

**General
Dental
Council**

protecting patients,
regulating the dental team

Annual Report and Accounts

2017

General Dental Council

Annual report and accounts 2017

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.

Annual report presented to the Scottish Parliament (by the Scottish Ministers) 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.

Accounts presented to Parliament pursuant to section 2C of the Dentists Act 1984 as amended by the Dentists Act 1984 (Amendment) Order 2005, the Companies Act 2006 (Consequential Amendments etc) Order 2008 and the Health Care and Associated Professions (Miscellaneous Amendments and Practitioner Psychologists) Order 2009.

Accounts presented to the Scottish Parliament (By the Scottish Ministers) pursuant to section 2C of the Dentists Act 1984 as amended by the Dentists Act 1984 (Amendment) Order 2005, the Companies Act 2006 (Consequential Amendments etc) Order 2008 and the Health Care and Associated Professions (Miscellaneous Amendments and Practitioner Psychologists) Order 2009.

Ordered by the House of Commons to be printed on **20 June 2018**

SG/2018/24

HC 1080



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This publication is available at:
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ISBN-978-1-5286-0478-9
CCS – CCS0518754490 06/2018

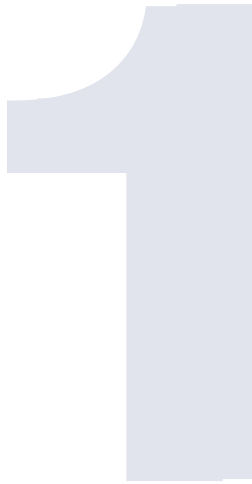
Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

Design by Navig8 www.navig8.co.uk

Printed on paper containing 75% recycled fibre content minimum.

Contents

1	Statutory purpose	4
2	Message from the Chair	6
3	Message from the Chief Executive	8
4	Highlights of 2017	10
5	Business overview 2017	14
6	Statistical and performance report	16
7	Council and committee structure	50
8	Remuneration report	55
9	Social responsibility report	59
10	Financial review	62
11	Statement of the General Dental Council and the Chief Executive's responsibilities	66
12	Governance statement	67
13	Accounts 2017	74
14	Independent auditor's report	75
15	Certificate and report of the Comptroller and Auditor General to the Houses of Parliament	77
16	Income and expenditure account	80
17	Statement of financial position	82
18	Statement of cash flows	84
19	Statement of changes in reserves	86
20	Notes to the Accounts	88
21	Advisers	109



1 Statutory purpose

The General Dental Council (GDC) is the UK-wide statutory regulator of the 111,000 members of the dental team. This includes approximately 42,000 dentists and 69,000 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 dental professional, we will investigate and take action if appropriate.

Our legislation, the Dentists Act 1984 (as amended), sets us the following objectives:

- To protect, promote and maintain the health, safety and well-being of the public.
- To promote and maintain public confidence in the professions regulated.
- To promote and maintain proper professional standards and conduct for members of those professions.

We fulfil our purpose by using our statutory powers to:

- grant registration only to those dental professionals who continue to 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 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
- protect the public from individuals carrying out dentistry while not registered
- require dental professionals to keep their skills up to date through our continuing professional development (CPD) requirements.

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

In carrying out all our activities we aim to demonstrate our values, which are:

Fairness:

We will treat everyone we deal with fairly

Transparency:

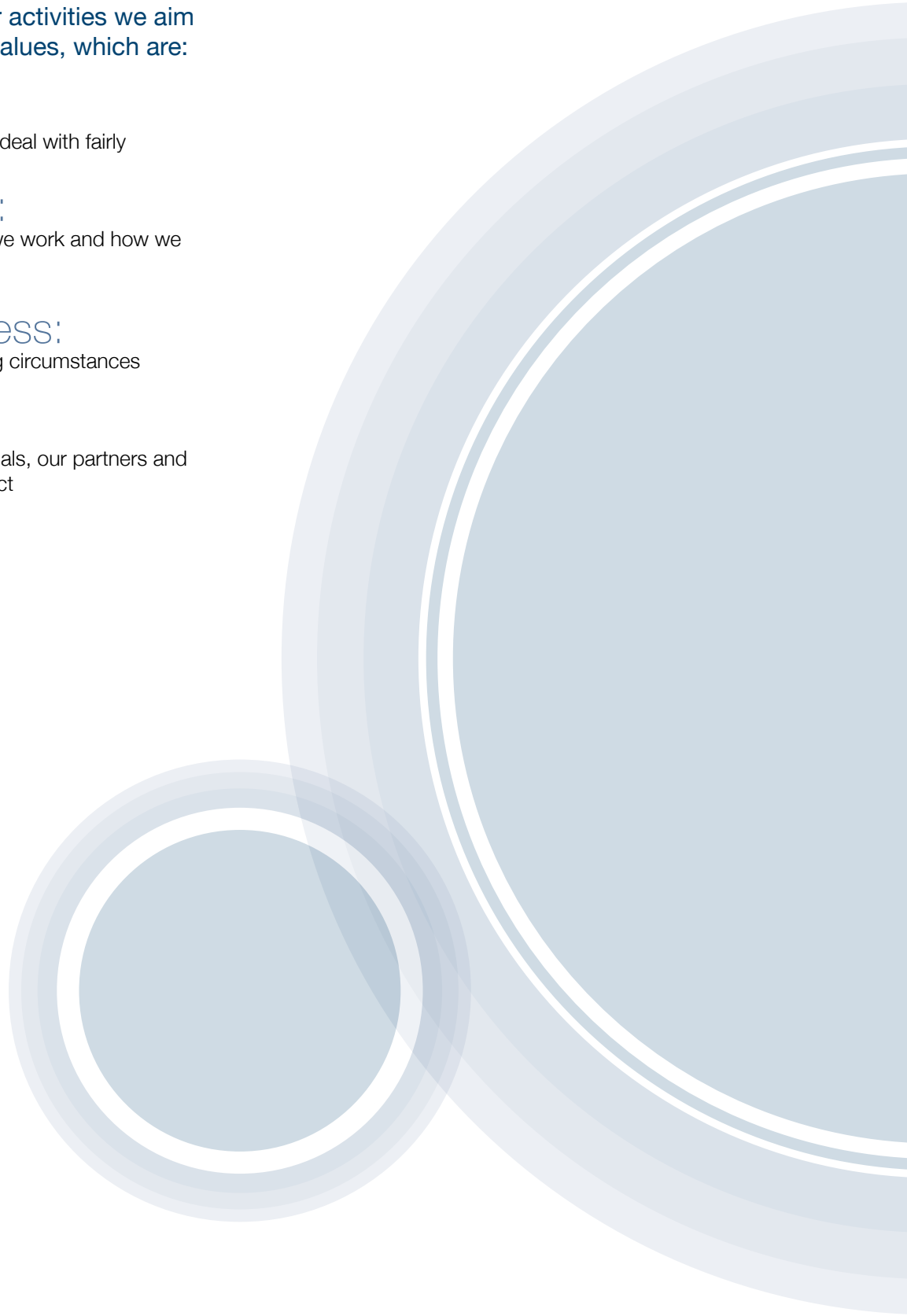
We are open about how we work and how we reach decisions

Responsiveness:

We can adapt to changing circumstances

Respect:

We treat dental professionals, our partners and our employees with respect



2



2 Message from the Chair

2017 saw the start of my second term as Chair of the Council and, I am delighted to say, a change in focus on priorities for the organisation: from resolving operational issues to establishing itself as a proportionate regulator which has the confidence of patients, the public and dental professionals.

When I was first appointed in 2013, it was clear the organisation had a lot of work to do, to resolve issues that were affecting its performance and preventing it from delivering the high standards of patient protection that the public has a right to expect. Today's GDC is a very different organisation from the one I walked into nearly five years ago. There is a new management structure and there are new processes, tighter controls and more effective ways of working. It is also more transparent, and much work has been undertaken to reach out and engage with our key stakeholders. Encouragingly, these stakeholders have largely welcomed the scale and pace of change, and the new direction the organisation has taken.

This has been achieved largely through the efforts of Council members and staff and I am grateful to all of them for the time and commitment they have invested in making these changes happen. It has not been easy, and my sincere thanks go to all those who have played their part.

But there is no room for complacency. There is much more to do and, now the organisation is on a stronger and more sustainable footing, we must focus our attention upon doing it. Crucially, I believe we must do more to engage with those who use dental services and with the dental professionals we regulate. I have said consistently that I want the GDC's regime to protect patients and to be fair to registrants. That remains the Council's ambition.

We have made considerable strides towards this but to achieve it completely we must change the way in which we regulate. We are in no doubt about what must be done. In January 2017 we published the discussion document *Shifting the balance: a better, fairer system of dental regulation*. This set out our vision of an upstream system of regulation, in which issues are dealt with in the right place, delivering the right outcomes for patients and the

public, at the right cost and within an acceptable timeframe. In short, a system that shifts its focus from enforcement to prevention.

This document was the result of extensive engagement with many of the groups and individuals that have a stake in dental regulation. Its aim was to stimulate a wider public debate about the future of dental regulation, to help us further refine and shape our proposals. Through 2017 we continued to engage with professionals and their representative bodies, patient groups, regulators, policy makers and others, to exchange views and share discussion. At the end of the year, we published our response to the views received from all those who contributed to the debate.

We were impressed by the level and quality of engagement with the proposals we set out. A number of professional associations representing dentists and dental care professionals submitted helpful feedback and there was firm support for our intention to refocus our approach to Fitness to Practise. Several expressed a willingness to participate in work to shape our proposals further and we very much welcome this.

We are now introducing some of those proposals, as we start to evolve our approach to regulation. It should be apparent that prevention in preference to sanction is a philosophy that informs every aspect of our work. For example, in January 2018 we introduced a system of enhanced Continuing Professional Development (ECPD) for dentists. This shifts the focus of CPD away from completing a prescribed number of hours of professional development annually, towards giving dentists the freedom to determine and direct their own development needs according to their fields of practice. This approach will also be rolled out to other dental professionals from August 2018.

Our aspiration is that dental professionals and dental teams will reflect on their individual and collective practise, identify areas of weakness or areas where changes in technology or practise highlight developmental needs, and will design their ECPD programme to address these.

We have also fulfilled a commitment to consult on our fee-setting policy; and are moving forward with development of a new framework, following consideration and reflection upon the responses received.

So, we are making progress, but transformational change of this nature cannot happen overnight. We must invest the significant time and effort required to ensure we get it right, in both the interests of patients and the professionals we regulate. It is also important to recognise that the GDC cannot do this alone. We are proposing a more collaborative system of regulation, therefore many of our proposals require leadership by others, including the professions, to make this work. However, we will, of course, provide support for that leadership.

As work continues with *Shifting the balance*, we await the outcome of the Department of Health and Social Care's consultation into proposals to reform the existing system of health regulation in general. This is long overdue and to be welcomed. Many of the proposals set out amplify and complement the framework we are advocating in *Shifting the balance*, and this is encouraging. We will watch with interest to see how this develops. However, in the absence of firm legislative plans, we need to work within the existing legislation to bring about much-needed changes to the system and that is what we shall do.

We are now less than a year away from leaving the EU. Since the UK voted to exit the EU in June 2016, the country has witnessed many unpredictable events, and the uncertainty continues. At this stage, none of us can be sure what exiting the EU will mean for our daily lives, healthcare in general and regulation in particular. Whatever happens, I am confident that the GDC is now in a stronger place. It is well equipped to face any challenges which lie ahead.

Finally, I would like to thank the five members whose terms of office expired during the year. During their tenure the GDC changed perhaps more than at any time in its history. I am very grateful for the contribution that my colleagues have made. We have also welcomed five new members to the Council. I believe that during the tenure of this 'new' Council, the rate of change in the GDC will be even faster and more radical. I am looking forward to leading the Council through this change.

Dr William Moyes
Chair

3



3 Message from the Chief Executive

The GDC made considerable progress in 2017 towards achieving the strategic objectives we set out in our three-year roadmap *Patients, Professionals, Partners, Performance*.

We further improved our performance in the 2017 review by the Professional Standards Authority (PSA), achieving 23 out of 24 of the standards set. However, we are not satisfied. The GDC still has a great deal of work to do to ensure that satisfactory casework timeliness is achieved in a manner that is sustainable over the long term.

Nevertheless, in 2017 we have been able to look beyond these issues and to engage extensively with stakeholders to develop proposals for a new – and improved – system of dental regulation. During the year we published the discussion document *Shifting the balance*, which set out our vision for a new approach to regulation. We believe it is in the interests of both patients and professionals that we modernise the current system and we have worked collaboratively with stakeholders in both developing our proposals and refining them in light of the feedback received in response to the consultation we undertook.

Work is underway now to enable the development of a system of ‘upstream’ regulation, where issues are dealt with in the right place and at the right time, with only the most serious cases being addressed by means of a Fitness to Practise investigation. This will not only be more proportionate, in the long term it will also allow us to deliver greater cost-efficiency.

Fitness to Practise remains the main driver of our costs, accounting for 69% of our expenditure in 2017 (2016: 72%), but it remains higher than we would like it to be and we continue to look at ways in which the process can be improved, while remaining responsive and focused on public protection. At the end of 2016 case examiners replaced the former Investigating Committee and this resulted in a significant fall in the number of cases that proceeded to final hearings in 2017, from 45% to 31%, with resulting reductions in costs.

During the year, we also launched an end-to-end review into the current Fitness to Practise process and explored in detail ways in which it might be

further streamlined. To this end, we held workshops with key stakeholders across the profession: professional groups, registrants and patient groups. We also commissioned an independent audit into randomly selected cases to assess the quality of our investigations. The insight gained from this work will be invaluable in re-engineering the process to help it deliver better outcomes within shorter timescales. We expect to make significant progress on this project in 2018.

We recognise that some complaints reach the GDC when they would be better dealt with by another mechanism. This can be stressful for registrants, frustrating for patients and unnecessarily time-consuming for GDC staff, who have to process them. During the year, we worked with patients, dental professionals and stakeholders to develop an online 'self-filtering' mechanism, which signposts patients towards more effective routes for resolution, if this is appropriate. More than 500 people have used this tool since September 2017, so it is clearly contributing towards more effective direction of complaints.

Private patients who have a complaint can raise it with the Dental Complaints Service. This impartial service, rated highly by members of the public and professionals who use it, is provided by the GDC. In 2017 we conducted an operational review of the service and will be making changes in 2018 to promote greater efficiency. This will include moving the service from its current location in Croydon to our Wimpole Street offices.

Achieving best value for money will always be central to our operational decision-making. Our headquarters building is secured on extremely favourable terms. However, we are rationalising our estate to provide best value for money, as the cost of renting additional office space in central London can no longer be justified.

We have, therefore, taken the decision to move some functions of the GDC to Birmingham. This will involve around 200 roles within Registration and operational support services. The GDC's national headquarters will remain in London. As part of this estates rationalisation strategy we will accommodate

our hearings facilities at our Wimpole Street premises, which is subject to a peppercorn lease. This rationalisation will enable us to reduce our estate from four premises all located in London, to two with just one in London and one in Birmingham. This will enable us to reduce accommodation costs and compete more effectively in local labour markets.

The move will be phased, beginning in late 2018, and it will be timed to ensure there is minimum disruption to core activity.

Throughout 2017 work to seek out and drive improvements in efficiency has continued. We are still searching out and delivering business efficiencies – and whilst we have addressed the resource pressures we encountered in 2016, fluctuations in our casework performance mean that our finances are not yet as stable as we would wish. As a result, we ended the year with expenditure £7.1m lower than budgeted. We are working to better understand the detailed cost drivers of our activities and to improve our forecasting and managing of budgeted expenditure. Addressing this will be a priority in the year ahead.

This will be another year of change and improvement for the GDC. We will continue to review our operations where necessary; and we will become increasingly outward-facing as we further expand and strengthen our relationships with stakeholders, to enable us to continue to lay the foundations of a new – and more collaborative – approach to regulation.

Ian Brack

Chief Executive and Registrar

4

4 Highlights of 2017

2017 was the second year of our three-year corporate strategy, *Patients, Professionals, Partners and Performance*. In this we committed to:



empowering

patients to make informed choices about the care they receive



working closely

with dental professionals to identify priority areas for action and using collaborative approaches in tackling them



working with partners

to protect patients and make dental regulation more effective



striving

to become a high performing, proportionate regulator which has the confidence of patients, the public and dental professionals.

Our work during 2017 can be broadly categorised as:

- driving improvement in dental regulation
- improving our overall performance
- continuing to build a cost effective and efficient organisation.

In 2017 we also published our discussion paper *Shifting the balance*. This set out our plans to improve dental regulation, in the interests of both patients and professionals. Proposals include: moving upstream, from enforcement to prevention; building better partnerships to improve first-tier complaints resolution; and working more collaboratively with partners. *Shifting the balance* also committed the GDC to undertaking an end-to-end review of Fitness to Practise processes to identify ways in which those processes could be made more proportionate and efficient, and be used to promote learning. This review will continue throughout 2018.

Business plan 2017: summary of achievements

The business plan is aligned to the objectives set out in the strategy. The review below outlines key progress against each objective.

Patients

We will put patient and public protection at the heart of what we do and use our powers to maintain and, if necessary, improve standards of dental care in the UK.

- We launched our Fitness to Practise end-to-end review, holding workshops with patients and registrants from across the profession to gain insight into how the process is operating and to identify improvements.
- Both patient and registrant groups have fed back that the Fitness to Practise process is too lengthy and stressful. We will formulate the new process over the next year to deliver a more robust and streamlined process that incorporates patient and registrant feedback.

- We implemented a new process to expedite interim orders, including a new process at the triage stage. This process allows a case to be referred to an assistant triage lawyer to consider interim orders at an earlier date within the case.
- We appointed an in-house team of clinical dental advisers to speed up the overall Fitness to Practise process and improve turnaround times in cases. This replaced seeking external clinical advice on each case.
- Continuing Professional Development (CPD) makes a contribution to supporting registrants to maintain the Standards for the Dental Team and to patient protection. We launched the enhanced Continuing Professional Development (ECPD) scheme, which was accompanied by amendments to the rules and supported by published guidance. The main changes to the scheme are:
 - the requirement for all dental professionals to have a Personal Development Plan (PDP)
 - an increase in the number of verifiable hours for most professional titles and the requirement to spread the hours more evenly across the five-year cycle
 - dental professionals no longer have to declare non-verifiable CPD to the GDC
 - the requirement to make an annual statement of CPD hours completed, even if no hours have been completed for that year
 - the requirement to align CPD activity with specific development outcomes
 - the requirement for professionals to plan CPD activity according to their individual 'field(s) of practice'.

- We also implemented a new web form on our website to make it as easy as possible for anyone to contact us. All web form complaints go through to our Customer Advice and Information Team (CAIT). This single point of entry ensures we deal with enquiries as quickly and proportionately as possible. This includes a process to filter out queries which are outside our remit and signpost complainants to other organisations who can assist them.

Professionals

We will support dental professionals in delivering good quality dental care. We will work closely with the profession to identify and devise solutions to issues of most concern to patients.

- We established a single process for dealing with corporate complaints to ensure we are learning lessons and improving our performance via comprehensive reporting.
- We commissioned Penningtons Manches LLP to undertake an independent audit to review a random selection of cases from across the Fitness to Practise process. This aimed to ensure that cases are being considered appropriately, in accordance with our core principles around fairness and respect, and in the public interest, including equality and diversity. The findings of this review were positive.

Partners

We will work with our partners in the dental sector to protect patients and make the system of dental regulation in the UK more effective.

- We published *Shifting the balance*, a major discussion paper on a package of reform measures for dental regulation and engaged extensively with partners and stakeholders to inform our programme of work.
- Following consultation, we set out a programme of work to implement these reforms, with a clear direction of travel for 2018 and beyond.
- We launched our Equality, Diversity and Inclusion (EDI) Strategy and Action Plan, building on our partnership work with the UK Investor in Equality and Diversity, and the Joint Regulators EDI group.

Performance

We will continue to strive to become a high performing, proportionate regulator which has the confidence of patients, the public and dental professionals.

We achieved

23

out of the 24 standards in our latest performance review by the PSA, gaining two additional standards from the previous review.



We successfully recruited our new Council members. This included gaining approval for the process by the PSA and approval of the recommended appointees by the Privy Council.



We improved our witness support services by streamlining processes to increase efficiency for witnesses, witness support officers and GDC teams.



We carried out an operational review of the DCS and introduced improvements. These included: updating all our letters and standard operating procedures; improving reporting to bring it in line with corporate reporting systems, developing a process for assisting NHS patients and implementing a process for managing potential Fitness to Practise referrals better.



We improved reporting in the CAIT, which has enabled insights to be shared across the organisation and taken into account when developing new ways of working.

5

5 Business overview 2017

Who we are

The GDC is a UK-wide healthcare regulator, with a remit covering England, Scotland, Wales and Northern Ireland. It has around 350 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 (as amended) – sets the following objectives: 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 DCP 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.

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

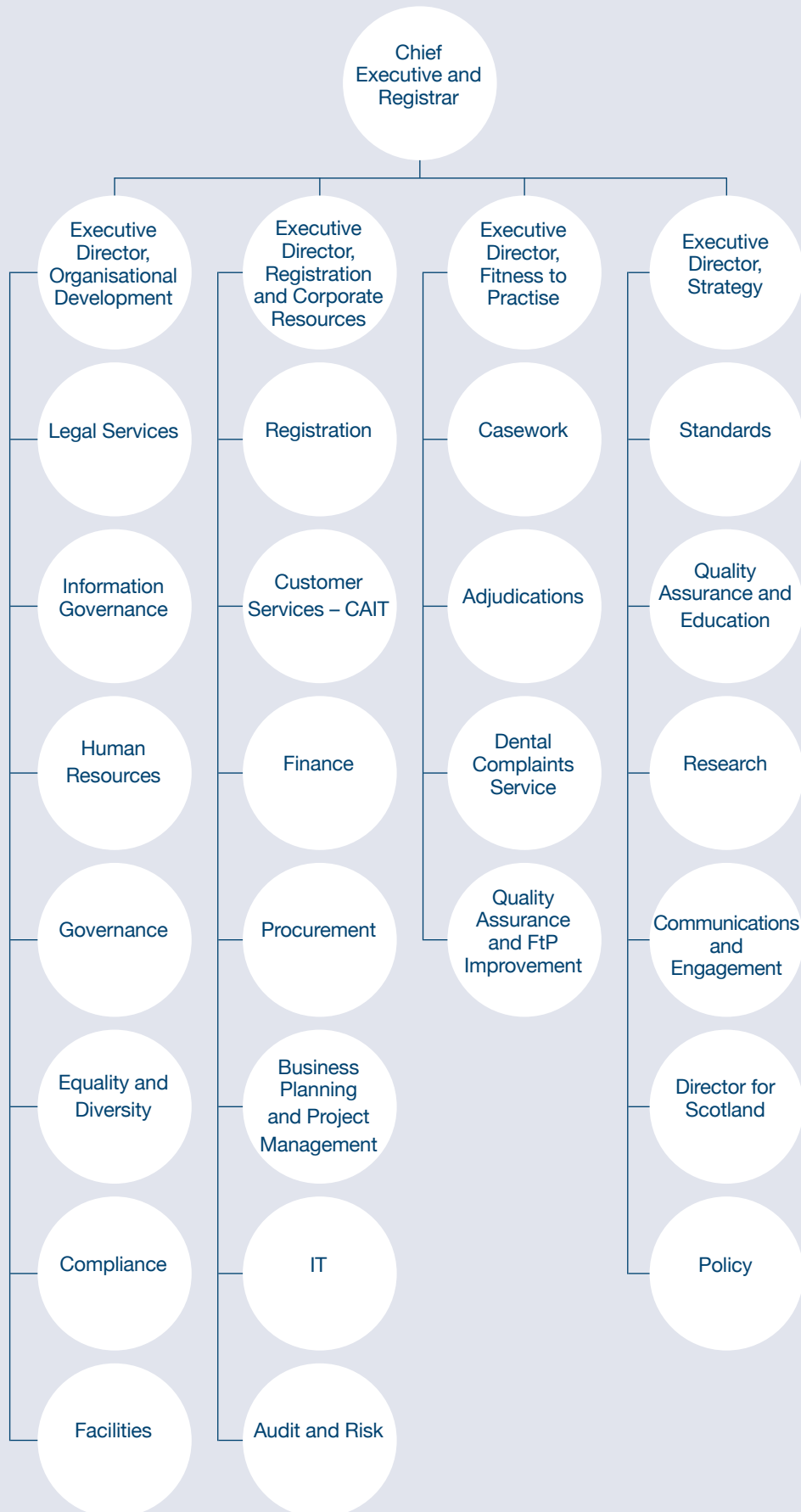
We have four directorates headed by directors who are members of the Executive Management Team (EMT).

