

## General Meeting

21<sup>st</sup> November 2024

### Financial update for Q1 & 2, 2024/25

This report provides an update on the financial position forecast to 31<sup>st</sup> March 2025.

#### 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 97 local authority members, 6 LEP members, 5 national /regional associate members<sup>1</sup>, 19 Corporate Partners<sup>2</sup>, 6 combined authorities<sup>3</sup> and 5 sub-national transport body (STB) members<sup>4</sup>. We are currently recruiting 3 more Corporate Partners and will look to recruit new combined authorities. The target of 100 local authority members remains tantalisingly close. All members are asked to help in recruiting new members.

#### 2. Forecast Financial Statement 2024/25

##### 2a. Income

The income target has exceeded expectations. The Spring Conference (May 24) brought in a significant net surplus of £25k and the Autumn Conference (Nov 24) is currently forecast as per last year with a forecast net surplus of £41.5k. *NB – we have secured significant sponsorship for the 2024 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 two cohorts running in 2024/25 which is showing an income of £69k and a net surplus of £32k, which included the LDP Alumni event held in July 2024.
- b) We launched the Leadership Pathway Programme in October 2024. We received a high number of expressions of interest; consequently we adapted the programme structure which meant we could accept 26 participants. The programme is showing a forecast income of £25,924 and net surplus of £5,974.
- c) The partnership with Proving Services continues to generate considerable forecast income of £29k. There are now 42 local authority members of the Future Highways Research Group (FHRG).
- d) The 6<sup>th</sup> National Traffic Managers Conference (Oct 2024) was well sponsored, forecast to return an income of £15.5k and a net surplus of £5.7k.
- e) Live Labs 2 shows an income amount of £400k which will be offset with expenditure to match income.

<sup>1</sup> CCS Wales, London Environment Directors Network, Department for Infrastructure Northern Ireland, SCOTS, TfL

<sup>2</sup> Ringway, Colas, Kier, AtkinsRealis, WSP, Jacobs, Amey, Highways Electrical Association, WDM, Balfour Beatty, Costain, Arcadis, Milestone Infrastructure, Anthony Collins LLP, Stantec, Virgin Media O2, Equans, Norse Group, Brightly

<sup>3</sup> West of England CA, West Midlands CA, Tees Valley CA, Greater Manchester CA, Cambridgeshire & Peterborough CA, West Yorkshire CA

<sup>4</sup> Midlands Connect, Transport for the North, Transport for the South East, England's Economic Heartland, Transport East

- f) The Woodland Creation Accelerator Fund (Defra) contract worth £115k over a period of 3 years will end 31<sup>st</sup> March 2025. The actual amount for 2024/25 is £23k which will be matched by expenditure other than a 5% management fee which is built into the figures and includes brought forward amounts from 2023/24.
- g) The Adaptation Pathways Programme (sponsored by Environment Agency) actual amount for 2024/25 is £62k which will be matched by expenditure other than a 5% management fee which is built into the figures and includes brought forward amounts from 2023/24. The EA is keen to work with ADEPT on other deliverables this FY, where we will also look to recoup our costs.
- h) The Gen Z recruitment campaign pilot has received financial support from the 5 participating councils (Oxfordshire, Plymouth, Hounslow, Barnsley, South Gloucestershire) plus funding from DfT, Midlands Highways Alliance, APSE and ADEPT. It has an income of £145k. The work is being carried out by Eleven Marketing & Communications and is forecast in the expenditure line.
- i) The savings accounts continue to generate additional interest to maximise surplus funds currently showing interest of £2.5k.

## **2b. Expenditure**

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

Expenditure compared to the budget is higher by £26k due the increase in LDP and communications & PR offset by a reduction in salary costs.

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, other than an increase in Sustainable Growth Board cost of £6k for drafting ADEPT's Housing Policy Position.

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

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 both income and expenditure will match budgeted figures for the financial year.
- b) The expenditure for the staffing is expected to show a surplus of £23k compared to budget due to a reduction in costs for support staff and a reduction in hours by the Deputy CEO.
- c) Communications support is expected to come in over budget by £13k.
- d) All other expenditure is expected to come in on budget or below and will be based on reduced activity and is managed throughout the year.

