

**Executive Board members'
Annual Report**
1 April 2010 - 31 October 2011

www.hounslowebp.org.uk

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1 – Background

Name: Hounslow Education Business Partnership (HEBP)

Principle address:

Hounslow EBP, Work Experience & Internships Service, Hounslow Learning Service and Hounslow Apprenticeship Training are located at The Clock Tower EMC2, Great West Road, Brentford, Middx, TW8 9AN.

The Business Links Service is kindly hosted by GlaxoSmithKline at GSK House, 980 Great West Road, Brentford, Middx TW8 9GS.

Tel: 020 8047 3350

Email: info@hounslowebp.org.uk

Board members and Office (if any)

Appointing body / Role

Philip Miller

Chairman and Former Head of
Corporate Communications for Agfa UK
Former General Manager and Secretary
Education Improvement Partnership
(EIP) Representative

Kate Vintiner
Victoria Eadie

Hounslow Chamber Representative
LB Hounslow (CSLL) Representative

Hanif Khan
Graeme Baker

Name and addresses of advisors

Independent examiner – Timothy H Lockett, ECS, 156 Windmill Road
Brentford, Middx TW8 9NQ

Bankers – NatWest (member of the Royal Bank of Scotland Group), 275-277 High Street,
Hounslow, Middx TW3 1ZA

Lawyers – Bates Wells & Braithwaite LLP, 2-6 Cannon Street, London EC4M 6YH

Senior staff

Patricia King, Acting Chief Operating Officer
Garth Buckle, Business Links Co-ordinator
Michelle Matty, Acting Head of Hounslow Learning

2 – Structure, governance and management

Governing document Terms of reference (available on request)

How we are constituted Unincorporated association

Board member selection method Elected by members at AGM

Induction and training of board members

New Board Members are given a 1:1 induction session on HEBP, by the Chief Operating Officer. We envisage moving towards a more formal training programme over the next two years as the operations shift to an incorporated charitable company.

Organisational structure and wider networks

As HEBP's unincorporated legal status does not give it the ability to employ staff without personal liability to Board members and/or the need for insurance, London Borough of Hounslow Council employs and manages staff whom provide a secretariat to deliver on the objectives of HEBP. At the end of this reporting period three staff TUPEd to our sister charity Hounslow Education Business Charity (HEBC) and one was seconded to the charity until retirement on 31 December 2011.

On strategic matters the HEBP Chief Operating Officer reports to and is advised by the Partnership Board. For operational and employment related matters the HEBP Chief Operating Officer is line managed by David Brockie, a member of senior staff at London Borough of Hounslow Council. Business members engage through the 'EBP Business Forum'.

We are a member and supporter of the Institute for Education Business Excellence, which hosts the national network of EBPs.

HEBP secretariat

HEBP secretariat has 4 permanent staff and 12 temporary staff/ contractors. Since the 1 April 2011 administrative support has been provided through HEBC.

The EBP secretariat is employed and hosted by London Borough of Hounslow one of our key partners. They sit within the Children's Services and Lifelong Learning (CS&LL) Department. London Borough of Hounslow provides management and other professional services, office facilities and access to departmental projects, networks and information systems.

Auditing and Independent Examination of accounts

Given our structure we operate on the basis HEBP's turnover that falls within the Council's financial systems is audited by the Council's internal/ external audit functions. The relatively limited turnover of HEBP that goes through our bank accounts is reviewed by an Independent Examiner and falls below the audit threshold.

Board consideration of major risks and the system and procedures to manage them

- Conflicts of interest – Policies and procedures are set out in our Terms of reference.
- Financial risks – These are discussed in section six of this Annual Report, as well as at termly meetings of our Executive Board. Procedures are set out in our Terms of Reference and Financial Standing Orders.
- Safeguarding – HEBP has adopted and implemented the policies and procedures of London Borough of Hounslow.
- Health and safety – HEBP has adopted and implemented the policies and procedures of London Borough of Hounslow.
- Environmental sustainability – HEBP has adopted and implemented the policies and procedures of London Borough of Hounslow.

