

Unit Costing

Why?

What?

How?

Why?

- To respond to anticipated contracts
- To further understanding of what things cost
 - and to see ways of achieving more from funds available.

What?

- 1 Unit Costs show the **FULL** costs of units of work:
 - salaries, overheads etc
 - count in anything given for free (eg Prison Premises)
- 2 At the simplest level - If it
 - full costs are £70,000 per annum
 - to support 70 clients per annum then
 - unit cost per client is £1,000

What? /2

- 2 To allow for diversity of work we calculate cost per “Client Hour” – provided by paid or volunteer, for example

| | Client Hours | Cost/Hr | Cost |
|----------------------------|---------------------|----------------|----------------|
| Voluntary | 380 | £60 | £22,800 |
| Paid | 590 | £80 | £47,200 |
| Total Cost = Budget | | | £70,000 |

- 3 And then reapply those costs to client numbers and different levels of service provided

| | Clients | | Hours/Client | | Cost |
|------------------------------|---------|------|--------------|--|----------------|
| | Number | P | V | | |
| Talking to Potential Clients | 100 | 1.00 | | | £8,000 |
| Working in Prison | 90 | 2.08 | | | £14,976 |
| 1-3 Weeks support on Outside | 70 | 2.00 | 1.00 | | £15,400 |
| 4-26 Weeks Support | 65 | 2.50 | 4.77 | | £31,624 |
| Total Cost = Budget | | | | | £70,000 |

How?

- 1 Use a computer model
 - the calculations can be tedious
 - it's good to try out different scenarios
 - contact Matt or Matthew for CCA Excel Model under development
- 2 Create a budget – or series of budgets for
 - costs
 - hours of paid & voluntary
 - activities undertaken
- 3 Consider the stages of the work you do with clients and how many hours (volunteer or paid) they take.
- 4 Apply the CCA model – currently with our support.