General Members Meeting

26th November 2026

Finance update for Q1 & Q2, 2026/27

This report provides an update on the financial position forecast to 31st March 2027.

Summary / Recommendations

- 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.
- It is requested the proposed budget for 2027/28 be noted and agreed. Members will be provided with an update at the meeting on discussions with a prospective partner on ADEPT's future learning & development offer, which could positively affect the 27/28 budget.
- Members are asked to approve the proposal to delegate authority to company directors, in discussion with the Leadership Team, to make any subsequent changes to the 27/28 budget as necessary.

1. Membership update

We now have 95 local authority members, 5 national /regional associate members[1], 24 Corporate Partners[2], 11 combined authorities[3] and 4 sub-national transport body (STB) members[4]. There has been some turnover in Corporate Partners but with a waiting list this is no cause for concern. Local authority member numbers have slightly dipped; but we have recently recruited three new combined authority members, and the intention is to recruit more. We are also temporarily extending our Special Honorary Membership category to senior officers in district councils. We want to ensure that all potential senior place leaders in the new unitary authorities can access our networks, development programmes and other membership services now and throughout LGR.

All members are asked to help in recruiting new members.

2. Forecast Financial Statement 2026/27

2a. Income

We continue to suffer from ongoing pressures on event sponsorship whilst event delivery costs are rising, and a growing number of councils are imposing restrictions on conference attendance. Consequently, and despite best efforts, the Spring Conference (May '26) made a small loss. However, the Autumn Conference (Nov '26) is currently forecast c. £10k surplus which is as per budget. Our commercial partnership with Multiverse, which delivered the Digital Academy and generated a modest surplus, has also ended. We are actively looking for an alternative provider, yet to be confirmed. Income from the Carbon Leadership Programme is less than budgeted.

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

[2] Ringway, Colas, Kier, AtkinsRealis, WSP, Jacobs, Amey, WDM, Balfour Beatty, Costain, Arcadis, Milestone Infrastructure, Stantec, Equans, Norse Group, Brightly, Core Highways, Multevo, Systra (UK), Waterman Group, Aether-UK, AECOM, KPMG, Commercial Services Group

[3] West of England, West Midlands, Tees Valley, Greater Manchester, Cambridgeshire & Peterborough, West Yorkshire, York & N Yorkshire, East Midlands, Cumbria, Greater Lincolnshire, Sussex & Brighton

[4] Midlands Connect, Transport for the South East, England's Economic Heartland, Transport East.

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

i. The Leadership Development Programme continues to go from strength to strength, with two cohorts running in 2026/27. Over 200 people have now completed the programme, with many going on to secure more senior roles. It is showing an income of £67k and a net surplus of £33k. This takes into account expenditure on the LDP Alumni event (June 2026) and attendance at the 2026 Autumn Conference.

ii. The Leadership Pathway Programme is now into its third year. Such was the demand, this year we are running two cohorts, each with 25 delegates. It is showing a forecast income of £68k and net surplus of £20k.

iii. The successful partnership with Proving Services continues and is looking to generate a forecast income of £27k. This is slightly under forecast (£30k). There are now 37 local authority members of the Future Highways Research Group (FHRG).

iv. The National Traffic Managers Conference will now take place in March 2027. We will seek sponsorship to cover all costs.

v. The Live Labs 2 programme shows an income amount of £335k which will be offset with expenditure to match income.

vi. The Live Labs 2 Year 4 programme shows an income amount of £333k with a net surplus of £27k for management fees .

vii. The Carbon Leadership Programme currently shows income of £269k against expenditure of £284k, resulting in a £15k deficit. This variance reflects the fact that a proportion of the management fee (£16k) was recognised in last year's accounts. Although this is a three-year programme, participation has dropped markedly in year 2, reflecting the lack of statutory duty to reduce carbon emissions. We are working with DfT to encourage participation.

viii. Webinars we deliver for other organisations (e.g. Natural England, Environment Agency) continue to provide income without incurring any costs other than staffing, resulting in a net surplus income of £5k.

ix. The Bursary Fund, sponsored by Corporate Partners, has created an opportunity for officers from those local authorities with financial restrictions to attend our spring and autumn conferences. The income is showing as £9k, matched with expenditure.

x. The *Embedding environmental priorities into Spatial Development Strategies* pilot project (not budgeted) has generated income of £36k, with a surplus of £2k for management fees.

xi. The Energy Systems Change Programme (not budgeted) will be launched at the 2026 Autumn Conference and will be delivered during February-April 2027. This will be a chargeable programme (£250/delegate) with the ambition to recruit 180 participants across five regional cohorts. The forecast indicates an anticipated surplus of £15k.

xii. The Digital Academy shows a surplus of £6k which was carried over from last financial year.

xiii. The savings accounts continue to generate additional interest to maximise surplus funds currently showing interest of £3k, a slight reduction on last year as interest rates have dropped this financial year.

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 £14k overall but shows some increases and some decreases on various income and expenditure lines.

