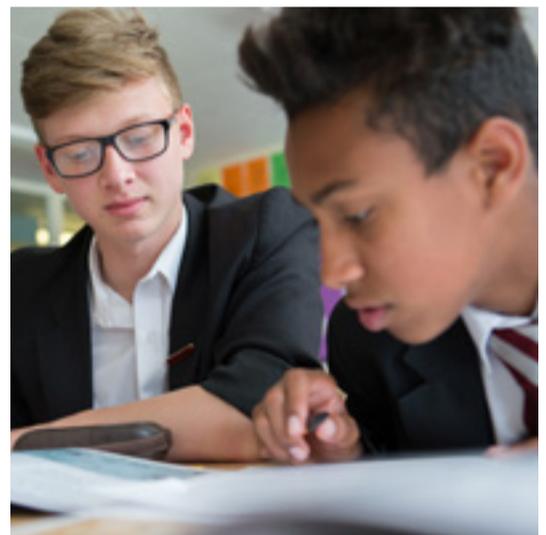
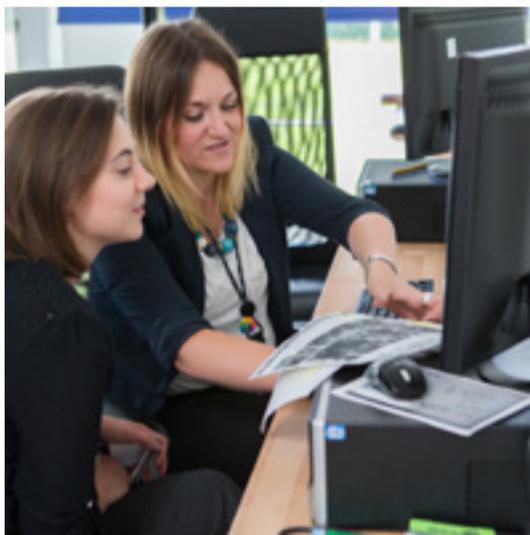




Annual Report to Shareholders 2015



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Chair's message

This is only the second Annual Report to Shareholders for Herts for Learning Ltd, but I am pleased to report that your School Company is already a well-established and successful operation. The number of shareholders has continued to increase and we now have 519 schools that own a share in the company. That represents 98.9% of the total number of eligible schools in Hertfordshire. We thank them all for the confidence they express in the company.

Our strategy is to expand the range of services we offer to support schools and last year saw some notable and innovative additions to our portfolio. These come in online and off-line formats, but all aim to respond to the needs that you have highlighted to us. You will find details of our progress with new services later in this report and I congratulate the Herts for Learning staff for their inventiveness and appetite for new challenges.

As a young company, established with no financial reserves, it is gratifying to see that growth in revenue and careful control of costs has delivered a surplus for the year that will help build reserves and put Herts for Learning on a solid, sustainable footing. This means that we can invest in new services and for the future, whilst also being in a position to cushion the company against unforeseen shocks.

As the reputation of Herts for Learning grows stronger, so interest in our services from schools outside Hertfordshire also increases. Our first priority is to serve local schools, so we review the opportunities that this interest represents carefully. We only trade outside the county when we can do so without affecting our capacity to deliver services locally. Our online services are a good example of how this can be done. Adding subscribers, wherever they come from, has no impact on the quality of the services but instead increases our ability to invest in them.

Improving educational outcomes for all children has never been higher on the nation's agenda. Creating opportunity for young people and ensuring that the country can compete in an increasingly globalised economy are strong reasons for this to be the case. Hertfordshire is fortunate to have such a dedicated and talented team at Herts for Learning that works hard to support the very best outcomes for our children. Your Board is confident for the future because of that team and I thank each one of them for all they do.

Nigel Ludlow



Managing Director's overview

As our second financial year of trading comes to a close, I am delighted to report that we have built on the initial good start we made in year 1. We have achieved most of the ambitions in our business plan this year and have exceeded targets in some areas.

Many of the new services and products you asked us to develop have come to fruition or are close to being ready to launch.

Notably the School Business Management Services are in place and are quickly being taken up by schools. The new curriculum and assessment materials have been widely welcomed, not only across Hertfordshire primary schools but also in other counties, grateful to be able to adopt a high quality scheme developed by experienced practitioners, to meet their needs. The Parent2Parent programme is now rolling out and there is interest in buying into this approach from beyond Hertfordshire and the Coaching Service is now ready and available for any school or setting wishing to get involved on an individual or team basis.

We continue to base our business on the three underpinning tenets, which have served us well so far:

- Delivering consistent high quality value for money services to you, our customers, in schools and settings, as well as on behalf of the council through our contract to provide its statutory school improvement functions.
- Being flexible, listening carefully to your feedback and suggestions and responding promptly.
- Making sure that as a company at the heart of improving learning, we pay attention to the learning and development needs of our staff to ensure they are providing you with the best service they possibly can.

We continue to be the company of choice for many services in Hertfordshire and increasingly in other areas as well, but are keen to make sure we remain responsive to customer feedback. We will be acting upon the outcomes of our recent shareholder satisfaction survey in order to further improve our services to you in our third year of trading.



We have remained committed to and have delivered on our stated priorities throughout year 2:

- meeting the KPIs in the core contract to support all schools and settings to become and remain good or better
- developing new products and services requested by schools and settings in Hertfordshire to meet their needs
- increasingly selling services and products outside Hertfordshire's borders in order to strengthen the business but without compromise to quality for our shareholders

This year HfL has made it a priority to try to support its shareholders with the increasingly difficult national issue of recruiting and retaining high quality teachers. We have worked closely with schools to develop a number of strands of work that are proactively encouraging the best teachers to come to Hertfordshire. This important work will continue next year and will be stepped up to ensure that Hertfordshire retains and enhances its national reputation for providing high quality education.

