

25 November 2009

SCOTTISH PARLAMENT AND BUSINESS EXCHANGE (SPBE)

Executive summary

1. This paper invites the SPCB to agree to providing additional financial support to the SPBE on an exceptional basis.

Issues and Options

2. SPCB members will recall that the SPBE, an independent, charitable company established in June 2001 to promote understanding between business in Scotland and The Scottish Parliament, is funded by membership fees and by an annual contribution from the SPCB's budget. The SPCB's contribution has reduced over the years and now represents less than 25% of the overall running costs.

3. The Exchange's expenditure exceeded its income in the financial years 2007-2008 and 2008-2009, resulting in deficits of £45,266 and £15,791 respectively. The Board of the Exchange, supported by the Chief Executive appointed in January 2008, has been working hard to reduce costs and increase membership income. As a result, this year is expected to generate a surplus in the region of £6000.

4. The deficits have impacted heavily on the Exchange's reserves, and there is a risk that renewed membership income cannot be guaranteed in the current climate. Cost cutting measures have resulted in a very much reduced staff structure which is not capable of sustaining the level of activity required to support the increased membership. It is particularly important for the Exchange to be able to demonstrate value for money to its members.

5. The Exchange therefore requests exceptional financial support to restore its reserves to a workable level and allow for a modest addition to the staff in order to support increased exchange activity between businesses and the Parliament. Both of these steps would help to guard against the risk of reductions in membership income over the short term.

6. The Board of the Exchange is confident that a one off cash injection of £30,000 would secure the future of its activities in line with the new business plan attached to this report.

Resource Implications

7. The Exchange's request, if approved, would require a draw down from the SPCB's revenue contingency for 2009-10. The Head of Financial Resources has confirmed that the request could be met, if approved.

Dependencies and Governance Issues

8. There are none. The Exchange is an independent company. The request is based on a thorough assessment by the Exchange's Board of the accounts, trading position and business plan for the company. There are no equalities, environmental or health and safety implications for the SPCB.

Publication Scheme

9. This report can be published along with the minutes of the SPCB's deliberations.

Next steps

10. The SPCB's decision will be notified to the Board of SPBE and acted on accordingly.

Decision

11. The SPCB is invited to agree to make an exceptional payment of £30,000 to support the SPBE in the current financial year.

Assistant Clerk/Chief Executive
November 2009