, as the independent professional body which promotes and regulates the teaching profession in Scotland, aspires to:

- ❖ maintain the confidence of the public through effective governance and by always working in the public interest
- ❖ be a world leader in professional education issues
- ❖ maintain and enhance standards of learning and teaching
- ❖ actively promote teacher professionalism.

Equality and Diversity Statement

- ❖ GTC Scotland promotes equality and diversity because we respect and value difference. We want everything that we do to be fair to all individuals and groups.
- ❖ While all teachers registered with us must meet the required professional standards of conduct and competence, we want to promote an inclusive profession that incorporates people from a range of diverse backgrounds and that respects the principle of equal treatment. We understand that varied perspectives will make valuable contributions to the teaching profession and that this will benefit learners.
- ❖ We want to ensure that all of our policies and services are free from discrimination. We seek to promote equality of opportunity by recognising and developing the diversity of talent within staff and Council, committee and panel members under an ethos of mutual respect and trust.

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1 Welcome

1.1 Convener's Report

I would like to begin by outlining GTC Scotland's key projects and activities taken forward over the past year on behalf of the teaching profession in Scotland.

We have been making major changes to modernise our services, with steps taken to ensure that the organisation remains contemporary and increasingly efficient and dynamic in what is a complex and challenging education environment in Scotland. We hope that you find this report reflects our ongoing transformation.

Throughout 2016–17, GTC Scotland officers and Council members have developed a new organisational vision and three new strategic objectives to drive our work forward over 2017–20.

We held detailed discussions at Council meetings about what the new vision of the organisation should be, and how our existing vision could be modernised to better reflect the changing world of teaching. After much debate we came up with a two-part vision: *Ensuring and enhancing educational professionalism; inspiring world-class learning and teaching*. I think this encapsulates what GTC Scotland does, both in relation to the learning side of the organisation and to our key work in registration and regulation.

The Council and its Committees were also heavily involved in developing the organisation's key objectives, and these were broken down into three key areas.

The first relates to professional learning and improving learner outcomes. GTC Scotland's role in this has never been more important as all of us in Scottish education aspire towards achieving excellence and equity for all learners. GTC Scotland's role in maintaining Professional Standards is key in this – to achieve excellent learner outcomes, Scotland needs to have excellent teaching professionals. Our work in developing and promoting teacher professionalism is therefore more important than ever before.

The second objective relates to GTC Scotland's role in effective regulation. You will find information in this report about the major changes introduced over the past year in the area of fitness to teach. In coming years you will see the positive impact of these changes and, we anticipate, see early evidence of this in our next Annual Report. At the same time as regulating the profession, GTC Scotland has an important role in enhancing the reputation of the profession across Scotland, so that teaching is seen as a valued profession that people aspire to be part of and which people respect.

Finally, the third main objective relates to the internal workings of our organisation in terms of improving its governance, effectiveness and capability. As the Scottish Government's Education Governance Review continues to take shape over the coming year, these steps will ensure that GTC Scotland is prepared for any new challenges that lie ahead.

1.2 Chief Executive's Statement

This has been another busy year for GTC Scotland as we have worked hard to meet our challenging 2014–17 strategic objectives and responded to significant changes in the Scottish education and regulatory systems.

Looking across the three main functions that we have – registration, regulation and supporting teachers' professional learning, we have been involved in major projects in all of them.

In registration, we have introduced increased flexibility into our processes, including new registration categories, and have begun to pilot online registration. These changes are about reducing the time it takes to process applications, addressing the current teacher shortage, and ensuring that those individuals who want to teach in Scotland, who come from a diverse range of backgrounds, are given that opportunity while ensuring that they all meet the Professional Standard for Full Registration.

In regulation, our fitness to teach process has been revised and new procedures have been put in place as we move towards full implementation of new Fitness to Teach Rules. This move is again about us adding greater flexibility and efficiency to our processes so that cases are dealt with more quickly, and so that we approach cases in a fair and proportionate way.

To support and enhance the professional learning of registrants, we have done a lot of work defining teacher professionalism, developing a Professional Learning Framework and beginning a review of the Professional Standards and the Code of Professionalism and Conduct.

We have also progressed major service projects, such as the further development of MyProfessional Learning and the Student Placement System. We have been working with stakeholders to take forward the registration of teachers in the independent sector and we have been prioritising the accreditation of 11 new routes into teaching, which are designed to offer increased flexibility and attract more teachers, especially in shortage areas, into the classroom.

Much progress has been made internally in GTC Scotland over the year. We have been investing heavily in modernising our IT infrastructure and will shortly embark on a programme of refurbishment of Clerwood House. Our staffing profile is changing to accommodate the introduction of the new IT systems that will help us to respond more quickly and effectively to registrant needs. It is also changing as we prepare for the outcomes of the Scottish Government's Education Governance Review, which proposes the registration and regulation of the wider education profession to give greater coherence and consistency around professional standards. Just as this past year has been a busy one, we anticipate the coming one will be equally busy as we strive to assure and enhance educational professionalism and inspire world-class teaching and learning.

2 Progress Against our Strategic Objectives

2.1 Act in the public interest to ensure confidence in the teaching profession

Highlights at a glance

- ❖ Worked with universities and Scottish Government to develop new routes into teaching to help ensure an adequate supply of new teachers who meet GTC Scotland's Professional Standards
- ❖ Consultation held on proposed changes to the Fitness to Teach Rules and new Rules approved and in place from 21 August 2017
- ❖ Fitness to Teach Threshold Policy developed setting out what GTC Scotland investigates under its fitness to teach procedures
- ❖ Fitness to Teach Publications Policy introduced setting out what information GTC Scotland will make public about fitness to teach cases
- ❖ Improved engagement with employers in relation to fitness to teach processes, with an Employer Fitness to Teach Seminar held on 6 September 2016 attended by 28 of the 32 local authorities

Following a public consultation, new Fitness to Teach Rules were approved by Council and came into force on 21 August 2017. The Rules set out the procedure that is followed when GTC Scotland investigates and determines fitness to teach referrals. A new Fitness to Teach Threshold Policy has also been developed, which sets out what GTC Scotland investigates under its fitness to teach procedures.

GTC Scotland Chief Executive and Registrar, Ken Muir, said: "We have had a major revision to our Fitness to Teach Rules which has involved a huge amount of work by our regulation team. The new Rules have been framed to ensure that we are targeting only those fitness to teach cases that are legitimately deserving of being taken forward, and that we process cases more quickly."

Alongside this work, Jennifer Macdonald, Director of Regulation and Legal Services, explained that the regulation team has continued to make significant progress with cases. She said: "It is essential that we continue to work to ensure that the fitness to teach cases that we receive are progressed appropriately and expediently in order to maintain public trust and confidence in the teachers that are on our Register."

