

Appendix 1 Budget Summaries

Charnwood

	2017/18 (actual)			2018/19 (actual)			2019/20 (actual)			2020/21 (budget)		
	stat fee earning (000)	non chargeable (000)	combined (000)	stat fee earning (000)	non chargeable (000)	combined (000)	stat fee earning (000)	non chargeable (000)	combined (000)	stat fee earning (000)	non chargeable (000)	combined (000)
employees	£208	£135	£343	£202	£135	£337	£208	£139	£347	£226	£151	£377
Service costs	£88	£127	£216	£81	£64	£144	£94	£66	£160	£83	£58	£141
total costs	£296	£262	£559	£283	£199	£481	£302	£205	£507	£309	£209	£518
Total income	-£176	-£102	-£278	-£191	-£27	-£218	-£198	-£43	-£241	-£196	-£46	-£242
surplus/deficit			£281			£263			£266			£276

NWLDC

	2017/18 (actual)			2018/19 (actual)			2019/20 (actual)			2020/21 (budget)		
	stat fee earning (000)	non chargeable (000)	combined (000)	stat fee earning (000)	non chargeable (000)	combined (000)	stat fee earning (000)	non chargeable (000)	combined (000)	stat fee earning (000)	non chargeable (000)	combined (000)
employees	£101	£102	£203	£103	£78	£181	£136	£112	£248	£135	£91	£226
Service costs	£44	£66	£110	£36	£50	£86	£64	£93	£157	£62	£54	£116
total costs	£145	£168	£313	£139	£128	£267	£200	£205	£405	£197	£145	£342
Total income	-£204	-£18	-£222	-£157	-£5	-£162	-£200	-£15	-£215	-£175	-£2	-£177
surplus/deficit			£91			£105			£190			£165

Budget since the Joint Agreement:

	Actual												Actual to Period 6			Budget		
	2021/22			2022/23			2023/24			2024/25			2025/26			2025/26		
	Statutory Fee Earning	Non Chargeable	Total	Statutory Fee Earning	Non Chargeable	Total	Statutory Fee Earning	Non Chargeable	Total	Statutory Fee Earning	Non Chargeable	Total	Statutory Fee Earning	Non Chargeable	Total	Statutory Fee Earning	Non Chargeable	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	£332	£221	£553	£343	£228	£571	£370	£247	£617	£416	£278	£694	£214	£143	£357	£365	£244	£609
Service Costs	£64	£43	£107	£85	£56	£141	£79	£53	£132	£103	£69	£172	£19	£12	£31	£134	£90	£224
Total Costs	£396	£264	£660	£428	£284	£712	£449	£300	£749	£519	£347	£866	£233	£155	£388	£499	£334	£833
NWL Fee earning	-£285		-£285	-£174		-£174	-£157		-£157	-£240		-£240	-£32		-£32	-£159		-£159
CBC Fee earning	-£180	-£32	-£212	-£202	-£15	-£217	-£196	-£14	-£210	-£211	-£19	-£230	-£115	-£3	-£118	-£171	-£19	-£190
NWL non fee earning		-£125	-£125		-£147	-£147		-£146	-£146		-£153	-£153		-£39	-£39		-£148	-£148
Total Income	-£465	-£157	-£622	-£376	-£162	-£538	-£353	-£160	-£513	-£451	-£172	-£623	-£147	-£42	-£189	-£330	-£167	-£497
Surplus/Deficit	-£69	£107	£38	£52	£122	£174	£96	£140	£236	£68	£175	£243	£86	£113	£199	£169	£167	£336

Prior to the Joint Service

The first two tables show the respective budgets of both councils for the three years prior to the Joint Service.

The total costs row provides the service costs in each council – staff and operational costs. Costs are higher in Charnwood reflecting the larger scale of the operation. Adding the operational costs from each authority together in 2019/20 (£507k + £405) gives a combined service cost of £912k in the last full year prior to the Joint Service.

Total income is that earned from statutory fees to undertake inspections. In Charnwood it also includes commercial services including residential SAPs and fire risk assessments. Adding the total income from both councils together in 2019/20 (£241k + £215k) gives a combined income of £456k in the last full year prior to the Joint Service.

The cost to the general fund of both councils is shown as the 'surplus/deficit' row. in Charnwood, this cost was £266k and in NWL it was £190k in 2019/20. The average cost over the preceding three years in Charnwood was £270k and in NWL was £129k although 2017/18 had particular circumstances¹ that led to a low deficit. Ignoring this one off year gives an average cost of £148k for NWL. Combined, the general fund costs in 2019/20 (£266k + £190k) were £456k in the last full year prior to the Joint Service.

Joint Service

The third table provides the combined budget for the Joint Service

Total costs show the operational service costs increasing from £660k in 2021/22 to £866k in 2024/25. This reflects staffing costs over the last four years with a particular spike in 2024/25 linked to the resolution of the pay and remuneration issue occasioned by a need to tackle staffing loss brought about by the introduction of the Building Safety Regulator and Operational Standards Rules.

Total income from fee earning has been consistent over the contract term starting at £622k in 2021/22 and rising modestly to £623k in 2024/25. That supports a consistent market share over the term of between 40-45%.

Cost to the general fund has marginally increased over the last five years of the Joint Service, reflecting rising staff costs (the 2021/22 costs were affected by one off start up costs and subsidies from NWL towards agency costs when the Joint Service was established). However, the general fund costs in 2024/25 were £243k for Charnwood and £153k in NWL (compared with £266k in Charnwood and £190k in NWL in 2019/20, the last full year prior to the Joint Service).

Conclusions

Overall, the joint service arrangement has decreased operational costs across both authorities by 22% despite rising staff costs over the term (£912k in 2019/20 to £866k in 2024/25). This decrease reflects the economy of scale provided by working together.

The cost to the general fund of both councils has decreased by 8.6% in Charnwood and 19.9% in NWL over the term of the Joint Service, against a background where operational costs have risen. In Charnwood, the cost to the general fund in 2024/25 was £243k and in NWL it was £153k (£266k in Charnwood and £190k in NWL in 2019/20)

Statutory fee income has increased by 29% from a combined income of £456k in 2019/20 to £623k in 2024/25.