

THE NEW/PUBLIC SECTOR

Minimum data for service costing framework

Cost heading	Description
Direct service costs	Costs that are directly attributable to your service such as staffing costs, costs directly associated with delivering your service, and costs arising from bought-in services that directly contribute to the delivery of your service.
Indirect service costs	Costs that are not directly chargeable to the delivery cost of your service and may have fixed or variable elements to them. Examples may include non-service-specific administration, personnel and security costs.
Departmental, organisational or management costs	Each organisation allocates their non-service-specific costs in a different way and there is a significant industry that supports allocation methods. Such costs are often described as overheads, management overheads, or organisational costs, so you will need to make sure you properly understand how your organisation allocates such costs to your particular service.
Other costs	Some organisations will also have financing charges that are allocated to each service or business unit, such as a share of PFI costs, transformation costs and other asset-related costs. Again, you will need to make sure you properly understand how your organisation allocates such costs to your particular service.
Annual deliverables	This is what you deliver annually for the costs listed above. You need to make sure you understand why any significant variations in annual volumes have occurred and what impact such variations have had on your costs. Above all, you need to align the question of 'how many' with 'what', identifying a unit cost where possible, and making sure both sides of the equation are compatible and will be understandable to the public.