



society of business economists

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ANNUAL REPORT OF THE CHAIRMAN 2013-14

The past year was one of steady progress, both for the UK economy and for the SBE. In the economy, there has been a return to growth (and recent revisions to the national accounts suggest this started earlier than previously thought). Investment has been picking up, and this enables some hope that the continued rise in employment will soon translate into a more robust growth of productivity.

However, moving into the autumn we have been reminded of the underlying fragilities in the world economy with high debt levels in many developed markets and there is a question over how far the UK can continue with a strong recovery if the Eurozone economy in particular stalls.

Last year the report described the changes to the administration of the SBE and I am pleased to say that these have bedded in well. There has also been continued progress, described further below, on the new website which is core to the SBE's membership proposition. It is however perhaps taking a little longer to come to fruition than we hoped, and we trust members will welcome all the changes which Council intends.

At the AGM, we will be bringing forward proposals to reform Council itself. As these take effect, there will be a need for more people to come forward as prospective Council members. I hope some of you will want to do so, to ensure the SBE's continued relevance across what is a growing membership. There are also changes to membership proposed – which I hope you will also support.

MEETINGS AND EVENTS

The Annual Conference in October 2013 was expertly chaired once again by BBC's Evan Davis, and discussed Global Economic Challenges. The keynote speakers were Charlie Bean, Bank of England Deputy Governor and Jim O'Neill, former Chairman of Goldman Sachs Asset Management. They were joined by Norma Cohen, Demographics Correspondent from the FT, Charles Dumas, Chairman of Lombard Street Research, and Neville Hill, Head of European Economics at Credit Suisse.

The Annual Dinner was held in June with Christian Noyer, Governor of the Bank of France, as the guest speaker. Both his speech and his readiness to take a long question and answer session were much appreciated. The dinner took place in Plaisterers' Hall, a new venue for the SBE which seemed to work well.

During the year there were more great speakers and topics for the monthly meetings, including an SBE Student/New Graduate Event with Dr Mark Williams. Huw Pill and Janet Henry spoke at last year's AGM on Financial Fragmentation and the Eurozone Recovery, our President Dave Ramsden discussed key aspects of both the Chancellor's Autumn Statement and the Budget, Jonathan Portes and Michael Saunders debated the UK Outlook, Diane Coyle talked about GDP and measuring the economy. Jens Nordvig and Henry Overman concluded the full meeting programme with talks on The Future Euro: hard or soft? and the Future of British Cities and the Role of Urban Policy respectively. The ever popular masterclass series was again well attended: Robert Chote looked at Britain's public finances and Stephen Glaister addressed 'What Price HS2?'

SBE ACCOUNTS

In the year ended 30 June 2014, the Society's turnover increased by 16 per cent on the previous year as the upward trend in membership that started last year continued. The Society's other operating income also grew. Whilst this was partly due to the change in the date of the annual Conference (the revenue for which fell outside of last year's accounts), additional revenue was generated by the lunch with Dr Jens Weidmann held last September.

The Council's focus on reducing administrative costs continued during 2013/14. Excluding exceptional items, general administrative expenses fell by 28 per cent as compared to 2012/13, largely driven by reductions in financial control costs and secretarial costs as members of the Council took on additional responsibilities on a voluntary basis. Sandra Curtis as Honorary Secretary and James Lambert as Honorary Treasurer deserve special mention and thanks here. Ashurst continued to host the SBE's evening meetings, whilst the BBA kindly agreed to host masterclasses. All this generosity has allowed the Society to eliminate a significant element of its operating expenses.

As a result of revenue growth and cost reductions, we are pleased to report that, excluding exceptional items, the Society generated its first surplus in over five years. This surplus stood at £9,752 in 2013/14 and is in marked contrast to the deficit of £17,359 recorded in 2012/13. Even with the recognition of contribution paid to Marian Marshall included in the overall figures, the finances still represent a significant improvement on the position in 2012/13.

