

SURREY COUNTY COUNCIL**CABINET**

DATE:	26 NOVEMBER 2024
REPORT OF CABINET MEMBER:	DENISE TURNER-STEWART – DEPUTY LEADER AND CABINET MEMBER FOR CUSTOMER & COMMUNITIES
LEAD OFFICER:	LIZ MILLS, STRATEGIC DIRECTOR CUSTOMER TRANSFORMATION
SUBJECT:	APPROVAL TO PROCEED: REGISTRATION & NATIONALITY SERVICE – NEW OPERATING MODEL
ORGANISATION STRATEGY PRIORITY AREA:	NO ONE LEFT BEHIND / ENABLING A GREENER FUTURE / EMPOWERED AND THRIVING COMMUNITIES / HIGH PERFORMING COUNCIL

Purpose of the Report:

The Registration and Nationality Service is seeking approval to take forward a new operating model to modernise delivery of the service. A review of how the Registration Service delivers its statutory and non-statutory functions found that the current service model and associated property estate is no longer fit for purpose. The proposed new operating model will provide a more localised, efficient and commercially minded service. This will create an improved experience for residents, support increased income generation and will align with the Council's new dynamic customer operating model and wider organisation re-design. Maximising the use of existing Council assets across more areas of the county will also deliver co-location efficiencies. This proposal supports the Council's vision of No One Left Behind, along with delivery of the strategic objectives of Enabling a Greener Future, Empowered and Thriving Communities and being a High Performing Council.

Recommendations:

It is recommended that Cabinet agrees to:

1. Approve the proposed new operating model for the Registration & Nationality Service.
2. Approve (in principle) capital expenditure of up to £2m (excluding VAT) as included in the Medium-Term Financial Strategy (MTFS) for the delivery of the new service model, noting that the proposal will be self-funding through a later capital receipt from asset disposal and increased service income.

3. Delegate authority (i) to approve individual schemes/projects within the overall budget and a 10% tolerance (ii) to enter into any required legal documentation agreements and iii) any procurement and contract award, to the Deputy Chief Executive & Executive Director for Resources, in consultation with the Cabinet Members for Customer & Communities and Property, Waste & Infrastructure.

Reason for Recommendations:

The current model of delivery for the Registration & Nationality Service is not fit-for-purpose in the long term. The proposed new operating model will reduce the number of dedicated single-use sites, whilst expanding provision across the county through greater co-location with other Council services and innovative use of existing assets for ceremonies. Whilst requiring some upfront investment, which is largely repaid within the programme period, the new service model will intensify use of the Council's property estate and enhance services for residents that can flex with changing needs, i.e. Government reform or Council priorities. This will enable the delivery of a sustainable operating model; generate increased income from maintainable and appropriate assets and provide services from locations that align with customer demand.

Executive Summary:

Background:

1. Surrey County Council's (SCC) Registration and Nationality Services is the 2nd and 3rd busiest in England and Wales for birth and death registrations respectively (based on volume of registrations). The service establishes a permanent legal record of every birth, death, marriage, and civil partnership in the county of Surrey, conducts and registers civil marriage and civil partnership ceremonies, issues certificates from all records held, and administers the oath and pledge taken by new British Citizens. The service also provides a facility for the legal preliminaries to all religious marriages but excluding those of the Church of England (except in specific circumstances).
2. The service's statutory responsibilities include the provision of ceremonies for marriage/civil partnerships, commonly known as a Register Office ceremony for the couple and two witnesses. However, larger ceremonies are a discretionary service that can be offered and that customers can choose to pay for. Local Authorities have the power to set their own fees and charges for additional discretionary services above and beyond the core statutory service offer, as well as the approval of private venues and for registration officers to conduct ceremonies at those venues.
3. The service is self-funding both through the collection of statutory fees and charges and the income generated from discretionary services (ceremonies). Any surplus income (approx. £1.7m forecast for 24/25) contributes to the Council's overall budget.
4. The service currently operates from 5 Register Offices across the county:

- Weybridge - a single-use freehold site
 - Guildford - a single-use freehold site
 - Leatherhead - a freehold asset co-located with library, family services and additional tenants
 - Camberley – a leasehold and co-located with office accommodation in Surrey Heath Borough Council’s offices
 - Reigate - a freehold asset and co-located with a library
5. Guildford, Leatherhead and Weybridge also have dedicated ceremony rooms. Staff offices are split across these three main sites.

