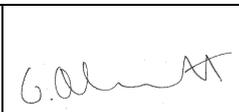




<b>Report to:</b>	Environment and Neighbourhood Committee	<b>Date:</b>	26 November 2015
<b>Report title:</b>	Development and Extension of Russettings		
<b>Report from:</b>	Gerald Almeroth, Strategic Director, Resources		
<b>Ward/Areas affected:</b>	Borough-wide		
<b>Chair of Committee/Lead Member:</b>	Councillor Jill Whitehead		
<b>Author(s)/Contact Number(s):</b>	Annette Madden, Executive Head of Business Services 020 8770 6412 Virginia Morris, Registration Services Manager 020 8770 6750		
<b>Corporate Plan Priorities:</b>	<ul style="list-style-type: none"> <li>• A Smart Council</li> </ul>		
<b>Open/Exempt:</b>	Open		
<b>Signed:</b>		<b>Date:</b>	16 November 2015

## 1. Summary

- 1.1 This report provides details of proposed options for the future of Russettings, the Councils Register Office.

## 2. Recommendations

That the Environment and Neighbourhood Committee:

- 2.1 Approves the option to build an extension to increase capacity to allow a 100 seater marriage/conference room which will bring in additional revenue to the Council.

## 3. Background

- 3.1 Sutton Register Office offers a range of additional discretionary services such as the nationality checking service, a better standard of marriages (de commissioned marriage rooms) and non statutory ceremonies. Although Sutton have a statutory marriage room (this is a statutory requirement and must be provided) which has a fixed charge of £46, the Council could significantly increase revenue if larger upgraded marriage ceremonies and function rooms were offered for internal and external meetings, conferences and training events.

## 4. Issues

- 4.1 The largest marriage room at Russettings currently offers a maximum seating capacity of 27 guests. To attract larger wedding parties and ultimately more visitors (and therefore more



income) the Council would need a ceremony room which seats 100 guests. Alterations to the internal layout could provide another ceremony room seating up to 35 guests and have the added benefit of the main reception at the front of the house. The large ceremony room would have bi- folding doors to the garden providing additional options for functions and concealed IT equipment fitted during the build to provide for capacity for conference and meeting facilities.

- 4.2 Russettings will primarily be used as a wedding venue. The use of the venue for conferences and events would dovetail with marriages to ensure full use of the facilities. This central venue would provide Sutton with a showcase setting to host partner and business events, award ceremonies, public/committee meetings etc.

## 5. Options Considered

### Option 1 – Extension and development of Russettings

- 5.1 This option looks at the provision of a ceremony room seating up to 100 guests and one which would provide a competitive alternative to marriages in venues out of the Borough. Currently Sutton has only two licensed venues which can accommodate parties of more than 60 guests, The Grange and the Holiday Inn which means large parties must go out of Borough. In Merton which is a borough of similar population, twice as many ceremonies are held in their decommissioned marriage rooms at Morden Park house. The capacity of their rooms is 6, 30, 40 and 100.
- 5.2 The cost benefit analysis in Appendix A shows the potential additional revenue for ceremonies, new revenue for conferences and meetings and also savings which could be achieved by not having to book meetings from outside the authority's meeting room stock. This is estimated to be £117k per annum. It is considered that there is demand for a larger capacity room as there are always enquiries about this and effectively the service has to turn away business and for potential clients to go to Merton or other neighbouring boroughs that do have the capacity. There is nothing that serves local Sutton residents and this is also a growing population. Investment in the venue together with opening up the garden (for private and exclusive use) will mean that this will be unique in the area and therefore a premium could be charged for this. The income projections also do not include potential revenue from other aspects such as catering, flowers or music.
- 5.3 Located 10 minutes walk from Civic and even closer to main transport hubs, Russettings is ideally placed to attract groups for celebratory and corporate events. The building plans provide for easy access to the secluded garden via bi folding doors which will provide a unique experience and the next best thing to an outdoor ceremony which is currently not permitted by law.
- 5.4 The building works are expected to take a maximum of 55 weeks from instruction to completion and will need to be carefully planned around activity at Russettings to avoid any disruptions to services.