The continued success of the company is founded on the unwavering commitment and hard work of all of the HfL staff and its Board of Directors, and the strength of partnership and collaboration between HfL, schools, settings and HCC.

Thank you all for your significant contributions in our joint endeavours to ensure every child has access to a great education, wherever they live, and whatever their circumstances.

Jan Paine

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 Non-executive director	26 March 2014
Mike Collier	Non-executive director	05 November 2014
Amanda Godfrey	Chair of the Personnel and Remuneration Committee Non-executive director	17 April 2013
Chris Ingate	Non-executive director	17 April 2013
Karen James	Non-executive director	28 January 2015
Paul Johnson	Non-executive director	02 July 2015
Graham Lane	Non-executive director	11 June 2014
Nigel Ludlow	Chair of the Board Non-executive director	26 March 2014
Simon Newland	Non-executive director	26 February 2013
Jan Paine	Managing director	01 May 2013
Kate Smith	Non-executive director	17 April 2013



Nigel Ludlow

Chair of the Board, Non-Executive Director

Nigel joined the Board in March 2014 when he was first elected as Chair of the Board; he was re-elected as Chair in March 2015.

Nigel's background is in knowledge and information for businesses having spent 30 years in marketing and management roles at The Economist. He is passionate about how public and private sector expertise can work together to deliver real excellence. Nigel is currently Director of Assets at the Museum of London.



Jan Paine

Managing Director

Jan was appointed Managing Director in May 2013.

Driven by a passion for working collaboratively to improve outcomes for all children, Jan brings a blend of experience including headship and senior roles in both local authority and the commercial sector. She recognises team work and strong partnerships as key to the success of Herts for Learning. Jan believes in working responsively with shareholders and wider customers to provide high quality, value for money services that support their ongoing and future needs.



Simon Newland

Vice - Chair of the Board, Non-Executive Director

Simon is one of two Directors nominated by HCC to the HfL Board and joined the Board in February 2013. Simon was also re-elected as Vice-Chair of the Board in March 2015 and is a member of the Personnel and Remuneration Committee.

As a member of Education and Early Intervention and Children's Services Boards, and as HCC lead officer on Schools' Forum, he helps to ensure that the development of the company is informed by what is happening in the wider Children's Services environment in Hertfordshire. Simon is currently Assistant Director, Education Access and Provision at Hertfordshire County Council.

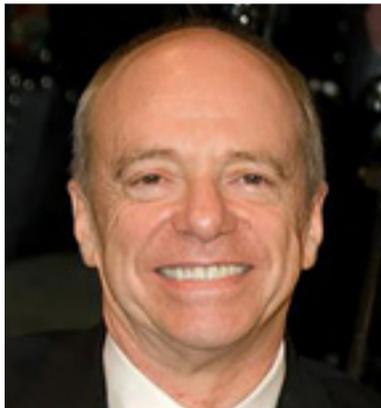


Amanda Godfrey

Chair of the Personnel and Remuneration Committee,
Non-Executive Director

Amanda was elected as Director by primary school shareholders in March 2013, as Chair of the Personnel and Remuneration Committee in October 2013 and subsequently re-elected as Chair in September 2014.

As a Hertfordshire headteacher for eighteen years, Amanda works to ensure that HfL works with all types of schools to provide the excellent quality of support and services to enable headteachers, staff and governors to deliver the quality of education children and young people in Hertfordshire need and deserve. Amanda is currently Executive Head of Spiral Academies Trust.



Robin Barrett

Chair of the Audit and Risk Committee and Non-Executive Director

Robin joined the Board in March 2014, was elected as chair of the Audit Committee in June 2014 and subsequently re-elected in June 2015.

Robin is an ethical business leader with experience in financial services, IT and coaching. He was Senior Vice President of Technology at American Express, and previously Vice President heading securities processing business units at J. P. Morgan. Robin is currently Managing Director of Fluence Limited, which offers Human Performance Management Services.



Mike Collier

Non-Executive Director

Mike is one of two Directors nominated by HCC to the HfL Board and joined in November 2014. Mike is a member of the Audit and Risk Committee.

Mike is a qualified accountant and currently the Assistant Director (Strategic Finance & Performance) for HCC's Environment Department, having previously been Assistant Director for Commissioning & Resources in Children's Services.



Chris Ingate

Non-Executive Director

Chris was elected as Director by secondary school shareholders in March 2013. Chris is a member of the Audit and Risk Committee.

Chris was the Chair of HASSH (Hertfordshire Association of Secondary School Heads) until summer 2013. He was involved in the conceptualisation of Herts for Learning and was keen to continue this work in this realm as Director on the HfL Board. Chris is currently Headteacher of Birchwood High School.



Karen James

Non-Executive Director

Karen was elected as Director by primary school shareholders in December 2014 and joined the Board in January. Karen is a member of the Audit and Risk Committee.

Karen has been a Hertfordshire headteacher for eight years, consistently putting the needs of children first and seeking creative ways to improve outcomes. Karen is a member of the Schools' Forum and a National Leader of Education (NLE). Karen is currently Headteacher of Ludwick Nursery School.



Paul Johnson

Non-Executive Director

Paul was elected as Director by special school and alternative provision academy shareholders in May 2015 and joined the Board in July.

Paul has been the Headteacher of St Luke's Foundation Special School for the last 17 years and is a member of Schools' Forum. He is passionate about the teaching and learning of pupils with complex learning needs, particularly the development of the holistic curriculum of the pupils so they can lead as independent lives as possible.