Work has also focused on improving engagement with local authority employers of teachers. Much useful feedback was gathered from an employer seminar held at Clerwood House.

"Feedback covered things like the referral mechanism into the fitness to teach process (and the new online referral form that we have introduced), how clear employers are on what should and should not be referred into the fitness to teach process, and how we need to develop more of an ongoing dialogue with employers around the fitness to teach process," said Jennifer.

"Since the seminar we've established a dedicated fitness to teach employer stakeholder group which will meet for the first time in autumn 2017. Regular meetings will support us to take forward key issues identified both by GTC Scotland and by employers themselves. I think that dialogue will be invaluable," she added.

Looking forward

"2016/17 was about developing a new fitness to teach framework; this coming year is about implementation and putting that framework into action."

Through engagement with our stakeholders and enhanced communications, we will be focusing on embedding and promoting key messages on the ethos of our refreshed fitness to teach process: protection not punishment, openness, honesty, learning and reflection.

In the autumn we will begin a health and equality impact assessment exercise looking at how the fitness to teach process affects everyone who is involved in it, from the teachers themselves, to witnesses and others more widely.”

Jennifer Macdonald, Director of Regulation and Legal Services

2.2 Set standards and promote high quality professional learning for registrants at all stages in their careers

Highlights at a glance

- ❖ Review and refresh of the Professional Standards and the Code of Professionalism and Conduct is under way
- ❖ Successful Standard for Headship Conference and Awards Ceremony held in partnership with the Scottish College for Educational Leadership
- ❖ Co-creation of a new Professional Learning Framework and Excellence in Professional Learning Awards programme
- ❖ Successful progression with the MyPL pilot system
- ❖ Research carried out as part of the National Improvement Framework to survey graduating students on their level of preparedness for the teaching of literacy, numeracy, and health and wellbeing

Phase 1 of the MyProfessional Learning Pilot has progressed well and included some 300 representatives from six local authorities, and the independent school, university and college sectors. Their input has been crucial to ensuring that the system is developed to meet the needs of its users.

Martin Osler, Director of Communications, Digital Development and HR, said: “MyProfessionalLearning is a good example of something that cuts across the education, digital and communications side of what GTC Scotland does as an organisation to benefit registrants. It’s a new system that we’ve built, with support from Scottish Government, to support teachers in their professional learning and that has involved a lot of work from GTC Scotland staff in the digital team. In terms of communications we’ve worked hard to get ideas from registrants as to what they would like MyPL to do for them: what tools it should have to support their professional learning. And we’ve worked hard to take those on board and communicate what we’re doing throughout the Phase 1 pilot.”

Ellen Doherty, Director of Education, Registration and Professional Learning, said: “This project will directly impact registrants as it will deliver a simpler, more effective and, importantly for teachers, a quicker way of recording professional learning in a meaningful way. The new system will allow registrants to record a very strong narrative of how they are improving as an individual throughout their career, reflecting their professional journey.”

Phase 2 will begin in the autumn with more participants joining the pilot to help shape the development of the system.

Looking forward

“This year and into next year one of our big pieces of work is the review of the Professional Standards and the review of the Code of Professionalism and Conduct.”

We need to be mindful and we need to be respectful of the challenges that the governance review offers us, but we need to continue on with the work of the review of the Professional Standards to ensure that they remain contemporary and relevant for the teachers who are in the class at the moment, who are delivering all those aspirations of the educational system.”

We have working groups in place already and we will soon be engaging in a National Conversation. It is so important that the voice of the teaching profession is heard.”

Ellen Doherty, Director of Education, Registration and Professional Learning

2.3 Strengthen our role in enhancing professionalism in education

Highlights at a glance

- ❖ National Probationer Event recognised the strength of our probationer teachers and the Teacher Induction Scheme
- ❖ Worked with Scottish Government to deliver the teacher professionalism priorities of the National Improvement Framework
- ❖ Improvements made to the Student Placement System; successful delivery of thousands of student placements
- ❖ Continued to engage with others in the education profession at national and international level, enhancing the reputation of GTC Scotland. This includes engagement at the International Summit of the Teaching Profession in March 2017
- ❖ Now in the third year of Professional Update, having successfully signed off around 40,000 plus teachers

Development work on the Student Placement System (SPS) has continued while work on the placing of student teachers has been progressed in partnership with stakeholders.

Ellen Doherty, Director of Education, Registration and Professional Learning, said: “We have worked very hard on the Student Placement System over the last year. The greatest achievement in that has been working with ADES [Association of Directors of Education in Scotland] and local authorities to identify an approach which is called the ‘opt-out by exception’, which means that every school in Scotland offers students a place and only if there are extenuating circumstances do they opt-out of not taking students. That has resulted in this year 17,500 places required for students and 35,000 plus offers being made by schools and local authorities. That sounds very healthy, it is a two-to-one ratio, but we need to consider whether those offers are in the right subjects in the right places. However, it is a hugely positive beginning and we are in a much stronger position this year in terms of SPS.”

As part of its role in the National Improvement Framework, GTC Scotland has completed a lot of work looking at the notion of teacher professionalism and linking this to the Professional Standards and professional learning. Work has begun to revise the Professional Standards alongside the Code of Professionalism and Conduct, the Student Teacher Code, and also guidance on the use of social media.

Looking forward

“A very significant challenge over 2017/18 will be the outcomes arising from the next phase of consultation on the Education Governance Review that the government has put in place. The proposals are to broaden the scope of registration and regulation to a much wider education workforce with the roles and functions of the General Teaching Council for Scotland being significantly extended. That’s going to be a challenge to us and we’re already discussing with Scottish Government the scheduling and timescale in which other education professionals might be registered and regulated by us. We recognise that we need to look

again at our Registration Rules, and this will be a very significant piece of work over the next year allied to greater online registration.”

Ken Muir, Chief Executive and Registrar

2.4 Continue to improve our organisational effectiveness and capability

Highlights at a glance

- ❖ Streamlined fitness to teach procedures through improved administration, leading to faster case turnaround times
- ❖ New online referral form introduced for members of the public and employers
- ❖ Progressed an increased volume of fitness to teach complaint cases through the relevant processes
- ❖ Strategic Plan 2017–20 approved and in place
- ❖ New fee level introduced as part of a three-year budget approved by Council
- ❖ Continued to review the outcomes of the Stakeholder Engagement Research carried out 2014/15 with follow-up research planned for 2017/18

Over the past year a new three-year budget and Strategic Plan for the period 2017–20 have been approved by Council and put into place. GTC Scotland had budgeted for deficits for each of the three years from 2014–2017 and needed to put its finances on a sound footing. Before pen was even put to paper, the process began with a horizon-scanning exercise, explained Ronnie Erskine, Director of Business and Finance. This involved looking at the broader picture of education in Scotland, and getting people involved in thinking about how that might change over the next three years.