In 2014/15, the Society will continue efforts to reduce its costs, in part by increasing the use of the website and by moving the Journal online. We are working hard to build membership numbers further and expect additional revenue to be generated from the recently introduced Affiliate position. The Society also continues to seek further sponsorship opportunities and has obtained sponsorship from PWC for this year's Conference. A budgeted surplus for 2014/15 will enable the Society to invest in a new website without needing to draw on its reserves, whilst also allowing subscriptions to be frozen for another year.

Please do continue to recommend the Society to colleagues and keep the Society in mind for advertising and sponsorship opportunities.

COUNCIL

At the AGM held in November 2013 Alison Cottrell, Bronwyn Curtis, Kevin Daly and Jim Hirst retired by rotation and were re-elected. I should also like to congratulate warmly Bridget Rosewell and Ian Harwood who were elected Fellows during the year.

JOURNAL

This has been a difficult year for the Society's Journal, one which has seen radical changes. The most momentous has been the ending of publication in print of *The Business Economist* after forty-four years. We shall continue to publish the well-written and interesting articles on business economics which have filled its pages, and, of course, the book reviews, that members have so much enjoyed, but it will be done on-line.

The decision to make this change after so long and distinguished a history of publishing writing on business economics was not easy. But the media available for such publication have changed. Members look increasingly to electronic media for their information and we think they will be better served by publishing interesting work on the Society's website. And the Society could not ignore the rising costs of printing and postage.

The change has not been as seamless as we had hoped: the last print issue, Volume 44 No 3, was published belatedly this summer, but work on re-designing the website to give it a less formal feel and to provide a 'reading room' to accommodate our publications, has taken longer than expected. It will be completed early in the coming year, when members will again be able to enjoy them.

We do, of course, owe a debt of gratitude to those who have worked to produce the Journal over the years and in particular the final print edition. Foremost among these is undoubtedly Jim Hirst, who has edited the Journal expertly for many years. This has really been a huge task and always undertaken with enthusiasm. In addition, Diane Coyle (Book Reviews Editor), Marian Marshall (Publication Manager) and Adam Chester (Managing Editor) have made great contributions. Moreover we would also like to thank those of them, and Adam Chester in particular, who have been working to bring the Journal to the website where it will continue to inform members.

WEBSITE

Earlier this year, Council commissioned Nik Otley from Otley Designs to redesign the SBE website. Work began over the summer in close consultation with Council. Otley Designs were tasked with making the website more visually appealing and easier to use, while at the same time ensuring a high degree of functionality. Although the full website has not yet been rolled out, Council has been monitoring progress and is confident that it will be a substantial improvement on the previous one.

MEMBERSHIP

Membership has continued to increase over the year, reaching 564 in September compared with 540 a year earlier. The drive to build closer relationships with a number of universities has seen a sharp increase in the Society's student membership, which had dwindled into single figures; from 5 student members in August 2013, the Society now has 25 student members, building a stronger base for the coming years and ensuring a diversity of interests and skills across our membership base.

The Society rejects a number of applications for membership each year from people who may be extremely interested in business economics and in the Society itself, but who fail to meet the entry requirements we set as a professional body. Recognising the potential benefits both to these individuals and to the Society itself and its existing members of a broader approach to our engagement, the Council agreed in June to create a new 'SBE Affiliate' status; not a new membership category, but a means of giving access to Society meetings and other events, and a status granted at the Council's discretion. The Society welcomed its first Affiliate, Chris Pantazis, in July 2014.

The Council will continue, over the coming year, to consider both how to ensure the Society provides value to existing members, and also how it can best serve its members at different stages of and throughout their professional lives.

As the next step, a Graduate class of member will be proposed at this year's AGM. I hope you will support this encouragement of young members to join the SBE.

THE YEAR AHEAD

It should be noted that the priorities for next year are much as for last year. This is largely due to the delays in getting the new website up and running – however this is now proceeding apace. Once this is launched, the work on continuing professional development will be able to follow. In addition to these important initiatives, and our plans for another year of high quality events, we also hope to establish a stronger voice for the SBE on issues related to economic data. All this should ensure we remain truly relevant to our members.

Dame Kate Barker
Chairman
October 2014