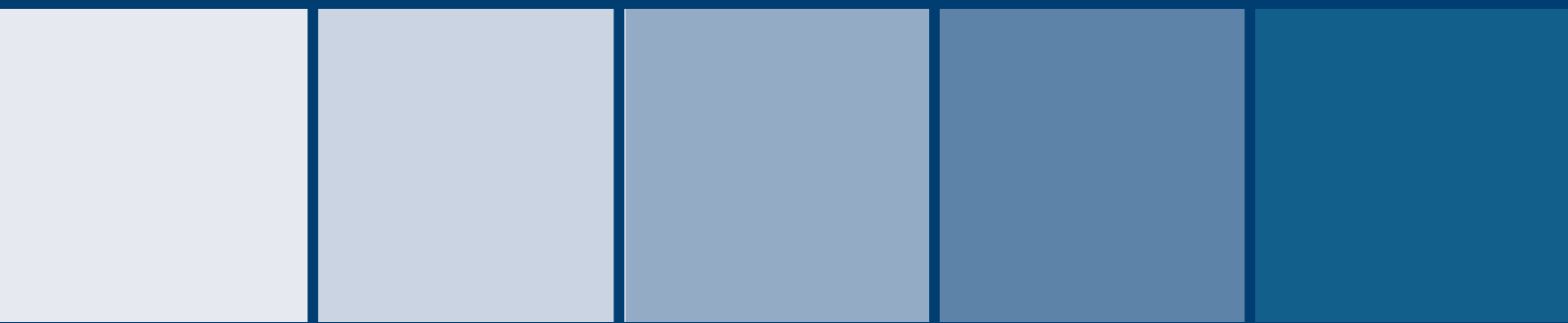


General Dental Council
Annual report and accounts **2014**



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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.

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1 | Statutory purpose

The General Dental Council (GDC) regulates dental professionals in the United Kingdom. All dentists, dental nurses, clinical dental technicians, dental technicians, dental hygienists, dental therapists and orthodontic therapists must be registered with us to work in the UK.

Our purpose is to protect the public by regulating the dental team. We do this by:

- registering qualified dental professionals;
- setting and enforcing standards of dental practice and conduct;
- protecting the public from illegal practice;
- assuring the quality of dental pre-registration education and training;
- ensuring professionals keep their knowledge and skills up-to-date;
- investigating and acting upon complaints received about Fitness to Practise;
- helping patients and the profession to resolve complaints about private dentistry, through the Dental Complaints Service (DCS).

Effective regulation of dental professionals enhances patient safety, improves the quality of dental care and helps ensure public confidence in dental regulation.

We aim to regulate in a way that is proportionate, accountable, transparent, consistent, targeted, and responsive to changing demands, risks and priorities.

2 | Message from the Chair

The GDC exists to protect patients. This is our prime statutory duty. We do this by registering dentists and dental care professionals (DCPs), by setting and enforcing ethical and behavioural standards for the dental team, by assessing the quality of dental education, by ensuring all dental professionals keep their knowledge and skills up to date, by prosecuting those who practise illegally and by investigating complaints about the fitness to practise of individual registrants and taking appropriate preventative or remedial action.

These are complex and important tasks. If they are not done well, patients may suffer physical or psychological harm and dental professionals may suffer damage to their reputation or livelihoods.

The new Council which took office in October 2013 quickly concluded that some major changes were required to the structure, functioning and resourcing of the GDC if it were to be capable of delivering its important statutory responsibilities to a high standard of efficiency and effectiveness. Given this, our main focus in 2014 was on analysing the changes required and providing the necessary support to the Executive to undertake the work to achieve these, as well as on laying the foundations for a new strategy and a range of developments that we hoped to undertake in 2015 and beyond.

A priority in 2014 was to put the GDC on a firm financial footing. This would anyway have been necessary after four years of zero annual increases in the Annual Retention Fees (ARFs), but the doubling of fitness to practise complaints that occurred between 2010 and 2013 made an increase essential. This was understandably unpopular with dentists, and the decision was criticised and challenged. However, I and my colleagues on the Council believe that it was in the best interests of the organisation and therefore in the best interests of patients and of dentistry.

The Council intends to review the levels of the ARF every year and, with more sophisticated forecasting methods, avoid lengthy periods when costs and income become increasingly divergent. We also intend to continue to base fee levels on the costs of regulating dentists and DCPs, which in 2014 enabled us to offer a modest reduction in the level of the fees payable by DCPs, who make up 66% of the dental profession.

**William Moyes,
Chair**



What is perhaps not fully appreciated is the efforts the GDC has made to cut its costs, and the scale of investment made to secure operational improvements to benefit patients and the dental team. Here are a few examples:-

- The backlog of fitness to practise cases that had built up has now been cleared, and those cases which appear to have substance are progressing through the system;
- Bringing more legal casework in-house has already generated savings of £1 million;
- We are holding more hearings, with many fewer wasted hearings days and as a result cases are being dealt with more quickly; and
- The final salary pension scheme has been closed to new employees, and replaced by a defined contributions scheme.

The Council and the executive team have devoted considerable effort to a complete overhaul of the management information system, so that we now have the information to identify areas of under-performance and can move quickly to tackle them.

We have also substantially changed our approach to ensuring that the GDC's staff have the necessary skills and experience to meet the increasingly high standards rightly expected of professional regulators by patients and politicians, and that resources are used efficiently. Programmes of leadership and management development, of induction, training and performance management have been introduced or substantially refreshed during 2014, with demonstrable benefits for the quality and efficiency of the GDC's work. A new pay and appraisal system means that salary progression is now determined by performance, not length of service. The redevelopment of our main office in Wimpole Street means that we will cut costs by using space more efficiently and by holding hearings on the premises.

This is just a fraction of the work we have undertaken or initiated in 2014. I hope it gives readers a sense of our determination to make the GDC one of the most efficient and effective of the healthcare professional regulators.

Inevitably this programme of change and improvement has meant that the Council has been more inwardly-focused than is desirable. We plan to change that in 2015.

We have launched a programme of discussions with the leading professional organisations to brief them on our activities and plans, and to give them an opportunity to influence our thinking at a formative stage. This has been well-received, and we hope it will develop into a continuous dialogue of benefit to us and to the profession. We plan to use this approach to discuss our developing strategy, which we are attempting to make more patient-centric than has been the case in the past.

In 2014 we established a 5000-strong patient and public panel as the first step in placing the patient voice at the forefront of our work. The panel is representative of the patient population and is the first of its kind in healthcare professional regulation. It represents an innovative response to the Francis and Keogh reports, which emphasised the need for health regulators to put in place more effective mechanisms for listening to patients, obtaining feedback and involving them in deciding how services should change and improve.

The purpose of the panel is to establish a distinctive patient and public voice based on capturing their perspective about dentistry and dental regulation. One of the key advantages is that panellists are able to build up knowledge about dentistry over time, thus generating a contribution based on the insights of a more informed group. The main focus for the panel will be the quality of dental outcomes and care. Their contribution should prove invaluable.

Following a lengthy recruitment during 2014 we now have a new Appointments Committee, chaired by Rosie Varley, and a number of new associates. They have a wide range of skills and experience and perspectives on professional issues and regulation. We plan to have a much closer engagement with the associates in the future and to give them opportunities to inform and influence the Council and the executive team.

In 2014 the GDC established the Regulation of Dental Services Programme Board in partnership with the Department of Health, NHS England and the Care Quality Commission (CQC). The aim of the Board is to look at the overall system of dental regulation in England.

The Board will make recommendations in 2015, which are intended to lead to a more efficient, less burdensome regulatory system. We hope to apply the lessons of this work elsewhere in the UK in cooperation with the devolved administrations.

A major disappointment in 2014 was the failure to secure the promised Section 60 Order to enable the GDC to improve the speed with which we deal with fitness to practise cases, and to cut costs substantially. This essential reform would bring our legislative framework more into line with those of the other healthcare professional regulators. We hope it will be a priority for the new Government.

As I hope this report conveys, the scale of change underway in the GDC is considerable. It will be 2016 before the programme can be judged to be complete and its benefits fully apparent. The system of oversight regulation operated by the Professional Standards Authority, which focusses on historical rather than current performance, may therefore not quickly reflect the reality of what the organisation is achieving. We will, therefore, make every effort we can to give our various stakeholders an up-to-date and balanced account of our performance. When our performance is not as good as it should be, we are happy to be called to account and to learn lessons. But we hope also to be given credit for the improvements we make.

I should like to take this opportunity to thank my Council colleagues for their support throughout 2014 and also the GDC's staff and associates for rising to the challenges required to transform the organisation.

William Moyes

Chair of the General Dental Council

3 | Delivery against the 2014 Business Plan

Our 2014 Business Plan sets out how we continued to deliver the strategic objectives outlined in our Corporate Strategy 2013-15:-

Strategic objective 1:

Analyse and respond effectively to patient needs and public expectations to maintain public confidence in dental regulation.

Business Plan objective

Delivery against objective

- Enhance our patient and public engagement strategy in the light of feedback
- Identify and implement new channels of communication

A new online panel of 5,000 patients is aimed at developing a patient and public perspective on dentistry and dental regulation. It helps us understand and capture the patient's experience of the quality of their dental care.

We launched an independent study to gain a better understanding of the source of complaints, why service users complain, and whether there are geographic areas or areas of the profession where complaints are particularly prevalent.

- Conduct our work more transparently

We introduced a policy on the enforcement of Dentist Act offences, which helps us to prioritise, determine which cases should be investigated, and provide clarity for members of the public on the types of cases that we will prosecute.

Through a series of consultations, we have provided the opportunity to input into major pieces of work, for example:

- Draft Standards for Specialty Education;
- Indicative Sanctions Guidance;
- Overseas Registration Examination fees;
- Indemnity rules;
- Continuing Professional Development;
- Introducing Case Examiners; and
- The Annual Retention Fee.

Where we have taken action, for example in identifying illegal practice we have communicated the outcomes in order to raise awareness of our work and inform the public about the dangers of illegal practice.

We contributed to the work of Sir Robert Francis' Freedom to Speak Up review on whistleblowing in the health service. Our own research shows that those within the dental sector who raise concerns about poor practice often face barriers.

We have undertaken research to identify the nature of these barriers and the findings will inform revised guidance for dental professionals on raising concerns in 2015.

- Review the role of the Dental Complaints Service

We are looking to develop the Dental Complaints Service role and want to learn about best practice in other settings.

We held our first Expert Advice Seminar inviting organisations offering a similar service to discuss the process of handling complaints, assessing effectiveness and customer satisfaction, as well as promotion. All who attended found the meeting beneficial and further meetings are planned for 2015.



Strategic objective 2:

Deliver proportionate and targeted regulation of dental professionals to improve public protection and enable the public to have confidence in dental regulation

Business Plan objective

Delivery against objective

- Implement Fitness to Practise reforms that improve patient protection

In 2014, we placed a strong focus on improving our performance and this work continues in 2015.

Audits of live cases by our Compliance Team are helping us focus on achieving high standards in key areas such as: customer service, decision making, and timeliness of casework.

We significantly reduced a backlog of cases in our initial stages, and this work will be complete in the first half of 2015.

We increased the number of Investigating Committee and Practice Committee meetings to handle the higher number of investigations and subsequent prosecutions.

We have implemented new induction, training, quality assurance, and tighter performance management for case workers.

- Implement online registration for dental professionals

We continue to enhance our eGDC service, which will help professionals manage their registration online. Over 60% of dental professionals accessed the service in 2014. Following public consultation and extensive user testing, an update to Dentist Register Regulations and dental care professional (DCP) Register Rules came into effect. This will enable temporary dental professionals and visiting dental practitioners to be featured on the register. We further reduced the risk of fraudulent entry to the register using new software to check the authenticity of identity documents.

An online customer survey of recently registered European Economic Area (EEA) dentists showed that 61% of respondents were satisfied, and 34% were highly satisfied with our overall application forms and guidance.

- Implement and effectively communicate the new professional standards

Having published the new Standards for the Dental Team in 2013, we introduced an interactive mobile site to give dental professionals access to the GDC's standards wherever they are.

In addition, in 2014 we revised our 'Standards for Education' and we aim to ensure our quality assurance processes include a greater emphasis on raising concerns.

We published a joint statement with other regulators on the duty of candour and amended our Fitness to Practise sanctions guidance to incorporate this.

3 | Delivery against the 2014 Business Plan

continued

Business Plan objective

Delivery against objective

- Review and implement scope of practice and direct access policies and guidance

Scope of practice and direct access policies are now firmly embedded after their implementation in 2013. We continue to research the extent to which direct access is being used, how it is working in practice, and the impact on patients.

In 2014, we included a question within our 2014 Patient and Public Survey. We explained to respondents that they could now see a dental hygienist before first seeing a dentist, and asked if they would be likely to do this. We then asked for their reasons for their answer.

- Complete the development and piloting of a revalidation system aimed at ensuring dentists continue to remain fit to practise

Last year we consulted on changes to enhance the Continuing Professional Development (CPD) requirements which we require of dental professionals. Our new enhanced approach will mean that all CPD undertaken:

- must be verified;
- have concise education aims and objectives;
- have clear anticipated outcomes; and
- must be linked to the GDC's Standards for the Dental Team.

The enhanced CPD scheme is a significant step along the way to the introduction of revalidation of dentists in due course. However this must await substantial changes to our primary legislation.

An advice sheet on CPD quality was published in September 2014 as part of our raising awareness of CPD with stakeholders.

- Expand our consultation and research programme to provide evidence for policy development and risk-based regulation

We updated our Horizon Scanning report as part of preparatory work for a new Corporate Strategy in 2015.

We concluded an initial independent evaluation of risk in dentistry that will contribute to policy development for continuing assurance of Fitness to Practise and wider regulation policy.

Qualitative research commissioned to help understand the circumstances that lead dental professionals to decide whether or not to raise a concern, is now available on our website.

Strategic objective 3:

New entrants to the profession are safe to practise through an increasingly integrated approach to the regulation of dental education and training.

Business Plan objective

Delivery against objective

- Ensure that new entrants to the profession are safe and competent to practise with reference to our education and professional standards

We use, and continually review, a series of pre-registration checks to ensure that only those who are fit to practise are registered.