Graham Lane

Non-Executive Director

Graham was elected as Director by primary school shareholders in June 2014 and joined the Board for the June meeting. Graham is currently a member of the Personnel and Remuneration Committee, but has also been a member of the Audit and Risk Committee.

Graham is a governor at Redbourn Infant and Nursery School. He is also vice-chair of Oaklands College and Hertfordshire National Apprenticeship Service Ambassadors Network. Graham is currently Managing Director of Cheeky Munkey, an IT business, and sits on several business boards such as the Hertfordshire Local Enterprise Partnership.



Kate Smith

Non-Executive Director

Kate was elected as Director by secondary school shareholders in March 2013 and joined the Board in April. Kate is a member of the Personnel and Remuneration Committee.

Kate was appointed to her second headship in September 2011, having previously been Head of Secondary School Effectiveness for Hertfordshire. This experience gives her an insight into how Herts for Learning can best provide for schools' improvement needs. Kate is currently Headteacher at Monks Walk School.

Former Directors

The following Directors served on the Board during this reporting period:

Claire Cook

Claire was one of the two Directors nominated by HCC to the HfL Board in February 2013. Claire completed her tenure with the Board in October 2014 and was replaced by Mike Collier.

Kim Frazer

Kim was elected as Director by primary school shareholders in March 2013 and joined the Board in April. Kim stepped down from headship in December 2014 and was therefore no longer eligible to be a director. Kim was replaced by Karen James.

Heather Boardman

Heather was elected as Director by special school and alternative provision academy shareholders and joined the Board in July 2013. Heather stepped down from the Board at the end of June 2015 and was replaced by Paul Johnson.

The Herts for Learning Board would like to thank Claire, Kim and Heather for their contribution to the work of the Board and committees.

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 Peter Hobbs as Company Secretary; Peter is currently Head of Governance at Herts for Learning as well as company secretary for other organisations. The Secretary provides support on corporate governance matters and the Board has access to independent 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/identified management posts
- 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 four 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
- liaison with external auditors
- preparation of draft reports or the Board for shareholders on audit, financial and risk management issues
- assessment and prioritisation of risks and recommendations to the Board for mitigation actions
- high level compliance matters

Roles and responsibilities

The Chair of the Board

The Chair leads the Board in ensuring the company meets its objectives and remains financially sustainable by:

- formulating and delivering strategy and objectives
- driving the business of the Board and ensuring strong and effective governance
- tracking the contribution of individual directors
- ensuring effective communication with shareholders
- ensuring the Board focuses on its key tasks
- engaging the Board in assessing and improving its performance

Non-executive directors

Along with the experience each non-executive director brings to the Board their responsibilities are to:

- provide leadership, direction and overall accountability to shareholders for the work of HfL and its staff through the Managing Director and the work of the board
- define and ensure compliance with the values and objectives of the company
- approve strategies, policies and plans to achieve the company objectives
- approve each year's budget and accounts prior to publication
- establish and oversee a framework of delegation and systems of control
- provide guidance, support and constructive challenge to members of the executive team
- monitor HfL's performance in relation to plans, budgets, controls and decisions, holding the Managing Director and her team to account
- ensure the company remains accountable and open to customers and other stakeholders
- ensure that HfL's affairs are conducted lawfully and in accordance with regulatory requirements and generally accepted standards of performance and propriety

Non-executive directors are expected to attend five Board meetings per year, in addition to induction and committee meetings as appropriate. The Personnel and Remuneration Committee meets approximately four times a year and the Audit and Risk Committee now meets at least three times a year.

Non-executive directors are not remunerated but they are entitled to claim expenses and their employers are entitled to claim modest compensation (for example to cover the supply costs incurred for a teaching headteacher attending Board meetings).

Managing Director

The Managing Director is expected to provide the strategic leadership of Herts for Learning to ensure that it provides a range of support services to schools and to work collaboratively with schools to help drive high levels of educational attainment for the children of Hertfordshire. The Managing Director is required to drive year on year growth of the company so that it has a sustainable future.

The Managing Director's main areas of responsibility are to:

- set a clear strategic vision for HfL in conjunction with the HfL Board
- provide strong improvement and intervention services for schools, with a particular focus on under performing schools and transformation of poor performance
- develop a brokerage approach to help share skills and learning
- drive transformation and continuous performance improvement across all HfL service areas to ensure value for money and high quality service provision for schools
- develop more commercial approaches to service delivery, and lead the organisation through the design and implementation of these to ensure a sustainable future for HfL
- ensure strong and visible leadership in setting the strategic direction for HfL, encouraging key service leads to motivate and inspire their teams
- provide strong leadership, based on the agreed vision, values and behaviours for HfL
- drive a performance management culture for all HfL employees with a balance between developing a more commercial company and maintaining a focus on educational achievement
- act as an effective 'client' for support services provided to HfL by the County Council or their commercial partners to ensure continued value for money for HfL

Board effectiveness

The attendance, effectiveness and contribution at meetings of the directors are kept under review by the chair; in addition the annual self-assessment of Board effectiveness took place in June 2015. This identified that the Board has an appropriate balance of skills, background and experience, that members work and communicate well with each other and participate actively in meetings. Directors agreed that the Board is effective in fulfilling its strategic duties and that reports and presentations provided by the executive are of good quality, enabling the Board to carry out its functions efficiently. The additional skill set of the two co-opted non-executive directors and the primary phase governor continue to add particular value to Board effectiveness.

Board business

An initial two year business plan was agreed in September 2013 including the priorities for the future direction of the company, business growth, pace and finances. This was refreshed in September 2014 following detailed discussion at the Board's awayday in June. The progress of the development of new products and services is monitored throughout the year and business cases for further new developments agreed at the Board's strategy day in the summer term.

