

Report to: Lead Cabinet Member for Community Services
Date of meeting: 14 December 2016
By: Director of Communities, Economy and Transport
Title: Fees for services at Southover Grange Registration Office
Purpose: To enable the Registration Service to charge appropriate fees for the use of services at Southover Grange

RECOMMENDATIONS: The Lead Member is recommended to:

- (1) Approve the proposed fees for peripheral services at Southover Grange for 2017/18 and 2018/19;
 - (2) Approve the proposal to charge for Friday ceremonies at the same rate as Saturdays and Sundays at Southover Grange; and
 - (3) Approve the amendment to the pricing structure for the community use hire room at Southover Grange.
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1. Background Information

1.1. The Registration Service has achieved each of its surplus budget targets over the last four years as part of the council-wide Medium Term Financial Plan (MTFP) savings. The Registration Service is targeted to increase its current surplus target again by £60k in 2017/18.

1.2. The Registration Service is preparing to operate its Lewes office from the refurbished Southover Grange from the spring of 2017. Due to the unique nature and surroundings of that building it the service is seeking to capitalise on the income generating opportunities this creates.

1.3. Staffing and accommodation costs for the service will be approximately £75k higher in 2017/18 due to the relocation of the Hastings registration office during 2015/16 and the commencement of operations from the refurbished Southover Grange. The service must therefore take every opportunity to maximise its income streams to achieve its stretching 2017/18 surplus target of £259,900.

1.4 Separately, further analysis has shown that the prices approved at the Lead Member meeting in December 2015 for the community use hire room need to be revised in order to ensure that the opportunities from this space are maximised.

2. Supporting Information

2.1. The Registration Service has sought VAT advice from HM Revenue and Customs (HMRC) following a number of recent first tier tribunals relating to peripheral services offered at weddings, particularly *Blue Chip Hotels Ltd v HMRC* [2016]. The advice from HMRC is that if a customer purchases any peripheral service that is more than just their statutory ceremony, then everything they purchase becomes subject to VAT, including the ceremony itself.

2.2. Due to the HMRC ruling it was felt that the best way to offer these services is to build them up into three incremental 'off-the-shelf' packages, each with a distinct all-inclusive fee, which negates the need for the service's staff to back-charge VAT on a ceremony which was initially purchased as a standalone item, but which is then converted into a ceremony plus add-on services. The proposed fees for these packages are detailed in Appendix 1.

2.3. The three component parts of the peripheral services which make up the packages within the proposals are as follows:

- 2.3.1 'VIP Lounge'. This service will comprise of exclusive use of the first floor VIP Lounge for up to six adults for 45 minutes before the ceremony, inclusive of a glass of champagne each. The wedding party will be taken up to the room via an alternative entrance so their guests won't see them arrive. Their pre-ceremony registrar interview will be held there in private, last minute appearance touch-ups can be made, and then photos can be taken in the room, along the landing and as they descend the staircase into the ceremony suite. A non-alcoholic drink will also be available.

2.3.2 'Drinks Toasts'. This service will provide a 'Drinks Toast' for the couple and all their guests in the Newton Room. This service will mean that straight after the ceremony concludes, before guests depart into the Gardens for photographs, the entire wedding congregation will be shown into the Newton Room for a stand-up drinks reception where they will each be given up to two glasses of Prosecco to toast the newly married couple for 30-45 minutes. A non-alcoholic drink will also be available.

2.3.3 'Exclusive Reception Hire'. This service will provide the couple with the option of booking the Newton Room for their wedding reception. This service will be available all day long Sunday to Thursday and from 4pm onwards on Fridays and Saturdays and will provide the wedding party with exclusive access to the Grange for up to five hours. The catering provision will be a private contractual arrangement between the couple and the caterer, whom the couple select from a list of approved caterers who the service will pre-vet. There will be no loud music, dancing or boisterous partying allowed. No other ceremonies will be able to use the building for the period of the reception hire. The proposal will never see the building close past 9pm. The Registration Service will provide a supervisor on site at all times to oversee compliance of the service's rules and to provide comfort to the license holder and the council that the building is secure at all times and that alcohol consumption laws are being adhered to by the catering company.

2.4 There is a further proposal for the fee structure at Southover Grange, and this is to charge for Friday ceremonies at the same rate as Saturdays and Sundays. The reason for this proposed change is that Fridays are becoming increasingly popular days for weddings, particularly in the Register Offices, and it is no longer practical to perform the number of weddings using the office staff as they need to perform their Life Events appointments. As a result it is becoming increasingly common for Ceremonies Registrars to be called in to perform these ceremonies, which means the cost base of Friday weddings is becoming similar to the cost base on the weekends. This proposal cannot be brought in for the 2017/18 financial year as wedding fees are agreed two years in advance by Cabinet, and would therefore be implemented in the 2018/19 financial year.

2.5 A countrywide proposal will be considered by Cabinet in February 2017 to charge for Friday ceremonies at the same rate as Saturdays and Sundays. However, we require this proposed change to be considered earlier for Southover Grange, so that there is clarity over the fees structure when we start to take bookings early in 2017.

2.6 Separately from the above arrangements the hiring of the community use room at Southover Grange was approved at the Lead Member meeting on 15 December 2015, at a set price of £50 for the first hour, plus £15 per hour thereafter. This is now viewed as too simplistic a fee structure for this provision. The new fee proposal for the hire of the community use room is attached at Appendix 1.

2.7 The proposal is to charge a flat rate of £15 per hour for daytime hire because there will be no need for the Registration Service to bring in extra staff to manage this as the building will be open in any case. For hires after 5pm there will be a surcharge of £50 to cover the cost of a building supervisor who will be contracted on a three hour minimum claim basis. The room will not be available for hire on weekends or bank holidays as it will be required for wedding services. All hires will be subject to a £100 security deposit which will be withheld if there is damage to the property or if any of the terms of the hire are not observed. None of these fees attract VAT.

3 Conclusion and reasons for recommendations

3.1 The Lead Member is therefore recommended to approve the peripheral fee proposals which will enable the Registration Service to commence taking bookings for these services alongside ceremonies early in the New Year, approve the proposal to charge for Friday ceremonies at the same rate as Saturdays and Sundays at Southover Grange and approve the new fee schedule for the hire of the community use room, also enabling bookings for this to begin being taken in the New Year.

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BACKGROUND DOCUMENTS: None