



Annual Report to shareholders 2017



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Chair's message

Nigel Ludlow

This year we have seen a changing of the guard at Herts for Learning. In March, we said goodbye to Jan Paine who retired having served as Managing Director since the very inception of your School Company back in 2013. Under Jan's leadership, Herts for Learning has gone from start-up to a firmly established, independent business owned by, and focused on, its shareholders: the schools and county council of Hertfordshire. On behalf of everyone involved with HfL, I would like to thank Jan for all she did to get the company off the ground and to put it on a firm footing. As you will read in this report, standards in Hertfordshire schools continue to rise and HfL has hit some important benchmarks in its journey to financial sustainability. As a company, we are very grateful to Jan for her contribution to these successes.

Jan will continue to be closely involved in Hertfordshire education through her work as Chair of the Board of Trustees at the recently established Herts for Learning Multi Academy Trust. This initiative was launched following consultation with representatives from local schools who expressed, as did your Board, the view that HfL had the ethos and skills to act as an effective sponsor/founder of a multi-academy trust. We wish Jan, and the team being established, the very best with this exciting new endeavour.

We were delighted to welcome Andrew de Csilléry, our new Managing Director, in January. Andrew was able to learn the ropes whilst Jan was still with us and this has helped with a smooth transition. Andrew joins us with a distinguished international track record in strategy and leadership roles with some of the world's most admired companies. This, combined with his clear passion for education, gives me great confidence that the leadership of our business remains in excellent hands. I am sure you will join me in wishing Andrew every success in his new role.



Andrew joins us at an important time in HfL's progress. Together with Andrew and his senior leadership team, your Board will be focused on setting a successful strategy for the next stage of the company's development. Much is changing in the world of education and we must be nimble and alert to the needs of you, our customers. I am grateful to all my colleagues who have served on the HfL Board this year for the time and energy they have freely given and I look forward to working with them on this important challenge.

In times of change, it is often those organisations that welcome new things that do best. We are very fortunate to have a team of people at HfL that is always ready to take on a new challenge and to go the extra mile. As ever, it is the staff of the business that deserve the greatest applause and this year is no exception. For their tireless dedication and hard work, I thank each and every one of them.

Nigel Ludlow

Chair of the Board

Non-executive director

Managing Director's overview

Andrew de Csilléry

I am pleased to report that Herts for Learning has once again achieved the ambitions set out in our business plan and has continued to make substantial progress to deliver key strategic initiatives. Having assumed the role of Managing Director on 1st April, I can take none of the credit for this success, and would like to take this opportunity to recognise the work of Jan Paine, who retired as Managing Director on 31st March.

We have seen a further rise in the percentage of schools rated good or better, ensuring that Hertfordshire remains ahead of both national figures and also those of our statistical neighbours. These results could not have been delivered without close collaboration and partnership working between our staff, schools in Hertfordshire and Hertfordshire County Council. It is this partnership that lies at the heart of all of our work and enables us to continue to deliver improved outcomes for children across the county.

Financially, although our surplus was down compared to previous years, it was in line with expectations and our business plan, and means that we have now achieved our target of 12% of turnover in reserves (shareholder capital). This places HfL on a solid footing and ensures that we have some cushion against what is undoubtedly a more complicated educational funding environment.

We have continued to invest in the 'common good', supporting schools and settings with their most pressing issues. Most notably, our third HfL-funded teacher recruitment fair in March was the most successful to date, with more, better-qualified potential recruits attracted to this important event. We will continue to seek ways to help schools find the high-quality teachers they need.

We have successfully completed the work to establish the Herts for Learning Multi Academy Trust (HfL MAT), which is now a separate and independent organisation that will welcome its first schools on 1st September 2017. HfL Ltd and the HfL MAT share a common heritage and ethos, particularly to ensure that no schools are left behind, however the two organisations will now operate on an arms-length basis.



HfL Ltd will work closely with the HfL MAT (as it does with all MATs and schools) to develop and deliver the services it needs, but on the same terms that are available to all shareholder schools and MATs.

