

DRIVING FORWARD PROFESSIONAL
STANDARDS FOR TEACHERS



Annual Report and Accounts

2017-2018

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 our Staff and Council, Committee and Panel members under an ethos of mutual respect and trust.

Aithris Co-ionannachd is Iomadachd

Tha GTC Alba a' brosnachadh co-ionannachd is iomadachd oir tha sinn a' toirt urram agus a' cur luach ann an caochlaidhean. Tha sinn airson is gum bi a h-uile càil a tha sinn a' dèanamh cothromach do dhaoine is do bhuidhnean fa leth.

Ged a dh'fheumas gach tidsear a tha clàraichte again coinneachadh ris na h-inbhean proifeiseanta riatanach a thaobh dòigh-giùlain is comais, tha sinn airson a bhith a' brosnachadh proifeisean in-ghabhalta a tha a' gabhail a-steach dhaoine bho raon farsaing de chùl-raointean agus a tha a' toirt urram don phrionnsabal de dhèiligeadh co-ionann. Tha sinn a' tuigsinn gun cuir seallaidhean diofraichte gu mòr ri proifeisean an luchdteagaisg is gum bi seo gu buannachd an luchd-ionnsachaidh.

Ha sinn airson dèanamh cinnteach gum bi ar poileasaidhean agus ar seirbheisean air fad saor bho leth-bhreith. Tha sinn ag amas air a bhith a' brosnachadh co-ionannachd cothruim le bhith ag aithneachadh is a' leasachadh iomadachd an tàlant a tha nar luchd-obrach is ann am buill ar Comhairle, comataidh agus panal fo fheallsanachd de cho-mheas agus earbsa.

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1 Welcome

1.1 Convener's Update

I would like to begin by thanking the staff and Council members of the General Teaching Council for Scotland for all their work over the past year, and indeed over the past four years in which I have been Council Convener.

At the end of the reporting period for this Annual Report, I passed on the role of Convener to David Innes, secondary headteacher at Harlaw Academy in Aberdeen, who was elected to post following elections which put in place a refreshed 2018–20 Council. I am sure David, and GTC Scotland's new Vice Convener, Edith Swinley, Principal Teacher at Kinglassie Primary School in Fife, will enjoy leading the work of Council over the coming years and I wish them all the very best in this.

The past year has, again, been a busy one, and not without its challenges. Scottish Government proposals to transform GTC Scotland into an "Education Workforce Council" attracted much attention and required the organisation to focus time and resources to addressing the proposals.

The implications of the Education Governance Review and the work it required from GTC Scotland Council members and staff involved producing a detailed response to the Government's Empowering Schools Consultation, which closed to the public on 30 January 2018. Our response included detailed appendices setting out the costs and legal implications associated with different scenarios should the government proceed with its proposals. Our Council was strongly opposed to the "Education Workforce" proposals and we are pleased that Scottish Government listened to our voice, and indeed to the voice of the wider teaching profession which clearly spoke in favour of maintaining the General Teaching Council for Scotland.

However, our response also made clear that GTC Scotland is fully supportive of Scottish Government's ambitions to improve the education and life chances of all children and young people in Scotland. In its first submission to the Scottish Government consultation on education governance which closed on 6 January 2017, GTC Scotland also emphasised that Council had also been considering the benefits to registering a wider range of education professionals directly involved in learning and teaching. GTC Scotland will work with Scottish Government to progress this over the coming year.

It has been a huge honour and privilege to convene the Council of GTC Scotland. GTC Scotland's Council members and staff are passionate about and committed to education. There will always be some who question the work of GTC Scotland and it is right that people do challenge, but I can tell you that its people are tireless and relentless in their support for doing what is right in the public interest for the children and young people of Scotland. I will miss them all very much. Thank you.

Derek A Thompson
Convener of Council

1.2 Chief Executive's Statement

It has been a challenging year for everyone at Clerwood House as we managed our day-to-day work providing a range of important and innovative services to registrants while considering the implications of the Scottish Government's consultation on the Education (Scotland) Bill.

This consultation proposed some considerable changes to GTC Scotland, an organisation that has worked tirelessly and well on behalf of teachers for over half a century. A short-life working group made up of Council members and our Corporate Management Team was set up to prepare our consultation return, and also to give all of our staff support at a time of potential significant change. We are pleased to see, following the Deputy First Minister's announcement to Parliament in June, that there is no longer a proposal to establish an Education Workforce Council Scotland. The Scottish Government listened not only to our arguments against such a change, but also the arguments against voiced by an overwhelming majority of registrants and stakeholders, and international educationalists. It was gratifying and not a little humbling to see the depth of support for GTC Scotland, its staff and its work.

In this Annual Report, we present progress against the 2017–20 Strategic Objectives that we introduced last year. We have moved to work towards three key objectives that reflect the three key pillars of our work: registration, regulation and supporting teachers' professional learning and leadership. This past year has seen major projects in all three areas and you will find detailed information about these in this document.

We have continued our work to support strategic education policy making that enhances the learning and opportunities for children and young people in Scotland. This has included involvement in a wide range of national groups including: the Strategic Board for Teacher Education; the Scottish Education Council, which is the main policy body for education in Scotland chaired by the Deputy First Minister; the Headteacher Recruitment Working Group; the Diversity in the Teaching Profession Working Group, chaired by Professor Rowena Arshad; and, more recently, the Independent Panel on Career Pathways (for teachers). All of these groups have had, and will continue to have, a direct impact on the work of GTC Scotland. They are also very often the means by which GTC Scotland uses its influence on behalf of its registrants to inform and advise Government policy.