EMT is responsible for:

- implementing the strategy approved by the Council
- preparing an annual business plan and budget
- providing regular management reports to the Council, and ensuring that appropriate reports are provided to Council committees regarding matters within their remits
- identifying and reporting to the Council strategic risks and ensuring that ownership for each risk is allocated at the right level with clear accountability
- reviewing and reporting on other aspects of the governance model.

The directorates are: Organisational Development; Registration and Corporate Resources; Fitness to Practise; and Strategy, which are all overseen by the Chief Executive and Registrar.

Organisation chart



6

6 Statistical and performance report

Registration

Dentists and DCPs must be registered with the GDC 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 to be considered fit to practise as a member of the dental team.

Applications can be made in several 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 and European nationals without a recognised qualification).
- Success in passing the Overseas Registration Exam (for non-European 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 be considered 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. CPD can support dentists and DCPs 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 CPD from any dental professional wishing to re-join the register.

Registrant statistics

1 The total number of dentists and DCPs on the register as of 31 December 2017

Registration type	Number of registrants	% of total
Dentist	41705	38%
DCP	69507	62%
Total	111212	

This illustrates the total number of dentists and DCPs who are on the register. DCPs 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 1.7% increase in the total number of registrants from 109,363 at the end of 2016 to 111,212 at the end of 2017.

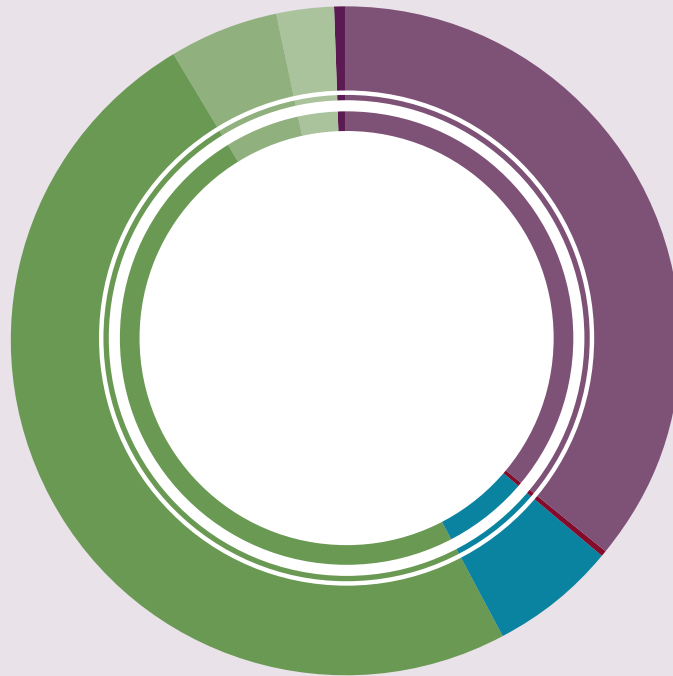
2 The composition of the register by gender of dentists and DCPs as of 31 December 2017¹

Registration type	Female	% of total
Dentist	20245	49%
DCP	63889	92%
All registrants	84134	76%

Registration type	Male	% of total
Dentist	21460	51%
DCP	5618	8%
All registrants	27078	24%

¹ Percentages represent the proportion of gender composition to the overall register. The numbers presented in this table match table one.

3 The composition of the register by dental grouping as of 31 December 2017

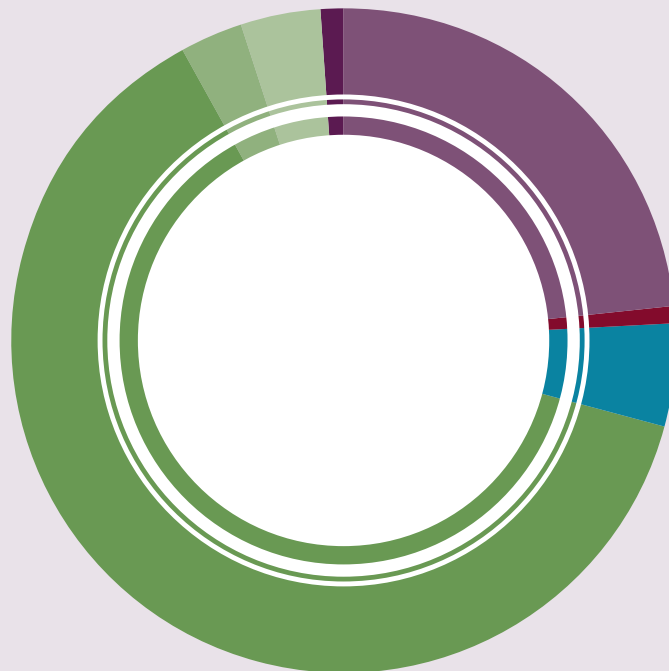


Registration title	Number of titles	% of total
Dentist	41705	36%
Clinical dental technician	359	<1%
Dental hygienist	7123	6%
Dental nurse	57214	49%
Dental technician	6088	5%
Dental therapist	3116	3%
Orthodontic therapist	568	<1%
Total	116173 ²	

There was a 2% increase in the overall number of registered titles in 2017, from 113,897 in 2016 to 116,173 in 2017.

²This 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.

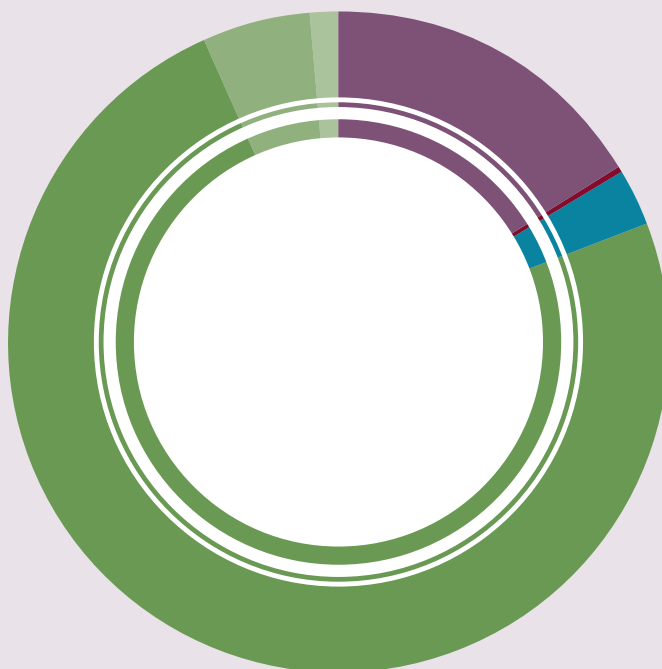
4 Additions to the register in 2017 by dental grouping



Registration title	Number of registrants	% of total
Dentist	1751	24%
Clinical dental technician	13	<1%
Dental hygienist	370	5%
Dental nurse	4686	64%
Dental technician	189	3%
Dental therapist	264	4%
Orthodontic therapist	53	<1%
Total	7326	

5 Restorations to the register in 2017 by dental title

During 2017, there were also 1517 registrants who re-joined the register through the restoration process³:

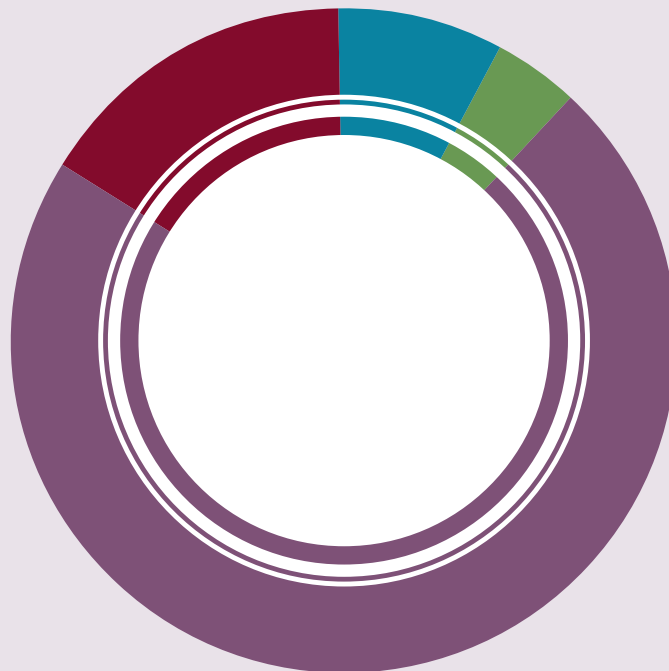


Registration title	Number of registrants	% of Total
Dentist	248	16%
Clinical dental technician	2	<1%
Dental hygienist	44	3%
Dental nurse	1122	74%
Dental technician	82	5%
Dental therapist	19	1%
Orthodontic therapist	0	0%
Total	1517	

³ Restoration is the process an individual who has previously been registered with the GDC goes through when they wish to re-join the register to practice with the title they were previously registered with.

6 Dentists on the register as of 31 December 2017 by region of qualification

a) Dentists, by region of qualification









Region of qualification	Number of registrants	% of Total
UK qualified	30112	72%
EEA qualified	6785	16%
ORE (UK Overseas Exam)	3257	8%
Overseas qualified	1551	4%
Total	41705	

b) DCPs, by region of qualification



UK – DCPs, by region of qualification

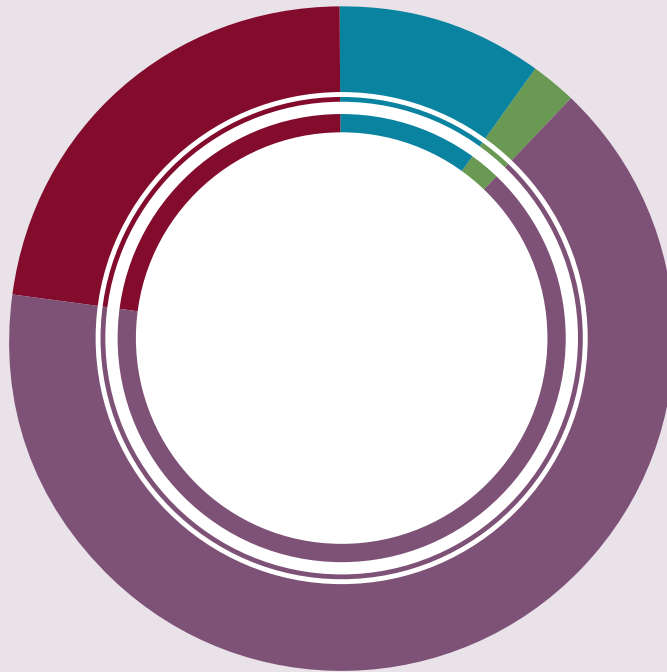
Outside UK – DCPs, by region of qualification

Registration title	UK	UK as % of total	Outside UK	Outside UK as % of total	Total
 Clinical dental technician	356	99%	3	<1%	359
 Dental hygienist	6720	94%	403	6%	7123
 Dental nurse	56724	99%	490	<1%	57214
 Dental technician	5875	96%	213	4%	6088
 Dental therapist	3068	98%	48	2%	3116
 Orthodontic therapist	565	99%	3	<1%	568
Total	73308	98%	1160	2%	74468⁴

⁴ Includes people who joined the GDC register via 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.

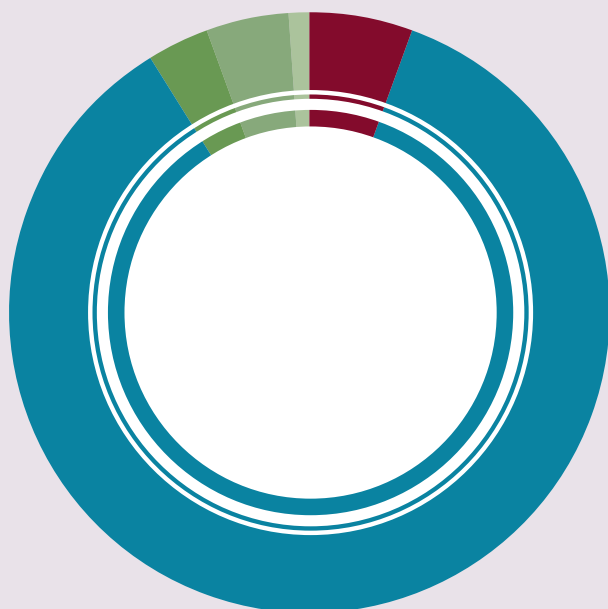
7 Dentists and DCPs added to the register in 2017, by region of qualification

a) New additions to the dentist register in 2017, by region of qualification



Region of qualification	Number of registrants	% of total
UK qualified	1145	65%
EEA qualified	409	23%
ORE (UK Overseas Exam)	170	10%
Overseas qualified	27	2%
Total	1751	







b) New additions to the DCP register in 2017, by region of qualification



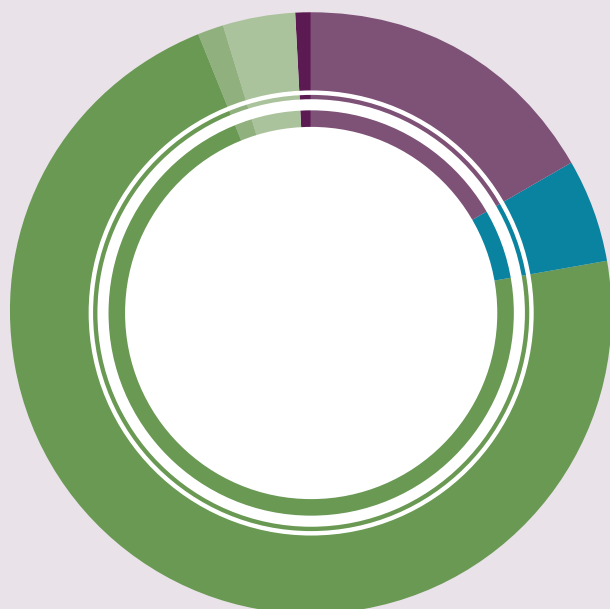
UK – new additions to the DCP register in 2017



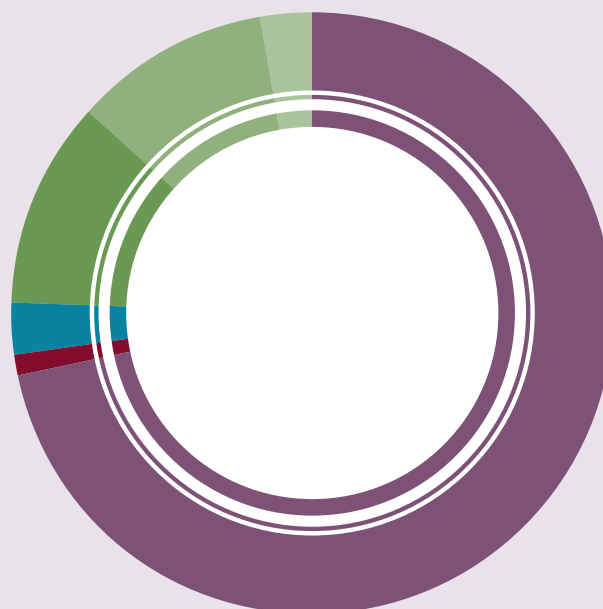
Outside UK – new additions to the DCP register in 2017

DCP title	UK	UK as % of total	Outside UK	Outside UK as % of total	Total
 Clinical dental technician	13	100%	0	0%	13
 Dental hygienist	303	82%	67	18%	370
 Dental nurse	4660	99%	26	1%	4686
 Dental technician	175	93%	14	7%	189
 Dental therapist	247	94%	17	6%	264
 Orthodontic therapist	52	98%	1	2%	53
Total	5450		125		5575

8 The gender composition of dentists and DCPs added to the register in 2017⁵



Female dentists and DCPs added to the register in 2017

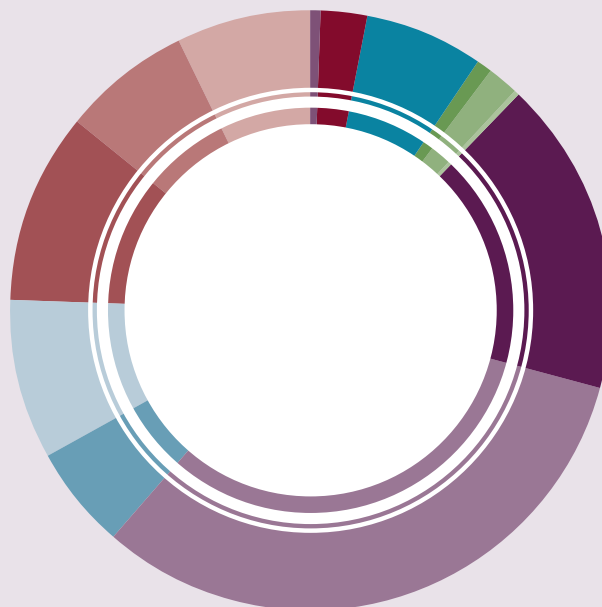


Male dentists and DCPs added to the register in 2017

Registration title	Female	Female as % of total	Male	Male as % of total	Total
Dentist	1077	62%	674	38%	1751
Clinical dental technician	2	15%	11	85%	13
Dental hygienist	343	93%	27	7%	370
Dental nurse	4583	98%	103	2%	4686
Dental technician	90	48%	99	52%	189
Dental therapist	239	91%	25	9%	264
Orthodontic therapist	53	100%	0	0%	53
Total	6387		939		7326

⁵Restorations are not included.

9 The composition of specialist lists as at the end of 2017⁶



Specialty type	Number of titles	% of total
Dental and maxillofacial radiology	29	1%
Dental public health	107	2%
Endodontics	287	7%
Oral and maxillofacial pathology	36	1%
Oral medicine	71	2%
Oral microbiology	8	<1%
Oral surgery	737	17%
Orthodontics	1399	32%
Paediatric dentistry	243	6%
Periodontics	377	9%
Prosthodontics	447	10%
Restorative dentistry	300	7%
Special care dentistry	314	7%
Total	4355	

⁶Note on specialist lists: there was a decrease of <1% in the number of speciality titles at the end of 2017, from 4,372 titles in 2016 to 4,355 titles in 2017.

10 Register profile – equality and diversity

The charts below show our registrant profile analysed with reference to protected characteristics⁷. All registrants are given the option to update this information voluntarily. Several of the characteristics do not have full responses on the charts, categorised as ‘unknown’. While providing this data is not mandatory, we encourage registrants to provide this information to help us improve our services and processes.

As part of our ongoing EDI action plan, in 2018 we will be working with registrants to improve the completeness of our data in this area. We will be communicating about the benefits of data collection to better know the composition of our registrant base to ensure our policies and processes are fair, reasonable and transparent and meet the needs of a diverse registrant base. We will collect this additional information as part of the annual renewal process, at one point of collection to make this as efficient as possible.

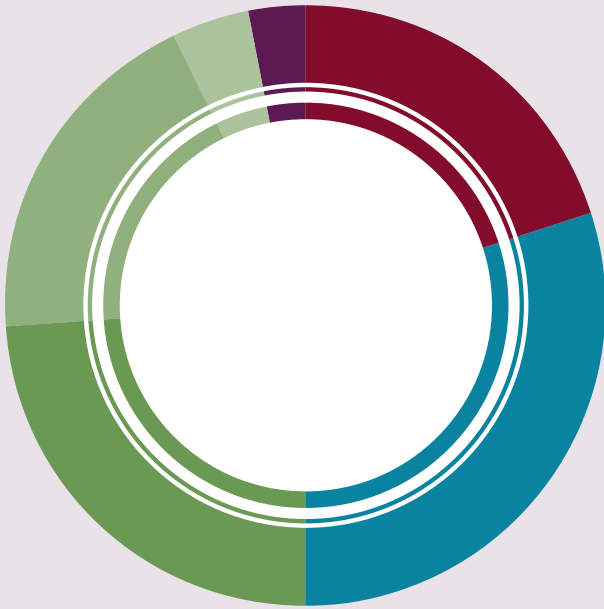
Registrants with disabilities as of 31 December 2017

Of the dentists registered with the GDC, 98% reported as not having a disability, less than 1% of dentists reported as having a disability and 1% is unknown.

Of the DCPs registered with the GDC, 98% reported as not having a disability, less than 1% of DCPs reported as having a disability and 1% is unknown.

