

Forward Plan reference number: N/A

Report title: The implementation of a cancellation policy and an amendment to the deposit policy for Registrars undertaking wedding and civil ceremonies in approved venues	
Report to: Councillor Barker, Cabinet Member for Customer, Communities, Culture and Corporate	
Report author: Suzanna Shaw – Director Customer Services	
Date: 7 January 2020	For: Decision
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County Divisions affected: All Essex	

1. Purpose of Report

To seek approval to implement a cancellation policy for Registrars undertaking wedding and civil ceremonies at approved venues and to increase the value of the deposit taken at the time of booking and amend the balance collection date.

2. Recommendations

- 2.1 To approve the implementation of a Registrar cancellation policy for ceremonies at approved venues.
- 2.2 To approve the increase in the non-refundable deposit taken for the Registrar from £50 to £120.
- 2.3 To approve the change to the full payment collection date from 10 to 26 weeks prior to the ceremony date, or at the time of booking if ceremonies are arranged less than 26 weeks prior to the ceremony date.

3. Summary of issue

- 3.1 In the Financial year 2018/19 Registration Services conducted over 4,200 legal ceremonies (weddings and civil partnerships) in Approved Venues. However, there were approximately 650 cancellations for this ceremony type in the same period (cancellation rates have remained at 13.5% for the past three years).
- 3.2 The current policy is to collect a non-refundable £50 deposit at the time of booking and collect the remaining balance 10 weeks prior to the ceremony date. Regardless of the notice period given, in the event of a cancellation and on receipt of a written request, customers receive a full refund minus the £50 deposit.
- 3.3 The amount of revenue lost due to bookings which were cancelled and not replaced during 2018/19 is estimated to be worth £350,000.

- 3.4 When there is a cancellation, the Registrar booked for the ceremony is cancelled.
- 3.5 The fees charged by ECC are listed on the ECC website. These will need to be updated if the proposals are accepted.
- 3.6 The service has decided the most appropriate policy going forward would be to increase the non-refundable deposit for all approved venue ceremonies to £120 and to contact the customer for full payment at 26 weeks prior to the ceremony date, or at the time of booking if ceremonies are arranged less than 26 weeks prior to the ceremony date.
- 3.7 Research on the fees charged and the policies of neighbouring authorities has been carried out to ensure that the service remains attractive and marketable. This research has shown that Essex currently asks customers for one of the lowest deposits in comparison with other local authorities
- 3.8 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular, protected characteristic.

4 Options

Option 1 – Do Nothing

- 4.1 The current policy is to collect a £50 deposit at the time of booking and collect the remaining balance 10 weeks prior to the ceremony date. In the event of a cancellation, customers receive a full refund, minus the £50 deposit, regardless of when the cancellation occurs. A refund request has to be made in writing before the customer can be refunded. ECC has one of the lowest ceremony deposit values, in comparison to other neighbouring authorities.
- 4.2. It is estimated that approximately 80% of cancellations occur at 10 weeks prior to the planned ceremony date. This is at the point where customers are contacted by the Registration Services for the full balance of payment and to ensure notice of marriage has been given. As a result:
- Cancelled slots are left unfilled due to the late timing of the cancellation.
 - There is a significant loss of revenue to ECC as the service only receives £50 for the slot rather than the full amount for the ceremony which costs between £565 and £615 depending on the day ceremonies are scheduled.
 - There is limited opportunity to market late availability of slots and few customers look to book a ceremony less than 10 weeks in advance.
 - There are few customer touch points. The first contact between the Registration Service and the customer after booking the ceremony occurs 10 weeks prior to the ceremony taking place.
 - There are wasted costs for the registrars' officers who are scheduled to host the ceremony and cannot arrange replacement bookings in the time available.

Option 2 - Recommended Option - Increase the non-refundable deposit from £50 to £120 and collect the full payment 26 weeks prior to the ceremony:

- 4.3. For this option, the Registration Service will collect a non-refundable deposit of £120 at the time of booking and contact the customer for the remaining balance at 26 weeks (6 months) prior to the planned ceremony date. The full fee is payable at the time of booking if the ceremony is scheduled for less than 26 weeks in advance. As is the case currently, a full refund will be provided, minus the deposit, following a request made in writing from the customer and there is no minimum cancellation period.
- 4.4. It is estimated that the proposed new approach will mitigate the loss to ECC by approximately £46,000 per year as a result of cancellations. It should also provide the Registration Service with an opportunity to capture meaningful data for future models and to fill cancelled slots. The advantages of the recommended option are:
- Earlier touch points with the customer. Registration Services will contact the customer and request full payment 26 weeks prior to the ceremony which is far earlier than the current arrangement. This enables Registration Services to understand whether a ceremony is scheduled to go ahead as planned.
 - It offers a simple and consistent approach where one deposit fee is charged for all approved premises ceremonies and customers are invoiced at a specific point in time ahead of the ceremony date.
 - It frees up available slots if customers decide to cancel. Given the majority of cancellations occur at the point of income collection, Registration Services would have a greater opportunity to rebook these timeslots and reduce wasted costs.
- 4.5 It is proposed that the new charges will be applied from 28 February 2020. Minimal system and process changes are required.