3 – Objectives and activities

3.1 Objects of the association

- 3.1.1 With roots going back to 1980, the name Hounslow Education Business Partnership (HEBP) was adopted in 1989. We are a non-profit partnership between London Borough of Hounslow Council, Hounslow Schools, Hounslow Chamber of Commerce, businesses and other business organisations in London Borough of Hounslow.
- 3.1.2 HEBP works with schools, colleges and businesses to prepare young people for adult and working life and, by doing so, contributes to the economy and society of London Borough of Hounslow.
- 3.1.3 HEBP provides:-
- Advice and guidance in relation to careers, training and personal development opportunities with the object of improving employability and to enable young people to reach their full potential so they will be better prepared for adult and working life;
 - Programmes to develop work-readiness - largely although not exclusively - in young people;
 - Programmes to engage disaffected young people, such as Hounslow's engagement programme;
 - Programmes to deliver work experience opportunities;
 - Programmes to deliver apprenticeships for partnership organisations;
 - Programmes to promote enterprise capability, key economic concepts and an understanding of business;
 - Programmes to improve further school based work-related learning and the performance of young people; and
 - Brokerage to build business engagement with education.
- 3.1.4 HEBP's activities contribute to a series of London Borough of Hounslow, Hounslow LSP and local chambers of commerce objectives.

3.2 Main activities undertaken for public benefit

HEBP has been designated as the strategic lead for employer engagement across Hounslow. So any activity that brings together education and the local economic community will be co-ordinated through the 'one stop shop' of the HEBP. Hounslow EBP is now structured around three areas:

- **Business Links Service** – raise the achievement and aspirations of young people and better prepare them for adult and working life through a high-quality programme of work-related learning. We are proud to be working with a wide variety of community partners. These range from large multinational organisations like BP and IBM, to smaller businesses such as Octink and Brompton Bicycles and companies of one such as Video Shoot Productions. Activities include: Industry days, Work experience, Subject days, Enterprise activities, Sixth form and year 7 induction days, Curriculum projects, Careers fairs and Employer engagement for specialist diplomas.
- **Work Experience & Internships Service** – Enables young people to gain experience of the world of work, through coordinating, organising and arranging work placements. The majority of the placements arranged are for Key stage 4 students, but there is now also servicing the needs of KS5 students. The service also arranges placements for young apprentices and out of work adults.

- **Hounslow Learning Service** – Hounslow Learning delivers a range of WRL qualifications to people across Hounslow: including: School Students undertaking the WEX Factor Programme, Health and Safety Training to students, employees and HOPE Clients, YA WRL Qualifications and Induction for Apprentices. This service also operates **Hounslow Apprenticeship Training (HAT)**. This training provider function for Hounslow Council's Public Sector Apprenticeships and other partnership organisations. HAT manages the Apprenticeship SFA contract and organises and delivers the Apprenticeship Training Programme. HAT sub contracts some of the specialist delivery to HACE and other Education Providers.

Prior to the end of March 2011, **Project HOPE** (Hounslow's Outreach Project for Employment) transferred from HEBP back to the local authority's Economic Development Unit. HOPE matched clients skills and aspirations with either a particular job or sector; develop action plans to help clients progress; referred clients to a selection of workshops which will help them improve their employability skills; brokered work placements as part of preparation for future work; and provided an individual one to one impartial service. Given its finite funding Project HOPE has now ended and thus it was felt difficult to justify the turbulence that transferring the project team to HEBC would have entailed.

4 – Achievements

Our achievements during 2010/11

HEBP now works with 3650 clients and reaches over 14,800 beneficiaries each year.

- Over 3000 Work Experience Placements
- Over 1300 Health and Safety Visits
- Over 5000 Business Links Opportunities
- Support for Hounslow's Broad Curriculum Offer
- Over 50 new employers engaged

Continuous improvement

The Partnership is engaged in a continuous process of adapting its priorities in response to changing local and national circumstances and fluctuating funding sources.

