

General Meeting 21st November 2019

Financial Report

This report provides an update on the financial position up to 31st October 2019.

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

As a result of improved business systems, the process of collecting annual membership fees has improved substantially. In addition, we continue to add to the membership 'offer' - such as the Excellence in Place Leadership programme - to ensure we provide value for money.

Despite three authorities and one Local Enterprise Partnership (LEP) member deciding not to renew this year, we are within the retention target of 95%¹. In addition, we have recruited a combined authority, a sub-national transport body (STB) and a Local Enterprise Partnership (LEP). The recruitment targets for this FY are: +10 authorities, +3 LEPs, +2 combined authorities and +2 STBs. The number of special honorary members (ex-authority now working in the private sector) is static.

The latest membership details are as follows:

- Six authorities² and one LEP³ have become members this year along with Greater Manchester Combined Authority and Midlands Connect STB. In addition Dorset and Bournemouth, Christchurch and Poole Councils (as new unitaries) have joined.
- Four new corporate partners have joined⁴, taking us over target.

At the time of writing, ADEPT has 81 local authority members, 12 LEP members, 4 national members⁵, 19 corporate partners⁶, 3 combined authority and 3 STB members. This is slightly under for all categories except corporate partners. It is our intention to cap the number of corporate partners to 20, to retain a proportionate balance with authorities and other members. We continue to recruit throughout the year, and as always, all existing members are encouraged to help recruit new members.

¹ Brighton & Hove, Calderdale, Nottingham City and GFirst LEP

² Bracknell Forest, LB of Havering, Salford, Sunderland, Torbay, Slough

³ York, North Yorkshire & East Riding LEP

⁴ Adopt-a-Highway, Costain, Balfour Beatty, Yotta

⁵ TfL, CCS Wales, LEDNet, Department for Infrastructure Northern Ireland

⁶ Skanska, Ringway, Colas, Veolia, Kier, Atkins SNC Lavalin Group, FCC Environment, WSP, Jacobs, Amey, Highways Electrical Association (HEA), Tarmac, Telefonica O2, Burges Salmon, WDM, Adopt-a-Highway, Balfour Beatty, Costain, Yotta

2. Income

As outlined above, good progress has been made with growing the authority and corporate partner memberships, and maintaining the national and LEP memberships.

We have secured sponsorship for the 2019 Autumn Conference from Ringway, WSP, Amey, AppyWay, Volker Highways, Atkins and Costain. We extend our grateful thanks to those sponsors. We also thank our sponsors for the Annual Awards Dinner in June: Ringway, Balfour Beatty, WSP, Veolia and Kier. In addition, we organised the inaugural Traffic Managers' Conference in October (which we had not budgeted for) and secured sufficient sponsorship to ensure that attendance was free. Our generous sponsors were AppyWay, DfT, WDM, Peacock Salt and Highways England.

With regard to the new income streams, our exclusive partnership with Proving Services Ltd to provide access to best practice research clubs and benchmarking services for all ADEPT'S local authority members, at no cost or at a considerably reduced rate, has so far brought in an income of £3,750. This is under-achieved at this stage. Current take-up suggests we will not realise the additional income of £15,000 this financial year to meet the budget forecast. We are reviewing our marketing and communications plans. We would encourage members who are planning to benchmark their highways services to consider the Proving offer. In addition, Proving is about to launch benchmarking for waste & resources services.

The *Excellence in Place Leadership* programme will be cost neutral; any costs incurred will be reimbursed by Amey.

3. Expenditure

Expenditure compared to the budget is on target at this stage.

Figures will be monitored closely to ensure that spend is on target to budget.

Expenditure to note:

- The income for the SMART Places/Live Labs research programme is included in the figures below. Some expenditure has been received; it is anticipated that this budget will be spent this financial year.
- The expenditure for the Policy Support Officers is slightly higher for the period but the Admin Support Officer is slightly underspent; therefore the overall affect is expected to meet budget.
- All other expenditure is expected to come in on budget or below.

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

It is difficult to anticipate what the position will be by the end of the financial year. However, every effort will be made to meet the budget of a surplus income of £23,223.

June Meadows, ADEPT Finance Officer and Hannah Bartram, Chief Operating Officer

12 November 2019

Forecast profit & loss account 2019/2020 (to 31st October)

	Budget 2019/20	To date 2019/20	Variance 2019/20
Income			
Special Honorary Members	650	550	(100)
Authority Subscriptions	104,890	100,940	(3,950)
LEP Subscriptions	3,225	2,365	(860)
Corporate Partners	86,870	61,320	(25,550)
National Associations	12,264	12,264	-
Sub National Bodies	4,100	2,050	(2,050)
Sponsorship	0	10,120	10,120
Spring Conference	38,375	38,375	-
Autumn Conference	52,285	0	(52,285)
Excellence in Place	0	3,410	3,410
Leadership Development Programme	42,000	24,360	(17,640)
Proving Partnership	18,750	3,750	(15,000)
Smart Places	50,000	50,000	-
Interest	4	9	6
Total Income	413,413	309,514	(103,899)
Expenditure			
Smart Places	50,000	15,281	(34,719)
Excellence in Place	0	3,410	3,410
Local Adaptation Advisory Panel	0	1,050	1,050
Leadership Development Programme	36,000	8,699	(27,301)
COO Salary	102,920	50,641	(52,279)
Support Officer	12,240	4,653	(7,587)
Policy Officer	35,000	14,343	(20,657)
Finance Officer	6,708	3,361	(3,347)
Board Exp - Planning	1,500	0	(1,500)
Board Exp - Engineering	1,500	0	(1,500)
Board Exp - Environment	1,500	88	(1,412)
Board Exp - Leadership Team	1,500	1,057	(443)
Board Exp - Transport	1,500	523	(977)
Presidents Expenses	500	85	(415)
COO Expenses	7,000	3,154	(3,846)
Software	504	357	(147)
Spring Conference	18,462	18,462	0
Autumn Conference	44,121	175	(43,946)
External Admin & Events	19,635	11,367	(8,269)
CP Seminars	3,000	596	(2,404)
Communications & PR	37,000	23,747	(13,253)
Website	1,000	1,176	176
Audit	100	0	(100)
Tax and Insurance	900	12	(888)

Subscriptions	900	0	(900)
Legal Fees	2,000	0	(2,000)
Proving Partnership	2,100	369	(1,731)
Design & Print	2,500	4,827	2,327
Postage	100	92	(8)
Total Expenditure	390,190	167,524	(222,666)
Net Surplus/(Deficit):	23,223	141,990	118,767