The Case for Change:

6. A review of how the Registration and Nationality Service delivers its statutory and non-statutory functions was completed earlier this year. This identified the following risks and issues:
- a) Current estate no longer fit-for-purpose**
 - Sub-optimal locations – customers in the East and South of the county have far to travel
 - Maintenance and capacity issues in existing buildings
 - Accessibility issues
 - Historic lack of investment in ceremony rooms
 - Administrative functions spread across multiple sites
 - Lack of flexible space to accommodate changing ways of working
 - b) Potential for future Government Reform**
 - Any changes to the process to give notice of marriage or civil partnership will likely remove the need for face-to-face appointments
 - Ceremonies could take place anywhere, increasing the competition for venues
 - Ceremonies could be conducted by anyone with a licence, increasing competition for Registrars
 - c) Opportunities to deliver differently**
 - Existing historic and beautiful ceremony venues have potential, with investment, to generate significant commercial income
 - Centralising and streamlining administrative functions will improve resilience and generate efficiencies
 - Providing a more local service and maximising co-location opportunities will deliver better outcomes and improve the experience for residents

Proposed new operating model:

7. An options appraisal was undertaken (outlined in Annex 1), which included scaling back non-statutory functions. Options were reviewed against the below assessment criterion:

- Strategic Alignment
- Financial Impact
- Supports Growth
- Deliverability of Statutory Service
- Meets customer/resident needs
- Feasibility/Deliverability
- Future Proof

8. The following were the recommended options for the three key areas of service delivery:

a) Localised Registration Offer (11 locations)

- A service site in more District & Borough areas across the county aligned to customer demand and opportunities within the Council's property estate (e.g. through Libraries and Hubs)
- Reduces the carbon footprint of people traveling across county
- Will only require enhancements / refurbishments, so costs will be contained within self-financing budget
- Enhancement of statutory service
- Cross-organisational working and shared operating models, with opportunities for efficiencies
- Drives intensified use of Council assets aligned to Corporate Asset and Place Strategy

b) Enhanced Ceremonies Offer

- Investment in existing ceremony building(s) to provide a better offer for customers & increase income
- Trial a premium ceremonies venue at Rylston, Weybridge – aligning refurbishment works with previously approved Greener Futures decarbonisation works and planned workplace & facilities work at this venue
- Opportunity to attract more customers from out-of-county to increase income

c) Central Admin Office

- Co-locating and centralising administrative functions to improve resilience and service delivery
- Aligns with organisation re-design principles, will streamline the service and deliver efficiencies

9. Analysis of customer demand across the county and applying a travel distance of 3 miles or less identified the following as the preferred locations for delivery of the localised statutory service offer:

- Camberley
- Epsom
- Esher
- Farnham
- Guildford

- Horley
- Leatherhead
- Reigate
- Staines
- Weybridge
- Woking

10. Rylston, our venue at Weybridge, has been identified as the preferred location to trial a premium ceremonies venue because i) decarbonisation and capital improvement works have already been approved and will be undertaken for this building, ii) it generates the highest amount of ceremonies revenue for the service at present and; iii) it is well located, offers unique characteristics and costs less per m2 to run than other viable sites.
11. Delivery of a localised statutory service offer will be phased depending on opportunities and sequencing of other programmes (e.g. Libraries and Hubs capital programmes).
12. Approval to proceed will formalise plans to include the Registration & Nationality Service within property solutions, mapping opportunities to deliver a localised offer in identified locations (set out earlier in the report) as part of the Council's Corporate Asset and Place Strategy.
13. Service demand will be reviewed on an ongoing basis to see if proposed locations and property options are practical / feasible. This will help make decisions for each site as opportunities are identified, which might change the overall delivery plan.

