

Annual report to shareholders 2020



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Our purpose

We believe that every young person, through access to a great education, should be able to realise their potential, regardless of where they live or their circumstances.

Our vision

Herts for Learning will be the company of choice for services, resources and products, helping those we work with to deliver a great education.

Our values



Trusted

We are trusted by those we serve and trust each other because we are seen as experts, offering credibility and experience in our chosen fields; we recognise and respect and demonstrate the role that each colleague plays to deliver our purpose and vision.



Inspirational

We believe in the power of education to help young people realise their potential and inspire those we work with to strive towards this purpose; we are passionate and resilient and show we are capable of adapting to change and willing to challenge ourselves; we innovate and evolve to meet the challenges of the changing environment.



Collaborative

We are stronger together and work as a cross-company team to overcome challenges; we recognise that overall company objectives outweigh individual or team objectives; we pursue our purpose by working in partnership with others.

Chair's message



I am writing my first message as Chair of the Herts for Learning (HfL) Board, as the COVID-19 lockdown we have all experienced begins to unwind. The unprecedented

change that the business has been exposed to has shown the team at its best. Service to schools has been adapted and I have heard many inspirational stories of how HfL is continuing to make a difference to young people's educational outcomes. I am enormously impressed by how our people have displayed flexibility and resilience, even with difficult circumstances of their own. I, and the Board, would like to thank everyone for their efforts.

This report typically would outline changes to the Board in the last 12 months, key areas of focus in that time and the agenda ahead of us. While COVID-19 has brought much 'new news', I feel it is still important to provide that insight.

So, to changes at the Board. Robin Barrett, the previous Chair, stepped down in March 2020 after six years of service. He leaves the business in a strong position, with reserves to see us through the crisis, a diverse, skilled Board and the results of an excellent study from the Cass Business School Centre for Charity Effectiveness on how we could improve the Board's effectiveness. We are very grateful for his contribution. I hope I can achieve as much in my tenure! Additionally, we have seen changes to our Hertfordshire County Council (HCC) directors with the departure of Ben Jay and Catherine Tallis, replaced by Faisal Mir and

Jo Fisher – each bringing excellent, relevant skills that will be highly valuable. As Robin leaves, we are delighted to have recruited Nick Novak - a strong EdTech specialist with a track record of growing exciting businesses. Rob Staples unfortunately had to step down from the Board, and we will shortly embark on a COVID-delayed election process for his replacement and other primary phase Board members. I am grateful to Natalie Knight-Wickens and Graham Lane for agreeing to extend their tenure until we can hold these elections. I extend my thanks to all those who have moved on from the HfL Board this year.

During the last 12 months, the Board has focused on the transformation and systems projects, as well as the usual oversight of risk, strategy and culture. As COVID-19 took hold in February 2020, attention turned to our financial position and to surviving the crisis, as well as tailoring the business offer to a very different world. Moving forward, we will spend significant time ensuring we are managing our cash reserves, but also investing to ensure our products and services are relevant in a post-COVID world. We will be ensuring the systems implementation and transformation continues, alongside an increasing focus on our digital agenda. We will be pushing ahead on many of the Cass report recommendations to ensure the Board remains fit for purpose for the coming years.

I am delighted to serve as the Chair of the Board for this business. The work we do is important and has real impact. I look forward to helping our team deliver to the best of their abilities during the coming years.

A stylized, handwritten signature in black ink, appearing to read 'Gavin Flynn'.

Gavin Flynn

Chair of the Board

Our strategy



Our refreshed strategic plan continues to build on the success of Herts for Learning over the past seven years. At the heart of our strategy is the continuous improvement of our offer to Hertfordshire schools.

Managing Director's overview



As I write this overview, we are about to enter the fourth month since schools and settings across the U.K. closed

and the country as a whole went into lockdown due to the COVID-19 crisis. Unsurprisingly, the impact on our work has been profound, and although it falls mainly outside the year covered by this review (April 2019 - March 2020), I cannot ignore these events.

Since the lockdown, we have worked in close partnership with Hertfordshire County Council to continue to support schools and settings and to help them adapt to the particular demands put on them by the crisis and the changing expectations of the Government. We have adapted our services to enable us to deliver most of work remotely, and have changed the content and focus to ensure that it is relevant to the needs of schools and settings now. At the same time, we are prudently managing costs to ensure that we minimise the impact of reduced revenues (particularly for some 'pay as you use' services).

