Chapter 5
Understanding and Negotiating Contracts With Venues

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ABSTRACT

Signing the venue hire contract is a significant stage in the event planning process as it formalises the agreement with the principal supplier to the event. Venue contracts can be quite lengthy and detailed documents as they cover all aspects of the agreement between the two parties. As well as confirming the hire charges, it will stipulate a number of rules and regulations that will govern the event, and it will outline the penalties for failing to comply with the contract. Much of this is rooted in the venue’s plan to ensure that the event complies with relevant legislation and health and safety guidance. This chapter covers the purpose of a venue contract, typical terms and conditions, likely penalties for breaching the contract, plus an overview of venue specific laws and health and safety guidance.

INTRODUCTION

Today event managers can choose from a wide range of venues and open spaces to host their next party, celebration, meeting, wedding, conference or exhibition. Once the location has been selected, signing the venue hire contract becomes a significant stage in the planning process as this is the documentation of the agreement with one of, if not the, principal supplier to the event (Nolan, 2018). Venue contracts can be quite lengthy and detailed documents as they cover all aspects of the agreement.
between the two parties and the terms and conditions of hire. A contract issued by the venue can be one of the most complex documents of its kind as it can contain a number of specific clauses (Bladen et al., 2012). As well as confirming the hire charges, the contract will stipulate a number of rules and regulations that will govern the event and it will outline the penalties for failing to comply with the contract. Much of this is rooted in the venue’s plan to ensure that the event complies with relevant legislation and health and safety guidance. However, hire charges and some terms and conditions can be adjusted before the contract is signed, though a process of negotiation. As Davidson and Hyde confirm ‘the key to successful negotiations lies in thorough preparation’ (2014, p.61). As such, this chapter provides advice on how to prepare to negotiate with a venue through an exploration of contract terminology, hire charges and the principles of yield management. Once signed, the contract is a legally binding document that will govern how the event will be run and this chapter will also provide an overview of licencing and health and safety guidance and demonstrates how this is embedded in venue contracts.

**Understanding Hire Charges**

Until the point at which the event manager signs the venue contract, all hire charges and terms and conditions of using the venue are potentially negotiable. Generally, venue hire charges fall into two categories; either a set fee per attendee per day or an hourly charge for each room that is going to be used. A day delegate rate (DDR) is the charge that the venue makes per person attending a specific event, usually a meeting or a one-day conference. The DDR will typically cover the cost of the use of one event room, refreshments (typically lunch and 2 servings of tea and coffee) and a basic AV and stationery package. This charge can often cover all of the event manager’s requirements for a meeting, training event or one day conference. For overnight events, a 24-hour rate is usually available if the venue is residential. This charge will everything in the DDR plus an evening meal, one night’s accommodation in the venue and breakfast the following morning. For longer or more complex events, where a DDR does not cover all of the event’s venue requirements, the venue will provide a detailed quotation which shows the break down of all of the room hire (and additional) charges.

Typically, venues will charge by the hour for the use of each and every room that is going to be used and there is often a minimum hire period of at least 4 hours. Charges are often aligned to the size and therefore the capacity of the room and the bigger the room, the more expensive it will be to use. Similarly, rooms that are already furnished or equipped with facilities such as staging or AV equipment may come at a premium, and this can sometimes be regardless of whether or not the room’s equipment and facilities will all be used. The time and date of the event can
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