“What we did as part of that exercise was to engage initially with our Council members, and we prepared a whole range of scenarios,” said Ronnie. “From the horizon-scanning exercise we moved on to the creation of a dedicated working group, which had a broad cross-section of Council members present and involved.”

“We talked about some very difficult issues such as whether we should have differentiated fee levels, whether we should offer alternative payment options such as monthly direct debit and various other more technical finance issues.”

Budget discussions were linked into the strategic planning process, explained Ronnie. “There was detailed and intensive debate around what level our fees should be set at and what the benefits would be for our registrants in terms of resourcing the organisation’s priorities. After a lot of debate on this Council came to a decision to approve a three-year budget.”

The strategic plan itself has been redesigned, to make sure it reflects a greater degree of accountability to our registrants and an increased transparency. Council and its Committees were again heavily involved in shaping the organisation’s new vision and key objectives for the coming years.

Significant organisational efficiencies have been made and are planned for the coming year in areas such as staffing and energy – also an integral part of the new three-year budget.

Ronnie said: “There has been a big push over the last 18 months towards electronic working in the organisation. We moved our Committees and Council over to entirely electronic documentation. This has saved, we estimate, half a million sides of paper being printed each year, which has reduced our print volume by 50 percent and has resulted in significant

financial savings. There are also considerable environmental benefits, which we're conscious of as these link closely into our organisational values. We're now expanding the transition to electronic documentation further in the year ahead to include Panel documentation, which will result in further significant reductions in printing and paper usage."

Looking forward

"One of the things we're very conscious of is ensuring that we listen to the views of our registrants. What the fee increase showed us was that many registrants don't understand enough about what the General Teaching Council for Scotland does on their behalf. Listening to that feedback and acting on that feedback is absolutely crucial."

Key to open and transparent communications is a dialogue between ourselves and the teaching profession. We're really keen to hear from teachers about what they would like to see in Teaching Scotland magazine, in our e-newsletters and on our website – what we could do better, what we could offer that would be of more interest and of more practical use. We're starting a Communications Network group and looking for volunteers from the profession to work with us to develop our communications strategy in a way that supports teachers and understands their needs better."

Martin Osler, Director of Communications, Digital Development and HR

"The Business and Finance team is primarily a support function that's here to ensure that the frontline services in the organisation, in education and regulation in particular, are able to effectively meet the aspirations that we have as an organisation. We're looking to be as well prepared and responsive to what comes out of the education governance review as we can be. We're also looking at responding to some of the issues that came out of the last three-year budget exercise."

Ronnie Erskine, Director of Business and Finance

2.4.1 Risk management

We manage our corporate risks effectively by using our recently introduced Corporate Risk Register. This is monitored robustly throughout the year by our Corporate Management Team (CMT), Executive Committee and Council. In addition, our risk management processes are reviewed annually by our Finance and General Purposes Committee.

Some of the major risks identified and closely monitored throughout the financial year are shown below with some of the key mitigating actions.

Risk - Stakeholder and public confidence - Adverse publicity leads to a loss of stakeholder confidence in GTCS's ability to meet our customers' needs.

Actions – Communicate with registrants on the issues which they have raised and also with partners to advise them of fee levels and the value of registration.

Participate in external events and build networks and relationships with key stakeholders.

Risk – Public Protection – Actual or perceived failure to protect pupils, the public, witnesses and/or registrants or act in the public interest through the Fitness to Teach investigations process.

Actions – Guidance material in the form of practice statements has been issued.

External solicitors provided assistance in dealing with some outstanding cases.

Revised benchmarking reports were provided to Committee and the Corporate Management Team.

Risk – Service provision - The service provided to our registrants and stakeholders is not of a satisfactory standard.

Actions – A Customer Engagement strategy is being implemented.

Redeployment of staff on a temporary basis to meet peaks in workload.

Risk – Review of Education Governance – The Review of Education Governance results in unexpected, negative consequences for the role of GTCS, or GTCS does not have the capacity to successfully prepare for or absorb new responsibilities.

Actions – Regular staff and Council member briefings to ensure awareness of potential Review outcomes.

Ongoing meetings with key stakeholders and briefing sessions with media/stakeholders where required.

We continue to operate our recently developed Business Continuity Plan (BCP), which is due for a comprehensive review and update later in 2017. We carry out a thorough review of our HR policies, procedures and practices on an ongoing basis to ensure that they comply with legislation and best practice. Managers and staff are now fully conversant with the new performance management framework rolled out in 2015/16.

3 Case Studies

3.1 Professional Learning: The Professional Learning Framework

“A significant project that we’ve been involved with this year is the development of the Professional Learning Framework. This is a project that has been responding to the needs of registrants.”

The Professional Learning Framework looks at leadership, practitioner enquiry, self-evaluation and the whole professional learning process; at its very heart is children.”

Out of the Professional Learning Framework has come the new suite of Professional Learning Awards. I think this is a really exciting opportunity – it’s an opportunity for recognising what teachers achieve.”

For the first time this year we will hold the Excellence in Professional Learning Awards ceremony, and on that occasion we will introduce the GTC Scotland Convener’s Award, which will recognise someone in the Scottish education system who has shown great leadership in education, and who embodies in their daily practice and in their beliefs the professional values which form the foundation stones of the Professional Standards.”

Ellen Doherty, Director of Education, Registration and Professional Learning

3.2 Teacher Education: The Accreditation of New Routes into Teaching

“Scotland is currently facing a shortage of between 600 and 700 teachers. Many of these are in the STEM area, and we have been working with Scottish Government and universities to take forward 11 new routes into teaching.

“It has been hugely time consuming in terms of preparatory work – working with universities so that they understand the accreditation model, and then taking through the accreditations themselves. We have been very successful in taking those forward and to date have accredited 9 out of the 11 new routes, with the remaining two routes to be accredited in early autumn.

We have a very strong induction scheme and these new routes should be seen *in addition to not a replacement of* what is already an excellent programme for bringing teachers into the system. But we need these new programmes, we need to address the teacher shortage and we need to address it in the short term. While we need to think differently we cannot diminish quality; our children deserve the very best.”

The accreditations have been challenging and have been creative from the university end, but they have been demanding from the GTC Scotland end. It is an example of really good partnership working, where universities, GTC Scotland and Scottish Government have been working collaboratively to solve a very challenging issue.”