Guidance on considering convictions and cautions has helped in managing both registration applications and Fitness to Practise referrals.

Business Plan objective

Delivery against objective

	<p>We have consulted on draft new rules for checking indemnity cover for dental professionals. Once approved, we will revise our policies and procedures for implementation in 2015.</p> <p>New rules and regulations introduced in 2014 replaced the previous requirement for dental professionals to provide third party health declarations with a self-declaration requirement instead.</p> <p>We are preparing to implement new learning outcomes in 'Preparing for Practice' in the registration assessment process during 2015.</p> <p>The learning outcomes will be aligned to Part 1 of the Overseas Registration Exam (ORE) in 2015, and Part 2 from January 2017, after we have retendered for that examination.</p>
<ul style="list-style-type: none">• Inspect education and training institutions to provide assurance that they are delivering the education standards that will ensure dental graduates are fit to be registered	<p>We published our first annual review of education. The report contains a summary of findings from inspections, including areas of good practice, areas for development and learning points.</p> <p>We completed inspections of all UK dentistry programmes in the period 2012 – 2014. All were found to be sufficient for the purposes of registration.</p> <p>We completed 42 inspection visits of 19 programmes in 2013/14 and we expect that 32 inspections across 17 programmes will take place in 2014/15.</p> <p>We support institutions when additional quality assurance is required and there is evidence of notable improvements to programmes where support has been provided.</p> <p>Our approach to regulation takes into account many of the lessons from the 2013 Francis report. Inspectors speak to students and consider any issues relating to concerns about patient care.</p>
<ul style="list-style-type: none">• Evaluate the merit of introducing pre-registration training for all new dental graduates	<p>Providers of pre-registration education and training have previously been consulted as part of the post-implementation review of Standards for Education.</p>
<ul style="list-style-type: none">• Develop quality assurance mechanisms for specialty training that leads to entry on the specialist lists	<p>Having consulted on Standards for Speciality Education in 2014, we will ensure they are clearly understood by providers and trainees as the basis for quality assurance.</p>

3 | Delivery against the 2014 Business Plan

continued

Strategic objective 4:

Build partnerships with other bodies and influence the regulation of dentistry to protect patients

Business Plan objective

Delivery against objective

- Engage with the Law Commissions and the Department of Health to ensure effective change
- Prepare for the implementation of agreed reforms that result from legislative change

The GDC is constrained by out-of-date legislation. In handling Fitness to Practise cases, we are required to convene costly committees and hold preliminary hearings when decisions could be made more efficiently by case examiners.

Working with the Department of Health we have gained Ministerial support for an amendment to our legislation to introduce case examiners. Unfortunately, time did not allow for this change to be made in the last Parliament, so we will continue to lobby for change in 2015.

- Respond to and influence European legislation that affects the regulation of dental professionals

The GDC is being granted powers to test the English language competence of professionals who apply to join the register from the EEA, and we continue to work with the Department of Health on an implementation date.

We are also preparing to implement the revisions to the EU Directive on Professional Qualifications in 2016 which will require more systematic sharing of concerns about dental professionals across the EU.

- Develop effective relationships with patient organisations
- Build strategic partnerships with healthcare systems regulators and professional regulatory bodies that are in the interests of the public and patients
- Contribute our expertise, as necessary, to ensure that changes in the delivery of healthcare in the UK properly take account of the way that dental professionals are regulated

Our work to build and maintain effective relationships has included working with: the Patient Advice and Support Service; NHS Complaints Personnel Association Scotland; Scottish Health Council; Independent Advice and Advocacy Service, Patient Opinion and the Scottish Public Services Ombudsman.

We have put in place information sharing agreements to promote joint working across the system, for example developing arrangements with the NHS in England to ensure more effective collaboration at local level.

We notify partners of the outcome of both our Practice Committee and Interim Order Committee hearings, and share information at earlier stages of our Fitness to Practise process with the NHS and employers.

We jointly established the 'Regulation of Dental Service Programme Board' with the NHS, the Care Quality Commission, NHS Business Services Authority and Healthwatch England to promote co-ordination, consistency, to avoid overlap, and better understand risk.

A series of pilots with 5 NHS local area teams in England aims to identify complaints more suited to local resolution using the NHS performance management framework.

Business Plan objective

- Develop and implement a strategy for the effective regulation of dental professionals in Wales, Scotland and Northern Ireland

Delivery against objective

We continued to meet with Ministers, senior civil servants, co-regulators, and the Chief Dental Officers (CDOs) to discuss issues and policy concerns.

Staff teams focus on each of the four countries, gathering intelligence, to monitor policy, analyse trends and to share information.

We meet stakeholders as members of the Scottish Regulatory Forum. We meet with the Scottish Government, the regulatory team and territorial and special health boards.

In 2014 we have worked with Health Inspectorate Wales to develop an information sharing agreement, the aim of which is to ensure communication between both bodies offers effective protection to patients.

In Northern Ireland we attended a stakeholder event to increase awareness and understanding of the role of health and social care professional regulators to Members of the Legislative Assembly.

Strategic objective 5:

Deliver cost effective regulation, ensuring maximum efficiency without loss of patient protection.

Business Plan objective

- Set the Annual Retention Fee (ARF) at the rate required to deliver regulation of dental professionals

Delivery against objective

We raised the ARF for dentists from £576 to £890 following extensive consultation on the underlying principles on which the ARF should be set and the level of the fee.

The large increase was necessary to invest in extra resources to deal with the surge in Fitness to Practise cases in the previous 2 years. The ARF for DCPs was reduced from £120 to £116 as a result of applying the new ARF policy which links the level of the fee to the cost of regulating the particular group of dental professionals.

- Reduce the costs of our Fitness to Practise processes through procedural change

The number of lost or wasted hearings days (where a hearing does not go ahead and we cannot find alternative work for a panel in the listing period) has reduced to its lowest level for 3 years or 18% of total hearing days, compared to 41% in 2012.

Our In-house Legal Prosecutions Service, introduced in 2013, has generated net savings of £1m, releasing funds for reinvestment.

We introduced more robust management of the contracts with our three external legal providers, leading to significant net cost savings.

Other work to reduce cost and improve efficiency includes electronic bundling for panels, and running an in-house advocacy function.

3 | Delivery against the 2014 Business Plan

continued

Business Plan objective	Delivery against objective
<ul style="list-style-type: none">• Implement new governance structures effectively, including a reduction in the size of the Council	<p>In January 2015 Council appointed a new independent Appointments Committee to oversee the recruitment, training and performance management of our Fitness to Practise Panels and the Council's Investigating Committee. The new Appointments Committee comprises a lay chair and three members.</p> <p>We introduced a Balanced Scorecard model to provide improved performance reporting to the Executive Team and Council. This ensures quicker identification of areas requiring improvement.</p>
<ul style="list-style-type: none">• Make increasing use of online services	<p>We launched a new responsive and modernised eGDC website. Changes were made to the online register to enable temporary dental professionals and visiting dental practitioners to be displayed.</p>
<ul style="list-style-type: none">• Develop and deliver a collaborative programme of work with other regulators	<p>We developed a number of Memoranda of Understanding through the auspices of the Information Sharing Group and have worked closely with NHS England, NHS Protect and the Disclosure and Barring Service to ensure those agreements adequately protect the public.</p>
<ul style="list-style-type: none">• Conduct a review of all procurement to ensure that we receive value for money	<p>There have been eighteen procurement exercises to a value in excess of £5m. Savings of £370,000 have been achieved.</p>
<ul style="list-style-type: none">• Improve Information Communication Technologies services	<p>During 2014 we upgraded our Customer Relationship Management system, rolling it out to the Dental Complaints Service and using it to support key processes within both Fitness to Practise and Registration.</p> <p>We have introduced new processes to collect live Fitness to Practise and Registration data, to enhance our performance reporting.</p> <p>Electronic bundling of papers for Fitness to Practise panel meetings enhances information security and is more efficient.</p>



Strategic objective 6:

Manage the GDC effectively and support its staff to achieve our objectives.

Business Plan objective

Delivery against objective

<ul style="list-style-type: none">• Enhance our engagement with staff in response to continuing feedback	<p>We engaged with staff on several key initiatives, for example:</p> <ul style="list-style-type: none">• A 12 month change programme, launched in December;• Changes to our approach to pay and reward;• Improvements to our Fitness to Practise process; and• Establishment of an Equality and Diversity Working Group.
<ul style="list-style-type: none">• Ensure our professional development programme equips staff to respond to the changing demands of the organisation	<p>In 2014, we began a number of activities to support the professional development of our staff:</p> <ul style="list-style-type: none">• Our 12 month organisational change programme has four key priorities – effective leadership and performance management, an effective communications function, robust systems and processes, and a fit for purpose organisational structure; and• Our new leadership development programme, launched in November 2014, aims to enhance the quality of our leadership.
<ul style="list-style-type: none">• Review the recognition and reward strategy and make any necessary changes	<p>The recognition and reward strategy was reviewed as part of the introduction of our new pay structure. The structure was implemented on 1 April 2015.</p> <p>All staff will now have their performance measured as part of a revised annual appraisal process with a direct link to pay and performance.</p>
<ul style="list-style-type: none">• Redevelop the GDC's headquarter premises in London• Use our resources in a way that supports sustainability and reflects environmental best practice	<p>The redevelopment of our headquarters, 37 Wimpole Street, continued and is due to complete in the summer of 2015.</p> <p>The project was carried out on principles of sustainable design, energy efficiency and CO₂ reduction.</p>
<ul style="list-style-type: none">• Continue to develop and implement our equality and diversity strategy and action plan	<p>An Equality and Diversity Working Group created to update and monitor our equality & diversity policy, is ensuring we maintain awareness of equality & diversity principles across the organisation.</p>

4 | Statistical report

Registration

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

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

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

Specialist lists:

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

Continuing Professional Development (CPD):

In order to provide the public with confidence that dental professionals are keeping their skills and knowledge up-to-date in current methods and standards, they are required to undertake CPD activities.

1. The total number of people on the Dentists Register and the Dental Care Professionals Register at the end of 2014, split by dentists and DCPs

Register group	Number of people
Dentist	41,038 (39%)
Dental care professional	65,275 (61%)
Total	106,313

This table is a count of the number of people who are on the register. Dental care professionals who have more than one title, for example a dental hygienist who is also a dental therapist, are only counted once in this table.

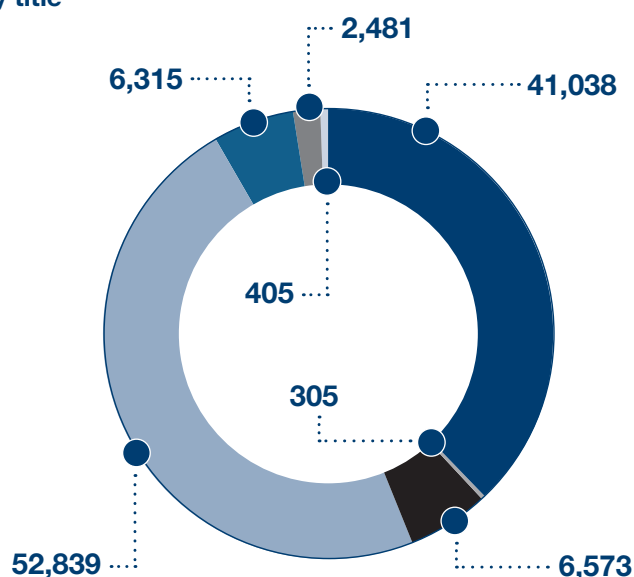
2. The total number of people on the Dentists Register and the Dental Care Professionals Register at the end of 2014, split by gender

Register group	Number of people	Male	Female
Dentist	41,038 (39%)	22,139 (79%)	18,899 (24%)
Dental care professional	65,275 (61%)	5,787 (21%)	59,488 (76%)
Total	106,313	27,926	78,387

3. The total number of titles on the Dentists Register and Dental Care Professionals Register at the end of 2014, breakdown by title

Title	Total
● Dentist	41,038 (37.3%)
● Clinical dental technician	305 (0.3%)
● Dental hygienist	6,573 (6.0%)
● Dental nurse	52,839 (48.1%)
● Dental technician	6,315 (5.7%)
● Dental therapist	2,481 (2.2%)
● Orthodontic therapist	405 (0.4%)
Total	109,956

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

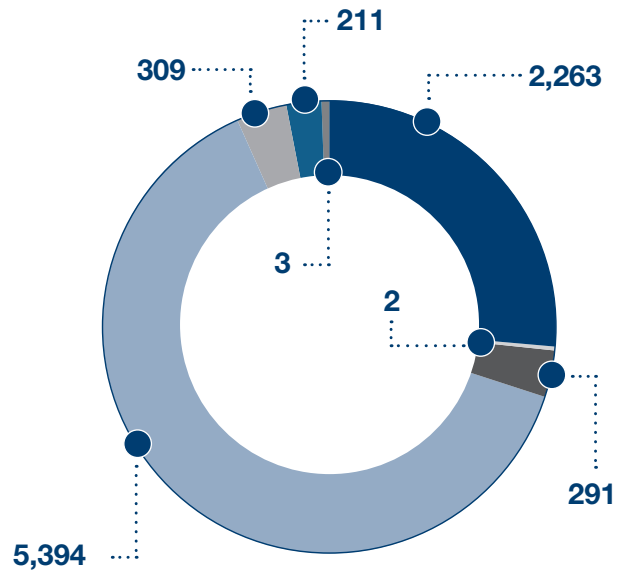


4 | Statistical report

continued

4. Additions to the register in 2014, breakdown by title

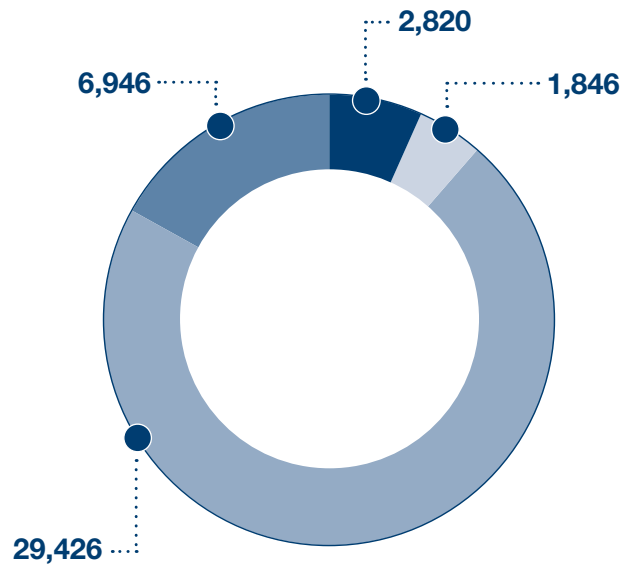
Title	Total
Dentist	2,263
Clinical dental technician	2
Dental hygienist	291
Dental nurse	5,394
Dental technician	309
Dental therapist	211
Orthodontic therapist	3
Total	8,473



