



**General  
Dental  
Council**

protecting patients,  
regulating the dental team

**General Dental Council**  
**Annual report  
and accounts**  
**2015**



## General Dental Council

### Annual report and accounts 2015

Annual Report presented to Parliament pursuant to section 2B of the Dentists Act 1984 as amended by the Health Care and Associated Professions (Miscellaneous Amendments and Practitioner Psychologists) Order 2009.

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# 1 | Statutory purpose

The General Dental Council (GDC) is the UK-wide statutory regulator of over 108,000 members of the dental team. This includes approximately 41,000 dentists and 67,000 dental care professionals (DCPs) which includes dental nurses, clinical dental technicians, dental hygienists, dental technicians, dental therapists, and orthodontic therapists.

**Our purpose:** We want patients and the public to be confident that the treatment they receive is provided by a dental professional who is properly trained and qualified and who meets our standards. Where there are concerns about the quality of care or treatment or the behaviour of a registrant, we will investigate and take action if appropriate.

## Our role is to:

Protect the public:

- Protect, promote and maintain the health, safety and well-being of the public
- Promote and maintain confidence in the dental profession
- Promote and maintain proper professional standards and conduct for members of those professions.

We fulfil our role by using our statutory powers to:

- Grant registration only to those dental professionals who meet our requirements on education and training, health and good character. Only those who are registered with us can practise dentistry in the UK

- Assure the quality of dental pre-registration and training
- Set standards of conduct, performance and ethics for the dental team
- Investigate complaints against dental professionals and where appropriate, take action through our Fitness to Practise (FtP) process
- Protecting the public from illegal practice
- Require dental professionals to keep their skills up to date through our continuing professional development requirements.

In addition, we provide the Dental Complaints Service which aims to support patients and dental professionals in using mediation to resolve complaints about private dental care.

In doing so we aim to demonstrate our values, which are:

**Fairness:** We will treat everyone we deal with fairly

**Transparency:** We are open about how we work and how we reach decisions

**Responsiveness:** We can adapt to changing circumstances

**Respect:** We treat dental professionals, our partners, and our employees with respect



**William Moyes,**  
Chair

## Message from the Chair

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### The changing focus of healthcare professional regulation

The prime purpose of healthcare professional regulation, its organisation, its focus and working methods, and its cost and effectiveness has been the subject of much debate over the last decade. The then Council for Healthcare Regulatory Excellence (now the Professional Standards Authority) argued in "Right-touch Regulation" for a system focused on identifying and managing risks and with the ability to respond in a variety of ways to risks of differing degrees of seriousness. This was taken up by the Coalition Government in its White Paper "Enabling Excellence", which sought to promote simpler and cheaper systems of regulation whilst extending the scope of centrally-led professional regulation.

The Law Commission spent several years working with the healthcare professional regulators on a draft Bill designed to update and unify the extensive primary legislation governing national regulators. But, as the Government acknowledged in its response to the Law Commission, which was published in January 2015, a lot changed while the Law Commission was developing its proposals. The exposure of shocking maltreatment of patients in several major acute hospitals and of residents in homes for the elderly and for people with learning difficulties led to serious questions about the effectiveness of the management of contracts in the health and social care systems, of professional regulation, quality inspection and system regulation, and the inadequate cooperation between them.

Although the Government has not pursued the Law Commission's draft Bill and has instead announced plans for a further review and consultation, it has made clear that the over-riding purpose of regulation must be the protection of patients and the public.

Dentistry has not been in the forefront of this debate. The focus has mainly been on medicine, nursing and social care. But the principle that regulation should be designed primarily to protect patients applies equally to it as to other healthcare professions.

This has, therefore, been a key driving force behind the major programme of change that the GDC has been pursuing under the current Council.

### 2015 represents a big step forward for the GDC

Change on this scale has been, and will continue to be painful at times. Becoming a new kind of organisation is a long-term commitment; it takes months and years rather than weeks to achieve. For it to happen requires a new culture, new thinking and new – or renewed – relationships of accountability, appropriate to a public interest regulator. The work to embed that new culture has already begun.

In 2015 and early 2016 we completed the process of reshaping the organisation, particularly its leadership. A good deal of time and energy went into defining, and now implementing, our own programme of work to address the defective cultures and systems identified in the Professional Services Authority (PSA) investigation into a historic whistleblowing incident, which was published in December 2015. Although much of this programme would have happened anyway, the PSA's report gave the work heightened urgency.

Regulators do not operate in a vacuum; we can't be oblivious to sweeping societal changes. There will be a prime opportunity later this year to reshape the existing legislation for the future benefit of patients and dental professionals.

The year will also be characterised by our work to implement our roadmap, "Patients, Professionals, Partners and Performance". This is our three year commitment to becoming more focused on the needs and requirements of patients, more transparent and therefore accountable for our decisions and actions, and more open to the involvement of others in shaping our plans and policies and explaining them to the wide range of individuals and organisations who are affected by the work of the GDC.

2015 was a year in which the GDC took some enormous steps forward, and laid the foundations for further developments in the future.

### **It gives us a basic platform to drive the big systemic changes needed**

The GDC wants to see a system of regulation that protects patients and the public, is proportionate and fair for registrants, is transparent and cost-effective and, importantly, one which emphasises working in partnership with the profession and others to extract and apply learning - not only when things go wrong, but also in relation to disseminating best practice, and innovative ways of working. This would be a significant improvement on the current system, which is too focused on sanction as opposed to learning. We want to work with others to entrench learning in our system of regulation.

Taken together, all of this provides us with a much more solid foundation to drive the even more fundamental changes needed to the way regulation is carried out. The current system might otherwise simply collapse under the growing weight of what has become a costly, slow and adversarial fitness to practise system, driven by legalistic processes hard-wired into legislation.

### **Fitness to Practise is important and has a place**

There are growing questions about whether this forced focus on fitness to practise is the most effective and proportionate way to deliver public protection in the longer term. Of course, when things go wrong it is important that patients have somewhere to turn to. No patient should be exposed to treatment from a professional whose conduct or performance are so dysfunctional that they pose a significant risk of harm.

### **Time to shift the balance by working with others**

Good regulation should place the focus and effort on promoting and incentivising positive behaviours before harm has the opportunity to arise. It should be about working with others – particularly the profession and the education system – to recognise and share good practice.

It should be about helping the profession to understand patients and their expectations better. It should be about sharing learning from when things go wrong to make them less likely to go wrong in the future. We shall continue to make the strongest case to change the focus of the existing regulatory system so it is better at preventing harm to the public before it happens.

It is time for all organisations and bodies – including those that represent the profession – to look to the future rather than the past. We know that the GDC will be stronger if it takes these matters forward together with others, not alone.

### **Better understanding the needs and expectations of patients**

Collectively, we need to ask a number of important questions. How do we know if patients are receiving the best care? Do patients feel protected? Are patients clear about what constitutes good quality care and treatment? Do they know how to complain, and to whom, if they do not receive the standard of care they expect? Are complaints being well-managed? Are lessons being learned? Is the profession constantly finding ways to improve outcomes and services?

This is particularly important as, while our focus is relentlessly on patient protection, the answers to reducing the costs of regulation may also lie in this territory.

### **Which brings us to GDC's own performance**

But that doesn't mean we can abandon responsibility for our own performance, particularly in terms of stewardship of the funding entrusted to us. The Council and Executive, under new leadership, is working to bring about a new focus on value for money and financial transparency. We have a duty to make sure our funding delivers the maximum possible impact. That is an essential part of rebuilding trust in us and, in turn, rebuilding trust in regulation.

Regulation is rarely popular with those who are regulated. When it is, it is usually a sign that regulators are shying away from difficult decisions. But done well, it is both important and capable of commanding confidence.

I am proud of the work the GDC does and glad to be leading an organisation with such an important job to do.

#### **William Moyes**

*Chair of the General Dental Council*





**Ian Brack,**  
Chief Executive  
and Registrar

Effective regulation has to reflect the context in which it operates and a leading theme running through our work last year was our effort to understand more clearly the realities of what patients experience, as well as understanding the perspective of the professionals working in dentistry.

Work continues across all of the areas we are responsible for:

- Assuring the quality of pre-registration education and training
- Standards and guidance
- The dental register
- Fitness to Practise (FtP) and illegal practice
- Continuing professional development

Ideas were tested and evolved through the online patient and public panels and we have engaged more with professionals and partners at events and workshops. Our work on the NHS pilots is helping us to better understand the complaints system.

Effective regulation requires an effective and efficient regulatory body and the GDC has not been complacent. Last year saw the introduction of a significant organisational change programme to help improve our performance. The programme, which comprised some 30 projects identified as vital to help the GDC improve as an organisation, was overseen by the executive team.

The programme has delivered vital changes and improvements to our culture and to the way we work; including our governance and processes such as the establishment of the Policy and Research Board and the new Appointments Committee. We recognise that the objective to become a high performing organisation is something that can only be achieved over the longer-term and we continue to plan and implement work to achieve this.

Following on from the Francis report, we are in the process of implementing a professional duty of candour for dentists and dental care professionals: an obligation to be open and transparent when something

## Message from the Chief Executive

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goes wrong with care. There is still more work to do and we're working with the profession to implement this important duty.

Last year saw a focus on our performance, particularly in Fitness to Practise (FtP). We developed a more advanced forecasting model to help us to predict the number of FtP cases we can expect in the next 18 months. We do not want to return to the situation we found ourselves in a few years ago, when the organisation encountered an unpredicted increase in the number of complaints, which more than doubled, leading to a subsequent backlog of cases. Having a better understanding of our performance and the demand levels we must meet will help us to plan, manage and deliver our work more effectively.

The model has now been fully implemented and will be closely monitored to predict our case activity levels for the next 18 months. A revised forecasting tool for predicting registration income was also successfully implemented.

Last October we launched a helpline with Public Concern at Work to give advice to dentists and dental care professionals about how to raise a concern, as well as new information which we published on our website. By the end of the year, the line had received 78 calls with 13 possible self-referred cases identified.

As Registrar, I see a lot of the work that we do to quality assure dental education and training for all of the professions we register. This is often overlooked, but is an important core function particularly for the longer term performance of dentistry. It's imperative that students have positive experiences during their training, gaining the knowledge, skills and experience that they need to go on to have successful careers in dentistry.

We published the second annual review of education and training, which was well received by stakeholders and revealed that most programmes were making good progress towards meeting the Standards for Education, which we introduced in 2013. This report highlighted where things were working well and where improvements needed to be made across

### 3 | Message from the Chief Executive *Continued*

programmes. For those programmes that needed to improve across several areas, a re-inspection will normally take place. When reviewing re-inspection reports, it has been heartening for me to see the significant improvements a programme can make in the year between an inspection and a re-inspection.

We have also jointly established the Regulation of Dental Service Programme Board with NHS England, the Care Quality Commission (CQC), the NHS Business Services Authority and Healthwatch England. The purpose of the board is to look at the overall system of dental regulation in England to ensure that it is co-ordinated, consistent, avoids overlap and shares information about risk and other issues effectively.

The board published its report in December 2015 outlining seven key areas of improvement; including the use of data and defining a more effective complaints handling system that will make dental regulation more coherent, streamlined and effective.

A focus on value for money has been present in all aspects of our work. We need to be accountable and transparent and to fully explain our decisions, particularly around finances. We look forward to working with our partners to become a more transparent and accountable organisation, which will benefit the public, patients and the dental team.

While there have been many positives, I would draw attention to two reports published by our oversight body, the Professional Standards Authority (PSA) in 2015. The first of these was a performance review published that found that we met only 17 out of the 24 standards for professional regulation. Given our aspiration to be a high-performing regulator, this level of performance was simply not good enough.

We met all of the standards for standards and guidance and education and training and met all but one of the standards for registration. However we met only two standards relating to FtP and the PSA could not reach a conclusion in relation to two others.

A major reason for the dip in performance was that complaints referred to us jumped by 120% in two years: our systems and processes were simply overwhelmed by the resultant increase in workload. Significant changes have taken place since the report which are bearing fruit but we continue to drive improvement.

A second PSA report was published towards the end of the year which concerned an historic whistleblowing incident. What it had to say made for sobering reading. It has also been an opportunity to reflect on the recommendations so that we are able to learn from such incidents to reduce the risk of them happening again. We want the GDC in the future to be an organisation where, while we are alert and receptive to whistleblowing and take it seriously, it should never in fact be necessary. One of the things we need to do to ensure this ambition is embedded is to have constructive conversations with one another and to be comfortable in challenging each other when we think something isn't right.

The Council examined each finding in great detail to work out what further action was needed, in addition to the changes already made during the programme of reform.

Since the report was published, we have further increased our efforts to be transparent in the actions we are taking to address the recommendations.

The future of healthcare demands us to be increasingly patient focused and efficient - and we recognise that we can only improve our performance by working with patients, the profession and our partners.

#### **Ian Brack**

*Chief Executive and Registrar*

## Highlights of 2015

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During 2015, we carried out a significant amount of work to prepare the organisation for the launch of Patients, Professionals, Partners and Performance (which is referred to in this document as the 4Ps) setting out our plans between 2016 and 2019.

Our work during 2015 can be broadly categorised into two streams. Firstly, we carried out a significant programme of internal improvement work (referred to as the Organisational Change Programme) to address some fundamental issues in our structure. This work will help us to deliver the 'performance' strand of the new strategy.

During the year, we reviewed our ways of working across the organisation and overhauled our governance, communications, risk management, performance management and FtP processes.

The need for a wide ranging review was made evident by some of the reports about our performance from the PSA. Following work carried out over the year, new processes are now implemented in each of these areas which will help to lay foundations for improved performance over the course of the strategy term.

Secondly, the year was categorised for carrying out preparatory work for some major projects which will be delivered across all four strands of the 4Ps.

It enabled us to plan for a number of crucial initiatives that we will implement during 2016, including the launch of our Continual Professional Development pilot, the implementation of case examiners to modernise the FtP process and the introduction of online registration applications. Further details about these projects can be found in section 5.

We have also contributed to the publishing of the 'Future of Dental Service Regulation' report, working with other national bodies such as the CQC and NHS England who have a stake in reviewing and improving the dental regulation sector and this will continue to be an important forum for moving forward a number of our strategic aims during the corporate strategy.

In addition, we have worked to launch the Public Concern at Work (PCAW) helpline and have prepared for the launch of our new website, both of which will improve the accessibility of the GDC over the coming years.

## 1.1 Who we are

The General Dental Council is a UK-wide healthcare regulator, with a remit covering England, Scotland, Wales and Northern Ireland. It has over 320 staff and is overseen by a Council of 12 members made up of six lay members and six dental professionals.

The legislation which governs our work—the Dentists Act 1984—sets a number of objectives which includes: to protect the public, to promote and maintain confidence in the dental profession and to promote and maintain proper professional standards and conduct for members of those professions.

We maintain the professional registers so that patients and the public can be confident that the treatment they receive is provided by a dentist or dental care professional who is properly trained and qualified, and has the necessary technical and personal skills.

We also set standards for the providers of pre-registration dental training (and are currently working towards a system of quality assurance for specialty training), investigate complaints against dental professionals and take proportionate action through our fitness to practise process.

Our recently published road map Patients, Professionals, Partners and Performance gives more detail on how we will continue to put patients at the heart of what we do between 2016-2019, support the profession and work with our partners in order to become a high-performing regulator that has the confidence of patients, dental professionals and the public.

We have five directorates headed by directors who are members of the Executive Management Team (EMT).

The organisation is overseen by a non-executive Chair and Council (see section 7 for more information).

The EMT is responsible for:

- Identifying strategic risks and ensuring that ownership for each risk is allocated at the right level with clear accountability;
- Identifying and evaluating risks as they occur within functions and directorates;
- Reviewing and reporting on risks to the Council and other aspects of the governance model;
- Reporting to the Council on the effective management of risks as they apply to policy development, operational performance and the deployment of resources;
- Designing and implementing the policy on risk management and ensuring good risk management practices; and
- Ensuring that the strategic, operational and project risk registers are up to date, relevant and comprehensive.

The directorates are: Governance and HR, Finance and Corporate Services, Registration and Operational Excellence, Fitness to Practise and Strategy which are all overseen by a Chief Executive and Registrar.

Figure 1: Organisation chart



**1.2 Business Plan 2015 – summary of achievements**

Over the past few years there has been a continuing focus on our objective of becoming a more efficient and high performing organisation.

2015 was the final year of our three-year corporate strategy *Protecting the public by regulating the dental team*, which gave details about how effective regulation enhances the public's confidence in dentistry.

Running in parallel with the business plan was the wide-ranging Organisational Change Programme (OCP) that ran from November 2014 to November 2015. The programme – which was overseen by the Executive Management Team – consisted of a set of 30 projects identified as being of vital importance in

enabling the organisation to improve. Running through the programmes were four themes: leadership and performance management, systems and processes, an improved communications function and the introduction of a fit for purpose organisational structure.

While the programme delivered vital changes and improvements, it is recognised that the objective to become a high performing organisation can only be achieved over a longer term.

The business plan had six key challenges. As a result of prioritising this programme, a decision was made that some work in the 2015 business plan will be carried over into the 2016 plan. Notable activity under the programme has been included in the summary of our progress against our 2015 business plan and aligned to strategic objectives and key challenges.

### 2015 Business Plan key challenges

### What we have done to meet the challenge

#### 1. Improve our performance overall through:

- Greater efficiency in managing the rising number of complaints being brought against the dental team.
- Better use of our data in order to understand changes in the health environment and to both anticipate and identify key risks to patients.
- Compliance audits to improve process and ensure robust decision-making.

- Implemented a more robust forecasting model to enable us to predict the level of spending required to run FtP operations more efficiently.
- We have improved the quality of our management information and performance reporting by developing our data warehouse reporting system.
- Ran an ongoing programme of continuous FtP improvement throughout the year, with a focus on addressing the high priority improvements identified by the PSA and our own compliance and audit function.
- Introduced a revised triage process to help us deal with FtP cases more efficiently.
- Set up the Quality Assurance Group to oversee decision-making in the FtP function. Compliance audits were carried out on 900 live cases to evaluate the quality of the decisions. Eight reports were produced, making a total of 88 recommendations.
- The audits scrutinise five distinct aspects of an FtP investigation: (data) accuracy, compliance with operational procedures and guidance, the quality of customer service, the quality of decision making and timeliness.
- The majority of issues arising from the audits were around the need to improve timeliness, but strong performance was found in the quality of decision making which traditionally is a high risk area for regulators.

2015 Business Plan key challenges	What we have done to meet the challenge
<p><b>2. Drive forward changes that improves our professional service, including:</b></p> <ul style="list-style-type: none"> <li>• Preparing for the legal changes to fitness to practice processes through introducing case examiners to improve decision-making.</li> <li>• Preparing to implement enhanced Continuing Professional Development</li> </ul>	<ul style="list-style-type: none"> <li>• Developed the process to recruit and embed case examiners to help us to be more effective in how we handle FtP cases. The legislative changes needed to introduce the process have been made and case examiners will become operational in late 2016. More detail about case examiners is on page 17.</li> <li>• Prepared for the introduction of enhanced Continuing Professional Development by preparing a pilot. The pilot started in early 2016. More detail can be found on page 17.</li> </ul>
<p><b>3. Collaborate with other professional and systems regulators to share both information and best practice in order to prevent harm to patients</b></p>	<ul style="list-style-type: none"> <li>• Analysed complaints data with an external research partner which helped us to identify ways in which our data helps us learn more about complaints causality in the future.</li> <li>• Ran a pilot with selected NHS Local Area Teams to ensure that cases of low-level concern are addressed through local resolution.</li> <li>• Carried out a comprehensive review of registration to prepare for various changes coming into force in 2016 including the introduction of indemnity and increased information sharing with European health regulators.</li> <li>• Participated in collaborations with other UK professional and systems regulators, including the Regulation of Dental Services Programme Board. This is a working group of major national organisations working collaboratively to review the future of dental service regulation.</li> </ul>
<p><b>4. Ensuring we demonstrate both efficiency and cost effectiveness in delivering our regulatory duties.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing our processes up to the committee meeting stage, identifying opportunities for improvement in the effectiveness of the Investigating Committee.</li> <li>• Implemented a project with the aim of reducing hearing days, decreasing prosecution and hearing costs and increasing co-operation with defence organisations.</li> <li>• Introduced a new risk management framework to inform our decision making in our delivery of regulatory duties.</li> <li>• Developed an online platform to make applications to join the register, due to be launched in 2016.</li> <li>• Carried out a comprehensive review of our governance arrangements, leading to a revised operational structure and the implementation of new processes.</li> </ul>

2015 Business Plan key challenges	What we have done to meet the challenge
<p><b>5. Work closely with our key stakeholders to gain greater benefit from their feedback, and to understand what information they need from their regulator.</b></p>	<ul style="list-style-type: none"> <li>Continued to benefit from information sharing agreements with other organisations, and held strategic meetings with various professional and system regulators and associated health bodies across the four countries.</li> <li>Carried out a comprehensive review of our communications function that led to the development of a new communications strategy. This was launched in early 2016 and sets out our plans for effective external engagement.</li> </ul>
<p><b>6. Continuing to both value and support our people to respond to both challenging and changing demands.</b></p>	<ul style="list-style-type: none"> <li>Delivered a leadership and development programme for senior managers.</li> <li>Introduced a new pay structure, recognition policy and appraisal scheme, promoting a culture of high performance.</li> <li>Completed the redevelopment of 37 Wimpole Street.</li> <li>Introduced an equality and diversity working group and recruited a head of equality and diversity to continue to raise awareness among staff and embed equalities best practice in all the work we do.</li> </ul>

As outlined above, some initiatives in the 2015 business plan have been carried over to the 2016 plan. The principal reasons for the rescheduling of elements of the 2015 plan to 2016 were:

- The need to prioritise projects which were run as part of the organisational change programme (not all of which were envisaged during the drafting of the 2015 plan); and
- The need to await the appointment of incoming senior management to lead delivery of key initiatives in various areas of the business.