### Option 2 – Do nothing

- 5.5 The service could continue as is however, there are savings attributed to the service of £61,400 that need to be achieved by 2017/18. It is unlikely these savings can be made through efficiencies or keeping the current operation as it is. Also neighbouring boroughs Kingston and Merton are improving their facilities which will impact on our ability to be competitive and maintain market share for fee paying services.

### Option 3 – Sale of Russettings

- 5.6 The Council could put forward a proposal to sell 25 Worcester Road with an estimated disposal value of between £900,000 and £1,100,000. The impact of this would be a requirement to locate the statutory services at another LBS building close to Sutton centre and transport links, such as the Civic Offices. This option would inevitably reduce income revenue from marriage and other ceremonies unless the facilities and aesthetics of the new locality were of an appropriate standard.
- 5.7 The current running costs of the service are as follows:

Running Costs (annual budget)	£405,000
Less Income achieved	£367,000
<b>Net direct running cost</b>	<b>£38,000</b>
Central support cost	£67,000
<b>Net running cost</b>	<b>£105,000</b>

- 5.8 The net saving of having no service at all would be £38k pa as per the above table. However, the authority is required by law to provide for statutory marriages (which has a fixed charge of £46) and the registration of births, deaths and stillbirths, which has to be provided without charge. If the service were moved out of Russettings (say to the Civic offices) it is unlikely much income would be generated from marriages or ceremonies due to the venue and there would still be a requirement for staff to perform the registration of births (3,200), deaths (1,600) and stillbirths (20) at no charge. We estimate the annual running costs to be £190k including income but excluding support costs. It would therefore actually increase our net running costs if we moved the service to the Civic offices. There was a previous discussion with Merton a couple of years ago about a shared service using just their venue, but eventually Merton decided they didn't want to progress this as an option.

### Recommended Option

- 5.9 Option 1 would provide the facilities which would enable the business to build on its success even though it has a limited capacity. It is already a well established business with a sound financial history and an annual footfall of approximately 18,000. The offer would provide a unique experience that would suit a wider clientele who require improved and larger facilities for



ceremonies and other events, but who still wish to have a traditional and dignified setting for special events.

## 6. Impacts and Implications

### Financial

- 6.1 Capital costs for the project are £405k for the building work and £10k for ICT equipment and a marketing launch for the new facilities. The project estimates additional revenue of £87,260 annually through the hiring of the 100 seater ceremony /conference room. In 2014/15 Sutton spent £78k on booking costs for the Holiday Inn, Strawberry Lodge and The Salvation Army Hall. Therefore in addition to the increased revenue, an estimated minimum saving of £30k has been included by reducing the booking of external venues. The service will also be restructured to enable the Council to contain additional activity resulting from the new facilities within existing staffing costs.
- 6.2 A capital bid has already been approved for the 2016/17 capital programme of £270k for building works to Russettings (Corporate Operational Buildings reference: R152). The balance of £145k is proposed to be funded from the invest to save reserve.
- 6.3 There are risks in terms of whether the income will materialise through lack of demand or through the proposed pricing levels and structure. The experience of the service in having to turn down a large number of enquiries and the significant Sutton population is a judgement that leads to suggesting there will be the demand. The income / savings estimates are not considered to be overly optimistic with the forecasts still being projected to be well below that which Merton is achieving at the moment. In the past month Sutton has completed the legal paperwork for 45 marriages of which 31 are taking place outside the borough. The amount of £10k for ICT and marketing will be used to launch the facilities. The ongoing ceremonial marketing will largely be self funding through the hosting of regular wedding fayres.

