



To: Executive Councillor for Community Wellbeing:
Councillor Sarah Brown

Report by: Head of Arts & Recreation

Relevant scrutiny
committee: Community 13/3/2014
Services
Scrutiny
Committee

Wards affected: ALL

ARRANGEMENTS FOR EVENT BOOKING FEES

Not a Key Decision

1. Executive summary

The Opposition Spokesperson for Community Well-being, Councillor Moghadas has asked for a report on the rationale and arrangements for event booking fees to be brought to the scrutiny committee. This report provides the information requested.

2. Recommendations

The Executive Councillor is recommended to consider and comment on the arrangements for event booking fees

3. Background

A booking fee relates to the common practice of charging extra money when booking a holiday, a flight or buying tickets for a concert or show. This is levied to cover the costs of running the service that allows the tickets to be purchased. It is common industry practice to charge booking fees for theatre, venues and festivals and most do.

The City Council charges booking fees on tickets to cover the cost of running the Corn Exchange and City Centre box office as it is believed that an important principle is that people paying for tickets for Corn Exchange and Folk Festival activities should be contributing to the costs of the ticketing service, and not simply relying upon the Cambridge council tax payer to subsidise the service. This is particularly relevant as many customers of the Corn Exchange and Folk Festival may not be city residents.

The booking fee covers the costs of running the service which includes the processing fee levied by the banks (about 2% of the whole order total), the VAT payable on the fee, the cost of providing and maintaining the online system to take the order, hardware and staffing.

The booking fee is higher for the Folk Festival as the costs associated with the running of the festival are significantly greater – they include higher dedicated staffing costs to deal with the additional demand for tickets and an on-site box office team with all its associated infrastructure and staffing costs which we have to staff and run simultaneously with the Wheeler Street Box Office. These costs are paid for out of the Festival booking fee.

The booking fees levied by the City Council have been benchmarked against other similar sized venues and festivals and are considered to be fair and 'average' in industry terms. By way of an example here is a list of what other venues charge by way of a booking fee:

London Barbican - £4.00
Ipswich Regent - £3.00
Leicester De Montfort - £3.00
North Wales Theatre - £3.00
Bradford Theatres - £2.50
Cambridge Arts Theatre - £2.50
Cambridge Corn Exchange - £2.50
Gateshead Sage - £2.50
Derngate Theatre - £2.50 per transaction

Similarly the Council has benchmarked booking fees for the Cambridge Folk Festival. The list below compares the booking fees levied for attending the event for a weekend with camping and parking:

Bestival - £20.50
Reading - £13.00
Creamfields - £16.00
Sonisphere - £12.00
Cambridge Folk Festival £12.00
Isle of Wight Festival - £11.50
Beautiful Days - £10.75
Bearded Theory - £10.50
Cornbury Festival - £10.00
Download Festival - £10.00
Bloodstock - £8.25
Latitude - £8.00

Until recently the Corn Exchange City Centre Box Office offered customers the ability to avoid paying a booking fee if they paid cash over the counter. However, on 6 April 2013 the Consumer Rights (Payments Surcharges) Regulations came into force which dictated that if a booking fee relates to wider service costs, then only one booking fee per product may be charged. If more than one booking fee is offered (or as in our case, a free service) the booking fee can only relate to payment methods, and not the wider cost of the service.

Given the importance of ensuring that the box office service can operate in a sustainable manner and can continue to reduce its cost to the council tax bill by focussing charges on its users, the flexibility to levy future booking fees based on the wider costs associated with running the service was required. To achieve this and to ensure compliancy with the Consumer Rights legislation, the City Council was advised a charge should be made for all bookings, irrespective of the payment method. Regretfully this meant that the 'no charge' option had to be removed. This was implemented from with effect from Monday 23rd December 2013.

For the period from when the Consumer Rights Regulations came into force (April 6th) and the decision to withdraw the 'no booking fee' option in December, the Council was still compliant with government guidance as the costs incurred in relation to payment methods exceed the revenue raised by booking fees. However moving forward the Council are unable to continue offering the booking-fee free method for cash as it would be unsustainable due to the fact that costs incurred this year are greater than in other years due mainly to our recent investment into new ticketing software for the box office.

4. Implications

None

(a) **Financial Implications** - none

(b) **Staffing Implications** - none

(c) **Equal Opportunities Implications**

An EQIA has been undertaken which notes that there is very low risk for people on low incomes, who would now not be able to avoid paying a booking fee by paying cash over the counter, to have to pay more for the total cost of their booking. However the assessment also noted that this would equally be offset by the fact that they wouldn't need to spend money coming into the city centre in order to pay cash

over the counter and are also now able to print their own tickets at home via the new box office software.

(d) **Environmental Implications** – new technology reduces the need for printed tickets, stationary and postage

(e) **Procurement - none**

(f) **Consultation and communication** – the Council's websites for the Corn Exchange and Folk Festival clearly highlight the upfront cost of the ticket purchase and associated booking fee and the Corn Exchange site has also been approved by the Committee of Advertising Practice (CAP) who have checked its compliance against the Advertising Standards Authority recent guidance.

(g) **Community Safety - none**

5. Background papers

These background papers were used in the preparation of this report:

6. Appendices

None

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Debbie Kaye
Author's Phone Number: 01223 - 457551
Author's Email: debbie.kaye@cambridge.gov.uk