Our work to accredit new routes into teaching has been significant over the past year, with ten new routes into the profession being accredited. We continue to look at ways that the system can be more inventive and creative in attracting and retaining teachers in the profession. For example, we have done work to support people into the profession who wish to change career and also people reaching retirement who may want to offer time at the end of their career to come into teaching. An even wider range of routes into teaching will need to be offered if we are to alleviate the shortage of teachers, which is likely to continue for some time.

Also at a strategic level, the Review of the Professional Standards and the Code of Professionalism and Conduct has involved a very wide ranging consultation with stakeholders, which has been hugely successful in informing their development. One of the unique things we have done is commissioned Children in Scotland to prepare a report on children's views on what they feel makes a good teacher. This has allowed us to genuinely take into account, in the national Year of Young People, some of our young people's wishes, to inform what is in the revised standards and code. There is further work to be done over the coming year to consider the outcomes of the draft Education Bill in influencing the Professional Standards and the Code of Professional and Conduct and the timescales at which they are refreshed.

Through the Professional Standards, GTC Scotland continues to play a key role in promoting and supporting high-quality leadership at all levels within the teaching profession. The national Professional Learning Working Group which is tasked with taking forward teacher professional learning has also adopted GTC Scotland's model of professional learning. This, together with the continuing evaluation of Professional Update – which shows clear impact

on teachers' approaches to learning and teaching and outcomes for learners – demonstrates GTC Scotland's significant contribution to the reform and improvement agenda.

We have continued to deliver very effectively on the Student Placement System, making available over 17,000 placements for students studying at universities, and oversee the Teacher Induction Scheme with plans to improve the support available to those following the Flexible Route to Full Registration. The revision of the Fitness to Teach Rules has been another huge piece of work and we have appointed two Corporate Development Officers to ensure that we work more closely with headteachers and local authorities regarding our regulatory function. This will support our progress towards ensuring that all fitness to teach referrals are dealt with quickly with minimum levels of stress and anxiety to all parties involved. The development officers will also provide expert support and guidance to schools on the main areas of GTC Scotland's work.

There is much international interest in the work of GTC Scotland and we continue to be seen as a world leading and much respected teaching council, which other countries look to emulate. We have hosted numerous ministers and senior officials from a range of countries looking to set up registration and regulation systems for the teaching profession in their countries, and also establish professional standards. We are also involved in a number of World Bank, EU and UNESCO projects on topics as varied as greater use of distance learning in ITE programmes to the development of professional standards for teachers in developing countries.

Preparation for the new 2018–2020 Council and the training of Council members has begun with almost half of the Council being replenished. I look forward to working with this refreshed Council and with the new Council Convenor and Vice Convenor to enhance the profile of GTC Scotland and ensure that we play an even greater role in the reform and improvement agenda.

GTC Scotland recognises the challenges faced by teachers and the education system more widely over the past year and this has been reflected in many of the challenges faced by GTC Scotland. We remain positive about the future and recognise that the quality of the teaching profession is the only means by which we can collectively deliver on the aspiration to have a genuinely high-performing world class education system in Scotland for each and every child and young person.

Kenneth Muir
Chief Executive and Registrar

2 Progress Against Our Strategic Objectives

2.1 Set high standards and promote high quality professional learning, teaching and leadership to improve learner outcomes.

Highlights at a glance

- ❖ Launch of a new suite of national Professional Learning Awards with the first awards ceremony held on 21 September 2017 in Glasgow.
- ❖ Worked with every university in Scotland providing Initial Teacher Education (ITE) to accredit 10 new routes into teaching as well as re-accredit existing programmes.
- ❖ Worked closely with schools in the Independent and Education Through Care sectors to support the registration of teachers in accordance with new legislation.
- ❖ Worked in partnership with the Royal Conservatoire of Scotland to accredit its ITE programme and held a joint concert in aid of the charity Cash for Kids.

- ❖ Introduced Affiliate Registration to Instrumental Music Instructors.
- ❖ Carried out an Annual Evaluation of Professional Update, identifying key areas for future development.
- ❖ Developed the Flexible Route probationer online profile to bring parity and equality with those probationers on the Teacher Induction Scheme.
- ❖ Improvements made to the Student Placement System with “opt-out by exception” in place, meaning all schools in Scotland are now required to offer student placements unless they opt out.

Over the past year GTC Scotland has led a review of the Professional Standards and the Code of Professionalism and Conduct, and this work will continue in 2018–19 (see Case Study on page 10). GTC Scotland has also worked with College Development Network and other partners to feed into the review of the Professional Standards for College Lecturers, with new standards anticipated later in 2018. In addition to this, work in the college sector has included validation of individual colleges for Professional Update, with seven colleges now fully validated (see Case Study on pages 9 and 10).

