



Association of Directors of
Environment, Economy, Planning & Transport

Annual General Meeting

27 May 2021

FINANCIAL REPORT 2020/21

1. Financial Statement 2020/21

1.1 Please find below the Profit & Loss and Balance Sheet Accounts reporting the financial position for the period to 31st March 2021. These figures have been audited by an independent responsible person qualified to agree the accounts.

Profit & Loss Account to 31st March 2021

	Budget	Actual Costs	Variance
	2020/21	2020/21	2020/21
Income			
Special Honoraria's	612	561	(51)
Local Authorities	121,735	109,795	(11,940)
LEP & Combined Authorities	2,640	3,300	660
Corporate Partners	104,000	98,800	(5,200)
National Associations	12,480	12,500	20
Sub National Bodies	4,180	3,135	(1,045)
National Traffic Conference	10,000	0	(10,000)
Spring Conference	36,275	0	(36,275)
Autumn Conference	88,160	33,635	(54,525)
Excellence in Place	3,500	3,200	(300)
Highways Innovation	3,750		(3,750)
Past Presidents Meeting	0	0	-
Adverts	0	250	250
Leadership Development Programme	42,000	42,000	-
Proving Partnership	12,000	22,500	10,500
Smart Places	50,000	51,592	1,592
Reclaimed VAT	16,000	19,531	3,531
Interest	4	13	9
Total Income	507,336	400,811	(106,525)

Expenditure			
Smart Places	50,000	51,592	1,592
Excellence in Place	3,500	3,444	(56)
National Traffic Conference	6,362	254	(6,109)
Local Adaptation Advisory Panel	0	0	-
Leadership Development Programme	36,000	27,335	(8,666)
CC Resources & Support toolkit	5,000	0	(5,000)
Shared Intelligence Impact review	10,000	0	(10,000)
COO Salary	104,978	103,698	(1,280)
Support Officer	13,000	6,634	(6,367)
Policy Officer	40,000	42,311	2,311
Finance Officer	9,108	8,242	(866)
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	8,580	7,080
Board Exp - Transport	1,500	2,550	1,050
Presidents Expenses	1,000	0	(1,000)
COO Expenses	7,000	213	(6,787)
Software	600	576	(24)
Spring Conference	28,239	10,025	(18,214)
Autumn Conference	79,921	39,458	(40,463)
Highways Innovation Conference	2,000	0	(2,000)
CC events / COP26	2,500	1,455	(1,045)
CP Seminars	3,000	0	(3,000)
Communications & PR	47,000	58,602	11,602
Website	1,000	1,838	838
Audit	100	100	-
Tax and Insurance	900	796	(104)
Subscriptions	900	706	(194)
Legal Fees	8,000	5	(7,995)
Proving Partnership	1,000	0	(1,000)
Design & Print	7,000	7,095	95
Postage	100	42	(58)
Total Expenditure	475,708	375,549	(100,159)
Net Surplus/(Deficit):	31,628	25,262	(6,366)

The overall position for the period to 31st March 2021 was a surplus of £25,262 against a budgeted surplus of £31,628. A positive outcome particularly given this was achieved during an extraordinary year.

Particular points to note are as follows:

Income

1.2 Overall, income was £106,525 below target. This was mainly due to the effect of COVID-19 restrictions which resulted in a reduction in income as outlined below. There were some fluctuations with the different income streams which are also outlined below:

- Local authority membership income was under expected levels by £11,940, whilst take up of LEP and Combined Authority membership was better than expected. National Association memberships were on budget.
- Two Corporate Partners declined to renew – FCC Environment and Adopt-a-Highway. However, a new member has been recruited, the British Board of Agrément (BBA). Overall, therefore, we are one member down on budget.
- The National Traffic Conference (Oct 2020) was converted to a free-to-attend virtual event, with sponsorship transferring to next financial year. The Highways Innovation Conference (initially scheduled Feb 2021) was delayed to April 2021, then also converted to a free-to-attend virtual event.
- The Spring Conference (May 2020) was in deficit by £10,025. This was due to loss of deposits for cancellation of hotel and venue due to the pandemic. The Autumn Conference (November 2020) made a small loss. However, an amount of £6,301.90 recoverable VAT is showing in the VAT line.
- Funding for the SMART Places Live Labs programme was on budget and matched against expenditure.
- Income from the Leadership Development Programme (24 delegates) was on budget, as delivery of Cohort 3 & 4 were successfully moved to an online version of the programme.
- Proving Partnership income was £10,500 over budget due to higher than budgeted take up of the Future Highways Research Group and VfM benchmarking services.
- VAT income was a result of registering for VAT and claiming VAT, which otherwise would have been an expense.