⁷Under the Equality Act 2010, the following are protected characteristics: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Registrant age groupings as of 31 December 2017



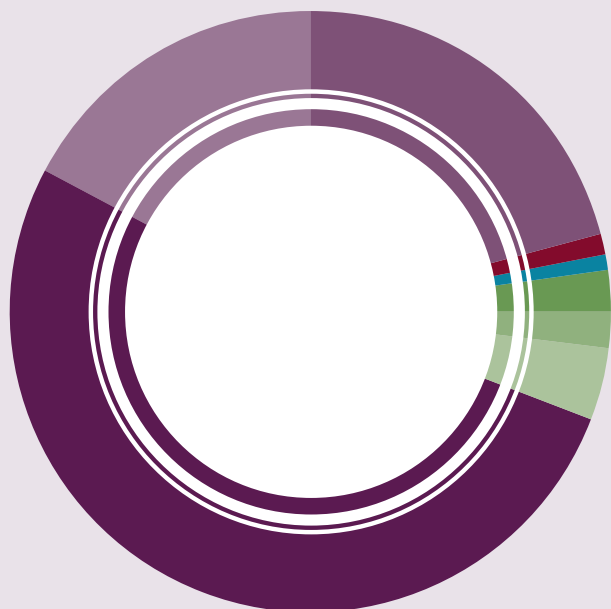
Dentists – age groupings as of 31 December 2017



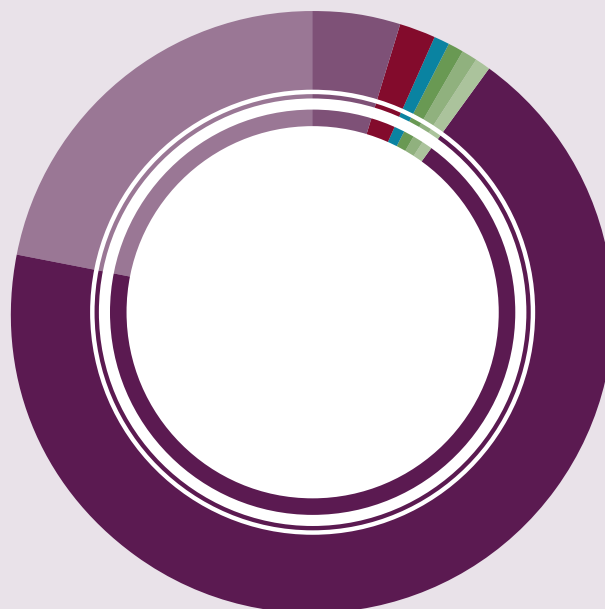
DCPs – age groupings as of 31 December 2017

Age groupings	Dentists	Dentists as % of total	DCPs	DCPs as % of total	Total
16-21	0	0%	2106	3%	2106
22-30	8304	20%	19435	28%	27739
31-40	12384	30%	20634	30%	33018
41-50	9936	24%	14585	21%	24521
51-60	7968	19%	10170	15%	18138
61-65	1837	4%	1896	3%	3733
Over 65	1276	3%	677	1%	1953
Total	41705		69504		111209

Registrant ethnic groupings as of 31 December 2017



Dentists – ethnic groupings
as of 31 December 2017



DCPs – ethnic groupings as
of 31 December 2017

Ethnic group	Dentists	Dentists as % of total	DCPs	DCPs as % of total	Total
Asian or Asian British	8730	21%	3131	5%	11861
Black or Black British	559	1%	1059	2%	1618
Chinese	509	1%	149	<1%	658
Mixed ethnic background	795	2%	832	1%	1627
Other ethnic background	709	2%	337	<1%	1046
Prefer not to say	1685	4%	745	1%	2430
White	21548	52%	47653	69%	69201
Unknown	7170	17%	15598	22%	22768
Total	41705		69504		111209

Registrant religious groupings as of 31 December 2017



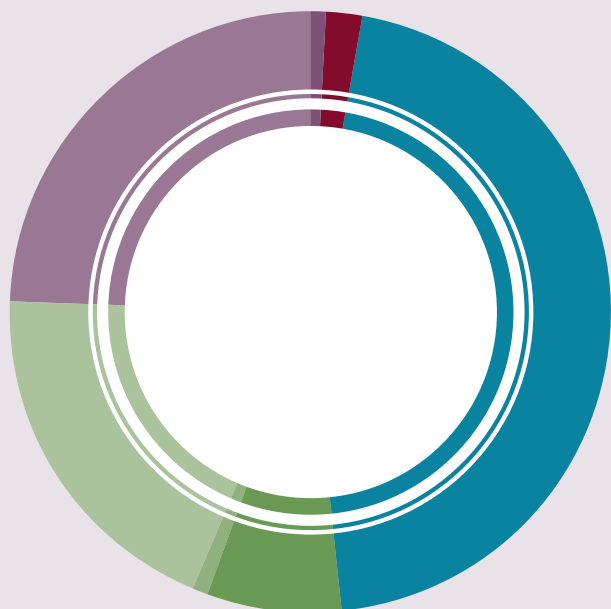
Dentists – religious groupings
as of 31 December 2017



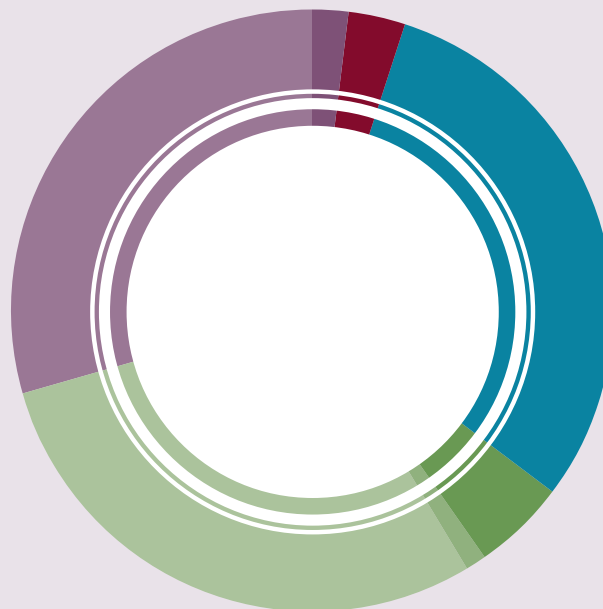
DCPs – religious groupings as
of 31 December 2017

Religious group	Dentists	Dentists as % of total	DCPs	DCPs as % of total	Total
Buddhist	230	1%	413	1%	643
Christian	15576	37%	27163	39%	42739
Hindu	3839	9%	1006	1%	4845
Jewish	475	1%	117	<1%	592
Muslim	3346	8%	1597	2%	4943
Sikh	1242	3%	386	1%	1628
None	6198	15%	18547	27%	24745
Other religion/faith	662	2%	1664	2%	2326
Prefer not to say	5013	12%	5699	8%	10712
Unknown	5124	12%	12912	19%	18036
Total	41705		69504		111209

Registrant marital status as of 31 December 2017



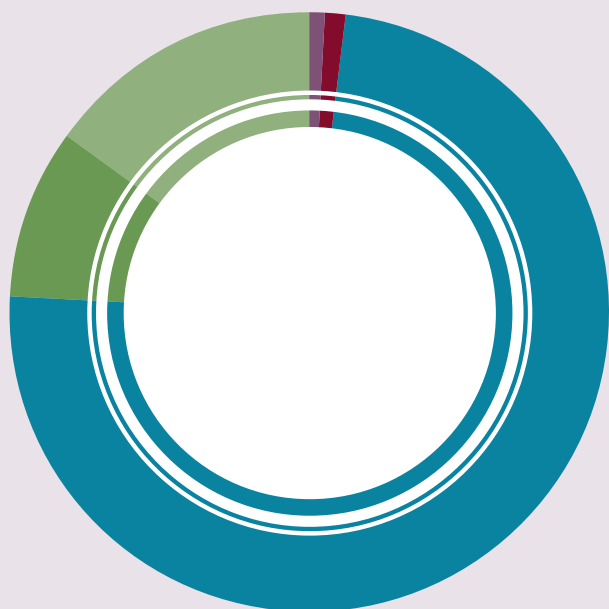
Dentists – marital status groupings
as of 31 December 2017



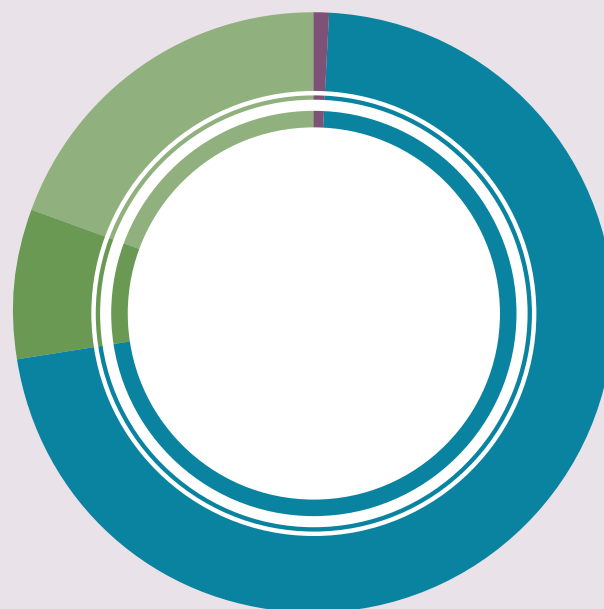
DCPs – marital status groupings
as of 31 December 2017

Marital group	Dentists	Dentists as % of total	DCPs	DCPs as % of total	Total
Civil partnership	358	1%	1322	2%	1680
Divorced	984	2%	2374	3%	3358
Married	18900	45%	21160	30%	40060
Prefer not to say	3121	7%	3388	5%	6509
Separated	242	1%	785	1%	1027
Single	7914	19%	19939	29%	27853
Widowed	158	<1%	276	<1%	434
Unknown	10028	24%	20260	29%	30288
Total	41705		69504		111209

Registrant sexual orientation as of 31 December 2017



Dentists – sexual orientation as of 31 December 2017



DCPs – sexual orientation as of 31 December 2017

Sexual orientation	Dentists	Dentists as % of total	DCPs	DCPs as % of total	Total
Bisexual	273	1%	671	1%	944
Gay man	302	1%	148	<1%	450
Gay woman	118	<1%	315	<1%	433
Heterosexual	30873	74%	49560	71%	80433
Prefer not to say	3763	9%	5357	8%	9120
Unknown	6376	15%	13453	19%	19829
Total	41705		69504		111209

Fitness to practise

Dentists and DCPs must meet certain requirements at the point of initial registration and throughout their career to be considered '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 dentistry. This may include matters not directly related to professional practice, for example, committing a criminal act.

If there are concerns that shortcomings in a dental professional's conduct or competence are so great as to put patients at serious risk, or seriously damage public confidence in dentistry, we will investigate and, where appropriate, take action to mitigate that risk. Concerns may arise directly, for example from a patient, via referral from another body (such as a police notification of a criminal caution or conviction), or from other sources.

The GDC 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, keep satisfactory records, or to respond reasonably to a patient's needs
- the absence of professional indemnity insurance
- cross infection issues (for example, using dirty clinical equipment during treatment)
- serious breaches of a patient's confidentiality
- indications of a criminal offence including fraud, theft or dishonesty by a dentist or DCP
- poor health or a medical condition that significantly affects the registrant's ability to treat patients safely.

We have a legal obligation to establish whether any complaint or other information may amount to an allegation of impaired fitness to practise. We begin this process at triage stage, where all fitness to practise complaints are initially reviewed. After an initial evaluation 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. Following investigation, matters which amount to an allegation of potential impairment of fitness to practise are referred to an Investigating Committee (IC) panel, or since 1 November 2016, to case examiners⁸.

Once they are fully investigated, matters which amount to an allegation of impaired fitness to practise are referred to the case examiners. The case examiners work in pairs to consider cases. The pairs comprise one clinical case examiner and one lay case examiner. The case examiners decide whether or not the case should be referred to a hearing. Where they decide not to refer a case, the case examiners can close the matter by giving advice or a warning to the registrant, or by taking no further action.

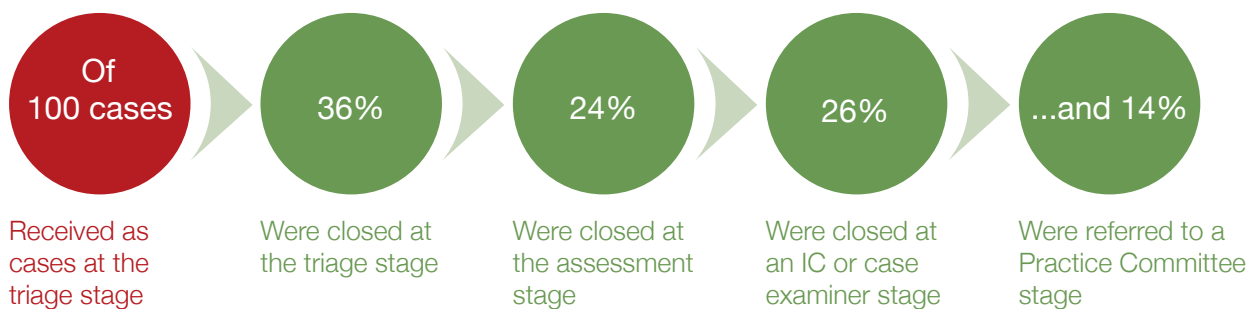
The case examiners look at the evidence available and decide whether there is a 'real prospect' of the allegations being found proved at a practice committee hearing.

Depending on the nature of the allegations, the case examiners may refer the case to one of the GDC's three practice committees: the Professional Conduct Committee (PCC); the Professional Performance Committee (PPC); or the Health Committee (HC) for a formal hearing. The case examiners can also ask the registrant to agree to a set of undertakings (similar to conditions of practice) as an alternative to referring the matter to a practice committee.

Registrants 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 professional both have the right to legal representation.

⁸ The GDC introduced case examiners in November 2016 to carry out most of the decision-making functions that were previously performed by the Investigating Committee. The introduction of case examiners has improved the efficiency of Fitness to Practise processes.

Using 2017 data, the diagram below shows the typical proportion of disposals per 100 cases, at each stage of the Fitness to Practise process.



If a registrant's fitness to practise is found by a practice committee to be impaired, the committee may decide to:

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

In doing so, it will consider the least intrusive remedy first.

There is also an appeals process.

At any stage in the Fitness to Practise 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 practise, until their case is heard or reviewed.

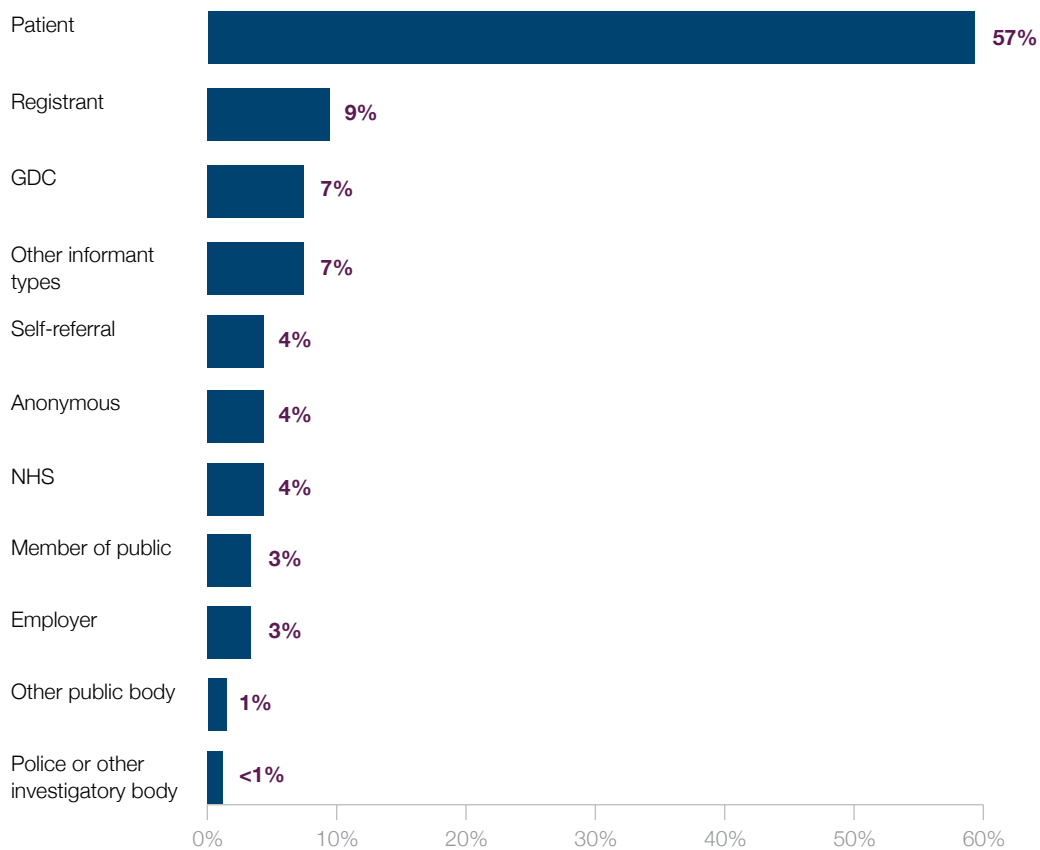
These applications are only made in serious cases. An interim order may be considered necessary for public protection if:

- there is a real risk of significant harm to the health, safety or wellbeing of a patient, 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
- it is in the interests of the registrant concerned.

Incoming cases

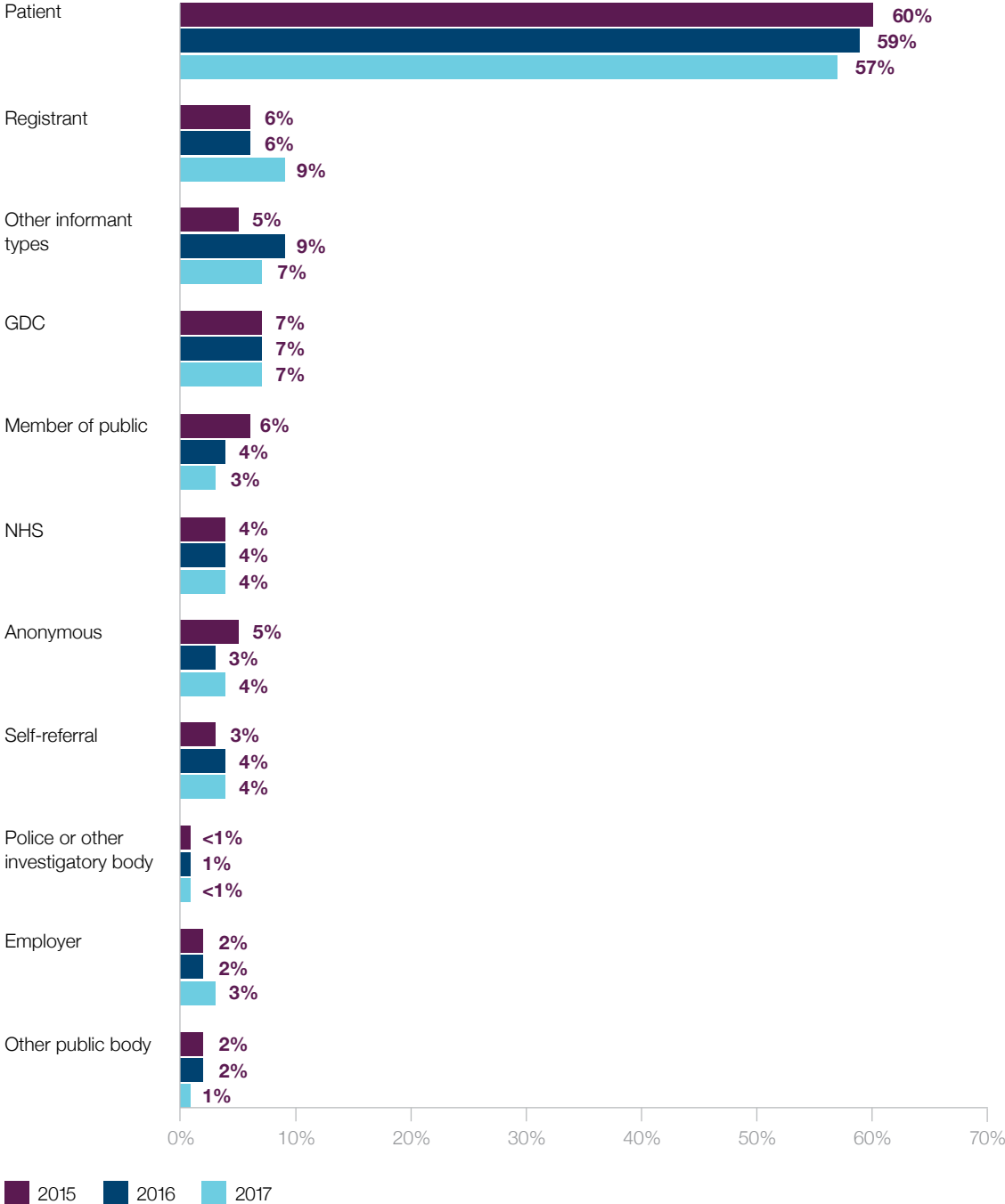
The chart below shows a composition of where complaints came from in 2017. Out of the 1,910 complaints received, about six out of ten (1,081) came from patients.

Incoming cases by informant type – 2017



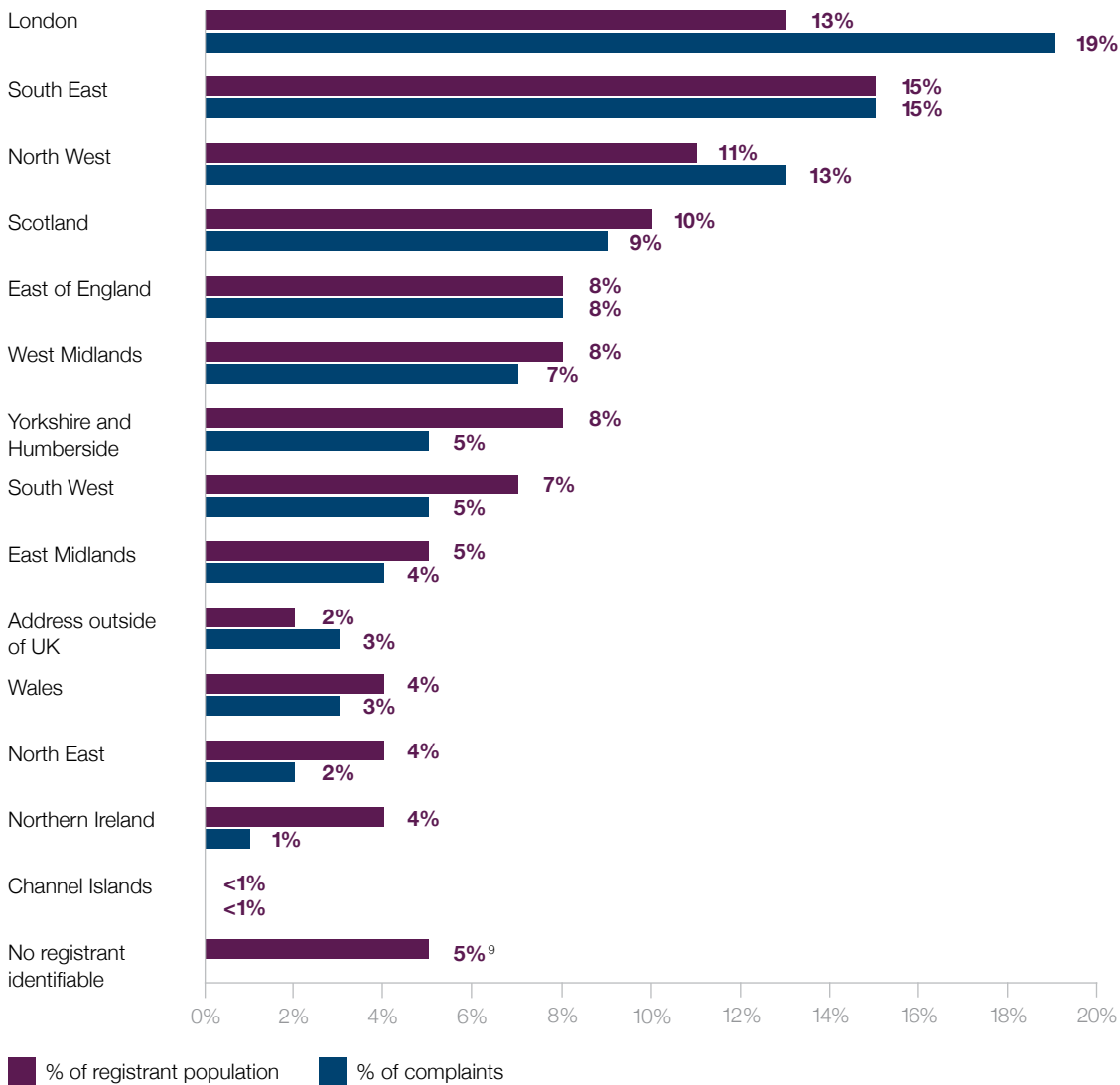
The chart below compares the number of complaints in 2017 with the two previous years.