Accreditation of programmes of Initial Teacher Education (ITE) has been a major piece of work. Alongside this the Memorandum on Entry Requirements to Programmes of Initial Teacher Education in Scotland has been revised to ensure that the entry qualifications for the teaching profession remain relevant. GTC Scotland has also been working with Education Scotland to develop a self-evaluation framework for ITE providers, which will support them to evaluate their own teaching practice. Going forward, GTC Scotland’s involvement in the MQulTE (Measuring Quality in Initial Teacher Education) project, which involves research to follow 2017–18 teacher education graduates as they progress through the first five years of their careers, will give us new insights in the area of teacher education.

GTC Scotland has been supporting the return to teaching process, to help more teachers to return to the profession after having a break. This is part of our work to help to alleviate the current teacher shortage. Also in support of this, GTC Scotland has continued to evolve its registration processes, including introducing an online application process that sees applications for registration processed more efficiently and effectively. We continue to monitor the impact of Brexit on teacher registration to ensure that we are aware of any implications this may have on applications from those who have qualified outside Scotland.

Looking forward

“Over the coming year we will continue the review of the Professional Standards, moving towards creating a new suite of standards that reflects the diverse needs and requirements of teaching today. We have a number of other significant projects on the horizon including developing a new category of registration in Broad General Education, which will see teachers registered and teaching across the primary–secondary divide. We also have work to do in acting upon the results of our Annual Professional Update Evaluation and will be focusing on producing improved guidance on the Professional Review and Development process that is linked to coaching, professional dialogue and reflection.”

Ellen Doherty, Director of Education, Registration and Professional Learning

2.2 Be an effective regulator acting in the public interest, enhancing the reputation of the Scottish teaching profession.

Highlights at a glance

- ❖ Implementation of new Fitness to Teach Rules which came into force on 21 August 2017.

- ❖ Review and refresh of the Professional Standards and the Code of Professionalism and Conduct under way.
- ❖ Health and equality impact assessment of the fitness to teach process carried out with areas for improvement identified.
- ❖ New Development Officers appointed to enable direct engagement with local authorities, headteachers and schools to raise awareness and understanding of GTC Scotland's work.
- ❖ Successful Standard for Headship Conference and Awards Ceremony held in partnership with the Scottish College for Educational Leadership and Education Scotland.

Over the past year GTC Scotland has been implementing new Fitness to Teach Rules, which came into force on 21 August 2017. The Rules set out the procedure that is followed when GTC Scotland investigates and determines the fitness to teach of registrants or applicants for registration. As well as the new rules, a Fitness to Teach Threshold Policy was introduced, which sets out what GTC Scotland investigates under its fitness to teach procedures, and many other policies and templates were required to be amended to reflect the new rules. The changes made were aimed at streamlining our fitness to teach procedures, making them quicker and more targeted towards addressing risk of harm.

The protection of the public remains central to GTC Scotland's fitness to teach process. Alongside new policies and procedures, the team has worked hard to promote a shift in the culture and ethos that surrounds the process. Stakeholder events and engagement activities have been held to explain the changes that have been made and emphasise the message that this is a process that is about protection not punishment. The Regulation Team is looking for teachers involved in the process to engage in open and honest reflection, and new guidance has been produced to help and support those involved.

There has also been a focus on getting the fitness to teach caseload turned around more quickly, and the team has successfully closed more cases over the past year than has been opened. This will continue to be a focus over the coming year.

Looking forward

"Over the coming year we will consult on a revised Code of Professionalism and Conduct. We will also continue to embed the new fitness to teach process, and focus on a preventative and proactive approach to regulation. We will look at caseload trends to identify what guidance we can produce that may better support and help teachers."

Jennifer Macdonald, Director of Regulation and Legal Services

2.3 Continue to improve our governance, organisational effectiveness and capability.

Highlights at a glance

- ❖ Successful progression with the MyPL system through the Pilot Phase Two.
- ❖ Progress made towards introducing a new CRM (Customer Relationship Management) system.
- ❖ Moved IT servers onto "the Cloud" to ensure continuity of service.
- ❖ Testing and tightening of IT security including carrying out "ethical hacking".
- ❖ Introduction of a Business Continuity Plan to ensure the organisation is prepared and able to continue to operate when adverse events occur.
- ❖ Introduction of VPN (Virtual Private Network) for all GTC Scotland staff to ensure business continuity.

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- ❖ Implementation of a Corporate Risk Register which enables staff to monitor and effectively manage risk.
 - ❖ Ensured compliance with the new General Data Protection Regulation (GDPR) through appointment of a new Information Compliance Officer and review of data processing and handling. All staff required to undertake GDPR training in advance of the new legislation coming into force.
 - ❖ Expansion of the ways in which we communicate with registrants through the introduction of webinars, virtual meetings and video conferencing.

The need to increase the registration fee in April 2017 was in part to allow GTC Scotland to undertake an extensive refurbishment of Clerwood House, which included a completely new roof. This work was essential to ensure that the building was well maintained and fit for purpose. We have also progressed work to significantly update our IT and telephone systems to provide more effective and efficient services to registrants and stakeholders. This work will continue over the next few years with the development of an integrated Customer Relationship Management (CRM) system.

We have worked hard to improve the way we communicate with registrants, making changes to Teaching Scotland magazine, and introducing webinars as a means to provide free professional learning that is easy and convenient to access remotely. The communications and digital teams have also spent some time looking at how the GTC Scotland website can be improved and would like to thank all those who took part in user surveys and usability testing, which will help to inform continued development of the site. The communications team has also introduced a virtual “Communications Network” comprising registrants and others from across education who can help to inform and support GTC Scotland work.