Ellen Doherty, Director of Education, Registration and Professional Learning

3.3 Registration: New Registration Categories and Streamlined Processes

“We have made significant changes to our registration processes and begun to pilot a programme of online registration. These are an attempt to deal with an increasing number of individuals who are applying to us for registration. But also to try and improve the speed at which applications are processed. We’re making sure that the online registration process is one which is robust and one which is more streamlined, more effective and more efficient.”

We have already made significant reductions to timeframes in our registration processes. The 28 days which we originally held as a benchmark for processing applications has been reduced to 21 days.”

We have been looking at ways in which we can meet the needs of the 2015 Education Bill, which requires all teachers in the independent sector to be registered with us.”

Ensuring that we have a robust mechanism for registering the very wide range of teachers who are working in the independent sector has certainly proved to be challenging. We’ve worked very closely with the Scottish Council of Independent Schools and with the sector itself.”

We have introduced a range of new registration categories to ensure that those working in the independent sector can stay in employment. One very important category is that of Provisional (Conditional) Registration which means that those who have a teaching qualification and those who have a degree and those who have teaching service are able to teach even if there is a gap in one area, as long as they address that gap.”

While we have taken a much more flexible approach to registration, we have ensured that we have maintained quality.”

Ken Muir, Chief Executive and Registrar

3.4 Fitness to Teach: New Fitness to Teach Rules

“Over 2016/17 we have developed a completely revised end-to-end fitness to teach process. The changes introduced are about making sure that cases progress quickly, that we are able to make decisions sooner, and that the process works better for everyone involved.

I think what we’ve achieved in terms of revising how the fitness to teach process will operate is substantial. We consulted on the proposed changes. We met with all of the professional associations and other stakeholders, and considered the range of feedback that we have gathered over a number of years on how our fitness to teach process has been working. It has been a massive achievement to pull all of that work together, so that by the end of 2016 Council approved new Fitness to Teach Rules.”

This piece of work sets us up really well for 2017/18 in terms of implementation. I hope we will see quite significant changes in terms of how long cases take to go through the fitness to teach process, and in how we are targeting our resources better to make sure that we are focusing on the cases that really should be in the fitness to teach process.”

This will allow us to place greater focus on other areas, such as greater stakeholder engagement and preventative work in the fitness to teach context. This work will place more of an emphasis on preventing harm from happening in the first place by increasing the feedback and guidance that is provided to teachers, learning from the fitness to teach referrals that we receive.”

Jennifer Macdonald, Director of Regulation and Legal Services

4 Statistics

4.1 Registration

Accreditation and review – programmes/modules accredited during the year

	2016/17	2015/16
ITE programmes	6	7
Professional Recognition	8	19
Headship	0	1

Registration of teachers

	2016/17	2015/16
Registered teachers at 31 March	74,016	73,788
Newly qualified registered teachers (1 April to 31 March)	2,539	2,462
Qualified outside Scotland (1 April to 31 March)	629	531

Probationer teachers awarded Full Registration

	2016/17	2015/16
Teacher Induction Scheme	2,470	2,422
Flexible Route	619	757
Professional Registration	222	129
Total	3,311	3,308

4.2 Student Placement System

Number of student placements made: 17,805

4.3 Fitness to Teach

	2016/17	2015/16
Total number of cases received*	160	333
Total number of cases closed*	209	287
Number of teachers removed from the Register	16	14

* The reduction from 2015/16 to 2016/17 is due to a significant (69%) drop in the number of criminal conviction referrals received and links directly to conclusion of Disclosure Scotland's PVG Scheme retrospective checking process.

5 Financial Review

5.1 Overview

The Financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities issued in 2015.

Review of Activities	2017 £'000	2016 £'000
Operating (Deficit)/Surplus excluding realised pension fund adjustments	224	180
Realised pension fund adjustment	(202)	(302)
Unrealised potential pension liabilities (increased)/reduced by	(4,086)	392
Investment in Fixed Assets	308	117
Increase in Unrestricted Reserves	222	252
Total Reserves	2,304	3,947

Capital expenditure

The major item of capital expenditure during 2016/17 consisted of £139,000 for website and system developments including the Student Placement System. GTCS invested £113,000 on new audio visual and conference facilities.

Pensions

There has been a significant increase in the value of GTC Scotland's share of the pension deficit contained within Strathclyde Pension Fund (SPF) during the financial year. The deficit at 31 March 2017 has been calculated on the basis recommended by FRS102.

The formal valuation of SPF is carried out triennially on a different accounting basis to this year's rolling valuation basis. This is carried out by the same firm of actuaries. This results in considerable variation in deficit levels within the accounts between accounting years which is not necessarily reflective of changes in SPF's performance and makes comparison between years of financial performance difficult.

Recent SPF deficits attributable to GTC Scotland are as follows:

31 March 2014	£416,000 (formal valuation basis)
31 March 2015	£2,793,000 (rolling valuation basis)
31 March 2016	£1,901,000 (rolling valuation basis)
31 March 2017	£3,768,000 (rolling valuation basis)

Policies

Reserves

GTC Scotland's policy, which was approved in June 2016 and is reviewed annually, is to ensure that the net assets are sufficient to meet contractual obligations to staff and pension commitments to current and former staff, and to assist with the regulation of registration fees. The Council considers that the minimum level of reserves should be sufficient to meet three months running costs held in liquid funds excluding the value of the office property, Clerwood House as at 31 March 2017. The policy has been met.

Investments and Cash Management

GTC Scotland took the decision to divest itself of its equity investments over the year 2015/16. Until the dates of disposal it operated a balanced risk and ethically based investment policy. A Cash Management policy is in place and is reviewed annually.

Risk

GTC Scotland members have assessed and re-assess on a regular basis the major risks to which the Council is exposed, in particular those relating to the operations and finances of the Council, and are satisfied that appropriate systems are in place to mitigate exposure to the major risks. A revised policy to manage organisational risk was introduced during 2014/15. The main risks to which GTCS is exposed are described in section 2.4.1 Risk management.

Procurement Policy and Supplier Payments

GTC Scotland supports the CBI Prompt Payment Code and pays its suppliers in accordance with the principles of the Code. Properly authorised invoices are paid within ten days in line with best practice. GTCS has an approach to procurement which is designed to achieve good value and is subject to regular review.

6 Structure, Governance and Management

GTCS is a charity registered with Office of the Scottish Charity Regulator (OSCR) and, in its current form, was established by the Public Services Reform (General Teaching Council for Scotland) Order which came into force on 17 March 2011. The Order gives details of the principal aims of the Council which may be summarised as maintenance and improvement of teaching standards and to contribute to the quality of teaching and learning.