Looking on the positive side, the crisis has enabled us to accelerate some of our key change initiatives and has helped us to move more rapidly along certain axes of our strategic plan. For example, our digital agenda has seen a major leap forward as we have used digital tools for remote working and introduced a new set of online courses and webinars. Our commitment to Corporate Social

Responsibility (CSR) has been strengthened as we have had to reduce printing (effectively to zero) and massively reduced travel to schools and settings.

We finished the 2019-20 financial year in a solid position, which sets us up very strongly to face the challenges that the COVID-19 crisis has brought. Our reserves provide us with a cushion to help protect jobs and to invest in services that our customers will need as they welcome children back and seek to minimise the impact of what could be up to six months of lost time in the classroom. We must also continue to invest in our staff to ensure that they have the training and tools to deliver in this new environment.

I would like to thank my colleagues for the resilience and adaptability they have shown to meet these challenges. Like so many organisations, we have found that things we thought were impossible can be done, and we have shown great creativity as we have addressed the challenges we have faced. I have no doubt that we have demonstrated and lived up to our values of trust, inspiration and collaboration.

I am prouder than ever of the work we do but I recognise that this would not be possible without the partnership between HfL, Hertfordshire County Council, schools and settings across the county. I would like to thank you all for this partnership and the support you give us to continually improve our service for you.

Andrew de Csilléry
Managing Director

Our Executive



Andrew de Csilléry
Managing Director



Tony Anderson
Director of Marketing
and Events



Andrew Griffiths
Chief Finance Officer



Rachel Macfarlane
Director of Education
Services



Mireille MacRaid
Education Services
Director (Early Years)



Alison Penny
Business and Organisational
Development Director



Matt Schofield
Transformation Director



Catherine Tallis
Director of Business
Services



Tracy Warner
Education Services Director
(Primary)

Profiles of the HfL Executive

Financial overview 2019-20

Revenue £23.1m (+£1.5m 2018-19)

Profit before tax £854.1k

Operating profit £774.2k

* Full financial details can be obtained from the Company's financial statements, which are available on the HfL website.

www.hertsforlearning.co.uk/about-us/shareholders-information

Investments

Consistent with prior years, the HfL Board has agreed in principle plans to continue to invest the post-tax profit from the financial year 2019-20, and residual profit from previous years, into a combination of common good activities and business development initiatives. However, as we contend with the challenges of business disruption caused by COVID-19 and the subsequent closure of schools, we are managing our reserves cautiously over the first months of the 2020-21 financial year. Any plans for additional investments in 2020-21 will be considered by the Board, but in the context of challenges around our trading in the 2020 summer and autumn terms.

Through the Common Good fund in 2019-20, we have supported another cohort of schools on the Great Expectations programme, promoted collaboration tools between schools and an inter-school recycling website, and have provided NQTs in our programmes of support with membership to the Chartered College of Teaching.

Alongside this investment, we have taken forward our plans to migrate to a new systems infrastructure, to provide us with a more flexible suite of systems that will ensure we remain competitive in coming months and years. This project will continue to be funded through the investments line. In 2019-20, we also invested in the acquisitions of the Bucks Education Partnership and Modern Governor services, but going forward, expenditure on these services will be treated as an operating expense.

Board of Directors



Gavin Flynn
Chair of the Board



Annemari Ottridge
Vice Chair



Andrew de Csilléry
Managing Director



Jo Fisher



Catherine Glickman
Chair of the Personnel &
Remuneration Committee



Beth Honnor



Natalie Knight-Wickens
Chair of the Audit & Risk
Committee



Graham Lane



Faisal Mir



Nick Novak



Andrew Wellbeloved



Lynette Dexter
Company Secretary

Profiles of the HfL Directors

Our Board of Directors

During the year 1 April 2019 to 31 March 2020, five meetings of the HfL Board took place. Both the Personnel and Remuneration (P&R) Committee and the Audit and Risk (A&R) Committee met four times each during the same period. The attendance record of each Director at these meetings is set out below. Against each Director's name the number of meetings at which the Director was present is shown and, in brackets, the number of such meetings that the Director was eligible to attend during the year.