Work around business continuity and planning, and corporate risk has been significant but hugely beneficial and has already seen the organisation able to cope in challenging circumstances. The “Beast from the East” is one such example where continued operation of the business was possible through our improved IT capabilities that see all staff members able to work from home from a laptop with access to the organisational network via VPN. Alongside this our work to ensure that our registrant’s data is held securely has been robustly tested by external consultants and improvements made to ensure that our information systems are safe and well monitored. The move of our IT servers to the Cloud has also been made to ensure continuity of service and our registrants will see the impact of this for example in improvements to accessing MyGTCS.

I am pleased to note that Scott Moncrieff has given GTC Scotland an unqualified audit opinion for the year ended 31 March 2018. This is more fully explained in the Independent Auditors’ Report in Section 9.

Looking forward

“The coming year will be an exciting time for us as we introduce new systems to support the work we are doing both within and beyond the organisation. The MyPL system will be rolled out nationally on a phased basis for all teachers from October 2018 and this will provide a modern and user-friendly way for teachers to record their professional learning. Internally, a new CRM will be introduced that will enable GTC Scotland to manage its work more efficiently and effectively, ultimately benefiting registrants.”

Martin Osler, Director of Corporate Services

2.3.1 Risk management

We manage our corporate risks effectively through use of our 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 - Governance – Non-compliance with GTCS governing legislation or Council and Committee governance frameworks lead to potential loss of stakeholder/public confidence or reputational damage.

Actions – Training to be provided to incoming Council members on declarations and potential conflicts of interest.

New Council to be brought up to speed with the Governance Review with a view to taking forward any actions arising.

Risk – Records Management & Data Protection – The Records Management Plan (RMP) is not delivered and the requirements of updated Data Protection legislation (the GDPR) are not met due to a lack of resource.

Actions – Online training modules and additional training on Data Protection and Records Management for staff and Council members will be identified and provided.

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 – Negotiate with the Scottish Government for additional funding if required.

Ensure that staff have the required capacity and skills to meet the demands of the Review or recruit additional staff for specific periods where this may be necessary.

3 Case Studies

3.1 Professional Update validation in the college sector

Before the introduction of Professional Update in 2014 for teachers in schools across Scotland, GTC Scotland validated all 32 local authorities, independent schools and universities delivering teacher education. This was achieved through support visits and a validation panel at which Professional Review and Development (PRD) policy and processes were reviewed against the national criteria for Professional Update.

GTC Scotland is pleased that seven regional colleges have now been validated for Professional Update and many more are in the process. It is not compulsory for colleges in Scotland to be validated for Professional Update or for GTC Scotland to review any aspect of policy or process in PRD and professional learning. However, going through a validation ensures that lecturers who are registered with GTC Scotland can engage in professional learning through their college PRD process and be signed off at their five-year point by their line manager. Colleges have found that Professional Update supports not only registered lecturers but all teaching staff and support staff, and offers an assurance of the quality of the PRD policy and process at the college.

Colleges already validated are working closely with GTC Scotland to ensure that there is continuity around Professional Update and ongoing support both within the organisation and with teaching staff. This positive picture is an example of how GTC Scotland is enhancing teacher professionalism across sectors and boundaries, supporting teachers and lecturers to deliver high-quality learning and teaching.

College Validated for Professional Update	Region
Dundee and Angus College	Tayside
West Lothian College	West Lothian
Forth Valley College	Forth Valley
Glasgow Kelvin College	Glasgow
South Lanarkshire College	Lanarkshire
Edinburgh College	Edinburgh and Lothians
Fife College	Fife

College currently in the process of Professional Update Validation in academic year 2017/18	Region
New College Lanarkshire	Lanarkshire
Ayrshire College	Ayrshire
Dumfries and Galloway College	Dumfries and Galloway
North East Scotland College	Aberdeen

3.2 Review of the Professional Standards and the Code of Professionalism and Conduct

A review of the Professional Standards was launched in September 2017 at the Scottish Learning Festival.

It had been five years since the introduction of the current suite of standards and the review was held to consider the impact they have had and how they could be improved.

The review included a National Conversation which saw GTC Scotland staff and partners reach out across Scotland to include as many voices as possible in the conversation. The engagement sessions provided an opportunity for partners, parents, teachers, and children and young people to share their thoughts and ideas about Professional Standards in action.

Working groups comprising teachers, local authority representatives, professional associations and other stakeholders were also set up to inform the review of the Professional Standards and the Code of Professionalism and Conduct. A literature review and a research project which GTC Scotland commissioned Children and Scotland to carry out to gather the voices of children and young people have also informed the review.

The review will continue over the coming year as GTC Scotland looks to implement the outcomes of the draft Education (Scotland) Bill, published in June 2018.

The National Conversation included 24 engagement sessions with teachers all over Scotland.

3.3 Development of the MyPL system

A National E-Portfolio for teachers was one of the key recommendations of the *Teaching Scotland's Future* report by Professor Graham Donaldson.