Notable activity in 2015 where delivery carries forward to 2016 includes:

- The implementation of the communications strategy which was reviewed by the Council in March 2016
- Ensuring the GDC is accessible and receptive to communications by stakeholders
- Conducting an annual-horizon scanning exercise to anticipate future regulatory changes and their impact
- Implementation of the staff survey action plan
- Ongoing improvements to the FtP process in response to PSA reports
- Further work on making changes to our governance processes following changes made this year
- Refining and delivering our policy programme to support our new roadmap



## Business plan case studies

To provide additional detail about some of the important projects highlighted last year, here are some case studies.

### CASE EXAMINERS

We continued to lay the ground and support the legislative process to introduce case examiners into our FtP process. We have met with other regulators, mapped future processes to identify best practice and developed our requirements for the next planned phase of putting case examiners in place by November 2016. The expected benefits of introducing case examiners are to:

- bring the GDC in line with other professional health regulators (the General Medical Council, General Optical Council and Nursing and Midwifery Council) by streamlining current FtP processes. Case examiners will be able to carry
- out the functions of the Investigating Committee by agreeing undertakings (an agreement to do something) that includes issuing warnings or advice or referring to a practice committee. This means it won't be necessary to convene the committee to discuss FtP allegations;
- no longer apply a 'one size fits all' model for all cases whether serious or minor;
- reduce the length of time it takes to deal with the FtP cases and improve the consistency of decision making; and
- empower the case examiners and investigating committee to implement and monitor undertakings for registrants.

### CPD PILOT

We designed a pilot scheme to support the needs for dentists and dental care professionals to provide us with evidence of their Continuing Professional Development (CPD) which we will roll out in 2017.

Four options were presented to Council and we made changes to our current system to support the favoured scheme which was thoroughly tested. The pilot was launched in March 2016 which aims to engage with participants to complete the required activities of a whole five year CPD cycle in the new scheme, condensing five years of the scheme into five months of the pilot (between March-July 2016). We are making changes to the system as per

the feedback received. The expected benefits of Enhanced CPD are:

- more accurate and timely updates to CPD to ensure that dental professionals don't only update their CPD profile towards the end of the 5 year cycle to protect patients;
- less time spent updating CPD as we are looking at quality over quantity;
- more meaningful updates as we will only collect CPD that can be evidence based and is certifiable to support the profession; and
- help maintain skills through more regular CPD updates.

### ROLLING FORECAST MODEL

We introduced a new model that allows us to predict more accurately the amount of FtP cases we expect over an 18 month period.

We do not want to return to the situation we found ourselves in a few years ago when the organisation encountered an unpredicted increase in the number of complaints, which more than doubled, leading to a subsequent backlog of cases. We took longer than we should have to complete cases and the new model has begun to identify ways in which we can address this in the future. Some of the benefits of the model are still being tracked, however some have been realised.

The model:

- allows us to predict the volume of work and resources required to complete the work needed within a rolling 18 month forecast period, improving our efficiency and planning ability as a regulator;
- acts as an oversight model to allow us to monitor if any changes can be made to the process to improve its efficiency; and
- allows us to be more transparent with patients, our partners and the profession about how we are resourcing our FtP function.

# Statistical and performance report

## Registration

Dentists and dental care professionals (DCPs) must be registered with the GDC in order to practise lawfully in the UK. Everyone who joins the register must be suitably qualified, or pass an assessment, and must meet health and character requirements in order to be fit to practise as a member of the dental team.

Applications can be made in a number of ways. The applicant must show that they have one of the following:

- a recognised UK qualification
- a recognised European qualification
- a recognised non-European qualification
- an assessment of suitability to register, via a GDC panel assessment of skills and knowledge (in the case of non-European qualified persons with exempt person status); or
- success in passing the Overseas Registration Exam (for non-European overseas qualified dentists who do not benefit from enforceable community rights).

## Specialist lists

The GDC also maintains lists of dentists who are suitably qualified or experienced to call themselves specialists in specific areas of dentistry.

## Continuing Professional Development (CPD)

Dental professionals have a duty to keep their skills and knowledge up to date during their career. Continuing Professional Development (CPD) can support dentists and dental care professionals to maintain and update their skills, knowledge and behaviour throughout their working life.

It may also help to improve the quality of patient care and treatment. Undertaking CPD is a compulsory part of registration with the GDC. A dental professional must meet our CPD requirements to maintain their

registration. We also require evidence of their CPD from any dental professional wishing to re-join the register.

## 1. The total number of dentists and dental care professionals (DCP) on the register at 31 December 2015

Registration Type	No of Registrants	% of Total
Dentist	41095	38%
DCP	67114	62%
<b>Total</b>	<b>108209</b>	

Table one is the total number of dentists and dental care professionals (DCPs) who are on the register. Dental care professionals who have more than one title, for example a dental hygienist who is also a dental therapist, are only counted once in this table. See table 3 for the composition of the register by dental grouping.

There was a 1% increase in the total number of registrants from 106,313 at the end of 2014 to 108,209 at the end of 2015.

## 2. The composition of the register by gender of dentists and dental care professionals at 31 December 2015<sup>1</sup>

Registration Type	Male	% of Total
Dentist	21822	53%
DCP	5768	9%
<b>Total</b>	<b>27590</b>	<b>25%</b>

Registration Type	Female	% of Total
Dentist	19273	47%
DCP	61346	91%
<b>Total</b>	<b>80619</b>	<b>75%</b>

<sup>1</sup> Percentages represent the proportion of gender composition to the overall register.

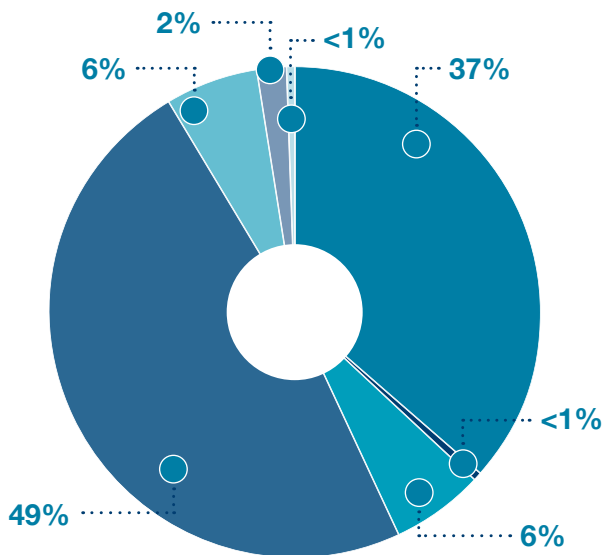
### 3. The composition of the register by dental grouping at 31 December 2015

Registration Title	No. of Titles	% of Total
Dentist	41095	37%
Clinical Dental Technician	347	<1%
Dental Hygienist	6753	6%
Dental Nurse	54663	49%
Dental Technician	6295	6%
Dental Therapist	2708	2%
Orthodontic Therapist	457	<1%
<b>Total</b>	<b>*112318</b>	

*\*This table is a count of the number of members of each type of dental professional on the register. A dental professional who has more than one title is counted once for each title that they hold. Therefore, the total for this table will be greater than the overall number of people counted in table one.*

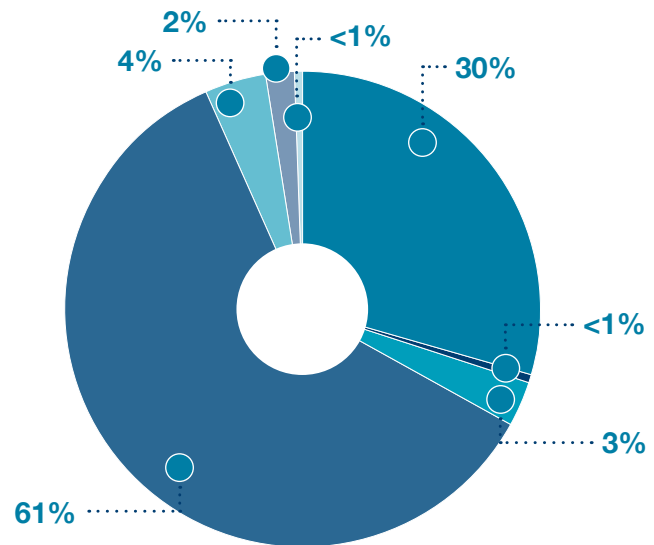
There was a 2% increase in the overall number of registered titles in 2015, from 109,956 in 2014 to 112,318 in 2015.

### The composition of the register by dental grouping at 31 December 2015



### 4. Additions to the register in 2015 by dental grouping

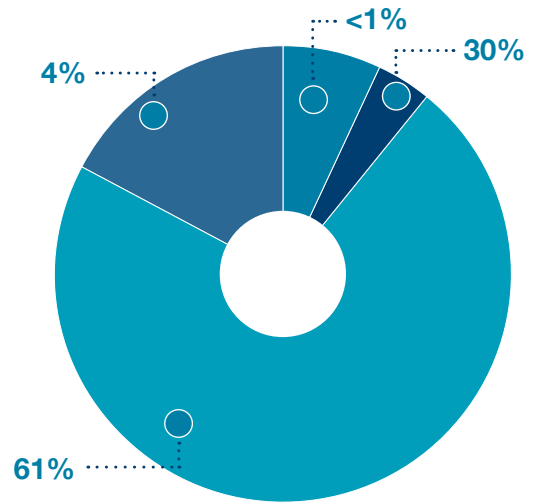
Registration Title	No. of Titles	% of Total
Dentist	2571	30%
Clinical Dental Technician	2	<1%
Dental Hygienist	268	3%
Dental Nurse	5140	61%
Dental Technician	314	4%
Dental Therapist	184	2%
Orthodontic Therapist	2	<1%
<b>Total</b>	<b>8481</b>	



**5. Dentists on the register as of 31 December 2015 from where they qualified**

a) Dentists, breakdown from where qualified

Region of qualification	No. of registrants	% of Total
ORE (UK Overseas Exam)	2957	7%
Overseas qualified	1778	4%
UK qualified	29541	72%
EEA qualified	6819	17%
<b>Total</b>	<b>41095</b>	



b) DCPs, breakdown from where qualified

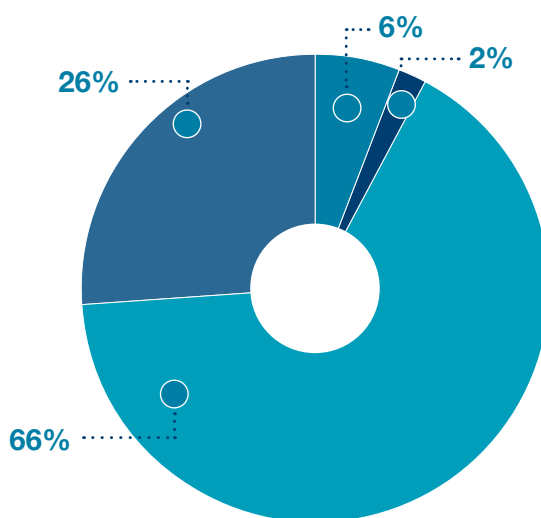
Registration Title	UK	% of Total	Outside UK	% of Total	Total
Clinical Dental Technician	345	99%	2	1%	347
Dental Hygienist	6543	97%	210	3%	6753
Dental Nurse	54395	100%	268	<1%	54663
Dental Technician	6171	98%	124	2%	6295
Dental Therapist	2697	100%	11	<1%	2708
Orthodontic Therapist	454	99%	3	1%	457
<b>Total</b>	<b>70605</b>		<b>618</b>		<b>71223</b>

*\*Includes people who joined the GDC register as a result of verified experience, verified competency or transition from voluntary registers at the point of transitional arrangements during the inception of the DCP register. A limited number of titles have required manual analysis to classify UK/outside UK split. As such minor variations in counts may exist in comparison to other published figures for this reporting period.*

## 6. Dentists and dental care professionals added to the register in 2015, broken down from where they qualified

New additions to the dentist register in 2015, broken down from where they qualified

Region of qualification	No. of registrants	% of Total
ORE (UK Overseas Exam)	164	6%
Overseas qualified	45	2%
UK qualified	1693	66%
EEA qualified	669	26%
<b>Total</b>	<b>2571</b>	



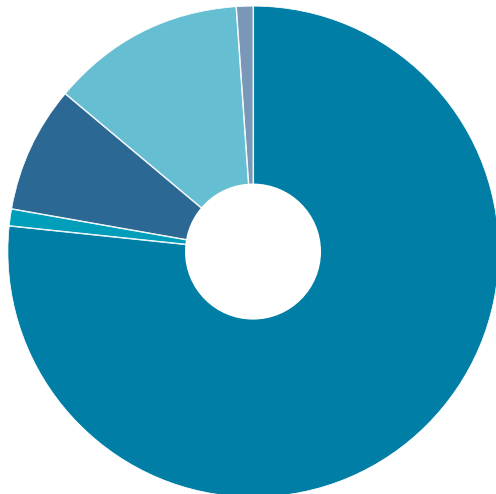
a) New additions to the DCP register in 2015, broken down from where they qualified

DCP Title	UK	% of Total	Outside UK	% of Total	Total
Clinical Dental Technician	2	100%	0	0%	2
Dental Hygienist	237	88%	31	12%	268
Dental Nurse	5086	99%	54	1%	5140
Dental Technician	281	89%	33	11%	314
Dental Therapist	181	98%	3	2%	184
Orthodontic Therapist	2	100%	0	0%	2
<b>Total</b>	<b>5789</b>		<b>121</b>		<b>5910</b>

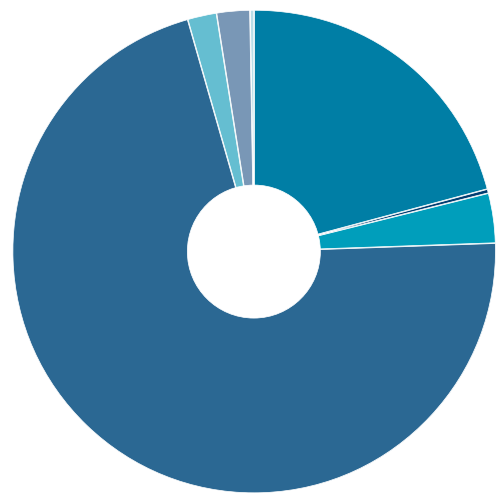
**7. The gender composition of dentists and dental care professionals added to the register in 2015**

Title	Male	% of Total	Female	% of Total	Total
Dentist	1092	42%	1479	58%	2571
Clinical Dental Technician	0	0%	2	100%	2
Dental Hygienist	19	7%	249	93%	268
Dental Nurse	117	2%	5023	98%	5140
Dental Technician	181	58%	133	42%	314
Dental Therapist	15	8%	169	92%	184
Orthodontic Therapist	0	0%	2	100%	2
<b>Total</b>	<b>1424</b>		<b>7057</b>		<b>8481</b>

**Male**



**Female**



**8. The composition of specialist lists as at the end of 2015**

Specialty Type	No. of Titles	% of Total
Special Care Dentistry	306	7%
Restorative Dentistry	303	7%
Prosthodontics	434	10%
Periodontics	359	9%
Paediatric Dentistry	235	6%
Orthodontics	1334	32%
Oral Surgery	720	17%
Oral Microbiology	8	<1%
Oral Medicine	68	2%
Oral and Maxillofacial Pathology	30	<1%
Endodontics	271	6%
Dental Public Health	109	3%
Dental and Maxillofacial Radiology	27	<1%
<b>Total</b>	<b>4204</b>	

*Note on specialist lists: There was a decrease of 3% in the number of speciality titles at the end of 2015, compared with 4347 titles in 2014.*

## Fitness to Practise

Dentists and dental care professionals (DCPs) must meet certain requirements at the point of initial registration and throughout their career in order to be deemed fit to practise.

When we say that someone is 'fit to practise' we mean that they have the appropriate skills, knowledge, character and health to practise their profession safely and effectively. However, fitness to practise is not just about a practitioner's clinical performance or health.

A practitioner's fitness to practise also includes any actions which they may have taken which affect public confidence in dental professionals and their regulation. This may include matters not directly related to professional practice, for example, committing a criminal act.

If a dental professional's conduct or performance is called into question, either through a direct complaint from a patient or informant, or via a referral from a professional body, for example a Police notification of a criminal caution or conviction, the person may be subject to our FtP procedures.

