

## **MEMBERS' ROOM – COMMERCIAL EVENTS**

### **Executive Summary**

1. This Paper seeks the SPCB's views on and approval of a number of issues relating to the use of the Members' Room as a commercial events venue on Fridays, weekends and during recesses for a proposed 6 month pilot.
2. This pilot is part of a wider strategic programme of activities and initiatives being considered and progressed throughout the Parliament to reduce subsidy by increasing income.

### **Background**

3. The creation of the Parliament's first dedicated evening events venue within the Members' Room has relieved pressure on committee rooms and the Garden Lobby and enabled us to accommodate more, larger events year-on-year. Options to further utilise the Room now require a step change in approach.
4. It is imperative that any income generating activity does not impact on parliamentary business or affect the Parliament's reputation in a negative way. However, there are clear drivers to increase revenues in order to reduce subsidy.

### **Issues and Options**

#### **Commercial Events**

5. The Members' Room is rarely used on Fridays, weekends or during recesses. During these times we would propose to offer the Members' Room for events where a commercial rate would be charged in accordance with the Scottish Public Finance Manual (paragraphs 18 to 20 in this Paper refer). This would allow the venue to operate competitively within the market place.
6. It is important to stress that such events would have no impact on Member-sponsored events taking place throughout the week on Tuesdays, Wednesdays and Thursdays. Events with the purpose of engaging with Members would still take place in the Members' Room, with no additional charges, and with the existing criteria applying. In the past 12 months the Members' Room has not been used on a Friday evening or at a weekend for Member-sponsored events. Therefore we propose that if we receive any requests for Member-sponsored events on a Friday or Saturday, during the 6 month pilot, that they are accommodated within the other spaces available.
7. It is expected that the majority of commercial events will be scheduled to take place after the building is closed to the general public. Set-up and de-rig times and the actual event will be structured so that normal public access and engagement strands are not adversely affect or interrupted.

**The SPCB is asked to consider this and agree that commercial events may take place within the Members' Room on Fridays, weekends and during recess periods.**

## Risks and management

8. We are recommending that the venue be bookable and accessible to organisations (including charities) on a case by case basis but, in line with our current policies, not available to political parties or in connection with political campaigns.
9. An approval mechanism involving an Assistant Chief Executive and Head of Events and Exhibitions Team agreeing which companies, organisations and charities could book commercial events would be put in place for the duration of the pilot. The Presiding Officer would be kept informed. Through discussions with counterparts in other Parliaments, the need for this process to be efficiently managed is apparent.

**The SPCB is asked to agree the management mechanism as set out above on a case by case basis.**

## Events Markets and Types

10. As we would be restricting the use of the Members' Room to specific days of the week, which has an impact on the potential markets, it is recommended that we target the following market segments: rewards and incentive; international association; local corporate and charities.
11. With various event types available within this market, we envisage pursuing relatively low risk types of event such as:
  - Dinners and receptions for the identified markets (as set out above)
  - Awards dinners and ceremonies
  - Charity dinners and receptions
  - Meetings including AGMs

Other event types including weddings, birthday parties, private bookings etc will not be permitted.

**The SPCB is asked to consider and agree the types of events envisaged.**

## Charity dinners and receptions

12. Our market research shows that the fund raising by charities through dinners and receptions is a large sector of our potential market.
13. The SPCB only supports one nominated charity, PoppyScotland. We propose no change to that, nor to the underlying basis on which other charities use the building, for example, as part of Member sponsored events and exhibitions. In those circumstances charities are only charged for incidental costs such as hospitality and audio visual. Equally, they are not permitted to fund raise.
14. We see a clear distinction between those circumstances and the events proposed for the pilot where there would be a commercial relationship with

any charities under which they would be expected to meet all costs for their event including a facilities fee (see paragraphs 18 to 20).

15. Given the commercial relationship envisaged in those circumstances, we do not see this providing any support to these charities - as such they would expect to be able to charge for tables and fundraise at these events. If the Corporate Body agrees, a small change would be required to the current charities policy to allow for charities to be treated differently where they wish to hire the Members' Room for a commercial, fund raising event.

**The SPCB is invited to agree that charities can fundraise at commercial events and that the underlying charities policy remains unchanged.**

#### Recharging costs

16. In order for companies and organisations to hold corporate dinners and awards ceremonies etc. it is common practice for them to recover the costs through charging individuals or other companies to attend. This is done either through charging a ticket price to attend for individuals or asking companies to buy tables at the event.
17. Our current events policy does not permit the recharge of costs by event organisers. Our research has shown us that other legislatures do permit this and also shows that we run the risk of losing potential business should we not amend the current position. We would therefore recommend that organisations holding corporate events in the Members' Room are allowed to charge.

**The SPCB is asked to consider this and agree that organisations holding commercial events in the Members' Room may recover the costs of their events through charging guests to attend.**

#### Pricing and costs

18. All costs associated with servicing and delivering commercial events would be recovered from host organisations including resources utilised in managing the venue, additional security staffing and any other related facilities costs, in addition to the charge for using the facility.
19. The facility fee applicable to the Members' Room for commercial events would cover direct costs and a deposit and pre-payment structure would be put in place.
20. There are resource implications for out-of-hours operations and any costs incurred would be passed on to the organisation holding the event.

**The SPCB is asked to note the proposed charging regime.**

## Implementation

21. A pilot stage will take place from October 2014 to March 2015 with an evaluation and report including a longer term business plan option being presented to the SPCB in April 2015 for consideration.

## Resource Implications

22. During the pilot stage the project will be labour intensive as we expect a large volume of enquiries which will need to be co-ordinated and converted into confirmed business whilst the team are developing guidance, websites etc. In addition the team will be in place months before any business has taken place. Taking this into account against estimated income the total costs for this pilot project will be just over £20k which can be met across staff budgets already allocated.

## Governance issues

23. Monthly updates will be provided to the SPCB by the Head of Events and Exhibitions Team throughout the pilot project.

## Publication Scheme

24. The paper can be published.

## Next steps

25. If the proposals within this Paper are agreed by the SPCB then officials will progress the necessary arrangements, to have the pilot operational by October.

## Decision

26. The SPCB is asked to consider this Paper and agree that:
  - 26.1 commercial events may take place within the Members' Room on Fridays, weekends and recess periods;
  - 26.2 organisations apart from political parties and political campaigns can book the venue and that the Head of Events and Exhibitions, in consultation with an Assistant Chief Executive, manage the approval mechanism on a case-by-case basis;
  - 26.3 there is no requirement for Member-sponsorship for commercial events in the Members' Room;
  - 26.4 we restrict the use of the venue at this time to only commercial and charity dinners and receptions, awards dinners and ceremonies, and meetings including AGMs;

- 26.5 we allow organisations holding commercial events in the Members' Room to recover the costs of their events through charging guests to attend;
- 26.6 consistent with that, clarify the SPCB's Charity and Fundraising Policy so that registered charities may fundraise (including charging for tables) at events staged within the Members' Room on the basis of a commercial hire; and
- 26.7 to the proposed charging model.

**EVENTS AND EXHIBITIONS TEAM**

June 2014