

**General Meeting
22nd November 2018**

Review of ADEPT membership fees

Recommendation

ADEPT members are asked to agree to the following:

- The annual subscription rates for local authority, LEP, national association and corporate partner members for 2019/20 are increased in line with inflation as indicated by the Consumer Prices Index for September 2018 (+2.2%).
- The annual subscription rate for special honorary members remains fixed at £50 p.a.

1. Introduction

At the General Meeting in November 2016, members approved the following recommendations:

- A one-off increase in local authority and LEP fees by 20 per cent in 2017/18, remaining fixed for 2018/19 and 2019/20, with a review in 2019/20 to ensure fees remain appropriate.
- A one-off increase in the special honorary member fee, from £25 to £50 in 2017/18, remaining fixed for 2018/19 and 2019/20, with a review in 2019/20 to ensure fees remain appropriate.

However, for reasons set out below, the Leadership Team would like to propose that the fees review is brought forward one year.

Annex 1 provides the current fee structure for all membership categories.

2. Review

The Association has commissioned an independent review of its impact, which is being carried out by Shared Intelligence. Although not yet complete, initial findings suggest that ADEPT is well respected by its members and organisations it seeks to work with. Its role in enabling networking between place directors, and with government and other stakeholders, is particularly well regarded. The review also provides a good steer on areas where members would like the Association to do more, which come with associated resource implications. The draft report will be presented to members at the Autumn Conference, with the opportunity to provide further comment.

ADEPT membership fees remain competitive compared to similar organisations such as ADASS and ADCS. In addition, since the last membership fee review the Association now employs a part-time

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policy officer and admin officer in addition to the Chief Operating Officer. This partly reflects the fact that local authorities find it increasingly challenging to release staff time.

We continue to retain communications, events management and website support from external providers. Additional funding streams have been established, for example the new partnership with Proving Services, but it will take some time for these to positively impact on the budget.

3. Options

The Leadership Team has reviewed various options (all are underpinned by an increase in membership targets):

Option 1: No increase in membership fees

Option 2: No increase in membership fees with 25% voluntary contribution from local authorities for a specific purpose or project (with an assumption that half of local authority members will contribute)

Option 3: a rate of inflation (2.2%) increase in fees for authorities, LEPs, corporate partners and national associations

Option 4: no increase in membership fees with more in-kind contribution of staff time

3.2 The Leadership Team also reviewed the annual fee for those members who are no longer employed by a local authority but are employed elsewhere, otherwise known as Special Honorary members. They receive all the same benefits as an authority or LEP member (bar voting rights) for £50 per annum.

4. Recommendations of the Leadership Team

Annex 2 sets out these options and illustrates the impacts on income.

Please note income figures are based on current membership numbers plus meeting recruitment targets for 2019/20. All authorities pay £540 in the first year, regardless of population size.

Thereafter there are three tiers of payment according to the population size of the authority.

Currently we have 76 authority members, 12 LEP members, 16 Corporate Partners and 4 national association members. In addition, we have recently launched a partnership with Proving Services which will generate income as local authorities join the benchmarking clubs. The Leadership Development Programme, which will be piloted in 2019, is budgeted to break even. We will continue to seek sponsorship for our key events, namely the Spring and Autumn Conferences plus the Annual Dinner and President's Awards.

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Expenditure for 2019/20 is forecast to increase. It is proposed to spend more on policy and administration, including supporting the partnership with Proving Services and administering the leadership development course, and to run bespoke events for corporate partners.

Taking these factors into account, Option 1 will generate an additional £5,011 per annum; Option 2 will generate an additional £16,644 p.a. and Option 3 will generate an additional £8,441 p.a. It is impossible to calculate the income saved by Option 4 at this point in time. The Association is extremely grateful for the existing contributions in kind it receives from its members.

Having considered the options, the Leadership Team has determined that Option 3 is its preferred approach to refreshing fees. They feel it is the pragmatic approach to dealing with the Association's rising costs whilst recognising the continued financial pressures on local government budgets, and on the ability of local authorities to release staff time.

This approach does not pre-empt working groups or boards coming forward with specific project proposals. Any such proposal would need to set out how it would be funded, whether by a collective pooling of resources or by securing sponsorship.

The Leadership Team also recommends that membership fees for Special Honorary members remain fixed at £50 p.a.

5. Timing

In order to apply any changes to 2019/20 membership fees, members are asked to approve the proposal at the General Meeting taking place during the Annual Conference on 22nd November 2018.

Hannah Bartram

Chief Operating Officer

10th November 2018

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Annex 1: ADEPT membership fees in 2018/19

MEMBERSHIP TYPE	Local Authority		LEP / Combined Authority	Sub-national Transport Body	Special Honorary	Honorary (retired)
FEES	Year 1	£540				
	<u>Thereafter</u>					
	<250k	£600	£210	£1,000	£50	Free
	250k-500k	£1,200				
	>500k	£2,040				

The annual membership fee for corporate partners is £5,000.

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Annex 2: Summary of fee options and implications for income

P&L Forecast			
March 2019		£6,995	This is the forecast for the actual position at 31st March 2019
Option 1	Additional income	£5,011	<p>No increase in fees but an increase in membership targets:</p> <ul style="list-style-type: none"> * 5 new LAs (2018/19 target = 77; actual = 76) * 2 Combined Authorities (no 2018/19 target: actual = 1) * 3 new LEPs (2018/19 target = 15; actual = 12) * 4 STBs (no 2018/19 target; actual = 2) <p>Increase in staffing costs - more admin & policy support Spend on Corporate Partner events (x 2) Income from Proving Partnership (£750 / LA recruited) Leadership Development course (predicted break even costs)</p>
Option 2	Additional income	£16,644	<p>25% voluntary contribution from LAs (assumes 50% contribute); increase in membership targets</p> <ul style="list-style-type: none"> * 5 new LAs (2018/19 target = 77; actual = 76) * 2 Combined Authorities (no 2018/19 target: actual = 1) * 3 new LEPs (2018/19 target = 15; actual = 12) * 4 STBs (no 2018/19 target; actual = 2) <p>Increase in staffing costs - more admin & policy support Slight increase in misc. costs Spend on Corporate Partner events (x 2) Income from Proving Partnership (£750 / LA recruited) Leadership Development course (predicted break even costs)</p>
Option 3	Additional income	£8,442	<p>2.2% increase in fees for LAs, LEPs, Corporates, national associations; increase in membership targets</p> <ul style="list-style-type: none"> * 5 new LAs (2018/19 target = 77; actual = 76) * 2 Combined Authorities (no 2018/19 target: actual = 1) * 3 new LEPs (2018/19 target = 15; actual = 12) * 4 STBs (no 2018/19 target; actual = 2) <p>Increase in staffing costs Slight increase in misc. costs Spend on Corporate Partner events (x 2) Income from Proving Partnership (£750 / LA recruited) Leadership Development course (predicted break even costs)</p>