GTCS is governed by a Council of 37 members composed of elected, nominated and appointed lay members. Council membership (based on a four year term of office) follows a rolling programme, with election, nomination and appointments processes taking place every two years and half of the members stepping down at the end of each two year period.

19 Council members are elected in accordance with the GTCS Election Scheme. All GTCS registrants are entitled to stand for election and to vote for registrants standing for election (in the election category applicable to them).

11 Council members are nominated by educational stakeholder bodies as stated in the Public Services Reform (GTCS) Order 2011. The nominating bodies and the number of members they are entitled to nominate are set out in detail at section 7.1 of the report.

The recruitment and appointment of 7 Lay Council members is overseen by the Appointments Committee (made up of appointed registered teacher and lay members who are independent from the GTCS Council) in accordance with the GTCS Appointments Scheme.

Full details of the Council membership are set out at section 7.1 of the report.

Much of the work of Council is conducted through its committees which have delegated responsibilities in certain areas. The committees formulate and recommend policies for approval by Council and implement and monitor policies approved by Council. They also advise, inform, and put forward recommendations or proposals on other matters for Council or its other committees or sub-committees as appropriate.

GTCS Council members serve on the following committees and sub-committees.

- ❖ Executive Committee
- ❖ Professional Regulatory Assurance Committee
- ❖ Education Committee
- ❖ Finance and General Purposes Committee
- ❖ Audit Sub-Committee
- ❖ Staffing Sub-Committee

A full two-day induction and training event is delivered to all new and returning Council members every 2 years at the start of each new Council. Members joining mid-term are provided with a summarised programme in advance of attending their first committee meeting. All committees undertake a half-day training event on an annual basis in order to ensure that they are well informed on areas pertinent to the work of the committee on which they serve.

7 Reference and Administrative Details

The address of the principal office of the charity is as follows;

General Teaching Council for Scotland
Clerwood House
96 Clermiston Road
Edinburgh
EH12 6UT

Telephone number is 0131 314 6000

7.1 Membership of the Council – 2 April 2016 to 1 April 2017

I ELECTED MEMBERS [19]

(a) Primary/Nursery Teachers (including Headteachers) [8]

*Margaret Forster	(HT)+	(2018)
*Marie Lyon	(HT)+ (From February 2017++)	(2018)
*Mary McLachlan	(HT)+ (To February 2017)	(2020)
*Craig Carson	(From September 2015)	(2020)
*Linda A Fisher-Dougan	(To December 2016)	(2020)
*Paula J McEwan		(2018)
*Edith Swinley		(2020)
*Vacancy	(From February 2017)	[2018] (2020)
*Vacancy	(From February 2017)	[2018] (2020)
*Martin Whitfield		(2020)

(b) Secondary Teachers (including Headteachers) [9]

*David Innes	(HT)+	(2020)
*Derek A Thompson	(HT)+	(2018)
*Richard Bell		(2020)
*Patrick J Boyle		(2018)
*Kevin Campbell	(From February 2017)	(2020)
*Allan Connell	(From February 2017)	[2018] (2020)
*Karen J Farrell		(2020)
*Jennifer Gourley	(To February 2017)	(2018)
*William Hamilton		(2018)
*Vicky Lyon	(To February 2017)	(2020)
*Helen Sedgwick		(2018)

(c) Further Education [1]

*Alison B M Chambers	(2018)
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(d) Universities providing courses of Initial Teacher Education [1]

*Paula Cowan	(2020)
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II NOMINATED MEMBERS [11]

(a) Convention of Scottish Local Authorities (following consultation with the Association of Directors of Education in Scotland) [3]

*Helen Budge	(2020)
*Terry Loughran	(To June 2017) (2018)
*Alan Nimmo	(From January 2016 to November 2016) (2018)
Vacancy	(From November 2016) (2018)
Vacancy	(From June 2017) (2018)

(b) Universities Scotland (following consultation with universities providing courses of Initial Teacher Education) [3]

*Sue Ellis	(2020)
*Donald Gillies	(2018)
*Neil Simco	(2018)

(c) Further Education Colleges [1]

David Alexander	(From November 2016)	(2018)
Lindsay Seywright	(To August 2016)	(2018)

(d) Scottish Council of Independent Schools [1]

*Margaret Lannon	(2020)
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(e) Church of Scotland [1]

Dorothy Ferguson	(2020)
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(f) Roman Catholic Church [1]

Neil Roarty	(2018)
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(g) Parent Councils and Combined Parent Councils [1]

Barrie Sheppard	(2018)
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III APPOINTED LAY MEMBERS [7]

David Bleiman	(To February 2017)	(2020)
Audrey Cowie		(2020)
Ian Jackson		(2020)
David McCue		(2018)
David Mitchell		(2018)
Robbie Pearson		(2020)
Simon Thompson		(2018)
Vacancy	[2018]	(2020)

+Reserved Headteacher Places

*Registered Teacher

++ Move from Teacher Place to Reserved Headteacher Place

(2018) or (2020) indicates the year in which the term of office for a particular Council seat ends on 1 April

[] Numbers in square brackets refer to the number of members available to each category

[[to 2018]] indicates the year in which a Council seat is filled by a member until 1 April 2018 where this is shorter than the term of office applicable to the seat in question

OBSERVERS

Alan Armstrong, Education Scotland
 John Gunstone,
 Scottish Government Learning Directorate (To August 2016)
 Stuart Robb,
 Scottish Government Learning Directorate (From June 2016)
 Rachel Sunderland,
 Scottish Government Learning Directorate (To June 2016)
 Stephanie Walsh
 Scottish Government Learning Directorate (From August 2016)

8 GTC Scotland Responsibilities

The Council members are responsible for preparing the Council report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

The law applicable to charities in Scotland requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Council members are required to:

- ❖ select suitable accounting policies and apply them consistently;
- ❖ observe the methods and principles in the Charities SORP;
- ❖ make judgements and estimates that are reasonable and prudent;
- ❖ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ❖ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Public Services Reform (General Teaching Council for Scotland) Order 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable Status

In December 2009 the Office of the Scottish Charities Regulator (OSCR) confirmed that GTC Scotland meets the charity test as laid out in sections 7 and 8 of the Charity and Trustee Investment (Scotland) Act 2005.

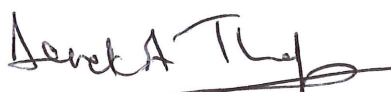
Conclusion

GTC Scotland remains in a strong financial position with an appropriate level of reserves and suitable policies to continue to undertake its statutory functions effectively.