Incoming case breakdown by informant type – 2015 to 2017



The total number of complaints received in 2017 was 1,910, compared to 2,630 in 2016 – a 27% decrease. The chart below gives detail of which region the dental professional is from.⁹

Incoming cases by registrant region – 2017



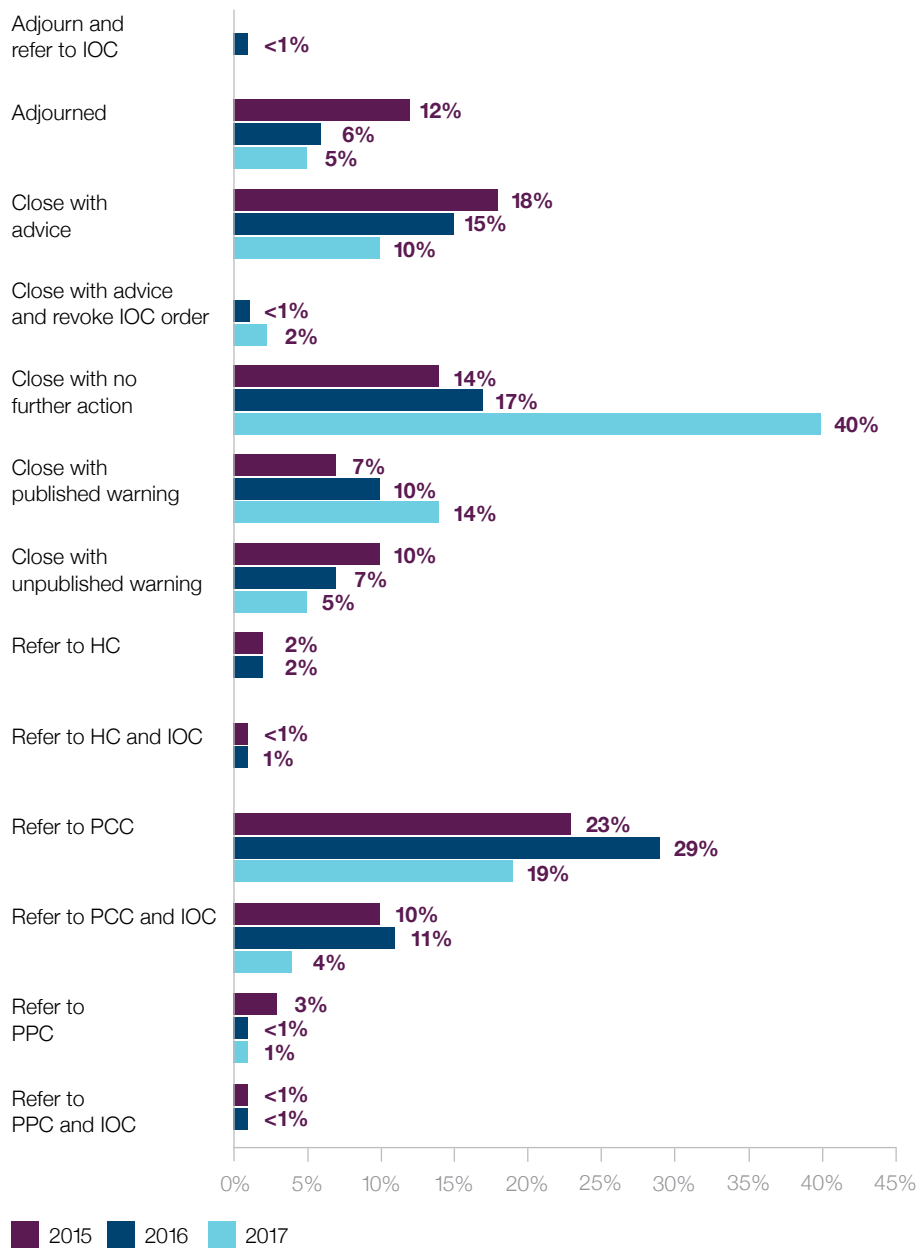
⁹ No registrant identifiable – this relates to examples of complaints received where it has not been possible to identify a GDC registrant from the initial information provided. Although the case is still established and subject to an initial review, no registrant region is recorded for the case.

Fitness to Practise case outcomes

The number of cases considered at each stage of the Fitness to Practise process in 2017 were:

<p>Triage</p>	<p>1,896</p> <p>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. 36% of this total were closed, and 64% referred for assessment. This total is 25% less than the triage closures and referrals in 2016 (2,550). This total may not balance with incoming cases in the year (1,910 compared to 2,630 in 2016), as there will be cases within triage that were received in the previous year.</p>
<p>Assessment</p>	<p>1,044</p> <p>This is the number of cases considered at the assessment stage when cases may be closed (39%) or referred to the Investigating Committee/case examiners (61%). This total represents a 39% decrease in assessment closures and referrals compared to 2016 (1,715).</p>
<p>Investigating Committee (IC)/case examiners (CE)</p>	<p>638 (IC Overall: 76; CE Overall: 562)</p> <p>This is the overall number of cases considered by the Investigating Committee or by case examiners that resulted in closure, undertakings or referral to a practice committee (including Rule 10 reconsiderations: those cases which have returned to the Investigating Committee following an initial referral to a practice committee).</p> <ul style="list-style-type: none"> • Of the 76 IC outcomes, 75% were closed and 25% were referred to a practice committee. • Of the 562 case examiner outcomes, 60% were closed, 37% were referred to a practice committee and 3% resulted in undertakings accepted. <p>The combined average of outcomes at these two stages show 62% of cases were closed and 38% were referred. The combined total represents a 10% decrease in closure and referral outcomes against 2016 (710).</p>
<p>Referrals to practice committee</p>	<p>224 (IC Overall: 19; CE Overall: 205)</p> <p>This is the number of cases referred by an Investigating Committee or by case examiners to a practice committee. This total represents a 33% decrease in practice committee referrals compared to 333 referrals in 2016. Of the 224 overall referrals, 19 became Interim Orders Committee referrals – a 79% decrease against 2016 (92). Note: individual registrants may account for more than one case.</p>

Breakdown of Investigating Committee substantive outcomes – 2015 to 2017



The chart above shows what happened to the cases that reached the Investigating Committee stage between 2015 and 2017. Outcomes where there were no instances are not displayed in the above graph.

Adjourned cases

Between 2015 and 2017 there was a decrease in the number of cases being adjourned by the IC to be sent back to the Casework team for further investigation.

Close with no further action

Between 2015 and 2017 there was a significant increase in the number of cases the IC chose to close without giving the dental professional advice or a warning.

Closed with advice

Between 2015 and 2017 there was a decrease in the number of cases the IC chose to close by giving advice to the dental professional.

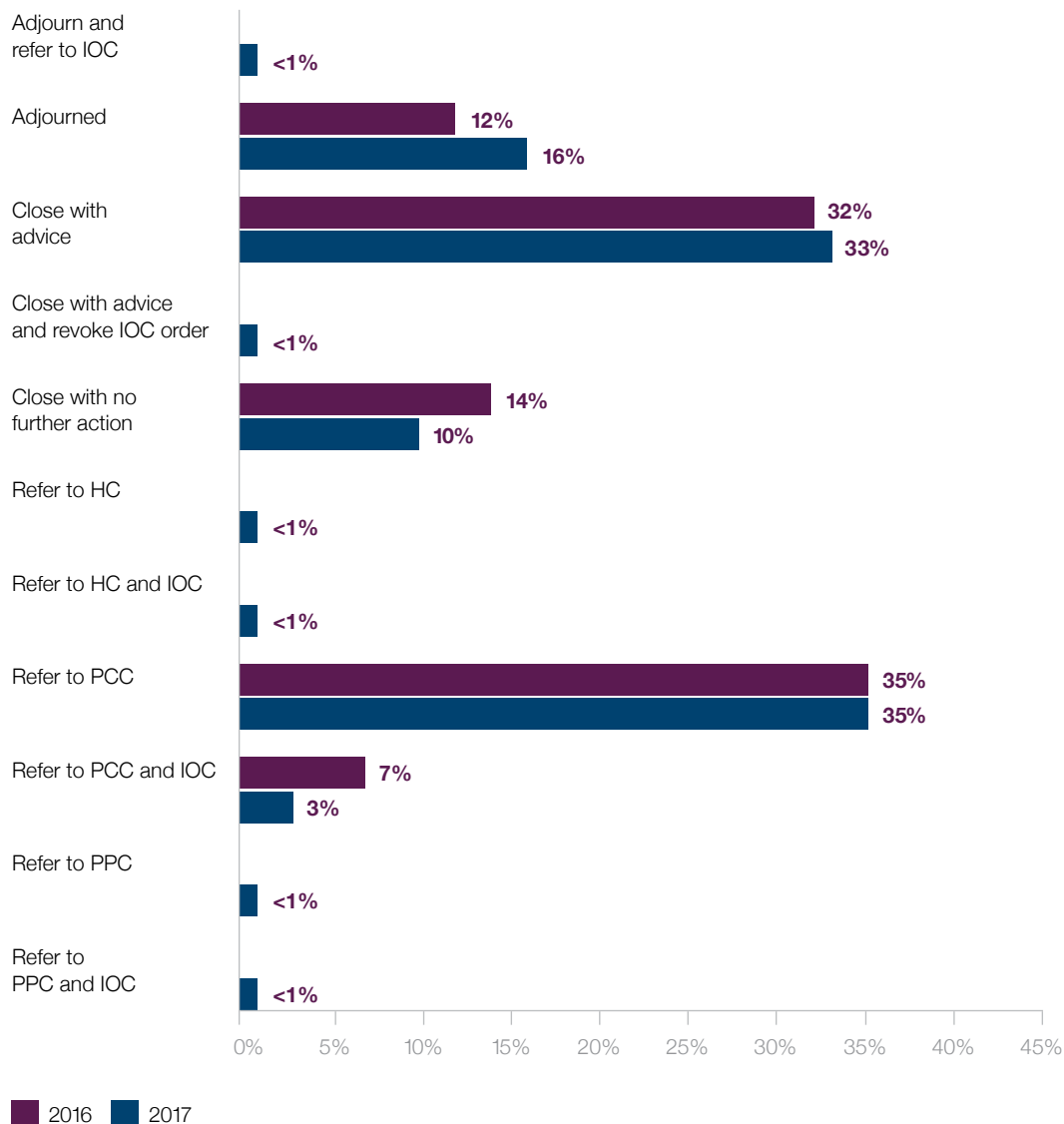
Closed with a warning (published/unpublished)

Between 2015 and 2017 the number of published warnings increased and the number of unpublished warnings decreased.

Refer to practice committee

Between 2015 and 2017 the largest referrals were specifically to the Professional Conduct Committee.

Breakdown of case examiners substantive outcomes – 2016 to 2017



The chart above shows what happened to the cases which reached the case examiners stage between 2016 and 2017. Case examiners were introduced in November 2016. Outcomes where there were no instances are not displayed in the above graph.

Adjourned cases

Between 2016 and 2017 there was an increase in the number of cases being adjourned by case examiners to be sent back to the Casework team for further investigation.

Close with no further action

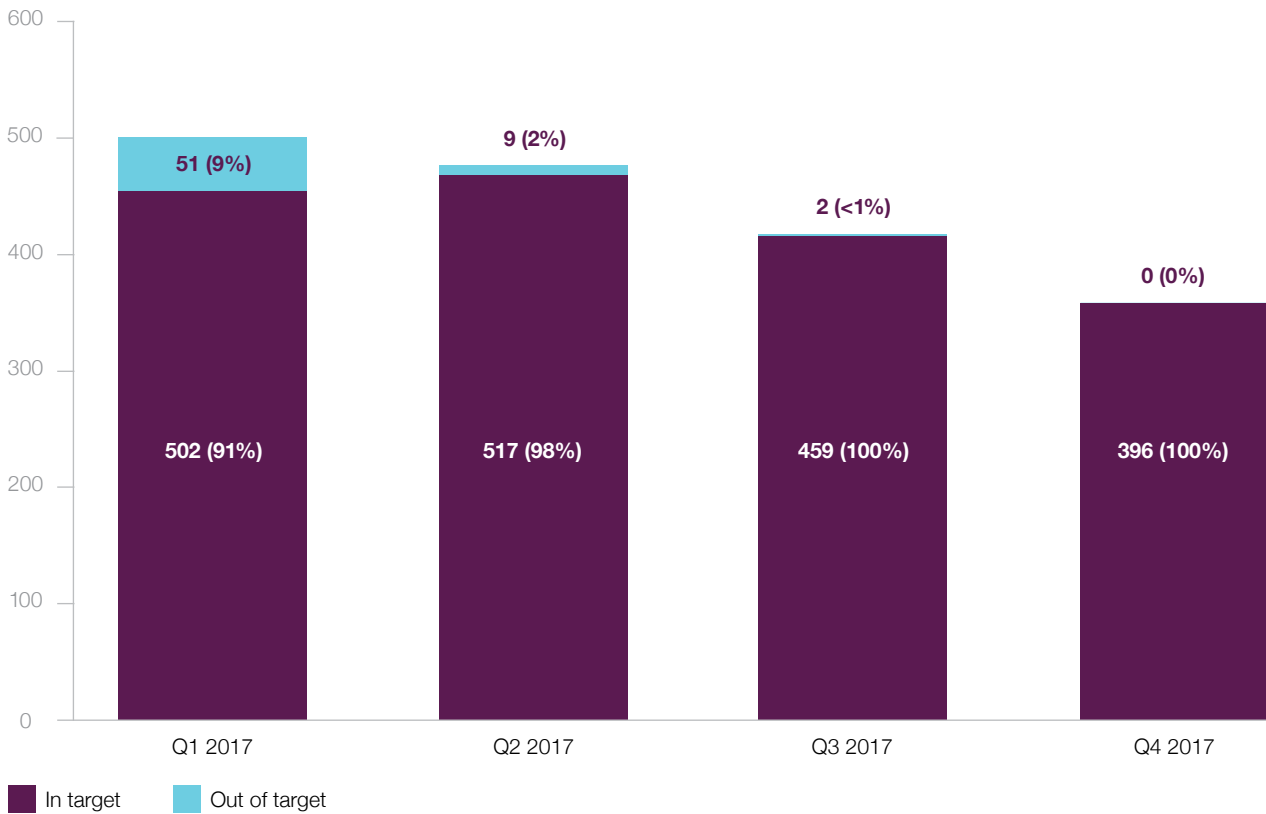
Between 2016 and 2017 there was a decrease in the number of cases case examiners chose to close without giving the dental professional advice or a warning.

Closed with advice

Between 2016 and 2017 there was a slight increase in the number of cases case examiners chose to close by giving advice to the dental professional. 'Refer to PCC' holds the highest proportion of decisions by case examiners.

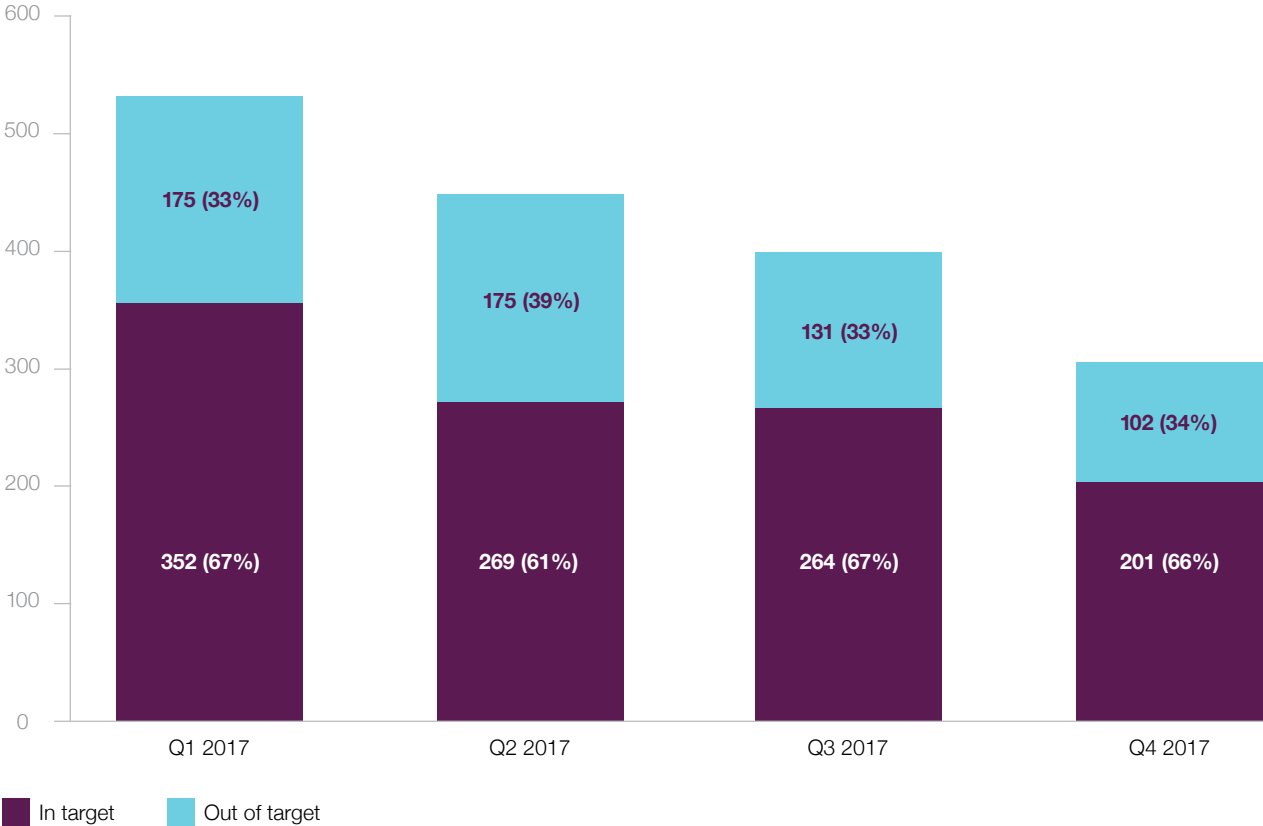
Fitness to Practise performance

Number of Fitness to Practise cases triaged within the target of 10 working days from receipt



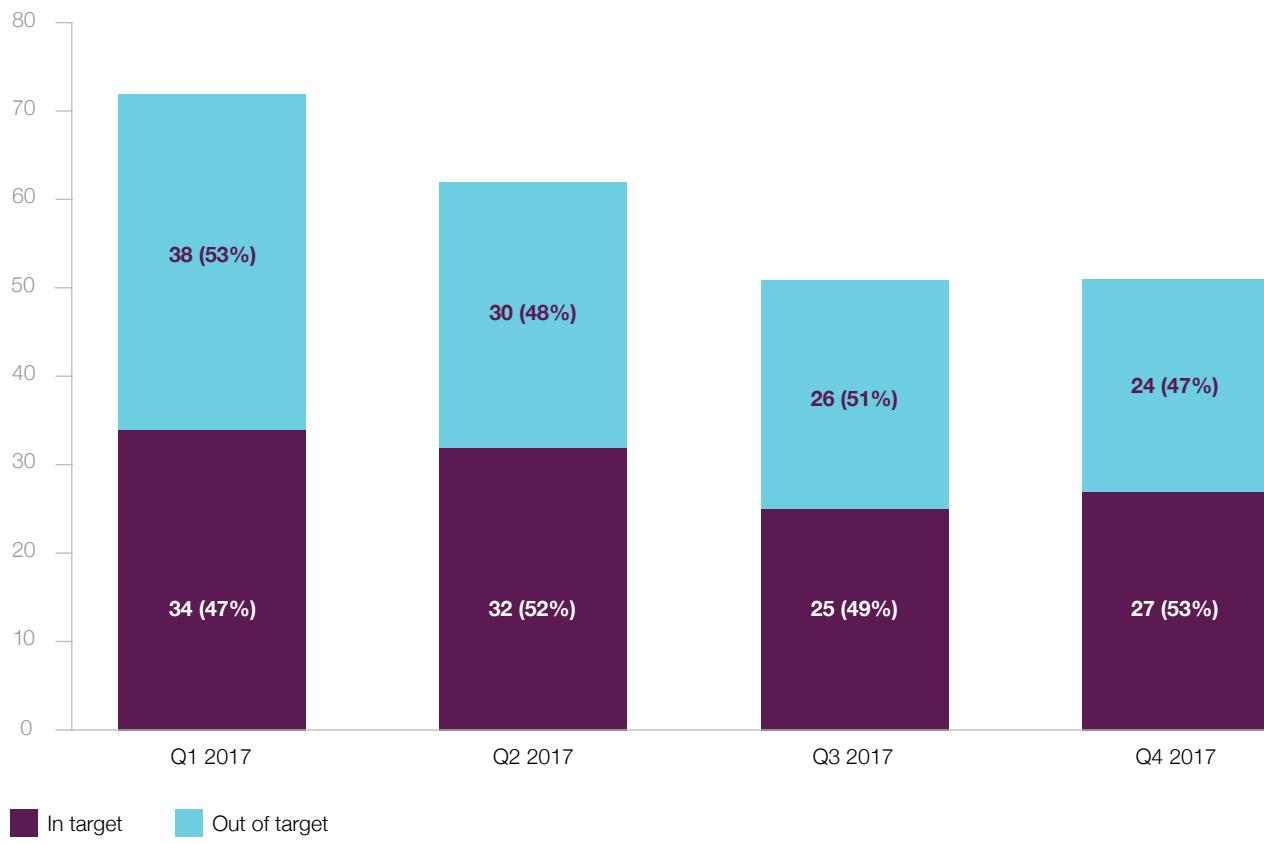
On average, 97% of cases were triaged within ten net working days of receipt in 2017. Of the 1,896 cases considered at triage, 1,205 were referred.

Number of Fitness to Practise investigation stage cases completed within target of six months from date received at the GDC



On average, 65% of investigation stage cases were completed within the six-month target in 2017 (2016: 68%).

Number of Fitness to Practise cases that received an initial hearing within target of nine months of referral from the IC



On average, 50% (2016: 54%) of cases received an initial hearing within nine months of referral from IC. The number of live cases awaiting a first hearing, which had missed our nine-month target, stood at 71 at the end of December 2017. This is in comparison to 112 in the previous year, a decrease of 37%. The number of cases in the queue awaiting an initial hearing was 175 at the end of 2017, compared to 239 at the end of 2016 – a reduction of 27%.

Interim Orders Committee

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

Total number of hearings in 2017: 371 (414 hearings in 2016).

Number of hearings involving dentists: 280 (308 dentist hearings in 2016).

Number of hearings involving DCPs: 91, comprising 66 dental nurses, 18 dental technicians, 3 dental hygienists/therapists and 4 clinical dental technicians (106 DCP hearings in 2016).

Outcome	No. of outcomes	% of total ¹⁰
Interim suspension continued	102	27%
Interim conditions continued	81	22%
No interim order imposed	53	14%
Interim suspension imposed	44	12%
Interim conditions imposed	37	10%
Interim conditions varied	20	5%
Interim conditions revoked	12	3%
Interim conditions revoked and interim suspension imposed	12	3%
Interim suspension revoked	6	2%
Interim suspension revoked and interim conditions imposed	4	1%
Total	371	

¹⁰ Percentages may not add up to 100%, as they are rounded to the nearest whole number.

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 fitness to practise.

Total number of hearings in 2017: 12 (all were dentists) (26 dentist hearings in 2016).

Outcome	No. of outcomes	% of total ¹¹
Fitness to practise not impaired. Case concluded	3	25%
Conditions extended and varied with a review	2	17%
Suspension extended with a review	2	17%
Conditions revoked	1	8%
Suspension with immediate suspension	1	8%
Suspended indefinitely	1	8%
Conditions extended with a review	1	8%
Erased with immediate suspension	1	8%
Total	12	

¹¹ Percentages may not add up to 100%, as they are rounded to the nearest whole number.

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 fitness to practise.

Total number of hearings in 2017: 284 (282 PCC hearings in 2016).

Number of hearings involving dentists: 222 (220 dentist hearings in 2016).

Number of hearings involving DCPs: 62, comprising 38 dental nurses, 22 dental technicians, 1 clinical dental technician and 1 dental hygienist/therapist (62 DCP hearings in 2016).