The Board regularly reviews the company's finances, business development and risk register. It also approves further applications from Hertfordshire schools to become a shareholder.

Key messages from each Board meeting are placed on the shareholder pages of HfL's website <http://www.hertsforlearning.co.uk/content/hfl-shareholders>

The appointment of Mercer and Hole as company auditors for the financial year 2014-15 was agreed by shareholders at the Annual General Meeting in July 2014.

Personnel and Remuneration Committee

The Personnel and Remuneration (P&R) Committee brings together a wide variety of Board skills and experience; collectively our backgrounds include many years of leadership of schools, business and finance. The committee is supported by senior managers of Herts for Learning (HfL) who regularly attend our meetings.

Throughout the year the committee has focussed on two areas of activity: ensuring legal compliance and ensuring that HfL staff are a well looked after team, well managed and fit for purpose to deliver the company aims. We have been greatly assisted in this by the contributions of Helen Foster, Head of HR, who prepares informative reports for our scrutiny and challenge.

As a new company there is a great deal of work to do to ensure that a coherent set of policies is in place; this year had the added challenge of significant legislative change nationally with the introduction of flexible leave entitlements. As a result we have spent time reviewing and revising leave and pay policies to ensure they are compliant with recent legal changes, and are fair and transparent. The underlying aim of the P&R committee is to ensure HfL is a fair and consistent employer and we seek to balance this with our duty as directors to ensure a company which is efficient and sustainable, able to deliver great value for schools and the pupils of Hertfordshire.

Staff development and wellbeing has been our main focus. The beginning of the year saw the introduction of a new performance, appraisal and development scheme to support managers in providing a robust and supportive process. We have monitored the implementation throughout the year. We were delighted to end the year with positive staff survey outcomes, which show that the company has made excellent progress in addressing staff concerns and securing high levels of satisfaction and wellbeing, since its establishment in Sept 2013.

As we end the year and changes are made to our committee membership I would like to thank Nigel Ludlow and Heather Boardman for their valued contributions to the committee. We are pleased to welcome Graham Lane to the Personnel and Remuneration committee. As we enter our third year of business the committee looks forward to working to ensure that HfL is a strong company, well-resourced with staff that feel valued and cared for, delivering a great service for schools and the pupils of Hertfordshire, whatever their circumstances.

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 2015.

The year to March 2015 saw the first 12 months of operation of the newly-formed Audit Committee.

During the course of the year, I was asked by the Board to make recommendations for the expansion of the Audit Committee to become the Audit and Risk Committee. These proposals were approved by the Board at the meeting of 5th November, and the Audit Committee expanded its brief to become the Audit and Risk Committee at its meeting of 9th March 2015.

The Committee's new role includes the assessment and prioritisation of risks in the HfL Risk Register, and recommendations to the Board for mitigation actions. The risks now addressed by the Committee include by way of example, but are not limited to, financial performance and liquidity, market and external trends, regulatory and legal compliance, competition, resourcing, operations and technology, fraud, and corporate culture.

The members of the Committee have performed their role with diligence and insight, reviewing and making recommendations on the financial operations, risks, and controls of HfL, and reviewing and recommending the annual accounts for adoption by the main Board.

In its work, the Committee has sought to balance independent oversight of the business with support and guidance to the Managing Director and members of the Senior Leadership Team. I believe that management and shareholders can be confident that the Audit and Risk Committee has carried out its duties effectively and to a high standard in this year, helping to protect value for the company.

The members of the committee are individuals who hold or have held senior positions in education and business and have appropriate knowledge and experience, in turn supported by members of senior management of the company and the external auditors, who regularly attend meetings of the committee. The Committee's assessments are supported by information provided by management and the external auditors that is of a high standard, ensuring that Committee members have the information needed to give proper consideration to the matters brought before them.

Robin Barrett

Chair, HfL Audit and Risk Committee

Board meetings and attendance

From September 2014 to July 2015 five meetings of the Board took place. Four meetings of the Personnel and Remuneration Committee took place and the Audit and Risk Committee met three 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	AGM July 2014	Audit and Risk Committee
Robin Barrett	4 (5)		1 (1)	3 (3)
Heather Boardman	3 (4)	1 (4)	0 (1)	
Mike Collier	4 (4)			2 (2)
Claire Cook	1 (1)		1 (1)	1 (1)
Kim Frazer	2 (2)		1 (1)	1 (1)
Amanda Godfrey	4 (5)	4 (4)	1 (1)	
Chris Ingate	4 (5)		1 (1)	2 (3)
Karen James	3 (3)			1 (1)
Paul Johnson	1 (1)			
Graham Lane	5 (5)	1 (1)	1 (1)	2 (2)
Nigel Ludlow	5 (5)	3 (3)	1 (1)	
Simon Newland	4 (5)	4 (4)	1 (1)	
Jan Paine	5 (5)	3 (4)	1 (1)	3 (3)
Kate Smith	5 (5)	4 (4)	1 (1)	

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

Our business and customers

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

Traded business services

- Schools' IT (SITSS)
- Connectivity
- Schools' HR
- Finance
- Governance
- Business Management Service

Traded school improvement

- Consultancy
- Advice
- Courses
- Conferences
- Training packages
- Bespoke training
- Curriculum materials
- Coaching service
- Parent2Parent (P2P)

Statutory contract

Schools and settings:

- in an Ofsted category
- causing concern
- below floor
- requiring improvement
- coasting schools

Our business is made up of 75% traded income with schools and settings, whilst the other 25% 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.

Our traded services

Our traded services include the full range of school improvement services designed to support schools with issues related to curriculum design, subject specialisms, newly qualified teachers, teaching and learning, assessment, leadership and management. These are delivered through bespoke consultancy, the HIP (Hertfordshire Improvement Partner) programme, in-school training, conferences, courses, developmental programmes and resources.