Following a feasibility study in 2014, Scottish Government commissioned GTC Scotland in 2015 to start developing a National E-Portfolio within MyGTCS, and to Chair the National E-Portfolio Working Group made up of representatives from across Scottish education including trade unions. This group has engaged with teachers and local authorities through focus groups and surveys to gather information about what teachers would like to see the system offer. The group decided to call the project MyProfessionalLearning (MyPL) and a Phase One pilot of MyPL launched in October 2016 with just over 300 teachers and other education professionals. A Phase Two pilot launched in October 2017 with a further 100 teachers and other education professionals taking part. The aim of the Phase Two pilot has been to integrate Gateway and SOPRA users into MyPL in order to test how that integration works. During this pilot considerable improvements have been made to the functionality supporting local authority staff managing teacher professional learning. Throughout both pilots there have been regular points where feedback has been gathered and adjustments made to the functionality of the system.

What does MyPL offer teachers?

MyPL offers a range of services to users including:

- ❖ Allowing teachers to document their professional learning and record their outcomes of this activity and link this to the Professional Standards and Professional Update.
- ❖ The capability to follow teachers between new posts and to new employers – like the MyGTCS account it moves with the teacher.
- ❖ Avoiding double entry inputting by teachers wherever possible and aiming at all times to avoid adding to already busy workloads.
- ❖ Access to a library of professional learning resources that is updated regularly.
- ❖ The ability to share professional learning resources, tools and ideas with other teachers.
- ❖ An employment history and CV section that enables teachers to update their career progress.

The central aim of MyPL is to offer a flexible, easily accessible tool for teachers to log and reflect upon their professional learning.

The Phase Two Pilot will end in August 2018 and MyPL will then be rolled out nationally on a phased basis to all teachers from October 2018.

3.4 The Professional Learning Awards

Professionals working in Scotland's education sector were recognised for excellence in professional learning through GTC Scotland's new Professional Learning Awards programme, which launched via a pilot in 2017.

A national awards ceremony was held by GTC Scotland on 21 September at the Hilton Glasgow Grosvenor. Scottish broadcaster and drummer Dougie Vipond chaired the event, which brought together teachers and other professionals working in the education sector across Scotland. The awards ceremony, a first for GTC Scotland, recognised and celebrated the professional learning and commitment of these individuals and organisations.

GTCS Chief Executive and Registrar, Ken Muir, said:

“The schools, organisations and learning communities being recognised at the awards ceremony have shown real commitment to professional learning. This learning has the power to transform the thinking and practice of teaching practitioners and, importantly, the lives of children and young people in our schools and education settings.

Engaging in professional learning is part of ongoing teacher professionalism and through sharing and using this learning teachers can make a real difference. That is why professional learning sits at the heart of the Professional Standards. Congratulations and well done to all of our award winners.”

Being awarded the Excellence in Professional Learning Award for Schools and Learning Communities were:

- ❖ Windygoul Primary School, East Lothian
- ❖ The Fife Pedagogy Team, Fife
- ❖ St Ninian’s High School, East Dunbartonshire
- ❖ The North Ayrshire Professional Learning Academy, North Ayrshire

4 Statistics

4.1 Registration

Accreditation and review – programmes/modules accredited during the year

	2017/18	2016/17
ITE programmes	10	6
Professional Recognition	8	8

Registration of teachers

	2017/18	2016/17
Registered teachers at 31 March	74,297	74,016
Newly qualified registered teachers (1 April to 31 March)	2,764	2,539
Qualified outside Scotland (1 April to 31 March)	503	629

Probationer teachers awarded Full Registration

	2017/18	2016/17
Teacher Induction Scheme	2,665	2,470
Flexible Route	919	619
Professional Registration	280	222
Total	3,864	3,311

4.2 Student Placement System

	2017/18	2016/17
Number of student placements made	17,138	17,805

4.3 Fitness to Teach

	2017/18	2016/17
Total number of cases received	162	160
Total number of cases closed	221	209
Number of teachers removed from the Register	27	16

4.4 Information Compliance

	2017/18	2016/17
Number of Subject Access requests received	12	9
Number of Freedom of Information (FOI) requests	51	69

Subject Access Requests – 100% received a response within the 40-day timeframe and related to fitness to teach investigations.

Of the 51 Freedom of Information requests received, 96% were responded to within the 20 working day timeframe.

- ❖ 47% of requests were received from external organisations or members of the public
 - ❖ 20% were received from media colleagues
 - ❖ 17% were from registered/non-registered teachers
 - ❖ 16% were from the Scottish Government/Scottish Parliament/Scottish Ministers
- The requests covered topics such as fitness to teach investigations, supplied services and teacher registration.

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	2018 £'000	2017 £'000
Operating Surplus excluding realised pension fund adjustments	449	224
Realised pension fund adjustment	(432)	(202)
Unrealised potential pension liabilities reduced/(increased) by	272	(4,086)
Investment in Fixed Assets	164	308
Increase in Unrestricted Reserves	476	222
Total Reserves	3,880	2,304

Capital expenditure

The major items of capital expenditure during 2017/18 consisted of £93,000 for building improvements, £43,000 for website developments including the Student Placement System and £27,000 on new furniture and equipment.

Pensions

There has been a decrease 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 2018 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 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)
- ❖ 31 March 2018 £2,641,000 (rolling valuation basis)

Policies

Reserves

GTC Scotland's policy, which was approved in May 2017 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 2018. The policy has been met.

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 2.3.1 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 teachers 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.