By order of the Council:



Kenneth Muir
Chief Executive and Registrar



Derek Thompson
Convener of Council

27 September 2017

9 Independent Auditors' Report to the Members of the General Teaching Council for Scotland

We have audited the financial statements of The General Teaching Council for Scotland for the year ended 31 March 2017 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) *including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland.'*

This report is made solely to the charity's Council members, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Public Services Reform (GTC Scotland) Order 2011. Our audit work has been undertaken so that we might state to the charity's Council members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Council and Auditor

As explained more fully in the Statement of Council responsibilities set out on page 26, the Council members are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion the financial statements:

- ❖ give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ❖ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ❖ have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Public Services Reform (GTC Scotland) Order 2011; and

Matters on Which we are Required to Report by Exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material mis-statements in the annual report.

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ❖ the information given in the Council members' annual report is inconsistent in any material respect with the financial statements; or
- ❖ proper accounting records have not been kept; or
- ❖ the financial statements are not in agreement with the accounting records and returns; or
- ❖ we have not received all the information and explanations we require for our audit.

Scott-Moncrieff

Scott-Moncrieff

Registered Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

Exchange Place 3

Edinburgh EH3 8BL

27 September 2017

10 Financial Statements

10.1 Statement of Financial Activities

(Incorporating the Income and Expenditure Account)
For the Year Ended 31 March 2017

		Total Unrestricted Funds 2017	Total Unrestricted Funds 2016
	Notes	£'000	£'000
Income and endowments from:			
Charitable activities	4	4,589	4,380
Investments	5	24	24
Other		4	4
Total		4,617	4,408
Expenditure on:			
Charitable activities	6	4,595	4,530
Total		4,595	4,530
Net gains on investments	12	-	32
Net Income/(Expenditure)		22	(90)
Other recognised gains/(losses):			
Net gain on revaluation of heritable property		-	62
Actuarial (Loss)/Gain on Defined Benefit Pension Scheme	21	(1,665)	1,194
Net movement in funds		(1,643)	1,166
Reconciliation of funds:			
Total funds brought forward	17	3,947	2,781
Total funds carried forward	17	2,304	3,947

All incoming resources and expenditures are derived from continuing activities.

The notes on pages 25 to 34 form part of these accounts

10.2 Balance Sheet

At 31 March 2017

	Notes	2017 £'000	2016 £'000
Tangible Fixed Assets	9	<u>3,300</u>	<u>3,243</u>
Current Assets			
Debtors and prepayments	10	166	153
Investments	12	-	-
Cash at bank and in hand	11	<u>3,209</u>	<u>3,167</u>
		<u>3,375</u>	<u>3,320</u>
Liabilities			
Creditors: Amounts due within one year	13	<u>(337)</u>	<u>(279)</u>
Net Current Assets		<u>3,038</u>	<u>3,041</u>
Total Assets Less Current Liabilities		6,338	6,284
Provision for Liabilities and Charges			
Provision for Liabilities	15	<u>(266)</u>	<u>(436)</u>
Net Assets Excluding Defined Benefit Pension Scheme Liability		<u>6,072</u>	<u>5,848</u>
Defined Benefit Pension Scheme Liability	21	<u>(3,768)</u>	<u>(1,901)</u>
Net Assets Including Defined Benefit Pension Scheme Liability		<u>2,304</u>	<u>3,947</u>
Represented by unrestricted funds			
Accumulated Unrestricted Reserve	17	4,682	4,460
Revaluation Reserve	17	<u>1,390</u>	<u>1,388</u>
Unrestricted Funds Excluding Pension Reserves		6,072	5,848
Defined Benefit Pension Scheme Reserve	17	<u>(3,768)</u>	<u>(1,901)</u>
Total Funds		<u>2,304</u>	<u>3,947</u>

Approved and authorised for issue on 27 September 2017 by the Finance and General Purposes Committee of the Council and signed on its behalf by the Convener:



Ian Jackson

Approved and authorised for issue on 27 September 2017 by The General Teaching Council for Scotland and signed on its behalf by the Convener of Council:



Derek Thompson

The notes on pages 25 to 34 form part of these accounts.

10.3 Statement of Cash Flows

For the Year Ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities:			
Net cash used by operating activities	18	326	87
Cash flow from investing activities			
Interest		24	24
Disposal of investments		-	1,453
Purchase of property, plant and equipment		(308)	(117)
Net cash used in financing activities		<u>(284)</u>	<u>1,360</u>
Change in cash and cash equivalents in the year		42	1,447
Cash and cash equivalents at the beginning of the year		<u>3,167</u>	<u>1,720</u>
Cash and cash equivalents at the end of the year		<u><u>3,209</u></u>	<u><u>3,167</u></u>

The notes on pages 25 to 34 form part of these accounts

10.4 Notes to the Financial Statements

For the Year Ended 31 March 2017

(1) Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended).

GTC Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgements in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going Concern

GTC Scotland has assessed a period of 12 months from the date of approval of the financial statements and considered that no material uncertainties exist that cast doubt on the ability of the charity to continue as a going concern. Thus GTC Scotland adopts the going concern basis of accounting in preparing the financial statements. The charity has substantial cash reserves and a forward planning cycle of three years which is sufficiently robust to provide early indication of any potential unmanageable losses. Through the teacher registration fee GTCS has a stable source of future income. In addition the Corporate Management Team reviews the GTCS risk register on a regular basis.

Income Recognition

All income is included in the Statement of Financial Activities when GTC Scotland is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The principal sources of income relate to fees charged, interest on investments and support received from the Scottish Government in relation to continuing professional development. Fees received in advance are deferred until the accounting period in which they are earned.

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Governance costs are those incurred in holding the Council election, by Council members in attending committee and other meetings and the costs of professional services such as external audit.

Tangible Fixed Assets

Capitalisation and Replacement

Clerwood House was re-valued in March 2016 and is included in the accounts at the valuation amount less depreciation. All other assets are included at their purchase price together with any incidental costs of acquisition, less depreciation. The asset capitalisation threshold is £1,000.

Impairment

Impairment reviews are carried out on an annual basis

Depreciation

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual value, over the expected useful lives of the assets concerned. Buildings are depreciated on a straight line basis at 2% per annum, fixed plant on a straight line basis at 20% per annum, computing equipment on a straight line basis at 33% per annum and office furniture on a straight line basis at 20% per annum.

Debtors

Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoiced amount, less any allowance for doubtful debts.

Investments

No investments were held during the year.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks which are readily convertible, being those with maturities of twelve months or fewer from inception.

Cash and cash equivalents are measured at amortised cost.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Recognition of Liabilities

Liabilities are recognised and provided for when an obligation arises to transfer economic benefits as a result of past transactions or events.