### Legal

#### Option 1 – Extension and development of Russettings

- 6.4 The fee for a Register Office Ceremony is set by Central Government and cannot be varied locally. This fee is currently £46 and does not cover the full cost of providing a ceremony.
- 6.5 The Council is only entitled to set fair and reasonable charges to recover the costs for providing an enhanced ceremony. The extension and development of the property is likely to require planning permission and building regulation approval from the local planning authority. The Council should make its application and secure the necessary consents prior to carrying out any work to the property.
- 6.6 In addition there may be other specific legal implications for the property. Issues such as (without limitation) covenants on title, easements burdening the land and rights of third parties, may complicate or prohibit any development. Such issues will need to be identified as a result of a detailed analysis of the title deeds and documents prior to carrying out any works to the property.



- 6.7 Whilst the works are being carried out the Council must continue to provide a Register Office where ceremonies can still be offered at the statutory fee

Option 2 – Do nothing

- 6.8 No legal implications.

Option 3 – Sale of Russettings

- 6.9 Should the Council dispose of the property, under section 123 of the Local Government Act 1972 the Council has the power to dispose of land or property in any manner it wishes.
- 6.10 Section 123 of the Local Government Act 1972 requires the Council not to dispose of land or property for a consideration less than the best that can be reasonably be obtained, unless the Secretary of State consents to the disposal.
- 6.11 There may be specific legal implications for the property. Issues such as (without limitation) covenants on title, easements burdening the land and rights of third parties, may complicate or prohibit any sale. Such issues will need to be identified as a result of a detailed analysis of the title deeds and documents prior to selling the property.
- 6.12 Should the Council dispose of the property, the Council must continue to provide a Register Office where ceremonies can still be offered at the statutory fee. This room must be able to accommodate, as a minimum, the Superintendent Registrar, the Registrar, the couple and 2 witnesses.

Other

- 6.13 A Travel Assessment will be completed as part of the project to ensure parking considerations are taken into account. Russettings is within a 5 minute walk from Sutton Station therefore providing excellent transport links which users will be encouraged to use. There are currently 12 parking spaces in the grounds of Russettings. Orchard Hill use two of these during the week but they are available for public use at weekends. Worcester Road has a CPZ with 48 parking bays for public use. There would be an additional cost to make any changes to the number of available bays. However the register office is situated near the end of the CPZ so access is available to free parking within easy walking distance. Parking considerations will also form part of the planning application process. A survey of guests attending the five weddings on Saturday 31 October indicated that the average car occupancy was 3.5 persons. Anecdotal evidence and observation suggests that full car occupancy is common at celebratory events where one person from a group will be the nominated driver.

Integrated Impact Assessment

- 6.14 Extending Russettings will provide an improved venue that will benefit the residents of Sutton. As mentioned above, a Travel Assessment will also be completed to ensure minimum disruption.



## 7. Appendices and Background Documents

<b>Appendix Letter</b>	<b>Title</b>
A	Cost Benefit Analysis

<b>Background Documents</b>
Russettings Business Case Order of Costs estimate

<b>Audit Trail</b>		
Version	Final	Date: 12 November 2015
<b>Consultation with other officers</b>		
<b>Officer</b>	<b>Comments Sought</b>	<b>Comments checked by</b>
Finance	Yes	Sue Hogg
Legal	Yes	Rowenna Warburton