Expenditure

1.3 Overall, expenditure was £100,159 under budget. Key items are summarised below:

- Research costs for SMART Places Live Labs programme was matched with income. £36,316 has been carried over into the next financial year. The programme deadline has been extended to November 2021.
- The Leadership Development Programme costs (which were lower due to reduced T&C costs) were offset against the income, resulting in a net gain of £14,665.
- Salaries were overall lower than budget by £6,202 – please note the Chief Operating Officer (COO) salary includes an inflated cost due to VAT being payable on the salary. Salary savings comprised of COO (£1,280), Admin Support Officer (£6,367), Finance Officer (£866) and Policy Officer overspend (£2,311).
- There was an overspend of £2,630 on all Board expenditures. The overspend on Leadership Expenses was for media training for the President Team's team and COO (£8,580) and Transport Board Expenses for TOPAS membership, which DfT has committed to reimbursing. Further details are below:

Board Expenses – Planning	(£1,500)
Board Expenses – Engineering	(£1,500)
Board Expenses – Environment	(£1,500)
Board Expenses - Leadership	£7,080
Board Expenses – Transport	£1,050
President's Expenses	(£1,000)

- The Chief Operating Officer's expenses were under budget by £6,787 due to COVID travel restrictions.
- Sundry expenses were underspent by (£8,280). There were overspends within Design & Print (£95) and underspends on Software (£24), Tax & Insurance (£104), Subscriptions (£194), Postage (£58) and Legal Fees (£7,995). as detailed below. Legal fees had been allocated for the review of organisational status, which was deferred to next financial year.

Account's software	£576
Audit Fee	£100
Tax and Insurance	£796
Design & print	£7,095
Postage	£42
Subscriptions	£706
Corporate Partner event	£1,455
Legal Fees	(£5)

- The overall expenditure on events created an overspend of £15,848. Some of the income expenditure against the conferences has been offset in VAT claimed. The overspend is primarily due to the two national conferences becoming virtual events, with a significant impact on income from ticket sales and sponsorship whilst costs remained significant (e.g. we used a professional conference platform and conference organiser for the 2020 Autumn Conference):

Spring Conference	£10,025
Autumn Conference	£ 5,823

- Communications & PR came in over budget by £11,602. This relates to a significant increase in media work linked to Covid-19 related events and activities, and more political and policy related communications support.
- Expenditure on the website was over budget by £838 due to some restructuring.
- The Shared Intelligence review was postponed to 2021/22.

Balance Sheet

1.4 The balance sheet shows a total reserve figure of £155,223 from retained surplus funds. Please see below the Balance Sheet as at 31st March 2021.

Balance Sheet as at 31st March 2021

	Year to Date
Current Assets	
Debtors	(61,872)
Pre-payments	0
Bank Account	301,967

		240,095
Current Liabilities		
Creditors - Short Term	30,967	
Accruals	50,830	
Tax Liability	3,075	84,872
Current Assets less Current Liabilities		155,223
Total Assets less Current Liabilities		<u>155,223</u>
Capital & Reserves		
Prior Year	129,961	
P & L Accounts	25,262	
Total Reserves		<u>155,223</u>

1.5 The balance sheet shows a healthy cash position as many authority and national association members have paid their 2021/22 subscription fees prior to year-end and therefore are sitting as a debtor.

2. Medium Term Financial Plan – 2021/22 to 2022/23

The current budget for 2021/22 shows that ADEPT is sustainable for the current period, as the accounts for 2020/21 show. Notwithstanding the pandemic, significant efforts have been made to retain income and reduce expenditure so the association can remain financially viable in the future.

The Medium-Term Financial Plan (MTFP) proposes to continue as in 2020/21 and achieve this through:

- Growing the membership. Building on the year-on-year growth we have seen since 2016, the target for 2021/22 is 90 local authority members and to return to the Corporate Partner target of 20. Membership as of 31 March 2021 was 86 authorities, 14 LEs, 2 CAs, 3 STBs and 19 Corporate Partners. We have a membership retention rate of 95%.
- Running more national events:
 - We hosted more online events in 2020/21 than ever before, taking advantage of freely available platforms such as Teams and Zoom and in some cases, relying on access to paid for platforms such as Gotowebinar via partners. This has meant all our events have been free to attend (except the 2020 Autumn Conference). We will continue to deliver free online events as part of the membership offer.
 - Ongoing Covid-19 restrictions have meant the 2021 Spring Conference and Annual Awards Dinner (27 May) have had to convert to virtual events, albeit of much shorter duration. Nonetheless, we have secured sufficient sponsorship to cover costs. We are planning to host the 2021 Autumn Conference at the Apex Hotel in Bath on 18/19 November.
 - Whilst the 2nd National Traffic Managers Conference was held virtually, we are planning to host the 3rd conference in Leicester in October 2021. We have already secured sufficient sponsorship to ensure it remains a 'free to attend' event.