5. Dentists and dental care professionals on the register at the end of 2014

a) Dentists, breakdown by where qualified

Region of Qualification	Total
ORE (UK Overseas Exam)	2,820 (6.9%)
Overseas qualified	1,846 (4.5%)
UK qualified	29,426 (71.7%)
EEA qualified	6,946 (16.9%)
Total	41,038



b) DCPs, breakdown by where qualified

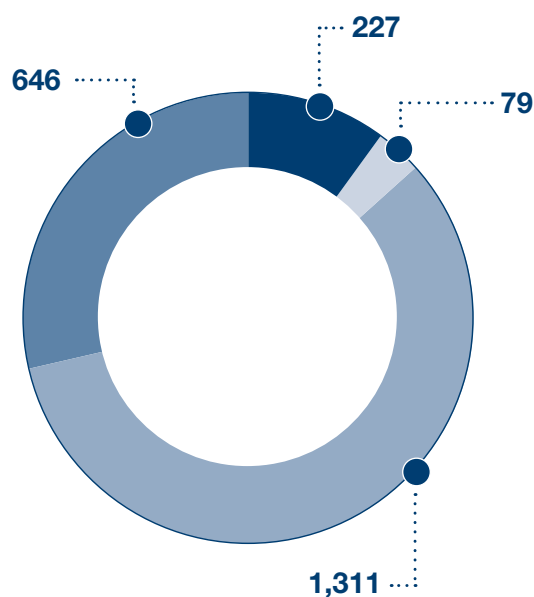
Title	Total	UK*	Qualified outside the UK
Clinical dental technician	305	305 (100%)	0
Dental hygienist	6,573	6,257 (95%)	316 (5%)
Dental nurse	52,839	52,644 (99%)	195 (1%)
Dental technician	6,315	6,102 (97%)	213 (3%)
Dental therapist	2,481	2,469 (99%)	12 (1%)
Orthodontic therapist	405	403 (99%)	2 (1%)
Total	68,918	68,180 (99%)	738 (1%)

*Includes people who joined the GDC register as a result of verified experience, verified competency or transition from voluntary registers at the point of transitional arrangements during the inception of the DCP register.

6. Dentists and dental care professionals added to the register in 2014, breakdown by where qualified

a) Dentists added to the register in 2014, breakdown by where qualified

Region of Qualification	Total
● ORE (UK Overseas Exam)	227 (10.0%)
● Overseas qualified	79 (3.5%)
● UK qualified	1,311 (58.0%)
● EEA qualified	646 (28.5%)
Total	2,263



b) DCPs added to the register in 2014, breakdown by where qualified

Title	Total	UK*	Qualified outside the UK
Clinical dental technician	2	2 (100%)	0
Dental hygienist	291	263 (90%)	28 (10%)
Dental nurse	5,394	5,351 (99%)	43 (1%)
Dental technician	309	260 (84%)	49 (16%)
Dental therapist	211	207 (98%)	4 (2%)
Orthodontic therapist	3	3 (100%)	0
Total	6,210	6,086 (98%)	124 (2%)

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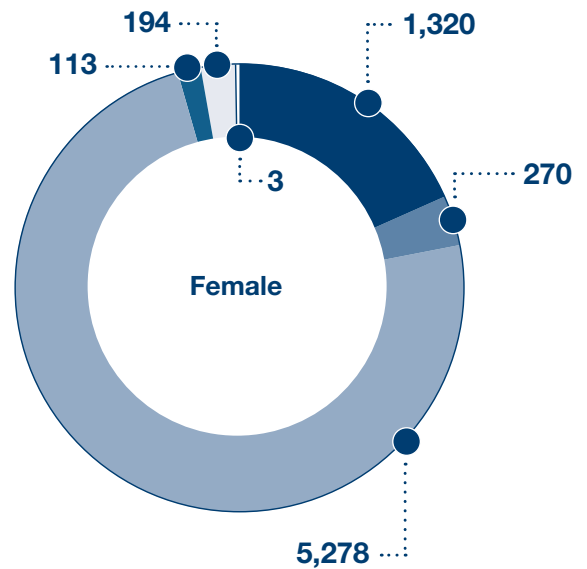
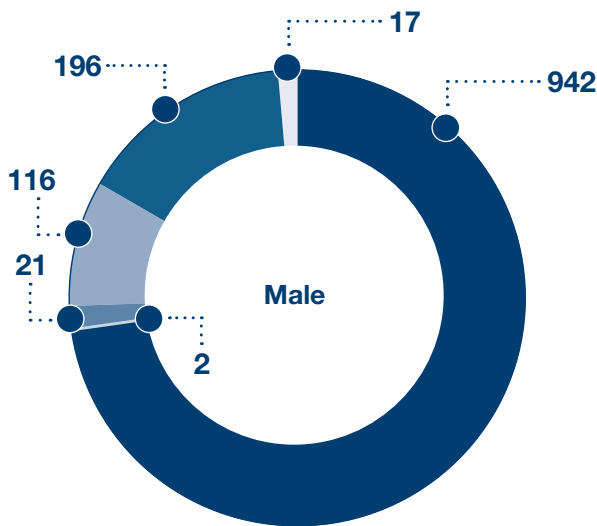
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7. Dentists and dental care professionals added to the register in 2014, breakdown by gender

Title	Total	Male	Female
● Dentist	2,263*	942 (42%)	1,320 (58%)
● Clinical dental technician	2	2 (100%)	0
● Dental hygienist	291	21 (7%)	270 (93%)
● Dental nurse	5,394	116 (2%)	5,278 (98%)
● Dental technician	309	196 (63%)	113 (37%)
● Dental therapist	211	17 (8%)	194 (92%)
○ Orthodontic therapist	3	0	3 (100%)
	8,473	1,294	7,178

*There is one registrant whose gender is undisclosed.

People with dual registration with multiple titles will only be counted once.



8. Breakdown of Specialist Lists as at end of 2014

Dentist Specialty	Total
Dental and Maxillofacial Radiology	27
Dental Public Health	119
Endodontics	267
Oral and Maxillofacial Pathology	30
Oral Medicine	69
Oral Microbiology	8
Oral Surgery	759
Orthodontics	1,386
Paediatric Dentistry	242
Periodontics	358
Prosthodontics	443
Restorative Dentistry	317
Special Care Dentistry	322
	4,347

Fitness to Practise

Dentists and dental care professionals (DCPs) must meet certain requirements at the point of initial registration, and thereafter on an on-going basis throughout their career, in order to be deemed fit to practise. If any dental professional's Fitness to Practise is called into question, either by means of a complaint or through notification of a criminal caution or conviction, he or she may be subject to the GDC's Fitness to Practise procedures.

All Fitness to Practise complaints received are subject to an initial review at a triage stage. Matters which need further assessment are progressed to an investigation stage. Matters which amount to an allegation of potential impairment of Fitness to Practise, are referred to an Investigating Committee (IC) panel.

The IC panel consists of registrant and lay members and we appoint each Investigating Committee from this panel. An IC panel may decide that no further action is required or that an advice or warning letter is sufficient.

In potentially more serious cases, the IC panel may refer the matter to one of three Practice Committees: the Professional Conduct Committee (PCC); the Professional Performance Committee (PPC); or the Health Committee (HC) for a formal hearing. Dental professionals referred to a Practice Committee will appear before an independent panel of lay and dental professional members as part of a formal hearing where the GDC and the dental professionals both have the right to legal representation.

At all stages of Fitness to Practise procedures, a matter may be referred to an Interim Orders Committee (IOC) for a hearing. This committee may suspend a dental professional immediately or impose conditions on his or her registration status pending a review.

The total number of cases received in 2014 was 3,099, compared to 2,990 in 2013 – a 4% increase¹. The number of cases considered at each stage of the Fitness to Practise procedures was:

Triage:	3,222 (This is the number of cases considered at the triage stage when cases may be closed or referred for assessment. This total may not balance with the total for the year (3,099), as there will be cases within triage that were received in the previous year).
Assessment:	2,567 (This is the number of cases considered at the assessment stage when cases may be closed or referred to the Investigating Committee)
Investigating Committee:	1,012 (This is the number of cases considered by the Investigating Committee which resulted in closure or referral to a Practice Committee)
Practice Committee:	403 This is the number of cases referred by the Investigating Committee to a Practice Committee. N.B. Individual dental professionals may account for more than one case. Of the 403, 122 became Interim Orders Committee referrals.

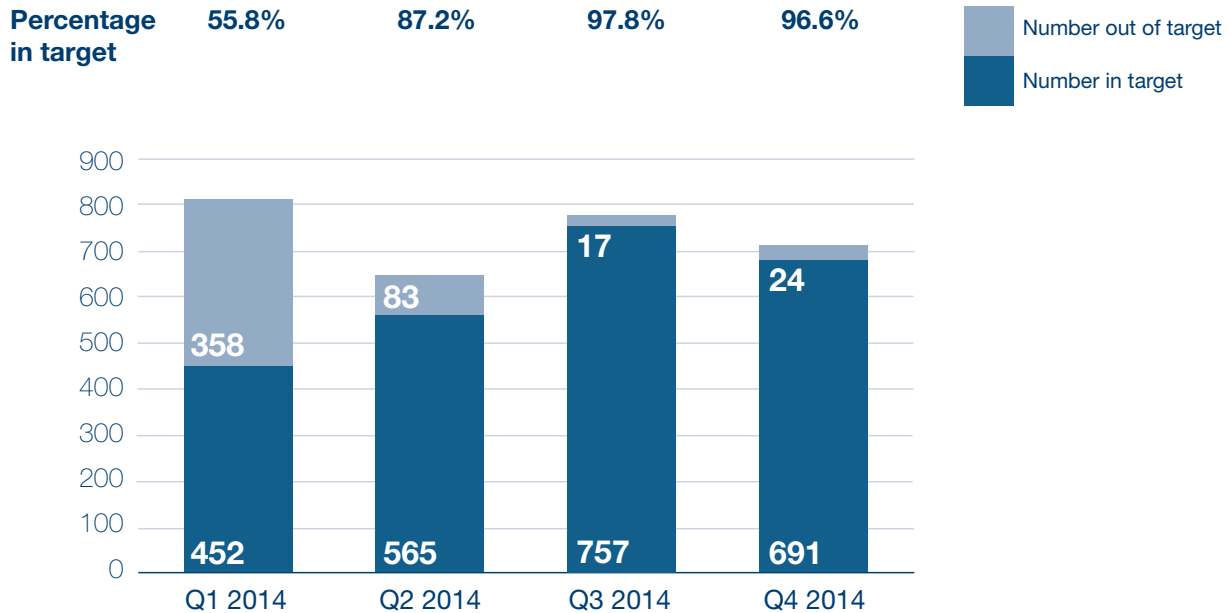
¹ Further research is underway to understand the drivers behind increases in complaints in recent years, but possible factors may include: patients are complaining to the GDC rather than to their local primary care organisations; greater awareness of how to complain due to increased internet usage; and the effect of changes to 'no win, no fee' rules which has prompted more referral of cases to the GDC.

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Percentage of Fitness to Practise cases received that have been triaged within target of 14 days

Number of FtP cases within target of Triage within 14 days

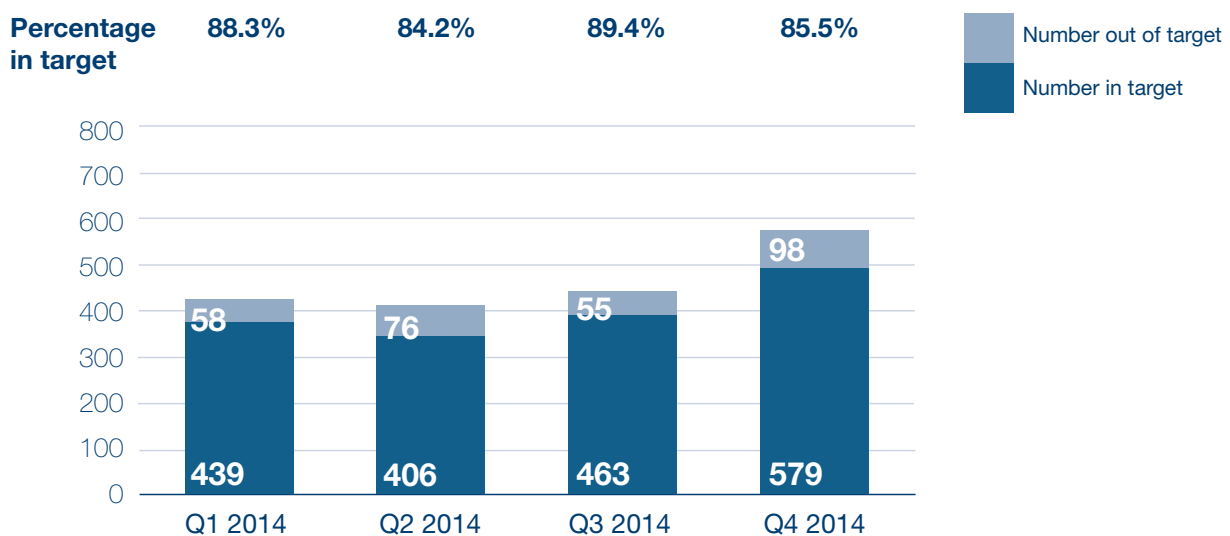


In 2014, of the 3,222 cases reviewed at triage, 888 cases were identified which could be closed without further investigation. This enabled resources to be focused on investigating cases where there was a realistic prospect of an allegation of impaired Fitness to Practise being proven.

