



MANAGING COSTS COMPETENCIES

Description: the ability to manage and organise your and other people's work on a project or production, or your work as a freelancer, so that it is informed by, and is recorded and monitored in budgets and accounts

Main task	Be able to	Understand
Contribute to cost management on a project	<ol style="list-style-type: none"> 1. identify agreed costs, budgets, timescales and resources related to your work on a production or project 2. update colleagues on progress with your work and any implications this has on costs or budget 3. identify when changes requested by others for your work will impact the budget and communicate this appropriately 4. make realistic estimates for changes to costs or budget for your work where these are necessary 5. seek help or advice when limitations in your knowledge or expertise might impact on the budget or costs 	<ol style="list-style-type: none"> 1. who manages the budget for a production or project, and what information they need and when 2. the implications of your decisions on the budgets and resources with which you are involved 3. how to identify and evaluate the advantages and disadvantages of different ways to increase or reduce costs, or save time
Manage personal income/expenditure as a freelancer	<ol style="list-style-type: none"> 1. ensure that your record keeping (including receipts), and accounts are kept up-to-date and accurate 2. set up and use effective systems for managing budgets, tax, VAT, and other paperwork 3. estimate and agree realistic fee rates, schedule, and other expenses 4. ensure that contracts contain details regarding payment terms and timing, with the obligations of all parties clearly communicated 5. put money aside for tax and national insurance liabilities 	<ol style="list-style-type: none"> 1. how to estimate realistic rates for fees and, if appropriate, resources such as accommodation and expenses 2. how to negotiate and agree legal contracts that clearly include expected income, time available and agreed outcomes 3. how to keep simple accounts (income, expenditure, and cash flow) and how to invoice and chase late payments 4. how to set and manage personal and business budgets 5. how to carry out future planning, scheduling and contingencies for your work in order to maintain a viable work and cash flow 6. relevant sources of advice that are available on employment, insurance, tax regulations and other small business legislation

<p>Advanced: develop budgets for projects or productions</p>	<ol style="list-style-type: none"> 1. confirm the objectives, scope, timescales and, if appropriate, the overall budget for the project or production 2. if relevant, determine the size of the budget available and clarify whether any of this has already been allocated 3. determine what appropriate requirements will be in terms of resources, technology, outsourcing, delivery and crew/staff and their likely costs 4. identify and record whether there is any allowance for contingencies to address potential problems and issues that could affect budget 5. use accurate information to calculate realistic and cost-effective budgets 6. present budgets to relevant colleagues for potential agreement 7. negotiate and provide structured arguments if necessary, to support the size of proposed budgets and how these will be allocated 8. agree a final budget which will meet the objectives and specification for the project or production 9. ensure that details regarding the size of the budget and how you plan to allocate it are available to people who need this information 	<ol style="list-style-type: none"> 1. details of the overall project, its objectives and timescales 2. how to accurately calculate a budget 3. where to get information about overall budgets and existing allocations 4. who to consult to get accurate information about likely costs, both in-house, and from partners, suppliers and freelancers 5. how to identify options which offer best value for money 6. typical types of production or project contingencies that may arise, and how to take them into account when estimating costs 7. how to present budgets to others, and what headings you should use 8. who has the right to access budget information and who on the production or organisation needs to agree initial and revised budgets 9. when to seek financial advice and who can provide this on your production or project
<p>Advanced: manage budgets for projects or productions</p>	<ol style="list-style-type: none"> 1. monitor and manage budgets to ensure that resources are being used according to agreed budget plans for the production or project 2. ensure that full details of progress against budgets are made available to appropriate colleagues 3. identify and record potential issues that could affect budgets 4. identify and consider additional resources or services that could potentially be required and their implications on budgets 5. identify the causes of any significant variances between what was budgeted and what actually happened and take prompt corrective action 6. propose revisions to budgets, if necessary, in response to variances and/or significant or unforeseen developments 7. obtain agreement from the relevant colleagues about changes to budget 8. use information from budget monitoring and control to assist in the preparation of future budgets 	<ol style="list-style-type: none"> 1. details of the overall project, its objectives and timescales 2. agreed budget, how it is allocated to cover different activities and resource requirements, how much can be changed without approval 3. how to use a budget to actively monitor and control performance 4. how to give clear instructions and timescales when requiring others to provide further details to help you manage the budget 5. typical causes of budget variances on productions or projects, how to identify them and different types of corrective action to address them 6. how unforeseen developments can affect a budget and how to deal with them 7. how to negotiate, agree and record changes to budgets 8. who needs to be kept informed about performance against budget and changes to budget

Also see: Communication; Contracts and permissions; Negotiating; Planning; Working as a freelancer