Option 3 –Staggered Payback dependent on date of cancellation.

- 4.6 The implementation of staggered payback options for the customer dependent on the notice period of the cancellation. Customers would be required to pay the full amount for the ceremony up-front and a refund would be made to the customer depending on the notice period.
- If the customer decides to cancel 6 months or more before the ceremony, they will receive all their money back, minus a £100 deposit and £30 cancellation fee.
 - If the customer cancels between 3 and 6 months prior to the ceremony, they will incur the £30 cancellation fee and 25% of the ceremony price will be retained by the service.

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- If the customer cancels between 1 and 3 months prior to the ceremony, they will incur the £30 cancellation fee and 50% of the ceremony price will be retained by the service.
- If the customer cancels less than 1 month before the ceremony, the service will retain 100% of the ceremony fee and the customer receives no money back.

This option is not recommended due to the functionality of the current booking system, Stopford. The service uses the booking system, Stopford, to keep a record of and analyse ceremonies booked by customers however its functionality is limited in that:

- it does not have the ability to identify remaining balances due for each ceremony.
- it is unable to produce detailed information regarding the date a ceremony has been cancelled, or whether a cancellation was reversed.
- There is no ability for customers to book ceremonies online or pay via an online booking tool.
- There are no automated reminders or due dates produced.
- There is a reliance on manual intervention for producing reports and analysing data.

In the absence of any plans to significantly improve or replace the current system this option is not recommended as it would require a high level of manual intervention and is constrained by the issues listed above.

5 Issues for consideration

Financial Implications

- 5.1 This section will address the financial impact of each of the options specified in this paper and analyse any potential changes to demand and income, as a result of changes to the cancellation policy.
- 5.2 According to data from the previous three financial years, 13.5% of ceremonies booked at Approved Venues were cancelled prior to the event. The number of weddings/ civil partnerships booked in the three years analysed was fairly consistent:

	ALL Weddings / Civil Partnerships	Cancellations	%
2016/17	5,450	734	13.5%

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2017/18	5,737	809	14.1%
2018/19	5,611	727	13.0%
Average for 3 years is over 13%			<u>13.5%</u>

The estimations for future income are based on the following assumptions:

- The model uses the number of ceremonies which occurred during 2018/19 to estimate the future levels of demand for the service.
- The cancellation rate is estimated to be 13.5% of total ceremonies booked.
- The profile of when cancellations occur is assumed to remain the same. The service advise that roughly 95% of cancellations occur before or on the full payment due date.
- All fees are collected without any bad debt.
- The 2019/20 approved premises ceremony prices were used in the estimations of future income generated by the service.
- The average price per ceremony was calculated using data relating to the number of ceremonies hosted in 2018/19 and the day which each ceremony occurred. This average price was estimated to be £587 per ceremony.
- The analysis does not consider the cost of any administrative overheads when calculating the impact of each policy.
- The financial modelling does not estimate any potential additional income that may be generated from re-booking venues after the service has been informed about a cancellation.

The impact of the suggested options is as follows:

5.3 Option 1 – Do Nothing.

Using the 2018/19 number of ceremonies booked and the assumptions specified above, the financial implications of the 'do nothing' option are listed in the following table:

Number of Approved Venue Legal Ceremonies Booked:	4,903
Number of Ceremonies Cancelled	662
% ceremonies cancelled	13.5%
Completed Ceremonies	4,241
Average Fee (2019/20) :	£587
Cancellation Fee:	£0
Booking Fee:	£50

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Income from Completed Ceremonies:	£2,489,467
Income from Cancelled Ceremonies:	£33,119
Total Income:	£2,522,586
Income Lost from Cancelled Bookings:	£355,699
Impact of Change:	£0

5.4 After benchmarking ECC against neighbouring and similar-sized authorities, it is clear ECC is on the lower-end of the spectrum in terms of how much is charged as a deposit. In addition, there is currently no charge for cancelling a ceremony when many other authorities do.

5.5 As customers are not contacted to pay the full balance until 10 weeks prior to the event, the majority of people do not inform the registrars service about a cancellation until it is too late for the service to be able to rebook that timeslot for a different customer. According to the service, 80% of cancellations occur at the full payment due date. Approximately 15% of people cancel prior to this date and 5% cancel between the date of the ceremony and 10 weeks prior, when the full payment is collected.

