

## Introduction

Understanding the cost of NHS patient care is vitally important, both locally and nationally, in making decisions about how to manage and deliver sustainable high-quality services.

Costing practitioners clearly have a crucial role to play, and it is becoming increasingly important.

To be successful, costing practitioners need to have a very broad view of how their organisation works, in particular in order to:

- identify and access all the data and information required for accurate costing
- bring together financial and clinical information to support organisations to better understand their cost drivers
- support the trust in using costing information at all levels as a fundamental part of its business intelligence
- forge the relationships needed to achieve all of these.

Despite the importance of the role, there is currently little to help costing practitioners understand what they need to know, and what they need to think about, from day one.

This guidance has been drawn together to support costing practitioners, especially those newly or recently appointed, by setting out, among other things:

- why costing information is important and how it can be used
- the fundamental elements of costing in the NHS
- the tasks costing practitioners typically undertake and how that looks across the year

This guide is intended to give new costing practitioners in provider trusts a head start by describing the fundamental elements of the job and highlighting sources of further support and information. It is not a comprehensive guide to NHS finance and costing. The HFMA glossary provides definitions for terms frequently used in relation to finance and governance in the NHS. The HFMA offers a range of bitesize courses on NHS finance, many of which are provided free to NHS staff. Links to both can be found at the back of this guide.

This guide was originally published in 2015, and has subsequently been updated in 2016, 2017 and 2020.