The education landscape continues to evolve rapidly, and the pressures on school budgets are increasing. In addition, the reduction in central funding available to the County Council puts further pressure on the services available to schools. It is therefore more important than ever that HfL Ltd continues to evolve and adapt all of its services to the needs of schools and settings across the county. We will do this in close consultation with all our stakeholders and will seek to listen ever more closely to your needs and to seek greater organisation flexibility to change as needed.

In addition to the departure of Jan, the Senior Leadership Team of the company has seen several changes over the past six months. As a result of careful succession planning, we have been able to fill the vacant roles with high-quality and experienced leaders who are very well positioned to take the company forward. I am looking forward to working with this excellent team and to ensuring that we work in the most effective manner, both internally and externally, to deliver the best possible services and support to you all.

In closing, I would like to thank you for your continued loyalty and partnership with us. We recognise that you have a choice as to whether or not you wish to use our services, and that we must therefore continue to do all we can to retain your support, becoming even more "customer-centric". It is only in doing so that we can ensure that every child across Hertfordshire has access to a great education, wherever they live and whatever their circumstances.

Andrew de Csilléry

Managing Director

Our business and customers

HfL is a specialist provider of school improvement and business services on offer to educational providers within Hertfordshire and beyond.

Achievement

- ✓ Consultancy
- ✓ Advice
- ✓ Courses
- ✓ Conferences
- ✓ Training packages
- ✓ Bespoke training
- ✓ Curriculum materials
- ✓ Coaching service
- ✓ Parent to Parent® (P2P)
- ✓ Contract with HCC delivering statutory duties to schools and settings

Business of Education

- ✓ ICT
- ✓ Connectivity (HICS)
- ✓ HR
- ✓ Finance
- ✓ Governance
- ✓ Business management
- ✓ School website support
- ✓ Teach in Herts recruitment
- ✓ MAT transition and support

Our business is made up of 66% traded income with Hertfordshire schools and settings, 6% with non-Hertfordshire schools and settings, whilst the other 28% is through a contract with HCC to deliver its statutory school improvement functions. Our key performance indicators are linked to both aspects of our business.



Achievement

The school improvement services provide challenge and support to schools and settings through traded and commissioned services and bespoke improvement support with specialist consultancy advice for each phase of education and special provision.

Traded Offer

Our traded offer includes a wide range of school improvement services designed to support schools and settings with issues related to curriculum design, subject specialisms, newly qualified teachers, teaching and learning, assessment and leadership and management. Over the past year training uptake appears to have been impacted by school budget pressures. In recognition of this, the training programme is now increasingly being delivered in a variety of localities across the county, at different times of the day, so that continuing professional development opportunities are more accessible and financially viable for schools and settings.

Where programmes and projects have been run locally over the past year, these have been successful in improving outcomes for children, from early years through to secondary.

The vision for our traded services are fully focused on:

1. Retaining current customers by providing high-quality value for money services
2. Adapting and introducing a new range of products and services, informed by the differing needs of the range of educational establishments that we serve
3. Sustaining the current business model by maintaining sufficient financial resource

Across the teams, advisers deploy resources to implement intense programmes of support in target areas to improve outcomes for all children, especially those who are disadvantaged and vulnerable.

HfL works with the Eastern Partnership to support and improve the leadership and provision for children with special educational needs and/or disabilities.

Most schools continue to buy in contracted services through the Hertfordshire Improvement Partner (HIP) package and many continue to annually renew their service level agreements through the Early Years, English and mathematics teams.

Over the forthcoming year, teams will:

- Develop traded consultancy services for private, voluntary and independent settings (PVI) currently graded good or better by Ofsted to ensure that they have access to good value for money support that will help retain and improve quality
- Deploy resource to implement intense programmes to improve outcomes for disadvantaged and vulnerable children
- Continue to build and expand upon successful models and training to settings and schools

Commissioned services with HCC

In addition to our traded services, HCC commissions HfL to deliver an important contract through which we monitor, support, challenge and intervene in schools and settings causing concern or at risk of underperformance. This work is carried out by a team of advisers working across all districts.