On average, 71% of cases reviewed at the triage stage received an initial decision within 14 days during the first half of the year. This rose to 97% in the second half of 2014. This follows revisions made to the triage process in mid-2014 to improve timeliness.

Percentage of Fitness to Practise investigation stage cases completed within target of 6 months from date received

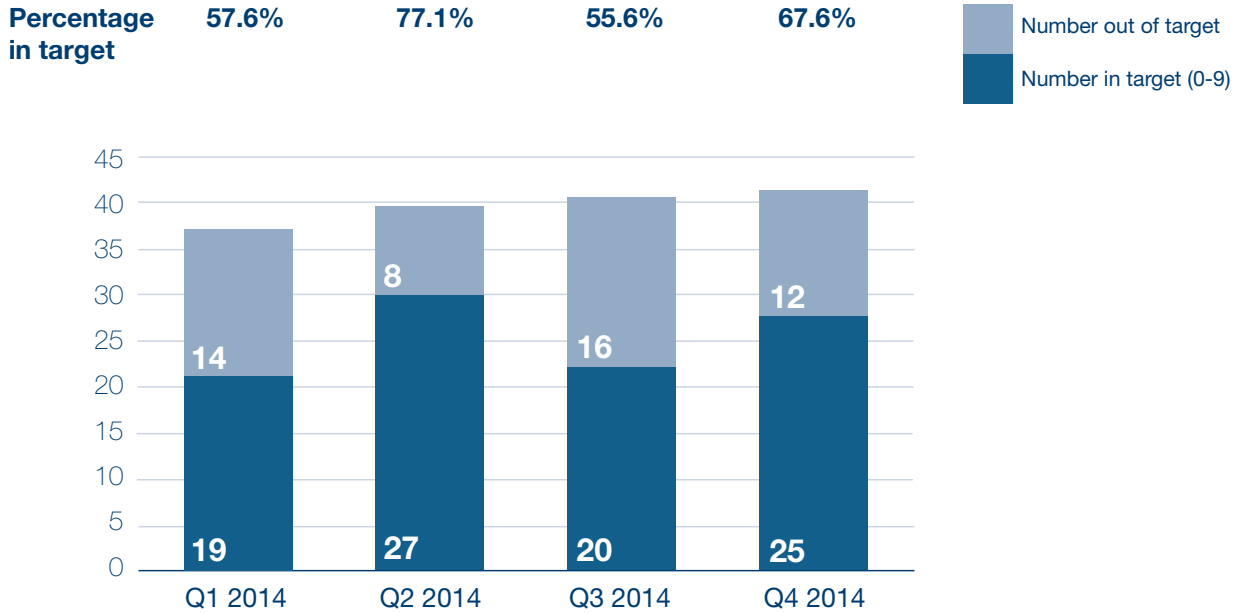
Number of FtP cases within target of 6 months to completion of investigation stage from date received



Performance in completing the investigation stage of cases within the target of 6 months from the date received has ranged between 84% and 89% throughout 2014.

Percentage of FtP cases that received an initial hearing within 9 months of referral from the IC

Number of cases within KPI 3 Target of IC to Hearing within 9 months

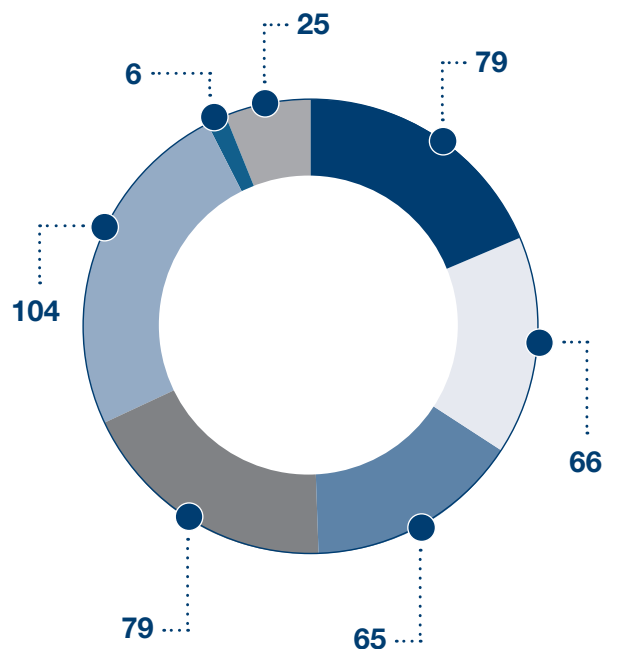


- Timeliness at the hearing stage improved in 2014. 65% of cases reached a hearing within nine months of referral from the Investigating Committee. This compares to an average of 49% in 2013.
- The number of live cases awaiting a first hearing, which had missed our nine month target, stood at 12% at the end of December 2014. This is a significant improvement on the 24% in the previous year. This is also in spite of an increase in the number of cases in the queue for a hearing which was 261 at the end of 2014, compared to 180 a year earlier.

Interim Orders Committee (IOC)

- Total number of IOC hearings in 2014: 424
- No. of case involving dentists: 322
- No. of cases involving DCPs: 102 - 56 dental nurses, 35 dental technicians, 7 dental hygienists, 3 clinical dental technicians, and 1 dental therapist

● Interim suspension imposed	79
● Interim suspension renewed	66
● Interim conditions imposed	65
● Interim conditions renewed	79
● No order made	104
● Suspension / conditions lifted	6
● Adjourned	25



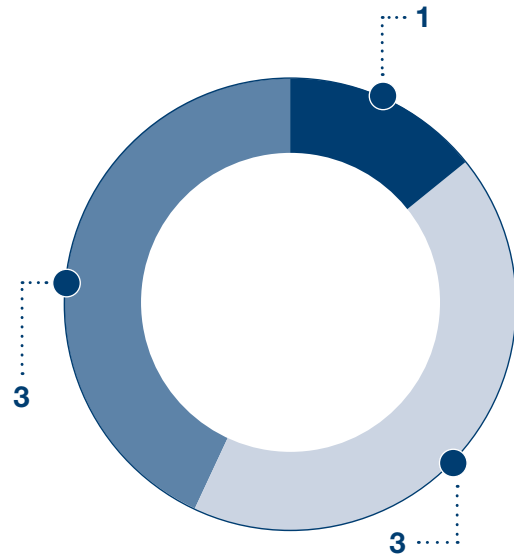
4 | Statistical report

continued

Professional Performance Committee (PPC)

- Total number of hearings in 2014: 7 (all dentists)

Erased with immediate suspension	1
Conditions	3
FtP not impaired	3



Professional Conduct Committee (PCC)

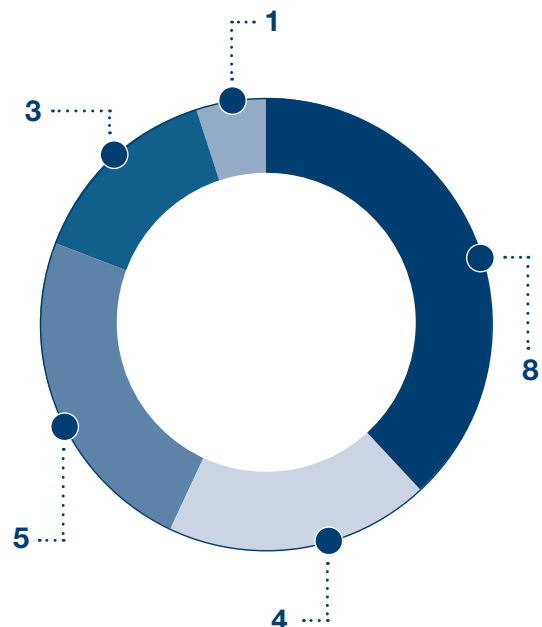
- Total number of hearings in 2014: 187
- No. of cases involving dentists: 160
- No. of cases involving DCPs: 27-16 dental nurses, 8 dental technicians; 2 clinical dental technicians and 1 dental hygienist/therapist

Erased with immediate suspension	32
Erased	1
Suspended with a review	23
Suspended (no review)	11
Suspended indefinitely	3
Conditions	41
FtP impaired - reprimanded	14
FtP impaired - case concluded	2
Case concluded after suspension	6
Case concluded after conditions	17
Fitness to practise not impaired	24
No misconduct	11
No case to answer	2

Health Committee (HC)

- Total number of hearings 21
- No. of cases involving dentists: 14
- No. of cases involving DCPs: 7 (6 dental nurses and 1 dental technician)

Suspended	8
Suspended indefinitely	4
Conditions	5
Not (or no longer) impaired	3
Adjourned	1



Hearings adjourned part heard at end of year – 8

Issues considered by the PCC/PPC

Issues considered by the PCC/PPC in 2014

Issue	Number of occurrences*
Poor treatment	94
Poor record keeping	66
Fraud/dishonesty	47
Failure to take appropriate radiographs	41
Failure to obtain consent/explain treatment	37
Prescribing issues	21
Failure to co-operate with the GDC or failure to disclose convictions/cautions	16
Personal behaviour	15
Failings in recording medical and/or dental history	14
Working outside scope of practice	12
Conviction or caution - alcohol or drugs	11
Cross-infection control	8
Conviction or caution- theft/fraud	6
Misleading advertising	6
Indecent assault or inappropriate sexual behaviour	6
Failure to co-operate with the Health Board	5
Conviction or caution - other	5
Conviction or caution- assault	5
No professional indemnity insurance	5
Basis of treatment (NHS/private) not clear	5
Failure to inform patient of adverse incident	4
Failure to store hazardous waste appropriately	2
Conviction for indecent or pornographic images	2
Making racially offensive comments	2
Missing oral cancers	2
Failure to anaesthetise	2
Tooth whitening	2
Failing to register practice with CQC	2
Period of unregistered practice	1
Employing dentist not registered with GDC	1

Hearing days in 2014

Number of scheduled hearing days	1,246
Increase in number of scheduled hearing days from 2013	17%
Average length of an initial PCC or PPC hearing	3.87 days*

*once an exceptionally long case lasting 72 days had been deducted – before that deduction the average was 4.23 days

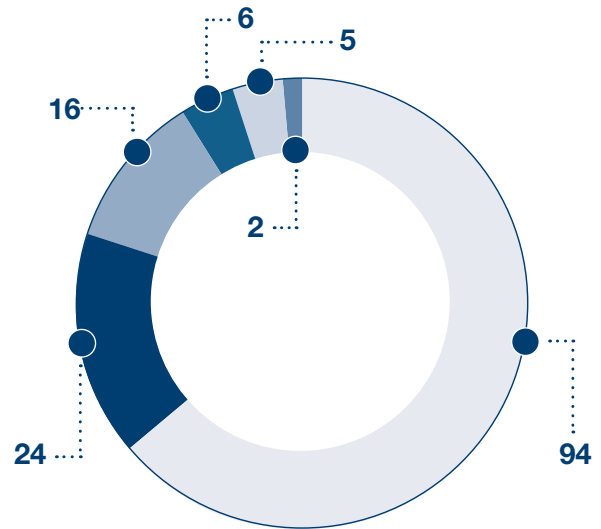
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continued

Related information

Time taken to complete the initial hearing of cases after referral from IC (review hearings not completed):

0-9 months	94
10-12 months	24
13-18 months	16
19-24 months	6
25-30 months	5
31+ months	2



Restoration applications

Number considered	1
Restored (with conditions)	0
Not restored	1

5 | Council structure

The Council was appointed in October 2013 and consists of 12 members: 6 dental professional members and 6 lay members. The members of the Council in 2014 were as follows:

Jason Stokes resigned as a Council member with effect from 24 October 2014 and Catherine Brady was appointed as a dental professional member on 1 June 2015.

Dental professional members

Kirstie Moons
Margaret Kellett
Lawrence Mudford
Jayendra Patel
David Smith
Jason Stokes (resigned 24 October 2014)

Lay members

William Moyes (Chair)
Geraldine Campbell
Michael Carroll
Rosemary Carter
Alan MacDonald
Neil Stevenson

Council meetings attendance in 2014

Name	20/2	1/4	20/5	18/6	24/7	18/9	30/10	4/12	Total attendance at meetings member is eligible to attend
Geraldine Campbell	yes	yes	yes	yes	yes	yes	yes	yes	8/8
Michael Carroll	yes	yes	yes	yes	yes	yes	yes	yes	8/8
Rosemary Carter	yes	yes	yes	yes	yes	yes	yes	yes	8/8
Margaret Kellett	yes	yes	no	yes	yes	yes	yes	yes	7/8
Alan MacDonald	yes	yes	yes	yes	yes	yes	yes	yes	8/8
Kirstie Moons	yes	yes	yes	yes	yes	yes	yes	yes	8/8
William Moyes (Chair)	yes	yes	yes	yes	yes	yes	yes	yes	8/8
Lawrence Mudford	yes	yes	yes	yes	yes	yes	yes	yes	8/8
Jayendra Patel	yes	no	yes	yes	yes	yes	no	yes	6/8
David Smith	yes	yes	yes	yes	yes	yes	yes	yes	8/8
Neil Stevenson	yes	yes	yes	yes	yes	yes	yes	yes	8/8
Jason Stokes	yes	yes	yes	yes	yes	yes	-	-	6/6

The Council of the GDC was supported by three standing non-statutory committees, as follows:

Committee

Audit and Risk Committee

Finance and Performance Committee

Remuneration Committee

Council members

Alan MacDonald (Chair)
Lawrence Mudford
David Smith

Michael Carroll (Chair)
Margaret Kellett
Kirstie Moons (appointed 18 September 2014)
Jayendra Patel
Neil Stevenson

Rosemary Carter (Chair)
Geraldine Campbell
Jason Stokes (resigned 24 October 2014)

5 | Council structure

continued

Independent members of Committees, who served throughout 2014:

Lesley Pearson
Jennifer Seeley

Remuneration Committee
Audit and Risk Committee

The statutory committees of the Council

Under the Dentists Act 1984 (as amended), the GDC has overall responsibility for dealing with allegations concerning impairment of Fitness to Practise concerning members of the dental profession.