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

Principal Office

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

Telephone: 0131 314 6000

Charity Number

SC006187

Bankers

Bank of Scotland
PO Box 1000
BX2 1LB

Royal Bank of Scotland
36 St Andrews Square
Edinburgh EH2 2AD

Clydesdale Bank
83 George Street
Edinburgh EH2 3ES

Santander
Bootle
Merseyside, L30 4GB

Solicitors

Anderson Strathern LLP
1 Rutland Court
Edinburgh EH3 8EY

External Auditor

Scott-Moncrieff
Exchange Place 3
Edinburgh EH3 8BL

Council, Committees and Sub-Committees

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

Convener

David Innes
David Innes
Lorraine McBride
Craig Carson
Ian Jackson
Karen J Farrell
John Devine

Vice-Convener

Edith Swinley
Edith Swinley
Thomas Britton
Richard Bell
Neil Simco
Edith Swinley
Lillian Field

Chief Executive and Registrar

Kenneth Muir

7.1 Membership of the Council – 2 April 2017 to 1 April 2018

I ELECTED MEMBERS [19]

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

*Margaret Forster	(HT)+	(2018)
*Marie Lyon	(HT)+	(2018)
*Craig Carson		(2020)
*Paula J McEwan		(2018)
*Anne Saunders		[2018] (2020)
*Edith Swinley		(2020)
*Martin Whitfield		(2020)
*Robyn Wisbey		[2018] (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		(2020)
*Allan Connell		[2018] (2020)
*Karen J Farrell		(2020)
*William Hamilton		(2018)
*Helen Sedgwick		(2018)

(c) Further Education [1]

*Alison B M Chambers	(To October 2017)	(2018)
Vacancy	(From October 2017)	(2018)

(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)
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	(2018)
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(d) Scottish Council of Independent Schools [1]

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

Dorothy Ferguson	(To February 2018)	(2020)
Vacancy	(From February 2018)	(2020)

(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]

Audrey Cowie	(2020)
Ian Jackson	(2020)
David McCue	(2018)
David Mitchell	(2018)
Robbie Pearson	(To March 2018) [2018] (2020)
Simon Thompson	(2018)
Vacancy	[2018] (2020)
Vacancy	(From March 2018) [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

8 GTC Scotland's 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 income and expenditure 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 (FRS 102);
- ❖ 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 adequate 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.

The Council members are responsible for the maintenance and integrity of the Charity and financial information included in the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

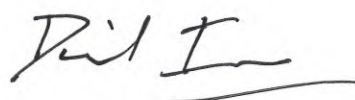
Conclusion

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



David Innes
Convener of Council

26 September 2018

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

Opinion

We have audited the financial statements of The General Teaching Council for Scotland (the charity) for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ❖ give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- ❖ the Council members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ❖ the Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The Council members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on Which we are Required to Report by Exception

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

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

Responsibilities of the General Teaching Council for Scotland

As explained more fully in the General Teaching Council for Scotland's responsibilities statement set out on page 20, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council members are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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 the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of Our Report

This report is made solely to the charity's Council members, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charity's Council members, as a body, 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 the charity's Council members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

26 September 2018

10 Financial Statements

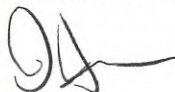
10.1 Statement of Financial Activities

(Incorporating the Income and Expenditure Account) For the Year Ended 31 March 2018			
	Note	Total Unrestricted Funds 2018 £'000	Total Unrestricted Funds 2017 £'000
Income and endowments from:			
Charitable activities	4	5,599	4,589
Investments	5	25	24
Other		-	4
Total		<u>5,624</u>	<u>4,617</u>
Expenditure on:			
Charitable activities	6	5,607	4,595
Total		<u>5,607</u>	<u>4,595</u>
Net Income		17	22
Other recognised gains/(losses):			
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	20	1,559	(1,665)
Net movement in funds		<u>1,576</u>	<u>(1,643)</u>
Reconciliation of funds:			
Total funds brought forward	16	2,304	3,947
Total funds carried forward	16	<u>3,880</u>	<u>2,304</u>
All incoming resources and expenditures are derived from continuing activities.			
The notes on pages 27 to 36 form part of these accounts			

10.2 Balance Sheet

As at 31 March 2018			
	Note	2018 £'000	2017 £'000
Tangible Fixed Assets	9	<u>3,210</u>	3,300
Current Assets			
Debtors and prepayments	10	160	166
Cash at bank and in hand	11	<u>3,770</u>	3,209
		<u>3,930</u>	3,375
Liabilities			
Creditors: Amounts due within one year	12	<u>(394)</u>	(337)
Net Current Assets		<u>3,536</u>	3,038
Total Assets Less Current Liabilities		6,746	6,338
Provision for Liabilities and Charges			
Provision for Liabilities	14	<u>(225)</u>	(266)
Net Assets Excluding Defined Benefit Pension Scheme Liability		<u>6,521</u>	6,072
Defined Benefit Pension Scheme Liability	20	<u>(2,641)</u>	(3,768)
Net Assets Including Defined Benefit Pension Scheme Liability		<u>3,880</u>	2,304
Represented by unrestricted funds			
Accumulated Unrestricted Reserve	16	5,158	4,682
Revaluation Reserve	16	<u>1,363</u>	1,390
Unrestricted Funds Excluding Pension Reserves		6,521	6,072
Defined Benefit Pension Scheme Reserve	16	<u>(2,641)</u>	(3,768)
Total Funds		<u>3,880</u>	2,304

Approved and authorised for issue on 26 September 2018 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 26 September 2018 by The General Teaching Council for Scotland and signed on its behalf by the Convener of Council:



David Innes

The notes on pages 27 to 36 form part of these accounts.

