COMMERCIAL EVENTS - PILOT

Executive summary

1. The SPCB approved on 4 June 2014 a 6-month pilot for commercial events in the Members’ Room between October 2014 and March 2015. This Paper updates the SPCB on the pilot and seeks approval for an extension of another 18 months, until end September 2016.

2. The Paper also seeks the SPCB’s approval, if extending the pilot to include the Main Hall as an additional commercial events venue under the same conditions as the Members’ Room.

Background

3. By the end of the 6-month pilot we will have delivered 7 commercial events ranging from seminars through to dinners that we believe provides a growing weight of evidence that a commercial market exists for this venue. The pilot has been successful to-date, but before the SPCB considers making a final decision on treating venue hire as a business as usual activity we recommend extending the pilot by another 18 months to allow further evidence to be gathered to confirm that it is.

4. This Paper provides the SPCB with updates on all the points raised and discussed at their meeting of Wednesday 4 June 2014.

Issues and Options

Key findings to-date

Lead-in times

5. Significantly, it became apparent during the pilot that lead-in times for commercial events are far greater than those for Member-sponsored events, with the average lead-in time between 6 and 18 months. Larger scale events are often booked even further in advance.

Impact on building users

6. As commercial events only take place on non-parliamentary business days there has been no impact on Members or other building users. However it should be acknowledged that restricting use to specific week days impacts on the number of events that can be accepted and the associated revenues. We have declined a number of events at enquiry stage for this reason and would expect to continue to do so in the future.
Risk and management

7. The mechanism - approved by the SPCB to address any potential reputational risk from allowing commercial events to take place at the Parliament - has to-date worked very well allowing officials to efficiently manage the process of agreeing commercial events within realistic timescales as well as managing reputational risk.

Events Markets and Types

8. Feedback from prospective clients and events that we have supported thus far in the Members’ Room clearly shows the venue to be most suited to day conferences and small receptions and dinners.

9. Interest in added value tours to commercial events is much higher than we had anticipated. Feedback from a number of clients clearly shows that one of our main unique selling points is the ability to offer added value tours. As a bi-product to commercial events, this provides a positive engagement opportunity for commercial event guests to increase their knowledge of the Parliament and its workings.

Marketing

10. Without fully marketing the Members’ Room we have slowly increased awareness of the venue during the pilot period and have experienced an increase in levels of interest across the commercial market with the number of enquiries increasing month-on-month. However, if extending the pilot we would recommend that we promote the venue by means of effective marketing to increase awareness of the product and maximise the number of commercial events.

Recharging costs and pricing

11. All direct costs, excluding overheads, associated with commercial events were fully recovered during the pilot. The overall pricing structure including facility fee had no detrimental effect on bookings.

Security and guest handling

12. To date there have been no security issues with guests attending commercial events.

Income

13. During the pilot income from the commercial events that took place was about £22k, contributing nearly £12k to the SPCB.

The SPCB is invited to consider the key findings to-date and confirm that they are content to extend the pilot by 18 months, until end September 2016.

If continuing, the SPCB is invited to confirm they are content for commercial events to be marketed effectively to realise the full potential of the venue.
The Main Hall

14. To-date we have received a number of enquiries that we had to turn down as the Members’ Room could not accommodate the numbers; these enquiries could have been accommodated within the Main Hall – we estimate the resultant additional income during the pilot would have been between £35k and £40k contributing about £20k to the SPCB.

15. Before the Main Hall lighting project was completed this space was not considered a viable commercial venue. However a consequential benefit of the new lighting is that the space, if approved as a commercial events venue, is now an attractive proposition for the commercial events market. The SPCB will recall that the Main Hall lighting improvements business case was in part founded on the benefit of making this space more suitable for hosting events.

16. There is clearly a market for the Main Hall as a commercial events venue hosting up to 280 guests for dinner and 450 guests for receptions all with substantial income attached to them. The venue’s proximity to the building’s main public entry and exit points enables commercial events to be efficiently resourced within the public side of the building thereby minimising impact on Members and other building users.

17. Our experience from the pilot suggests a cautious forecast of bookings for the Main Hall during the extension period would be prudent, given the lead-in time for these larger events tends to be 12 to 18 months or more.

The SPCB is invited to agree that, if extending the pilot, that the Main Hall is also marketed as a commercial events venue.

Governance issues

18. Appropriate updates will be provided to the SPCB by the Head of Events and Exhibitions Team should the extension be approved.

19. An Equalities Impact Assessment has been completed. The fact that commercial events offer organisations an alternative route to staging an event at the Scottish Parliament minimises impact.

Publication Scheme

20. This Paper can be published.

Next steps

21. If the proposals within this Paper are agreed by the SPCB then officials will continue with the pilot until end September 2016 reporting back to the SPCB then with a further evaluation and report including a longer term business plan option for consideration.
Decision

22. The SPCB is invited to consider this Paper and the key findings to-date and confirm that it is content to extend the pilot by 18 months, until end September 2016.

If continuing, the SPCB is invited to confirm:

- It is content for commercial events to be fully marketed; and
- that the Main Hall is also marketed as a commercial events venue.

EVENTS AND EXHIBITIONS TEAM
March 2015