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

These committees are:

- Interim Orders Committee
- Investigating Committee
- Professional Conduct Committee
- Health Committee
- Professional Performance Committee
- Registration Appeals Committee

These committees are appointed by the Appointments Committee, which comprises eight lay members and dental professionals who assist the Council in the exercise of any function relating to the appointment of statutory committee members, including the recruitment, selection, appraisal and disciplining of such members. Further information on the work and membership of the statutory committees of the Council can be found on the GDC's website²

² <http://www.gdc-uk.org/Aboutus/TheCouncil/Pages/committees.aspx>

Recruitment of a new Appointments Committee

The terms of office of the existing Appointments Committee came to an end on 31 December 2014. A review of the way the current Committee functions was undertaken in 2014 by the executive on behalf of the Council, in order to ensure the next Committee receives appropriate support, that there is a clear set of roles and accountabilities, and improved cost-effectiveness.

The new Committee took office on 1 January 2015. The new membership of the Appointments Committee is:

Rosie Varley (Lay member – Chair)

Martyn Green (Registrant member)

Tim Skelton (Lay member)

Nigel Fisher (Registrant member)

Executive Management Team

In 2014 the Executive Management Team comprised:

- Evlynn Gilvary, Chief Executive and Registrar and Accounting Officer
- Frances Low, Director of Governance (until 31 July 2015)
- Neil Marshall, Director of Regulation (until 28 November 2014)
- Graham Masters, Director of Finance and Corporate Services
- Tim Whitaker, Director of Policy and Communications (until 16 January 2015)
- Kate Husselbee, Director of Human Resources (appointed 1 December 2014 and appointed as Director of HR and Governance 6 May 2015)
- Gurvinder Soomal, Director of Registration (appointed 1 December 2014)
- Jonathan Green, Director of Fitness to Practise (appointed as interim 3 November 2014 and permanent 16 December 2014).

6 | Remuneration report

The Remuneration Committee

The remuneration report for 2014 covers a review of the Council from 1 January 2014 to 31 December 2014. One registrant Council member resigned with effect from 24 October 2014 and a recruitment process has been completed.

The Council maintained the appointment of a Remuneration Committee for specific matters relating to the remuneration of Council members, and executive directors and for overall staff remuneration policy. The Committee was chaired by Rosemary Carter and membership was as follows: Geraldine Campbell, Jason Stokes (until 24 October 2014) and Lesley Pearson as an independent member. The Committee operates within specific terms of reference and usually meets four times per year.

Council members' remuneration

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

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

Executive directors' remuneration

Salary progression for executive directors is dependent on individuals' performance and external benchmarking of pay. Non-consolidated, performance payments may be awarded to directors each year, to a maximum of 20% of salary for exceptional performance. During 2014, no performance payments were made. Whilst the Chief Executive makes recommendations on her fellow executive directors, any salary increases or other payments are approved by the Remuneration Committee.

All of the executive directors are members of the GDC pension fund.

The Chief Executive and Registrar and Accounting Officer is appointed directly by and is accountable to the Council and has delegated authority from the Council to the extent described in the Governance Statement. The Statement makes clear that it is the Council's role to set the direction of the GDC in line with its mission and purpose; ensuring systems are in place to enable it to monitor performance and to hold the Executive to account; and to ensure probity. The remuneration details disclosed are those for the Chief Executive and Registrar and Accounting Officer, and these are provided in full (see note to the Accounts).

In aggregate remuneration for the executive directors who served during the year amounted to £746,000. This included compensation payments for two former executive directors of £57,757 and £46,000, in addition to any payments in lieu of notice.

Staff remuneration policy

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

The pay scheme in place during 2014 used a system of grades with incremental pay points. Salary pay points were increased by 1% in the year, recognising an element for inflation during the period. A review of this pay structure took place in 2014 and a revised structure was implemented on 1 April 2015.

Pension arrangements were reviewed during the year by the Remuneration Committee, to respond to the need to control the expenditure required to fund the defined benefit pension scheme. The GDC continues to operate a defined benefit pension scheme that is available to staff, subsequent to completion of a waiting period, who were employed or in receipt of an offer of employment letter by 31 December 2014. The GDC also operates a trust-based defined contribution scheme that meets auto-enrolment requirements. The Council has recently approved a range of changes to both employer and employee contribution rates to the defined contribution scheme and a phased increase in employee contributions to the defined benefit scheme. These changes took effect from 1 April 2015.

Council members' fees and expenses 1 January 2014 to 31 December 2014:

	Members Fees £	Members Expenses £	Tax and NI £	Total £
Geraldine Campbell	15,000	5,245	3,199	23,444
Michael Carroll	18,000	4,384	3,246	25,630
Rosemary Elizabeth Carter	18,000	5,197	3,565	26,762
Margaret Kellett	15,000	5,120	6,231	26,351
Alan MacDonald	18,000	15,062	7,708	40,770
Kirstie Moons	15,000	3,678	4,035	22,713
William Moyes	55,000	24,677	28,111	107,788
Lawrence Mudford	15,000	617	1,471	17,088
Jayendra Patel	15,000	3,032	2,264	20,296
David Smith	15,000	7,685	5,971	28,656
Neil Stevenson	15,000	6,076	6,431	27,507
Jason Stokes	12,500	1,645	1,491	15,636
	226,500	82,418	73,723	382,641

The figures in the above table have been audited by haysmacintyre.

Evlynn Gilvarry
Chief Executive and Registrar
17 June 2015

7 | Social responsibility report

Equality and diversity

The GDC Equality and Diversity (E&D) Working Group's remit was enhanced in August 2014. The group's responsibility is to review and monitor the E&D policy and action plan and ensure alignment to the Corporate Strategy, as well as making recommendations for raising awareness of E&D principles across the GDC.

Procurement

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

Health and safety

The GDC is committed to promoting a healthy and harm free environment for all staff and visitors to our premises. Health and safety is regularly reviewed by the Executive Management Team and the GDC Health and Safety Committee. In 2014, there were 2 accidents of a minor nature recorded in our main London offices and 1 recorded in our Croydon office. As part of our commitment to provide a safe environment for staff and visitors, an ongoing fire risk assessment continued in 2014 during the redevelopment of 37 Wimpole Street and additional measures taken to ensure safety, including extra fire drills.

Environmental

All confidential waste and mixed waste continues to be recycled. Staff are encouraged to use scanning and electronic filing. Reports showing numbers of pages printed are periodically sent to all staff as part of a drive to reduce waste. The GDC continued the redevelopment of its headquarters, 37 Wimpole Street, in 2014. The project was carried out on principles of sustainable design, energy efficiency and CO₂ reduction. For example, the new lighting is operated on movement detection and will switch on and off automatically. Surplus furniture has been put into temporary storage off-site and will be re-used wherever possible in the redeveloped building or recycled.

GDC staff

At December 2014, the GDC had 326 members of staff employed (2013: 278). This increase is primarily a result of new posts in the Fitness to Practise Directorate, including two fixed term casework backlog teams in early 2014 (20 FTE). A year on year comparison of average full-time equivalent staff numbers (which takes account of staff who work part-time hours) and related staff costs is set out in the Financial Review.

Gender and age:

Our employees are 63% female (2013: 62%). Those aged 50+ represent 11.5% of the workforce (2013 13%).

Ethnicity:

Available data shows that 44% of our staff are from a white background and 16% from an ethnic minority background. We do not have data for the remaining 40%, as staff are responsible for completing their own equality and diversity data via the online self-service portal of our HR database.

Staff engagement:

The GDC has an elected staff forum, which meets bi-monthly. It is chaired by a member of the Executive Management Team. The forum represents all the teams in the GDC and discusses a range of staff matters including the review and introduction of new GDC HR policies.

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

A biennial staff survey is also undertaken which results in an action plan to address the findings. Progress on the action plan is reported at the quarterly staff briefings. The next staff survey is due to take place in quarter 3 of 2015.

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

8 | Financial review

For the year ended 31 December 2014

Analysis of Income and Expenditure by Regulatory Function

The Accounts 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:

Analysis of income and expenditure by regulatory function - 2014

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Income				
Registration	31,560		30,980	
Overseas Registration	1,565		1,803	
Other operating income	15		12	
		33,140		32,795
Expenditure				
Regulatory activities				
Fitness to Practise and Hearings	20,681		16,157	
Registration	2,118		2,035	
Overseas Registration Exam	1,926		2,154	
Policy and Stakeholder Management	1,584		1,636	
Governance	1,782		1,860	
Operational Excellence	1,267		1,230	
Quality Assurance	1,021		916	
Dental Complaints Service	543		566	
		30,922		26,554
Support activities				
Finance, HR and CEO	4,035		2,955	
Accommodation and Office Services	2,116		1,840	
Information Technology	1,950		1,690	
Depreciation and Amortisation	941		883	
		9,042		7,368
Total Expenditure		39,964		33,922
Investment Income		538		555
(Deficit)/Surplus before Taxation		(6,286)		(572)
Taxation		(52)		(156)
Retained (Deficit)/Surplus after Taxation		(6,338)		(728)

8 | Financial review

For the year ended 31 December 2014 continued

The General Dental Council is funded predominantly from fees paid by dentists and dental care professionals who must register with the GDC in order to practise dentistry in the United Kingdom. Fees are also paid to us by dental professionals to maintain their entry on our specialist lists. In 2014, there was a drive to make as much progress as possible on a backlog of 750 fitness to practise cases. Twenty extra staff were recruited specifically to work on these cases, plus extra accommodation was required to house the team.

Income analysis:

Total operating income during the financial year increased to £33.1m (2013 - £32.8m). The increase was due to the following reasons:-

- An additional 576 dentists and 2,346 dental care professionals joined the register in 2014, generating income of £0.5m.
- The number of sittings of Part 2 of the Overseas Registration Examination decreased from 7 in 2013 to 6 in 2014, the result was a net decrease in income of £0.2m.

Expenditure analysis:

Total expenditure increased to £39.9m in 2014 (2013 - £33.9m), for the following reasons:-

Fitness to Practise and hearings costs increased by £4.5m to £20.7m (2013 - £16.2m) due to:

- A 4% increase in the total number of new cases received in 2014 compared with 2013 and additional caseworkers to manage the backlog of 750 cases resulted in an increase of £1.0m.
- A £1.1m increase in the level of resources deployed at the investigation stage of the Fitness to Practise process, which includes additional committee secretaries to handle the increased workload.
- An increase of £0.7m covering our fees for external legal providers and our in-house illegal practice work.
- An increase in the number of hearing days from 1,066 in 2013 to 1,246 in 2014 coupled with all hearings being held at external venues led to an increase in expenditure of £1.7m.
- Registration costs increased by £0.1m to £2.1m (2013 - £2.0m).
- Finance, HR and CEO Office costs were £1.1m higher (2013 - £2.9m), partly due to an increase in the average number of GDC employees, which required an increase in expenditure on recruitment and partly due to the organisational change programme.
- Accommodation costs increased by £0.3m (2013 - £1.8m), as a result of renting office space for the additional members of staff.

- An increase in both IT costs (equipping the extra staff recruited by the GDC, and maintaining additional premises during the re-development of 37 Wimpole Street) and depreciation amounted to £0.3m.
- The cost of the Overseas Registration Examination fell by £0.2m to £1.9m (2013 - £2.1m), in line with the decrease in income.
- The cost of policy development and stakeholder management decreased by £0.1m.

Throughout 2014, the GDC continued with initiatives to generate efficiency savings. Efficiencies achieved in 2014 represent a saving of £3.8m, 9% of the 2014 cost base, resulting in cumulative savings over four years of some £10.4m. Throughout the process of identifying efficiency savings, careful consideration has been given to ensure that implementation of measures 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.

In 2012, we concluded negotiations with HMRC regarding the taxation status of our committee members, panellists and inspectors. HMRC agreed that most should be treated as self-employed for the purposes of tax and National Insurance Contributions (NICs), and the GDC is no longer required to deduct income tax or account for national insurance contributions (NICs) on their fees or expenses. A claim for reimbursement for prior year NIC payments and payments via our PAYE Settlement Agreement (PSA) was made to HMRC. However, we still await a decision as to whether or not the claim will be upheld.

Outlook:

Looking forward to 2015, our latest forecast predicts that we will break even. The forecast assumes that, following two years of significant growth, the number of Fitness to Practise cases will plateau in 2015. Very careful monitoring of fitness to practise caseload will be undertaken to ensure a rapid response, with recourse to reserves, should the number of complaints increase substantially.

We are faced with the situation where it is unlikely that Fitness to Practise procedures will be simplified through changes in legislation until at least 2016/17, therefore we will seek to maximise savings within the current structures. Measures already identified and implemented will contribute £4.4m in 2015, and new measures will generate additional savings of £1.7m, making a total of £16.5m over five years. We will continue to ensure that the process of identifying efficiency savings does not put public protection at risk.

The Council approved the redevelopment of 37 Wimpole Street in September 2012 and following completion of the procurement process, the Council in September 2014, approved increased expenditure of £8.0m in total. In April 2015, the Council agreed that funds be made available to cover likely additional costs of up to £1.0m, to address

complications identified during March 2015, relating to the final stage of the redevelopment. The main contractor moved onto the site in September 2013, with an expected contract completion date of June 2015.

Pension Fund:

In accordance with the financial reporting standard for pension costs, IAS 19, Quantum Advisory, the pension scheme actuary, valued the pension scheme as at 31 December 2014. According to their analysis, the scheme experienced a net actuarial deficit in fund value for 2014 of £2,883,000, against that reported in last year's accounts. This is largely due to a reduction in the discount rate, leading to an increase in the defined benefit obligations. Meanwhile, payments into the plan and interest received exceeded payments from the plan by £179,000. This resulted in an overall reduction on the pension scheme of £2,704,000, decreasing the pension surplus to £2,490,000 (2014) from £5,194,000 (2013).

Liquidity risks:

The cash balances of the GDC increased to £31.9m, (2013 - £26.5m). These balances are cyclical and peak in December/January and July/August. Cash funding levels are depleted between these periods because GDC receipts are at their highest in December, when dentists pay their annual retention fee, and in July, when dental care professionals pay their annual retention fee. GDC expenditure is evenly spread throughout the year.

In May 2012, the GDC appointed Smith & Williamson to invest £12m from available cash balances in a mix of equities and fixed interest securities. Listed securities and unit trusts previously held by the GDC were also transferred to Smith & Williamson's management. In 2014, GDC liquidated £6.1m of investments in order to boost cash balances over the last half of the year. Following receipt of the annual fees in December, the £6.1m was returned to Smith & Williamson in January 2015.