Please see overleaf a financial breakdown of the Profit & Loss Account Forecast to March 2025.

The forecast profit is expected to be a deficit of £27k compared to a budget deficit of £29k showing a variance of £2k.

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

### **3. Balance Sheet 2024/25**

The balance sheet is currently showing a reserve carried forward £313k less forecast deficit for 2024/25 of £27k leaving a projected reserve £286k. It is not possible to give a detailed breakdown of the balance sheet as there are too many assumptions within the P&L.

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

7<sup>th</sup> November 2024

## Forecast Profit & Loss Account 2024/25

	Budget 2024/25	Forecast 2024/25	Variance 2024/25
<b>Income</b>			
Special Honoraria's	560	560	-
Local Authorities	140,072	136,711	( 3,361 )
LEP & Combined Authorities	1,912	2,151	239
Corporate Partners	136,104	113,099	( 23,005 )
National Associations	13,652	13,652	-
Sub National Bodies	5,700	5,700	-
National Traffic Conference	13,500	15,555	2,055
Spring Conference	75,582	85,651	10,069
Autumn Conference	150,593	150,593	-
Past Presidents Lunch	1,460	2,166	706
Miscellaneous	0	0	-
Leadership Development Programme	37,315	68,972	31,657
Leadership Pathway Programme	0	25,974	25,974
Green course	0	0	-
Live Labs 2	400,000	364,405	( 35,595 )
Live Labs Behavioural Change	0	35,595	35,595
Rees Jeffreys Foundation	0	5,000	5,000
Navigating Transition	0	0	-
FHRG Proving	29,250	29,250	-
Woodland Creation Accelerator Fund	25,916	23,126	( 2,790 )
Adaptation Pathways	60,554	61,811	1,257
Gen Z Recruitment Campaign	90,000	110,760	20,760
Interest	2,000	2,520	520
<b>Total Income</b>	<b>1,184,170</b>	<b>1,253,251</b>	<b>69,081</b>
<b>Expenditure</b>			
Live Labs 2 & Live Labs Behavioural Change	400,000	400,000	-
Green Course	0	0	-
National Traffic Conference	9,822	9,822	-
Leadership Development Programme	20,000	36,941	16,941
Leadership Pathway Programme	0	20,000	20,000
Rees Jeffreys Foundation	0	5,000	5,000
Navigating Transition	0	0	-
Woodland Creation Accelerator Fund	24,621	23,126	( 1,495 )
Adaptation Pathways	57,527	61,811	4,284
Gen Z Recruitment Campaign	115,000	135,760	20,760
FHRG Proving	3,000	3,000	-

## Forecast Profit & Loss Account 2024/25

	Budget 2024/25	Forecast 2024/25	Variance 2024/25
<b>Expenditure</b>			
CEO Salary	134,400	134,400	-
Deputy CEO	92,980	74,384	( 18,596 )
Support Officer	13,500	9,255	( 4,245 )
Policy Officer	45,000	45,000	-
Finance Officer	9,500	9,500	-
Staff Development	3,400	3,400	-
Board Expenses - Sustainable Growth	500	6,024	5,524
Board Exp - Engineering	500	500	-
Board Exp - Environment	500	500	-
Board Exp - Leadership Team	1,500	1,500	-
Board Exp - Transport	500	500	-
Company Status Changes	1,000	1,000	-
Presidents Expenses	2,500	2,500	-
CEO Expenses	6,000	6,000	-
Computer & Software	800	800	-
Spring Conference	55,000	60,115	5,115
Autumn Conference	109,035	109,035	-
Past Presidents Lunch	1,460	2,166	706
Communications & PR	80,000	92,620	12,620
Website	2,000	2,000	-
Audit	2,493	2,493	-
Bank Charges	500	500	-
Tax and Insurance	2,000	2,000	-
Subscriptions	2,500	2,500	-
Legal Fees	4,000	4,000	-
Sundry	5,000	5,000	-
Design & Print	7,000	7,000	-
Postage	125	125	-
<b>Total Expenditure</b>	<b>1,213,664</b>	<b>1,280,276</b>	<b>66,613</b>
<b>Net Surplus/(Deficit):</b>	<b>( 29,494 )</b>	<b>( 27,025 )</b>	<b>2,468</b>