Outcome	No. of outcomes	% of total
Erased with immediate suspension	34	12%
FTP not impaired. Case concluded	32	11%
Suspension with immediate suspension	31	11%
Suspension extended with a review	31	11%
Conditions revoked	28	10%
Conditions with immediate conditions with a review	16	6%
Fitness to practise impaired. Reprimand	16	6%
Facts found proved did not amount to misconduct. Case concluded	14	5%
Suspended indefinitely	13	5%
Suspension revoked	12	4%
Suspension	11	4%
Suspension with a review	8	3%
Conditions extended with a review	8	3%
Conditions extended and varied with a review	7	2%
Suspension revoked and conditions imposed with a review	7	2%
Conditions revoked and suspension imposed with a review	5	2%
No case to answer	4	1%
Conditions with a review	3	1%
Facts not proved, case concluded	2	1%
Erased	1	<1%
Not restored to register	1	<1%
Total	284	

Health Committee

A statutory committee which is one of the three practice committees. It considers cases where it appears that a dental professional's fitness to practise is affected by either a physical or mental health condition. Health Committee hearings may often be held in private because of the sensitive nature of the issues considered.

Total number of hearings: 36 (35 hearings in 2016).

Number of cases involving dentists: 21 (24 dentist hearings in 2016).

Number of cases involving DCPs: 15, comprising 12 dental nurses and 3 dental hygienists/dental therapists (11 DCP hearings in 2016).

Outcome	No. of outcomes	% of total ¹²
Suspension extended with a review	11	31%
Suspension with immediate suspension with a review	9	25%
Conditions revoked	4	11%
Suspended indefinitely	3	8%
Conditions extended and varied with a review	2	6%
Conditions revoked and suspension imposed with a review	1	3%
Suspension with a review	1	3%
FtP impaired. Reprimand	1	3%
Erased with immediate suspension	1	3%
Conditions extended with a review	1	3%
Suspension revoked and conditions imposed with a review	1	3%
Indefinite suspension confirmed	1	3%
Total	36	

Hearings information

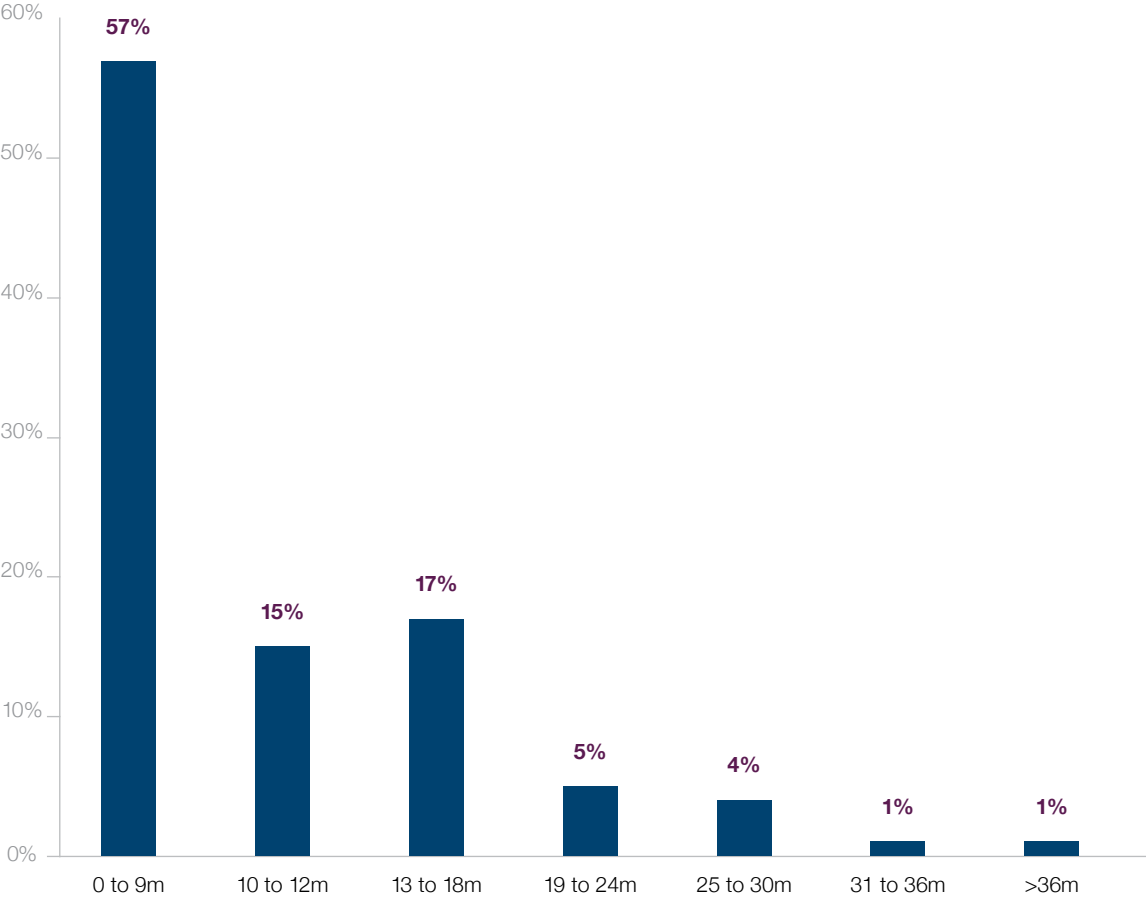
Hearings adjourned part-heard at end of year	10 (2016: 20)
Number of scheduled hearing days in 2017	1658 (2016: 1746)
Hearings schedule utilisation	71% (2016: 81%) ¹³
Decrease in scheduled hearing days compared to 2016	5%
Average length of an initial PCC or PPC hearing in 2017	4.7 days (2016: 4 days)
Restoration applications in 2017	1 (restored)

¹² Percentages may not add up to 100%, as they are rounded to the nearest whole number.

¹³ This refers to the percentage of our hearing schedule (scheduled panels and rooms) that we are able to utilise. When we are unable to utilise the scheduled panels and rooms this is due to there being no suitable cases available to hear. In 2017, scheduled days we were unable to fulfil were higher than in the previous year primarily because there was disruption to case flow into hearings during the summer months (June to September 2017) as a result of the transition from the Investigating Committee to case examiners towards the end of 2016.

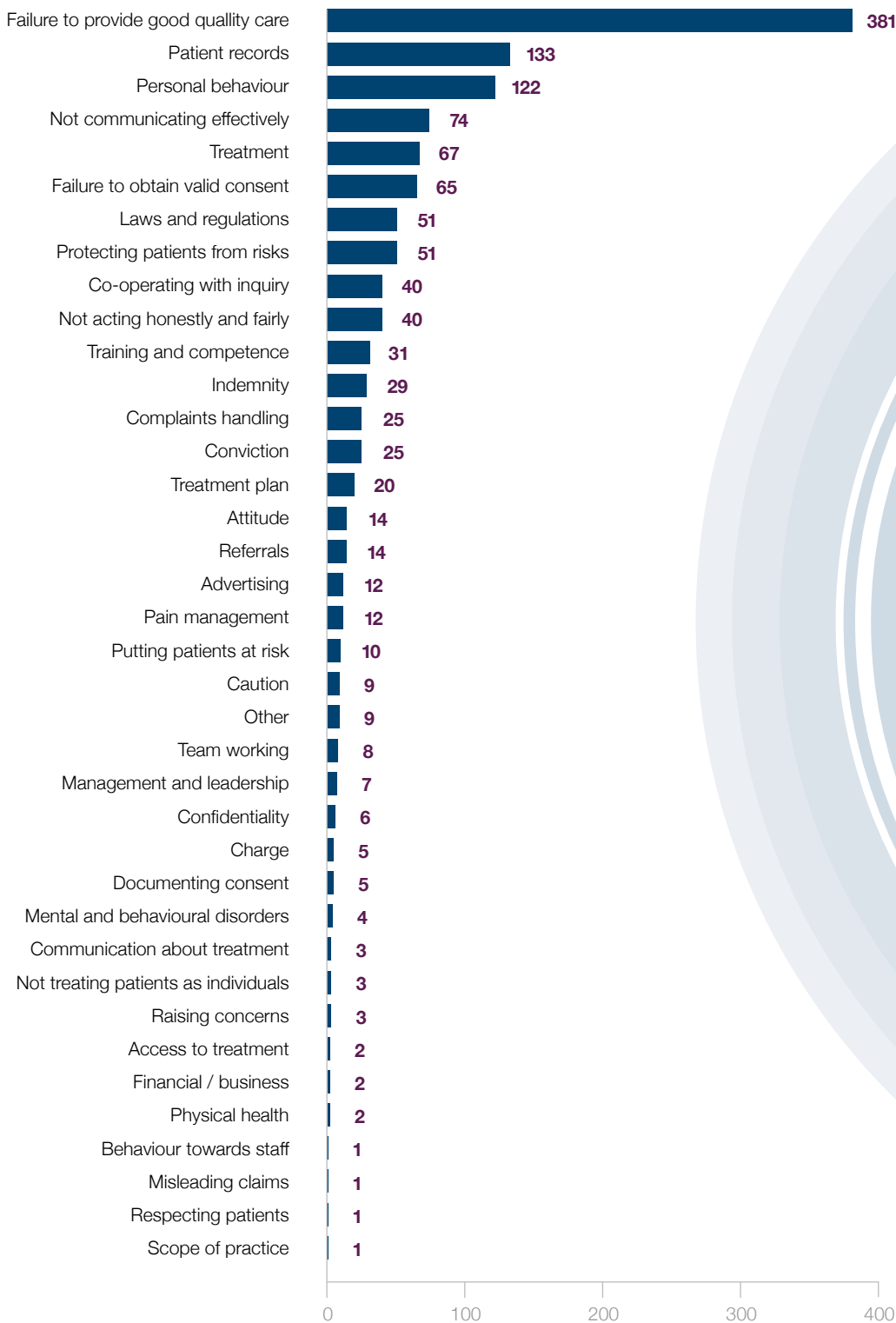
Time taken to complete the initial hearing of cases

Practice Committee initial outcomes – percentage of hearings by months since IC referral



Fitness to practise considerations profile – 2017 PCC and PPC hearings

The GDC uses considerations to record details of the allegations or charges raised against a registrant's fitness to practise within a case or hearing. Considerations are closely aligned with the GDC's *Standards for the Dental Team* and are recorded by group, sub-group, and particular. The chart below references the specific number of considerations recorded within all sub-groups for those matters heard at GDC hearings during the year.



7

7 Council and committee structure

Council structure

The Council consists of 12 members: six registrant members and six non-registrant members. The members of the Council in 2017 were as follows:

Registrant members	Non-registrant members
Catherine Brady	William Moyes (Chair)
Margaret Kellett	Geraldine Campbell
Kirstie Moons	Rosemary Carter (until 30 September 2017)
Lawrence Mudford	Alan MacDonald (until 30 September 2017)
Jayendra Patel (until 30 September 2017)	Neil Stevenson (until 30 September 2017)
David Smith (until 30 September 2017)	Terry Babbs (from 1 October 2017) ¹⁴
Jeyanthi John (from 1 October 2017)	Anne Heal (from 1 October 2017)
Caroline Logan (from 1 October 2017)	Sheila Kumar (from 1 October 2017)
	Crispin Passmore (from 1 October 2017)

¹⁴Terry Babbs was appointed to the Council from 1 October 2016, on a twelve-month emergency appointment. He subsequently applied to become a Council member through the full, open Council recruitment exercise in 2017 and was appointed to the Council from 1 October 2017.

Council meeting attendance in 2017

Name	Feb	Mar	May	Jun	Jul	Sep	Oct	Dec
William Moyes (Chair)	✓	✓	✓	✓	✓	✓	✓	✓
Terry Babbs	✓	✓	✗	✓	✓	✓	✓	✓
Catherine Brady	✓	✓	✓	✓	✓	✓	✓	✓
Geraldine Campbell	✗	✓	✓	✓	✓	✓	✓	✓
Margaret Kellett	✓	✓	✓	✗	✓	✓	✓	✓
Kirstie Moons	✓	✓	✓	✓	✓	✓	✓	✓
Lawrence Mudford	✗	✓	✓	✓	✓	✓	✗	✗
Rosemary Carter	✓	✓	✓	✓	✓	✓		
Alan MacDonald	✗	✓	✓	✓	✓	✓		
Jayendra Patel	✓	✓	✓	✓	✓	✗		
David Smith ¹⁵	✓	✓	✓	✗	✗	✗		
Neil Stevenson	✓	✓	✓	✓	✓	✓		
Anne Heal							✗	✓
Jeyanthi John							✓	✗
Sheila Kumar							✓	✓
Caroline Logan							✓	✓
Crispin Passmore							✓	✓

The statutory committees of the GDC

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

There are six statutory committees to assist in fulfilling the GDC's statutory duty as set out in Section 2 of the Dentists Act 1984. The committees comprise independent panellists who are registrants and non-registrants. Council members do not sit on the statutory committees. Statutory committees are accountable to the Council for their performance.

The statutory committees are:

- **Investigating Committee:** considers allegations of impaired fitness to practise 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 (IOC):** 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 a 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 (other than by a practice committee).

Members for these committees are appointed by the Statutory Panellists Assurance Committee (SPC), which assists 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.¹⁶

¹⁵David Smith recused himself from Council business from 15 June 2017 to 30 September 2017.

¹⁶<https://www.gdc-uk.org/about/who-we-are/committees>.

The non-statutory committees of the GDC

The Council is supported by five non-statutory committees.

Committee membership until 30 September 2017

Committee	Members
<p>Statutory Panellists Assurance Committee¹⁷</p> <p>Oversees the recruitment, training and performance management of the statutory committees which make up the Fitness to Practise panel and its Investigating Committee.</p>	<p>Rosie Varley (Chair)</p> <p>Nigel Fisher</p> <p>Martyn Green</p> <p>Tim Skelton</p>
<p>Audit and Risk Committee</p> <p>Monitors the integrity of the financial statements, and reviews governance, internal control, risk management systems and internal and external audit services.</p>	<p>Alan MacDonald (Chair)</p> <p>Catherine Brady</p> <p>Lawrence Mudford</p> <p>David Smith</p>
<p>Finance and Performance Committee</p> <p>Challenges and monitors financial and operational performance. Works with the executive to develop business plans and annual budgets.</p>	<p>Terry Babbs (Chair)</p> <p>Margaret Kellett</p> <p>Kirstie Moons</p> <p>Jayendra Patel</p>
<p>Remuneration Committee</p> <p>Establishes procedures for the remuneration of the Chief Executive and Registrar, the Executive Management Team, Council members and the overall staff remuneration policy.</p>	<p>Neil Stevenson (Chair)</p> <p>Geraldine Campbell</p> <p>Jayendra Patel</p>
<p>Policy and Research Board</p> <p>Provides oversight of the development and implementation of strategy, policy and research initiatives.</p>	<p>Rosemary Carter (Chair)</p> <p>Catherine Brady</p> <p>Geraldine Campbell</p> <p>Kirstie Moons</p> <p>Lawrence Mudford</p>

¹⁷The Statutory Panellists Assurance Committee was formerly the Appointments Committee. The name was changed in 2016 to better reflect the role and remit of the committee.

Committee membership from October 2017

Committee	Members
<p>Statutory Panellists Assurance Committee</p> <p>Oversees the recruitment, training and performance management of the statutory committees which make up the Fitness to Practise panel and its Investigating Committee.</p>	<p>Rosie Varley (Chair)</p> <p>Nigel Fisher</p> <p>Martyn Green</p> <p>Tim Skelton</p>
<p>Audit and Risk Committee</p> <p>Monitors the integrity of the financial statements, and reviews governance, internal control, risk management systems and internal and external audit services.</p>	<p>Crispin Passmore (Chair)</p> <p>Catherine Brady</p> <p>Sheila Kumar</p> <p>Lawrence Mudford</p>
<p>Finance and Performance Committee</p> <p>Challenges and monitors financial and operational performance. Works with the executive to develop business plans and annual budgets.</p>	<p>Terry Babbs (Chair)</p> <p>Anne Heal</p> <p>Margaret Kellett</p> <p>Kirstie Moons</p>
<p>Remuneration Committee</p> <p>Establishes procedures for the remuneration of the Chief Executive and Registrar, the Executive Management Team, Council members and the overall staff remuneration policy.</p>	<p>Geraldine Campbell (Chair)</p> <p>Anne Heal</p> <p>Caroline Logan</p>
<p>Policy and Research Board</p> <p>Provides oversight of the development and implementation of strategy, policy and research initiatives.</p>	<p>Kirstie Moons (Chair)</p> <p>Catherine Brady</p> <p>Jeyanthi John</p> <p>Margaret Kellett</p> <p>Sheila Kumar</p> <p>Caroline Logan</p> <p>Lawrence Mudford</p> <p>Geraldine Campbell</p>

The membership of the Audit and Risk Committee and the Remuneration Committee includes an independent member, appointed by the Council, who brings specialist expertise to the Committee. Independent members of committees who served in 2017 were:

Audit and Risk Committee	Jason Davies
Remuneration Committee	Philippa Hird

Executive Management Team

During 2017 the Executive Management Team (EMT) were the executive directors, the Principal Legal Adviser and Head of Communications and Engagement. The executive directors were:

- Ian Brack, Chief Executive and Registrar and Accounting Officer
- Jonathan Green, Executive Director, Fitness to Practise
- Matthew Hill, Executive Director, Strategy
- Graham Masters, Director of Finance and Corporate Services (until 7 April 2017)¹⁸
- Gurvinder Soomal, Executive Director, Registration and Corporate Resources (with executive responsibility for the Finance function from 1 April 2017)
- Kate Husselbee, Director of HR and Governance (until 11 January 2017)
- Sue Steen, Interim Director of HR and Governance (from 5 January 2017 until 20 April 2017)
- Bobby Davis, Executive Director, Organisational Development (from 22 May 2017).

¹⁸The GDC went through a restructure at the beginning of 2017 which saw the formulation of a new EMT with four executive directors leading all operational aspects of the organisation. The principle of the restructure was to create strong leadership for the organisation supported by technical specialists at a head of service level but not necessarily part of the executive. This was deemed appropriate for the organisation to support their evolving strategy.

8

8 Remuneration report

The Remuneration Committee

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 Neil Stevenson until 30 September 2017 and Geraldine Campbell from 1 October 2017.

The membership of the committee until 30 September 2017 was Neil Stevenson, Geraldine Campbell, Jayendra Patel and, as an independent member, Philippa Hird. From 1 October 2017, membership was Geraldine Campbell, Anne Heal, Caroline Logan and, as an independent member, Philippa Hird. The committee operates within specific terms of reference and usually meets four times per year. The committee can take legal advice to support its work and decision making, and in 2017 has sought advice from external advisers in relation to the pension scheme and associated matters.

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, and last reviewed in February 2017.

Council members are remunerated at an annual rate, set in October 2013 and last reviewed in February 2017, of £15,000 per annum 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.

To support our strategic ambitions to continue to build an effective and efficient organisation which will improve our overall performance and drive improvements in dental regulation, we are committed to attracting, developing and retaining multi-skilled employees who have the commitment and ability to utilise these skills across a range of roles and activities. Through more visible leadership, collaboration and listening to the employee voice, we will build a learning organisation committed to continuous improvement. Improvements to our recognition and development approach in 2017 will support this evolving culture as a key priority.

The Chief Executive's contract of employment includes 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.

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 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 strategic 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 Chief Executive and Registrar is designated as Accounting Officer of the GDC by the Privy Council Office and meets his responsibilities in that capacity, as set out in Chapter 3 of *Managing Public Money*, independently from the Council. The remuneration details disclosed for the Chief Executive, 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 Chief Executive and Registrar and Accounting officer, Ian Brack, remuneration and employer pension contributions were:

Emoluments		Taxable benefits		Total remuneration		Pension contributions	
2017 £000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000
140	140	-	-	140	140	8	8

The taxable emoluments and employer pension contributions of the other executive directors who served in 2017, including salary increases or other payments (but excluding any compensation payments, which are detailed below) fell into the following salary bands:

	Emoluments		Pension contributions	
	2017 £000	2016 £000	2017 £000	2016 £000
Graham Masters	30 – 35	100 – 105	5 – 7.5	22.5 – 25
Kate Husselbee	1 – 5	105 – 110	-	22.5 – 25
Gurvinder Soomal ¹⁷	110 – 115	105 – 110	25 – 27.5	20 – 22.5
Jonathan Green ¹⁸	120 – 125	110 – 115	20 – 22.5	20 – 22.5
Matthew Hill	115 – 120	110 – 115	5 – 7.5	5 – 7.5
Sue Steen	60 – 70	-	-	-
Bobby Davis	65 – 70	-	2.5 – 5	-

In aggregate, remuneration for the executive directors who served during 2017 amounted to £657,000 (2016: £800,000). The 2016 remuneration total includes provision for a compensation payment to one executive director of £64,777. This was paid in 2017.

The remuneration of the highest-paid director, the Chief Executive and Registrar, was 3.8 times (2016: 3.9 times) the median remuneration of the workforce, which was £36,418 (2016: £36,090).

No benefits-in-kind were paid to executive directors during either year.

¹⁷ includes the selling back of untaken leave of £2,361 in 2016 and £1,971 in 2017.

¹⁸ includes the selling back of untaken leave of £2,440 in 2016 and £2,144 in 2017.

Staff remuneration policy

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

The GDC is committed to the principles of equal pay for work of equal value for all employees and aims to ensure that its pay systems are fair and free from bias. We have a duty to promote gender equality and undertake Equal Pay Reviews to identify and eliminate any pay gaps that cannot be explained on objective grounds.

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 but this section of the scheme was closed to new joiners from 1 July 2016. The GDC also operates a trust-based defined contribution scheme that meets and exceeds auto-enrolment requirements.

Staff numbers and emolument details

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

	Permanently-employed staff	Others	2017 total	2016 total
Fitness to Practise and Hearings	107	18	125	137
Registration	49	5	54	69
Organisational Development	75	8	83	71
Strategy	22	2	24	24
Corporate Resources	46	3	49	38
Total	299	36	335	339

The number of staff, including the executive directors, whose taxable emoluments, excluding any compensation payments, fell into higher salary bands were:

	2017	2016
£60,000 but under £70,000	19	10
£70,000 but under £80,000	7	6
£80,000 but under £90,000	3	2
£90,000 but under £100,000	2	1
£100,000 but under £110,000	-	3
£110,000 but under £120,000	3	2
£130,000 but under £140,000	-	1
£140,000 but under £150,000	1	-

11 staff members from the above list were members of the defined benefit section of the pension scheme (2016: 13 staff members) and 27 staff members were members of the defined contribution section of the pension scheme (2016: 10 staff members). Pension accrued by the highest paid employee under the defined contribution scheme was £8,400 (pension accrued by the highest paid employee in 2016 under defined contribution scheme was £7,894).

The gender pay gap was an average²¹ of 10.4% (median 18.4%) in favour of men²². This compares to external benchmarking of 18.4% median (April 2017) across all industries²³. 1.5% of male staff and 3.6% of female staff received a bonus, in the form of a recognition payment, (April 2016 – March 2017), however, the bonuses paid were on average 14.7% higher for males (median 33.7%).

²¹Average is the mean and median is the midpoint.

²²The figures are taken from the 5th April 2017 snapshot date for gender pay gap reporting.

²³Annual Survey of Hours and Earnings: 2017 provisional. Collected by the Office for National Statistics.

