

Appendix 13. Unit Cost Calculation.

a) Unit Cost

Calculation based on 2005/06 payments

Total number of transactions made at the Housing Offices = 567 920

a) Staff Cost

Officer costs are based on the mid range spinal point for a scale 2/3 Tenancy Support Officer at £17,875 per annum.

The average number working of Tenancy Support Officer's in the cash offices at any one time is 15.

£17, 875 x 15 = £268,125

b) Building Costs

Building costs have been determined from office budgets for 2005/06. To establish building related costs for the cash office we have apportioned the total building costs per officer working in each Neighbourhood Housing Office. For this calculation, only building related costs e.g. gas, electricity have been included with charges such as stationary omitted. The reason for this is that other sections (Rent Accounts and Welford House) will have these charges as well, but we are unable to apportion this cost to them. The building costs have been multiplied by the number of Tenancy Support Officers working in the cash office.

Total cash office building costs = **£32 344**

c) Welford House Costs

567, 920 transactions at a cost of 25p per transaction = £141 980

d) Cash Receipting Costs

Based on average cost per transaction of 4p

£567,920 x 4p = £22,716.80

e) Rent Accounts Time

1 x scale 5 Network Cash Controller = £23 298

Staff costs + Building costs + Welford House costs + Cash
Receipting costs + Rent Accounts costs =

£268,125 + £38,625 + £141,980 + £22,716.80 + £23,298 = **£488
463**

g) Total Cost of Housing Office Transactions

£488 463

h) Cost per transaction

**£488 463 divided by 567,920 transactions = 86 p per
transaction**

This compares to a Unit cost per transaction of 40p to 45p offered by the external cash collection agents. (These costs are only for comparison and do not demonstrate clear savings at this time).