Some budgets have increased, and some have decreased based on activity. Expenditure by Subject Boards and President and CEO / Deputy CEO expenses continue to be lower than budgeted. This is 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 where possible.

Expenditure to note:

a) The income and expenditure for ongoing Live Labs 2 programme costs (M&E, project management, comms support) and Live Labs 2 Year 4 are included in the figures below. It is anticipated that both income and expenditure will match budgeted figures for the financial year other than £27k management fee from Live Labs 2 Year 4 which was built into the programme extension.

b) We are currently in discussion with a prospective partner on significantly expanding our L&D offer in 27/28 (see also (5) below). This has generated potential expenditure of £28k in the current financial year relating to consultancy, legal and financial support. More information will be shared at the meeting.

c) Our work on Public Affairs is currently reporting an expenditure of £17k, which is a slight underspend of £3k on budget.

d) Expenditure on the Bursary Fund is currently reporting at £9k. The Fund supported 8 people to attend the Spring Conference, and at the time of writing at least 15 people for the Autumn Conference, from 16 different local authorities. Any underspend will be carried over.

e) Expenditure on staffing is expected to show an underspend of £16k compared to budget, due to an anticipated decrease in policy support of £12k and £4k in other staff areas.

f) Communications support is expected to exceed the budget by £12k.

g) 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 2027.

The forecast profit is expected to be a deficit of £54k compared to a budget deficit of £40k, showing a variance of £14k over budget.

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

3. Balance Sheet 2026/27

The balance sheet is currently showing a reserve carried forward of £298k, plus deficit for 2026/27 of £54k, leaving a projected reserve of £244k. It is not possible to give a detailed breakdown of the balance sheet as there are too many assumptions within the P&L.

In addition, the organisation has two employees with long service records, which represents a potential future liability in respect of service-related entitlements. This is noted for completeness only and does not indicate any immediate concern.

4. Budget 2027/28

Please see overleaf the proposed budget for 2027/28. This shows a deficit of £12k (compared to a budget deficit of £40k in 2026/27). Points to note:

- The budget includes a proposed 3.5% increase on annual membership fees and other costs where applicable.
- Extending Special Honorary Membership category to senior officers in district councils will generate some additional income although difficult to quantify.
- The Secretariat continues to look for new commercial partnerships along with other opportunities (see (5) below).
- The new Energy System Change programme should generate a surplus for the association.
- Other income streams have been included which continue from this financial year such as FHRG, Live Labs 2 (ingoing M&E, project management, comms) and sponsored webinars.
- All other income streams and expenditure have been adjusted in line with known or assumed activity for 2026/27.

5. ADEPT Learning & Development

The income and expenditure budget forecasts for 2026/27 and 2027/28 have been based on the current model of operation. We are currently in discussion with a prospective partner on significantly expanding our L&D offer in 27/28, which may impact on our current and future budgets. An update on these discussions and any impact on ADEPT's budgets will be provided at the General Members meeting.

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

13th November 2026

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Association of Directors of
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Forecast Profit & Loss Account 2026/27

	Budget 2026/27	Forecast 2026/27	Variance 2026/27
Income			
Special Honoraria's	649	**531**	**(118)**
Local Authorities	143,726	**140,657**	**(3,069)**
Combined Authorities	12,000	**12,500**	**500**
Corporate Partners	174,650	**171,420**	**(3,230)**
National Associations	14,412	**14,412**	**-**
Sub National Bodies	0	**4,812**	**4,812**
National Traffic Conference	6,000	**0**	**(6,000)**
Spring Conference	74,187	**77,076**	**2,889**
Autumn Conference	110,000	**110,000**	**-**
Past Presidents Lunch	2,000	**2,550**	**550**
Miscellaneous	0	**0**	**-**
Leadership Development Programme	52,527	**67,060**	**14,533**
Leadership Pathway Programme	40,244	**67,750**	**27,506**
Live Labs 2	489,000	**334,988**	**(154,012)**
Live Labs 2 Year 4	0	**333,000**	**333,000**
FHRG Proving Services	30,000	**27,750**	**(2,250)**
Carbon Leadership Programme	436,050	**268,850**	**(167,200)**
Digital Academy	20,000	**5,928**	**(14,072)**
Webinars	6,000	**4,843**	**(1,157)**
Natural England	0	**0**	**-**
Corporate Bursary Fund	0	**8,640**	**8,640**
Embedding Environment	0	**37,800**	**37,800**
Energy Systems Training	0	**45,000**	**45,000**
Interest	3,000	**3,076**	**76**
Total Income	**1,614,445**	**1,738,643**	**124,198**