Council members' fees and expenses paid:

	Members' fees		Members' expenses		Tax and NI		Total	
	2017 £ 000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000
Catherine Brady	15	15	1	1	1	1	17	17
Terry Babbs*	18	5	1	0	2	0	21	5
Geraldine Campbell	16	15	5	5	3	3	24	23
Michael Carroll**	0	14	0	3	0	4	0	21
Rosemary Elizabeth Carter	14	18	4	5	2	4	20	27
Margaret Kellett	15	15	4	5	4	7	23	27
Alan MacDonald***	14	18	5	11	3	6	22	35
Kirstie Moons	16	15	7	6	6	6	29	27
William Moyes	55	55	16	22	12	16	83	93
Lawrence Mudford	15	15	1	4	1	3	17	22
Jayendra Patel***	11	15	3	5	2	3	16	23
David Smith***^	11	16	2	2	2	2	15	20
Neil Stevenson***	14	18	6	7	5	8	25	33
Anne Heal****	4	0	0	0	0	0	4	0
Jeyanthi John****	4	0	0	0	1	0	5	0
Sheila Kumar****	4	0	0	0	0	0	4	0
Caroline Logan****	4	0	1	0	1	0	6	0
Crispin Passmore****	5	0	0	0	1	0	6	0
	235	234	56	76	46	63	337	373

* From 6 October 2016

** Until 5 October 2016

*** Until 30 September 2017

***^ Fees to David Smith were paid to a trading company Phoenix Dental Castings until 31 March 2016, of which he is the managing director, including an element equivalent to employers NIC (£518 in 2016). From 1 April 2016 fees were paid to him as taxable remuneration, in line with all other Council members.

**** From 1 October 2017

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 countries 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

17 May 2018

9

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. Our suppliers are expected to have a commitment to equal opportunities and diversity, and environmental sustainability. We have a good record in paying our suppliers promptly which helps to sustain many of the small businesses that work for us.

We are committed to helping to combat modern slavery. We act ethically and with integrity in all our business dealings and relationships. In doing so, we are committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own businesses or those of our suppliers. The nature of our business means that the risk of modern slavery in our business and first line of our supply chain is low.

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 EMT and the Health and Safety Committee.

The GDC Health and Safety Policy was reviewed in conjunction with the Health and Safety Committee and updated accordingly.

Risk assessments continue to be carried out as necessary. In 2017, there were seven accidents of a minor nature that occurred in our main London offices. We also record all 'near misses'.

Environmental

The Environmental Policy was reviewed in 2017. To reduce the amount of paper and ink used, print usage is actively managed and monitored. Staff are encouraged to use scanning and electronic filing. The Council and committees now primarily use electronic documents instead of paper. Reports showing numbers of pages printed are periodically sent to all staff as part of a drive to reduce waste. In 2017 there was a 22% reduction in printed pages, as a result of these initiatives, compared to 2016. All confidential waste and mixed waste continues to be recycled.

The GDC headquarters at 37 Wimpole Street 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. Cycle facilities are also provided consisting of internal secure bike racks and shower rooms.

Staff

As of December 2017, there were 353 members of staff employed (in December 2016 there were 345). The increase of 2.3% relates to a small number of additional posts in Finance and Human Resources and the introduction of the Clinical Dental Advisor team within Fitness to Practise.

Gender and age

Women represent 62% of the workforce (2016: 63%). Those aged 50+ represent 15.3% of the workforce (2016: 12%).

Ethnicity

43% (2016: 32%) of our staff who declare their ethnicity are from a white background and 21% (2016: 24%) from an ethnic minority background.

We do not have data for the remaining 36% (2016: 44%), as staff are responsible for completing their own Equality, Diversity and Inclusion (EDI) data on our HR database and providing that data to us is not a mandatory requirement.

We are currently in the process of encouraging staff to update their EDI data and have also promoted our data monitoring guide to staff. Whilst the declaration of workforce EDI data is voluntary, we have seen a slight increase in staff sharing this data with the organisation. This will ensure our equality and diversity monitoring is consistent and, more importantly, appropriate analysis is taking place so service delivery and workforce initiatives and intervention are intelligence-led.

Equality, Diversity and Inclusion

We believe EDI is something that everyone should work to achieve and the following workstreams and activities support this goal:

- In 2017 a total of 18 Equality Impact Assessments (EIA) were completed across the organisation.
- A review of our data collection process was initiated and monitoring classifications were updated.
- A campaign to encourage staff and Council members to update their equality information achieved a completion rate of 64% for staff and 100% for the Council.

- The 2017 staff survey contained a number of questions about EDI. We will continue to include questions in the staff survey to support organisational learning and inform our work.
- In conjunction with the Staff Forum, we delivered the GDC's first Health and Wellbeing event in October.
- A series of EDI workshops were delivered to dentist and DCP assessors to ensure they are aware of our EDI objectives, values and behaviour and how they can incorporate EDI into their roles. Dentist and DCP assessors were updated on the Equality Act and the Public Sector Equality Duty and what this means to their role and the GDC.
- EIAs on HR policies to ensure compliance with the Equality Act were reviewed and undertaken.
- The recruitment team is currently delivering workshops for our existing managers which will then be held on a regular basis for new joiners.
- We ensured all elements of the Council members' recruitment process met obligations under the Equality Act. The role profiles and competencies for these roles were reviewed to ensure the criteria did not discriminate either directly or indirectly, or deter applications from particular groups. Advice was given on the arrangements for equal opportunities monitoring carried out by the recruitment agency.
- Through the work of our Witness Support Service, we further developed our interface between the GDC and potentially vulnerable witnesses. We recognised that there may be challenges to how we communicate with, and support, witnesses at each stage of the investigation and hearing process. We improved the process by which the witness support officer receives information; reviewed and updated documents and guidance for GDC staff and produced clear, concise, accurate information on Witness Support Service; and improved processes for identifying witnesses who need extra support. We also reviewed the role of hearings assistants and witness support officers; improved data gathering about witnesses who are supported by Witness Support Service; introduced a formal induction programme; researched and produced a business case for the Hearings team to receive training by approved external providers; and improved the record keeping and sharing of witness information.

- We continue to represent the GDC at external forums such as the United Kingdom Investor in Equality & Diversity, the EDI Forum on Sexual Orientation across the Health Regulators and the Joint Healthcare Regulators EDI Group.
- We commissioned solicitors, Penningtons Manches LLP, to undertake an independent audit to review a randomly selected number of cases from across the GDC's Fitness to Practise process, to ensure that cases are being considered appropriately, in accordance with the correct principles and in the public interest. The findings of this review were positive. Decisions were in general carefully considered, well-reasoned and sound. There was evidence that good use was being made of the GDC's guidance documents, and there was evidence of good cross-communication within departments and with other organisations.

Staff engagement

The GDC has a staff forum that meets every two months and otherwise as necessary. It is chaired by the Chief Executive, and attended by the Executive Director, Organisational Development. The forum increased in size during 2017, to 14 members, and represents all the teams in the GDC. The forum 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.

All-staff briefings enable staff to discuss issues and topics more informally with the Chief Executive and EMT.

We entered 2017 with plans to review the way in which we measure and report on staff satisfaction and staff engagement. Initially, the plan was to move away from the large-scale biennial surveys that we have traditionally relied upon. However, the need for data to inform both the draft People Strategy and other organisational workstreams, meant that we commissioned a survey in 2017. This achieved a response rate of 72%, and enabled the identification of key themes that were, in turn, examined further through a significant number of staff focus groups. The intelligence gathered through both the survey and focus groups has enabled the creation of an action plan to address key themes. Work on implementation is now in progress.

We will survey in a more flexible and targeted way, through introducing frequent, small-scale surveys on dedicated topics. This will ensure the data we gather is relevant and representative and enable us to act directly – and swiftly – on what staff tell us.

Staff also have an opportunity to express views and to ask EMT questions on the intranet whenever they wish. A monthly internal newsletter keeps staff up to date, and information is published to all staff on specific topics, as required.



10

10 Financial review

For the year ended 31 December 2017

Analysis of income and expenditure by regulatory function

The accounts on pages 80 to 108 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:

	2017 £000	2017 £000	2016 £000	2016 £000
Income				
Registration	44,989		44,536	
Overseas Registration Exam	1,389		1,877	
Other operating income	3		27	
		46,381		46,440
Expenditure				
Regulatory activities				
Fitness to Practise and Hearings	20,258		26,107	
Registration	2,295		2,560	
Overseas Registration Exam	1,458		1,951	
Policy and Stakeholder Management	1,264		1,131	
Governance	1,413		1,796	
Quality Assurance	667		867	
Dental Complaints Service	505		565	
		27,860		34,977
Support activities				
Finance, HR and CEO	4,226		3,355	
Accommodation and Office Services	2,009		2,108	
Corporate Resources	1,542		1,532	
Information Technology	2,285		2,145	
Depreciation and Amortisation	1,064		1,141	
		11,126		10,281
Total expenditure		38,986		45,258
Investment income		114		762
Surplus before taxation		7,509		1,944
Taxation		(51)		(85)
Retained surplus after taxation		7,458		1,859

The General Dental Council is funded predominantly from fees paid by dentists and dental care professionals who are required under the Dentists Act 1984 to be registered with the Council 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.

Income analysis

Total operating income during the financial year remained at £46.4m (2016: £46.4m). Higher income (£0.5m) from an additional 382 Dentists and 1,229 DCPs renewing their registration in 2017, compared with 2016, was offset by a £0.5m reduction in income from fewer candidates sitting the Overseas Registration Examination in 2017.

Expenditure analysis

Total expenditure decreased to £39.0m in 2017 (2016: £45.3m), with lower expenditure on most functions.

Fitness to Practise and Hearings costs decreased by £5.8m to £20.3m (2016: £26.1m) due to:

- a significant reduction in the number of new cases referred for prosecution from 333 in 2016 to 224 cases in 2017, which led to a £3.0m decrease in the cost of prosecuting Fitness to Practise cases by both the In-House Legal Prosecution Services (ILPS) and external legal providers. This was largely due to the decline in the number of incoming cases as well as a delay at the casework stage which will have a financial impact upstream, meaning some expenditure will be delayed until 2018
- a 5% decrease in the number of hearing days from 1,746 days in 2016 to 1,658 days in 2017, a reduction in the hire of external meeting venues for use as hearings suites and savings from a change in the hearings transcription service from stenographers to loggers and transcripts, which resulted in a £1.5m reduction in hearings costs
- interim resources deployed in 2016, to assist the Casework team to implement process improvements and to process cases more speedily in line with performance standards, were no longer required in 2017. Reduced expenditure on external medical advice commissioned at the investigation stage, due to fewer incoming cases and the establishment of an in-house clinical dental advice function in October 2017, resulted in a decrease in expenditure of £0.7m
- the case examiner function was introduced in November 2016 to carry out most of the decision-making functions that were previously performed by the Investigating Committee. The cost of the case examiner function was £0.4m lower than the Investigating Committee in 2017

- a one-off adjustment was made to the costs of the Illegal Practice function in 2016. Where the GDC is awarded costs in relation to court cases involving illegal practice, these are now reported on receipt of the payment, where previously they were reported when the court award was made. This required a bad debt write off in 2016. Consequently, 2017 costs relating to the illegal practice function are £0.2m lower than in 2016.

A £0.3m decrease in Registration costs is due to additional staffing required in 2016 to resource activity relating to enhanced Continuing Professional Development and indemnity checking.

There were 168 fewer candidates sitting the ORE in 2017, resulting in a £0.5m decrease in expenditure.

There was a £0.1m increase in Policy and Stakeholder management costs, reflecting an increased focus on external engagement in line with *Shifting the balance*. This took place in the context of a restructuring of Policy resources within the Strategy directorate, which also enabled a £0.2m reduction in Quality Assurance costs without reducing activity. The remaining £0.1m relates to savings arising from posts not being backfilled when they became vacant as the result of maternity leave taken in 2017.

A £0.4m decrease in Governance costs is due to a reduced requirement for external corporate legal advice and lower staffing costs following a restructure of the governance team in 2016.

A £0.9m increase in Finance, HR and CEO costs follows the restructure of the EMT and the centralisation of the costs of the EMT. A £0.7m adjustment to pension costs reflects payments into the plan and interest received exceeded by payments from the plan.

Accommodation and office services costs have decreased by £0.1m due to a reduction in building rates payable following the outcome of the 2017 rating revaluation exercise.

Throughout 2017, the GDC continued with initiatives to generate efficiency savings. We achieved new efficiency savings of £0.6m in the year. In addition, we also generated ongoing savings of £3.5m from projects begun in previous years. We have therefore achieved total annual efficiency savings of £4.1m in 2017, representing more than 10% of the 2017 cost base, resulting in cumulative savings over five years of some £6.5m. The GDC restricts the reporting of savings delivered by individual initiatives to a maximum of 5 years. 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 Fitness to Practise function.

At the year-end, a debtor of £0.7m remains in the financial statements relating to a £1.3m claim for reimbursement of prior year National Insurance and income tax payments, following agreement of the tax status of committee members, panellists and inspectors. £0.6m of the claim was received in 2016. While HMRC have not yet confirmed when payment of the amount outstanding will be made, our advisers have confirmed the GDC's legal entitlement to the amount and so the debtor remains in the accounts.

Outlook

In 2014, the GDC requested legislative amendments that were agreed to in 2016 via a Section 60 Order²⁴, allowing us to introduce significant improvements to our Fitness to Practise processes. The changes affected the investigation stage of the Fitness to Practise process, and the relevant parts of the organisation have already been restructured in a way that ensures our processes are simpler, improving decision-making while delivering significant cost savings in 2018 and beyond.

Initiatives to generate efficiency savings will continue in 2018, but the organisation continues to be tasked with meeting challenging targets for new efficiencies. Measures already identified and implemented are expected to contribute £6.5m in 2018, while new measures will generate additional savings of £0.2m, making a total of £6.7m. We will continue to ensure that the process of identifying efficiency savings does not put public protection at risk.

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 of 31 December 2017. According to their analysis, the defined benefit section of the scheme experienced a net actuarial gain in fund value for 2017 of £2.8m, against that reported in last year's accounts. While the discount rate assumption is lower in 2017 than in 2016, reflecting lower yield on high-quality corporate bonds deemed of equivalent term and currency to the plan's liabilities, this was offset by positive movements in both the inflation and mortality assumptions. Meanwhile, payments into the plan and interest received were exceeded by payments from the plan by £0.7m. This resulted in an overall increase on the pension scheme of £2.1m, and

an IAS 19 pension surplus of £1.5m (2017) from a pension deficit of £0.6m (2016). This does not relate to the triennial valuation of the defined benefit section of the pension scheme that was carried out as of 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, as of 1 April 2018.

As at 31 December 2017 the plan has a surplus of £1.5m 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 to 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.

Liquidity risks

The cash balances of the GDC increased to £47.7m (2016: £38.9m). 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.

At the start of 2016, we were projected to have less than £5m in cash resources at the lowest point in our cash cycle – in both November 2016 and 2017. As such, further divestment of equity investments was required to maintain the £5m cash minimum as set out in our investment policy. By September 2017, the GDC had divested £3.4m leaving £0.8m of its portfolio invested.

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.

²⁴ A Section 60 Order is an order made under Section 60 of the Health Act 1999 which enables the modification of relevant primary legislation, in this case the Dentists Act 1984.

Reserves

Total reserves as at 31 December 2017 totalled £22.7m (2016: £12.2m) of which general reserves are £20.3m (2016: £12.1m).

The Reserves Policy was reviewed and agreed by the Council in 2017. It has regard to the:

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

In setting a target level, Council considered that reserves at a minimum of three months of operating spend (2017: £10.5m of 2018 budgeted operating expenditure) was appropriate, with an aspirational target to increase to a range of four to six months of annual operating expenditure (2017: £14.0m to £21.0m). 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 Queen Street Place, London EC4R 1AG 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 75 of this report, and the certificate and report of the Comptroller and Auditor General on page 77.

Disclosure of audit information to the auditors:

So far as we are aware, there is no relevant audit information of which the General Dental Council auditors are unaware. We have taken the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the General Dental Council auditors are aware of that information.

11

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

Under the Dentists Act 1984 (as amended), 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 GDC and of its income and expenditure, changes in reserves and cash flows for the financial year.

The Privy Council has appointed the Chief Executive and Registrar 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.

In preparing the accounts, the GDC and 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 judgments 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
- prepare the accounts on a going-concern basis, unless it is not appropriate to do so.

The GDC and the Accounting Officer 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.

12

12 Governance statement

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, for which I am personally accountable. In carrying out my responsibilities as Accounting Officer I take into consideration, but am not bound by, the guidance provided by *Managing Public Money*.

In making my assessment, I drew on reports by, and discussions with, internal auditors and ongoing monitoring of our risk registers. I also drew assurance over the course of the year from the executive directors of the GDC.

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.

As the GDC is not classified as an arm's length body²⁵, it is not required to comply with *Corporate governance in central government departments: Code of practice 2011*. We nevertheless take into account the good practice principles expressed in the document in developing and reporting on our governance arrangements.

Governance arrangements

The GDC is a body corporate constituted under the Dentists Act 1984 (as amended). There are 12 members of the Council, comprising six dental professionals and six lay members, one of whom is the Chair.

2017 has seen considerable change to the membership of the Council. Six new Council members were recruited, four lay and two dental professionals, who took office on 1 October 2017. In addition, the Chair and two dental professional Council members were reappointed for a second term of office from the same date. Further information on the membership of the Council can be found in Section 7 of this report.

The Privy Council appointed the new members of the Council on 10 July 2017, following an open competition appointments process approved by the Professional Standards Authority (PSA). This timetable enabled a comprehensive induction

²⁵ An arm's length body is an organisation that delivers a public service, is not a ministerial government department, and which operates at a greater or lesser extent at a distance from Ministers.

programme to be put in place for the new Council members to ensure that they were fully briefed before they took office on 1 October 2017. As well as being good practice, this also ensured that the business of the Council was not disrupted at a time of significant organisational change. The induction was complemented by a facilitated session with EMT members and the members of the Council to establish ways of working across EMT and the Council.

It is the Council's role to set the direction of the GDC in line with its mission and purpose; to ensure systems are in place to enable it to monitor performance and to hold EMT to account; and to ensure probity. The Council has determined that it can most effectively carry out its functions by delegating certain matters to subsidiary bodies or the EMT. Those delegations are contained in the Scheme of Delegation, which was reviewed in December 2017. The Council will not delegate:

- approval of strategy
- statutory rule making
- approval of the annual business plan and budget
- approval of the annual report and accounts and any report required to be laid before the parliaments
- holding the Executive to account for its management of the organisation, through reports and monitoring.

The Council and its committees operate in accordance with the relevant Standing Orders, which include the terms of reference for the committees and clear arrangements for the management of any conflicts of interest. Council members' declarations of interests are publicly available.

As part of the overall corporate strategy, the Council has overseen the development of the proposals in *Shifting the balance*. This discussion document was approved by the Council and published in January 2017 with a three-month discussion period. There were 86 responses to the consultation. 51 of the responses were submitted by private individuals, the majority of whom were dentists. 35 were from organisations including the British Dental Association, the PSA and the Royal Colleges. The GDC also engaged, via roundtable discussions, in each of the four nations, with a range of stakeholders, including the Chief Dental Officers, systems regulators, education providers, and commissioners of services.

A programme of work has now been established to take forward a number of workstreams. Many of the proposals set out in *Shifting the balance* rely on leadership by the profession, and cannot be delivered by the GDC alone. Therefore, a network of leaders across the sector will be established, to ensure that those best placed to provide support, influence behaviour and effect change are empowered to do so, and to enable the deployment of the full range of regulatory tools.

Shifting the balance acknowledged that the current Fitness to Practise processes were cumbersome, lengthy and stressful for those involved in them. It committed the GDC to undertaking an end-to-end review of Fitness to Practise processes to identify ways in which those processes could be made more proportionate and efficient, and be used to promote learning. There has already been substantial engagement with internal and external stakeholders, including patients, registrants and the defence organisations, to identify problems with the current processes. The next phase of the review, which will be continuing into 2018, is to develop a statement of principles to underpin future work and a report on the proposed 'future state' for the Fitness to Practise process.

Council oversight of strategic risks

Council monitors strategic risks and receives an update on the Strategic Risk Register (SRR) on a regular basis. The SRR is reviewed and approved by the EMT Board and the Audit and Risk Committee (ARC) prior to submission to Council. Where the governance timetable does not permit the SRR to be seen by EMT and the ARC prior to a Council meeting, a risk update paper is presented to Council. The paper details any areas of significant change or concern that need to be brought to the attention of the Council.

The SRR allows the Council to assess the extent to which strategic risks are being mitigated through effective controls; to identify those that are outside organisational appetite levels; and to determine how the organisation is performing against realistic and approved annual target risk exposure positions. When presented at any forum, the SRR is supported by a risk management paper which highlights key areas of concern, under-performance, and emerging or dormant issues. This puts the SRR into context and explains what it means to the GDC.

These risk documents presented to, and scrutinised by, the Council provide information to support and guide decision-making and enable both monitoring

of progress against the corporate strategy and holding EMT to account for its performance.

To support the SRR, and to ensure that all risks included within it are of a genuine strategic nature, each directorate has an Operational Risk Register (ORR). The ORRs are sub-categorised by team. Alternate ORRs are presented at each ARC meeting. As a result, all ORRs are reviewed by the EMT Board and ARC on an annual basis.

All risks, whether strategic or operational, are aligned with corporate objectives and business plan priorities.

Disclosure of principal risks and uncertainties

The GDC's Risk Management Framework allows for consideration of both strategic and operational risks, covering all areas of potential concern. At the year end, the SRR included risks in the following areas:

- Risks identified following key strategic organisational undertakings, such as *Shifting the balance* and the Estates Strategy programme.
- Risks in relation to the retention of PSA standards.
- Uncertainties around constitutional changes following the UK's decision to exit the EU and the impact on Government policy in areas that impact on dental regulation.
- Financial risks, relating to the identification of cost efficiency measures where they may exist.
- The design, and application of, an effective control framework within the GDC.
- The robust and timely progression of cases through the Fitness to Practise function.
- Corporate risks in relation to areas such as data protection and security; and equality, diversity and inclusion.

Significant organisational undertakings, notably *Shifting the balance* and the Estates Strategy programme, which will see approximately 200 roles relocated to Birmingham, beginning at the end of 2018, have resulted in strategic risks being highlighted. Over the implementation period of these undertakings, these high-level risks will evolve. When additional strategic or operational risks are identified they will be included on the appropriate risk register.

Following the recent positive PSA report, the risk focus is now on the retention of these standards. We understand that this is a key challenge. This risk, as well as associated other strategic and operational risks, have been, and will continue to be appropriately scrutinised and challenged, to ensure it is managed appropriately.

Some of the strategic risks faced are broad and subject to a considerable amount of uncertainty. The UK exit from the EU is a prime example of this, where we know there will be specific and challenging risks facing the GDC, but at this stage in the exit negotiations, we are not in a position to understand what these risks will be.

Council effectiveness

All Council members, including the Chair, have been appraised during 2017, including consideration of their future development needs. This process was led by the Senior Independent Member of the Council. Plans are in place to review the appraisal process in 2018 when it will have been in operation for three years.

A formal evaluation of the Council's effectiveness was conducted in 2017. This was led by the Executive Director, Organisational Development, who conducted interviews with all Council members in office from 1 October 2017. The main areas identified in the review were the need for a more formal and transparent process for appointing Council members to committees, encouraging the use of workshops prior to formal committee meetings and the need for papers to be shorter and more focused. A broader approach to Council workshops will be developed with external groups including patient groups and registrants invited where appropriate. There will also be a greater focus on the development of individual Council members. The outcomes of the review were presented to the Council and EMT and an action plan agreed. This will be taken forward in 2018.

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 four non-statutory committees as follows:

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

The membership of each of the committees includes both registrant and non-registrant Council members.

The significant changes in the membership of the Council from 1 October 2017 have required a review of the membership of each of the Council's committees. The Council appointed new chairs and members to each of its committees with effect from 26 October 2017. More detail can be found in section 7 of this report.