- We will host the Live Labs Expo in Derby in December 2021 and will seek to cover all costs with sponsorship.
- The 2nd Highways Innovation Conference was also hosted virtually, but the plan is to return to an in-person event in March 2022. We will seek sponsorship to cover all costs.
- The Secretariat is always open to suggestions for other events.
- Learning opportunities:
 - The Leadership Development Programme goes from strength to strength, and we are running two more cohorts in 2021/22.
 - The *Excellence in Place Leadership* programme is not a profit-making venture, Amey cover all costs. However, it raises the profile of the association, generates useful outputs and forms part of the 'membership offer'. The ambition is to run a 3rd year of the programme.
 - We are considering offering additional (chargeable) learning opportunities e.g., political leadership and media training.
- Attracting sponsorship for other technical workshops, round table events, policy seminars, research projects, etc. Continue to negotiate individual, bespoke sponsorship deals, and seek as a minimum to break even.
- Seeking external contributions to research activities and commissioning additional research activity to supplement the work undertaken by ADEPT's support staff through business cases to the Leadership Team.
- A further £32,240 was secured from the Department of Transport for project management of the SMART Places Live Labs programme. 2021/22 will be year 3.
- Promoting our exclusive partnership with Proving Services to create additional income.
- Reducing expenditure on the Association's activities, including the costs of events and board activities. The switch to online meetings has generated considerable savings, and we are unlikely to return to the same level of physical meetings in the future.

BUDGET 2021/22

	Budget 2020/2021	Budget 2021/2022
Income		
Special Honorary Members	612	624
Authority Subscriptions (LA & CA)	121,735	113,570
LEP Subscriptions	2,640	3,080
Corporate Partners	104,000	104,000
National Associations	12,480	12,640
Sub National Transport Bodies	4,180	4,180
Spring Conference / Annual Dinner	36,275	19,000
Autumn Conference	88,160	93,000
National Traffic Managers Conf	10,000	11,500
Highways Innovation Conf	3,750	5,000
Excellence in Place Leadership programme	3,500	0
Leadership Development Programme	42,000	49,975
Proving Partnership	12,000	21,000
SMART Places Live Labs Programme	50,000	0
Interest	4	12
Reclaimed VAT	16,000	14,000
Total Income	507,336	451,581

Expenditure

SMART Places Live Labs Programme	50,000	0
Excellence in Place Leadership Programme	3,500	0
Leadership Development Programme	36,000	36,720
CC resources & support toolkit	5,000	0
Shared Intelligence impact review	10,000	10,000
COO salary	104,978	119,578
Support Officer	13,000	15,000
Policy Officer x 3 (PT)	40,000	50,000
Finance Officer	9,108	9,500
Board Exp - Planning	1,500	1,500
Board Exp - Engineering	1,500	1,500
Board Exp - Environment	1,500	1,500
Board Exp - Leadership Team	1,500	1,500
Board Exp - Transport	1,500	1,500
President's Expenses	1,000	1,500
COO Expenses	7,000	7,000
Software	600	600
Spring Conference / Annual Dinner	28,239	9,780
Autumn Conference	79,921	83,000
National Traffic Managers Conference	6,362	7,500
Highways Innovation Conf	2,000	3,500
CC event / COP26	2,500	2,500
External Admin & Events (Aldercross)	0	0
CP Seminars	3,000	3,000
Communications & PR (Coast)	47,000	65,000
Website	1,000	1,000
Audit	100	3,500
Tax and Insurance	900	900
Subscriptions	900	900
Legal Fees	8,000	0
Proving Partnership	1,000	0
Design & Print	7,000	7,000
Postage	100	125
Total Expenditure	475,708	445,103
Net Surplus/(Deficit):	31,628	6,478

Summary

ADEPT has continued to increase its membership by providing a valuable and professional service to all members. It is felt the increased income from membership subscriptions, potential sponsorship and keeping costs to a minimum creates a solid strategy that will enable ADEPT to continue in the longer term and maintain the financial sustainability of the organisation.

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

11th May 2021