The directors of the Board who were in office as from 1 April 2019 and up to the date of signing the financial statements on 2 July 2020 were as follows:

Director	Role	Date of appointment	Board meetings	P & R Committee meetings	A & R Committee meetings	AGM September 2018
Executive Director						
Andrew de Csilléry	Managing Director	10 February 2017	5 (5)	4 (4)	4 (4)	1 (1)
Non-executive directors						
Robin Barrett	Chair of the Board until 25 March 2020. Board appointed	26 March 2014	5 (5)	-	-	1 (1)
Jo Fisher	HCC appointed	16 March 2020	1 (1)	0 (0)	-	0 (0)
Gavin Flynn	Chair of the Board from 26 March 2020. Board appointed	27 September 2018	4 (5)	-	4 (4)	1 (1)
Catherine Glickman	Board appointed	27 September 2018	5 (5)	3 (4)	-	1 (1)
Beth Honnor	Elected by Secondary School phase	28 March 2019	2 (5)	2 (4)	-	0 (0)
Ben Jay	Chair of the Audit and Risk Committee until November 2019. HCC appointed	4 July 2018	2 (3)	-	2 (2)	1 (1)
Natalie Knight-Wickens	Chair of the Audit and Risk Committee from January 2020. Elected by Primary School phase	6 July 2017	5 (5)	-	4 (4)	1 (1)
Graham Lane	Chair of the Personnel and Remuneration Committee from April 2019. Elected by Primary School phase	11 June 2014	2 (5)	3 (4)	-	0 (1)
Faisal Mir	HCC appointed	11 September 2019	4 (4)	1 (2)	2 (2)	1 (1)
Nick Novak	Board appointed	26 March 2020	0 (0)	-	0 (0)	0 (0)
Annemari Ottridge	Elected by special schools and Alternative Provision Academies	29 November 2017	4 (5)	-	3 (4)	1 (1)
Robert Staples	Elected by Primary School phase	28 March 2019	3 (3)	-	2 (3)	1 (1)
Andrew Wellbeloved	Elected by Secondary School phase	30 March 2016	5 (5)	3 (4)	-	1 (1)

Ben Jay resigned from the Board on 26 November 2019.

Robert Staples resigned from the Board on 4 February 2020.

Robin Barrett stepped down from the Board on 25 March 2020, at the end of his second term of office as a Non-Executive Director.

Board business

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

The Herts for Learning Board consists of the Company's Managing Director and eleven non-executive directors. Six elected by school shareholders, two appointed by HCC and three appointed by the Board. The term of office for a Non-Executive Director is three years. Details about the roles and responsibilities of Board members and the Board structure and committees are available on the HfL website.

[www.hertsforlearning.co.uk/Board roles and responsibilities](http://www.hertsforlearning.co.uk/Board%20roles%20and%20responsibilities)

[www.hertsforlearning.co.uk/Board structure and committees](http://www.hertsforlearning.co.uk/Board%20structure%20and%20committees)

The Board agrees the overall strategy for the development of new products and services, including potential acquisitions and partnerships, at their annual Board Strategy Day.

The 2019 Board Strategy Day took place in June, following which the three-year Strategic Plan was refreshed and approved at the November Board meeting. The refreshed Strategic Plan (see page 5) sets out the priorities for the Company over the coming years and how the Company intends to address emerging challenges. At the heart of the plan is the continuous improvement of our offer to Hertfordshire schools.

Throughout the year, the Board monitors and reviews the progress of the agreed strategic developments and key initiatives, and considers further business cases for new developments and initiatives, as and when appropriate.

The Board also regularly reviews the Company's finances, business development strategy and Risk Register.

Annual General Meeting (AGM) for shareholders

on **Wednesday 23 September 2020**
at **5:00PM**

at the **Hertfordshire Development Centre, Stevenage**

Chair's report:

Personnel and Remuneration Committee

Year ended 31 March 2020



On behalf of the HfL Personnel and Remuneration (P&R) Committee, I am pleased to present its report for the year ended 31 March 2020.

During the past year, the P&R Committee has continued to work closely alongside Kate Aspinwall, Head of Company HR, to review and track progress of the HR People Strategy. The strategy informs the work of the Committee, ensuring that HfL is able to meet the challenges it faces in a constantly evolving sector and secure its position as the employer of choice across all of the sectors in which it operates.

Through the excellent work of Kate and the Company HR team, we are pleased that the HR People Strategy is enabling a greater level of analysis of the workforce through key performance indicator (KPI) metrics, alongside more efficient support processes.