The need to focus sharply on improving outcomes for disadvantaged and vulnerable children has been reflected in a change in the leadership structure at HfL through the appointment of an Education Services Director, to coordinate a cross phase approach to address this key priority.

The Early Years team have co-produced changes to the way that contracted services are delivered to the PVI sector. Since the 1st April, intense advisory work has begun in geographical areas where socio economic areas appear to be impacting on the proportion of children reaching a good level of development at the end of the Early Years Foundation Stage (EYFS).

Across all the phases, the commissioned role will continue to raise the quality of schools and settings judged less than good by Ofsted through tailored support to meet their individual improvement needs, wherever they are in the county.

Over the past year, schools and settings judged less than good by Ofsted that have been inspected, have improved their grade to good as a result of effective support and challenge. All special schools and education support centres inspected by Ofsted in 2015-16 were judged to be good to outstanding.

Commissioned work through the Virtual School for Children Looked After has led to improved quality of personal education plans for pupils and the provision which schools and settings offer.

HfL plays a key role in working with Hertfordshire County Council in making sure that the local authority Strategy for School Improvement is in place and is being fulfilled.

Key priorities as part of the commissioned work include:

1. Increasing the number of good and outstanding schools and settings
2. Increasing the pace of diminishing the difference for vulnerable groups, whilst maintaining current high levels of attainment
3. Achieving further geographical consistency in outcomes for pupils across the county, at district, local and individual school and setting level.

HfL will continue over the forthcoming year to:

- Deploy resource to implement intense programmes of support where there is identified need to improve outcomes for disadvantaged and vulnerable children
- Sustain the proportion of schools or settings judged good or better by Ofsted, increase the proportion of those judged outstanding and provide swift intervention when schools and settings are at risk of underperformance.
- Diminish inconsistencies in outcomes for all children between districts across the county.

Business of Education

Our business services teams offer a range of business support services that contribute to the smooth running of schools and settings, freeing up leaders to focus on improving teaching and learning. These include connectivity and IT services, schools' HR services, governance, business manager and financial services.

Our traded services have clear objectives in their delivery plans, which include:

1. Retaining current customers through providing high-quality value for money services
2. Achieving agreed income targets set by the Board
3. Providing new and additional products and services that our customers tell us they want to buy

Throughout 2016/17, our services continued to expand the range of the support they provide to our current customers, as well as expanding support to new customers. We have continued to gain high levels of customer satisfaction. In the 2016 shareholder survey, 99% of headteachers and 100% of chairs of governors felt that our services met their needs well or very well. 99% of headteachers and 100% of chairs of governors believed that they would recommend our services to other schools and educational settings. In summary, the business services have made good progress against all of the KPIs that relate to the traded aspects of our business and that has allowed us to make some important investments for the future.

In 2016, a number of key projects were delivered by the business services including:

- The development of the next generation Hertfordshire Internet and Connectivity Service (HICS) - enabling more than 500 schools to access high-quality integrated services at increasing value for money over the next three years
- The review of development of enhanced recruitment services for schools
- A successful Teach in Herts recruitment fair – reaching more candidates than ever before (923) an increase of 14%
- The development of an HR portal, providing enhanced support and guidance to subscribing schools
- The review and remodelling of the Governance Services helpdesk
- The development of a new call management system for schools using the HfL service desk facilities

In 2017, there will be a renewed focus on ensuring that our services and products meet the needs of our expanded customer bases, including single academy trusts (SATs), multi-academy trusts (MATs), maintained and free schools. Key service development areas include:

- Reviewing the ICT Services portfolio, including the provision of MIS services to schools
- Completing a review of the requirements of SATs and MATs to develop a new products and services action plan
- Reviewing the Teach in Herts and Leadership Appointment Services to develop a comprehensive service for schools
- Further developing new business services such as procurement and legal services
- Developing online and remote offers for all business services to provide high-quality, affordable support

Financial review

The company performed well over the financial year and, as a result, is able to report an operating profit of £478k. This strengthens the company's financial position, meaning that reserves of £2.55m exist on the balance sheet after the company's first four years of trading.

