

General Members meeting

16 November 2023

Financial update for Q1 & 2, 2023/24

This report provides an update on the financial position forecast to 31st March 2024.

Summary / Recommendation

It is recommended that this report is noted, and that members continue to act on the medium-term financial plan in order to maintain ADEPT as a going concern.

1. Membership update

We now have 96 local authority members, 9 LEP members, 5 national /regional associate members¹, 22 Corporate Partners², 6 combined authorities³ and 5 sub-national transport body (STB) members⁴. The recruitment target for Corporate Partners has been met (we have a waiting list) but Special Honorary Member and LEP numbers (not surprisingly) continue to decline. It is expected that the target for local authorities will be met as we continue to have expressions of interest. Nonetheless, all members are asked to help in recruiting new members.

2. Forecast Financial Statement 2023/24

2a. Income

As outlined above, there is good progress with growing the membership.

The income target has exceeded expectations. The Spring Conference (May 23) brought in a significant net surplus of £21k and the Autumn Conference (Nov 23) is forecast to bring in an approximate £7.5k surplus. *NB – the 2022 Autumn Conference returned a surplus of £28,225 and we have secured significant sponsorship for 2023 Autumn Conference, so this is a modest forecast.*

Forecast figures for income for the financial year are as follows:

- a) The Leadership Development Programme continues to go from strength to strength, with three cohorts running in 2023 which is showing an income of £69k.
- b) The partnership with Proving Services continues to generate considerable income. There are now 41 authority members of the Future Highways Research Group (FHRG), which is more than forecast. In addition, Proving Services have developed a 'prospectus' of services which has potential to generate more income for the Association.
- c) The 5th National Traffic Managers Conference (Oct 2023) was well sponsored and returned income of £12.85k.
- d) Live Labs 2 shows a carried forward amount of £181k which will be offset with expenditure to match income.

¹ CCS Wales, London Environment Directors Network, Department for Infrastructure Northern Ireland, SCOTS, TfL

² Ringway, Colas, Veolia, Kier, AtkinsRealis, WSP, Jacobs, Amey, Highways Electrical Association, Burges Salmon, WDM, Balfour Beatty, Costain, Arcadis, BBA, Gramm Barriers, Milestone Infrastructure, Anthony Collins LLP, Stantec, Virgin Media O2, Equans, Norse Group

³ West of England CA, West Midlands CA, Tees Valley CA, Greater Manchester CA, Cambridgeshire & Peterborough CA, West Yorkshire CA

⁴ Midlands Connect, Transport for the North, Transport for the South East, England's Economic Heartland, Transport East

- e) The Woodland Creation Accelerator Fund (Defra) contract is worth £115k over a period of 3 years (ending 31st March 2025). The budget shows a carried forward amount of £59k which will be matched by expenditure and carried forward if not spent in year.
- f) Adaptation Pathways (Environment Agency) carried forward funds of £48k which will be matched by expenditure and carried forward if not spent in year. The EA is keen to work with ADEPT on other deliverables this FY, where we will also look to recoup our costs.
- g) Savings accounts have been opened with Lloyds Bank, Aldermore and Virgin to maximise interest on ADEPT's financial reserves, currently forecast to be £2k.

2b. Expenditure

Various assumptions have been made in relation to these accounts based on previous experience and the expenditure over the last 5 months.

Expenditure compared to the budget is lower by £169k mainly due the reduction in expenditure on Live Labs 2.

Some budgets have increased, and some have decreased based on activity. Expenditure by Subject Boards and President / CEO expenses continue to be lower than budgeted due to more flexible working and the wholesale shift to online meetings and events.

Figures have been monitored closely to ensure that spend is in line with income and budget forecast.

Expenditure to note:

- a) The income and expenditure for the Live Labs 2 programme is included in the figures below, and it is anticipated that a reduction in both income and expenditure will occur this financial year.
- b) The expenditure for the staffing is expected to be on budget at this stage.
- c) Communications support is expected to come in over budget by £12k.
- d) All other expenditure is expected to come in on budget or below and will be based on reduced activity.

Please see overleaf a financial breakdown of the Profit & Loss Account Forecast.

The forecast profit is expected to be a surplus of £8,952 compared to a budget surplus of £15,186 showing a variance of £6,234.

The Balance sheet reserve including the forecast surplus for 2023/24 is projected to be £274,636.

June Meadows, ADEPT Finance Officer & Hannah Bartram, Chief Executive Officer

1st November 2023

Forecast Profit & Loss Account 2023/24

	Budget 2023/24	Actual 2023/24	Variance 2023/24
Income			
Special Honoraria's	424	448	24
Local Authorities	122,965	122,965	-
LEP & Combined Authorities	2,470	2,925	455
Corporate Partners	117,550	117,550	-
National Associations	14,080	14,380	300
Sub National Bodies	5,375	5,375	-
National Traffic Conference	13,500	12,850	(650)
Spring Conference	54,069	75,582	21,513
Autumn Conference	100,000	100,000	-
Past Presidents Lunch	1,460	1,725	265
Miscellaneous	0	1,567	1,567
Leadership Development Programme	55,972	68,965	12,993
Green course	2,400	3,781	1,381
EiPL Membership	0	0	-
Smart Places /LL2	400,000	181,190	(218,810)
Rees Jeffreys Foundation	0	0	-
Navigating Transition	1,800	0	(1,800)
FHRG Proving	24,000	24,000	-
Woodland Creation Accelerator Fund	42,000	59,229	17,229
Adaptation Pathways	48,574	48,574	-
Interest	12	2,104	2,092
Total Income	1,006,651	843,209	(163,442)

Forecast Profit & Loss Account 2023/24

	Budget 2023/24	Actual 2023/24	Variance 2023/24
Expenditure			
Live Labs 2	400,000	181,190	(218,810)
Green Course	1,376	1,982	606
EiPL Membership	0	0	-
National Traffic Conference	9,822	9,758	(64)
Leadership Development Programme	30,000	37,349	7,349
Rees Jeffreys Foundation	0	0	-
Navigating Transition	0	88	88
Woodland Creation Accelerator Fund	1,800	59,229	57,429
Adaptation Pathways	42,000	48,574	6,574
Shared Intelligence	18,814	0	(18,814)
CEO Salary	128,000	128,000	(0)
Deputy CEO	53,487	53,487	(0)
Support Officer	15,000	15,000	0
Policy Officer	60,000	60,000	0
Finance Officer	9,500	9,500	(0)
Staff Development	3,400	3,400	-
Board Exp - Planning	1,500	0	(1,500)
Board Exp - Engineering	1,500	850	(650)
Board Exp - Environment	1,500	0	(1,500)
Board Exp - Leadership Team	1,500	225	(1,275)
Board Exp - Transport	1,500	0	(1,500)
Company Status Changes	2,000	13	(1,987)
Presidents Expenses	2,500	115	(2,385)
CEO Expenses	4,000	4,000	(0)
Computer & Software	800	800	0
Spring Conference	50,549	54,573	4,024
Autumn Conference	92,437	92,437	-
Past Presidents Lunch	1,460	1,838	378
Communications & PR	70,000	82,000	12,000
Website	3,967	3,967	(0)
Audit	4,100	2,500	(1,600)
Tax and Insurance	1,200	1,200	0
Subscriptions	1,000	1,000	(0)
Legal Fees	0	0	-
Sundry	0	0	-
Design & Print	7,000	7,000	(0)
Postage	125	90	(35)
Total Expenditure	1,021,837	852,161	(169,677)
Net Surplus/(Deficit):	(15,186)	(8,952)	6,234