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

Reserves:

The Reserves Policy was reviewed and agreed by the Council in 2014. It has regard for the:

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

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

External Auditors:

The accounts have been audited by our auditors, haysmacintyre of 26 Red Lion Square, London WC1R 4AG and in accordance with the Dentists Act 1984 by the Comptroller and Auditor General, Sir Amyas C E Morse, National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP. The independent auditor's report can be found on page 46 of this report, and the certificate and report of the Comptroller and Auditor General on page 47.

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 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.

William Moyes
Chair
17 June 2015

Evlynn Gilvarry
Chief Executive
and Registrar
17 June 2015

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

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

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

- Observe the Accounts Determination issued by the Privy Council, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards, as set out in the Accounts Determination, have been followed, and disclose and explain any material departures in the accounts; and;
- Prepare the accounts on a going-concern basis, unless it is not appropriate to do so.

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

The GDC and the Chief Executive as Accounting Officer of the General Dental Council 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.

10 | Governance statement

Scope of responsibility

As Chief Executive and Registrar and Accounting Officer, I am accountable 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. The Accounting Officer appointment is made by the Privy Council.

In making my assessment, I have drawn on reports by and discussions with internal auditors and ongoing monitoring of our risk registers.

The system of internal control that is applied to the GDC is designed to manage risks, acknowledging that it is not possible to eliminate all risk. Working with Directors, the Audit and Risk Committee and the Council, a full assessment of strategic risk is made and recorded in the strategic risk register. Work to enhance the identification, monitoring, and assurance the mitigation of strategic risk will result in the introduction of a new Risk Management Framework in 2015. The Framework, which also provides a greater source of guidance for all staff, will replace our Risk Management Policy which dates back to 2012.

Governance arrangements

The Council comprised twelve members – 6 dental professionals and 6 lay members including the Chair.

The Council has led changes in the organisation to deliver a more efficient, effective and transparent organisation. Examples of this include the production of a Balanced Scorecard, work to develop a new Corporate Strategy, which puts patients at the centre of everything we do, and the launch of an organisational change programme aimed at enhancing the organisation's performance across all functions.

It is the Council's role to ensure the GDC carries out its core functions efficiently and in ways that ensure the safety of patients. The Council is responsible for setting the strategy and direction of the GDC and ensuring that all major decisions are in line with the strategy, taking major policy decisions, and ensuring and monitoring effective financial management.

The Council also has responsibility for:

- setting the risk appetite of the organisation;
- ensuring that there is a risk management system, with effective procedures and internal controls;
- approving policy on risk management;
- advising on and identifying key risks;
- scrutinising the management of strategic risks; and
- holding the Executive to account for managing risk.

Council oversight of strategic risks

The Council monitors key strategic risk on an ongoing basis, reviewing the Strategic Risk Register at every meeting.

The Council is also provided with a quarterly performance report, which now takes the form of a Balanced Scorecard. The Balanced Scorecard focuses on four main areas of performance. These are:

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

The information contained in these documents provides the Council with management information that informs decision making, enables monitoring of progress against the Corporate Strategy, and holding the Executive to account for its performance. All papers for decision by the Council explicitly set out the relevant strategic risks so that the Council can take these into account in reaching its decision.

The Council has been working to develop a new system of appraisal for members and will undertake a review of its performance and effectiveness. The findings of this structured review will shape a set of key objectives for the Council against which it will review its progress on an ongoing basis. These will also be incorporated into the new member appraisal system.

The attendance of Council members at meetings is recorded in the minutes of meetings, which are available on the GDC website. A table of members' attendance is provided in section 5 of this report.

As the GDC is not classified as an Arm's Length Body, we are not required to comply with 'Corporate governance in central government departments: Code of practice 2011'. We do nevertheless take into account the good practice principles expressed in the document in developing and reporting on our governance arrangements.

Audit and Risk Committee

The Audit and Risk Committee is responsible for providing assurance to the Council in relation to the integrity of financial statements, the GDC's governance, internal control and risk management systems and the effectiveness of the internal and external audit systems, including whether the actions identified in audit reports are carried out.

The Audit and Risk Committee is responsible for:

- providing assurance to the Council on the adequacy and effectiveness of risk management processes; and
- obtaining assurance on risk management arrangements from internal auditors; and reviewing the status and trends of all risk in the strategic risk register.

10 | Governance statement

continued

Executive Management Team

The Council is supported by the GDC staff, headed by the Chief Executive and Registrar and Accounting Officer and the other members of the Executive Management Team. The members of the Executive Management Team fulfil the function of Executive directors of the Council. They share collective responsibility for actions and decisions taken, regardless of their individual line responsibilities. The staff team underwent change in 2014. In September a decision was taken to divide the regulation directorate into two separate directorates: one to manage Registration (including Operational Excellence) and one to manage Fitness to Practise. The formal division took place in December 2014. The other directorates are: Policy and Communications, Finance and Corporate Services, Human Resources, and Governance.

The Executive Management Team is responsible for:

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

The Executive Management Team meets fortnightly and takes corporate risks into account in all its decisions. The strategic risk register informs decision-making by the Council and the Executive. It is reviewed by the Executive on an ongoing basis and is a standing item at every Council meeting. A revised strategic risk register will be presented to the Council to reflect the new Corporate Strategy due to be approved in June 2015.

The strategic risk register is underpinned by both operational and project risk registers relating to all the GDC's operations. These are maintained by a team of risk managers across the organisation. The network of risk managers is co-ordinated to ensure that links are made between the strategic and operational risk registers and that escalation takes place when required.

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

identify actions that will improve our mitigation of risk. During the year risk management training for the Audit and Risk Committee was provided by our internal auditors.

Disclosure of principal risks and uncertainties

Each year the General Dental Council follows up on any recommendations for improvement identified through scrutiny by the Professional Standards Authority. In 2014, we made changes to our Fitness to Practise process to ensure we continue to mitigate risks to patient safety. We have significantly improved the quality of customer service, accuracy, decision-making and timeliness through more robust performance management. We also continue to ensure that accurate and up to date information is available on our online register of dental professionals. We are wholly committed to continuous improvement in the way we work.

Between June and September 2014, we consulted on proposals to raise the level of the Annual Retention Fee for dental professionals. The GDC's primary source of income is fees from dental professionals. In advance of the consultation on the fee level, we consulted on the principles on which we would set the fee. We received extremely valuable feedback from both consultations and published a formal response addressing the main concerns highlighted. In December 2014, the British Dental Association launched a legal challenge of the Council's decision to raise the Annual Retention Fee³. The GDC fully acknowledges the decision of the court which found that the consultation was flawed in failing to provide adequate information and was therefore unlawful. However, we are pleased that the judge did not quash the decision, recognising as he did that the GDC must be properly funded in order to carry out its duties to protect the public. Throughout the consultation on the ARF the GDC has tried to be as transparent as possible and this was noted by Mr Justice Cranston in his judgment. In the event, the ARF for dentists was raised from £576 to £890. The ARF for dental care professionals was reduced from £120 to £116. This resulted from applying the revised ARF policy which links the level of the ARF more precisely to the cost of regulating each group of dental professionals.

In December 2014, the Council approved a 12 month organisational change programme, aimed at making the GDC a high performing organisation. The plan sets out key priorities to be achieved, including effective leadership and performance management; an effective communications function; robust systems and process that promote efficiency and mitigate risks effectively; and a fit for purpose organisational structure. The organisational change plan is clear about what it is aiming to achieve under each section and evidence of this has been and will continue to be monitored closely, and reported to Council on a regular basis

The PSA is investigating certain matters referred to them by a whistleblower. The matters being investigated are:

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

The Audit and Risk Committee are regularly updated on progress with this investigation and the PSA will provide their report to the Health Select Committee and publish it on their website in due course.

Data breaches and information security

In 2014, we noted 27 reported incidents involving data breaches, an increase on 2013 when we reported 21 incidents. The majority of the breaches were relatively minor and were reported to the relevant parties and addressed within a short period.

We believe that greater corporate awareness of information security issues has led to such incidents being reported and recorded quickly enabling more effective mitigation of any harm. The GDC remains committed to learning the lessons arising from any breaches, introducing operational improvements implementation of enhanced systems security and training to reduce risk in this area. In 2014, the GDC introduced Information Security induction training for all new staff and 150 individuals received training in 2014.

The induction sessions stress the importance of the information, and especially the (sensitive) personal data, which the GDC holds and processes. It provides an understanding of Freedom of Information (FOI) and Data Protection Act (DPA), the role of the Information Commissioner's Office (ICO), pitfalls in data handling and what to do if a data breach is suspected or actually occurs. Practical tips for avoiding data breaches are provided and staff are referred to the Information Security policies (revised between December 2013 and April 2014). New data

breach guidance was also introduced and promoted to staff in April 2014. Additional training has also been provided to individual teams across the organisation.

At the end of 2014, the GDC also launched a new corporate secure file sharing system, which will allow GDC users to send or receive large files securely with external parties. The system will be used to share files securely and easily and will be particularly beneficial when large or particularly sensitive data is being shared externally.

Formal investigations

As previously reported in 2013, the GDC was responding to a formal complaint being considered by the ICO about our handling of an FOI request. The ICO considered the matter in two parts, whether the GDC had correctly interpreted the scope of the request, concluding that we had, and secondly whether information had been correctly withheld, again deciding in the GDC's favour. Consideration of these matters continued into 2014 and the two decision notices, published in March and September 2014, are on the ICO website.

Self-report to ICO

In 2014, the GDC made three self-reports to the ICO, two of which are ongoing. Following the publication of the PSA Annual Performance Report on 27 June 2014, a link to the report and the GDC response was sent to GDC associates (Fitness to Practise (FtP) panel members, Quality Assurance (QA) Inspectors and Dental Complaints Service (DCS) panel members) by email on the same day.

In the first case, the name and contact address of every recipient was visible to every other recipient. Almost all associates affected were using a personal (or alternative professional) rather than GDC email, so personal contact addresses were disclosed. We self-reported the matter to the ICO, which closed the case, confirming no further action was necessary.

In the second case information had been sent to an unconnected third party and in the third, one set of patient records has been lost internally.

Freedom of Information

Work on integrating the Freedom of Information (FOI) and subject access requests into the GDC case management system was identified as a business priority in 2014 and the project has passed the testing phases and will go live in 2015. As indicated above FOI and data protection awareness training has continued in 2014. FOI and DPA master classes were provided for all Fitness to Practise caseworkers and support staff in 2014.

Information in relation to the number of FOI and subject access requests continues to be drawn from the FOI

10 | Governance statement

continued

database, shortly to be integrated into the CRM system. Annual updates continue to be provided to the Council and are published on the GDC website. In 2014 554 information requests were recorded, (415 in 2013) 479 FOI queries (316 in 2013) and 75 subject access requests, (99 in 2013).

Training

In addition to wider staff awareness and training, all new FOI representatives are provided with background training and guidance. Members of the new Council received training on DPA and FOI Act obligations including information security, as part of induction training. Fitness to Practise panel members also received training in relation to information security matters.

Internal audit function

We have an annual programme of internal audits, which is undertaken by Grant Thornton. The audit plan is approved by the Audit and Risk Committee and reports by the auditors rate the specific function on a specified scale. The findings in 2014 indicate a range of improvement, from some instances of 'limited assurance' ratings to those of 'substantial assurance' rating. Each audit makes recommendations for actions and the management reports on its responses and the date for completion. During 2014 Grant Thornton reviewed 34 recommendations from 8 audits, which had been reported on between October 2012 and February 2014. The conclusion of the review was that 90% of the recommendations reviewed had been fully implemented, which was in contrast to the 78% achieved in the 2013 review.

Management information

Starting from October 2013, we enhanced the performance and financial information we make available to the Council, to ensure that the reports produced are as targeted as possible.

In January 2014 the Finance and Performance Committee considered the first version of a new balanced scorecard for reporting on performance. This initial stage concentrated on the Fitness to Practise department. In July 2014 the Council approved the recommended framework for the extension of the scorecard model across the GDC, the frequency of reporting and the timetable for further development. Progress continued on development of a Management Information Data Warehouse. The Warehouse collects live Fitness to Practise and Registration data, which can be used to produce consistent reports and regular analysis.

In 2014, we began work to lay the foundations for a new corporate strategy, and in addition to agreeing a new Business Plan for 2015 containing both the context for and the key activities to be delivered throughout the year, a new Operational Plan was introduced to help the Executive Management Team monitor the successful delivery of all activity. The Operational Plan, with milestones and associated risk, sits alongside the new Balanced Scorecard and risk registers to provide comprehensive reporting to the Executive Management Team and to the Finance and Performance Committee.

Cardiff University, Bachelor of Dental Surgery (BDS) Award 2010-2014

The GDC and Cardiff University, having identified a technical issue with the award of Cardiff graduates' BDS qualifications between 2010 and 2014, worked together in the first half of 2015 to correct an error with individuals' registrable qualifications. Where the affected graduates were on the dentists register, the GDC ensured registration with the GDC was continuous.

The technical issue arose from the legal status of Cardiff University at the time the qualifications were awarded. All BDS awarding bodies must have the legal status of medical authority for the purposes of the Dentists Act 1984 in order for their awards of BDS qualifications to be registrable under the Dentists Act 1984. Cardiff University did not acquire the required status until July 2014 - after the dates of award 2010-2014 upon which approximately 300 graduates' registration was based.

The result was that, through no fault of their own, individuals' entries in the dentists register were erroneous. It is important to note that the academic validity of the qualification was never in doubt, neither were there patient protection concerns.

The GDC and Cardiff University, with the assistance of the Department of Health and the Welsh Government, agreed a set of measures to regularise the position with no break in registration. This was done with as little disruption as possible to the graduates and none to their patients.

These measures included Cardiff University issuing the affected graduates with a new BDS award on 1 May 2015. The GDC was then able to remove from the dentists' register the names of individuals affected, followed by immediately restoring them on the basis of the new award. The individuals' date of first registration remains unchanged.