	12 months to 31 March 2017 £'000s	12 months to 31 March 2016 £'000s
Turnover	£22,258	£22,392
Cost of sales	-£18,682	-£18,695
Gross profit	£3,577	£3,697
Indirect expenditure	-£3,112	-£2,704
Interest receivable	£13	£17
Profit before tax	£478	£1,011

The majority of business areas performed to plan, and contributed to the financial success of the business in 2016/17. The increasing financial pressures amongst the company's customer base are being felt by the company, and the trading of services is becoming more challenging. The pressures were particularly evidenced in the IT services, and in the sale of training to delegates. These pressures are reflected in the reduced trading profit compared to the previous year.

The financial success of the business has generated a healthy balance sheet at 31st March 2017, based upon the cumulative retained profits of £2.53m.

	31 March 2017	31 March 2016
	<i>£'000s</i>	<i>£'000s</i>
Fixed assets	£191	£108
Stock	£202	£81
Debtors	£1,935	£1,008
Cash	£4,137	£4,320
Current assets	£6,275	£5,408
Creditors	-£3,916	-£3,350
Net current assets	£2,359	£2,059
Total assets less current liabilities	£2,551	£2,167
Share capital	£16	£16
Profit and loss account	£2,534	£2,151
Shareholders' funds	£2,551	£2,167

The share capital comprises 126 (19%) shares owned by Hertfordshire County Council and 521 (81%) shares owned by Hertfordshire schools.

Alongside a strong trading performance, the company has continued to invest in a range of initiatives to address key issues for schools and the Council. Notably, HfL hosted its third teacher recruitment fair in March, to assist schools in sourcing staff for the new academic year. Work also progresses on a range of new initiatives being developed in response to school feedback, including the Parent2Parent® programme of support. In addition to the efficiencies passed to schools through price reductions on the HICS contract, HfL has been able to make efficiencies on the delivery of the HCC core contract.

Whilst financial challenges are undoubtedly intensifying, the Board is confident that this strong performance ensures that the company is on track to deliver a sustainable 3-year financial plan.

Further financial details can be obtained from the company financial statements, which are available on request.



Our team

Herts for Learning employs over 400 staff and a network of over 70 consultants and associates. Our workforce has grown over the past year as we have expanded our service offerings, and is very mobile in nature, working mainly in and with schools and settings. As a result, the technology and infrastructure to support mobile working is critical to enable our teams to do the best job they can and the migration this year to a new in-house IT provision has increased the flexibility of our IT systems and improved the IT support for our people in the field.

Our staff voluntary turnover rate is 13% compared to a median rate of 16.5% in the UK (CIPD Resourcing and Talent Planning 2017). Our absence rates due to sickness continue to remain well below the national average at 3.1 days per employee per annum.

As a company, we continue to carry out regular staff surveys, and our latest average engagement index is 85%, a very high result. This high level of engagement reflects the continued commitment of the HfL workforce to making a difference to schools and settings and ultimately to improving children's lives.

As a result of feedback from our people, we have launched a new company intranet, HfL Pulse, and overhauled our internal communications to improve the way in which we share information and connect with our people across the business. A new Head of Communications and Digital post has been created to lead the implementation of a new communications strategy that is designed to ensure we connect effectively with all of our staff, including our consultant and associate workforce.

Our new Managing Director, Andrew de Csilléry, has spent significant time with people from across the business, discussing their views and perspectives and shadowing key front line areas, such as our IT Service Desk. He has also overseen a change to the format of our Company Updates, which will be going on the road in the new financial year, to reach better those staff working around the county. The response of our people has been overwhelmingly positive to these changes.