We also 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 a range of connectivity and IT services, schools HR, governance, school 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 services
2. Achieving agreed income targets set by the Board
3. Providing further services that our customers want to buy

In 2014-15, we are pleased to report that HfL has retained and further grown its traded customer base on the existing 2013-14 trading base. You, our shareholding customers, purchase high volumes of services from HfL and all of our traded services have achieved or exceeded their income targets. In summary we 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.

Our core contract with HCC

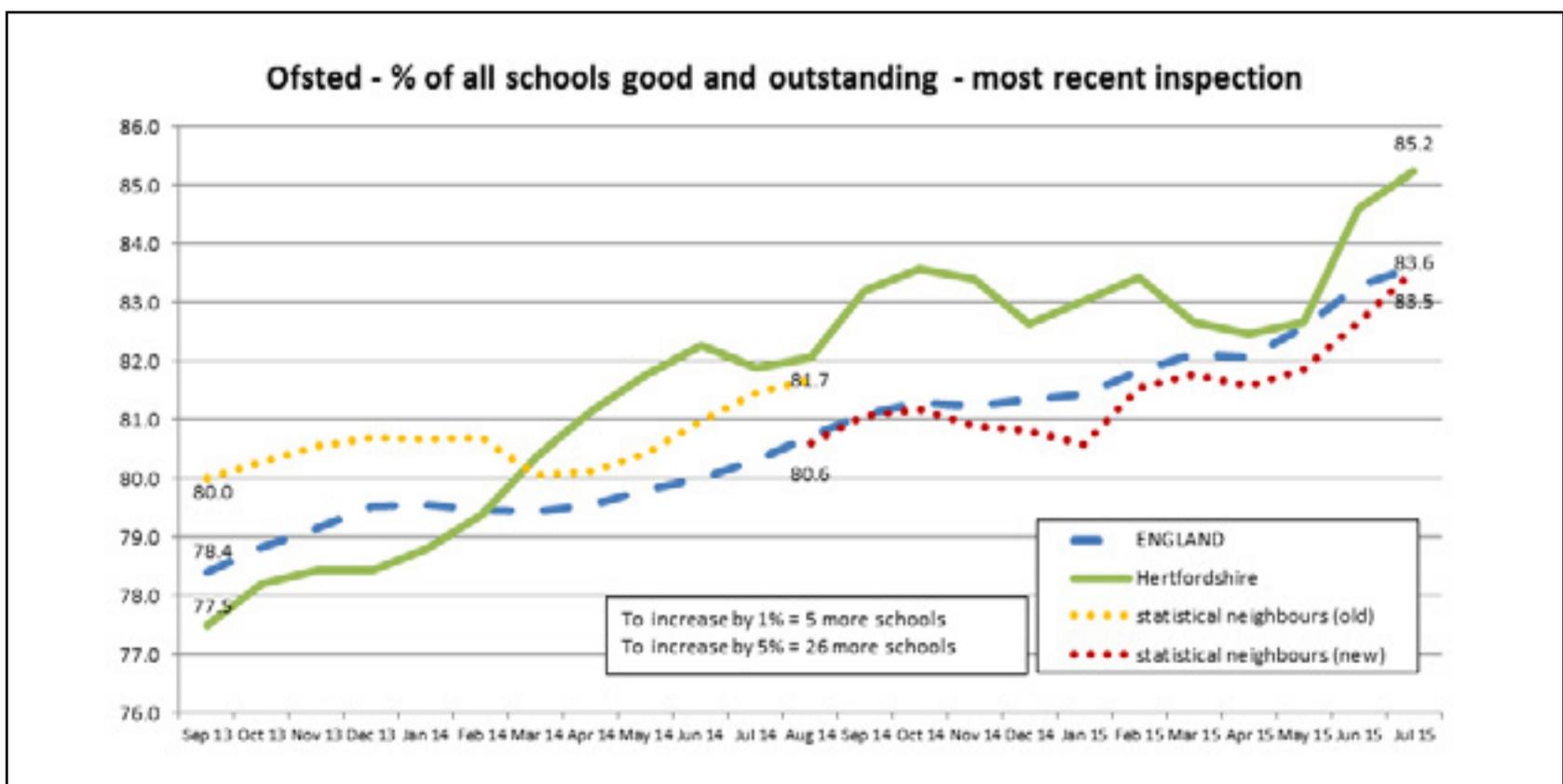
In addition to our traded services, HCC commissions HfL to carry out a large piece of non-traded core contract work through which we monitor, support, challenge and intervene in schools causing concern or at risk of becoming a school causing concern. This work is carried out by a team of advisers working across all districts. HfL also carries out the monitoring function of the council with regard to academies and free schools and makes recommendations to the council with regard to any concerns that emerge.

Hertfordshire County Council, as the local authority, can now expect to be inspected by Ofsted about the effectiveness of its arrangements for school improvement. HfL therefore plays a key role in making sure that the LA Strategy for School Improvement is in place and is being fulfilled and is responsible for ensuring that the functions it is commissioned to deliver are carried out effectively to bring about a positive impact on outcomes for all children (see www.thegrid.org.uk/leadership/improvement).

There are over 70 key performance indicators associated with successfully delivering the core contract for school improvement services but these can be distilled into three main groups which include supporting and influencing schools and settings to:

1. Increase the number of schools good or better and reduce the number of schools requiring improvement as judged by Ofsted
2. Narrow the gap in outcomes for more vulnerable pupils
3. Achieve greater consistency in standards across geographical districts

The graph below illustrates the significant progress that has been made with regard to Ofsted inspections in schools across the county since the launch of HfL and the trajectory suggests that we are on track to help to achieve the county's aspiration as stated in the 2014 Hertfordshire School Improvement Strategy; to have a good school for every child in every district by 2017.



