

# Cavendish Conference Venues

## Making Sense of Venue Contacts

### *The Venue Contract Minefield*

There are lots of things to look out for in venue contracts. As a group of central London venues successfully hosting conferences meeting training events etc for almost 20 years now we have seen many potential pitfalls. As with all contract negotiations, at the end of the day its far better if both sides are happy with the outcome, if that proves impossible a clear unambiguous resolution procedure has to be in place.

### **1. Cancellation terms**

There is virtually nothing more annoying than paying cancellation charges, you are paying for a service you have not received. On the other hand from a venues point of view having a room sitting empty (costing money) because a client has cancelled (particularly when that room could have been sold) is infuriating. Make sure you read and understand these terms. We have had many occasion when clients have had to cancel, we have to enforce these terms UNLESS we have managed to resell the rooms at a similar rate i.e. not at a distressed day rate.

### **2. Force majeure**

Basically events outside the venue's control. As in all things in life there really are times when things happen. I can think of so many examples, Tube strikes, yesterday there was a localised power cut affecting one side of the street (thankfully the other side to us) etc etc.

### **3. Minimum / maximum number**

Both are areas of difficulty. Last week we had to deal with an extremely vexed client who had booked a room for 10 – 15 delegates, 37 actually turned up, shock horror the room was too small. Similarly often venues ourselves included will charge a "Contracted Minimum Numbers". Basically if less people turn up than this number you will still be charged for the number of people, conversely if more turn up you will be charged for the actual numbers.

### **4. Actual numbers**

The sore points are adding up. We ask for catering numbers 48 hours in advance, in actual fact we often get them the day before. There is often a discrepancy between the numbers in the room and the numbers announced. Disputes arise like whether organisers who may not be in the main room but are in the venue should be counted, delegates who only attend for one session etc etc. Both sides need to be pragmatic; we have been reduced to counting plates etc.



## 5. Access / setup times

Yesterday a client who had booked a ½ day (afternoon) turned up in the morning. She had assumed we would not be able to sell the other ½ of the day! These sort of disputes more commonly arise over issues like overnight hold and evening finishes etc. It's fairly easy to misunderstand that full day usage doesn't always mean that you get access to the venue whenever you want. Make sure before you sign the contract that there is enough time in your tenancy to get your event prepared before all the delegates arrive. Conference venues will often book events back to back, therefore if you are holding an event for only part of a day, make sure you know whether someone is using the rooms you have booked and what time they are expected to leave.

## 6. Payment schedule

Not every Conference Venue or Hotel will have the same contracted payment schedule, and there are really no wrong payment schedules. You do, however, have to ensure that the payment schedule matches your registration/ exhibition sales timeline. The best events will require very little capital investment and can pay for their venue, Hotel and suppliers through the cash flow of registrations.

Take the time to check the payment schedule and if any dates look like they may concern you then contact the venue to see if they can be more flexible.

## 7. Is VAT / Taxes included?

Sounds simple right? Wrong. Checking VAT and taxes are included in rates is the most common contract mistake in events. 20% VAT is the difference between getting a great rate and a really bad rate at a venue. What's more certain items are non-vat-able, so ensure your venue provides a thorough breakdown in their quote of what does or doesn't include VAT.

The good news is that despite the huge amounts of confusion and obfuscation we receive and doll out, we at Cavendish Venues have never yet faced a client on court! With 94% of clients coming back year-on-year we are confident something is going right.