10.3 Statement of Cash Flows

For the Year Ended 31 March 2018			
	Note	2018 £'000	2017 £'000
Cash flows from operating activities:			
Net cash used by operating activities	17	<u>700</u>	<u>326</u>
Cash flow from investing activities			
Interest		25	24
Purchase of property, plant and equipment		<u>(164)</u>	<u>(308)</u>
Net cash used in financing activities		<u>(139)</u>	<u>(284)</u>
Change in cash and cash equivalents in the year		561	42
Cash and cash equivalents at the beginning of the year		<u>3,209</u>	<u>3,167</u>
Cash and cash equivalents at the end of the year		<u>3,770</u>	<u>3,209</u>

The notes on pages 27 to 36 form part of these accounts

10.4 Notes to the Financial Statements

For the Year Ended 31 March 2018

(1) General Information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated. They comprise the financial statements of The General Teaching Council for Scotland.

The objective of The General Teaching Council for Scotland is to promote and regulate the teaching profession in Scotland.

The General Teaching Council for Scotland is an unincorporated charity, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC006187. Details of the principal address can be found on page 18 of these financial statements.

(2) Basis of Accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), 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)', Update Bulletin 1 to the SORP published in February 2016, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The General Teaching Council for Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement 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.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

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.

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) Income from Charitable Activities

	2018 £'000	2017 £'000
Registration Activities	5,436	4,421
Agency Income - PoVG Fees	113	117
Advertising Revenue	50	51
	<u>5,599</u>	<u>4,589</u>

(5) Interest and Investment Income

	2018 £'000	2017 £'000
Short term deposit interest	<u>25</u>	<u>24</u>

(6) Expenditure on Charitable Activities – Registration Activities

	2018 £'000	2017 £'000
Salaries and Related Staff Costs	2,839	2,636
Realised Pension Movement	432	202
Administration	520	575
Bureaux and Professional Services	817	519
Disclosure and Other Fees	117	121
Property and Security	479	174
Depreciation	253	251
Governance – General Expenses		
Election costs	8	-
Accommodation and Catering	19	17
Travel and Subsistence	49	43
Council, Committee and Panel Member Compensation	62	43
Auditor's Remuneration	12	14
	<u>5,607</u>	<u>4,595</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 26 members (2016-17: 31 members) made travel and subsistence claims.

(7) Employee Information

	2018 £'000	2017 £'000
Staff Costs		
Wages and Salaries	2,010	2,022
Social Security Costs	203	203
Pension Costs	445	381
	<u>2,658</u>	<u>2,606</u>

The average number of persons (excluding Council members) employed by GTC Scotland during the year was 62 (2016-17: 64) of which 16 (2016-17: 18) were part-time. During the year there were on average 56 (2016-17: 58) full time equivalent employees. Payments in respect of temporary staff amounted to £154,200 (2016-17: £162,009). Two members of staff were on maternity leave at the year end.

The Key Management Personnel includes Members of the Council and the Corporate Management Team. No Members of the Council received any remuneration from GTC Scotland (2016-17: nil). The total amount of employee pay and benefits paid to the Corporate Management Team in the year was £503,861 (2016-17: £509,028).

Employee Costs – Salary Bands at 31 March 2018

£'000	£'000	2018 Number	2017 Number
70	79	3	2
90	99	1	1
110	119	-	1
		Total	
		<u>4</u>	<u>4</u>

Higher paid staff accruing retirement benefits under a defined benefit scheme

£'000	£'000	2018 Number	2017 Number
70	79	3	2
90	99	1	1
100	119	1	1
		Total	
		<u>5</u>	<u>4</u>

A Director resigned with effect from 16 February 2018 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.

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	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Kenneth Muir	99	96	19	19

(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 2017	3,228	763	779	4,770
Additions	93	28	43	164
Disposals	(3)	(394)	(146)	(543)
At 31 March 2018	<u>3,318</u>	<u>397</u>	<u>676</u>	<u>4,391</u>
Depreciation				
At 1 April 2017	282	621	567	1,470
Charge for the year	69	54	131	254
Disposals	(3)	(394)	(146)	(543)
At 31 March 2018	<u>348</u>	<u>281</u>	<u>552</u>	<u>1,181</u>
Net Book Value				
At 31 March 2018	<u>2,970</u>	<u>116</u>	<u>124</u>	<u>3,210</u>
At 31 March 2017	<u>2,946</u>	<u>142</u>	<u>212</u>	<u>3,300</u>
(10) Debtors and Prepayments				
		2018 £'000	2017 £'000	
Debtors		97	48	
Prepayments and Accrued Income		63	118	
		<u>160</u>	<u>166</u>	
(11) Cash and Cash Equivalents				
		2018 £'000	2017 £'000	
Short Term Deposits		3,712	3,054	
Cash at bank and in hand		58	155	
		<u>3,770</u>	<u>3,209</u>	
(12) Creditors				
		2018 £'000	2017 £'000	
Trade Creditors		88	72	
Accruals		291	249	
George D Gray Award		15	16	
		<u>394</u>	<u>337</u>	