Financial Assets and Liabilities

Financial instruments are recognised in the balance sheet when the Charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Pension Costs

Employees of GTC Scotland participate principally in the Strathclyde Pension Fund, a defined benefit scheme administered by Glasgow City Council. Annual contributions to the scheme are based on the recommendation of the scheme actuary and are charged to the statement of financial activities so as to spread the expected cost of providing pensions over the employees' period of service with the GTC Scotland.

Three employees contributed to the Scottish Teachers' Superannuation Scheme (STSS) during the year. Annual contributions to the scheme, at the rates determined by the Scottish Government, are charged to the statement of financial activities.

(3) Critical Judgements and Estimates

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

(4) Incoming Resources from Charitable Activities

	2017 £'000	2016 £'000
Registration Activities	4,421	4,205
Agency Income - PoVG Fees	117	101
Advertising Revenue	51	74
	<u>4,589</u>	<u>4,380</u>

(5) Interest and Investment Income	2017 £'000	2016 £'000
	<u>24</u>	<u>24</u>
Short term deposit interest	<u>24</u>	<u>24</u>

(6) Expenditure on Charitable Activities – Registration Activities

	2017 £'000	2016 £'000
Salaries and Related Staff Costs	2,636	2,729
Realised Pension Movement	202	302
Administration	575	504
Bureaux and Professional Services	519	382
Disclosure and Other Fees	121	101
Property and Security	174	181
Depreciation	251	210
Governance – General Expenses		
Election costs	-	7
Accommodation and Catering	17	20
Travel and Subsistence	43	40
Council, Committee and Panel Member Compensation	43	42
Auditor's Remuneration	14	12
	<u>4,595</u>	<u>4,530</u>

A compensation scheme for Council, Committee and Panel members is in operation. In addition, a GTC Scotland / Convention of Scottish Local Authorities (COSLA) agreement is in place to ensure the availability of registered teacher Council and Panel members employed in a local authority to participate in Council, Committee or Panel meetings or training events.

Travel and subsistence represents the cost of reimbursing Council, Committee and Panel Members for expenses incurred by them in attending meetings. During the year 2017: 31 members (2016: 33) made travel and subsistence claims.

(7) Employee Information

	2017 £'000	2016 £'000
Staff Costs		
Wages and Salaries	2,022	2,076
Social Security Costs	203	168
Pension Costs	381	382
	<u>2,606</u>	<u>2,626</u>

The average number of persons (excluding Council members) employed by GTC Scotland during the year was 64 (2016: 64) of which 18 (2016: 16) were part-time. During the year there were on average 58 (2016: 59) full time equivalent employees. Payments in respect of temporary staff amounted to £162,009 (2016: £160,963). Two members of staff were on maternity leave at the year end.

Employee Costs – Salary Bands at 31 March 2017		2017 Number	2016 Number
£'000	£'000		
60	69	-	-
70	79	2	4
90	99	1	1
110	119	1	0
		<u>4</u>	<u>5</u>
Total			

Higher paid staff accruing retirement benefits under a defined benefit scheme		2017 Number	2016 Number
£'000	£'000		
60	69	-	-
70	79	2	4
90	99	1	1
110	119	1	-
		<u>4</u>	<u>5</u>
Total			

A Director resigned with effect from 31 March 2017 and received payment in lieu of notice equivalent to 6 months' salary in line with contractual obligations. This resulted in a total payment of annual salary plus payment in lieu of notice between £110,000 – £119,999 for this employee.

The Corporate Management Team's salary progression is subject to annual performance review.

Chief Executive's Remuneration	Salary		Employer's Pension Contribution	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Kenneth Muir	96	95	19	18

(8) Taxation

GTC Scotland is a registered charity (SC006187) and as such is entitled to certain tax exemptions on income from investments. GTC Scotland is not registered for VAT and accordingly, all expenditure is recorded inclusive of any VAT incurred.

(9) Fixed Assets

	Heritable Property £'000	Office Furniture Computer Equipment £'000	Website £'000	Total £'000
Cost				
At 1 April 2016	3,200	622	640	4,462
Additions	28	141	139	308
Disposals	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
At 31 March 2017	3,228	763	779	4,770
Depreciation				
At 1 April 2016	200	581	438	1,219
Charge for the year	82	40	129	251
Disposals	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
At 31 March 2017	282	621	567	1,470
Net Book Value				
At 31 March 2017	2,946	142	212	3,300
Net Book Value at 31 March 2016	3,000	41	202	3,243

(10) Debtors and Prepayments

	2017 £'000	2016 £'000
Debtors	48	65
Prepayments and Accrued Income	118	88
	166	153

(11) Cash and Cash Equivalents

	2017 £'000	2016 £'000
Short Term Deposits	3,054	3,047
Cash at bank and in hand	155	120
	3,209	3,167

(12) Investments

	2017 £'000	2016 £'000
Market value at 1 April 2016	-	1,421
Net gain on disposal	-	32
Disposal proceeds	-	(1,453)
Market Value at 31 March 2017	-	-

Investments were held in listed funds.

(13) Creditors

	2017	2016
	£'000	£'000
Trade Creditors	72	64
Accruals	249	199
George D Gray Award	16	16
	<u>337</u>	<u>279</u>

Included within accruals is a Payment in Lieu of Notice which was committed during March 2017.

(14) Operating Leases

	2017	2016
	£'000	£'000
Lease payments due:-		
Within 1 Year	3	-
From 1 – 5 Years	13	-
Over 5 Years	2	-
Total	<u>17</u>	<u>-</u>

In February 2017 GTCS entered into a leasing agreement with an annual commitment of £3,302 and which ends in 2022.

(15) Provision for Liabilities

	Pension	Other	2017	2016
	£'000	£'000	£'000	£'000
Provision at 1 April 2016	436	-	436	450
Amounts Used During Year	(14)	-	(14)	(14)
Amount Provided for during year	-	50	50	-
Decrease during the period in the discounted amount arising from the passage of time and a change in the discount rate (reflecting the reduction in interest rates).	(206)	-	(206)	-
Provision at 31 March 2017	216	50	<u>266</u>	<u>436</u>

The pension provision relates to future obligations to former members of staff. The provision is based on a calculation as at 31 March 2017 using information relating to each recipient. Date of birth, gender and any entitlements of a spouse are taken into account. The provision is released as payments are made to each recipient. Other provisions relate to legal costs in respect of cases which were ongoing as at 31 March 2017.

Other provisions relate to assessment costs in respect of Fitness to Teach cases which were ongoing at 31st March 2017

(16) Financial Assets and Liabilities

	2017	2016
	£'000	£'000
Financial assets at amortised cost	3,257	3,232
Financial liabilities at amortised cost	(337)	(279)
	<u>2,920</u>	<u>2,953</u>

Financial assets and liabilities include all Current Assets and Liabilities with the exception of prepayments and accrued income.