The process will investigate:

- serious or repeated mistakes in clinical care, for example mistakes in diagnosis or dental procedures
- failure to examine a patient properly, to secure a patient's informed consent before treatment, or to respond reasonably to a patient's needs

- not having professional indemnity insurance
- cross infection issues (for example, using dirty clinical equipment in the course of treatment)
- serious breaches of a patient's confidentiality
- a serious criminal offence including fraud, theft or dishonesty by a dentist or dental care professional
- poor health or a medical condition that significantly affects the registrant's ability to treat patients safely

We can take action if we believe the FtP of a dental professional may be impaired by reason of, for example:

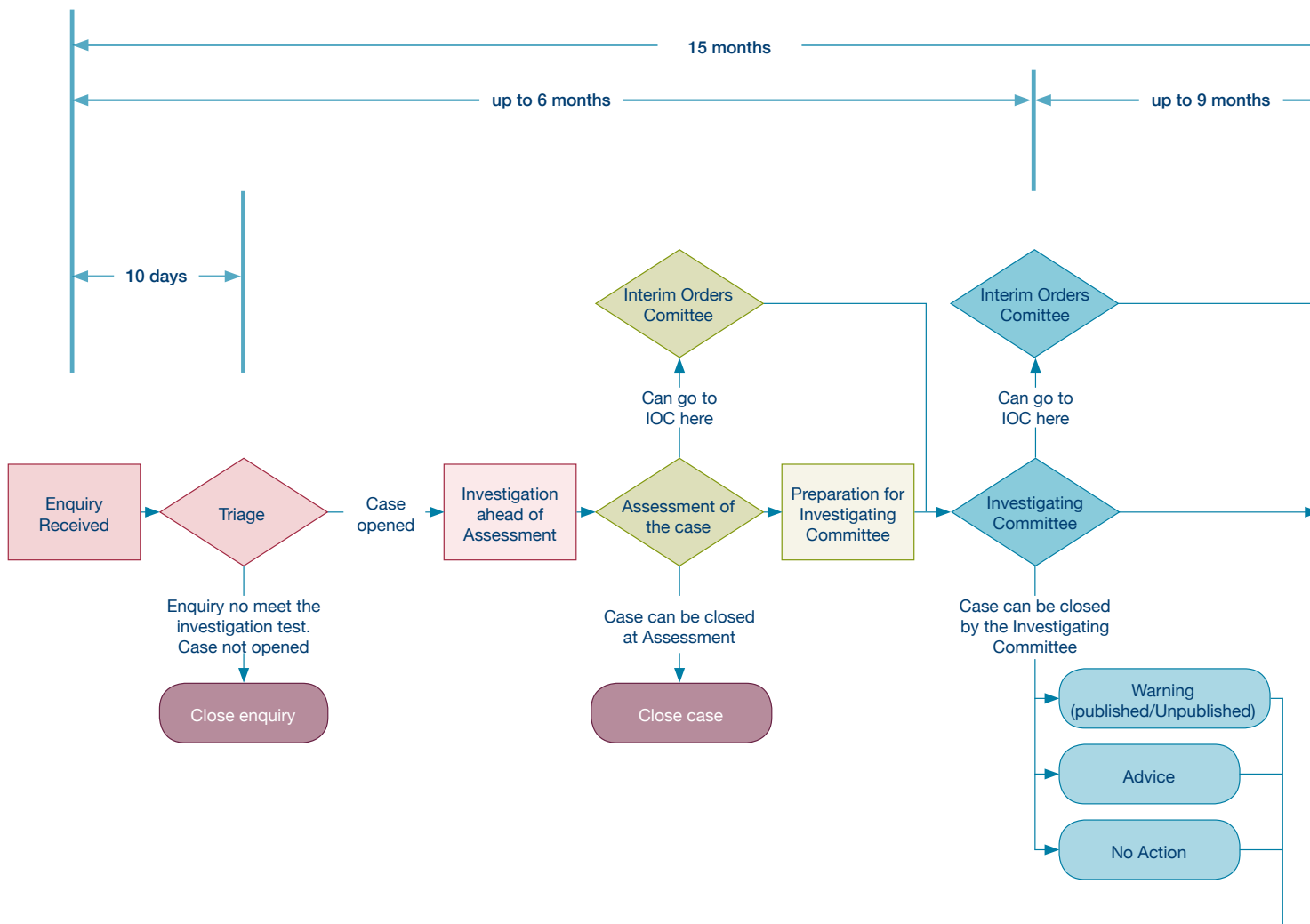
- misconduct
- deficient professional performance
- a criminal conviction or caution in the United Kingdom (or elsewhere if the offence would be a criminal one if committed in the United Kingdom)
- physical or mental ill-health
- following a decision by a regulatory body in the United Kingdom or overseas

All FtP complaints are initially reviewed at the triage stage. Figure 2 outlines the steps once an enquiry is received. After an initial assessment or investigation, they are then either closed if no further action is required, or sent for further investigation by the casework team and eventual assessment.

# GDC Fitness to Practise Process

## Showing likely duration of cases

Figure 2. Shows what happens when a fitness to practise complaint is made







Once they are fully investigated, matters which amount to an allegation of potential impairment of FtP are referred to an Investigating Committee (IC) panel. (Conversely, if determined that the concern does not amount to an allegation of impairment, the matter is closed.) The IC panel consists of appointed registrant and lay members (people not on our register) who meet regularly to consider cases.

Their task is to look at the evidence available and decide whether there is a real prospect of the allegations being found proved at a Practice Committee. The panel does not decide whether the allegation is proven, they only decide whether there is a real prospect of proving the allegation at a hearing.

An IC panel may decide that no further action is necessary or that an advice or warning letter is sufficient. In potentially more serious cases, the IC panel may refer the matter to one of three Practice Committees: the Professional Conduct Committee (PCC); the Professional Performance Committee (PPC); or the Health Committee (HC) for a formal hearing.

Dental professionals referred to a Practice Committee will appear before an independent panel of lay and dental professional members as part of a formal hearing where the GDC and the dental professionals both have the right to legal representation.

If a registrant's fitness to practise is found to be impaired, we can:

- take no action;
- issue a reprimand;
- place conditions on registration;
- suspend registration;
- remove an individual from the dentists' or dental care professionals' register.

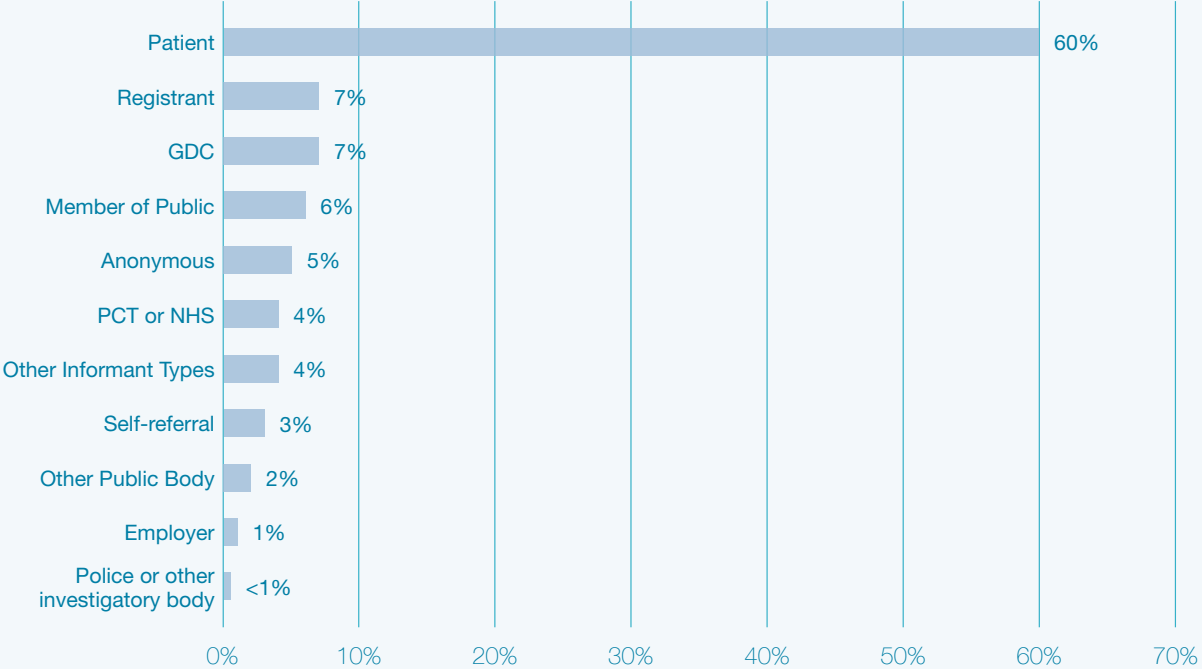
There is also an appeals process.

At any stage in the FtP process, when an allegation suggests a dental professional may cause harm or there are other reasons in the public interest, we may apply for an interim order to prevent that individual from practising, or to place limits on their practice, until their case is heard.

These applications are only made in serious cases. An interim order may be considered necessary for public protection if:

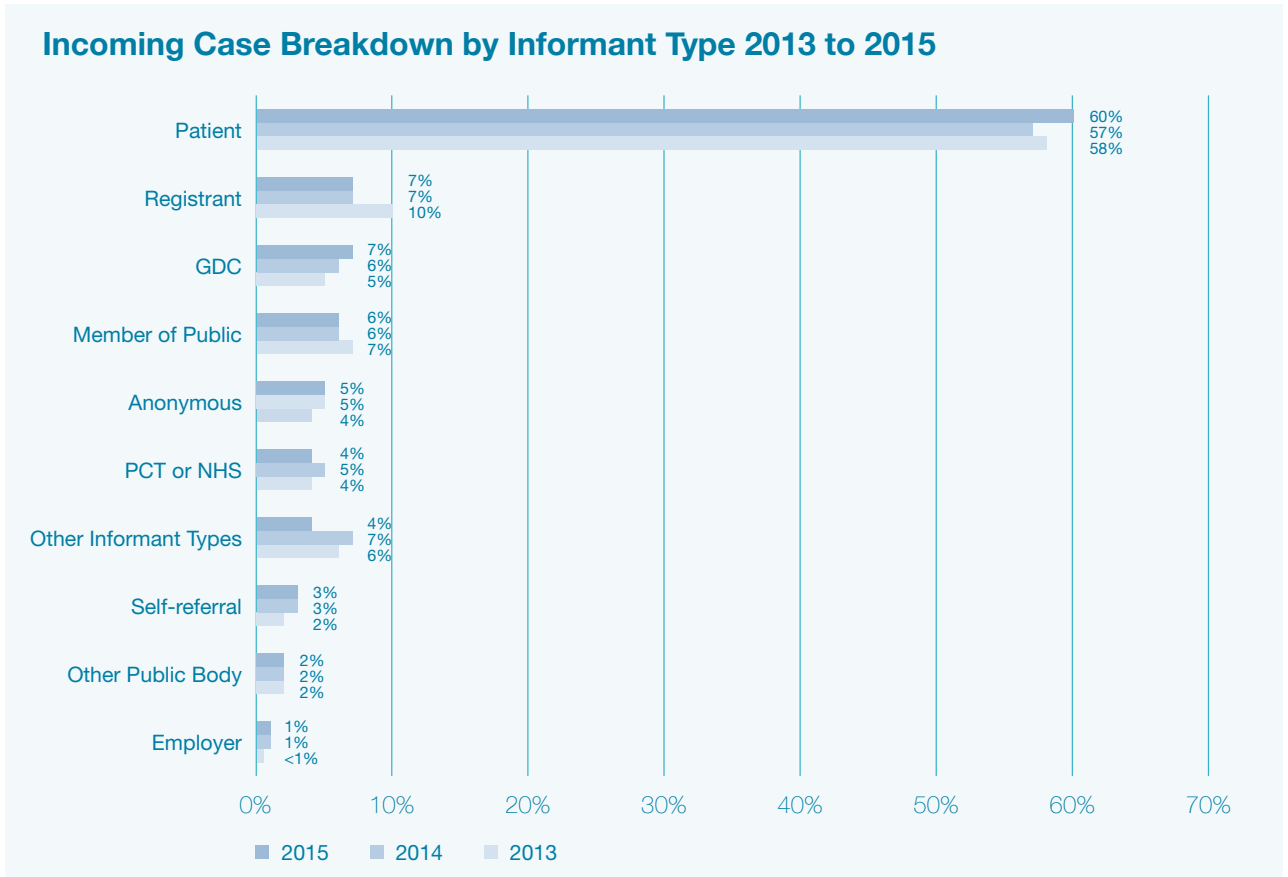
- there is a real risk of significant harm to the health, safety or well-being of a patient, visitor, colleague or other member of the public if the practitioner was allowed to practise without restriction;
- it is otherwise in the public interest to protect public confidence in the profession and uphold and maintain proper professional standards; or
- it is in the interests of the registrant concerned.

### 2015 Incoming Cases by Informant Type

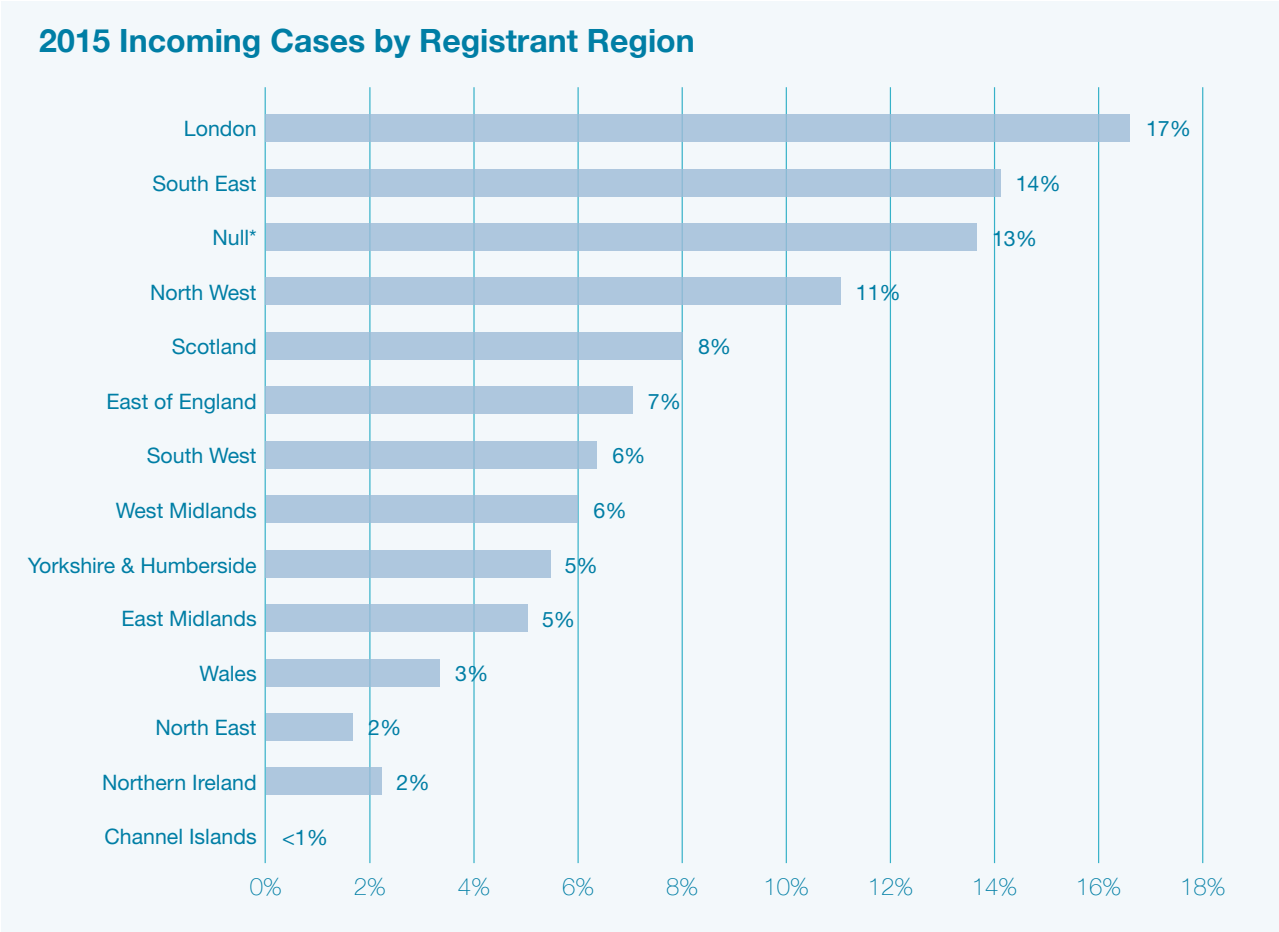


The chart above shows a composition of where complaints came from in 2015. Out of the 2786 complaints received, about six out of ten (1684) came from patients.

The chart below compares the number of complaints in 2015 with the two previous years.



The total number of complaints received in 2015 was 2786, compared to 3099 in 2014 – a 10% decrease. The chart below gives detail of which region the dental professional is from.



*\*Null values above relate to any incoming cases in 2015 where it was not possible to identify a specific registrant, and thus a registrant region, based on the information received.*

This decrease may be attributable to numerous factors. One such factor is likely to be a change made to the GDC's website in mid-2015, whereby additional information was provided to assist potential complainants with their enquiries. All complaints received through the website are now filtered to automatically redirect issues not relating to a complaint

against a GDC registrant.

This reduction and the rate of incoming cases continue to be closely monitored in line with key budget and business planning considerations.

The number of cases considered at each stage of the FtP procedures in 2015 were:

### Triage

#### 2545

This figure represents the number of cases considered at the triage stage, when cases are screened and may be closed or referred for further investigation. 32% of this total were closed, and 68% referred for assessment. This total represents a 21% decrease in triage closures and referrals compared to 3222 cases in 2014. This total may not balance with incoming cases in the year (2786), as there will be cases within triage that were received in the previous year.

### Assessment

#### 1992

This is the number of cases considered at the assessment stage when cases may be closed (54%) or referred to the Investigating Committee (46%). This total represents a 22% decrease in assessment closures and referrals compared to 2567 cases in 2014.

### Investigating Committee

#### 974

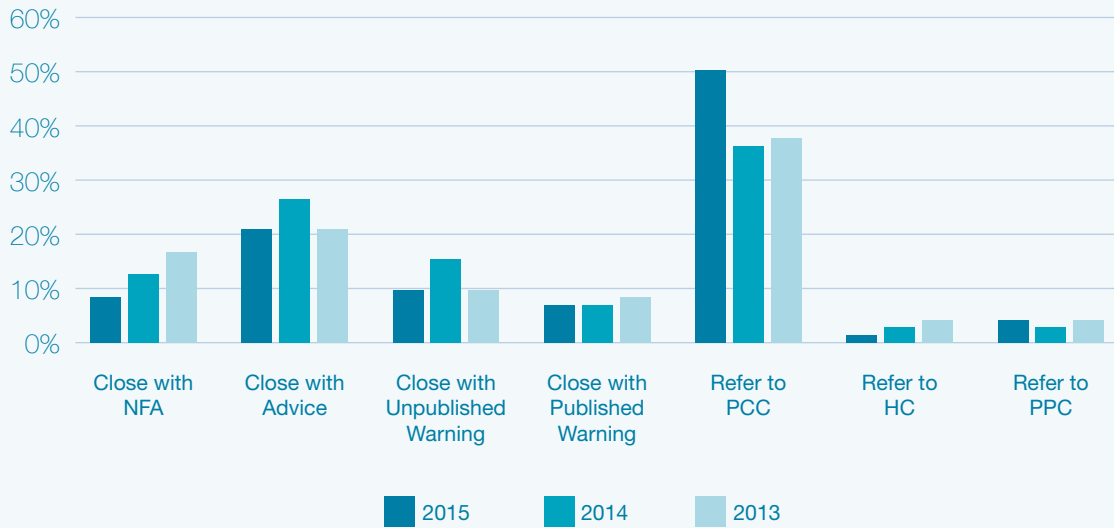
This is the number of cases considered by the Investigating Committee which resulted in closure (56%) or referral to a Practice Committee (44%), including Rule 10 reconsiderations (those cases which have returned to the Investigating Committee following an initial referral to a Practice Committee). This total represents a 3% decrease in IC closures and referrals compared to 1012 cases in 2014.

### Practice Committee

#### 431

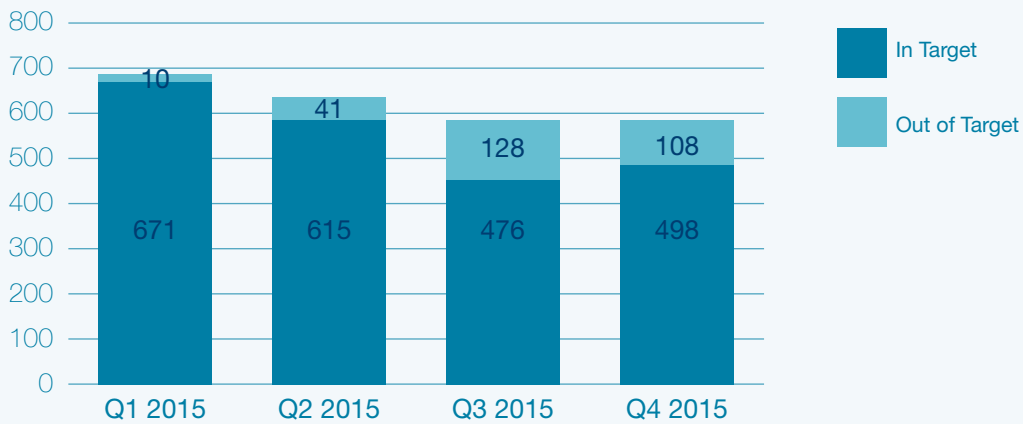
This is the number of cases referred by the Investigating Committee to a Practice Committee. This total represents a 6% increase in Practice Committee referrals compared to 403 referrals in 2014. Of the 431 referrals, 122 were also referred to the Interim Orders Committee – the same amount as in 2014. N.B. Individual dental professionals may account for more than one case.

### Investigating Committee Substantive Outcome Breakdown - 2013 to 2015



The chart above shows what happened to the cases which reached the Investigating Committee stage between 2013 and 2015.