The partnership has therefore developed a robust and flexible planning strategy which includes the following features:

- A focus on raising pupil attainment
- A client centred approach based on priority needs
- Realistic costing of services and projects
- Continuous efforts to diversify funding sources and services
- Systems for identifying and securing external funding
- Short, medium and long term planning

The Partnership Challenge

The Partnership Challenge awards event, in partnership with Hounslow Chamber once again provided an excellent opportunity to report back to all our stakeholders and celebrate the year. In Autumn 2010 it was hosted by Rivers Academy.

The Jubilee Cup (for excellence in secondary school partnership projects) was won by Eton College Universities Summer School, Gumley House, School, Gunnersbury Catholic School, Lampton School, St. Mark's Catholic School and The Heathland School. The Malcolm Gibbins Cup (for excellence in primary school partnership projects) was won by Abundance London, Belmont Primary School, United House and Beavers Community Primary School.

Our 2011 Summer Celebration was kindly hosted by Watermans.

You can discover more about our work on our website <http://www.hounslowebp.org.uk> and YouTube channel <http://www.youtube.com/hounslowebp>

5 – Financial review

The HEBP's income in 2010/11 was £567k against expenditure of £626k. The £59k deficit was largely a result of £42.3k of transition costs/investment in new infrastructure. These were made up of a combination of professional fees (legal and independent financial advice), investment in new IT infrastructure and project management.

In the first half of 2011/12, prior to the asset transfer on 31 October 2011, HEBP's income was £247.3k against expenditure of £151.2k. The surplus of £96.1k at the end of 2011/12 reporting period was reflective of the positive cash flow the organisation usually has in the first half of the financial year, due to the invoicing cycle. This surplus was transferred to HEBC and supported the delivery of on-going contractual commitments through the second half of the financial year in the successor organisation.

5.1 Reserves policy

A small annual surplus is set aside by HEBP each year and the reserve this has established provides a degree of flexibility and stability. Occasionally HEBP has experienced an annual overspend which the reserve has covered.

As of 31 March 2011 HEBP's total reserve stood at £293k. We held £267k in our London Borough of Hounslow reserve account and £26k in our reserve accounts with NatWest.

At the end of October 2011 £377.3k of cash assets transferred to HEBC made up of £286.5k reserves and £90.8k in year operating funds.

5.2 Any activities materially in deficit

As of 1 April 2011 (with just three days' notice from the YPLA) HEBP has been operating the Work Experience & Internships Service without the support of a government grant (approx. £90k per annum) to part-fund delivery. (See 'Forward view' for further commentary)

5.3 Principal sources of funds, including any fundraising

HEBP supports and sustains its activities by accessing funds and selling services. Funding sources include:

- Services charged to Hounslow Schools through the LA buy-back mechanism;
- The Education Business Services Contract – previously through LSC now the YPLA/EFA and LA;
- Specific project funding;
- Grants from a range of national and regional business, public and community focused organisations (e.g. STEMNET and LSN); and
- Donations from members and supporters of HEBP.

5.4 How expenditure supports our key objectives

All of our expenditure is directly geared towards the achievement of HEBP's objectives. We regularly review the efficiency and quality of delivery to maximise the positive impact for our beneficiaries, and keep administrative overheads to an absolute minimum.