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	Budget 2026/27	Forecast 2026/27	Variance 2026/27
Expenditure			
Live Labs 2	474,000	**334,988**	**(139,012)**
Live Labs 2 - Year 4	0	**306,000**	**306,000**
Spring Conference	64,070	**80,426**	**16,356**
Autumn Conference	100,000	**100,000**	**0**
Past Presidents Lunch	2,000	**2,550**	**550**
Westminster Live Labs 2 Event	0	**0**	**-**
Corporate Partners seminars	29,000	**992**	**(28,008)**
Corporate Bursary Fund	0	**8,640**	**8,640**
National Traffic Managers Conference	3,000	**0**	**(3,000)**
Leadership Development Programme	39,349	**34,319**	**(5,029)**
Leadership Pathway Programme	23,186	**48,093**	**24,908**
Webinars	2,000	**0**	**(2,000)**
Carbon Leadership Programme	392,450	**284,091**	**(108,359)**
Digital Academy	10,000	**0**	**(10,000)**
Public Affairs	20,000	**16,763**	**(3,237)**
Embedding Environment	0	**36,000**	**36,000**
Energy Systems Training	0	**30,269**	**30,269**
Programme Development Costs	0	**27,805**	**27,805**
CEO Salary	145,390	**135,368**	**(10,022)**
Deputy CEO	81,003	**82,050**	**1,047**
Support Officer	51,000	**54,740**	**3,740**
Policy Officer	70,000	**57,894**	**(12,106)**
Finance Officer	10,323	**12,740**	**2,417**
Staff Development	2,000	**595**	**(1,405)**
Board Expenses - Economy, Planning, Housing Board	5,000	**1,211**	**(3,789)**
Board Exp - Engineering	500	**0**	**(500)**
Board Exp - Environment	1,000	**1,000**	**-**
Board Exp - Leadership Team	5,000	**1,000**	**(4,000)**
Board Exp - Transport	500	**200**	**(300)**
Company Status Changes	903	**1,001**	**98**
Presidents Expenses	1,000	**0**	**(1,000)**
CEO Expenses	7,980	**7,980**	**0**
Computer & Software	246	**334**	**88**
Communications & PR	93,466	**105,376**	**11,910**
Website	3,369	**3,369**	**0**
Audit	2,596	**2,596**	**(0)**
Bank Charges	519	**520**	**0**
Tax and Insurance	2,077	**2,077**	**0**
Subscriptions	3,331	**3,331**	**0**
Design & Print	8,308	**8,308**	**0**
Postage	0	**0**	**-**
Total Expenditure	**1,654,563**	**1,792,627**	**138,064**
Net Surplus/(Deficit):	**(40,118)**	**(53,984)**	**(13,866)**

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Proposed budget 2027/28

	Budget 2026/27	Budget 2027/28
Income		
Special Honoraria's	649	550
Local Authorities	143,726	147,334
LEP & Combined Authorities	12,000	17,078
Corporate Partners	174,650	180,763
National Associations	14,412	14,916
Sub National Bodies	0	4,980
National Traffic Conference	6,000	10,000
Spring Conference	74,187	88,016
Autumn Conference	110,000	119,027
Past Presidents Lunch	2,000	2,639
Leadership Development Programme	52,527	69,407
Leadership Pathway Programme	40,244	20,826
Live Labs 2	489,000	155,126
Live Labs 2 Year 4	0	0
FHRG Proving Services	30,000	27,750
Programme Development	0	0
Carbon Leadership Programme	436,050	299,250
Digital Academy	20,000	0
Webinars	6,000	6,000
Corporate Bursary Fund	0	25,875
Energy Systems	0	45,000
Interest	3,000	3,076
Total Income	**1,614,445**	**1,237,613**

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Expenditure	2026/27	2027/28
Live Labs 2	474,000	155,126
Spring Conference	64,070	83,241
Autumn Conference	100,000	103,500
Past Presidents Lunch	2,000	2,639
Corporate Partners seminars	29,000	5,000
Corporate Bursary Fund	0	25,875
National Traffic Managers Conference	3,000	7,000
Leadership Development Programme	39,349	35,520
Leadership Pathway Programme	23,186	12,626
Webinars	2,000	2,000
Carbon Leadership Programme	392,450	279,250
Digital Academy	10,000	0
Public Affairs	20,000	2,000
Energy Systems	0	30,269
CEO Salary	145,390	140,106
Deputy CEO	81,003	84,922
Support Officer	51,000	56,656
Policy Officer	70,000	70,000
Finance Officer	10,323	12,172
Staff Development	2,000	616
Board Expenses - Economy, Planning, Housing Board	5,000	1,000
Board Exp - Engineering	500	1,000
Board Exp - Environment	1,000	1,000
Board Exp - Leadership Team	5,000	1,000
Board Exp - Transport	500	1,000
Company Status Changes	903	1,001
Presidents Expenses	1,000	1,000
CEO Expenses	7,980	8,259
Computer & Software	246	346
Communications & PR	93,466	105,000
Website	3,369	3,487
Audit	2,596	2,687
Bank Charges	519	538
Tax and Insurance	2,077	2,149
Subscriptions	3,331	3,448
Design & Print	8,308	8,598
Total Expenditure	**1,654,563**	**1,250,031**
Net Surplus/(Deficit):	**(£40,118)**	**(£12,418)**