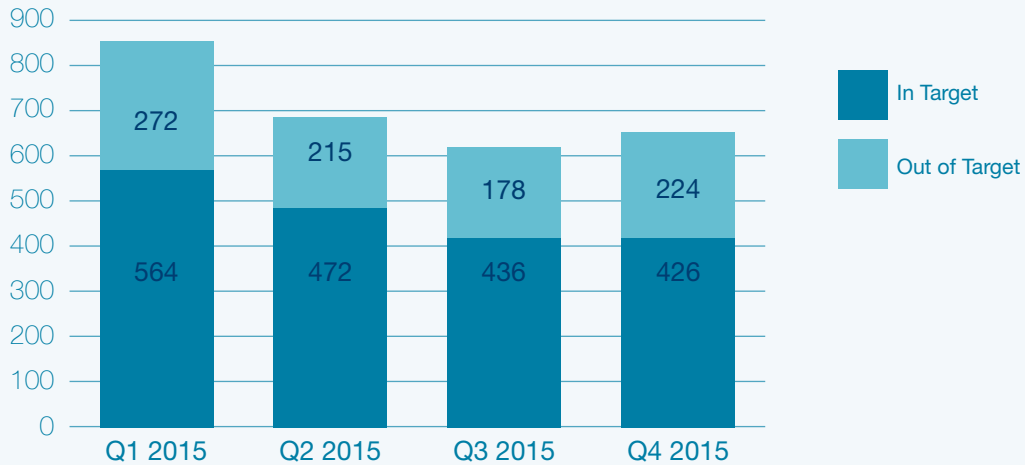
### Percentage of FtP cases received that have been triaged within target of 14 days (10 net work days)



In 2015, of the 2545 cases considered at triage, 816 cases were identified which could be closed without further investigation. This enabled resources to be

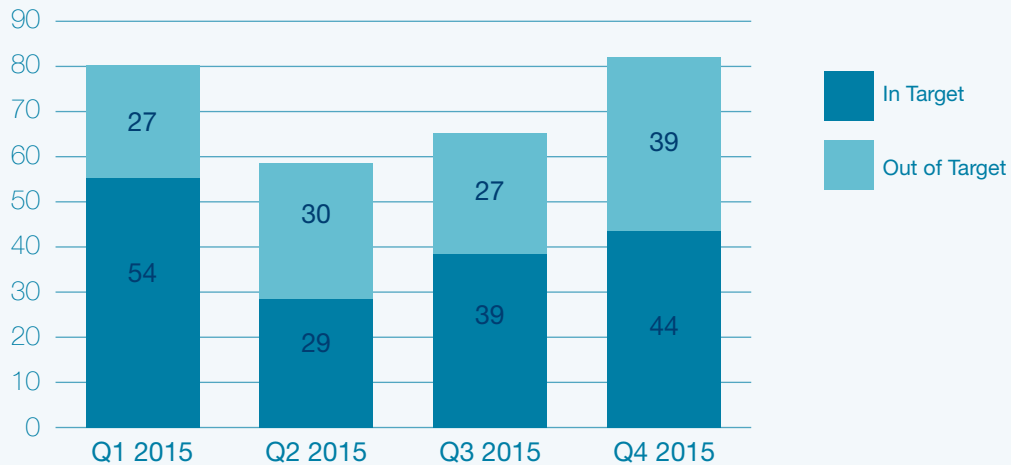
focused on investigating cases where there was a realistic prospect of an allegation of impaired FtP being proven.

**Percentage of FtP investigation stage cases completed within target of 6 months from date received**



68% of investigation stage cases were completed within the six month target in 2015.

**Percentage of FtP cases that received an initial hearing within nine months of referral from the IC**



57% of cases received an initial hearing within 9 months of referral from the IC.

The number of live cases awaiting a first hearing, which had missed our nine month target, stood at 28%

at the end of December 2015. This is in comparison to 12% in the previous year. The number of cases in the queue for an initial hearing was 270 at the end of 2015, compared to 261 at the end of 2014 – an increase of 3%.



### Interim Orders Committee

A statutory committee that considers serious allegations to decide whether it is appropriate to either prevent or to place limits on an individual's practice until their case is heard.

#### Total number of hearings in 2015:

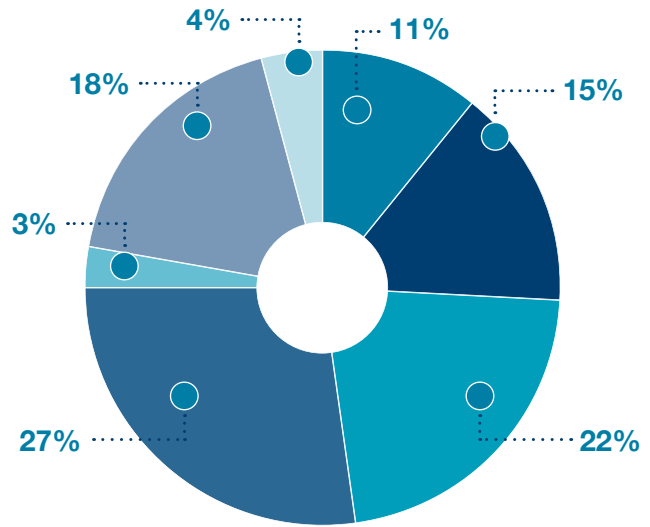
387 (424 hearings in 2014)

#### No of cases involving dentists:

279 (322 dentist hearings in 2014)

#### No. of cases involving DCPs:

108 DCPs (62 dental nurses, 35 dental technicians, 7 dental hygienist/therapists and 4 clinical dental technicians) (102 DCP hearings in 2014)



Outcome	No. of Cases	% of Total
Interim suspension imposed	43	11%
Interim conditions imposed	57	15%
Interim suspension renewed	85	22%
Interim conditions renewed	106	27%
Suspension continued / conditions lifted	13	3%
No order made	68	18%
Adjourned	15	4%
<b>Total Outcomes</b>	<b>387</b>	

**Professional Performance Committee**

A statutory committee which is one of the three practice committees. It considers allegations of deficient performance against a dental professional to decide if this deficiency amounts to an impairment of their FtP.

**Total number of hearings in 2015:**  
17 (all were dentists) (7 dentist hearings in 2014)

**Professional Conduct Committee**

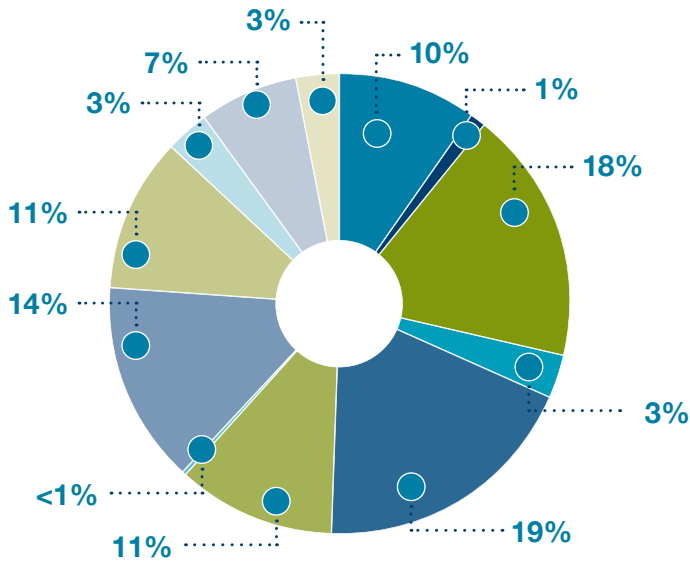
A statutory committee which is one of the three practice committees. It considers allegations of misconduct against a dental professional to decide if this misconduct amounts to an impairment of their FtP.

**Total number of hearings in 2015:**  
269 (187 PCC hearings in 2014)

**No of cases involving dentists:**  
205 (160 Dentist hearings in 2014)

**No of cases involving DCPs:**  
64 (39 dental nurses, 19 dental technicians, 2 clinical dental technicians and 4 dental hygienist/therapists)  
(27 DCP hearings in 2014)

Outcome	No. of Cases	% of Total
Erasure with immediate suspension	28	10%
Indefinite suspension	4	1%
Suspension with review	51	18%
Suspension no review	9	3%
Conditions with a review	54	19%
FtP impaired - reprimand	30	11%
FtP impaired – NFA	1	<1%
Misconduct or deficient professional performance found; FtP not impaired	40	14%
Misconduct not found	30	11%
No current impairment; suspension revoked	9	3%
No current impairment; conditions lifted	21	7%
No case to answer	9	3%
<b>Total Outcomes</b>	<b>286</b>	



### Health Committee

A statutory committee which is one of the three practice committees. It considers cases where it appears that a dental professional's FtP is affected by either a physical or mental health condition.

#### Total number of hearings:

33 (21 hearings in 2014)

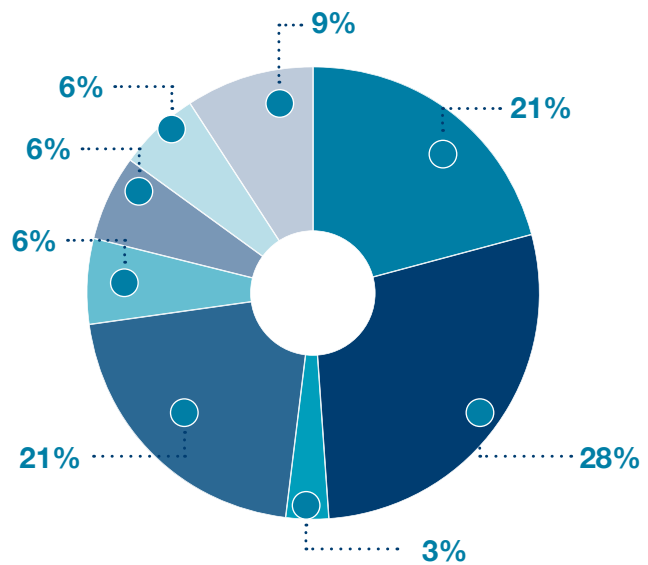
#### No of cases involving dentists:

25 (14 dentist hearings in 2014)

#### No of cases involving DCPs:

8 (6 dental nurses, 1 dental technician and 1 dental hygienist) (7 DCP hearings in 2014)

Outcome	No. of Cases	% of Total
Initial suspension	7	21%
Initial conditions	9	28%
Indefinite suspension at review	1	3%
Suspension continued at review	7	21%
Conditions continued at review	2	6%
Suspension revoked, conditions imposed	2	6%
No longer impaired - conditions revoked	2	6%
Not currently impaired	3	9%
<b>Total Outcomes</b>	<b>33</b>	



### Hearings adjourned part heard at end of year: 7

#### Hearing days in 2015

Number of scheduled hearing days: 1866

Increase in scheduled hearing days compared to 2014: 50%

Average length of an initial PCC or PPC hearing: 4 days

### Issues considered by the PCC/PPC in 2015

Issue	Number of Occurrences**	% of Total Occurrences
Poor treatment	179	23%
Poor record keeping	111	14%
Failure to take appropriate radiographs or to interpret	80	10%
Fraud/dishonesty	53	7%
Failure to obtain consent/explain treatment	42	5%
Failure to co-operate with the GDC or failure to disclose convictions/cautions	38	5%
Personal behaviour	33	4%
Prescribing issues	31	4%
Working outside scope of practice	25	3%
No professional indemnity insurance or failing to produce evidence	24	3%
Undiagnosed/untreated caries	21	3%
Cross-infection control	16	2%
Failings in recording medical and/or dental history	15	2%
Convictions or cautions - other	14	2%
Misleading advertising	11	1%
Conviction or caution assault	10	1%
Indecent assault or inappropriate sexual behaviour	10	1%
Misled about treatment available on the NHS	9	1%
Conviction or caution - alcohol or drugs	9	1%
Conviction or caution theft/robbery	8	1%
Failure to refer	7	<1%
Period of unregistered practice	5	<1%
Clinically incorrect extractions	4	<1%
Failure to anaesthetise	4	<1%
Failure to spot or monitor lesions	3	<1%
Failure to inform patient of adverse incident	3	<1%
Employing dentist or nurse not registered with GDC	3	<1%
Inaccurate statements to CQC	3	<1%
Tooth whitening	2	<1%
Making racially offensive comments	1	<1%
Not supervising Vocational Dental Practitioners adequately	1	<1%
<b>Total</b>	<b>775</b>	

**\*\* Cases often involve more than one issue. These figures provide a profile reflecting the main issues involved, and not every single charge.**

**Restoration Applications**

Number considered	3
Restored	1
Restored with Conditions	1
Adjourned for Further Information	1

**Time taken to complete the initial hearing of cases**

(After referral from IC - review hearings not completed):

0-9 months	129
10-12 months	72
13-18 months	20
19-24 months	3
25-30 months	1
31+ months	1

## Council structure

The Council consists of 12 members: 6 dental professional members and 6 lay members. The members of the Council in 2015 were as follows:

Dental professional members	Lay members
Catherine Brady	Geraldine Campbell
Margaret Kellett	Michael Carroll
Kirstie Moons	Rosemary Carter
Lawrence Mudford	Alan MacDonald
Jayendra Patel	William Moyes (Chair)
David Smith	Neil Stevenson

Catherine Brady was appointed as a dental professional member on 1 June 2015. David Smith was temporarily suspended from the Council, with effect from 10 December 2015, pending the outcome of an FtP investigation.

### Council meetings attendance in 2015

Name	Feb	Mar	Apr	Jun	Jul	Oct	Nov	Dec	Total number of eligible meetings attended
Catherine Brady*				✓	✓	✓	✓	✓	5/5
Geraldine Campbell	x	✓	✓	✓	✓	✓	✓	x	6/8
Michael Carroll	✓	✓	x	x	✓	✓	✓	✓	6/8
Rosemary Carter	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Margaret Kellett	✓	✓	x	✓	✓	✓	✓	✓	7/8
Alan MacDonald	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Kirstie Moons	✓	✓	✓	✓	✓	✓	✓	✓	8/8
William Moyes (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Lawrence Mudford	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Jayendra Patel	✓	✓	✓	✓	x	x	x	✓	5/8
David Smith**	✓	✓	✓	✓	✓	✓	✓		7/7
Neil Stevenson	✓	✓	✓	✓	✓	✓	✓	✓	8/8

\*Catherine Brady was appointed to the Council in June 2015

\*\*David Smith was temporarily suspended, with effect from 10 December 2015

## The statutory committees of the General Dental Council

Under the Dentists Act 1984 (as amended), the GDC has responsibility for dealing with allegations of impaired practice involving members of the dental profession.

There are six statutory committees to assist in fulfilling its statutory duty as set out in Section 2 of the Dentists Act 1984. The committees comprise independent panellists who are lay people, dentists and dental care professionals. Council members do not sit on the statutory committees but they are accountable to the Council for their performance.

These committees are:

- **Investigating Committee:** Considers allegations of impaired FtP to determine whether such allegations should be referred to one of the three practice committees (Professional Conduct, Health or Professional Performance Committee) for a full inquiry.
- **Interim Orders Committee:** A case can be referred to the IOC at any stage to consider whether an order (such as a suspension) against a dental professional's registration is appropriate before a full inquiry.

- **Professional Conduct Committee:**

Considers allegations of misconduct against a dental professional to decide if the misconduct amounts to an impairment of their ability to practise dentistry.

- **Health Committee:** Considers cases where it appears that a dental professional's performance is affected by either a physical or mental health condition.

- **Professional Performance**

**Committee:** Considers allegations of deficient performance against a dental professional to decide if this deficiency amounts to an impairment of their ability to practise dentistry.

- **Registration Appeals Committee:**

Considers appeals from dental professionals on the grounds of either being refused entry onto the register, removed or not restored to the register (but not by a practice committee).

Members for these committees are appointed by the Appointments Committee, who assist the Council to appoint, recruit and oversee the work of statutory committee members. Further information on the work and membership of the Council's statutory committees can be found on our website.<sup>2</sup>

<sup>2</sup> <http://www.gdc-uk.org/Aboutus/Thecouncil/Pages/Committees.aspx>

## 7 | Council structure *Continued*

The Council is supported by five non-statutory committees:

Committee	Council members
<b>Appointments Committee</b> (Oversees the recruitment, training and performance management of the statutory committees which make up the FtP panel and its Investigating Committee)	Rosie Varley (lay member – Chair) Martyn Green (registrant member) Tim Skelton (lay member) Nigel Fisher (registrant member)
<b>Audit and Risk Committee</b> (Monitors the integrity of the financial statements, reviews governance, internal control, risk management systems and internal and external audit services)	Alan MacDonald (Chair) Lawrence Mudford David Smith (temporarily suspended 10 December 2015) Catherine Brady (from 1 June 2015)
<b>Finance and Performance Committee</b> (Challenges and monitors financial and operational performance. Works with the executive to develop business plans and annual budgets)	Michael Carroll (Chair) Margaret Kellett Kirstie Moons Jayendra Patel Neil Stevenson (until 30 September 2015)
<b>Remuneration Committee</b> (Establishes procedures for the remuneration of the Chief Executive, the Executive Management Team, Council members and overall staff remuneration policy)	Rosemary Carter (Chair - until 30 September 2015) Neil Stevenson (Chair - from 1 October 2015) Geraldine Campbell Jayendra Patel (from 3 March 2016)
<b>Policy and Research Board</b> <i>(Established 4 November 2015)</i> (Provides oversight of the development and implement of strategy, policy and research initiatives)	Rosemary Carter (Chair) Catherine Brady Geraldine Campbell Kirstie Moons Lawrence Mudford

### Independent members of Committees who served in 2015:

<b>Audit and Risk Committee</b>	Jennifer Seeley (until 31 May 2015) Jason Davis (from 17 July 2015)
<b>Remuneration Committee</b>	Lesley Pearson (until 30 September 2015) Philippa Hird (from 1 October 2015)



## Recruitment of a new Appointments Committee

A review of the function of the Appointments Committee was undertaken in 2014 by the executive on behalf of the Council. This was to ensure the committee receives appropriate support, there was a clear set of roles and accountabilities and the committee was cost-effective. A new Committee took office on 1 January 2015 and its membership is:

Rosie Varley (lay member – Chair)

Martyn Green (registrant member)

Tim Skelton (lay member)

Nigel Fisher (registrant member)

## Executive Management Team

The Executive Management Team comprised of:

- Ian Brack, Chief Executive and Registrar and Accounting Officer (appointed 16 May 2016, Interim Chief Executive and Registrar and Accounting Officer from 1 February to 16 May 2016)
- Evlynn Gilvarry, Chief Executive and Registrar and Accounting Officer (until 31 January 2016)
- Jonathan Green, Director of FtP
- Matthew Hill, Director of Strategy (appointed 2 November 2015)
- Alex Hunter, Interim Director of Policy and Communications (appointed 8 January 2015, until 13 August 2015)
- Kate Husselbee, Director of HR and Governance (Director of Human Resources until 6 May 2015)
- Frances Low, Director of Governance (until 31 July 2015)
- Graham Masters, Director of Finance and Corporate Services
- Gurvinder Soomal, Director of Registration and Operational Excellence
- Tim Whitaker, Director of Policy and Communications (until 16 January 2015)

## The Remuneration Committee

The remuneration report covers a review of the Council for 2015.

The Council maintained the appointment of a Remuneration Committee for specific matters relating to the remuneration of Council members, and executive directors and for an overall staff remuneration policy.

The committee was chaired by Rosemary Carter until 30 September 2015 and by Neil Stevenson from 1 October 2015.

The membership of the committee was as follows: Geraldine Campbell, Jayendra Patel from 3 March 2016 and; as an independent member, Lesley Pearson until 30 September 2015 and Philippa Hird from 1 October 2015. The committee operates within specific terms of reference and usually meets four times per year.

## Council members' remuneration

The Chair's annual remuneration is set by the committee based on prevailing rates for similar positions and the amount of time required to perform the role. The remuneration for the Chair was set in October 2013 at a rate of £55,000 per annum.

Council members are remunerated at an annual rate, set in October 2013, of £15,000 per year with supplements for committee chairs of £3,000 per annum.

## Executive directors' remuneration

Salary progression for executive directors is dependent on individuals' performance and external benchmarking of pay. Whilst the Chief Executive makes recommendations on their fellow executive directors,

any salary increases or other payments are approved by the Remuneration Committee. The remuneration policy for the Chief Executive and directors does not include any provision for performance payments.

The previous Chief Executive and Registrar's contract of employment required a termination notice period of six months by the employee or the employer. The remaining executive directors' contracts require a termination notice period of three months to be given by the employer or the employee after the probationary period. Ian Brack, who was appointed as Interim Chief Executive and Accounting Officer from 1 February 2016 and on a permanent basis from 16 May 2016, has a contract of employment that requires a termination notice period of six months by the employee or the employer.