Andrew has also spent considerable time with a wide range of customers, shareholders and stakeholders, which has informed a new organisation design within the company, aligning our teams around our internal and external customers. The first stage of this design has been completed, with a restructure of our Senior Leadership Team, which includes the introduction of a key new post, Director of Business Services. This post will bring together all of our business services to schools and settings under a single point of strategic leadership, to maximise the opportunities for collaboration and tailoring of all our business services to meet the needs of our clients in a holistic way.

We have also introduced a new staff suggestion box, which is providing a new route for staff to share ideas and suggestions for improvement, many of which are being taken forward by our Senior Leadership Team.



In terms of rewards and benefits, the company operates a performance related pay scheme and each year the Board may decide to award a bonus to staff, subject to individual performance criteria and the company's financial performance targets being met. The percentage of bonus paid in 2016 was 5% of salary and in 2016 we also broadened the eligibility criteria for the bonus award to ensure all new staff who have passed their probation will also receive a pro-rated bonus to recognise their contribution.

This year has also seen the continued rollout of a new, centrally coordinated Learning and Development Programme, and evaluation of the programme has been overwhelmingly positive. We are continuing to develop the programme into a second phase, which will give our people the opportunity to develop skills in areas such as making effective use of social media and in consolidating our commercial management expertise.

The company continues to support the health and wellbeing of our people, with the introduction of free milk for tea and coffee across our head office and the launch of a wellbeing website where staff can access a wealth of resources on personal health, wellbeing and nutrition and undergo a wellbeing check. We have also offered pedometers to all our staff and are now running a weekly sports club, organised by our Social Committee.

Looking forward, HfL will be auto enrolling all our eligible staff into a pension scheme in July 2017 and staff continue to benefit from a very competitive company scheme offered via Scottish Widows, with a 10% employer contribution rate.

Your Board of Directors

The Herts for Learning Board consists of two appointed directors, two council nominated officers, six elected headteachers/governors and the Company's managing director. The six elected non-executive directors are elected by school shareholders; three from the primary phase, two from the secondary phase and one from special schools/alternative provision academies. The term of office for all directors is three years.

Herts for Learning is a School Company, established under the School Company Regulations 2002. Hertfordshire County Council (HCC) is the Supervisory Authority.

The directors of the Board who were in office since the last Annual Report and up to the date of signing the financial statements were:

Director	Role	Date of appointment
Robin Barrett	Chair of the Audit and Risk Committee (until June 2017) Non-executive director	26 th March 2014
Mike Collier	Chair of the Audit and Risk Committee (from June 2017) Non-executive director	5 th November 2014
Andrew de Csilléry	Managing director	10 th February 2017
Amanda Godfrey	Chair of the Personnel and Remuneration Committee Non-executive director	17 th April 2013
Natalie Knight-Wickens	Non-executive director	6 th July 2017
Graham Lane	Non-executive director	11 th June 2014
Nigel Ludlow	Chair of the Board Non-executive director	26 th March 2014
Kate Smith	Non-executive director	17 th April 2013
Catherine Tallis	Non-executive director	3 rd February 2017
Andrew Wellbeloved	Non-executive director	30 th March 2016

[Details of our Directors](#) can be found on the Herts for Learning website.

Board Structure

The Board has two committees; the Personnel and Remuneration Committee and the Audit and Risk Committee. The Board of Directors determines the terms of reference, responsibilities and composition of these committees, which are authorised to make decisions within agreed delegations and make recommendations to the Board of Directors as appropriate.

The Board is supported by Jackie Goodhall as Company Secretary. The Secretary provides support on corporate governance matters and the Board has access to independent and legal advice if required.