Evelynne Gilvarry
Chief Executive and Registrar
17 June 2015

³ Mr Justice Cranston found there was a procedural error in the GDC consultation on the ARF level. In his summary, Mr Justice Cranston stated that he recognised that the GDC has to be properly funded in order to carry out its duties and that the error was not serious enough to require him to quash the consultation and the new fee. It was noted however, that the GDC could have provided more information as part of the consultation.





11 | Accounts 2014

12 | Independent Auditor's Report to the Members of the General Dental Council

We have audited the financial statements of the General Dental Council for the year ended 31 December 2014 which comprise the Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes number 1 to 24.

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

This report is made solely to the Members of Council, as a body, in accordance with the Dentists Act 1984 and the directions issued thereunder by the Privy Council. Our audit work has been undertaken so that we might state to the Members of Council those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Council, Chief Executive and auditor

As explained more fully in the Statement of the Council and Chief Executive's Responsibilities, the Council and Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Council's affairs as at 31 December 2014 and of its deficit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Dentists Act 1984 and the directions issued thereunder by the Privy Council.

haysmacintyre
Statutory Auditor
26 Red Lion Square
London
WC1R 4AG

17 June 2015

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

13 | Certificate and report of the Comptroller and Auditor General to the Houses of Parliament

Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the General Dental Council for the year ended 31 December 2014 under the Dentists Act 1984. The financial statements comprise: the Income and Expenditure Account, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Reserves, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Council, Chief Executive and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the General Dental Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Dental Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been

applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the General Dental Council's affairs as at 31 December 2014 and of the deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Dentists Act 1984 and Privy Council directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Privy Council directions made under the Dentists Act 1984; and
- the information given in the Council Structure, Social Responsibility Report and Financial Review sections of 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 part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse **22 June 2015**
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

14 | Income and expenditure account

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Income			
Fees	2	31,560	30,980
Overseas Registration Exam	3	1,565	1,803
Miscellaneous	3	15	12
Total operating income		33,140	32,795
Expenditure			
Staff costs	5	16,441	13,281
Legal and professional fees	6	10,552	9,778
Council and Committee meetings	7	8,232	6,514
Administration	8	3,531	2,935
Accommodation	9	674	741
Communications and Publications	10	534	673
Total operating expenditure		39,964	33,922
(Deficit) after operational expenditure		(6,824)	(1,127)
Investment income	4	508	555
Realised gains on sale of investments	14	30	
(Deficit) for year after investment income and adjustment		(6,286)	(572)
Taxation	11	(52)	(156)
Retained (deficit) after taxation		(6,338)	(728)
Other comprehensive income/(expenditure)			
Unrealised gains on investments	14	333	260
Actuarial (loss)/gains on pension scheme assets	19	(2,883)	2,025
Total other comprehensive (expenditure)/income		(2,550)	2,285
Total comprehensive (expenditure)/income for the year		(8,888)	1,557

All income and expenditure relates to continuing activities

15 | Statement of financial position

At 31 December 2014

	Note	31 Dec 2014 £'000	31 Dec 2013 £'000
Non-current assets:			
Property, plant and equipment	12	6,910	3,030
Intangible assets	13	995	1,176
Financial assets - available for sale assets	14	8,829	13,264
Provision for pension asset	19	2,490	5,194
Total non-current assets		19,224	22,664
Current assets:			
Trade and other receivables	15	1,771	641
Cash and cash equivalents	16	31,863	26,454
Total current assets		33,634	27,095
Total assets		52,858	49,759
Current liabilities			
Trade and other payables	17	4,616	4,876
Other liabilities	17	11	11
Deferred income	17	35,180	22,988
Corporation tax	17	120	18
Total current liabilities		39,927	27,893
Non-current assets plus/less assets/liabilities		12,931	21,866
Non-current liabilities:			
Provisions	18	135	135
Other payables	17	23	34
Deferred tax	17	218	254
Total non-current liabilities		376	423
Assets less liabilities		12,555	21,443
Reserves			
General reserve		8,638	15,155
Pension reserve		2,490	5,194
Unrealised gains on investment reserve		1,427	1,094
Total reserves		12,555	21,443

The financial statements were approved by the Council Members and were signed on their behalf on 17 June 2015 by:

William Moyes
Chair

Evlynn Gilvarry
Chief Executive and Registrar

16 | Statement of cash flows

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Cash flows from operating activities			
(Deficit)/surplus from operating activities	I&E	(6,824)	(1,127)
Depreciation and amortisation		899	827
Loss on disposal of property, plant and equipment		43	56
Decrease/(increase) in trade and other receivables	15	(1,130)	69
Increase/(decrease) in trade payables and other liabilities	17	11,921	1,681
Pension reserve funding movements	19	(179)	(58)
Use of provisions	18	-	(83)
Net cash inflow from operating activities		4,730	1,365
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(4,381)	(963)
Purchase of intangible assets	13	(266)	(328)
Proceeds from sale of assets		6	1
Proceeds from sale of financial assets	14	6,096	204
Purchase of financial assets	14	(1,298)	(212)
Investment income	4	508	555
Net cash inflow/(outflow) from investing activities		665	(743)
Tax		14	(19)
Net increase in cash and cash equivalents in the period		5,409	603
Cash and cash equivalents at the beginning of the period	16	26,454	25,851
Cash and cash equivalents at the end of the period	16	31,863	26,454
Net increase in cash and cash equivalents		5,409	603

17 | Statement of changes in reserves

For the year ended 31 December 2014

		2014		Unrealised Gains on Investment Reserve	Total Reserves
	Note	General Reserve £'000	Pension Reserve £'000	£'000	£'000
Balance at 31 December 2012		15,941	3,111	834	19,886
Changes in reserves for 2013					
Total comprehensive income for the year	I&E	(728)	-	-	(728)
Actuarial gain on pension scheme	19		2,025	-	2,025
Reserves transfer		(58)	58		-
Unrealised gains on investments	14			260	260
		(786)	2,083	260	1,557
Balance at 31 December 2013		15,155	5,194	1,094	21,443
Changes in reserves for 2014					
Total comprehensive income for the year	I&E	(6,338)	-	-	(6,338)
Change in pension reserve	19		(2,883)	-	(2,883)
Reserves transfer		(179)	179	-	-
Unrealised gains on investments	14			333	333
		(6,517)	(2,704)	333	(8,888)
Balance at 31 December 2014		8,638	2,490	1,427	12,555

18 | 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 General Dental Council was established by act of Parliament in 1956 and is domiciled in the United Kingdom. The principal place of business is 37 Wimpole St, London, W1G 8DQ. The financial statements are presented in the General Dental Council's functional currency of pounds sterling.

1.1 Format of the accounts

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

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

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

- IFRS 9 Financial Instruments – effective date: financial periods beginning on or after 1 January 2015 not yet EU approved. IFRS 9 simplifies the classification and measurement of financial assets.

The Council anticipates that the adoption of these standards and interpretations will not have a material effect on the Statement of Financial Position or the results for 2013 and 2014.

1.3 Critical accounting estimates and judgments

To be able to prepare financial statements in accordance with IFRS, the General Dental Council must make certain estimates and judgments that have an impact on the policies and the amounts reported in the annual accounts. The estimates and judgments are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgments are made. Actual experience may vary from these estimates.

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

i) Pension benefits

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

ii) Depreciation and amortisation

The General Dental Council accounts for depreciation and amortisation in accordance with IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The depreciation and amortisation expense is the recognition of the decline in the value of the asset and the allocation of the cost of the asset over the periods in which the asset will be used. Judgments are made on the estimated useful life of the assets, which are regularly reviewed to reflect the changing environment.

iii) Provisions

The General Dental Council accounts for provisions in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The provisions are based on estimates of value provided by appropriate qualified valuers. Further details are contained in the accounting policy on provisions below and note 18 to the accounts.

1.4 Going Concern

The GDC has reviewed 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 Fixed Assets are reported as Property, Plant and Equipment under IAS 16. Where appropriate, Information Technology software and development assets have been reclassified as Intangible Assets under IAS 38.

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

Property, plant, equipment and intangible assets are stated at cost, net of depreciation and any provision for impairment. Expenditure is only capitalised where the cost of the asset or group of assets acquired exceeds £1,000.

1.6 Depreciation and Amortisation

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

- (a) The Council's building works at long leasehold properties at 37/38 Wimpole Street and 13/15 Wimpole Mews are depreciated over their estimated useful lives or the remainder of the lease.
- (b) Capital refurbishment and all leasehold improvement works at 37/38 Wimpole Street, London W1G 8DQ, 13/15 Wimpole Mews and second floor, 44 Baker Street, London W1U 7AL are depreciated over the remainder of the lease – 20 years or 10 years or, if shorter, over their estimated useful lives.
- (c) Other useful lives are shown below.

- furniture and fittings up to 10 years
- plant and equipment up to 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 balance sheet date, the General Dental Council 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 from dentists and dental care professionals 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 dentists are recognised in full in the financial year when the income is received. The registration period for Dental Care Professionals 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

18 | Notes to the Accounts

continued

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 and contributes to a defined benefit pension scheme for its employees. This scheme was closed to new employees who received offers of employment dated after 31 December 2014. The assets of the scheme are held separately from those of the Council and are invested as described in note 19.

The defined benefit pension scheme'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 scheme 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.

The Council has a defined contribution scheme but the assets are kept entirely independent from those of the Council scheme. The plan is not contracted out of the State Second Pension. Contribution is voluntary and Council will make matching contributions of up to 5% of the pensionable salary. This scheme was closed to new joiners with effect from 1 April 2014.

A new defined contribution scheme was established with effect from 1 February 2014, taking into account pension reforms regarding auto-enrolment. Contributions were set as a percentage of pensionable salary, with employer contribution set at a maximum of 4%.

Contributions to the defined contribution schemes are charged to the income and expenditure account as they fall due.

1.13 Financial Assets

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

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

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.

Trade and other receivables: these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus associated transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at invoiced value or amortised cost using the effective interest rate method, less provision for impairment. The value of these assets are disclosed within note 15.

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

Financial liabilities

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

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

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

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

(ii) **Dilapidations:** The provision relates to complying with lease clauses for buildings which are occupied by the Council. The Council's dilapidation provisions are calculated based on the estimated cost of meeting future expenditure, in order to settle obligations in respect of lease clauses. The Council has provided for this in full. The provision is regularly revalued by a qualified external valuer.

1.14 Reserves

Reserves comprise the following:

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 General Dental Council provision for defined benefit pension scheme asset/liability.

Unrealised gains on investment reserve

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

1.15 Financial instruments

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

Credit Risk

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

Liquidity risk

The Council currently has no borrowings and relies primarily on fees for its cash requirements. The cash balances are cyclical and peak in December/January and July/August. Cash funding levels are depleted between these periods because Council receipts are at their highest in December, when dentists pay their annual retention fee, and in July, when dental care professionals pay their annual retention 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 General Dental Council has a reserves policy. Due to registration renewal cycles and the payment methods of registrant fees, the General Dental Council 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 General Dental Council's regulatory responsibilities.

The Council approved a revised statement of investment principles in December 2011, whereby the General Dental Council will aim to achieve an investment risk portfolio that seeks to achieve investment returns broadly in line with inflation.

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

18 | Notes to the Accounts

For the year ended 31 December 2014
continued

2 Income

	2014 Nos	2014 £'000	2013 £'000
Fees			
Dentists			
Total new registration	2,020	607	558
Temporary registration	53	31	49
Retention	39,155	22,554	22,237
Restoration after erasure	235	28	35
Total	41,463	23,220	22,879
Dental care professionals			
Total new registration	5,046	336	343
Retention	63,550	7,626	7,357
Restoration after erasure	1,006	24	26
Total	69,602	7,986	7,726
Specialist			
Specialist registration	155	53	78
Specialist annual retention	4,186	301	297
Specialist restoration fee	8	-	-
Total	4,349	354	375
Total fees		31,560	30,980

The above numbers reflect registrants paying fees during the year as opposed to the number of registrants on the register at 31 December 2013.

3 Miscellaneous income

Exam fees	1,565	1,803
Other operating income	15	12
	1,580	1,815

4 Investment Income

Interest bank deposits	62	89
Dividends - listed securities	446	466
	508	555

5 Staff numbers and related costs

	Permanently employed staff £'000	2014 Others £'000	Total £'000	2013 £'000
Staff costs comprise:				
Wages and salaries	11,747	-	11,747	9,213
Social security costs	1,196	-	1,196	974
Pension costs	1,483	-	1,483	1,176
Termination payments	323	-	323	-
Other staff costs	1,298	-	1,298	1,436
Sub total	16,047	-	16,047	12,799
Temporary staff	-	394	394	482
Total	16,047	394	16,441	13,281

(a) Employees - Headcount

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

	Permanently employed staff	2014 Others	Total	2013
Fitness to practise and hearings	134	2	136	87
Registration	67	2	69	62
Policy and stakeholder management	16	-	16	14
Governance	12	-	12	12
Quality Assurance	12	-	12	10
Dental Complaints Service	9	-	9	10
Corporate services	43	2	45	40
Total	293	6	299	235

(b) Employees - Remuneration

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

	2014 Number Total	2013 Number Total
£60,000 but under £70,000	12	9
£70,000 but under £80,000	1	2
£80,000 but under £90,000	3	2
£90,000 but under £100,000	2	2
£100,000 but under £110,000	3	2
£110,000 but under £120,000	1	1
£150,000 but under £160,000	1	1

22 staff members from the above list were part of the 'defined benefit' pension scheme and 13 staff members on the 'defined contribution' pension scheme.

Pension accrued by the highest paid employee under the defined benefit scheme was £30,096, and under the defined contribution scheme was £1,267.