## APPENDIX A

**Cost Benefit Analysis**

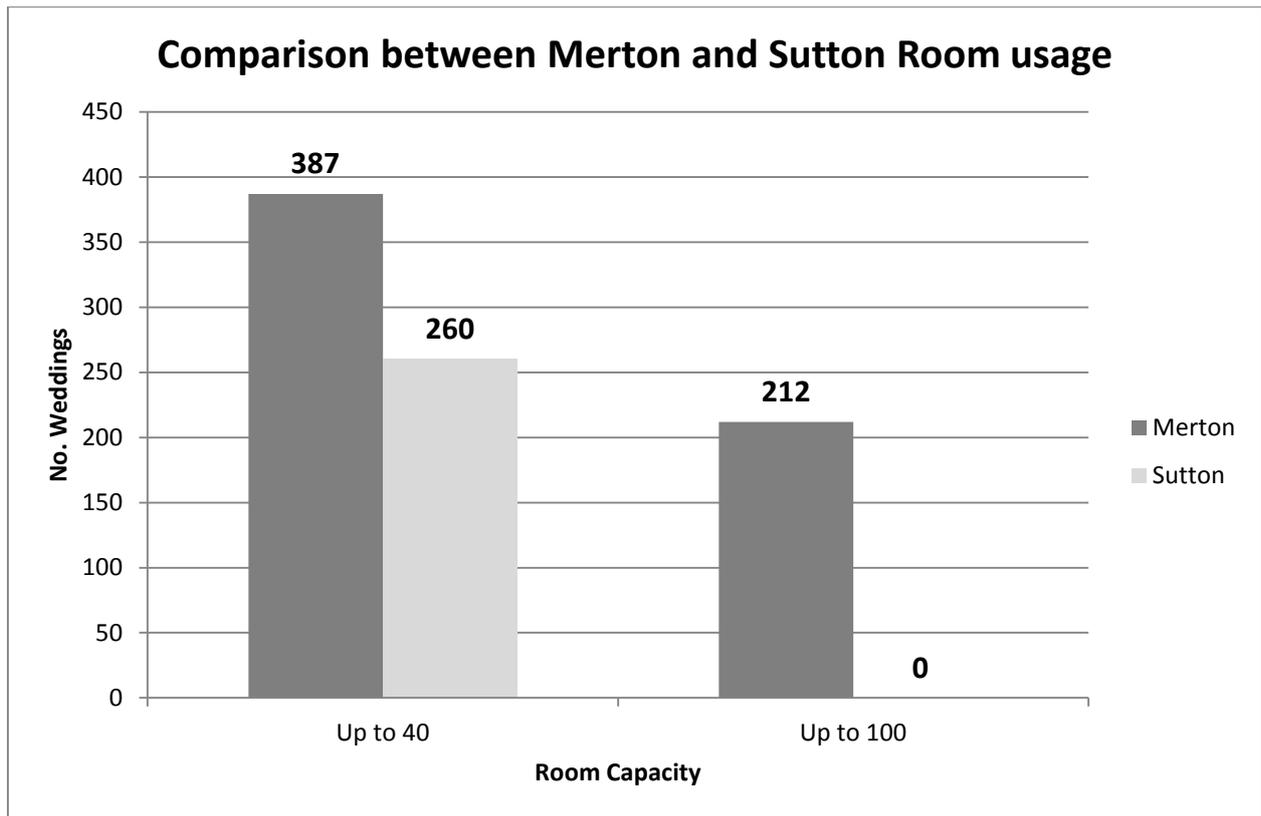
The cost benefit analysis estimates the **minimum** potential income if the building was developed. The mix of conferences and ceremonies would enable maximum use of this new facility as larger ceremonies are traditionally held at weekends and conferences/training events during the week.

**Ceremony Income Analysis**

	<b>Current rooms available</b>	<b>Charge</b>
Merton	1x 6 seater room	£75 Mon-Fri £125 Sat £380 Sun
	1 x 30 seater room	£140 Mon-Fri £150 Sat £380 Sun
	1 x 40 seater room	£185 Mon-Fri £205 Sat £380 Sunday
	1x 100 seater room	£360 Mon-Fri £380 Sat £480 Sunday
Sutton	1 x 10 seater room	£85 Mon-Fri £150 Sat
	1 x 27 seater room	£135 Mon-Fri £150 Sat Both rooms Sunday £330
Kingston	2 x 100 seater rooms (new location for registration services opening mid October.	£164 Mon -Thurs £189 Friday £224 Sat No prices available for Sun
Wandsworth	1x 25 seater room	£100 Mon-Fri £135 Sat N/A Sun
	1x 50 seater room	£150 Mon-Fri £195 Sat £220 Sun

Comparisons with Merton Register Office who have a room of similar capacity to this proposal indicates a significant return on a larger room. See chart below. In the comparison it should be noted that although Merton have three smaller rooms only one ceremony is held at a given time. The number of rooms provide greater customer choice but no increased income.