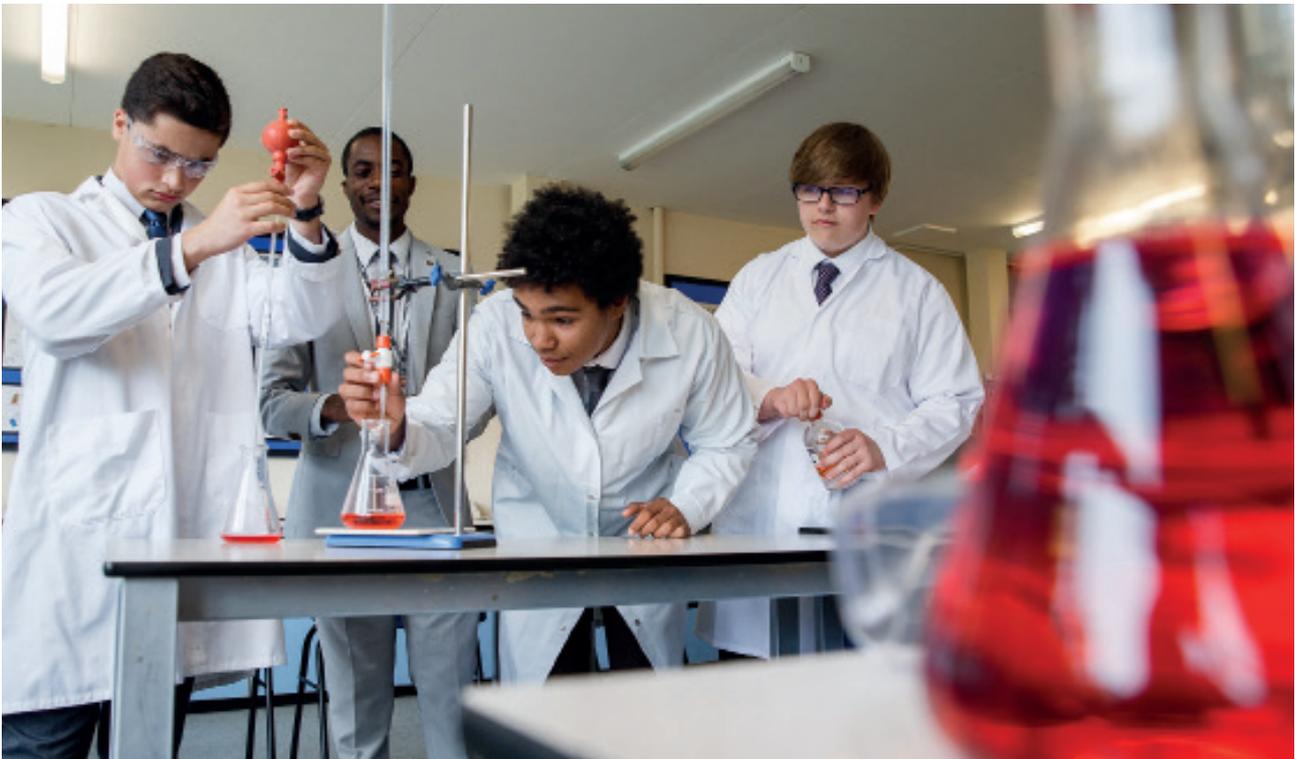
The Board of Directors meets the full statutory responsibilities under the Companies Act 2006 and the School Companies Regulations 2002. It provides over-arching strategic direction and holds company leaders to account for the educational impact, standards achieved and quality of provision and infrastructure services provided to enable schools to:

- inspire and support children and young people to become effective and lifelong learners in order to transform their lives
- create stimulating learning environments that give children and young people the chance to achieve the best possible educational outcomes
- provide their staff with appropriate support and tools in order to thrive in the workplace
- innovate and be creative in their approach to delivering learning

The non-executive directors have a strategic duty to ensure the services provided meet the needs of schools and children; ensuring high standards, a focus on school improvement and financial viability are the strategic intention of all decisions made.