6 – Financial accounts summary

CORE SECRETARIAT OPERATIONS	2011-12	2010-11	2009-10
Income	£000	£000	£000
Government grants	24.9	111.0	185.0
Grants and contributions	-	128.5	115.0
LB Hounslow business units	74.8	202.0	-
Fees and charges	147.7	125.5	212.0
Total	<u>247.3</u>	<u>567.0</u>	<u>512.0</u>
Expenditure			
Core Staff	(83.9)	(242.0)	(343.0)
Business Support Services	-	(156.0)	(41.0)
One off transition costs (Note 1)	-	(42.3)	-
Premises	(2.9)	(6.5)	(6.0)
Transport	(4.6)	(9.0)	(7.0)
Supplies and services	(59.8)	(170.2)	(105.0)
Total	<u>(151.2)</u>	<u>(626.0)</u>	<u>(502.0)</u>
Net Surplus/ Deficit (Notes 4 and 6)	<u>96.1</u>	<u>(59.0)</u>	<u>10.0</u>
ADDITIONAL PROJECTS			
Income			
Events / Project Income/ Interest	8.5	26.0	5.0
Total	<u>8.5</u>	<u>26.0</u>	<u>5.0</u>
Expenses			
Events / Project Expenses	(14.0)	(37.0)	(8.0)
Sundry Expenses	(1.0)	(3.0)	(1.0)
Total	<u>(15.0)</u>	<u>(40.0)</u>	<u>(9.0)</u>
Net Surplus/Deficit	<u>(6.5)</u>	<u>(14.0)</u>	<u>(4.0)</u>
Total Net Surplus/ Deficit (Note 2)	89.6	(73.0)	6.0
Reserve Transfers (Note 5)			
Transfer to HEBC (Core Secretariat)	(357.8)	-	-
Transfer to L B Hounslow	(5.3)	-	-
Transfer to HEBC (Additional Projects)	(19.5)	-	-
Total Transferred	<u>(382.6)</u>	<u>-</u>	<u>-</u>
RESERVES (Notes 3 and 5)			
HEBP LB Hounslow Reserve Accounts (Note 4)	0.0	267.0	326.0
HEBP LB Hounslow Reserve Accounts (Note 4)	0.0	26.0	40.0
Total Reserves	<u>0.0</u>	<u>293.0</u>	<u>366.0</u>

Notes to the Financial Accounts Summary

1. Project management, legal and independent financial advice services, as well as IT procurement.
2. 'Total Net Surplus / (Deficit)' is for the period only, whilst 'Reserves' start at day one and roll forward on an incremental basis year on year.
3. Surpluses have been accumulated across a variety of projects/ contracts over many years. There is a very low level of risk, but possibility, that portions of these unspent monies could be reclaimed either partially or wholly – although many of the funding bodies will no longer exist. The successor body (HEBC) has taken on the liability to return cash to funders if required. No funders have been contacted HEBP, and there is no expectation (on the part of the Boards of HEBP and HEBC) that any funder will ask for a refund.
4. Losses in 2010/11 were largely due to one off transition costs.
5. HEBP (the unincorporated association) was wound up on 31 October 2011 and its assets, including reserves, were transferred to Hounslow Education Business Charity (a company limited by guarantee and registered charity).
6. Of the £96.1k in year surplus as of 31 October 2011, £90.8k was transferred to Hounslow Education Business Charity. The difference was retained by London Borough of Hounslow to pay the November and December staff costs of one member of staff that was seconded to HEBP prior to retirement (but did not transfer).

Independent Examiner's Report to the Board Members of Hounslow Education Business Partnership

I report on the accounts for the period ended 31st October 2011 set out on pages ten and eleven.

Respective responsibilities of Board Members and Examiner

The Board Members are responsible for the preparation of the accounts. The Board members consider that an audit is not required for this period and that an independent examination is required.

It is my responsibility to:

- examine the accounts and
- to state whether particular matters have come to my attention.

Basis of the Independent Examiner's report

My examination was carried out in accordance with the usual procedures adopted for an independent examination. An examination includes a review of the accounting records and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from Board Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the usual requirements

- to keep accounting records; and
- to prepare accounts which accord with the accounting records have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



ECS
156 Windmill Road
Brentford
Middlesex
TW8 9NQ

Date: 22.08.12

7 – Forward view

7.1 Funding context

The majority of funding sources are committed for one year only and renewal depends on successful delivery of agreed targets, as well as a positive economic and political climate. Key risk factors affecting our income and core activities include the:

- End of the LA EBS/YPLA contract – approximately 25% of our funding base
- Pressures on LA funding, which are likely to continue in the short, medium and long term
- General trend towards giving more national Enterprise funding directly to schools
- Major curriculum developments – the Wolfe report, removal of the Work Related Learning (WRL) statutory entitlement, introduction of new Ofsted employability skills requirements, a shift in focus within the 14-19 curriculum/ Work related learning and increased focus on Apprenticeships
- The splintering of available funding into small targeted “pots” which need to be bid for separately.

7.2 Financial strategy moving forward

To continue to generate the necessary income to be sustainable as an organisation HEBP will remain flexible and responsible to changes and developments in the national and local context. We will also continue to improve the quality of our services, as well as generate evidence of the impact on learning in all our activities.