The gap in outcomes between our most vulnerable groups of children and their peers however, remains too great in Hertfordshire and hard work is taking place with schools and settings to address these issues through, for example, the primary RANGe projects (Raising achievement, narrowing gaps effectively) and the Exchanging Excellence Closing Gaps Programme. Performance data from this summer's test and examination results is not yet published for inclusion in this report. We anticipate that progress will have been made, but know that this priority will need to remain a key performance indicator going forward and an area for investment and focus.

The variation in standards of achievement across districts in Hertfordshire is also a focus of our attention. Good progress was made in Stevenage in 2013/14 where the percentage of good and better schools improved significantly from 53% at the end of July 2013 to 69% at the end of July 2014, but there is still work to do to close regional differences in outcomes for children.

Investing in new services and responding to your feedback

Herts for Learning is a unique company, owned and accountable to you, the shareholders. As a result, we are keen to understand how you view our services and how you wish us to evolve. Through the headteacher and governor forums, teaching school alliance meetings, conferences, training and events we capture your feedback and develop and improve our services to meet your needs. This year we have also developed a new shareholder survey to collate views from headteachers and governors about our performance and responses to local and national educational issues. We have recently re-designed our training and events evaluation process, enabling us to capture your feedback more effectively.

As a result, we identified a number of areas that you wanted us to develop support for, including:

- school business management
- planning and assessing the new curriculum
- recruiting new teachers and school leaders
- providing support to returning teachers
- promoting parental engagement in the learning process
- increased understanding of services, support and best practice across Hertfordshire
- reviewing school efficiency
- remote training and consultancy

As a result of your continued support and strong trading we have been able to make progress in these areas, as detailed below.



The **Business** of **Running** a **School**

School business management

Many schools articulated the need for good business and office management, particularly as the financial climate changes and schools become more autonomous in their management of contracts, premises and resources. In the previous year, we had piloted the use of school business management consultants, who could be purchased at a daily rate either to support long term change or a short term issue in a school. This year we have rolled this service out across the county, ensuring that all schools can access a high quality school business manager in a flexible, efficient way. We have also extended this service in response to your requests for further support, and now offer:

- a school business manager recruitment service
- induction support for new school business managers
- a thorough CPD, accreditation and conference programme for service school business managers
- performance coaching for school business managers

Next year, HfL will pilot an office manager support service, providing access to additional office support for schools which will offer operational support to schools for the short or longer term.

Planning and assessing the new curriculum

Primary

Understanding the new curriculum and assessment expectations was a clear priority for all schools last year. As a result, HfL created a new web subscription service for primary schools which provided long and short term planning and a new, bespoke assessment framework. Primary PA+ was created in response to an urgent need for practical yet pedagogically sound guidance to support learning and teaching in mathematics and English. This service was accessed by 97% of shareholding primary schools and over 130 out-of-county schools. As a result of your positive feedback about this service we are now extending the support that this provides, adding further guidance and support for primary mathematics and English, and support for other curriculum areas, such as history and geography.

Secondary

Following the successful launch of the primary subscription service, secondary schools requested that HfL develop support to meet their emerging need for planning and assessment guidance in key stage 3 and key stage 4. As a result, a new key stage 3 support programme has been developed. This will offer guidance for the delivery and assessment of core subjects.

In addition to this key stage 3 programme, our well respected English team have created guidance and resources to support teaching and learning for GCSE English. The new Virtual English Office (VEO) launched in July 2015 and will offer key schemes and resources to manage transition to teaching and resourcing of the new GCSEs.

Teacher recruitment - providing support to returning teachers

As part of our work on recruitment (see page 26), it became clear that there are a great number of trained teachers in Hertfordshire who are not currently teaching. Our schools have asked us to provide support to enable these 'returners' to access upskilling programmes in order to make a successful return to teaching. We have therefore launched two new programmes:

- Confident to Return – a short course aimed at providing an overview of current practice and expectations to help teachers regain the confidence to apply for teaching vacancies.
- Returning Qualified Teachers (RQTs) – a programme to support returning teachers throughout their first year back, providing access to subject and teaching expertise and a network to support a successful return

Promoting parental engagement in the learning process

In 2014 we piloted a new programme, Parent2Parent (P2P), which aimed to increase parents' confidence and skills to support learning at home. As a result of the excellent feedback from pilot schools about the impact of this on parents and pupils, the programme was launched in April 2015 and made available to all primary schools in Hertfordshire. In order to highlight the importance of working with parents on educational attainment, HfL also launched the Investors in Parents Award system, and Newberries Primary School was the first in the county to attain Bronze status.



Following requests from secondary schools, the P2P programme will evolve to provide a new, tailored programme for key stage 3 and 4 parents in autumn 2015, enabling them to also benefit from this innovative approach to improving academic success.

Remote training and consultancy

Schools tell us that they are keen for us to offer alternative ways to access support and training, particularly given increasing workload pressures and growing financial pressures. In the autumn term 2015 HfL will be piloting the use of video on demand training in key service areas. This will enable you to view briefings and information broadcasts at a time and place that suits you. We intend to develop our online offering throughout the year, trialling the use of video streaming later in the year.

Reviewing school efficiency

In response to headteacher concerns about maximising the potential of school budgets in an increasingly difficult financial climate, HfL is planning to develop a new suite of services that will provide strategic, tactical and operational support to schools to assess financial and school operational strategy. These services will enable shareholders to review their current HR, financial, contractual and business practices and develop efficient procedures and structures to meet needs and deliver excellent value for money, enabling schools to optimise their budgets to raise standards in learning and teaching. The new suite of services is currently being developed and will be launched by early 2016.