Consultation:

14. Subject to approval to proceed, engagement activity will be undertaken with key stakeholders, including the General Register Office (GRO).

Risk Management and Implications:

15. Key risks associated with the proposal have been identified (below) and will be actively managed:

	Risk description	Mitigation action/strategy
1.	Cost of construction rising	Inflation figure added in contingency
2.	Works being carried out cause issue with current service provision	Pre-start meeting to discuss programme and planned work areas
3.	Material Shortages	Early procurement to confirm contractor/s
4.	Material price increase	Risk and inflation figure included in financial modelling

	Risk description	Mitigation action/strategy
5.	Delivery is dependent on Hubs and Libraries capital programmes for some identified localities	Senior stakeholders engaged and preferred locations identified at an early stage to enable opportunities to be explored
6.	"Do nothing" option creates a risk for future service income to decline; both once any proposed legislative changes are approved and due to the lack of investment within the estate	Proposal for new operating model developed and brought to Cabinet for approval
7.	Capital receipt from disposal of asset/s required for the proposal to be self-funding is not realised	See Part 2.

Financial and Value for Money Implications:

16. This proposal will enable the Council to demonstrate Value for Money by:

- a) **Asset optimisation** – ability to facilitate service change to help deliver; the Council’s 2030 “net zero”, optimisation of existing assets and release of asset/s for capital receipt.
- b) **Financial resilience** – ability to deliver the changes under self-financing programme and drive income from enriched service offer. Also offers flexibility and change of use of spaces should changes in Government reform be implemented.
- c) **Increased commercial activity** – investment in existing ceremony building(s) will provide a better offer to customers and increase income through improved commercialisation opportunities.

17. Capital will be drawn from Pipeline included in the MTFS. The scheme capital cost will be largely offset by a capital receipt generated as part of the programme as set out in the Part 2 report.

18. Should the capital receipt be lower than the total spend required, financial modelling shows that the residual revenue cost of borrowing and any additional revenue costs will be offset by income generation / savings (as shown in Table 1 below):

Table 1: High-level Revenue Impact

Income and expenditure	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Additional service income	-	(0.05)	(0.15)	(0.15)	(0.15)	(0.15)	(0.65)
Building running cost savings	-	(0.02)	(0.06)	(0.06)	(0.06)	(0.06)	(0.26)
Gross savings/income (input positive)	-	(0.07)	(0.21)	(0.21)	(0.21)	(0.21)	(0.91)
Revenue Cost							
Additional building running cost	-	0.02	0.06	0.06	0.06	0.06	0.26
Net costs / (efficiencies) before borrowing)	-	(0.05)	(0.15)	(0.15)	(0.15)	(0.15)	(0.65)
Borrowing Costs	0.00	0.04	0.03	0.02	0.02	0.02	0.12

19. No additional expenditure beyond the £2m from pipeline is required. The overall programme will remain within a proposed self-financing £2m capital budget envelope.
20. Specific projects will come forward via internal governance on an individual basis. As plans are developed, more accurate estimates will be scrutinised by Property Panel and Capital Programme Panel ahead of delegated approvals.
21. The high-level estimate is that additional service revenue surplus will exceed the revenue cost of borrowing and additional running costs. Any such excess will be reflected in the MTFs as an efficiency.
22. At the point programme implementation enables a capital receipt to be realised from the sale of assets, the programme will generate a year-on-year net surplus to support wider Council priorities.
23. No additional staffing costs are anticipated because the proposal will enable a more flexible staffing model that will be able to service more locations.
24. The long-term ambition is that the new service operating model will reduce costs incurred for buildings that are no longer fit for purpose and provide buildings that better serve customer and service needs.

Section 151 Officer Commentary:

25. The Council continues to operate in a very challenging financial environment. Local authorities across the country are experiencing significant budgetary pressures. Surrey County Council has made significant progress in recent years to improve the Council's financial resilience and whilst this has built a stronger financial base from which to deliver our services, the cost-of-service delivery, increasing demand, financial uncertainty and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to deliver financial efficiencies and reduce spending to achieve a balanced budget position each year.
26. In addition to these immediate challenges, the medium-term financial outlook beyond 2024/25 remains uncertain. With no clarity on central government

funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority, to ensure the stable provision of services in the medium term.