The changes to the membership included new chairs for three of the four committees. To mitigate the possibility of disruption to the work of the committees, the induction programme for the new Council members included an overview of the work of the committee from the outgoing chair. Existing Council members also attended this session. Handover sessions took place between the outgoing and incoming chairs of committees. Two of the three new committee chairs were continuing Council members who were already familiar with the work of that particular committee.

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.

Remuneration Committee

The key purpose of the Remuneration Committee is to establish a transparent procedure for the remuneration of the Chief Executive, the executive directors, Council members (including the Chair) and other associate post-holders. The Committee is also responsible for ensuring that there are appropriate incentives to encourage enhanced performance and that rewards are made in a fair and responsible manner, linked to the individual's contributions to the success of the GDC and to the successful performance of the GDC in general.

The Committee reviews the process for making recommendations to appoint and reappoint Council members and agrees the arrangements for the annual review of the Council's performance and effectiveness with the Chair. It also considers any significant changes to HR policy or changes to the employee benefits structure, including the pension scheme, and offers advice and direction to the Executive Director, Organisational Development, as appropriate.

Audit and Risk Committee

The key purpose of the Audit and Risk Committee (ARC) is to monitor on behalf of the Council the integrity of the financial statements, and review the GDC's governance, internal control and risk management systems, and the internal and external audit services. This includes monitoring whether 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. During 2017, the ARC has also reviewed the operational risk registers from one area of the business at each meeting.

The one non-Council member of the ARC has undergone a thorough appraisal process.

Policy and Research Board

The Policy and Research Board (PRB) oversees the development and implementation of strategy, policy and research initiatives, and reports on them to the Council. During 2017, the PRB has been engaged in the development of the *Shifting the balance* strategy, the publication of data analysis relating to FtP processes and contributing to the stakeholder engagement strategy prior to approval by the Council.

Finance and Performance Committee

The role of the Finance and Performance Committee (FPC) is to challenge and monitor EMT on financial and other performance; to work with EMT to develop an appropriate and proportionate data set to enable the Council to carry out its functions; and to provide guidance to EMT on major operational matters such as property strategy, investment and technology development. The FPC also works with EMT to develop the Council's financial strategy and business plan.

During 2017, the FPC has been engaged in the development of a new version of the Balanced Scorecard which provides data on key performance indicators across the business. It has also taken forward significant pieces of work such as the Estates Strategy programme.

The effectiveness of the committees and their ways of working will be reviewed in 2018, in response to the outputs of the 2017 review of the Council's effectiveness.

Statutory Panellists Assurance Committee

The Statutory Panellists Assurance Committee (SPC), is a statutory committee established under the General Dental Council (Constitution of Committees) Rules Order of Council 2009. The role of the SPC is to assist the Council relating to the exercise of any function relating to the appointment of statutory committee members, Chairs and legal, medical and professional advisers. Council members are specifically barred from being members of the SPC.

The Chair and members of the SPC have been subject to a thorough appraisal process.

Internal audit services

Mazars LLP has provided the GDC's internal audit service during 2017. Seven internal audits were undertaken in 2017.

Audit assurance findings ranged between the three possible assurance levels: substantial assurance, adequate assurance and limited assurance.

Following each internal audit assignment recommendations to improve either the design of the control framework, or the application of the control framework were made. Following the agreement of these recommendations, an officer responsible for implementing each recommendation was assigned, and an implementation date agreed.

The overall internal audit opinion from Mazars is as follows: *"on the basis of the audit work undertaken in 2017, the GDC's governance, risk management and internal control arrangements are generally adequate. Certain weaknesses and exceptions were highlighted by their audit work, in particular relating to our review of the Dental Complaints Service. These matters have been discussed with management, to whom we have made a number of recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports."*

Mazars' overall assurance rating was aggregated based on individual audits' assurance ratings. The targeted audit plan was made up of areas with known weakness and business critical areas where management did not have robust evidence of assurance. The audits have given management the detailed position of these business areas, assurance of current performance level and identified controls.

An internal audit plan for the period 1 April to 31 December 2017, developed with Mazars, was approved by the ARC at its meeting in 22 March 2017. The previous internal audit plan covered the period 1 April 2016 to 31 March 2017. In future, the internal audit plan will be realigned to be based on the GDC's financial year, which runs from January to December.

Moreover, the GDC now has in place a centralised internal audit recommendation implementation tracking function. This is supported by an annual follow-up of recommendations by internal audit. Performance has been reported to EMT and the ARC throughout the year.

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 EMT.

The Council sets strategy and policy, and determines the outcomes and outputs of the GDC in support of its purpose and values. The means by which those outcomes and outputs are achieved is a matter for the Chief Executive and EMT. The Chief Executive is accountable to the Council for EMT's performance.

In 2017, members of EMT comprised of the executive directors of the organisation who share collective responsibility for actions and decisions taken, regardless of their individual line management responsibilities, plus the Principal Legal Adviser and the Head of Communications and Engagement.

EMT is responsible for:

- implementing the strategy approved by the Council
- preparing an annual business plan and budget
- providing regular management reports to the Council, and ensuring that appropriate reports are provided to Council committees regarding matters within their remits
- identifying and reporting to the Council strategic risks and ensuring that ownership for each risk is allocated at the right level with clear accountability
- reviewing and reporting on other aspects of the governance model.

During 2017, EMT has met formally as a board at least once a month. A work plan was 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 met on an informal basis in the intervening weeks. Exceptional EMT Board meetings were convened as required.

A new directorate structure has been embedding during 2017. The remits of the four current executive directors were as follows during 2017:

Executive Director, Fitness to Practise

- Casework, adjudications, quality assurance and Fitness to Practise improvement, Dental Complaints Service.

Executive Director, Registration and Corporate Resources

- Registration, customer services, finance, procurement, business planning & project management, IT and audit & risk.

Executive Director, Organisational Development

- Legal services, information governance, human resources, governance, equality & diversity, compliance and facilities.

Executive Director, Strategy

- Developing strategy and policy, communications and engagement, research and education quality assurance.

Following the departure of Jonathan Green, Executive Director, Fitness to Practise on 2 January 2018, an Executive Director, Fitness to Practise Transition has been appointed for an eighteen-month period with specific responsibility for implementing the findings of the FtP end-to-end review. Tom Scott took up this appointment on 15 January 2018.

Management information

The expansion of the GDC's data warehouse continued throughout 2017, enhancing its role as the comprehensive source for corporate reporting across the organisation. The data warehouse has been developed to enable reporting on performance against compliance with freedom of information and data protection deadlines, as well as corporate complaints. In addition to the expansion to include new areas, existing Registration, Fitness to Practise and internal legal warehouse functionality continued to be refined.

We have strengthened our business planning arrangements in 2017. EMT have received monthly progress updates on projects and programmes run throughout the year to enable strategic decision-making on the organisation's priorities against available resource. As part of the development of the 2018 Business Plan, the GDC has adopted a benefits-based planning approach. This has enabled the 2018 Business Plan priorities to be selected by the EMT based on what will provide the greatest benefits to the organisation, the profession and patients.

Performance reporting

Following the re-design and review of our Key Performance Indicators (KPIs) and Balanced Scorecard in 2016, the GDC has seen the full embedding of these measures in its reporting to Council, committees and EMT Board during 2017. New KPIs for the Balanced Scorecard are developed when required and linked to the data warehouse development.

An internal audit of the adequacy and effectiveness of the GDC's controls and processes relating to the development and reporting of KPIs took place in 2017. This audit resulted in a finding of 'substantial assurance'. However, further work needs to be undertaken to strengthen the link between performance data and financial forecasting.

Data breaches and information security

Information governance

During 2017, we have continued to review and improve our information governance policy framework, the way we manage information requests and data security incidents, and how we develop and maintain staff knowledge and awareness of data management issues and legislation.

During the year, all new staff have received training on the Freedom of Information Act 2000 (the FOI Act), the Data Protection Act 1998 (DPA), and data security as part of the corporate induction programme. All GDC staff completed annual data protection refresher training.

The GDC's Information Governance Group, which provides support and assurance to EMT, has overseen the design and implementation of the GDC's Information Governance Policy, Privacy Impact Assessment Policy, and Staff Training Policy.

Information requests

During 2017, the GDC received a total of 341 requests for corporate information under the FOI Act and personal information under the DPA (subject access requests). This is a reduction from 2016 when 471 were received.

We responded to 341 information requests: 228 FOI requests (a decrease from 391 in 2016) and 113 subject access requests (up from 80 in 2016). 99% of FOI requests (226) were responded to within the statutory timeframe (20 working days) or an extension was appropriately claimed to carry out a public interest test. 97% (110) of subject access requests were responded to within the statutory timeframe (40 calendar days).

FOI requests received by the GDC were commonly for information relating to the GDC's register, such as registrants' country of qualification or birth, or requests relating to specific registrants, such as their indemnity information or registered address. A large proportion of the subject access requests received by the GDC were from people involved in a Fitness to Practise complaint seeking case information for the purpose of an appeal or private claim.

Of the 340 information requests the GDC responded to in 2017, two FOI responses were appealed to the Information Commissioner (seven in 2016). One response from 2016 was appealed to the First Tier Tribunal (General Regulatory Chamber) but subsequently withdrawn. The Information Commissioner upheld the GDC's approach and decision in all of these complaints.

Data security incidents

During 2017, the GDC continued to centrally record, manage, and report on Data Security Incidents (DSIs), ensuring that information that has been lost or disclosed inappropriately through accident or error is recovered, that risks are assessed and responded to, and that lessons are learned from incidents to prevent recurrence.

In 2017, improved staff awareness and safer systems and processes for the management and storage of case records led to a fall in reported DSIs. In total, 94 DSIs were recorded, a drop from 127 in 2016. Three incidents were, however, considered serious enough that we self-reported them to the Information Commissioner. The Information Commissioner considered the GDC's response to these incidents and concluded that no enforcement action was needed.

Conclusion

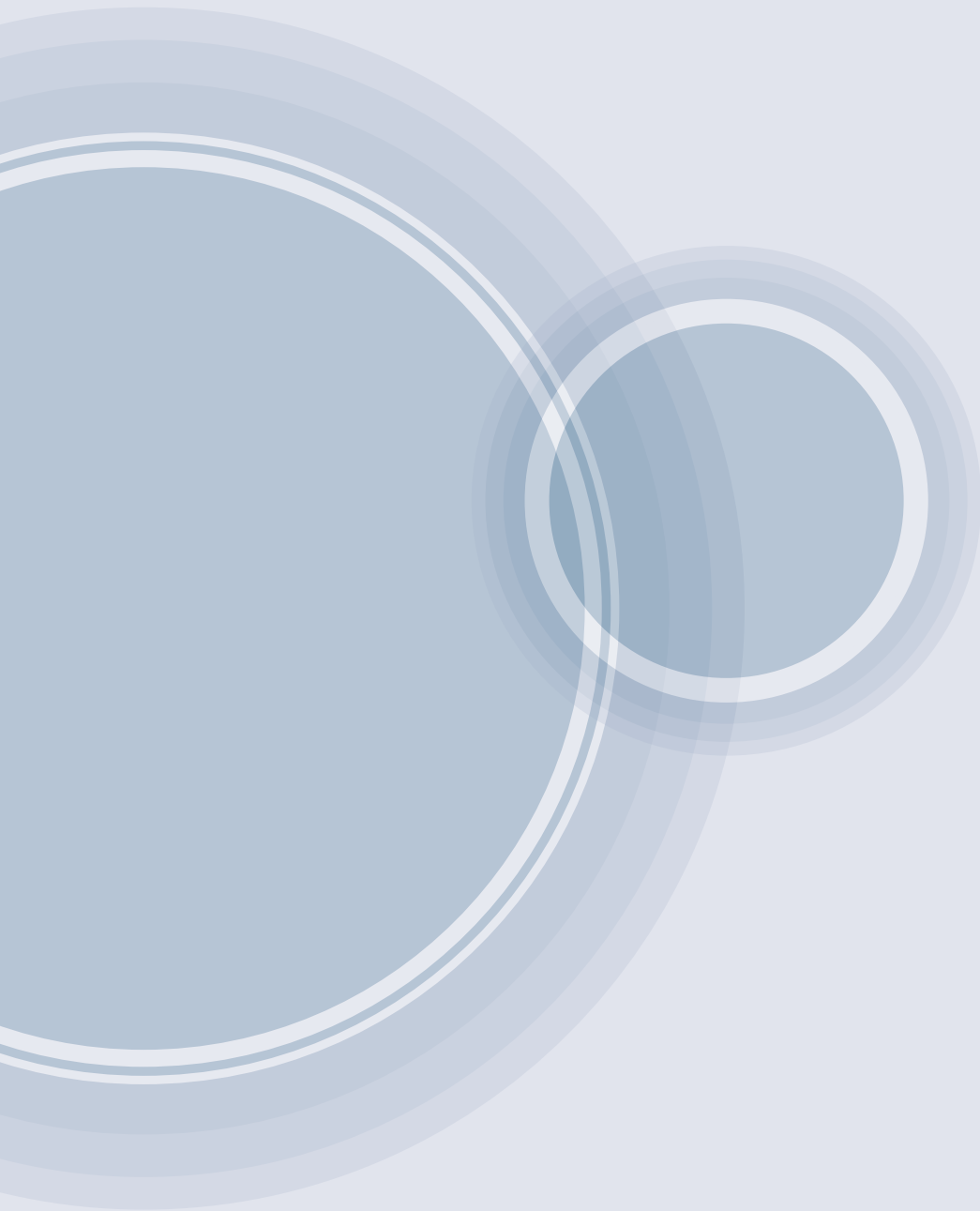
The Council has seen a significant change to its membership in 2017. This has improved the diversity of the membership and brought new skills to the Council. Compliance with the PSA Standards for Good Regulation has improved again with the GDC achieving 23 of the 24 standards in 2017. The Council is taking forward a number of significant pieces of work into 2018, the programme of work associated with *Shifting the balance*, a consultation on the Fees Policy and relocation of the registration function and some corporate support roles to Birmingham. Further staff will move to Birmingham at the end of 2019 as part of the second strand of the Estates Strategy.

Ian Brack

Chief Executive, Registrar and Accounting Officer
17 May 2018

13

13 Accounts 2017



14

14 Independent auditor's report

Opinion

We have audited the financial statements of the General Dental Council ("the Council") for the year ended 31 December 2017 which comprise the Income and expenditure account, the Statement of financial position, the Statement of changes in reserves, the Statement of cash flows, and the related notes, including a summary of significant accounting policies. 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Council's affairs as at 31 December 2017 and of the its surplus for the year then ended
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union
- have been prepared in accordance with the requirements of the Dentists Act 1984 and the directions issues thereunder by the Privy Council.

Basis for opinion

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

This report is made solely to the Members of Council, as a body, in accordance with the Dentists Act 1984 and the directions issues 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 Members of Council as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

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

Other information

The Members of Council are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Council and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report.

We have nothing to report in respect of the following matters where we report to you if, in our opinion:

- adequate accounting records have not been kept by the Council, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Council and Chief Executive

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, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

haysmacintyre

10 Queen Street Place
London
EC4R 1AG

Statutory Auditors
2018

17 May 2018

15

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

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of The General Dental Council for the year ended 31 December 2017 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.

In my opinion:

- the financial statements give a true and fair view of the state of the General Dental Council's affairs as at 31 December 2017 and of the surplus for the year then ended
- the financial statements have been properly prepared in accordance with the Dentists Act 1984 and the Privy Council determination issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of my certificate. Those standards require me and my staff

to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the General Dental Council in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Council and Chief Executive for the financial statements

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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Dentists Act 1984.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

the effectiveness of the General Dental Council's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the General Dental Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Information

The General Dental Council and Chief Executive are responsible for the other information. The other information comprises information included in the Annual Report, other than the parts of the Remuneration Report described in that report as having been audited, the financial statements and the auditor's reports thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the

work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with the Privy Council determinations made under the Dentists Act 1984; in the light of the knowledge and understanding of the General Dental Council and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report
- the information given in the Annual Report 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 audits; 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

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP
23 May 2018

16

16 Income and expenditure account



For the year ended 31 December 2017

		2017 £000	2016 £000
Income	Note		
Fees	2	44,989	44,536
Overseas Registration Exam	3	1,389	1,877
Miscellaneous	3	3	27
Total operating income		46,381	46,440
Expenditure			
Staff costs	5	19,398	18,911
Legal and professional fees	6	8,008	12,691
Council and committee meetings	7	7,168	9,203
Administration	8	3,384	3,468
Accommodation	9	817	741
Communications and publications	10	211	244
Total operating expenditure		38,986	45,258
Surplus after operational expenditure		7,395	1,182
Investment income	4	114	165
Realised gains on sale of investments	14	0	597
Surplus for year after investment income and adjustment		7,509	1,944
Taxation	11	(51)	(85)
Retained surplus after taxation		7,458	1,859
Other comprehensive income/(expenditure)			
Items that will or may be reclassified to profit or loss			
Unrealised gains/(loss) on investments	14	189	(221)
Items that will not be reclassified to profit or loss			
Actuarial gains/(loss) on pension scheme assets	19	2,800	(6,302)
Total other comprehensive income/(expenditure)		2,989	(6,523)
Total comprehensive income/(expenditure) for the year		10,447	(4,664)

All income and expenditure relate to continuing activities

17

17 Statement of financial position



As of 31 December 2017

		2017 £000	2016 £000
Non-current assets			
	Note		
Property, plant and equipment	12	9,968	10,594
Intangible assets	13	381	601
Financial assets – available for sale assets	14	948	756
Pension asset	19	1,500	-
Total non-current assets		12,797	11,951
Current assets			
Trade and other receivables <1yr	15	2,342	2,517
Cash and cash equivalents	16	47,705	38,899
Total current assets		50,047	41,416
Total assets		62,844	53,367
Current liabilities			
Trade and other payables <1yr	17	3,528	4,233
Other liabilities	17	-	58
Deferred income	17	36,502	36,026
Corporation tax	17	20	123
Total current liabilities		40,050	40,440
Non-current assets plus/less assets/liabilities		22,794	12,927
Non-current liabilities			
Pension Liability	19	-	611
Deferred tax	17	142	111
Total non-current liabilities		142	722
Assets less liabilities		22,652	12,205
Reserves			
General reserve		20,268	12,121
Pension reserve		1,500	(611)
Unrealised gains on investment reserve		884	695
Total reserves		22,652	12,205

The financial statements were approved by the Council members and were signed on their behalf on 17 May 2018.

William Moyes
Chair

Ian Brack
Chief Executive and Registrar

18

18 Statement of cash flows

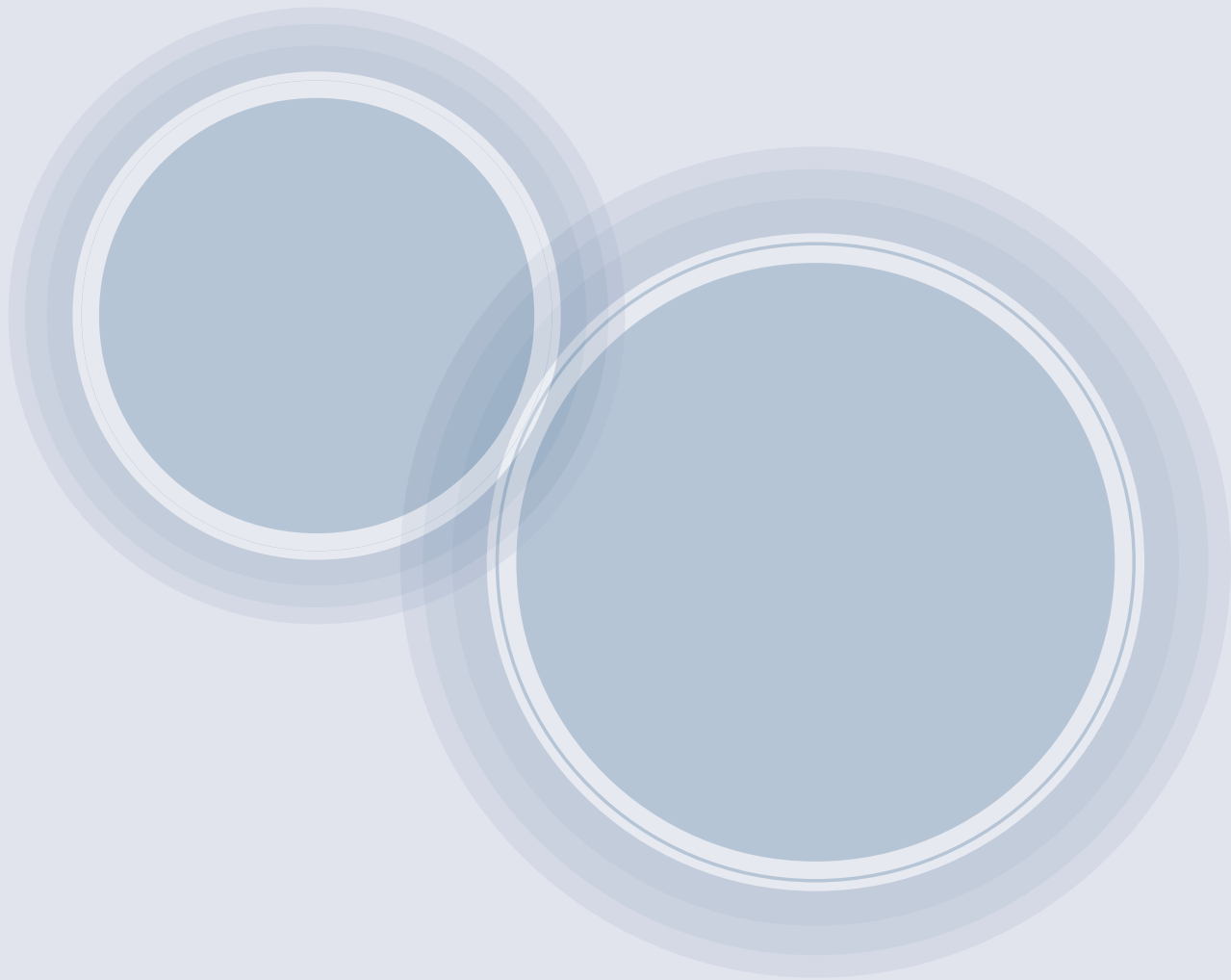


For the year ended 31 December 2017

		2017 £000	2016 £000
Cash flows from operating activities			
	Note		
Surplus from operating activities	I&E	7,395	1,182
Depreciation and amortisation		1,064	1,141
Loss on disposal of property, plant and equipment		-	(2)
Decrease in trade and other receivables	15	175	423
(Decrease) in trade payables and other liabilities	17	(287)	(464)
Pension reserve funding movements	19	689	168
Use of provisions		-	-
Net cash inflow from operating activities		9,036	2,448
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(180)	(366)
Purchase of intangible assets	13	(38)	(158)
Proceeds from sale of assets		0	2
Proceeds from sale of financial assets	14	0	3,301
Purchase of financial assets	14	(3)	(204)
Investment income	4	114	165
Tax		(123)	(55)
Net cash (outflow)/inflow from investing activities		(230)	2,685
Net increase in cash and cash equivalents in the period		8,806	5,133
Cash and cash equivalents at the beginning of the period	16	38,899	33,766
Cash and cash equivalents at the end of the period	16	47,705	38,899
Net increase in cash and cash equivalents		8,806	5,133

19

19 Statement of changes in reserves



For the year ended 31 December 2017

		General reserve	Pension reserve	Unrealised gains on investment reserve	Total reserves
		£000	£000	£000	£000
Note					
Balance as of 31 December 2015		10,113	5,859	897	16,869
Changes in reserves for 2016					
Total comprehensive income for the year	I&E	(4,664)	-	-	(4,664)
Actuarial loss on pension scheme	19	6,302	(6,302)	-	-
Pension scheme costs charged to the I&E account		149	(168)	19	-
Unrealised loss on investments	14	221		(221)	-
		2,008	(6,470)	(202)	(4,664)
Balance as of 31 December 2016		12,121	(611)	695	12,205
Changes in reserves for 2017					
Total comprehensive income for the year	I&E	10,447	-	-	10,447
Actuarial gain on pension scheme	19	(2,800)	2,800	-	-
Pension scheme costs charged to the I&E account		689	(689)	-	-
Unrealised gains on investments	14	(189)		189	-
		8,147	2,111	189	10,447
Balance as of 31 December 2017		20,268	1,500	884	22,652

20

20 Notes to the Accounts

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 GDC 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 GDC's functional currency of pounds sterling.