We will continue to monitor national policy, national and international research, good practice forums and professional bodies to keep our shareholders abreast of key educational developments and ensure that our schools remain up-to-date and informed about any potential implications for you, your staff and your pupils. We always welcome your thoughts and ideas about how we can improve our support, and actively welcome shareholder views on products, services and support that could be developed.

As a shareholder, you can be assured that Herts for Learning is constantly reviewing feedback and best practice to deliver new services and support that meet your changing needs. We will contribute to the start-up and early investment costs wherever possible to develop new, sustainable traded services and address the common good in Hertfordshire. Some of our new services do have the potential to trade beyond our borders, and therefore contribute to the success of the company and further investment in our schools and pupils.

Investing in 'the common good'

As the company has made a good start and is achieving well on its strategy for growth, we have gained more capacity to respond to requests for support from schools and settings. Some of that capacity is invested in developing new products and services which will eventually become part of the trading arm of the company. Other resource has been directed toward investing in what we have been loosely describing as 'the common good', in other words investing in areas that will bring benefit to the majority of our shareholders and which are funded by Herts for Learning.

Teacher recruitment

Last year we highlighted teacher recruitment as a major area of concern being raised by many schools and that problem has worsened nationally, where it is now recognised that there is a significant difficulty facing schools and settings in recruiting and retaining sufficient high quality teachers and leaders.

In response we set up a steering group made up of headteachers and HfL staff to drive five strands of work forwards and we have made good progress on all of these strands this year.

Steering Group				
Strand 1	Strand 2	Strand 3	Strand 4	Strand 5
Recruitment, retention and wellbeing of school leaders	Recruitment fairs and promoting Hertfordshire	Encouraging young people to join the profession	Planning and delivery of upskilling and returner programmes	Renewing the Teach in Herts web site

Following the very successful Hertfordshire Teacher Recruitment Fair held in March 2015 (attended by over 600 prospective teachers), we are planning further events and a new Head of School Recruitment Services was appointed in July 2015 to take this work forward including:

- the development and launch of a new Teach in Herts website
- the creation of a new Teach in Herts recruitment campaign
- a range of new services to support recruitment and retention

The Teach in Herts Teacher Recruitment fair national press advertisement - March 2014

If you are a current, past or new teacher, or interested in teaching as a profession **this is an essential event for you to attend.**

Where can you meet 100s of schools face to face and talk about real jobs?

Representatives from 100s of Hertfordshire schools will be available to discuss current and future teaching opportunities. Schools Direct and other teacher training providers will also be attending.

Come along and attend free workshops:

- Unmissable tips on applying for your first teaching job
- Train to Teach (run by the National College of Teaching and Leadership)
- Returning to teaching
- Thinking of a new career path? Re-train as a teacher from another profession
- Induction, support and training programmes for newly qualified teachers (NQTs) in Herts
- Fast tracking programme – increase your subject knowledge
- Progress your leadership career in Herts
- Why teach in Hertfordshire?

Free to attend.

Inspiring workshops.

Free on-site parking.

Free shuttle bus from Stevenage train station.

Event sponsored by Herts for Learning.

Teacher Recruitment Fair

Saturday 14th March 10.00am to 4.00pm

Hertfordshire Development Centre at
Robertson House, Six Hills Way, Stevenage SG1 2FQ.

Teach in Herts

Full details & how to beat the queues visit www.teachinherts.com

We have also received a number of requests to provide further support for school leaders in what is an increasingly pressurised and sometimes lonely job. We are resurrecting the previous Lead in Herts initiative and will be investing further in this area in the next financial year.

HfL's intern and apprentice schemes

Last year we reported that we had initiated a paid graduate intern scheme. I am pleased to say that the scheme has developed further to include apprentices and we are very pleased with its success.

The Herts for Learning Internship Programme gives graduates at the beginning of their careers the opportunity to gain experience in a chosen field whilst supporting HfL's mission of improving educational outcomes for all children. Our interns bring valuable knowledge and expertise from a range of disciplines. HfL's Internship Programme is a two-stage programme that offers individuals the chance to gain valuable experience on a paid work placement, followed by an opportunity to kick start their career with a formal fixed term contract within one of HfL's teams.

We now employ a graduate journalist, graphic design, education practice and policy, website content and marketing and business and event support interns and apprentices in the finance and school IT teams. The interns and apprentices have brought invaluable new skills into the HfL team and are playing a key part in supporting the development of new strands of business. They also enable us to play our part in helping young people gain lifelong skills to help them to develop successful, long term careers.

Exchanging Excellence

Shareholders have highlighted the importance of sharing best practice across the county. To this end, HfL have continued to produce a monthly newspaper, the Training Times, to share developments, news and initiatives with all of our schools. The Exchanging Excellence programme has also continued, with a well-attended conference focussing on strengthening school leadership in the face of challenge. Focussed articles, events and discussion will continue throughout 2015 with a section on our company website dedicated to exchanging examples of good practice. Our new Pupil Premium Champion will use this section of the website to help schools access ideas and support to help reduce the achievement gap in Hertfordshire.

Developing partnerships

HfL is now working in partnership with HertsCam, a self-governing network of teachers and schools, supporting the development of practice in schools and other education settings. The HertsCam Network is a charity working in partnership with schools and local universities; it is led by the HertsCam Steering Committee, which has representation from various schools in the region.

Through this partnership and the sharing of best practice HfL hopes to enhance its support for Hertfordshire schools. Teacher-led development projects and case studies are regularly published and this will also contribute to HfL's continuing work under the Exchanging Excellence programme.