5.6 With the assumption that customer behaviour or demand does not change in future years, there will be no change in the amount of income collected from cancellations or lost if registrars' appointments are not rebooked if this option is followed.

5.7 Option 2 – Recommended Option

This option increases the non-refundable deposit from £50 to £120. The service will collect the remaining balance 26 weeks before the ceremony date – earlier than the current policy of 10 weeks.

5.8 As evidence suggests the majority of cancellations occur when full payment is requested from customers, an earlier collection date will allow the service more time to rebook timeslots. If these timeslots can be rebooked, this will greatly reduce the revenue lost from cancelled bookings.

5.9 Without considering the additional income which could be generated from rebooking a timeslot, the impact of selecting this option is estimated to be as follows:

Approved Venue Legal Ceremonies:	4,903
Cancelled	662
% age cancelled	13.5%

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Completed Ceremonies	4,241
Average Fee (2019/20):	587
Cancellation Fee:	£0
Booking Fee:	£120
Income from Completed Ceremonies:	£2,489,467
Income from Cancelled Ceremonies:	£79,486
Total Income:	£2,568,953
Income Lost from Cancelled Bookings Unrecovered:	£309,332
Impact of Change:	£46,367

- 5.10 It should be noted, customers will still receive a refund minus the deposit if they choose to cancel a ceremony at any point before the ceremony is scheduled to take place.

This means despite the full payment date being moved to 6 months before the ceremony and the penalty being significantly higher than the current £50 deposit, there is still the risk customers decide to cancel right before the date of the ceremony.

5.11 Option 3 – Staggered Payback dependant on date of cancellation.

Given the assumptions listed in section 5.2, the estimated impact of option 3 is summarised in the following table:

Approved Venue Legal Ceremonies:	4,903
Number of Ceremonies Cancelled	662
% Ceremonies Cancelled	13.5%
Completed Ceremonies	4,241
Average Fee (2019/20):	£587
Cancellation Fee:	£30
Booking Fee:	100%
Revenue from Completed Ceremonies:	£2,488,966
Revenue from Cancelled Ceremonies:	£206,068

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Total Revenue:	£2,695,034
Revenue Lost from Cancelled Bookings Unrecovered:	£182,672
Impact of Change:	£172,949

Although this option would likely generate greater revenue from cancellations, the policy also would incur significantly higher administrative costs than other similar options given the current systems and arrangements.

The current Stopford system makes it impossible to track the date of cancellation for each ceremony to determine the percentage of payment that needs to be repaid to the customer.

An online payment tool or an automated payment system might help reduce these overhead costs however the service's current systems do not currently accommodate this approach.

5.12 The impact of all the suggested options is summarised in the following table:

Option	Description of Option	Non-Refundable Income	Deposit
1	Current Policy	£33,119	
2	Increase Deposit (£120) - Pay @ 6 months	£79,486	
3	Staggered payback	£172,949 excluding higher administration costs and additional officer time which make this option unviable.	

The recommended option from the service is estimated to result in £46,367 savings, although there is potential for this opportunity to be greater if timeslots from cancelled ceremonies can be rebooked.

Legal implications

5.13 There are over 150 venues across Essex licenced to hold civil ceremonies. Registrars need to be booked in advance for such ceremonies.

5.14 There are four fees which may be levied at the discretion of ECC and which may be set locally at any level up to the full cost of providing the service. The fee for the attendance of the Registrar is a fee set by ECC which reasonably represents the costs to ECC of providing the same.

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- 5.15 Though the fees are a matter for authorities to set locally they are only able to recover their reasonable costs incurred. The fee set may be a standard fee or can differ to take account of variables such as the time of the ceremony (for example on a weekend rather than weekday) or distance travelled to a venue for attending staff.
- 5.16 ECC should ensure that any changes in charging policy comply with relevant legislation and guidance issued by the Registrar General for England and Wales.

6 Equality and Diversity implications

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.
- (a) The change in policy has a neutral impact on equality
 - (b) The policy does not change the affect the total fee payable only the deposit and collection date of the final balance
 - (c) The change in policy gives greater clarity to customers and increases the availability of slots.

8 List of appendices

- 8.1 Cancellation policy review and recommendations paper.
- 8.2 Equality Impact Assessment

9. List of Background papers

None.

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I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Susan Barker, Cabinet Member for Customer, Communities, Culture and Corporate	31.01.20

In consultation with:

Role	Date
Executive Director for Finance and Technology (S151 Officer) <i>Please send to your Head of Finance/Finance Business Partner who will arrange S151 sign off.</i>	25.01.20
Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	27.01.20
Katie Bray on behalf Paul Turner	