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

(13) Operating Leases

	2018 £'000	2017 £'000
Lease payments due:-		
Within 1 Year	7	3
From 1 – 5 Years	26	12
Over 5 Years	-	2
Total	<u>33</u>	<u>17</u>

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

(14) Provision for Liabilities

	Pension £'000	Legal Costs £'000	2018 £'000	2017 £'000
Provision at 1 April 2017	216	50	266	436
Amounts Used During Year	(12)	(50)	(62)	(14)
Amount Provided for during year	-	18	18	50
Decrease during the year in the discounted amount arising from the passage of time and a change in the discount rate (reflecting the reduction in interest rates)	3	-	3	(206)
Provision at 31 March 2018	<u>207</u>	<u>18</u>	<u>225</u>	<u>266</u>

The pension provision relates to future obligations to former members of staff. The provision is based on a calculation as at 31 March 2018 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 a Fitness to Teach case which was resolved in July 2018.

(15) Financial Assets and Liabilities

	2018 £'000	2017 £'000
Financial assets at amortised cost	3,877	3,313
Financial liabilities at amortised cost	(394)	(337)
	<u>3,483</u>	<u>2,976</u>

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

(16) Reserves	At 1 April 2017 £'000	Income £'000	Expenditure £'000	Recognised Gains/ (Losses) £'000	At 31 March 2018 £'000
Accumulated Unrestricted Reserve	4,682	5,624	(5,607)	459	5,158
Revaluation Reserve	1,390	-	-	(27)	1,363
Defined Benefit Pension Reserve	(3,768)	-	-	1,127	(2,641)
Total	2,304	5,624	(5,607)	1,559	3,880

(17) Reconciliation of net income to net cash flow from operating activities	2018 £'000	2017 £'000
Net income for the reporting period	17	22
Adjustments for:		
Depreciation charges	254	251
Interest	(25)	(24)
Increase / (Decrease) in debtors	6	(13)
Increase in creditors	57	58
Decrease in provisions	(41)	(170)
Defined Benefit Pension Scheme	432	202
Cash provided by operating activities	700	326

(18) **Indemnity Insurance**

The Council paid £13,216 (2016-17: £11,530) for professional indemnity insurance for the year ended 31 March 2018.

(19) **Future Commitments**

The Council had future capital commitments amounting to £135,000 (2016-17: £22,000). For the year 2018-19 the Council recognises there may be possible asset purchases amounting to £230,000 (2016-17: £300,000 for the year 2017-18).

(20) **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% (2017: 10.4% - 11.5%) for employees and 17.2% (2017: 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 2017-18 (2016-17: 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 2019 will be approximately £342,000.

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 Finance Reporting Standard applicable in the UK.

The principal assumptions used as at 31 March 2018 were as follows:

	2018	2017
	% per annum	% per annum
Inflation/ Pension Increase Rate	2.4%	2.4%
Salary Increases	3.6%	4.4%
Discount Rate	2.7%	2.6%

The demographic assumptions adopted are consistent with those used for the formal funding valuation as at 31 March 2018. 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:

		2018	2017
		Years	Years
Current Pensioners	Males	21.4	22.1
	Females	23.7	23.6
Future Pensioners	Males	23.4	24.8
	Females	25.8	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:

	2018	2017
	Split of Assets	
Equities	70%	73%
Bonds	18%	12%
Property	11%	10%
Cash	1%	5%

Balance sheet analysis

	2018	2017
	£'000	£'000
Fair Value of Employer Assets (A)	11,747	10,348
Present Value of Funded Liabilities (B)	(14,310)	(14,034)
Present Value of Unfunded Obligations (B)	(78)	(82)
Net Liability in the Balance Sheet	<u>(2,641)</u>	<u>(3,768)</u>

A: Reconciliation of Fair Value of Employer Assets

	2018 £'000	2017 £'000
Opening Fair Value of Scheme Assets	10,348	8,129
Expected Return on Scheme Assets	272	289
Actuarial Gains	874	1,631
Contributions by Employer	342	363
Contributions by Participants	124	131
Estimated Benefits Paid (Net of Transfer)	(213)	(195)
Closing Fair Value of Scheme Assets	11,747	10,348

B: Reconciliation of defined benefit obligation

	2018 £'000	2017 £'000
Opening Defined Benefit Liability	14,116	10,030
Service Cost	677	501
Interest Cost	374	358
Actuarial (Gains) / Losses	(685)	3,296
Estimated Benefits Paid (Net of Transfer)	(213)	(195)
Unfunded Benefits Paid	(5)	(5)
Contributions by Participants	124	131
Closing Defined Benefit Liability	14,388	14,116

Statement of financial activities analysis

	2018 £'000	2017 £'000
Opening Deficit	(3,768)	(1,901)
Current Service Cost	(677)	(501)
Employers Contributions	342	363
Contributors' Unfunded Benefits	5	5
Interest Cost	(374)	(358)
Expected Return on Employer Assets	272	289
Actuarial Gains / (Losses)	1,559	(1,665)
Closing Deficit	(2,641)	(3,768)

	2018 £'000	2017 £'000
Actual Return on Scheme Assets	1,652	2,518

(21) **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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Professional Update:
www.gtcs.org.uk/professional-update

Fitness to Teach:
www.gtcs.org.uk/fitness-to-teach

Student, Probationer and Early Phase site:
www.in2teaching.org.uk

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