Managing risks

The risk register is a standing item on all Board agendas and has been adjusted regularly throughout the year. This year we have extended the remit of the Audit Committee to include risk oversight. The Audit and Risk Committee has approved a more robust scheme for identification, determining level of risk and maintaining mitigating activity. Some risks have diminished as the company moved into its second year, whilst others have emerged.

The top two risks facing the company at the end of the second year of trading are as follows:

1. Pressures on school funding which may impact school effectiveness and reduce schools' capacity to invest in HfL services
2. The changing political environment and changes to decision making about schools causing concern

Our team

Over the past year Herts for Learning has employed on average 296 members of staff, including 71 clerks to governors, employed for occasional school governing body clerking duties as required. In addition the company also draws upon the skills of a number of other people who are employed in schools or are self-employed associates of the company.

The majority of the workforce is based in Stevenage but 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 the teams to do the best job they can and support the overall success of the company. Ageing and poor IT equipment was replaced during the first few months of the company's operation and this has had a positive impact on both morale and performance.

Our staff voluntary turnover rates remain steady at 10%. Some of that turnover has been due to schools recruiting our skilled staff, particularly from some infrastructure services. Our absence rates due to sickness are well below the national average at 3.4 days per employee per annum.

3% of staff are known to have a disability and 8% are from a black and ethnic minority group. HfL has an equalities policy in place and strives to ensure that fair and full consideration is given to all applications for employment, including from disabled people. Our policy also ensures equal treatment of all staff in matters of access to training and development opportunities, career grade movement, promotion and secondment opportunities. The company has introduced a new whistleblowing policy and confidential route for staff to raise concerns.

A comprehensive staff survey was carried out in February 2015, to test the level of engagement from staff with the company and its mission. The survey had a very high response rate and some extremely positive results, with an engagement index of 86.3%, up from 75% the previous year. The results of that survey were shared widely with team leaders and the whole staff as well as the Board. A staff conference was scheduled to follow up on the areas identified as needing attention and a comprehensive improvement plan is in place to address those areas. The improvement plan is regularly reviewed and good progress is being made against the actions within that plan.

We have kept all staff involved and up to date through regular staff conferences, communications directly from the Managing Director to all staff and through Hertbeat – our fortnightly update for staff on issues of interest and concern to them as employees of the company.

There have been five staff conference days over the year where the whole staff have been involved in helping to shape the company. Staff are invited to share their expertise across the different teams. At each conference the staff are updated on

company financial progress, future outlook and risks, as well as progress on our growth strategy and improvement plan. Feedback from the staff conferences has been very positive since the inception of the company and any issues raised have been acted upon quickly. The design of staff conferences has been updated to offer a more flexible model of attendance to support teams providing operational service cover to schools.

Following an analysis of the staff survey data, a number of development priorities have been identified and a new programme of continuous professional development will be made available for staff.

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 2014 / 2015 was 5% of salary. Following an independent moderation process, decisions were made to award the bonus to 287 staff, with 82 staff not receiving the bonus where the eligibility criteria was not met. This included staff with less than a year's service, those who were under notice to leave the company or who did not meet the performance criteria.

Financial review

The company performed strongly over the financial year and, as a result, is able to report a retained profit of £747k. This strengthens the company's financial position, meaning that shareholders' funds of £1.36m exist on the balance sheet after the company's first 19 months of trading. As a result, the company is on track to deliver the three-year target of £2.5m reserves set out in the business plan (to provide reassurance that the company is sustainable), can plan ahead confidently, and can invest in new services requested by our customers.

	12 months to 31 March 2015 '000s	7 months to 31 March 2014 '000s
Turnover	£21,850	£13,354
Cost of sales	-£18,570	-£11,045
Gross Profit	£3,279	£2,309
Indirect expenditure	-£2,339	-£1,520
Operating profit	£940	£789
Taxation	-£193	-£190
Retained profit	£747	£599

All business areas performed strongly and contributed to the financial success of the business in 2014/15. Of particular note, delegate numbers on central training events were particularly high in the autumn and spring terms. This has a direct positive impact on operating profit, which ended the year ahead of plan. Other contributors to the strong profit performance include tight controls on expenditure and the re-procurement of cheaper printing services.

The financial success of the business has generated a healthy balance sheet at 31 March 2015, based upon the cumulative retained profits of £1.346m.

	12 months to 31 March 2015 '000s	7 months to 31 March 2014 '000s
Fixed Assets	£10	£9
Stocks	£113	£102
Debtors	£1,464	£1,011
Cash	£3,559	£2,961
Current Assets	£5,136	£4,074
Creditors	-£3,784	-£3,468
Net current assets	£1,352	£606
Total assets less current liabilities	£1,362	£615
Share capital	£16	£16
Profit and loss account	£1,346	£599
Retained profit	£1,362	£615

Debt is closely managed and the majority of customers pay on Direct Debit. As a result, the company's cash position is very favourable, and investments have been made during the year in deposit accounts, in order that returns on cash investments are maximised and investments are diversified.

At 31st March 2015 the share capital comprises 126 (20%) shares owned by Hertfordshire County Council and 513 (80%) shares owned by Hertfordshire schools.

Alongside a strong trading performance, the company has also invested in a range of initiatives to address key issues for schools and the council. Notably, HfL hosted a teacher recruitment fair in March, to assist schools in sourcing staff for the new academic year. Supplementing this work, the teacher recruitment website (Teach in Herts) is to be remodelled, and a resource has been appointed to improve the teacher recruitment process in Hertfordshire. Work also progresses on a range of new initiatives which are being developed in response to school feedback, including the Parent 2 Parent programme of support.

The Board is confident that this strong performance ensures that the company is on track to deliver against its 3-year financial plan.

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



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