The Personnel and Remuneration Committee, comprising five directors, is responsible for the following:

- formulating written HR policies for approval by the Board
- convening disciplinary and grievance panels
- dealing with whistleblowing issues
- formulating a written remuneration policy which will attract and retain talent, achieve the company's long-term goals and decide what form the remuneration takes; and monitoring of the policy thereof
- recommendations to Board on the remuneration of executive directors
- agreeing an expenses and remuneration policy for directors
- recommending changes in employees terms and conditions of employment
- recommending annual pay awards



The Audit and Risk Committee, comprising five non-executive directors, is responsible for the following:

- scrutiny of due process relating to management of financial and other risks
- oversight of internal financial controls
- agreement of financial statements and other significant documents, as agreed by the Board, prior to approval by Board
- oversight of the relationship with external auditors
- preparation of draft reports for the Board for shareholders on audit, financial and risk management issues
- assessing and recommending to the Board the addition, removal, amendment, mitigation, and prioritisation of risks in the Company's Risk Register
- high level compliance matters

The roles and responsibilities of the Chair of the Board, Non-Executive Directors and Managing Director are outlined on our [website](#).

Board business

As in previous years, the Board held a strategy away day in July, following which the 3-year business plan was refreshed and approved in September. The business plan sets out the priorities for the company over the coming years and how the company intends to address emerging challenges. A particular focus for this year was to understand how the loss of the Educational Services Grant funding to Hertfordshire County Council might affect the company and what could be expected from the de-delegation discussions with Schools Forum. In the event, the outcome was more positive than expected and central funding was secured through to March 2018.

The progress of the development of new products and services is monitored throughout the year. Business cases for further new developments are agreed through the year as and when initiatives are ready to be brought to the Board, although the overall strategy for such developments is agreed at the Board away day in July.

The Board regularly reviews the company's finances, business development and risk register. It also approves further applications from Hertfordshire schools to become shareholders; currently only five Hertfordshire schools are not shareholders.

The appointment of Mercer and Hole as company auditors for the financial year 2016–17 was agreed by shareholders at the Annual General Meeting in September 2016.

Personnel and Remuneration Committee

The focus of the Personnel & Remuneration (P&R) Committee is to ensure that HfL is a strong company with a staff that has the skills, knowledge, expertise and support to deliver a great service to schools in Hertfordshire and beyond. The P&R Committee is confident, that despite the unpredictable and fast-paced changing environment in which HfL works, a well-organised and well-supported staff will be best placed to deliver the best service to HfL customers.

The Committee has worked to ensure a safe passage on HfL's huge journey; moving from a public sector provider in Hertfordshire to a School Company, providing high-quality services in Herts and beyond. Over the last three years, every aspect of HfL has been redefined and restructured, within HR this has involved reviewing HR working practices, responding to new initiatives and requirements, taking action to counter the recruitment and retention crisis in schools and updating the HR service for schools. The committee has sought to ensure that this transformation has taken place in a context of good corporate governance, reflecting the high standards of rigour and structure the company has established. A key priority for the P&R Committee is that this process has reflected the values and moral purpose that are at the heart of HfL as a School Company.

A key priority this year has been leadership succession planning; we have been fortunate to have the benefit of an SLT which included a great deal of experience and expertise, several key leadership team members gave early notice of their retirements and we have been able to plan a very successful succession process which builds on the leadership strengths established. Other key tasks have included reviewing the bonus scheme to ensure fairness for all groups of staff and responding to fast-paced HR legislative changes such as the Apprenticeship Levy, IR35 and pension auto-enrolment.

Horizon scanning the national education landscape identified new opportunities for HfL, the P&R Committee has responded by ensuring the company was well placed to support provision for the growing number of MATs.

The P&R Committee is greatly indebted to the excellent support, expert knowledge and wealth of experience provided by Helen Foster, Head of HR, over the last three years, without her hard work and commitment HR services would not be where it is today. As always, we owe a very grateful thanks to Jackie Goodhall, whose efficiency and organisation in supporting both the HfL Board and P&R Committee is unsurpassed.

Amanda Godfrey

Chair, HfL Personnel and Remuneration Committee





Audit and Risk Committee

On behalf of the Audit and Risk Committee, I am pleased to present its report for the year ended 31st March 2017.