Excluding the interim appointment of Alex Hunter as Director of Policy & Communications, all the executive directors are members of either the defined benefit section or the defined contribution section of the GDC pension scheme.

The Chief Executive and Registrar and Accounting Officer is appointed directly by and is accountable to the Council and has delegated authority from the Council to the extent described in the Governance statement. The statement makes clear that it is the Council's role to set the direction of the GDC in line with its mission and purpose; ensuring systems are in place to enable it to monitor performance and to hold the Executive to account; and to ensure probity. The remuneration details disclosed for the Chief Executive and Registrar and Accounting Officer are provided in full below, along with disclosure of taxable emoluments, excluding any compensation payments, in salary bands for the other executive directors:

For the highest paid member of staff during the year, the then Chief Executive and Registrar and Accounting

officer, Evlynn Gilvary, remuneration and employer pension contributions were:

Emoluments		Taxable benefits		Total remuneration		Pension contributions	
2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000
172	157	3	2	175	159	37	31

The taxable emoluments and employer pension contributions of the other executive directors who served in 2015, including salary increases or other

payments (but excluding any compensation payments, which are detailed below) fell into the following salary bands:

	Emoluments		Pension contributions	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Frances Low, Director of Governance (until 31 July 2015)	60 - 65	100 - 105	10 - 12.5	20 - 22.5
Graham Masters, Director of Finance and Corporate Services	95 - 100	95 - 100	22.5 - 25	22.5 - 25
Kate Husselbee, Director of HR and Governance (Director of Human Resources from 1 December 2014 until 6 May 2015)	110 - 115	5 - 10	22.5 - 25	0 - 2.5
Gurvinder Soomal, Director of Registration and Operational Excellence (from 1 December 2014)	95 - 100	5 - 10	17.5 - 20	0 - 2.5
Jonathan Green, Director of FtP (from 15 December 2014)	110 - 115	0 - 5	17.5 - 20	0 - 2.5
Matthew Hill, Director of Strategy (from 2 November 2015)	15 - 20	-	0 - 2.5	-
Tim Whitaker, Director of Policy and Communications (until 16 January 2015)	5 - 10	95 - 100	0 - 2.5	17.5 - 20

In aggregate remuneration for the executive directors who served during 2015 amounted to £833,000. This included compensation payments to two former executive directors of £60,453 and £50,998 respectively, in addition to any payments in lieu of notice.

In addition to the above, the post of Director of Policy & Communications was filled by Alex Hunter on an interim basis as a contractor from an agency. The

amounts paid including commission and VAT by the GDC to the agency for Alex Hunter's services were £130,000 in 2015. The remuneration of the highest-paid director, the Chief Executive and Registrar (excluding additional payments and payments for annual leave not taken), was 4.4 times (2014: 4.8 times) the median remuneration of the workforce, which was £34,351 (2014: £31,927).

## 8 | Remuneration report *Continued*

No benefits-in-kind were paid to executive directors during the year, except for the then Chief Executive.

### Staff remuneration policy

The remuneration policy for staff is developed by the Director of Governance and HR in conjunction with the Chief Executive Officer and executive directors and then considered by the Remuneration Committee.

A review of the pay structure took place in 2014 and a revised structure was implemented on 1 April 2015 to support organisational change and the performance of the GDC. The new pay structure replaced the previous incremental pay system, based broadly on length of service, and includes a robust job evaluation methodology, more effective market benchmarking, and pay based on performance.

Pension arrangements continued to be reviewed during the year to respond to the need to control

the expenditure required to fund the defined benefit section of the pension scheme. The GDC continues to operate a defined benefit pension scheme for staff in receipt of an offer of employment by 31 December 2014, but this section of the scheme will be closed to new joiners from 1 July 2016. The GDC also operates a trust-based defined contribution scheme that meets auto-enrolment requirements. In 2014, the Council approved a range of changes to both employer and employee contribution rates to the defined contribution scheme and a phased increase in employee contributions to the defined benefit scheme. These changes took effect from 1 April 2015.

### Staff numbers and emolument details

The average number of full time equivalent employees, including the executive directors, during the year analysed by function were:

	Permanently- employed staff	Others	2015 Number total	2014 Number total
Fitness to practise and hearings	149	9	158	136
Registration	63	2	65	69
Policy and stakeholder management	13	1	14	16
Governance	13	1	14	12
Human resources	10	1	11	7
Quality Assurance	11	-	11	12
Dental Complaints Service	9	-	9	9
Corporate services	36	2	38	38
<b>Total</b>	<b>304</b>	<b>16</b>	<b>320</b>	<b>299</b>

The number of staff, including the executive directors, whose taxable emoluments, excluding any

compensation payments, fell into higher salary bands were:

	2015 Number total	2014 Number total
£60,000 but under £70,000	15	12
£70,000 but under £80,000	2	1
£80,000 but under £90,000	1	3
£90,000 but under £100,000	-	2
£100,000 but under £110,000	2	3
£110,000 but under £120,000	2	1
£150,000 but under £160,000	-	1
£170,000 but under £180,000	1	-

18 staff members from the above list were members of the defined benefit section of the pension scheme and 11 staff members were members of the defined contribution section of the pension scheme. Employer pension contributions for the highest paid employee under the defined benefit section of the scheme was

£28,956, and under the defined contribution section of the scheme was £7,600.

The difference in percentage terms between the median earnings for woman and men working full-time in 2015 was 15% (2014: 6%). This compares to external benchmarking of 19.2% at 1 April 2015<sup>3</sup>.

### Council members' fees and expenses paid:

	Members Fees		Members Expenses		Tax and NI		Total	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Catherine Brady*	9	-	1	-	1	-	11	-
Geraldine Campbell	15	15	5	5	3	3	23	23
Michael Carroll	18	18	4	4	5	3	27	25
Rosemary Carter	18	18	5	5	4	4	27	27
Margaret Kellett	15	15	4	5	5	6	24	26
Alan MacDonald	18	18	13	15	7	8	38	41
Kirstie Moons	15	15	5	4	5	4	25	23
William Moyes	55	55	29	25	19	28	103	108
Lawrence Mudford	15	15	0	1	1	1	16	17
Jayendra Patel	15	15	3	3	2	2	20	20
David Smith***	17	17	6	8	3	4	26	29
Neil Stevenson	16	15	8	6	9	6	33	27
Jason Stokes**	-	13	-	2	-	1	-	16
<b>Total</b>	<b>226</b>	<b>229</b>	<b>83</b>	<b>83</b>	<b>64</b>	<b>70</b>	<b>373</b>	<b>382</b>

\* From 1 June 2015

\*\* Until 24 October 2014

\*\*\* Fees to David Smith were paid to a trading company Phoenix Dental Castings, of which he is the managing director, including an element equivalent to employers NIC (£2,000 in 2015 and 2014). From 1 April 2016 fees were paid to him as taxable remuneration, in line with all other Council members.

Expenses directly incurred in the performance of duties are reimbursed in accordance with the GDC's expenses policy and procedures for Council Members and recognise the GDC's national role, requiring at least one member to be based in each of the four counties of the UK; and the differing responsibilities of individual Council members. The income tax and National Insurance payable includes the employers National Insurance on Members fees and for

expenses, which are considered to be a taxable benefit in kind.

The figures in the above tables have been subject to audit.

Ian Brack

Chief Executive and Registrar

9 June 2016

<sup>3</sup> Annual Survey of Hours and Earnings 2015, collected by the Office for National Statistics

# 9 | Social responsibility report

## Procurement

Our approach to procurement is based on robust processes and procedures to achieve best practice and value for money. All procurement activity is monitored to ensure there is openness and transparency, equality of opportunity and environmental sustainability in our approach. We continue to seek opportunities for efficiencies whilst ensuring that our statutory duties are met.

## Health and safety

The GDC is committed to promoting a healthy and harm free environment for all staff and visitors. Health and safety is regularly reviewed by the Executive Management Team and the Health and Safety Committee.

In 2015, there were five accidents of a minor nature that occurred in our main London offices. A new first aid room was provided in the latter part of 2015 as part of the redevelopment of our Wimpole Street headquarters.

## Environmental

All confidential waste and mixed waste continues to be recycled. Staff are encouraged to use scanning and

electronic filing. Reports showing numbers of pages printed are periodically sent to all staff as part of a drive to reduce waste.

The GDC completed the redevelopment of its headquarters on 37 Wimpole Street in September 2015. The building incorporates a sustainable design, energy efficiency and CO2 reduction. For example, the building uses LED lighting operated on movement detection so most areas switch on and off automatically. The GDC reduced its environmental impact by vacating the offices on 44 Baker Street in December 2015, with a significant proportion of staff now located at 37 Wimpole Street.

## Staff

As of December 2015, there were 318 members of staff employed (in 2014 there were 326). The decrease of eight can be explained by the number of vacancies we have available as of January 2016 and a high number of starters joining throughout January 2016 (20). A year on year comparison of average full-time equivalent staff numbers (which takes account of staff who work part-time hours) and related staff costs is set out in the Financial Review.

## Gender and age

Our employees are 62% female (2014: 63%). Those aged 50+ represent 8% of the workforce (2014: 11.5%).

## Ethnicity

Available data shows that 35% of our staff are from a white background and 23% from an ethnic minority background.

We do not have data for the remaining 42%, as staff are responsible for completing their own equality and diversity data via the online self-service portal of our HR database and completion of E&D data is not a mandatory requirement.

We will be reviewing the mechanisms for collecting and reporting equality and diversity monitoring information. Part of this work will include engaging with staff to determine whether there any specific barriers or concerns which may be hindering completion of this data.

## Equality and diversity

A new post of Head of Equality and Diversity has been created to lead awareness raising and understanding of equality and diversity across the GDC, and to drive improvements in this area. A new equality and diversity strategy and action plan is being developed with engagement and commitment at all levels of the organisation.

## Staff engagement

The GDC has an elected staff forum which meets bimonthly.

It is chaired by a member of the Executive Management Team. The forum represents all the teams in the GDC and discusses a range of staff matters including reviewing current HR policies and introducing new ones.

If changes are proposed that might impact on all staff, consultation meetings are held, regardless of whether formal consultation is a legal requirement. Sometimes this takes place at quarterly staff briefings. The quarterly briefings are also an opportunity for staff to discuss issues and topics more informally with the Chief Executive and Executive Management Team.

A biennial staff survey is also undertaken which results in an action plan to address the findings. The last staff survey was completed in December 2015, with the results and action plan, was published in February 2016. The detailed action plan has been agreed by the Executive Management Team, involving the communications team, and will deliver in a range of areas throughout the first half of 2016.

Staff also have an opportunity to express views and to ask the Executive Management Team questions on the intranet on an ongoing basis. A monthly internal newsletter keeps staff up to date and more frequent communications are made when required.

For the year ended 31 December 2015

### Analysis of Income and Expenditure by Regulatory Function

The Accounts on pages 63 to 84 show our income and expenditure in standard accounts format. In order to provide stakeholders with additional information, the following table shows our performance by Regulatory function:

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Income</b>				
Registration	44,065		31,560	
Overseas Registration	1,828		1,565	
Other operating income	52		15	
		<b>45,945</b>		<b>33,140</b>
<b>Expenditure</b>				
<b>Regulatory activities</b>				
Fitness to Practise and Hearings	25,856		20,681	
Registration	2,355		2,118	
Overseas Registration Exam	1,910		1,926	
Policy and Stakeholder Management	1,324		1,584	
Governance	2,306		1,782	
Operational Excellence	988		1,267	
Quality Assurance	838		1,021	
Dental Complaints Service	567		543	
		<b>36,144</b>		<b>30,922</b>
<b>Support activities</b>				
Finance, HR and CEO	5,274		4,035	
Accommodation and Office Services	2,021		2,116	
Information Technology	2,079		1,950	
Depreciation and Amortisation	1,167		941	
		<b>10,541</b>		<b>9,042</b>
<b>Total Expenditure</b>		<b>46,685</b>		<b>39,964</b>
Investment Income		625		538
Adjustment to tax and social security costs		1,350		-
<b>Surplus/(Deficit) before Taxation</b>		<b>1,235</b>		<b>(6,286)</b>
Taxation		27		(52)
<b>Retained Surplus/(Deficit) after Taxation</b>		<b>1,262</b>		<b>(6,338)</b>



The GDC is funded predominantly from fees paid by dentists and dental care professionals who are required under the Dentists Act to be registered with the GDC in order to practise dentistry in the United Kingdom. Fees are also paid to us by dental professionals to maintain their entry on our specialist lists.

In 2014, we explained that we would need to collect additional fee income to allow us to deal with the extra volume of complaints and FtP cases involving dentists and DCPs received in 2014 and anticipated in 2015. The number of FtP hearings (PPC, PCC and HC) completed in 2015 increased 67% from 215 to 319 cases.

### Income analysis

Total operating income during the financial year increased to £45.9m (2014 - £33.1m). The increase was due to the following reasons:

- At its meeting in October 2014, the Council approved an increase in the annual retention fee (ARF) payable to £890 for Dentists and a reduction to £116 for DCPs, from £576 and £120, respectively.
- In July 2015, the fees for sitting part 1 and part 2 of the overseas registration examination increased to £806 and £2,929, respectively, to enable the GDC to recover its costs when historically it has been unable to, resulting in £0.3m of additional income.

### Expenditure analysis

Total expenditure increased to £46.7m in 2015 (2014 - £40.0m) for the following reasons:

- FtP and hearings costs increased by £5.2m to £25.9m (£2014 - £20.7m) due to:
  - ◇ An increase in the number of new cases referred for prosecution from 403 in 2014 to 431 cases in 2015 led to a £2.6m increase in the cost of prosecuting FtP cases by both the in-house legal prosecution team (ILPs) and external legal providers.
  - ◇ A 50% increase in the number of hearing days from 1,246 days in 2014 to 1,866 days in 2015, along with an increase in the average cost per hearing day largely due to an increase in the rate charged by legal assessors, resulted in a £2.3m increase in expenditure.
  - ◇ An increase in resources deployed to assist the casework team to implement process improvements and to process cases more speedily in line with performance standards,

partly offset by savings from the disbanding of the casework backlog team, resulted in a net increase in expenditure of £0.3m.

- ◇ A £0.4m increase in the cost of securing expert advice on cases relating to complaints about clinical treatment.
- ◇ A £0.4m decrease in the cost of the Investigating Committee function due to the cost of a one-off recruitment exercise for new members incurred in 2014.
- A £0.2m increase in registration costs is offset by a £0.2m decrease in operational excellence costs, due to the impact of a restructuring of the two teams.
- A £1.2m increase in Finance, HR and CEO costs was largely due to the cost of completing the organisational change programme and professional fees relating to the claim to HMRC for reimbursement of prior year tax and National Insurance Contributions.
- A £0.1m increase in IT costs was due to a change in the treatment of some costs, previously categorised as capital expenditure.
- Depreciation and amortisation costs have increased by £0.2m which reflects the expenditure incurred on the redevelopment of 37 Wimpole Street.

Throughout 2015, the GDC continued with initiatives to generate efficiency savings. We achieved new efficiency savings of £0.6 million in the year. In addition, we also generated ongoing savings of £3.8 million from projects begun in previous years. We have therefore achieved total annual efficiency savings of £4.4 million in 2015, representing 10% of the 2015 cost base, resulting in cumulative savings over five years of some £14.8m. Throughout the process of identifying efficiency savings, careful consideration has been given to ensure that implementation of any saving initiatives does not put public protection at risk. Indeed, the GDC continues to use these savings to fund the programme of improvement of the FtP function.

In 2012 we concluded negotiations with HMRC regarding the taxation status of our committee members, panellists and inspectors. HMRC agreed that most should be treated as self-employed for the purposes of tax and National Insurance Contributions (NICs), and the GDC is no longer required to deduct income tax nor account for national insurance contributions (NICs) on their fees or expenses. In the same year, a claim for reimbursement of prior year

NIC payments and payments via our PAYE Settlement Agreement was made. During 2016, the claim was upheld and we have achieved a net refund of £1.1m.

### Outlook

In 2014, the GDC requested legislative amendments that will allow us to introduce significant improvements to our FtP processes in 2016. The changes affect the investigation stage of the FtP process, and plans are already underway to restructure the relevant parts of the organisation to ensure that we simplify our processes in a way that improves our decision-making while delivering significant cost savings in 2017 and beyond.

Initiatives to generate efficiency savings will continue in 2016, and the organisation has been tasked by Council with meeting challenging targets for new efficiencies. Measures already identified and implemented will contribute £2.6m in 2016, while new measures will generate additional savings of £0.9m, making a total of £3.5m. We will continue to ensure that the process of identifying efficiency savings is in keeping with our patient safety role.

The proposal to redevelop 37 Wimpole Street was approved by the Council in September 2012. Following completion of the procurement process, the main contractor moved on site in September 2013 and the project was completed in September 2015, at a final cost of £9.0m.

The existing lease on 37 Wimpole Street does not expire until 2057 and is held on a peppercorn rent of currently £6,790 per annum.

### Pension Fund

In accordance with the financial reporting standard for pension costs, IAS 19, Quantum Advisory, the pension scheme actuary, valued the defined benefit section of the pension scheme as at 31 December 2015. According to their analysis, the defined benefit section of the scheme experienced a net actuarial gain in fund value for 2015 of £3.6m, against that reported in last year's accounts. This is largely as a result of favourable membership movements over the year leading to a reduced funding obligation. Meanwhile, payments into the plan and interest received were exceeded by payments from the plan by £0.2m. This resulted in an overall gain on the pension scheme of £3.4m, increasing the IAS 19 pension surplus to £5.9m (2015) from £2.5m (2014). This does not relate to the triennial valuation of the defined benefit section of the pension scheme that was carried out as at 1 April 2015, indicating an actuarial funding level surplus of £1.5m and which recommended that the employer

contribution levels to the defined benefit section of the scheme be set at 18% with effect from 1 April 2016 until the next triennial valuation.

### Liquidity risks

The cash balances of the GDC increased to £33.8m (2014 - £31.9m). These balances are cyclical and peak in December/January and July/August. Cash funding levels are depleted between these periods because GDC receipts are at their highest in December, when dentists pay their annual retention fee, and in July, when dental care professionals pay their annual retention fee. GDC expenditure is evenly spread throughout the year.

In 2012, the GDC appointed Smith & Williamson to invest £12m from available cash balances in a mix of equities and fixed interest securities. Listed securities and unit trusts previously held by the GDC were also transferred to Smith & Williamson's management. In 2014, GDC liquidated £6.1m of investments in order to boost cash balances over the last 6 months of 2014. Following receipt of annual retention fees in December 2014, the £6.1m was reinvested in January 2015 and a further £11.5m was divested throughout 2015, resulting in a net £5.4m reduction in the value of the GDC's investments in the year.

The GDC is satisfied that it is not exposed to any significant liquidity risk. Those balances not needed for short term operational reasons are placed for a three month term as a money market deposit which is currently reviewed and renewed at the end of each term.

### Reserves

The Reserves Policy was reviewed and agreed by the Council in 2015. It has regard for the:

- a. objectives of the GDC in pursuit of our statutory and regulatory responsibilities
- b. risks to the income and expenditure of the GDC
- c. planned major capital spending programmes

In setting a target level, Council considered that reserves within a range of four to six months of annual operating expenditure would be appropriate. This range is subject to annual consideration by the Council's Finance and Performance Committee when it proposes the budget for the following year to the Council.

## External Auditors

The accounts have been audited by our auditors, haysmacintyre of 26 Red Lion Square, London WC1R 4AG and, in accordance with the Dentists Act 1984, by the Comptroller and Auditor General, Sir Amyas C E Morse, National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP. The independent auditor's report can be found on page 60 of this report, and the certificate and report of the Comptroller and Auditor General on page 61.

## Disclosure of audit information to the Auditors

As far as we know, there is no relevant audit information of which the GDC auditors are unaware. We have taken the necessary steps to make ourselves aware of any relevant audit information and to establish that the GDC auditor also knows this information.

# Statement of the General Dental Council and the Chief Executive's responsibilities

Under the Dentists Act 1984, the GDC is required to prepare annual accounts in the form determined by the Privy Council. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the GDC and of its income and expenditure, changes in reserves and cash flows for the financial year.