The proposal would provide two rooms in Sutton with a capacity of 40 and 100.



Comparison of the smaller room data between Merton and Sutton suggests that an indicative figure for the larger room take up would be approximately 144 additional ceremonies.

In 2014/15 Merton held 212 ceremonies in their larger rooms seating 40 or more guests and 387 ceremonies were held in their smaller rooms. In 2014/15 Sutton held 260 ceremonies in their rooms which equate to the size of Merton’s smaller rooms (67% of Merton’s total).

Analysing the percentages of the smaller room business it could be expected that 67% of the larger room business would provide approximately 142 additional ceremonies.

The Sutton Ceremony revenue calculations are based on one wedding a day but it is possible that there could be more than one held. It should be noted that exclusive garden use is an optional extra which is costed according to time. (The additional time allocated preventing another ceremony taking place). However the room would also be offered without exclusive garden use giving the customer a choice. Fees payable without exclusive garden use being Friday £380 Saturday £420 and Sunday £450. Comparison of costs between venues is very difficult - e.g. Merton register office shares its photographic space with people playing football and walking dogs in the park. The facility at Russetings would provide a more personal and private setting.



<b>Sutton Ceremony Revenue</b>			
<b>Description</b>	<b>Calculation</b>	<b>Notes</b>	<b>Income Per Year</b>
3 new room weddings Friday, Saturday, Sunday, including <b>exclusive garden</b> for 1 hour reception) for 20 weeks a year (May-Sept)	60 weddings @ £575 per unit = £34,500	Assuming one wedding a day May - September	£34,500
3 additional new room weddings Friday Saturday, Sunday ( <b>without</b> garden reception) for 28 weeks a year (Oct-April)	28 Friday weddings @ £380 per unit = £10,640  28 Saturday weddings @ £420 per unit = £11,760  28 Sunday weddings @ £450 per unit = £12,600	Assuming one wedding a day October to April	£35,000
<b>TOTAL Weddings</b>	<b>144 additional weddings per year</b>	<b>Additional revenue from food and drink is not included</b>	<b>£69,500</b>

### **Conference Income**

Sutton could make considerable savings from using Russettings for internal meetings rather than external hire. The facility is ideally situated to attract business from outside the borough, due to its excellent transport links and quiet location. The table below shows the authority's spend at the top three external venues over the last 3 years:

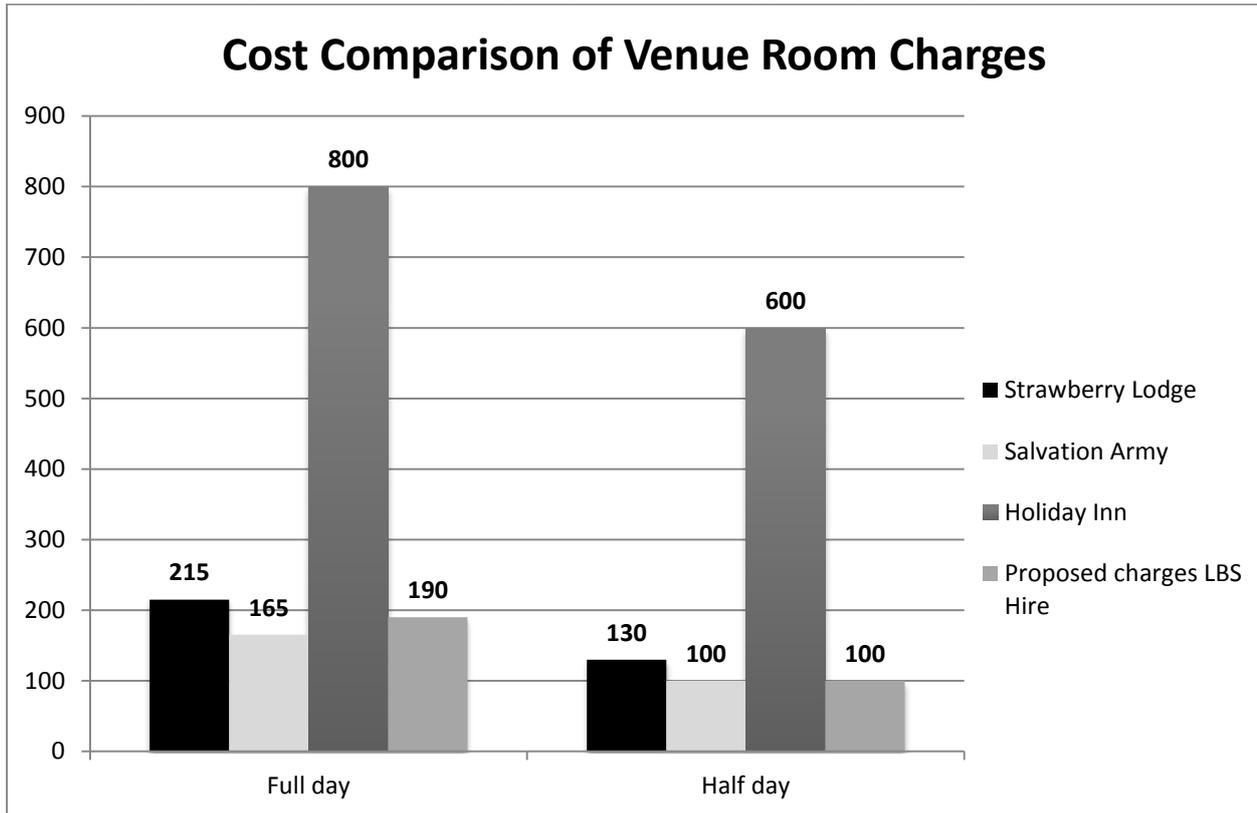
#### **Current hire spend by Sutton for top 3 venues**

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Salvation Army	£14,799	£16,639	£22,661
Holiday Inn	£12,228	£16,381	£10,365
Strawberry Lodge	£23,896	£34,923	£45,202
<b>Total</b>	<b>£50,923</b>	<b>£67,943</b>	<b>£78,228</b>



The chart below shows room charges for groups of 100 at the above noted venues. A proposed charging structure for Russettings which matches the lowest charge has also been included. However these venues also have a range of other rooms with varying capacities and facilities.

The Salvation Army has 3 rooms available for bookings with capacities of 15, (£110) 25 (£120) and 100 (£165). Strawberry lodge has 4 rooms available with capacities of 20 (£175), 25 (£175), 35 (£175), 100 (£215). Holiday Inn rooms with capacity of 100 (£800) per day or £30 per person.



Sutton Conference Revenue			
Description	Revenue	Notes	Income per year
2 all day events over 48 weeks - Mondays, Tuesdays, Wednesdays and Thursdays available (2 days occupied per week) = 96 days (96 bookings per year)	2 x 48 = 96 bookings @ £165 for <b>main</b> hall booking = £15,840  48 hires x £40 for <b>small</b> room = £1,920	Room Hire Only	£17,760



<b>Internal bookings -</b> amount we could save through not having to book external venues (based on a proportion of current spend)			£30,000
<b>Total</b>			<b>£47,760</b>

**Total additional ceremony and conference revenue - £87,260 plus potential room external booking savings of £30k**

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