18 | Notes to the Accounts

For the year ended 31 December 2014
continued

Chief Executive and Registrar - Remuneration

	Emoluments		Accrued Pension	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Evlynne Gilvarry	157	153	31	33

6 Other administration costs

	2014 £'000	2013 £'000
Legal and professional services		
Auditor's remuneration and expenses:		
External audit	20	20
External audit - National Audit Office	4	3
Internal audit	91	70
Conduct hearings	3,453	3,802
Other fees and charges	4,468	3,931
Other disbursements	2,516	1,952
Total	10,552	9,778

	2014 £	2013 £
During the year, the General Dental Council received the following non-audit services from its external auditors haysmacintyre:		
For corporation taxation advice	3	3
	3	3

7 Council and Committee meetings

	2014 £'000	2013 £'000
(a) Council fees and expenses		
Fees paid to Council Members	227	207
Expenses paid to Council Members	156	179
Council meeting expenses	122	161
	505	547
(b) Committee and panel fees and expenses		
Fees paid to committee and panel members	2,771	2,210
Expenses paid to committee and panel members	1,065	853
Professional fees and expenses for committees and panels	1,110	917
Committee and panel meeting expenses	2,781	1,987
	7,727	5,967
Total Council and Committee meetings	8,232	6,514

8 Administrative expenses

	2014 £'000	2013 £'000
Depreciation	452	458
Amortisation	447	369
Loss on disposal of property, plant and equipment	43	56
Rentals under operating leases:		
Hire of office machinery	68	39
Building leases	1,153	713
Interest charges	-	1
Information technology support and maintenance	666	650
Personnel costs	43	54
Other operating costs	659	595
	3,531	2,935

9 Accommodation

Other accommodation costs	674	741
	674	741

10 Communications and Publications

Total Communications and Publications	534	673
	534	673

18 | Notes to the Accounts

For the year ended 31 December 2014
continued

11 Taxation

(a) Analysis of tax charge

	2014 £'000	2013 £'000
Current tax		
UK corporation tax on profits of the year	122	19
Prior year tax adjustment	(34)	-
Total current tax charge	88	19
Deferred taxation		
Origination and reversal of timing differences	(36)	137
Total deferred tax	(36)	137
Tax on profit on ordinary activities	52	156

(b) Factors affecting the tax charge for the period

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

Factors affecting the tax charge for the period

Profit for year	(6,286)	(572)
Expected charge at 20% (2013: 20%)	(1,257)	(114)

Effects of:

Difference between actual tax rate and the main corporate tax rate	(36)	-
Non taxable income	1,331	197
Movement in the deferred tax balance	(36)	137
Tax on equalisation and value increasing fixed interest investments	84	(64)
Prior year tax adjustment	(34)	-
Current year tax charge	52	156

12 Property, plant and equipment

2014	Leasehold Property £'000	Plant & Equipment £'000	Furniture & Fittings £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Cost or valuation						
At 1 January 2014	4,789	572	333	783	799	7,276
Additions	-	42	249	319	3,771	4,381
Disposals	(10)	(115)	(11)	(100)	-	(236)
At 31 December 2014	4,779	499	571	1,002	4,570	11,421
Depreciation						
At 1 January 2014	3,117	378	258	493	-	4,246
Charged in year	234	29	31	158	-	452
Disposals	(4)	(77)	(11)	(95)	-	(187)
At 31 December 2014	3,347	330	278	556	-	4,511
Net book value:						
At 31 December 2014	1,432	169	293	446	4,570	6,910
At 31 December 2013	1,672	194	75	290	799	3,030

13 Intangible assets

2014	Software £'000	Licences £'000	Assets under Construction £'000	Total £'000
Cost				
At 1 January 2014	1,503	562	112	2,177
Additions	17	-	249	266
Transfers	168	-	(168)	-
Disposals	-	-	-	-
At 31 December 2014	1,688	562	193	2,443
Amortisation				
At 1 January 2014	568	433	-	1,001
Charged in year	377	70	-	447
Disposals	-	-	-	-
At 31 December 2014	945	503	-	1,448
Net book value:				
At 31 December 2014	743	59	193	995
At 31 December 2013	935	129	112	1,176

18 | Notes to the Accounts

For the year ended 31 December 2014
continued

14 Financial assets - available for sale assets

2014	Equities	Fixed Interest	Total
	£'000	Securities £'000	
Balance as at 31 December 2013	3,342	9,922	13,264
Additions	1,298	-	1,298
Disposals	(499)	(5,597)	(6,096)
	4,141	4,325	8,466
Realised gains on investments	125	(95)	30
Unrealised gains on investments	165	168	333
Balance as at 31 December 2014	4,431	4,398	8,829

Income generated from the financial assets for the year ended 31 December 2014: Equities £83,882 (2013: £64,069) and Fixed interest securities £362,386 (2013: £386,401).

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

Amounts falling due within one year:

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Trade receivables	14	47
Other receivables	413	112
Prepayments and accrued income	1,344	482
Total	1,771	641

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

	2014	2013
	£'000	£'000
Balance at 1 January	26,454	25,851
Net change in cash and cash equivalent balances	5,409	603
Balance at 31 December	31,863	26,454

The following balances were held at:

Commercial banks and cash in hand	31,650	8,413
Short term bank deposits	213	18,041
Total	31,863	26,454

17 Trade payables and other current liabilities

Amounts falling due within one year:

	31 Dec 2014 £'000	31 Dec 2013 £'000
Corporation tax	120	18
Other taxation and social security	526	433
Trade payables	1,231	1,542
Other payables	20	8
Accruals	2,839	2,893
Deferred income	35,180	22,988
Deferred operating incentive	11	11
Total	39,927	27,893
Amounts falling due after more than one year:		
Deferred operating incentive	23	34
Deferred tax	218	254
	241	288
Total	40,168	28,181

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

18 Provisions for liabilities and charges

2014

	Building Dilapidations £'000	Total £'000
Balance as at 1 January 2014	135	135
Provided in year	0	0
Utilised in year	0	0
Balance as at 31 December 2014	135	135
Current liability	0	0
Non-current liability	135	135
Balance as at 31 December 2014	135	135

Dilapidations: The provision relates to complying with lease clauses for buildings which are occupied by the GDC. The GDC's dilapidation provisions are calculated based on the estimated cost of meeting future expenditure, in order to settle obligations in respect of lease clauses. A revaluation was completed by external valuers in December 2010. The GDC has provided for this in full. It is expected the provision will be paid out at the end of the lease in 2018.

18 | Notes to the Accounts

For the year ended 31 December 2014
continued

19 Pension Fund

The GDC operates a defined benefit plan which wholly is funded by contributions from the GDC and Members. A full actuarial valuation was carried out as at 1 April 2012 and updated to 31 December 2014 by a qualified independent actuary.

As at 31 December 2014 the Plan has a surplus of £2.490m based on the IAS 19 assumptions adopted. Under the requirements of IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, the GDC could be restricted to limit the surplus in the financial statements if the GDC would not be able to obtain the full economic benefit from that surplus. Under the terms and conditions of the Plan the GDC would be able obtain full economic benefit from the surplus either through a full contributions holiday or a reduction in its future contributions. Therefore the reported surplus is not restricted.

In respect of members on the benefit structure who joined the GDC before 12 May 1999 and two members who joined after, contributions are payable each month at the annual rate of 27% of Pensionable salary. Of those who joined after 12 May 1999, contributions are payable each month at the annual rate of 24.8%. Members on the benefit structure who joined GDC on or after 12 May 1999 pay 5% of their Pensionable Salary towards the scheme.

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

The principal assumptions used by the actuary for the update at 31 December 2014 were as follows:

	2014	2013
Rate of inflation	3%	4%
Rate of salary increase	4%	4%
Rate of increase in pensions in payment where RPI max 5.0%	3%	4%
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%	3%
Discount rate	4%	5%
Proportion of employees opting for early retirement at age of 60	50%	50%
Assume life expectations on retirements age 65:		
Retiring today - males	24	24
Retiring today - females	25	25
Retiring in 20 years - males	25	25
Retiring in 20 years - females	26	27

The mortality assumptions for the current period-end follows the SINA Light with rates of improvement in line with CMI 2012 model (long-term 1% pa)

19 Pension Fund

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

	2014	2014	2013	2013
Equities	£16,500	80%	£14,106	79%
With Profits Fund	£3,840	19%	£3,776	21%
Cash	£160	1%	£2	0
Total	£20,500	100%	£17,884	100%

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

	2014 £'000	2013 £'000
The actual return on the scheme assets in the year	949	2,903

	2014 £'000	2013 £'000
Analysis of the amounts debited / (credited) to the income and expenditure account:		
Current service cost	(1,539)	(1,259)
Net interest expense on net pension obligation	273	129
Total amount charged within net incoming/(outgoing) resources	(1,266)	(1,130)
Remeasurement of net pension obligation	(2,883)	2,025
Total charge	(4,149)	895
The amounts recognised in the statement of financial position		
Present value of funded obligations	(18,010)	(12,690)
Fair value of assets	20,500	17,884
Surplus	2,490	5,194
The amounts in the statement of other comprehensive income		
Actuarial (loss)/gain on plan assets	107	2,290
Actuarial (loss)/gain on defined benefit obligation	(2,990)	(265)
of which due to experience	(41)	352
of which due to demographic assumptions	-	(59)
of which due to financial assumptions	(2,949)	(558)
Total (loss)/gain in statement of other comprehensive income	(2,883)	2,025

The Council expects to contribute £1,902,000 to its defined benefit pension scheme in 2015.

18 | Notes to the Accounts

For the year ended 31 December 2014
continued

19 Pension Fund

	2014 £'000	2013 £'000
Sensitivity analysis of the defined benefit obligation is as follows:		
Discount rate reduced by 0.25% pa	19,510	13,633
RPI inflation increased by 0.25% pa	19,510	13,441
Salary growth increased by 0.25% pa	18,610	13,059
Mortality - life expectancy of each member increases to that of someone one year younger	18,410	12,999
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at 1 January 2014	12,690	11,119
Interest expense	569	484
Service cost	1,539	1,259
Contributions by members	330	255
Actuarial loss/(gain)	2,990	265
Benefits paid from plan assets /administrative expenses paid	(108)	(692)
Defined benefit obligation at 31 December 2014	18,010	12,690
Change in the fair value of the scheme assets are as follows		
Fair value at 1 January 2014	17,884	14,230
Interest income	842	613
Return on plan assets in excess on interest income	107	2,290
Employer contributions	1,445	1,188
Plan participants' contributions	330	255
Benefits paid/ administrative expenses paid	(108)	(692)
Fair value as at 31 December 2014	20,500	17,884
Change in recoverable surplus and components of scheme performance		
Opening balance	5,194	3,111
Current service cost	(1,539)	(1,259)
Interest on surplus	273	129
Net pension cost	(1,266)	(1,130)
Employer contributions	1,445	1,188
Actuarial (loss)/gain	(2,883)	2,025
Closing balance	2,490	5,194

19 Pension Fund

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Amounts per current and previous periods					
Return on plan assets in excess of interest income	107	2,290	861	(304)	978
Experience gains/(losses) on scheme liabilities	(41)	352	(4)	(559)	27
Changes in assumptions underlying the present value of the scheme liabilities	(2,949)	(617)	(289)	189	138
Defined benefit obligation	(18,010)	(12,690)	(11,119)	(9,011)	(7,146)
Scheme assets	20,500	17,884	14,230	11,551	10,417
Surplus	2,490	5,194	3,111	2,540	3,271

Asset gain

Amount	107	2,290	861
% of scheme assets	0.5%	12.8%	6.1%

Liability experience gain

Amount	41	352	4
% of scheme liabilities	-0.2%	3	-

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 2014 the annual premium contribution was £1,661,960 (2013: £1,233,770) Included in the annual premium was a contribution of £205,232 (2012: £54,209) for the defined contribution pension plan. The scheme was in surplus at year end.

18 | Notes to the Accounts

For the year ended 31 December 2014
continued

20 Commitments under leases

Operating leases

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

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

Obligation under operating leases comprise:

	31 Dec 2014 £'000	31 Dec 2013 £'000
Land and buildings		
Not later than 1 year	896	949
Later than 1 year and not later than 5 years	614	1,293
Later than 5 years	187	192
	1,697	2,434
Other:		
Not later than 1 year	93	143
Later than 1 year and not later than 5 years	3	66
	96	209

21 Capital Commitments

Note: The Council approved the business case for the redevelopment of 37 Wimpole Street in September 2012.

The redevelopment work commenced in 2013 and is expected to be completed in June 2015.

The Council in September 2014, approved expenditure of £7.1m plus a contingency of £0.9m, making £8.0m in total.

By end of 2014 £4,570,053 of the costs have been incurred and reported in Note 12 within Assets under construction.

22 Related-party transactions

There were no related party transactions during the year ended 31 December 2014, other than the fees and expenses paid to Council Members as disclosed in note 7 to the accounts. Details of amounts paid to individual Council members are set out in the Annual report on pages 32 and 33.

23 Contingent liabilities

Note: The GDC has no contingent liabilities at 31 December 2014.

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The Accounting Officer (Chief Executive and Registrar) authorised these financial statements for issue on 17 June 2015.

19 | Advisers

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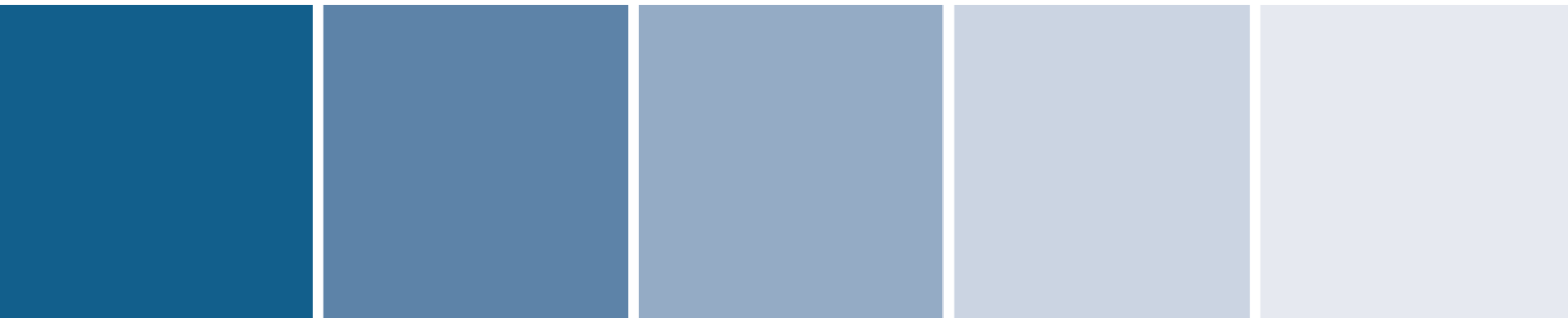
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