In preparing the accounts, the GDC and the Chief Executive as Accounting Officer are required to:

- Observe the accounts determination issued by the Privy Council, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards, as set out in the accounts determination, have been followed, and disclose and explain any material departures in the accounts; and;

- Prepare the accounts on a going-concern basis, unless it is not appropriate to do so.

The Privy Council has appointed the Chief Executive as Accounting Officer of the GDC. The Accounting Officer is responsible to the Council for the propriety and regularity of its finances, for keeping proper records and for safeguarding the GDC's assets.

The GDC and the Chief Executive as Accounting Officer of the GDC have considered the above requirements and are of the opinion that, where they apply to the GDC, they have been complied with in all material circumstances, with any significant issues being detailed in the Governance Statement that follows.

# Governance statement | 12

## Scope of responsibility

As Accounting Officer, I am responsible for maintaining effective governance and ensuring that a sound system of internal control is in place to support the GDC's policies, aims and objectives whilst safeguarding the organisation's assets. I was appointed by the Privy Council as Accounting Officer with effect from 1 February 2016.

In making my assessment, I have drawn on reports by, and discussions with, internal auditors, ongoing monitoring of our risk registers and the assurances given by the former Chief Executive and Registrar and Accounting Officer, Evlynn Gilvarry, who was in post throughout 2015.

The system of internal control that is applied to the GDC is designed to manage risks, acknowledging that it is not possible to eliminate them entirely. In 2015, we established a new risk management framework replacing the risk management policy, which dated back to 2012. The new framework provides a more comprehensive source of guidance for all staff on risk management, monitoring and reporting.

## Governance arrangements

The GDC is a body corporate constituted under the Dentists Act 1984 as amended. There are 12 members of the Council made up of six dental professionals and six lay members, one of whom is the Chair. A new registrant Council member was appointed by the Privy Council with effect from 1 June 2015. Further information on the membership of the Council can be found in Section 7 of this Report.

As the GDC is not classified as an Arm's Length Body, we are not required to comply with 'Corporate governance in central government departments: Code of practice 2011'. We do, nevertheless, take

into account the good practice principles expressed in the document in developing and reporting on our governance arrangements.

It is the Council's role to ensure that the GDC carries out its core functions efficiently and places the protection of patients at the heart of its work. The Council sets the corporate strategy and direction of the GDC and ensures that all major decisions are in line with the strategy. The Council has responsibility for major policy decisions, as well as ensuring and monitoring the effectiveness of the financial and risk management of the GDC.

The Council also has responsibility for:

- Setting the organisation's risk appetite;
- Approving the risk management policy and ensuring that the risk management system in place has effective procedures and controls;
- Scrutinising the management of strategic risks and holding the Executive to account,
- Advising on and identifying risks; and
- Holding the executive to account for managing performance.

The Council has overseen the delivery of a programme of organisational change to improve performance and to create a more effective and transparent organisation. Work has continued on improving reporting and forecasting models. The GDC's corporate strategy for 2016-2019 was approved by the Council in 2015. It focuses on four key aspects of our work: patients, professionals, partners and performance. The first and second phases of the organisational change programme were completed in 2015 and the remainder of the programme has been incorporated into the business plan for 2016.

### **Council oversight of strategic risks**

The Council monitors key strategic risks on an ongoing basis, reviewing the strategic risk register following each meeting of the Audit and Risk Committee. The Council is also provided with a quarterly performance report, in the form of a balanced scorecard. The balanced scorecard focuses on a series of key performance areas including:

- A financial perspective - to provide an indication of value for money;
- A customer service perspective - to show the standard of service being provided to external stakeholders;
- An internal business process perspective - to show how well processes and key projects are being managed; and
- An HR perspective - to determine whether adequate resources are in place to carry out the work of the organisation.

These documents provide the Council with management information that informs decision making and enables both monitoring of progress against the corporate strategy and business plan, and holding the executive to account for its performance. All papers for decision by the Council explicitly set out the relevant strategic risks so the Council can take these into account in reaching its decision.

### **Council effectiveness**

The Council introduced a new system of appraisal for individual Council members during 2015. This included self, peer and Chair review. Council members' appraisals were undertaken by the Chair. The Chair of the Council was also appraised through a similar process, which included self-review, peer feedback from committee chairs (lay), a small number of registrant Council members and the Executive Management Team (EMT). The appraisal was undertaken by an individual external to the GDC and objectives were subsequently developed for the second half of the Chair's tenure. Improvements to the effectiveness of the Council as a whole and improving ways of working with EMT were addressed through a series of facilitated workshops.

The attendance of Council members at Council meetings is recorded in the minutes, which are available on our website. A table of members' attendance is provided in section 7 of this report.

### **Non-statutory committees**

The Council has established five non-statutory committees as follows:

- Appointments Committee
- Audit and Risk Committee
- Finance and Performance Committee
- Remuneration Committee
- Policy and Research Board

The membership of all five committees include both registrant and lay Council members. The Committees report to the Council on their work after each meeting and each Committee submits an annual report to the Council at the end of each year summarising its performance against its work programme.

### **Audit and Risk Committee**

The Audit and Risk Committee is a non-statutory committee of the Council whose key purpose is to monitor the integrity of the financial statements, review the GDC's governance, internal control and risk management systems and review the internal and external audit services, including whether the actions identified in audit reports are carried out. The committee also has responsibility for overseeing the production and integrity of the annual report and accounts for recommendation to the Council for approval.

The committee provides assurance to the Council on the adequacy and effectiveness of the GDC's risk management processes and obtains assurance on risk management arrangements from the internal auditors. The committee also reviews the status and trends of all risks in the strategic risk register. In 2015 the committee oversaw the development of a new risk management framework including risk management arrangements and assurance. This included the delivery of risk management training, the alignment of risk management and performance reporting, and a review of the internal compliance team and the drafting of a core internal audit programme. This work was carried out as part of the internal compliance and risk management work stream within the organisational change programme. During 2016 the committee, supported by the National Audit Office, will be undertaking a review of its effectiveness.

The committee also oversees the arrangements for whistle-blowing and the whistleblowing policies for

staff, Council members and Associates. In 2015 a whistleblowing hotline was put in place, delivered through Public Concern at Work, so concerns about dental practise or any other matters can be raised in confidence.

### **Executive Management Team**

The Council is supported by staff, headed by the Chief Executive and Registrar, who is also the Accounting Officer, and the other members of the executive management team (EMT). The members of EMT fulfil the function of executive directors of the GDC. They share collective responsibility for actions and decisions taken, regardless of their individual line management responsibilities.

The EMT is responsible for:

- Identifying strategic risks and ensuring that ownership for each risk is allocated at the right level with clear accountability;
- Identifying and evaluating risks as they occur within functions and directorates;
- Reviewing and reporting on risks to the Council and other aspects of the governance model;
- Reporting to the Council on the effective management of risks as they apply to policy development, operational performance and the deployment of resources;
- Designing and implementing the policy on risk management and ensuring good risk management practices; and
- Ensuring the strategic, operational and project risk registers are up to date, relevant and comprehensive.

The function and structure of EMT meetings was reviewed during 2015. The EMT now meets formally as a board on a regular basis. A work plan is in place to ensure these meetings cover the main areas of work within the GDC. Decision papers to the EMT board include an analysis of the key risks. EMT meets on an informal basis in the intervening weeks. Exceptional EMT meetings are convened as required.

The strategic risk register is underpinned by operational risk registers. Following the appointment of a Risk Manager, during early 2016, a full review of the risk management function is being undertaken; to ensure that both the strategic and operational elements of the framework are appropriate; with processes consistently applied throughout the GDC. This will ensure all risks can be identified in a timely manner; evaluated accurately and consistently; and managed

appropriately within approved risk appetite thresholds.

Further support in reviewing strategic risk comes through audit reports completed by our internal auditors. This provides an independent source of assurance helping us to identify actions that will improve our mitigation of risk.

### **Disclosure of principal risks and uncertainties**

Each year the GDC follows up on any recommendations for improvement identified through scrutiny by the PSA. The 2014/15 Performance Review was published in June 2015 and concluded that the GDC met two (the first and second) of ten standards in FtP. Significant further work has been undertaken as part of the FtP improvement programme, which is overseen by members of both the Council and the executive. The FtP improvement programme consists of ten priority projects or work streams intended to have maximum impact in improving the efficiency, timeliness and experience of the FtP processes. Regular progress reports are given to the executive and to the open session of the Council by the Director of FtP. The GDC expects to see an improvement in the achievement of the PSA standards after the 2015/16 review.

One of the key work streams in the FtP improvement programme is the introduction of case examiners. Case examiners will have the power to carry out all the decision-making functions currently performed by the Investigating Committee and will have additional powers to agree undertakings with registrants. The new powers will also enable the GDC to identify and manage risk more quickly so the most serious cases are progressed to a full hearing and less serious cases are dealt with earlier in the process than is possible under existing legislation. The Council expected the introduction of case examiners in 2015, however, there was significant uncertainty during 2015 about the timetable for laying the necessary Section 60 Order. This impacted on the planning for the introduction of case examiners and delayed improvements in the productivity and timeliness of the FtP process. The Section 60 Order will also amend our legislation to allow cases to be referred to the Interim Orders Committee at different points in the process and for FtP decisions to be reviewed.

The 2014 consultation on the annual retention fee (ARF) level for dentists and dental care professionals (DCPs) for 2015 was the first time the GDC had consulted on a fee increase. Following that process, the British Dental Association (BDA) undertook a legal

challenge to the Council's decision to raise the ARF. The Council formally considered the lessons learnt from the consultation process and the BDA's challenge to the Council's decision to raise the ARF. In October 2015 the Council initiated a consultation on the levels of ARF for dentists and DCPs for 2016, which proposed that the ARF for dentists and DCPs should be maintained at 2015 levels. The proposals were supported by a detailed budget based on extensive predictive modelling, particularly around FtP work flow. A number of key themes arose from the consultation responses, expressing concern about the current level of the ARF and the GDC's reserves policy and operational performance. These key themes were discussed in detail by the Council on 23 November 2015.

The Council approved the 2016 ARF at 2015 levels based on the need to invest in the organisation in order to improve performance against the PSA standards and ensure adequate reserves and cash resources were available, which would allow the GDC to operate for approximately three months by the end of 2016 without recourse to borrowing.

During 2015 the PSA concluded its investigation into matters referred to them by a whistleblower. The matters being investigated were:

1. The GDC investigating committee's:
  - a) management of the processes and support for the GDC investigating committees which post-dates the publication of the PSA investigation report 'An investigation into concerns raised by the former Chair of the General Dental Council (February 2013)';
  - b) response to the recommendation contained within that PSA report, which was to review the processes and support the GDC had in place for its investigating committees, including the arrangements for gathering and monitoring feedback received.
2. The adequacy of the GDC's whistleblowing policy and the operation of this policy as evidenced by:
  - a) our response to a disclosure by a whistleblower about the GDC's management of the processes and support of the Investigating Committee;
  - b) our management of a complaint by the whistleblower of detrimental treatment because of their disclosure.

The PSA's report was published on 21 December 2015. All members of the Council, the Audit and Risk Committee, the Appointments Committee

and the executive have considered the report in its entirety and the Council has agreed a comprehensive action plan to address the report's key findings and recommendations. The PSA's report included a recommendation that a formal apology should be issued to the whistleblower for the inappropriate disclosure of their identity and a formal apology has been made by the Chair of the Council.

Progress against the remaining actions will be closely monitored by the executive, the Council, the Audit and Risk Committee and the Appointments Committee during 2016. The Chair of the Council has written to the PSA, the Department of Health and the Health Select Committee outlining the steps that the GDC is taking in response to this report. The GDC's response to the report and the action plan is available on our website. The GDC and the PSA have also identified and discussed a number of learning points for consideration in relation to the investigation and subsequent response.

### **Data breaches and information security**

In 2015, process changes in relation to reporting and classifying data security incidents were implemented which have further improved corporate awareness of information security issues. This has led to such incidents being reported and recorded quickly, enabling more effective mitigation of any harm.

The new process requires all incidents to be reported to the information team together with a prepared risk assessment which classifies the incident based on published risk criteria. The information team respond to incidents by suggesting mitigating action, if this has not already been taken, and records the reason for the incident centrally. The information team is able to identify trends and learning and suggest improvements to GDC policies and systems.

The information governance group now considers all data security incidents, and the trends and learning identified by the information team. The GDC remains committed to learning the lessons arising from any breaches, introducing operational improvements and the implementation of enhanced systems, security and training to reduce risk in this area.

In 2015, 39 incidents classified as data breaches arose. These were all assessed by the information manager whose view was that none was so serious as to necessitate reporting to the ICO, although individual and corporate learning was identified and implemented.



### *Formal investigations*

In 2015 the Information Commissioner's Office (ICO) considered a formal complaint in relation to a Freedom of Information (FOI) request for details of legal fees incurred in relation to the GDC Investigation Committee. We had disclosed some of the requested information but withheld other information on the basis of commercial interests. The ICO upheld the individual's complaint, considering that the commercial interest exemption did not apply. The ICO required the GDC to disclose the previously withheld information to the requester, which it has done.

### *Self-report to ICO*

The previous annual report noted that two self-reports made to the ICO at the end of 2014 were ongoing. The ICO's consideration of the compliance issues which arose from these incidents was concluded in 2015. The Information Commissioner found that, while the GDC had sufficient written policies in place, he had a concern about the level of training provided. This consequently required an undertaking to be signed by the Chief Executive, and we undertook to deliver three individual tranches of training to all staff, with details to be provided to the ICO. The undertaking can be found on the ICO website and was also attached to the Freedom of Information and Data Protection Annual Report 2014/15 considered by the Council on 9 December 2015 and published on the GDC website.

In accordance with the undertaking, as at the beginning of 2016, the first and second tranche of training had been delivered and completed by all GDC employees. This included a more detailed training programme developed with an external trainer. FtP and registration staff are required to attend these training sessions to ensure the risks of these groups handling sensitive and high volume data are adequately mitigated. The remainder of the organisation had a shorter, more general, section delivered for them.

In addition, information security training has been provided for FtP panellists, Investigating Committee members and other Associates.

### *Freedom of Information*

Work on integrating the FOI and subject access requests into the GDC case management system was finalised in 2015.

Annual updates continue to be provided to the Council and are published on the GDC website. In 2015, 502 information requests were recorded, 396 FOI queries and 106 subject access requests.

### *Training*

In 2015, the GDC continued the information security induction training for all new staff and 91 individuals received training in 2015.

The induction sessions highlight the importance of processing information (particularly sensitive information) carefully and in accordance with established policies and procedures. It provides an understanding of FOI and Data Protection Act (DPA), the role of the ICO, pitfalls in data handling and what to do if a data breach is suspected or occurs. Practical tips for avoiding data breaches are provided and staff are referred to organisational information such as Information Security policies, as well as operational safeguards such as the corporate file sharing system introduced at the end of 2014.

In addition to the training which resulted from the undertaking, all new FOI representatives are provided with additional background training which was reviewed and revised in 2015 and is now being provided by a corporate legal lawyer.

### **Internal Audit Services**

The initial three year term of the GDC's internal auditors, Grant Thornton UK LLP, expired in December 2014. This contract was extended on a monthly basis while a new procurement exercise was completed. At its May 2015 meeting, the Audit and Risk Committee approved the appointment of Mazars LLP as the GDC's new internal auditors with effect from 1 June 2015. This appointment was for an initial three year term, extendable by agreement.

In July 2015 Grant Thornton provided the Audit and Risk Committee with its final annual report. Based on the scope of internal audit reviews undertaken during the period, 'limited' assurance was provided in respect of corporate governance, risk management and internal controls. Limited Assurance is defined by Grant Thornton as having weaknesses in the design or operation of key controls which individually or collectively reduce the overall effectiveness of the control environment. It was acknowledged however, that management have extensive action plans in place, which if implemented in a timely manner will improve the assurance level provided in future years.

A new internal audit plan, developed with Mazars, covering the period up to 31 March 2016 was approved by the Audit and Risk Committee at its meeting in September 2015.

### **Management information**

Throughout 2015, the Finance & Performance Committee and the Council have been presented with balanced scorecard reports which provide them with insight into operational performance across the organisation. Performance reports have continued in the standard format that was developed and approved by the Council during 2014. The format provides the committees and the Council with insight into four themes of performance: internal process, customer service, cost and resourcing. Measures are presented for each department which report on actual status using a red/amber/green rating system.

During 2015, work has been carried out to consolidate progress made during 2014 and to expand coverage to include several areas that were not included in the original report. At the close of the year, the Council requested a review of the balanced scorecard to be carried out during 2016 to take the opportunity to refine the format and ensure the measures remain fit for purpose 18 months after implementation and following a period of organisational change during 2015.

Progress has continued to be made on the development of a management information data warehouse; a centralised reporting portal which can be used to produce consistent reports and regular analysis. The data warehouse has been expanded

throughout the year and is now the comprehensive source for FtP, in-house Legal, Registration and Dental Complaints Service reporting. Standard monthly reporting packs have been built to serve the reporting requirements of the differing tiers of management in each of these areas. Further expansion is planned during 2016 when data from more departments will be added to the data warehouse, and changes are made to amend reporting needs brought about by the introduction of case examiners.

### **Conclusion**

In 2015, the Council has approved a new three year corporate strategy to take the GDC through the three year period 2016-2019, in addition to agreeing a new business plan for 2016. A revised Risk Management Framework has been introduced with improved identification and management of key strategic risks and links to performance reporting. Significant planning and consultation has been undertaken in preparation for the introduction of case examiners within the FtP process in 2015. This is expected to result in significant savings commencing during 2017 to the order of £2.0m per annum, from when a 'steady state' process has been achieved.

### **Ian Brack**

*Chief Executive, Registrar and Accounting Officer*

9 June 2016

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# Independent auditor's report to the General Dental Council

We have audited the financial statements of the General Dental Council for the year ended 31 December 2015 which comprise the Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes number 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Members of Council, as a body, in accordance with the Dentists Act 1984 and the directions issued thereunder by the Privy Council. Our audit work has been undertaken so that we might state to the Members of Council 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 Council and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of the Council, Chief Executive and auditor

As explained more fully in the Statement of the Council and Chief Executive's Responsibilities, the Council and Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable

law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board'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](http://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 Council's affairs as at 31 December 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Dentists Act 1984 and the directions issued thereunder by the Privy Council.

haysmacintyre

Statutory Auditor

26 Red Lion Square  
London WC1R 4AG

Date: 23 June 2016

haysmacintyre are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

# Certificate and report of the Comptroller and Auditor General to the Houses of Parliament

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I certify that I have audited the financial statements of the General Dental Council for the year ended 31 December 2015 under the Dentists Act 1984. The financial statements comprise: the Income and Expenditure Account, the Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Council, Chief Executive and auditor

As explained more fully in the Statement of General Dental Council and Chief Executive's Responsibilities, the Council and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Dentists Act 1984. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

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

that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

## Opinion on regularity

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

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of General Dental Council's affairs as at 31 December 2015 and of surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Dentists Act 1984 and Privy Council directions issued thereunder.

## Opinion on other matters

In my opinion:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Privy Council directions made under the Dentists Act 1984; and
- the information given in the Council Structure, Social Responsibility Report and Financial Review for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

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

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

**Report**

I have no observations to make on these financial statements.

