

Financial update for Q1 & 2, 2021/22

November 2021

This report provides an update on the financial position as of 30th September 2021 and forecast up to 31st March 2021.

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

ADEPT has been extremely busy during these unusual and challenging times.

In summary we have 89 local authority members, 14 LEP members, 5 national /regional associate members¹, 20 Corporate Partners², 3 combined authorities³ and 3 sub-national transport body (STB) members⁴. The targets for 2021/2 is: 90 local authorities, 4 Combined Authorities, 4 STBs, 14 LEPs and 20 Corporate Partners. The recruitment targets for LEPs and Corporate Partners has been met but Special Honorary member numbers are decreasing. It is expected that the target for local authorities will be met as we continue to have expressions of interest. All existing members are asked to help in recruiting new members.

2. Income

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

Income target for events has been affected by the COVID-19 situation. Despite this, the Spring Conference brought in a net surplus of £9k and the Autumn Conference is on schedule to bring in an approximate £15k surplus.

The figures are for income for the first 6 months.

In summary:

- a) Although initially delayed, the 2021 Leadership Development Programme ran with two cohorts. We are now recruiting for the 2022 programme and anticipate another two cohorts.
- b) We are in the process of assessing EoI for the Excellence in Place Leadership programme 2022. We will charge £499 per person to participate to cover ADEPT's running costs.
- c) The Proving Partnership has adopted a new membership model for the Future Highways Research Group (FHRG) which came into effect in November 2020. The FHRG currently has 38 LHA members. If all renew, then the budget will be exceeded by £6k.

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

² Skanska, Ringway, Colas, Veolia, Kier, Atkins (member of the SNC Lavalin Group), WSP, Jacobs, Amey, Highways Electrical Association, Burges Salmon, WDM, Balfour Beatty, Costain, Arcadis, Yotta, BBA, Gramm Barriers, Milestone Infrastructure, Anthony Collins LLP.

³ West of England CA, West Midlands CA, Tees Valley CA

⁴ Midlands Connect, Transport for the North, Transport for the South East

- d) The 3rd National Traffic Managers Conference was well sponsored and returned a net surplus of £6k.
- e) We carried over £11k sponsorship committed for the delayed Live Labs Expo, which will take place on 1st December.
- f) The Autumn Conference is expected to bring in a surplus of £15k.
- g) Reclaimed VAT is £14k.

The overall effect is a forecast is an increase in income of £37,573.

3. Expenditure

Various assumptions have been made in relation to these accounts based on previous experience and the expenditure over the last 6 months.

Expenditure compared to the budget is slightly higher. As income has increased, some costs will also have increased. Costs relating to setting up the new company status have been charged at £7,593 which was not budgeted but has been allocated against the Board Exp – Leadership Team.

We are expecting to spend as per budget on events such as the Corporate Partner seminars and climate change events / COP26. Subject Boards' expenditure and the COO's expenses are also much lower due to travel restrictions 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 for the SMART Places Live Labs research programme is included in the figures below, and it is anticipated that this budget will be spent this financial year and there will be no underspend to carry forward.
- b) It is assumed that no costs will be incurred for the Climate Change Resources & Support toolkit and other related work. However, the Shared Intelligence impact review has commissioned and has been budgeted.
- c) The expenditure for the staffing is expected to be below budget by £3,478.
- d) Communications support is expected to come in as per budget.
- e) 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 £27,280 which is a £20,802 variance.

The Balance sheet reserve including the forecast deficit for 2021/22 is projected to be £182,502.

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

7th November 2021

Forecast Profit & Loss Account 2021/22

	Budget 2021/22	Forecast 2021/22	Variance 2021/22
Income			
Special Honoraria's	624	459	(165)
Local Authorities	113,570	113,605	35
LEP & Combined Authorities	3,080	3,520	440
Corporate Partners	104,000	104,000	-
National Associations	12,640	12,500	(140)
Sub National Bodies	4,180	3,635	(545)
National Traffic Conference	11,500	12,250	750
Spring Conference	19,000	21,000	2,000
Autumn Conference	93,000	93,000	-
Excellence in Place	0	0	-
Highways Innovation	5,000	0	(5,000)
Past Presidents Meeting	0	0	-
Adverts	0	150	150
Leadership Development Programme	49,975	45,728	(4,247)
Proving Partnership	21,000	27,000	6,000
EiPL Membership	0	5,988	5,988
Smart Places	0	36,317	36,317
Reclaimed VAT	14,000	0	(14,000)
Misc	0	10,000	10,000
Interest	12	2	(10)
Total Income	451,581	489,154	37,573
Expenditure			
Smart Places	0	36,317	36,317
Excellence in Place	0	0	-
National Traffic Conference	7,500	6,242	(1,258)
Local Adaptation Advisory Panel	0	0	-
Leadership Development Programme	36,720	36,721	1
CC Resources & Support toolkit	0	0	-
Shared Intelligence Impact review	10,000	11,334	1,334
COO Salary	119,578	116,059	(3,519)
Support Officer	15,000	11,522	(3,478)
Policy Officer	50,000	50,000	(0)
Finance Officer	9,500	9,500	-

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	Budget	Forecast	Variance
	2021/22	2021/22	2021/22
Board Exp - Planning	1,500	0	(1,500)
Board Exp - Engineering	1,500	0	(1,500)
Board Exp - Environment	1,500	0	(1,500)
Board Exp - Leadership Team	1,500	7,593	6,093
Board Exp - Transport	1,500	0	(1,500)
Presidents Expenses	1,500	0	(1,500)
COO Expenses	7,000	2,566	(4,434)
Software	600	600	(0)
Spring Conference	9,780	11,339	1,559
Autumn Conference	83,000	78,000	(5,000)
Highways Innovation Conference	3,500	3,500	-
CC events / COP26	2,500	2,500	-
CP Seminars	3,000	3,000	-
Communications & PR	65,000	65,000	(0)
Website	1,000	1,000	0
Audit	3,500	100	(3,400)
Tax and Insurance	900	900	-
Subscriptions	900	900	(0)
Legal Fees	0	57	57
Proving Partnership	0	0	-
Design & Print	7,000	7,000	0
Suspense	0	0	-
Postage	125	125	(0)
Total Expenditure	445,103	461,874	16,771
Net Surplus/(Deficit):	6,478	27,280	20,802

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Balance Sheet - March 2022

Current Assets		
Debtors	-	
Bank	182,502	
VAT Liability	-	
Total		182,502
Current Liabilities		
Creditors	-	
Accruals	-	
VAT	-	
Tax	-	
Total		-
Current Assets less Current Liabilities		182,502
Total Assets less Current Liabilities		182,502
Capital & Reserves		
Reserves	155,223	
P & L Account	27,280	182,502