A revised Business Plan, to be adopted by our board later this year, will help HEBP maintain our income and continue to deliver an effective ‘needs driven’ service. The strategy includes:

- The development of a refreshed Service Offer/ Service Level Agreement process with schools which enables schools to buy back what they want in line with their own priorities and allows HEBP to charge realistic prices for services and plan ahead more effectively.
- Innovating the Business Links offer and further improving the quality of Work Experience & Internships delivery. Increasing work placement charges to schools may be delayed by twelve months to ensure that the highest possible quality of service delivery is in place to achieve the higher price point and full cost recovery. This will impact on HEBP’s reserves.
- Continued income generation activities to tap into a range of different short-term funding sources – we aim to sustain or increase our income from these sources in the future.
- Maintain a relationship with the 14-19 Team at the LA to support the development of the 14-19 Curriculum and offer in Hounslow.
- Continue to support newly developed services e.g. the apprenticeship/WBL/training provider initiative which taps into national and local skills strategies.
- Completing the delivery of the Young Apprenticeship programme.

These initiatives will maintain funding for HEBP from bodies such as the YPLA/EFA, LA, SFA, LDA, the EU and others. They sit well along alongside our more traditional activities – i.e. support for 5-19 curriculum development and teacher professional development, which continue to be central to our work.

7.2.1 The WEX Factor

Over the past year we have launched The WEX Factor which has been well received. This supports our Schools in preparing students for Work experience and accredits a student’s

employability skills development and work placement with a nationally recognised qualification worth up to 1 GCSE. We expect this to help with the continued diversification of our revenue.

7.2.2 The Social Enterprise High Street Challenge/ Docking Station

The Social Enterprise High Street Challenge (www.highstreetchallenge.org.uk) was a hugely ambitious competition developed by HEBP with London Borough of Hounslow's Corporate Community Investment and Cohesion Unit (CCICU) that resulted in the launch of a new high street-based social enterprise called Docking Station (www.docking-station.org.uk) in Brentford town centre. It was supported by a range of corporate and community partners and funded by LGiD and Heathrow Community Fund.

The project received funding from LGiD Local Innovation Transition Fund and had three key workstreams: 1) 'Making money in the retail business' - an eleven week programme for young people that developed the skills to: provide excellent customer service; and help run a retail business; 2) The business planning competition - At the same time as the training programme, Hounslow EBP ran a competition with young people from local secondary schools who will create business plans for an empty retail unit on Brentford High Street; and 3) A new retail outlet - The new business opened its doors in March 2011.

In late November 2010 the winning business idea 'Docking Station' was chosen in a Dragon's-Den-style final. Whilst HEBC was initially set up as the incorporated legal entity to host this project, the HEBC board subsequently decided that a subsidiary Docking Station charitable company was the most appropriate way to manage the risks involved in the high street project and ring fence this from the activities of the EBP.

7.3 Governance review and asset transfer

During the summer of 2010 we conducted a review of the HEBP's governance arrangements learning from other EBPs in the national network. We concluded that we should become a registered charitable company. The process of forming the legal entity (HEBC) was completed in Autumn 2010. The founding members and trustees of HEBC are friends and supporters of HEBC.

In early 2011 we commenced formal discussions with LB Hounslow regarding the transfer of our staff and assets to HEBC our sister charity. With a target date of 31 March, this was eventually concluded at the end of October 2011, taking seven months longer than we had hoped. The retiring and new board would like to thank the staff and freelance contractors for their support through this challenging period of change.

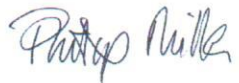
7.4 Wind-up

With the sign off of this final annual report, the wind-up of HEBP as an 'unincorporated association' is completed. All the assets have been transferred to HEBC.

8 – Declaration

The Executive Board declare that they have approved the Executive board member's report above.

Signed on behalf of the board

A handwritten signature in black ink that reads "Philip Miller". The signature is written in a cursive style with a large initial 'P'.

Philip Miller
Retiring Chairman
August 2012