Sir Amyas C E Morse

Date: 1 July 2016

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

# Income and expenditure account | 16

For the year ended 31 December 2015

		2015 £'000	2014 £'000
<b>Income</b>	<b>Note</b>		
Fees	2	44,065	31,560
Overseas Registration Exam	3	1,828	1,565
Miscellaneous	3	52	15
<b>Total operating income</b>		<b>45,945</b>	<b>33,140</b>
<b>Expenditure</b>			
Staff costs	5	18,537	16,441
Legal and professional fees	6	13,699	10,552
Council and Committee meetings	7	9,953	8,232
Administration	8	3,370	3,531
Accommodation	9	727	674
Communications and Publications	10	399	534
<b>Total operating expenditure</b>		<b>46,685</b>	<b>39,964</b>
<b>(Deficit) after operational expenditure</b>		<b>(740)</b>	<b>(6,824)</b>
Adjustment to tax and social security costs		1,350	-
Investment income	4	367	508
Realised gains on sale of investments		258	30
<b>Surplus/(Deficit) for year after investment income and adjustment</b>		<b>1,235</b>	<b>(6,286)</b>
Taxation	11	27	(52)
<b>Retained surplus/(deficit) after taxation</b>		<b>1,262</b>	<b>(6,338)</b>
<b>Other comprehensive income/(expenditure)</b>			
<b>Items that will or may be reclassified to profit or loss</b>			
Unrealised (loss)/gains on investments	14	(530)	333
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains/(loss) on pension scheme assets	19	3,582	(2,883)
<b>Total other comprehensive income/(expenditure)/income</b>		<b>3,052</b>	<b>(2,550)</b>
<b>Total comprehensive income/(expenditure) for the year</b>		<b>4,314</b>	<b>(8,888)</b>

All income and expenditure relates to continuing activities

# Statement of financial position

## As at 31 December 2015

		31 Dec 2015 £'000	31 Dec 2014 £'000
<b>Non-Current assets</b>	<b>Note</b>		
Property, plant and equipment	12	11,011	6,910
Intangible assets	13	801	995
Financial assets - available for sale assets	14	3,477	8,829
Provision for pension asset	19	5,859	2,490
<b>Total non-current assets</b>		<b>21,148</b>	<b>19,224</b>
<b>Current assets:</b>			
Trade and other receivables <1yr	15	2,940	1,771
Cash and cash equivalents	16	33,766	31,863
<b>Total current assets:</b>		<b>36,706</b>	<b>33,634</b>
<b>Total assets:</b>		<b>57,854</b>	<b>52,858</b>
<b>Current liabilities</b>			
Trade and other payables <1yr	17	5,180	4,616
Other liabilities	17	54	11
Deferred income	17	35,548	35,180
Provisions	18	-	-
Corporation tax	17	55	120
<b>Total current liabilities</b>		<b>40,837</b>	<b>39,927</b>
<b>Non-current assets plus/less assets/liabilities</b>		<b>17,017</b>	<b>12,931</b>
<b>Non-current liabilities</b>			
Provisions	18	-	135
Other payables >1yr	17	-	23
Deferred tax	17	148	218
<b>Total non-current liabilities</b>		148	376
<b>Assets less liabilities</b>		<b>16,869</b>	<b>12,555</b>
<b>Reserves</b>			
General reserve		10,113	8,638
Pension reserve		5,859	2,490
Unrealised gains on investment reserve		887	1,427
<b>Total reserves</b>		<b>16,869</b>	<b>12,555</b>

The financial statements were approved by the Council Members and were signed on their behalf on 9 June 2016 by:

**William Moyes**  
Chair

**Ian Brack**  
Chief Executive and Registrar



# Statement of cash flows | 18

For the year ended 31 December 2015

		2015 £'000	2014 £'000
<b>Cash flows from operating activities</b>			
(Deficit)/surplus from operating activities	<b>I&amp;E</b>	610	(6,824)
Depreciation and amortisation		1,007	899
Loss on disposal of property, plant and equipment		160	43
Decrease/(increase) in trade and other receivables	<b>15</b>	(1,169)	(1,130)
Increase/(decrease) in trade payables and other liabilities	<b>17</b>	952	11,921
Pension reserve funding movements	<b>19</b>	213	(179)
Deferred tax	<b>11</b>		
Use of provisions	<b>18</b>	(135)	0
<b>Net cash inflow from operating activities</b>		<b>1,638</b>	<b>4,730</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>12</b>	(4,886)	(4,381)
Purchase of intangible assets	<b>13</b>	(215)	(266)
Proceeds from sale of assets		27	6
Proceeds from sale of financial assets	<b>14</b>	10,728	6,096
Purchase of financial assets	<b>14</b>	(5,684)	(1,298)
Investment income	<b>4</b>	387	508
<b>Net cash inflow/(outflow) from investing activities</b>		<b>373</b>	<b>665</b>
Tax		(108)	14
<b>Net increase in cash and cash equivalents in the period</b>		<b>1,903</b>	<b>5,409</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>16</b>	<b>31,863</b>	<b>26,454</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16</b>	<b>33,766</b>	<b>31,863</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,903</b>	<b>5,409</b>

# Statement of changes in reserves

For the year ended 31 December 2015

		General Reserve	Pension Reserve	Unrealised Gains on Investment Reserve	Total Reserves
		£'000	£'000	£'000	£'000
<b>Balance at 31 December 2013</b>	<b>Note</b>	<b>15,155</b>	<b>5,194</b>	<b>1,094</b>	<b>21,443</b>
<b>Changes in reserves for 2014</b>					
Total comprehensive income for the year	<b>I&amp;E</b>	(8,888)	-	-	(8,888)
Actuarial loss on pension scheme	<b>19</b>	2,883	(2,883)	-	-
Reserves transfer		(179)	179	-	-
Unrealised gains on investments	<b>14</b>	(333)	-	333	-
		<b>(6,517)</b>	<b>(2,704)</b>	<b>333</b>	<b>(8,888)</b>
<b>Balance at 31 December 2014</b>		<b>8,638</b>	<b>2,490</b>	<b>1,427</b>	<b>12,555</b>
<b>Changes in reserves for 2015</b>					
Total comprehensive income for the year	<b>I&amp;E</b>	4,314	-	-	4,314
Actuarial gain on pension scheme	<b>19</b>	(3,582)	3,582	-	-
Reserves transfer		213	(213)	-	-
Unrealised gains on investments	<b>14</b>	530	-	(530)	-
		<b>1,475</b>	<b>3,369</b>	<b>(530)</b>	<b>4,314</b>
<b>Balance at 31 December 2015</b>		<b>10,113</b>	<b>5,859</b>	<b>897</b>	<b>16,869</b>

# Notes to the Accounts | 20

## 1. Accounting Policies

The financial statements have been prepared on a 'going concern' basis and under the historical cost convention, as modified by the inclusion of investments at market value, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and taking into consideration the accounting principles and disclosures of the Government Financial Reporting Manual (FRM). The principal accounting policies adopted in the preparation of the financial statements, which have been applied consistently, are detailed below.

The General Dental Council was established by act of Parliament in 1956 and is domiciled in the United Kingdom.

The principal place of business is 37 Wimpole St, London, W1G 8DQ. The financial statements are presented in the General Dental Council's functional currency of pounds sterling.

### 1.1 Format of the accounts

The General Dental Council is required to prepare its annual accounts in a form as determined by the Privy Council. The Privy Council are required to lay the certified accounts before each House of Parliament and the Scottish Parliament. The statutory purpose of the General Dental Council is given in the introduction of the Account Report.

### 1.2 Standards, amendments and interpretations to published standards not yet effective

The Council has assessed the following standards, amendments and interpretations that have been issued but are not yet effective and determined not to adopt them before the effective date when adoption would be required on the grounds that the changes would have no, or an immaterial effect on these accounts and would not provide additional information that would aid the reader:

- IFRS 9 Financial Instruments – effective date: accounting periods beginning on or after 1 January 2018, not yet EU endorsed. IFRS 9 simplifies the classification and measurement of financial assets.
- IFRS 16 Leases - effective date: accounting periods beginning on or after 1 January 2019, not yet EU endorsed. IFRS 16 specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.
- IFRS 15 Revenue from contracts with customers - effective date accounting periods beginning on or after 1 January 2018. The standard establishes the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - effective date accounting periods beginning on or after 1 January 2016. The amendments provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.
- Amendments to IFRS 7 Financial Instruments: Disclosures - effective date accounting periods beginning on or after 1 January 2016. The amendments clarify the applicability of offsetting disclosures to condensed interim financial statements.
- Amendments to IAS 7 Statement of Cashflows - effective date accounting periods beginning on or after 1 January 2017. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities.

The Council anticipates that the adoption of these standards and interpretations will not have a material effect on the Statement of Financial Position or the results for 2014 and 2015.

### 1.3 Critical accounting estimates and judgments

To be able to prepare financial statements in accordance with IFRS, the General Dental Council must make certain estimates and judgments that have an impact on the policies and the amounts reported in the annual accounts.

The estimates and judgments are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgments are made. Actual experience may vary from these estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

#### i) Pension benefits

The General Dental Council accounts for pensions in accordance with IAS 19 Employee Benefits. In determining the pension cost and the defined benefit obligation of the General Dental Council's defined benefit pension scheme, a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. The Council has adopted IAS19 (2011) which is effective for periods beginning 1 January 2013. The assumptions are agreed with the qualified actuary and used to calculate the pension provision. Further details are contained in note 19 to the accounts.

#### ii) Depreciation and amortisation

The General Dental Council accounts for depreciation and amortisation in accordance with IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The depreciation and amortisation expense is the recognition of the decline in the value of the asset and the allocation of the cost of the asset over the periods in which the asset will be used.

Judgments are made on the estimated useful life of the assets, which are regularly reviewed to reflect the changing environment.

#### iii) Provisions

The General Dental Council accounts for provisions in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The provisions are based on estimates of value provided by appropriate qualified valuers.

Further details are contained in the accounting policy on provisions below (note 1.13) and note 18 to the accounts.

### 1.4 Going Concern

The GDC has reviewed projected fee income, the operations and cash flow forecasts for the next 12 months. The GDC considers that it is appropriate to prepare the Statement of Financial Position on a going concern basis.

### 1.5 Property, Plant, Equipment and Intangible Assets

Tangible Non-Current Fixed Assets are reported as Property, Plant and Equipment under IAS 16. Where appropriate, Information Technology software and development assets have been classified as Intangible Assets under IAS 38.

Assets under construction are held at the accounting date at cost until they become capable of being operational, when they are transferred to the non-current asset class to which they relate.

Property, plant, equipment and intangible assets are stated at cost, net of depreciation and any provision for impairment.

Expenditure is only capitalised where the cost of the asset or group of assets acquired exceeds £1,000.

### 1.6 Depreciation and Amortisation

Depreciation and amortisation are provided so as to write off the cost of the non-current assets evenly over their estimated useful lives. The depreciation and amortisation expense is included within the administration expense line in the income and expenditure account under comprehensive income and expenditure. The useful lives are as follows:

- (a) Capital refurbishment and all leasehold improvement works at 37/38 Wimpole Street, London W1G 8DQ and 13/15 Wimpole Mews are depreciated over the remainder of the lease – 20 years or 10 years or, if shorter, over their estimated useful lives.
- (b) Other useful lives are shown below.
  - Furniture and fittings up to 10 years
  - Plant and equipment up to and including 25 years
  - IT equipment up to 4 years
  - IT software, licences and software assurance up to 5 years

Depreciation rates are reviewed on a regular basis comparing actual lives of assets with the accounting policy rates.

## 1.7 Impairment

At each Statement of Financial Position date, the GDC reviews the carrying amounts of its assets to determine whether there is any indication the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is charged to the income statement immediately.

When there is a subsequent increase in the recoverable amount of an asset due to a change in the estimates used to determine the recoverable amount, it is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income and expenditure statement immediately.

## 1.8 Expenditure

Expenditure is accounted for on an accruals basis when either the goods have been received or the service performed. Irrecoverable VAT is included with the item of expense to which it relates.

## 1.9 Income

All income is accounted for when there is adequate certainty over entitlement, amount and receipt.

All fees for the registration period from dentists are deferred to the commencement of the registration period the fee relates to. The registration period for dentists is 1 January to 31 December.

All fees for the registration period from DCPs are recognised in full in the financial year when the income is received. The registration period for DCPs is 1 August to 31 July.

Fees receivable in respect of Overseas Registration Exams are recognised when the examinations are sat.

Miscellaneous fees, other sales and other income are recognised when the related goods or services are provided.

Investment income is recognised when dividends or interest falls due and is stated gross of recoverable tax.

## 1.10 Finance leases

The terms of all Council's leases are reviewed and where the rewards and risks of ownership rest with the Council, leases are treated as finance leases. The capital values of finance leases, together with the current value of future capital repayments are held as assets and liabilities in the Statement of Financial Position. Leases other than finance leases are

classified as operating leases. Operating leases are charged to the Income and Expenditure Statement on a straight-line basis over the term of the lease, taking account of any lease incentives in accordance with the terms of IAS 17.

The Council also reviews all service contracts to determine whether the contracts include an embedded finance lease under the terms of IAS 17 as interpreted by IFRIC 4.

## 1.11 Taxation

The Council is taxed as a mutual organisation and is therefore only taxed on outside sources of income.

Historically, this has been investment income.

Deferred tax is recognised on all taxable temporary differences. However, deferred tax is not provided on initial recognition of an asset or liability unless the related transaction affects tax or accounting profit. In addition, a deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that the taxable profit will be available against which the deductible temporary difference can be used. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Measurement is also based on the tax consequences of recovering or settling the carrying amount of assets and liabilities. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income and expenditure account.

## 1.12 Pension Schemes

The Council operates three pension schemes within the same trust—the General Dental Council 1970 Pension and Life Assurance Plan. The assets of the schemes are held separately from those of the Council and are invested as described in note 19.

**Defined Contribution 2014 section:** This section was established with effect from 1 February 2014, taking into account pension reforms regarding auto-enrolment and is now the main pension scheme for employees. Contributions were set as a percentage of pensionable salary, with the employer contribution set at a maximum of 4% of the member's pensionable salary increasing to a maximum 10% of pensionable salary with effect from 1 April 2015. Contributions are charged to the income and expenditure account as they fall due.

**Defined Benefit section:** This section was closed to new employees who received offers of employment dated after 31 December 2014, and will be closed to new joiners from 1 July 2016. The

defined benefit pension section's current service costs and the net of the scheme interest cost and the expected return on the scheme assets for the year are charged to the income and expenditure account within 'pension costs'. Actuarial gains and losses are recognised immediately within 'other comprehensive income'.

The defined benefit section's assets are measured at fair value at the statement of financial position date. Scheme liabilities are measured on an actuarial basis at the statement of financial position date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is disclosed separately in the statement of financial position

#### **Defined contribution 'top up' section:**

This section was closed to new joiners with effect from 1 April 2014. Contribution is voluntary and the Council will make matching contributions of up to 5% of the pensionable salary. Contributions are charged to the income and expenditure account as they fall due.

### **1.13 Financial Assets**

The Council classifies all its financial assets into either 'financial assets at fair value through profit or loss' or 'available-for-sale financial assets', depending on the purpose for which the asset was acquired. Currently, the Council only holds the following assets at fair value with movement put through other comprehensive income:

**Investment available for sale:** These comprise investments of listed securities, fixed interest securities, equities and a unit trust which is a managed fund comprising a mixed portfolio of listed securities and cash deposits. These are treated as non-current investments available for sale and are included at market value at year end date. The fair value of the investments is based on the closing quoted bid price at the accounting dates.

Unrealised gains and losses arising from changes in market value are included within other comprehensive income, and are taken to the investment revaluation reserve. On disposal, the cumulative gain or loss previously recognised in reserves is reclassified to income and expenditure account.

**Cash and cash equivalents:** These include cash in hand, deposits held at call with banks.

### **Financial liabilities**

The Council classifies all its financial liabilities into financial liabilities at fair value through profit or loss. Below are the types of liabilities within the category, depending on the purpose for which the liability was incurred.

Trade and other payables: these are initially recognised at fair-value and then carried at invoiced value or amortised cost. These arise principally from the receipt of goods and services. The value of these liabilities are disclosed within note 17.

**Provisions:** a provision is recognised in the Statement of Financial Position when the Council has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the outflow of economic benefits can be obtained.

**(i) Early Retirement Costs:** The GDC was meeting the additional costs of benefits beyond the normal defined benefit scheme for an employee who retired early due to medical grounds. An amount was paid annually, subject to conditions, to the employee for the period between early departure and the normal retirement date. The employee reached the retirement age in 2014 and the remainder of the provision was paid over to the pension trustees to purchase an annuity.

**(ii) Dilapidations:** The 2014 provision related to complying with the lease clause for second floor, 44 Baker Street, London W1U 7AL which was occupied by the Council until 22 December 2015. The Council's dilapidation provisions were calculated based on the estimated cost of meeting future expenditure, in order to settle obligations in respect of lease clauses. This year, these obligations were met in full from the provision. The remainder of the provision was released to the income and expenditure account.

### **1.14 Reserves**

Reserves comprise the following:

#### **General reserve**

Represents the retained results after the transfer of actuarial gains and losses on pension scheme assets and/or liabilities and unrealised gains/losses on investment.

**Pension reserve**

Represents the actuarial gains and losses on pension scheme assets arising from the revaluation of the General Dental Council provision for defined benefit pension scheme asset/liability.

**Unrealised gains on investment reserve**

Represents unrealised gains and losses arising from the revaluation of investments over their historical cost.

**1.15 Financial instruments**

The details of the various categories of financial assets are outlined in note 14 to note 16. The details of the various categories of financial liabilities are outlined in notes 17 and 18.

**Credit Risk**

Exposure to credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This is not considered to be significant. The General Dental Council does not use financial instruments that increase its own credit risk profile and has no external debt exposure. It uses a variety of risk mitigations including credit rating assessments to assess credit risk of counter parties including suppliers and financial institutions.

**Liquidity risk**

The Council currently has no borrowings and relies primarily on fees for its cash requirements. The cash balances are cyclical and peak in December/January and July/August.

Cash funding levels are depleted between these periods because Council receipts are at their highest in December, when dentists pay their annual retention fee, and in July, when dental care professionals pay their annual retention fee. Council expenditure is evenly

spread throughout the year. Therefore, the Council considers there is no significant exposure to liquidity risk.

**Currency risk**

All material assets and liabilities are denominated in sterling, so it is not exposed to currency risk.

The GDC has a reserves policy. Due to registration renewal cycles and the payment methods of registrant fees, the GDC holds a significant amount of cash in short-term deposit accounts to cover the expenditure expected to be incurred over the payment period.

**Interest rate risk**

Dental professionals pay fees in advance. Surplus funds are held as follows:

- Fixed term deposit – the majority of the surplus funds are held in the short-term money market. Competitive rates are sought on money-market investments.
- Investments – The remainder of the funds are invested in a portfolio of equities and unit trusts where there is always a risk of diminution in value.

The Council continues to monitor the financial markets using an investment strategy that avoids undue risk and detriment to the GDC's regulatory responsibilities.

The Council approved a revised statement of investment principles in December 2011 and this was reconfirmed in December 2015, whereby the GDC will aim to achieve an investment risk portfolio that seeks to achieve investment returns broadly in line with inflation.

The interest rate risk is not considered to be significant in terms of the General Dental Council relying on interest income to a sizeable extent to fund its operations.

## 2. Income

		2015	2014
	Nos	£'000	£'000
<b>Fees</b>			
Dentists			
Total new registration	1961	900	607
Temporary registration	36	32	31
Retention	39161	34,853	22,554
Restoration after erasure	165	1	28
<b>Total</b>	<b>41323</b>	<b>35,786</b>	<b>23,220</b>
Dental care professionals			
Total new registration	4594	303	336
Retention	65520	7,601	7,626
Restoration after erasure	234	6	24
<b>Total</b>	<b>70348</b>	<b>7,910</b>	<b>7,986</b>
Specialist			
Specialist registration	197	68	53
Specialist annual retention	4174	301	301
Specialist restoration fee	4	-	-
<b>Total</b>	<b>4375</b>	<b>369</b>	<b>354</b>
<b>Total fees</b>		<b>44,065</b>	<b>31,560</b>

The above numbers reflect registrants paying fees during the year as opposed to the number of registrants on the register at 31 December 2015.