(17) Reserves

	At 1 April 2016 £'000	Income £'000	Expenditure £'000	Recognised Gains/ (losses) £'000	At 31 March 2017 £'000
Accumulated Unrestricted Reserve	4,460	4,617	(4,595)	200	4,682
Revaluation Reserve	1,388			2	1,390
Defined Benefit Pension Reserve	(1,901)			(1,867)	(3,768)
Total	3,947	4,617	(4,595)	(1,665)	2,304

(18) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £'000	2016 £'000
Net income / (expenditure) for the reporting period	22	(91)
Adjustments for:		
Depreciation charges	251	210
Gains on investments	-	(32)
Interest	(24)	(24)
(Increase) in debtors	(13)	(69)
Increase / (Decrease) in creditors	58	(195)
Increase / (Decrease) in provisions	(170)	(14)
Defined Benefit Pension Scheme	202	302
Net Cash Inflow /(Outflow) from Operations	326	87

(19) Indemnity Insurance

The Council paid £11,530 (2016: £11,066) for professional indemnity insurance for the year ended 31 March 2017.

(20) Future Commitments

The Council had future capital commitments amounting to £22,000 (2016: £97,000). For the year 2017-18 the Council recognises there may be possible asset purchases amounting to £300,000 (2016: £250,000).

(21) Pensions

The Council participates in two pension schemes. Two employees contributed to the Scottish Teachers' Superannuation Scheme (STSS) during the year. The employee contributions ranged from 10.4% to 11.5% (2016: 7.2 - 10.4%) for employees and 17.2% (2016: 17.2%) for employers. The STSS is a defined benefits scheme administered by the Scottish Government with contribution rates based on notional assets set for the area covered as a whole. The scheme is unable to identify each individual body's share of the underlying assets and liabilities on a consistent and reasonable basis. The Council therefore accounts for these pension costs as if it were a defined contribution scheme.

Employees of the Council participate principally in the Strathclyde Pension Fund, a defined benefit scheme administered by Glasgow City Council. The scheme is a multi-employer scheme. Annual contributions to the scheme are based on the recommendation of the scheme actuary and are charged to the Statement of Financial Activity so as to spread the expected cost of providing pensions over the employees' period of service with the Council. Employees contribute between 5.5% and 9.8% of their salary. Employers' contributions were 19.3% for 2017 (2016: 19.3%). Unfunded early retirement pension enhancements for which the Council is liable are provided for in full when employees retire and are charged against the provision when paid. Employer contributions for the year to 31 March 2018 will be approximately £363,000.

A formal valuation of the Strathclyde Pension Fund (SPF) was carried out as at 31 March 2014 by a qualified independent actuary, Hymans Robertson LLP. In order to assess the actuarial value of the SPF's liabilities as at 31 March 2014, the Scheme's actuaries have rolled forward the actuarial value of the liabilities allowing for changes in financial assumptions as prescribed under FRS 102 The Financial Reporting Standard applicable in the UK.

The principal assumptions used as at 31 March 2017 were as follows:

	2017	2016
	% per annum	% per annum
Inflation/ Pension Increase Rate	2.4%	2.2%
Salary Increases	4.4%	4.2%
Expected return on assets	3.6%	3.7%
Discount Rate	2.6%	3.5%

The demographic assumptions adopted are consistent with those used for the formal funding valuation as at 31 March 2014. Life expectancy for pensioners and non-pensioners is based on the PMA/PFA92 "year of birth" mortality tables. It has been assumed that 5% of retiring members will opt to increase their lump sums to the maximum allowed. The assumed life expectations from age 65 are:

		2017	2016
		Years	Years
Current Pensioners	Males	22.1	22.1
	Females	23.6	23.6
Future Pensioners	Males	24.8	24.8
	Females	26.2	26.2

The assets in the scheme and expected rates of return of the Strathclyde Pension Fund investments as at 31 March were as follows:

	2017	2016
	Split of Assets	
Equities	73%	72%
Bonds	12%	16%
Property	10%	12%
Cash	5%	0%

Balance sheet analysis

	2017	2016
	£'000	£'000
Fair Value of Employer Assets (A)	10,348	8,129
Present Value of Funded Liabilities (B)	(14,034)	(9,955)
Present Value of Unfunded Obligations (B)	(82)	(75)
Net Liability in the Balance Sheet	(3,768)	(1,901)

A: Reconciliation of Fair Value of Employer Assets

	2017	2016
	£'000	£'000
Opening Fair Value of Scheme Assets	8,129	7,629
Expected Return on Scheme Assets	289	249
Actuarial Gains	1,631	(46)
Contributions by Employer	363	340
Contributions by Participants	131	122
Estimated Benefits Paid (Net of Transfer)	(195)	(165)
Closing Fair Value of Scheme Assets	10,348	8,129

B: Reconciliation of defined benefit obligation

	2017	2016
	£'000	£'000
Opening Defined Benefit Liability	10,030	10,422
Service Cost	501	554
Interest Cost	358	342
Actuarial Losses/(Gains)	3,296	(1,240)
Estimated Benefits Paid (Net of Transfer)	(195)	(165)
Unfunded Benefits Paid	(5)	(5)
Contributions by Participants	131	122
Closing Defined Benefit Liability	14,116	10,030

Statement of financial activities analysis

	2017	2016
	£'000	£'000
Opening Deficit	(1,901)	(2,793)
Current Service Cost	(501)	(554)
Employers Contributions	363	340
Past Service (Costs)/Gains	-	-
Contributors' Unfunded Benefits	5	5
Interest Cost	(358)	(342)
Expected Return on Employer Assets	289	249
Actuarial (Losses) / Gains	(1,665)	1,194
Closing Deficit	(3,768)	(1,901)

	2017	2016
	£'000	£'000
Actual Return on Scheme Assets	2,518	908

(23) Related parties

There have been no related party transactions during the year that require disclosure other than the transactions with Council Members disclosed in note 6.

11 Public Services Reform (Scotland) Act 2010

As a statutory body, GTC Scotland is subject to the reporting requirements of the Public Services Reform (Scotland) Act 2010 with regard to publishing information on specific items of expenditure. This information is available from the GTC Scotland website as follows:

Financial Expenditure: www.gtcs.org.uk/home/foi.aspx

Senior Staff Salaries: www.gtcs.org.uk/home/foi.aspx

GTC Scotland aims to promote equality and diversity in all its activities

GTC Scotland
Comhairle Choitcheann Teagaisg na h-Alba

The General Teaching Council for Scotland is the independent professional body which maintains and enhances teaching standards and promotes and regulates the teaching profession in Scotland. We strive to be a world leader in professional education issues.

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Student, Probationer and Early Phase site:
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