The Committee has continued its practice of reviewing the risk register at each meeting, recommending a rating for each risk according to the severity of its potential impact on HfL and the likelihood of it occurring. We review the progress made by the Senior Leadership Team on the actions to mitigate each risk and have been satisfied with the outcomes to reduce risks during the year. In summary, we are ending the year with only one significant risk, seven medium risks, and four minor risks. We should expect that emerging and future internal and external threats and initiatives will cause new risks to surface and be monitored.

We have reviewed recent recommendations by the Institute of Chartered Secretaries and Administrators to strengthen Audit Committee oversight of the effectiveness, qualifications, independence, and remuneration of the external auditors, and will be adopting these further responsibilities for the forthcoming year.

I can, again, certify that the members of the Committee have executed their responsibilities with diligence and expertise, and have provided valuable support and guidance to the Managing Director and members of the Senior Leadership Team. In turn, our duties have been facilitated by the essential information regularly provided by the Senior Leadership Team, and through the positive relationship that exists between us.

I believe that management and shareholders can be confident that the Audit and Risk Committee continues to protect both the integrity and value of the company for its school and local authority shareholders, and for the greater good of education in our communities.

Lastly, as I now step down after three years as Chair and member of the Audit and Risk Committee, I would like to thank the members for their invaluable wisdom and support, and I wish Mike Collier every success as the new Chair of the Committee.

Robin Barrett

Chair, HfL Audit and Risk Committee



Managing risks

The risk register is a standing item on all Board agendas and is reviewed regularly throughout the year. The Audit and Risk Committee has developed a systematic methodology for ensuring risks are well identified, assessed accurately and that mitigation plans are robust. Some risks have diminished as the company developed and matured, whilst others have become more important, largely related to external factors that are less within the control of the company.

The top risk now facing the company relates to pressure on HCC's and schools' budgets over the next three years (removal of ESG, pension increases and budget reductions), which affects our customers' ability to buy products and services.

Other important risks include the recruitment and retention of key staff members and the challenge of declining income from ICT services.

The Board believes that the company is well placed to address these risks, although the importance of becoming more customer-centric and responsive to customer needs cannot be underestimated. As school budgets remain under pressure, we must ensure that our services remain relevant and provide value for money for all schools. We must also continue to seek further sources of revenue, whether this be new services or sales to a wider range of schools.

Board meetings and attendance

From September 2016 to July 2017, five meetings of the Board took place. The Personnel and Remuneration Committee and the Audit and Risk Committee met four times. The attendance record of each director at these meetings and at relevant committee meetings is set out below. Against each Director's name is shown the number of meetings at which the Director was present as a member and in brackets the number of such meetings that the Director was eligible to attend during the year:

Director	Board meetings	Personnel and Remuneration Committee	Audit and Risk Committee	AGM September 2016
Robin Barrett	4 (5)	-	4 (4)	1 (1)
Mike Collier	4 (5)	-	4 (4)	0 (1)
Andrew de Csilléry	2 (2)	1 (1)	2 (2)	-
Amanda Godfrey	4 (5)	4 (4)	-	1 (1)
Karen James	3 (4)	-	4 (4)	1 (1)
Paul Johnson	2 (4)	-	2 (4)	1 (1)
Natalie Knight-Wickens	1 (1)	-	-	-
Graham Lane	5 (5)	4 (4)	-	1 (1)
Nigel Ludlow	5 (5)	-	-	1 (1)
Simon Newland	2 (2)	1 (2)	-	1 (1)
Jan Paine	3 (3)	4 (4)	2 (2)	1 (1)
Kate Smith	4 (5)	4 (4)	-	1 (1)
Catherine Tallis	2 (2)	2 (2)	-	-
Andrew Wellbeloved	5 (5)	-	1 (4)	1 (1)

In addition, all Board members have attended induction relevant to their experience and role.





Herts for Learning

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