1.1 FORMAT OF THE ACCOUNTS

The GDC is required to prepare its annual accounts in a form as determined by the Privy Council. The Privy Council is required to lay the certified accounts before each House of Parliament and the Scottish Parliament. The statutory purpose of the GDC 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 impact of the following standards, amendments and interpretations that have been issued, but are not yet effective, on the accounts:

- IFRS 9 Financial Instruments – effective date: accounting periods beginning on or after 1 January 2018. The standard introduces new classification categories and subsequent measurement requirements for financial assets, as well as the introduction of a new approach for calculating and recognising impairments. The classification and measurement of financial liabilities under IFRS 9 remains largely unchanged from the previous standard. Under IFRS 9, the classification of financial assets will be determined by reference to the asset's contractual cash flow characteristics and the business model in which the asset is

held, resulting in the asset being assigned one of three classifications; amortised cost, fair value through profit and loss or fair value through other comprehensive income. GDC's available for sale investment assets will be classified as at fair value through profit and loss. The assets will continue to be accounted for at fair value however; any change in fair value will now be recognised in net expenditure. This will increase volatility in net expenditure and result in the elimination of the 'unrealised gains on investments' reserve. GDC's other financial assets consist primarily of cash balances, and are not therefore materially affected by the introduction of the expected credit loss model.

- 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, and the GDC will be required to apply it in the 2018 financial statements, resulting in a change of accounting treatment for the recognition of fee income. Currently, the policy for fee income recognition is to recognise income at registration or renewal. From 2018, fee income will be deferred and released on a straight-line basis to the Income and Expenditure Account over the period to which the income relates. The change in accounting policy will require a prior period adjustment, the effect of which on reported income will be immaterial, but there will be a deferral of income which will reduce opening reserves in 2018 by an estimated £4,600,000.
- IFRS 16 Leases – effective date: accounting periods beginning on or after 1 January 2019. The GDC will be required to apply it in the 2018 financial statements. 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.
- The Council will treat any leases of underlying asset less than £3,000 as low value asset.
- As of the reporting date, the group has non-cancellable operating lease commitments of £1,034,000 (see note 20). The Council estimates that approximately 70% of these relate to payments for short-term and low value leases which will be recognised on a straight-line basis as an expense to the income and expenditure account.

- The Council estimates that the right-of-use asset value will be £133,000 and the impact on the income and expenditure account to be less than £2,000.

Based on the above assessment, the Council anticipates that the early adoption of these standards and interpretations will not have a material effect on the Statement of Financial Position or the results for 2016 and 2017 and has determined not to adopt them before the effective date when adoption would be required.

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

To be able to prepare financial statements in accordance with IFRS, the GDC 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 GDC accounts for pensions in accordance with IAS 19 Employee Benefits. In determining the pension cost and the defined benefit obligation of the GDC'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.

As at 31 December 2017 the plan has a surplus of £1.5m 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.

ii) Depreciation and amortisation

The GDC 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.

Further details are contained in the accounting policy on depreciation and amortisation below (note 1.6).

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, 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:

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.

Other useful lives are:

- 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 are set as a percentage of pensionable salary, with the employer contribution set at a minimum of 6% and a maximum 10% of pensionable salary. 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 was 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 INSTRUMENTS

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 assets listed below at fair value with movement put through other comprehensive income.

Investments available for sale

These comprise investments of listed securities, fixed interest securities, equities, and a unit trust which is a managed fund comprising of 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 and 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.

i) 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 is disclosed within note 17.

1.14 RESERVES

Reserves comprise the information below.

General reserves

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 GDC 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 RISK MANAGEMENT

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 note 17.

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 GDC 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 fees. 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 2017, 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 GDC relying on interest income to a sizeable extent to fund its operations.

2 INCOME

	2017		2016
	Number	£000	£000
Fees			
Dentists			
Total new registrations	1,745	792	898
Temporary registrations	26	23	29
Retentions	39,775	35,400	35,094
Restorations after erasure	249	221	162
Total	41,795	36,436	36,183
Dental care professionals			
Total new registrations	5,021	353	307
Retentions	66,373	7,699	7,556
Restorations after erasure	1,195	139	124
Total	72,589	8,191	7,987
Specialist			
Specialist registrations	162	56	63
Specialist annual retentions	4234	305	303
Specialist restoration fees	20	1	-
Total	4,416	362	366
Total fees		44,989	44,536

The above numbers reflect registrants paying fees during the year as opposed to the number of registrants on the register at 31 December 2017.

3 MISCELLANEOUS INCOME

	2017	2016
	£000	£000
Exam fees	1,389	1,877
Other operating income	3	27
	1,392	1,904

4 INVESTMENT INCOME

	2017	2016
	£000	£000
Interest bank deposits	104	94
Dividends – listed securities	10	71
	114	165

5 STAFF NUMBERS AND RELATED COSTS

	2017			2016
	Permanently employed staff	Others	Total	Total
Staff costs comprise:	£000	£000	£000	£000
Wages and salaries	14,051	-	14,051	13,318
Social security costs	1,463	-	1,463	1,357
Pension costs	2,148	-	2,148	1,680
Redundancy and termination payments	99	-	99	221
Other staff costs	1,190	-	1,190	1,056
Sub total	18,951	-	18,951	17,632
Temporary staff	-	447	447	1,279
Total	18,951	447	19,398	18,911

(A) EMPLOYEES – HEADCOUNT

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

	2017			2016
	Permanently employed staff	Others	Total	Total
Fitness to Practise and Hearings	135	22	157	175
Registration	49	5	54	74
Policy and stakeholder management	15	1	16	13
Governance	23	2	25	8
Human Resources	11	1	12	11
Quality Assurance	7	1	8	11
Dental Complaints Service	8	1	9	9
Corporate Resources	51	3	54	38
Total	299	36	335	339

(B) EMPLOYEES – REMUNERATION

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

	2017	2016
	Number Total	Number Total
£60,000 but under £70,000	19	10
£70,000 but under £80,000	7	6
£80,000 but under £90,000	3	2
£90,000 but under £100,000	2	1
£100,000 but under £110,000	-	3
£110,000 but under £120,000	3	2
£130,000 but under £140,000	-	1
£140,000 but under £150,000	1	-

11 staff members from the above list were members of the defined benefit section of the pension scheme (2016: 13 staff members) and 27 staff members were members of the defined contribution section of the pension scheme (2016: 10 staff members). Pension accrued by the highest paid employee under the defined contribution scheme was £8,400 (pension accrued by the highest paid employee in 2016 under defined contribution scheme was £7,894).

Chief Executive and Registrar – remuneration

	Emoluments		Accrued pension	
	2017 £000	2016 £000	2017 £000	2016 £000
Ian Brack	140	140	8	8

6 OTHER ADMINISTRATION COSTS

For the year ended 31 December 2017

	2017	2016
	£000	£000
Legal and professional services		
Auditor's remuneration and expenses:		
External audit	23	21
External audit – National Audit Office	4	4
Internal audit	65	85
Professional Standards Authority Fees	276	277
Conduct hearings	1,929	4,305
Counsel fees	1,233	1,461
Expert fees	1,108	1,645
Examinations costs	1,229	1,672
Other fees and charges	2,004	2,949
Other disbursements	137	272
Total	8,008	12,691

	2017	2016
	£000	£000
During the year, the GDC received the following non-audit services from its external auditors haysmacintyre:		
For corporation taxation advice	2	2
	2	2

7 COUNCIL AND COMMITTEE MEETINGS

	2017	2016
	£000	£000
(a) Council fees and expenses		
Fees paid to Council members	232	233
Expenses paid to Council members	103	139
Council meeting expenses	127	131
	462	503
(b) Committee and panel fees and expenses		
Fees paid to committee and panel members	2,125	2,749
Expenses paid to committee and panel members	743	975
Professional fees and expenses for committees and panels	1,386	1,641
Committee and panel meeting expenses	2,452	3,335
	6,706	8,700
Total Council and committee meetings	7,168	9,203

8 ADMINISTRATIVE EXPENSES

	2017	2016
	£000	£000
Depreciation	806	783
Amortisation	258	358
Loss on disposal of property, plant and equipment	0	(2)
Rentals under operating leases:		
Hire of office machinery	17	28
Building leases	871	963
Interest charges	0	0
Information technology support and maintenance	869	779
Personnel costs	28	24
Other operating costs	535	535
	3,384	3,468

9 ACCOMMODATION

	2017	2016
	£000	£000
Other accommodation costs	817	741
	817	741

10 COMMUNICATIONS AND PUBLICATIONS

	2017	2016
	£000	£000
Total Communications and publications	211	244
	211	244

11 TAXATION

(A) ANALYSIS OF TAX CHARGE

	2017	2016
	£000	£000
Current tax		
UK corporation tax on profits of the year	20	122
Prior year tax adjustment	(1)	0
Foreign taxation	0	0
Total current tax charge	19	122
Deferred taxation		
Origination and reversal of timing differences	32	(29)
Effect of tax rate change on opening balance	0	(8)
Total deferred tax	32	(37)
Tax on profit on ordinary activities	51	85

(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.

	2017	2016
	£000	£000
Factors affecting the tax charge for the period		
Profit for year	7,555	1,946
Expected charge at 19.25% (2016: 20%)	1,454	389
Effects of:		
Non-taxable income	(1,434)	(369)
Movement in the deferred tax balance due to a change in tax rates	(4)	(3)
Tax on equalisation and value increasing fixed interest investments	36	68
Prior year tax adjustment	(1)	0
Current year tax charge	51	85

12 PROPERTY, PLANT AND EQUIPMENT

2017					
	Leasehold Property	Plant & Equipment	Furniture & Fittings	Information Technology	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 January 2017	12,787	1,071	594	897	15,349
Additions	135	-	-	45	180
At 31 December 2017	12,922	1,071	594	942	15,529
Depreciation					
At 1 January 2017	3,812	272	193	478	4,755
Charged in year	391	116	113	186	806
At 31 December 2017	4,203	388	306	664	5,561
Net book value:					
At 31 December 2017	8,719	683	288	278	9,968
At 31 December 2016	8,975	799	401	419	10,594
2016					
	Leasehold Property	Plant & Equipment	Furniture & Fittings	Information Technology	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 January 2016	12,761	1,003	572	657	14,993
Additions	26	68	22	250	366
Disposals	-	-	-	(10)	(10)
At 31 December 2016	12,787	1,071	594	897	15,349
Depreciation					
At 1 January 2016	3,422	154	74	332	3,982
Charged in year	390	118	119	156	783
Disposals	-	-	-	(10)	(10)
At 31 December 2016	3,812	272	193	478	4,755
Net book value:					
At 31 December 2016	8,975	799	401	419	10,594
At 31 December 2015	9,339	849	498	325	11,011

All assets are owned by the GDC

13 INTANGIBLE ASSETS

2017					
	Software	Licenses	Assets under construction	Totals	
	£000	£000	£000	£000	
Cost					
At 1 January 2017	1,837	361	196	2,394	
Additions	32	6	-	38	
Transfers	196	-	(196)	-	
At 31 December 2017	2,065	367	-	2,432	
Amortisation					
At 1 January 2017	1,507	286	-	1,793	
Charged in year	219	39	-	258	
At 31 December 2017	1,726	325	-	2,051	
Net book value:					
At 31 December 2017	339	42	-	381	
At 31 December 2016	330	75	196	601	

2016					
	Software	Licenses	Assets under construction	Totals	
	£000	£000	£000	£000	
Cost					
At 1 January 2016	1,740	349	147	2,236	
Additions	-	12	146	158	
Transfers	97	-	(97)	-	
At 31 December 2016	1,837	361	196	2,394	
Amortisation					
At 1 January 2016	1,198	237	-	1,435	
Charged in year	309	49	-	358	
At 31 December 2016	1,507	286	-	1,793	
Net book value:					
At 31 December 2016	330	75	196	601	
At 31 December 2015	542	112	147	801	

All assets are owned by the GDC

14 FINANCIAL ASSETS – AVAILABLE FOR SALE ASSETS

	2017	2016
	£000	Equities £000
Balance as of 1 January	756	3,477
Additions	3	204
Disposals	-	(3,301)
	759	380
Realised gains on investments	-	597
Unrealised gains/(losses) on investments	189	(221)
Balance as of 31 December	948	756

Income generated from the financial assets for the year ended 31 December 2017: Equities £9,884 (2016: £71,250).

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.

15 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	31 Dec 2017	31 Dec 2016
	£000	£000
Amounts falling due within one year		
Trade receivables	-	-
Other receivables	160	182
Prepayments and accrued income	2,182	2,335
Total	2,342	2,517

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

16 CASH AND CASH EQUIVALENTS

	2017	2016
	£000	£000
Balance at 1 January	38,899	33,766
Net change in cash and cash equivalent balances	8,806	5,133
Balance at 31 December	47,705	38,899
The following balances were held at:		
Commercial banks and cash in hand	36,480	18,681
Short term bank deposits	11,225	20,218
Total	47,705	38,899

17 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31 Dec 2017	31 Dec 2016
	£000	£000
Amounts falling due within one year		
Corporation tax	20	123
Other taxation and social security	497	484
Trade payables	1,024	1,450
Other payables	82	104
Accruals	1,925	2,195
Deferred income	36,502	36,026
Deferred operating lease incentive	-	58
Total	40,050	40,440
Amounts falling due after more than one year:		
Deferred tax	142	111
	142	111
Total	40,192	40,551

18 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

	31 Dec 2017	31 Dec 2016
	£000	£000
Financial assets		
Amortised costs		
Cash and bank balances	47,705	38,899
Trade other receivables	2,342	2,517
Total	50,047	41,416
Fair value through profit and loss		
Equities	948	756
Total	948	756

These comprised of investments of listed 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.

The investments are categorised as level one for the purpose of disclosure under IFRS7.

	31 Dec 2017	31 Dec 2016
	£000	£000
Financial liabilities		
Trade and other payables	3,548	4,414
Total	3,548	4,414

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. There are no other liabilities held at fair value. It is the GDC's opinion that the carrying value of trade receivables and trade payables approximates their fair value due to the short-term maturities of these instruments.

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 GDC 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 any currency risk from direct holdings in overseas equities. However, some of the collective funds held are invested overseas, and some companies may declare dividends in currency other than sterling but pay in sterling, and so may be subject to currency fluctuations.

The GDC has a reserves policy. Due to registration renewal cycles and the payment methods of registrant fees, the GDC holds an appropriate 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 2016, 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 GDC relying on interest income to a sizeable extent to fund its operations.

19 PENSION FUND

The GDC operates a defined benefit plan which is wholly funded by contributions from the GDC and pension scheme members. A full actuarial valuation was carried out as at 1 April 2015 and updated to 31 December 2017 by a qualified independent actuary.

As at 31 December 2017 the plan has a surplus of £1.5m based on the IAS 19 assumptions adopted. The defined benefit section of the scheme experienced a net actuarial increase in fund value for 2017 of £2.8m, against that reported in last year's accounts.

While the discount rate assumption is lower in 2017 than in 2016, reflecting lower yield on high-quality corporate bonds deemed of equivalent term and currency to the plan's liabilities, this was offset by positive movements in both the inflation and mortality assumptions. Meanwhile, payments into the plan and interest received were exceeded by payments from the plan by £0.7m. This resulted in an overall increase on the pension scheme of £2.1m, and an IAS 19 pension surplus of £1.5m (2017) from a pension deficit of £0.6m (2016).

The duration of the plan is approximately 30 years and therefore future cash flows are expected to be paid for more than 30 years.

The principal assumptions used by the actuary for the update at 31 December 2017 were as follows:

	2017	2016
Rate of inflation	3%	4%
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%	2%	2%
Discount rate	3%	3%
Proportion of employees opting for early retirement at age of 60	50%	50%

Assume life expectations on retirements age 65:

Retiring today – males	23	24
Retiring today – females	23	25
Retiring in 20 years – males	24	25
Retiring in 20 years – females	24	27

The mortality assumptions for the current period-end follows the SINA Light with rates of improvement in line with CMI 2016 model (long-term 1% pa)

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

	2017	2017	2016	2016
	£000	%	£000	%
Equities	22,994	75%	20,412	77%
With profits fund	3,129	10%	2,994	11%
Bonds	4,088	13%	3,133	12%
Cash	282	1%	134	1%
Total	30,493	100%	26,673	100%

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

	2017	2016
	£000	£000
The actual return on the scheme assets in the year	2,954	3,324

	2017	2016
	£000	£000

Analysis of the amounts debited/(credited) to the income and expenditure account:

Current service cost	(1,551)	(1,459)
Net interest expense on net pension obligation	(26)	221
Total amount charged within net incoming/(outgoing) resources	(1,577)	(1,238)
Re-measurement of net pension obligation	2,800	(6,302)
Total charge	1,223	(7,540)

The amounts recognised in the statement of financial position:

Present value of funded obligations	(28,993)	(27,285)
Fair value of assets	30,493	26,674
Surplus/deficit	1,500	(611)

	2017	2016
	£000	£000

The amounts in the statement of other comprehensive income:

Actuarial (loss)/gain on plan assets	2,195	2,421
Actuarial (loss)/gain on defined benefit obligation	605	(8,723)
of which due to experience	212	76
of which due to demographic assumptions	1,277	0
of which due to financial assumptions	(884)	(8,799)
Total gain/(loss) in statement of other comprehensive income	2,800	(6,302)

The Council expects to contribute £938,000 to its defined benefit pension scheme in 2018.

	2017	2016
	£000	£000

Sensitivity analysis of the defined benefit obligation is as follows:

Discount rate reduced by 0.1% pa (2016: 0.1% pa)	28,193	26,485
RPI inflation increased by 0.1% pa (2016: 0.1% pa)	28,393	26,785
Salary growth increased by 0.1% pa (2016: 0.1% pa)	28,593	27,585
Mortality – life expectancy of each member increases to that of someone one year younger	28,193	26,585

	2017	2016
	£000	£000

Changes in the present value of the defined benefit obligation are as follows:

Defined benefit obligation at 1 January	27,285	17,083
Interest expense	785	682
Service cost	1,551	1,459
Contributions by members	368	371
Actuarial loss/(gain)	(605)	8,723
Benefits paid from plan assets/administrative expenses paid	(391)	(1,033)
Defined benefit obligation at 31 December	28,993	27,285

	2017	2016
	£000	£000

Change in the fair value of the scheme assets are as follows

Fair value at 1 January	26,674	22,942
Interest income	759	903
Return on plan assets in excess on interest income	2,195	2,421
Employer contributions	888	1,070
Plan participants' contributions	368	371
Benefits paid/administrative expenses paid	(391)	(1,033)
Fair value as at 31 December	30,493	26,674

	2017	2016
	£000	£000

Change in recoverable surplus and components of scheme performance

Opening balance	(611)	5,859
Current service cost	(1,551)	(1,459)
Interest on surplus	(26)	221
Net pension cost	(1,577)	(1,238)
Employer contributions	888	1,070
Actuarial gain/(loss)	2,800	(6,302)
Closing balance	1,500	(611)

	2017	2016	2015	2014
	£000	£000	£000	£000

Amounts per current and previous periods

Return on plan assets in excess of interest income	2,195	2,421	525	107
Experience gains/(losses) on scheme liabilities	212	76	2,383	(41)
Changes in assumptions underlying the present value of the scheme liabilities	(884)	(8,799)	688	(2,949)
Defined benefit obligation	(28,993)	(27,285)	(17,083)	(18,010)
Scheme assets	30,493	26,674	22,942	20,500
Surplus	1,500	(611)	5,859	2,490

	2017	2016	2015	2014
	£000	£000	£000	£000

Asset gain

Amount	2,195	2,421	525	107
% of scheme assets	7.2	9.1	2.3	0.5

Liability experience gain

Amount	212	76	(2,383)	(41)
% of scheme liabilities	0.7	0.3	14.0	-0.2

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 2017 the annual premium contribution was £1,458,545 (2016: £1,511,566). Included in the annual premium was a contribution of £573,772 (2016: £442,043) 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 purpose of the 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.

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 of 31 December 2015. The sensitivities have been calculated using the same methodology.

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 above.

The results and sensitivities are therefore calculated approximately.

If liabilities and sensitivities had both been calculated as of 31 December 2015 using actual membership data at that date, the results might differ. However, any difference would not be expected to be significant.

The GDC also provides a defined contribution scheme.

20 COMMITMENTS UNDER LEASES

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 not later than 1 year, £4,000 under expiry two to five years and £5,000 under expiry later than five years.

	31 Dec 2017	31 Dec 2016
	£000	£000
Obligation under operating leases comprise:		
Land and buildings		
Not later than 1 year	718	806
Later than 1 year and not later than 5 years	85	37
Later than 5 years	231	177
	1,034	1,020

21 CAPITAL COMMITMENTS

The GDC has no contracted capital commitments which were not included in these financial statements as of 31 December 2017. (2016: The GDC has no contracted capital commitments which were not included in these financial statements as of 31 December 2016.)

22 RELATED-PARTY TRANSACTIONS

There were no related-party transactions during the year ended 31 December 2017, other than the fees and expenses paid to Council members as disclosed in note seven to the accounts. Details of amounts paid to individual Council members are set out in the annual report on page 58.

(2016: There were no related party transactions during the year ended 31 December 2016, other than the fees and expenses paid to Council members as disclosed in note seven to the accounts).

23 CONTINGENT LIABILITIES

The GDC has no contingent liabilities as of 31 December 2017 (2016: there were no contingent liabilities as of 31 December 2016).

24 POST-BALANCE SHEET EVENTS

The Accounting Officer (Chief Executive and Registrar) authorised these financial statements for issue on the date certified by the Comptroller and Auditor General.

The GDC took a decision before the year end to move some functions to Birmingham. However, at the reporting date, the plan contained insufficient detail on either the affected roles, the cost or timing of the office move. Therefore, in line with IAS 37, no provision has been recognised in these financial statements.

Since year-end, plans have been developed further; it is now expected that the move will involve around 200 roles within Registration and operational support services. The GDC's national headquarters will remain in London.

A collective consultation of staff in those roles identified as moving to Birmingham in strand 1 (between October 2018 and February 2019) commenced in February 2018 and ended 5 April 2018. Individual consultation meetings with staff took place between 9 April and 1 May 2018. One of the outcomes of consultations with staff was a clearer indication of the cost of the move and the ability to plan the necessary activities required for the transition of roles to the new office location.

At its May meeting, the Council was provided with a full update on progress of the programme. This included:

- Building selection and options appraisal.
- Staff consultation outcome and updated programme financial case.
- Other costings and planning aspects that the Council require to make a clear and transparent decision on the move and consultation elements.

21

21 Advisers

Bankers

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33 Old Broad Street, London

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CCS - CCS0518754490
978-1-5286-0478-9