27. The recommendation limits both the capital expenditure and revenue impacts to levels included in the current MTFS. It will also generate efficiencies which will be reflected in the MTFS. As such, the Section 151 Officer supports the recommendations.

Legal Implications – Monitoring Officer:

28. This paper seeks Cabinet approval of a new operating model for the delivery of the Registration and Nationality Service and a service improvement programme including the refurbishment of several sites across the County.
29. Under Section 2(1) of the Local Authorities (Land) Act 1963 a local authority has extensive development powers and may, for the benefit or improvement of its area, erect, extend, alter or re-erect any building and construct or carry out works on land. The Council therefore has the power to carry out the refurbishment works outlined in this paper, subject to obtaining any necessary consents for each site. It should be noted that for any leasehold assets, the Council may need to obtain the formal consent of the landlord prior to carrying out works.
30. Cabinet is under fiduciary duties to local residents in utilising public monies and in considering this business case Cabinet Members will want to satisfy themselves that it represents an appropriate use of the Council's resources.
31. Legal advice should be sought at all relevant stages to ensure that the Council meets its obligations.

Equalities and Diversity:

32. This proposal will provide an enhanced statutory service offer to all residents, making the Registration & Nationality Service more accessible across the county. Detailed Equality Impact Assessments will be completed on a project-by-project basis as they are developed within the programme.
33. This proposal will also enable the Registration & Nationality Service to operate from physical spaces that meet accessibility regulations.

Other Implications:

34. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below:

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No implications arising from this report.
Safeguarding responsibilities for vulnerable children and adults	No implications arising from this report.
Environmental sustainability	Any additional modifications/ additions to buildings will include consideration for enhanced asset efficiency.
Compliance against net-zero emissions target and future climate compatibility/resilience	Proposal will reduce the carbon footprint of people travelling across the county to access Registration Services.
Public Health	Co-location and opportunities for shared service operating models will enable the Registration & Nationality Service to support prevention through maximising opportunities with face-to-face contacts to connect residents to early help and support, helping reduce health inequalities.

What Happens Next:

35. Subject to approval of the operating model, specific project details will be developed and delivered via Surrey County Council's in house provision, overseen by Land & Property Programme Management Office and the service as key stakeholders.

Report Author:

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Consulted:

List of internal members/groups/stakeholders who have been consulted on the proposals contained within the report:

- Property Panel and Capital Programme Panel

- Communities, Environment & Highways Select Committee

Details of groups, partners or organisations who have been or will be consulted on the proposed decision:

- General Register Office

Annexes:

Annex 1 – Summary of Options Appraisal

Part 2 report

Sources/background papers:

None.

Annex 1: Summary of Options Appraisal

	Option	Strategic alignment	Financial impact	Supports growth	Statutory services	Customer / resident needs	Feasibility	Future proof
0	Local registration offices	Green	Yellow	N/A	Green	Green	Green	Green
1	Stop provision of Registrars for ceremonies	Yellow	Red	Red	Green	Red	Green	Red
2	Stop providing ceremony venues	Yellow	Yellow	Red	Yellow	Red	Green	Yellow
3	Stop both Registrars and ceremony venues	Yellow	Yellow	Red	Yellow	Red	Green	Yellow
4	Do nothing	Red	Yellow	Red	Yellow	Red	Green	Red
5	Use spare capacity and new products	Yellow	Yellow	Yellow	Yellow	Red	Green	Red
6	Refurbishment of current buildings	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Red
7	1 admin hub plus 2 venues	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Red
8	1 admin hub and 1 flagship ceremony venue	Green	Yellow	Green	Yellow	Green	Yellow	Green
9	Source new admin hub	Green	Green	Green	Yellow	Green	Green	Green
10	Source new flagship venue	Yellow	Red	Green	Green	Yellow	Red	Yellow
11	Source new flagship venue and admin hub	Yellow	Yellow	Green	Green	Yellow	Yellow	Yellow

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