## 3. Miscellaneous income

Exam fees	1,828	1,565
Other operating income	52	15
	<b>1,880</b>	<b>15,80</b>

## 4. Investment Income

Interest bank deposits	55	62
Dividends - listed securities	312	446
	<b>367</b>	<b>508</b>



## 5. Staff numbers and related costs

	2015			2014
	Permanently employed staff	Others	Total	Total
Staff costs comprise:	£'000	£'000	£'000	£'000
Wages and salaries	12,200	-	12,200	11,747
Social security costs	1,273	-	1,273	1,196
Pension costs	1,760	-	1,760	1,483
Termination payments	581	-	581	323
Other staff costs	1,332	-	1,332	1,298
<b>Sub total</b>	<b>17,146</b>	<b>-</b>	<b>17,146</b>	<b>16,047</b>
Temporary staff	-	1,391	1,391	394
<b>Total</b>	<b>17,146</b>	<b>1,391</b>	<b>18,537</b>	<b>16,441</b>

### (a) Employees - Headcount

The average number of full time equivalent employees during the year analysed by function were:

	2015			2014
	Permanently employed staff	Others	Total	Total
Fitness to practise and hearings	149	9	158	136
Registration	63	2	65	69
Policy and stakeholder management	13	1	14	16
Governance	13	1	14	12
Human Resources	10	1	11	7
Quality Assurance	11	-	11	12
Dental Complaints Service	9	-	9	9
Corporate services	36	2	38	38
<b>Sub total</b>	<b>304</b>	<b>16</b>	<b>320</b>	<b>299</b>

### (b) Employees - Remuneration

The number of staff whose taxable emoluments fell into higher salary bands were:

	2015		2014	
	Number	Total	Number	Total
£60,000 but under £70,000	15		12	
£70,000 but under £80,000	2		1	
£80,000 but under £90,000	1		3	
£90,000 but under £100,000	-		2	
£100,000 but under £110,000	2		3	
£110,000 but under £120,000	2		1	
£150,000 but under £160,000	-		1	
£170,000 but under £180,000	1			

18 staff members from the above list were part of the 'defined benefit' pension scheme and 11 staff members on the 'defined contribution' pension scheme.

Pension accrued by the highest paid employee under the defined benefit scheme was £28,956, and under the defined contribution scheme was £7,600.

## Chief Executive and Registrar - Remuneration

	Emoluments 2015 £'000	Emoluments 2014 £'000	Accrued Pension 2015 £'000	Accrued Pension 2014 £'000
Evelynne Gilvary	172	157	37	31

## 6. Other administration costs

	2015 £'000	2014 £'000
<b>Legal and professional services</b>		
Auditor's remuneration and expenses:		
External audit	21	20
External audit - National Audit Office	4	4
Internal audit	20	91
Professional Standard Authority Fees	120	-
Conduct hearings	4,754	3,453
Other fees and charges	5,606	4,468
Other disbursements	3,174	2,516
<b>Total</b>	<b>13,699</b>	<b>10,552</b>

	2015 £'000	2014 £'000
During the year, the General Dental Council received the following non-audit services from its external auditors haysmacintyre:	5	3
For corporation taxation advice	<b>5</b>	<b>3</b>

## 7. Council and Committee meetings

	2015 £'000	2014 £'000
(a) Council fees and expenses		
Fees paid to Council Members	224	227
Expenses paid to Council Members	150	156
Council meeting expenses	100	122
	<b>474</b>	<b>505</b>
(b) Committee and panel fees and expenses		
Fees paid to committee and panel members	3,043	2,771
Expenses paid to committee and panel members	1,127	1,065
Professional fees and expenses for committees and panels	1,707	1,110
Committee and panel meeting expenses	3,602	2,781
	<b>9,479</b>	<b>7,727</b>
<b>Total Council and Committee meetings</b>	<b>9,953</b>	<b>8,232</b>

## 8. Administrative expenses

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Depreciation	598	452
Amortisation	409	447
Loss on disposal of property, plant and equipment	160	43
Provisions:		-
Movement in dilapidation provision	(51)	-
Rentals under operating leases:		
Hire of office machinery	36	68
Building leases	880	1,153
Interest charges	-	-
Information technology support and maintenance	748	666
Personnel costs	32	43
Other operating costs	558	659
	<b>3,370</b>	<b>3,531</b>

## 9. Accommodation

Other accommodation costs	727	674
	<b>727</b>	<b>674</b>

## 10. Communications and Publications

Total Communications and Publications	399	534
	<b>399</b>	<b>534</b>

## 11. Taxation

(a) Analysis of tax charge

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits of the year	66	122
Prior year tax adjustment	(24)	(34)
<b>Total current tax charge</b>	<b>42</b>	<b>88</b>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	(47)	(36)
Effect of tax rate change on opening balance	(22)	
<b>Total deferred tax</b>	<b>(69)</b>	<b>(36)</b>
<b>Tax on profit on ordinary activities</b>	<b>(27)</b>	<b>52</b>

### (b) Factors affecting the tax charge for the period

The Council is taxed as a mutual organisation and is therefore only taxed on outside sources of income. Historically, this has been investment income.

Factors affecting the tax charge for the period	2015 £'000	2015 £'000
Profit for year	1,225	(6,286)
Expected charge at 20.25% (2014: 20%)	248	(1,257)
Effects of:		
Difference between actual tax rate and the main corporate tax rate	(57)	(36)
Non taxable income	(201)	1,331
Movement in the deferred tax balance due to a change in tax rates	(16)	(36)
Tax on equalisation and value increasing fixed interest investments	23	84
Prior year tax adjustment	(24)	(34)
<b>Current year tax charge</b>	<b>(27)</b>	<b>52</b>

## 12. Property, plant and equipment

2015	Leasehold Property £'000	Plant & Equipment £'000	Furniture & Fittings £'000	Information Technology £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>						
At 1 January 2015	4,779	499	571	1,002	4,570	11,421
Additions	-	331	293	54	4,208	4,886
Transfers	8,282	496	-	-	(8,778)	-
Disposals	(300)	(323)	(292)	(399)	-	(1,314)
<b>At 31 December 2015</b>	<b>12,761</b>	<b>1,003</b>	<b>572</b>	<b>657</b>	<b>-</b>	<b>14,993</b>
<b>Depreciation</b>						
At 1 January 2015	3,347	330	278	556	-	4,511
Charged in year	310	59	67	162	-	598
Disposals	(235)	(235)	(271)	(386)	-	(1,127)
<b>At 31 December 2015</b>	<b>3,422</b>	<b>154</b>	<b>74</b>	<b>332</b>	<b>-</b>	<b>3,982</b>
<b>Net book value:</b>						
<b>At 31 December 2015</b>	<b>9,339</b>	<b>849</b>	<b>498</b>	<b>325</b>	<b>-</b>	<b>11,011</b>
<b>At 31 December 2014</b>	<b>1,432</b>	<b>169</b>	<b>293</b>	<b>446</b>	<b>4,570</b>	<b>6,910</b>

### 13. Intangible assets

2015	Software	Licences	Assets under Construction	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2015	1,688	562	193	2,443
Additions	-	91	124	215
Transfers	170	-	(170)	-
Disposals	(118)	(304)		(422)
<b>At 31 December 2015</b>	<b>1,740</b>	<b>349</b>	<b>147</b>	<b>2,236</b>
<b>Amortisation</b>				
At 1 January 2015	945	503	-	1,448
Charged in year	371	38	-	409
Disposals	(118)	(304)		(422)
<b>At 31 December 2015</b>	<b>1,198</b>	<b>237</b>	<b>-</b>	<b>1,435</b>
<b>Net book value:</b>				
<b>At 31 December 2015</b>	<b>542</b>	<b>112</b>	<b>147</b>	<b>801</b>
<b>At 31 December 2014</b>	<b>743</b>	<b>59</b>	<b>193</b>	<b>995</b>

### 14. Financial assets - available for sale assets

2015	Equities	Fixed Interest Securities	Totals
	£'000	£'000	£'000
<b>Balance as at 31 December 2014</b>	4,431	4,398	8,829
Additions	813	4,835	5,648
Transfers	-		-
Disposals	(1,785)	(8,943)	(10,728)
	3,459	290	3,749
Realised gains on investments	426	(168)	258
Unrealised gains on investments	(408)	(122)	(530)
<b>Balance as at 31 December 2015</b>	<b>3,477</b>	<b>-</b>	<b>3,477</b>

Income generated from the financial assets for the year ended 31 December 2015:

Equities £85,468 (2014: £83,882) and Fixed Interest Securities £215,536 (2014: £362,386).

The above financial assets are quoted in an active market and are included at market value. All above financial assets are treated as level 1 for the purposes

of disclosure under IFRS 7, because all amounts have been determined by reference to quoted prices in an active market.

The amount of unrealised gains in the year in the profit and loss from other comprehensive income for investments disposed in the year is £402,018 (2014: £138,640).

### 15. Trade receivables and other current assets

	2015 £'000	2014 £'000
<b>Amounts falling due within one year</b>		
Trade receivables	-	14
Other receivables	397	413
Prepayments and accrued income	2,543	1,344
<b>Total</b>	<b>2,940</b>	<b>1,771</b>

The ages of all debtors are current and there are no amounts past due, but not impaired. There is no bad debt provision.

### 16. Cash and cash equivalents

	2015 £'000	2014 £'000
<b>Balance at 1 January</b>	31,863	26,454
Net change in cash and cash equivalent balances	1,903	5,409
Balance at 31 December	33,766	31,863

	2015 £'000	2014 £'000
<b>The following balances were held at:</b>		
Commercial banks and cash in hand	33,715	31,650
Short term bank deposits	51	213
<b>Total</b>	<b>33,766</b>	<b>31,863</b>

**17. Trade payables and other current liabilities**

	31 Dec 2015 £'000	31 Dec 2014 £'000
<b>Amounts falling due within one year:</b>		
Corporation tax	55	120
Other taxation and social security	444	526
Trade payables	2,126	1,231
Other payables	13	20
Accruals	2,597	2,839
Deferred income	35,548	35,180
Deferred operating incentive	54	11
<b>Total</b>	<b>40,837</b>	<b>39,927</b>
<b>Amounts falling due after more than one year:</b>		
Deferred operating incentive	-	23
Deferred tax	148	218
	<b>148</b>	<b>241</b>
<b>Total</b>	<b>40,985</b>	<b>40,168</b>

No interest was paid during the year under the Late Payment of Commercial Debts (Interest) Act 1998.

**18. Provisions for liabilities and charges**

2015	Building Dilapidations £'000	Total £'000
Balance as at 1 January 2015	135	135
Unused amounts reversed in year	(51)	(51)
Written back	-	-
Utilised in year	(84)	(84)
<b>Balance as at 31 December 2015</b>	<b>-</b>	<b>-</b>

### 19. Pension Fund

The GDC operates a defined benefit plan which is wholly funded by contributions from the GDC and Members. A full actuarial valuation was carried out as at 1 April 2015, and updated to 31 December 2015 by a qualified independent actuary.

As at 31 December 2015 the Plan has a surplus of £5.859m based on the IAS 19 assumptions adopted. Under the requirements of IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, the GDC could be restricted to limit the surplus in the financial statements if the GDC would not be able to obtain the full economic benefit from that surplus. Under the terms and conditions of the Plan the GDC would be able obtain full economic benefit from the surplus either through

a full contributions holiday or a reduction in its future contributions. Therefore the reported surplus is not restricted.

In respect of members on the benefit structure who joined the GDC before 12 May 1999 and two members who joined after, contributions are payable each month at the annual rate of 27% of Pensionable salary. Of those who joined after 12 May 1999, contributions are payable each month at the annual rate of 24.8%. Members on the benefit structure who joined GDC on or after 12 May 1999 pay 7% of their Pensionable Salary towards the scheme.

The duration of the Plan is approximately 30 years and therefore future cash flows are expected to be paid for in excess of 30 years.

### The principal assumptions used by the actuary for the update at 31 December 2015 were as follows:

	2015	2014
Rate of inflation	3%	3%
Rate of salary increase	4%	4%
Rate of increase in pensions in payment where RPI max 5.0%	3%	3%
Rate of increase in pensions in payment where RPI min 3%, max 5%	4%	4%
Rate of increase in pensions in payment where RPI max 2.5%	3%	3%
Discount rate	4%	4%
Proportion of employees opting for early retirement at age of 60	50%	50%
Assume life expectations on retirements age 65:		
Retiring today - males	24	24
Retiring today - females	25	25
Retiring in 20 years - males	25	25
Retiring in 20 years - females	26	26

The mortality assumptions for the current period-end follows the SINA Light with rates of improvement in line with CMI 2014 model (long-term 1% pa).



## 19. Pension Fund

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2015	2014	2014
Equities	£18,203	79%	£16,500	80%
With Profits Fund	£3,549	16%	£3,840	19%
Bonds	£1,162	5%		
Cash	£29	0%	£160	1%
<b>Total</b>	<b>£22,943</b>	<b>100%</b>	<b>£20,500</b>	<b>100%</b>

None of the pension scheme assets are invested in the GDC.

	2015 £'000	2014 £'000
The actual return on the scheme assets in the year	1,305	949

	2015 £'000	2014 £'000
<b>Analysis of the amounts debited / (credited) to the income and expenditure account:</b>		
Current service cost	(1,577)	(1,539)
Net interest expense on net pension obligation	87	273
Total amount charged within net incoming/(outgoing) resources	(1,490)	(1,266)
Remeasurement of net pension obligation	3,582	(2,883)
<b>Total charge</b>	<b>2,092</b>	<b>(4,149)</b>
<b>The amounts recognised in the statement of financial position</b>		
Present value of funded obligations	(17,083)	(18,010)
Fair value of assets	22,942	20,500
<b>Surplus</b>	<b>5,859</b>	<b>2,490</b>

	2015 £'000	2014 £'000
<b>The amounts in the statement of other comprehensive income</b>		
Actuarial gain on plan assets	525	107
Actuarial gain/(loss) on defined benefit obligation	3,057	(2,990)
of which due to experience	2,383	(41)
of which due to demographic assumptions	(14)	-
of which due to financial assumptions	688	(2,949)
<b>Total gain/(loss) in statement of other comprehensive income</b>	<b>3,582</b>	<b>(2,883)</b>

The Council expects to contribute £1,552,000 to its defined benefit pension scheme in 2016.

## 19. Pension Fund

	2015 £'000	2014 £'000
<b>Sensitivity analysis of the defined benefit obligation is as follows:</b>		
Discount rate reduced by 0.1% pa (2014: 0.25% pa)	16,583	19,510
RPI inflation increased by 0.1% pa (2014: 0.25% pa)	16,783	19,510
Salary growth increased by 0.1% pa (2014: 0.25% pa)	17,283	18,610
Mortality - life expectancy of each member increases to that of someone one year younger	16,683	18,410

Sensitivity analysis rates were changed to 0.1% (from 0.25% in 2014) as this gives greater granularity and a better reflection of the true sensitivity.

	2015 £'000	2014 £'000
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation at 1 January 2015	18,010	12,690
Interest expense	693	569
Service cost	1,577	1,539
Contributions by members	352	330
Actuarial loss/(gain)	(3,057)	2,990
Benefits paid from plan assets/administrative expenses paid	(492)	(108)
<b>Defined benefit obligation at 31 December 2015</b>	<b>17,083</b>	<b>18,010</b>
<b>Change in the fair value of the scheme assets are as follows</b>		
Fair value at 1 January 2015	20,500	17,884
Interest income	780	842
Return on plan assets in excess on interest income	525	107
Employer contributions	1,277	1,445
Plan participants' contributions	352	330
Benefits paid/administrative expenses paid	(492)	(108)
<b>Fair value as at 31 December 2015</b>	<b>22,942</b>	<b>2,500</b>

	2015 £'000	2014 £'000
<b>Change in recoverable surplus and components of scheme performance</b>		
Opening balance	2,490	5,194
Current service cost	(1,577)	(1,539)
Interest on surplus	87	273
Net pension cost	(1,490)	(1,266)
Employer contributions	1,277	1,445
Actuarial (loss)/gain	3,582	(2,883)
<b>Closing balance</b>	<b>5,859</b>	<b>2,490</b>

## 19. Pension Fund

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
<b>Amounts per current and previous periods</b>					
Return on plan assets in excess of interest	525	107	2,290	861	(304)
Experience gains/(losses) on scheme liabilities	2,383	(41)	352	(4)	(559)
Changes in assumptions underlying the present value of the scheme liabilities	688	(2,949)	(617)	(289)	189
Defined benefit obligation	(17,083)	(18,010)	(12,690)	(11,119)	(9,011)
Scheme assets	22,942	20,500	17,884	14,230	11,551
Surplus	5,859	2,490	5,194	3,111	2,540

<b>Asset gain</b>	2015	2014	2013	2012
Amount	£525	£107	£2,290	£861
% of scheme assets	2.3%	0.5%	12.8%	6.1%
<b>Liability experience gain</b>				
Amount	£2,383	(£41)	£352	£4
4% of scheme liabilities	14.0%	-0.2%	3.0%	

It is assumed that the pension plan liabilities are excluded from assets where liabilities are matched by annuities.

All pensioners receive a guaranteed increase of 3% p.a. under the terms of the Plan for service to 6 April 1997. Service after 6 April 1997 is treated in accordance with the 1995 Pensions Act. Any further compensation for the rise in the cost of living is considered on an annual basis.

In 2015 the annual premium contribution was £1,547,193 (2014: £1,661,960) Included in the annual premium was a contribution of £268,055 (2014: £205,232) for the defined contribution pension plan. The scheme was in surplus at year end.

The Plan is constituted as a trust and is legally and financially separate from the employer. The trustees have responsibilities in relation to the trust that are set out in the trust's deed and rules. In summary, the trustees are responsible for:

- The administration and management of the scheme for the purposes of the Finance Act 2004
- The appointment or removal of an actuary for the purposes scheme as the trustees think fit and proper
- The appointment or removal of an auditor for the purposes of and in accordance with the Pensions Act 1995
- Making available to scheme members, beneficiaries and certain other parties, audited financial statements for each scheme year

- Making available certain other information about the plan in the form of an Annual Report
- Preparing and maintaining a written statement of investment principles
- Agreeing with the GDC the amount and timing of contributions to be made by members and by the GDC and to ensure their payment

The Plan, as with most other defined benefit pension schemes, faces many risks including:

- The risk that the future investment return on assets will be insufficient to meet the funding objective,
- The risk that inflation may be different from that assumed,
- The risk that falls in asset values will not be matched by similar falls in the value of liabilities, thereby reducing the funding level of the Plan,
- The risk that unanticipated future changes in mortality, or other factors, will increase the cost of the benefits. The risk that the Council may not be able to pay contributions or make good deficits in the future,
- The risk associated with the potential exercise (by members or others) of options against the Plan,
- The risk of adverse legislative changes.

This list is not exhaustive.

### 19. Pension Fund

Due to the risks above, any adverse experience following from them may mean additional contributions are required in the future. The exact level of contributions and the period over which these would be spread will depend on negotiations between the Council and the Trustees of the Plan typically following a triennial valuation.

The calculations are based upon an assessment of the Plan's liabilities as at 31 December 2015. The sensitivities have been calculated using the same methodology, but these have been based upon the

preliminary results of the 1 April 2015 formal triennial actuarial valuation projected forward with allowance for benefit accrual, expected investment return, actual contributions and cash flows and have been adjusted to allow for the IAS19 assumptions detailed below. The results and sensitivities are therefore calculated approximately. If liabilities and sensitivities had both been calculated as at 31 December 2015 using actual membership data at that date, the results might differ. However, any difference would not be expected to be significant.

### 20. Commitments under leases Operating leases

#### Note

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

*Total lease values must be recorded against each expiry category. i.e. where a lease has annual payment of £1,000 over a 10 year term, it is necessary to record £1,000 under expiry <1 year, £4,000 under expiry 2-5 years and £5,000 under expiry >5 years*

#### Obligation under operating leases comprise:

	31 Dec 2015 £'000	31 Dec 2014 £'000
<b>Land and buildings</b>	867	896
Not later than 1 year	783	614
Later than 1 year and not later than 5 years	182	187
Later than 5 years	<b>1,832</b>	<b>1,697</b>
<b>Other:</b>	3	93
Not later than 1 year	-	3
Later than 1 year and not later than 5 years	<b>3</b>	<b>96</b>

### 21. Capital Commitments

The GDC has no contracted capital commitments which were not included in these financial statements at 31 December 2015.

(2014: The redevelopment of 37 Wimpole Street commenced in 2013 and the total cost of the project estimated to be £7.3m and by end of 2014 £4,570,053 of the costs have been incurred and reported in Note 12 within Assets under construction.)

### 22. Related-party transactions

There were no related party transactions during the year ended 31 December 2015, other than the fees and expenses paid to Council Members as disclosed in note 7 to the accounts. Details of amounts paid to individual Council members are set out on page 48.

(2014: There were no related party transactions during the year ended 31 December 2014, other than the fees and expenses paid to Council Members as disclosed in note 7 to the accounts.)

### 23. Contingent liabilities

The GDC has no contingent liabilities at 31 December 2015. (2014: There were no contingent liabilities at 31 December 2014.)

### 24.

The Accounting Officer (Chief Executive and Registrar) authorised these financial statements for issue on 9 June 2016.

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