The P&R Committee has overseen a number of key tasks during the past year, including:

- Procurement of a new Human Resource Information System (HRIS)

- Acceleration of the cultural change programme, to support the HfL Strategic Plan
- Restructuring of the Business Services management team
- Focusing on specific business areas with high staff turnover
- Planning for the potential impact of Brexit on the workforce
- The launch of new Colleague Handbooks for staff
- Implementation of an improved sick pay policy

During the 2020 spring half term, the Committee focused on how the business was planning and preparing for the potential impact of COVID-19, supporting the Executive to ensure that the wellbeing of staff remained a priority.

Looking to the future, the Committee looks forward to supporting the Executive and the Company HR team to maximise the value of the new HRIS system and the wider Transformation Programme.

A handwritten signature in dark ink, appearing to read 'Graham Lane'.

Graham Lane

Chair of the Personnel and Remuneration Committee (until April 2020)

Chair's report:

Audit and Risk Committee

Year ended 31 March 2020



On behalf of the HfL Audit and Risk (A&R) Committee, I am pleased to present its report for the year ended 31 March 2020.

Having joined the Board in July 2017, I was pleased to accede the role of Chair of the A&R Committee from Ben Jay in January 2020. On behalf of the A&R Committee, I would like to express our gratitude to Ben for his valued contribution.

The key purpose of the A&R Committee is to provide scrutiny and to ensure that the Board observes due process relating to the management of financial and other risks procedurally and competently. It exercises oversight of financial controls and reviews financial statements and other significant documents, prior to approval by the Board. The A&R Committee also reviews the scope of, and outputs from, the external audit.

Working closely with the HfL Executive, the A&R Committee has developed a systematic methodology for ensuring that risks are identified, accurately assessed and that mitigation plans are robust. At each meeting, the A&R Committee monitors, on Behalf of the Board, current risk

exposures. We review the progress made by the business on the actions to mitigate each risk and we discuss any potential new risks that may arise. In January 2020, the A&R Committee approved a simplified and reformatted Risk Register, designed to allow HfL Executive members take greater ownership of risks and make it easier to set out a mitigation plan for each risk.

The A&R Committee has also sought to provide support and a source of broader professional expertise and advice when the HfL Executive has been considering significant business decisions – for example, the recent procurement of new business IT systems, the new HfL Broadband offer and planning for the impact of the COVID-19 crisis.

The A&R Committee has seen some changes in membership during the year. All members have executed their responsibilities with diligence and expertise, and have provided support and guidance to the HfL Executive.

Key issues discussed by the A&R Committee are reported to and discussed by the Board, thus ensuring any significant matters are considered and addressed appropriately. I therefore believe that shareholders can be confident that the A&R Committee continues to protect both the integrity and values of the Company for all stakeholders.



Natalie Knight-Wickens

Chair of the HfL Audit and Risk
Committee (from 14 January 2020)

Our commitment to Corporate Social Responsibility

Herts for Learning (HfL) is an award-winning provider of products and services to schools and educational settings within and outside Hertfordshire. We believe that every young person, through access to a great education, should be able to realise their potential, regardless of where they live or their circumstances. Our work is focused on supporting those we work with to achieve successful long-term outcomes for their children. HfL is majority owned by Hertfordshire schools and operates with a not-for-profit ethos.



Economy

Our vision is to be the company of choice for services, products and resources. Through our work we help to equip young people with the skills required to thrive in a healthy society and contribute to a vibrant economy. To remain financially sustainable in a competitive market we must operate effectively and efficiently. We demonstrate this through our strategic planning and risk management processes, value-for-money procurement and tight cost control practices.



Society

We aspire to improve the lives and opportunities of all in our community with a particular focus on closing the attainment gap for disadvantaged children. We invest any surplus made by the Company back into initiatives that benefit the whole school community. We offer young people a range of workplace opportunities, for example our apprenticeship programme and work experience placements, and support voluntary work that complements our core purpose.



People

We promote a growth mindset culture and pride ourselves on providing a safe and comfortable physical and psychological working environment for our staff. We aim to attract, develop and retain the best staff and are committed to providing learning and development opportunities for all employees. We offer a range of flexible and part-time working arrangements to support a better work life balance. We pay a real living wage and actively support the health and wellbeing of all of our employees.



Environment

We will reduce our direct impact on the environment by actively managing our consumption of natural resources, implementing comprehensive recycling and reducing our carbon footprint. By ensuring that digital is our default, we make the best use of technology to help us achieve our environmental goals, for example developing and extending remote working and replacing printed materials with digital resources.