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**Cost impact**

A step-by-step process to develop cost impacts from insights about systemic challenges

**How to use**

* ask service owners to complete this template or the person who owns the risks/outcomes of the service area
* using information you have already gathered around your problem area work through the questions in sequence

Tip: Use one template per problem space

| **What is the challenge you’re seeking to cost?** |
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| **What is the impact of this challenge on the following? (Don’t worry about how you’d cost this yet!)** |
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| **Staff: *How has this led to staff working in inefficient ways?*** | *E.g. Staff had to spend more time using a software that was not fit for purpose* |
| **Services: *What couldn’t we do as a result?*** ***What did we have to stop or not start doing?*** | *E.g. We couldn’t deliver another project as we did not have the resource* |
| **Services: *What extra did we have to do/buy?*** | *E.g. We had to recruit 3 additional contractors to deliver this work* |
| **Residents: *How did failure demand manifest?*** | *E.g Residents were not able to access the information they needed* |
| **Residents: *How could these challenges lead to poor outcomes?*** | *E.g. We were not able to deliver a service that would have helped support residents* |
| **Other** |  |

| **How would these impacts translate to costs?** |
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| **Additional money spent** | *E.g. Recruiting 3 additional contractors cost £1 million more than staff completing the same job would have done* |
| **Opportunity costs -** *what was the value of what we weren’t doing?* | *E.g. We couldn’t deliver a project that would have saved £1 million.* *Staff time was spent inefficiently to the value of £1 million (based on salaries and time spent)* |
| **Socio-economic costs:** *What were the wider costs to society? (Remember this can be challenging to quantify)* | *E.g. Families had to move into temporary accommodation which has socio-economic cost of £1 million* |

| **How could you use the below types of data to value your costs?** |
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| **Routinely collected data** |  |
| **One-off data gather (including evidence from a pilot project)** |  |
| **Observations** |  |
| **Desk research (including Green Book data)** |  |
| **National data sets** |  |
| **PERT (Project Evaluation and Review Technique)** |  |
| **Other** |  |