



Higher National Unit specification: general information

Unit title: Accommodation: Financial Management

Unit code: FW5G 35

Superclass: NA

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Unit purpose

This Unit is designed to provide candidates with the skills and knowledge required to manage the finances specifically within a hospitality accommodation environment. The unit develops skills and knowledge in a number of key business areas; budgeting, staff costs and evaluation of variable and fixed business costs, and is designed to support the practical application of the achieved knowledge and skills in a day to day accommodation business environment.

This Unit is aimed at people working in, or those who have professional experience of, one of the following commercial accommodation operations: hotels, inns, guesthouses, bed and breakfasts, self-catering operations, accommodation services or other forms of commercial accommodation provision. Completion of the unit will enable candidates to readily understand how application of the skills and knowledge developed will enhance a business operation.

On completion of the Unit the candidate should be able to:

- 1 Evaluate the accommodation budget for a business.
- 2 Analyse staff costs and controls.
- 3 Analyse supply costs and controls.

Recommended prior knowledge and skills

It is anticipated that the candidates will be employed, paid or voluntary, within an organisation in a hospitality setting. It is recommended that candidates have experience achieved at a supervisory or management level within the hospitality industry and be confident in their use of numbers. There is no requirement for a candidate to demonstrate formal prior learning or experience to enable them to access this unit.

General information (cont)

Credit points and level

1 Higher National Unit credit at SCQF level 8: (8 SCQF credit points at SCQF level 8*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Core Skills

Achievement of this Unit gives automatic certification of the following:

Complete Core Skills None

Core Skill component Critical Thinking at SCQF level 6

There are also opportunities to develop aspects of Core Skills which are highlighted in the Support Notes of this Unit Specification.

Context for delivery

If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Higher National Unit specification: statement of standards

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The sections of the Unit stating the Outcomes, Knowledge and/or Skills, and Evidence Requirements are mandatory.

Please refer to *the Evidence Requirements for the Unit* after the Outcomes.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the Knowledge and/or Skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Evaluate the accommodation budget for a business.

Knowledge and/or Skills

- ◆ Resources and costs
- ◆ Micro and macro economic impacts
- ◆ Budget management
- ◆ The role of budgets in performance monitoring
- ◆ Variances

Outcome 2

Analyse staff costs and controls.

Knowledge and/or Skills

- ◆ Different employment options
- ◆ Current wage legislation
- ◆ Staff costs and rotas
- ◆ Labour turnover and costs
- ◆ Recruitment costs
- ◆ Staff productivity

Outcome 3

Analyse supply costs and controls.

Knowledge and/or Skills

- ◆ Supply costs
- ◆ Room costs
- ◆ Laundry costs
- ◆ Stock values and auditing

Higher National Unit specification: statement of standards (cont)

Unit title: Accommodation: Financial Management

Evidence Requirements for the Unit

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can analyse and critically evaluate a budgetary system used within a commercial accommodation operation and extract key information so that they can:

- ◆ provide a concise description of the business' resources and costs
- ◆ evaluate micro and macro economic factors that impact on budgets
- ◆ evaluate the current accommodation budget and suggest alterations in the control of resources that could improve budget performance
- ◆ describe the causes of variances in budgets
- ◆ evaluate the business' employment model and determine weekly, monthly and annual labour costs
- ◆ identify different employment options and describe the strengths and weakness for each
- ◆ describe current wage legislation
- ◆ evaluate labour turnover and recruitment costs, including loss of productivity and training costs and suggest ways in which these costs can be controlled
- ◆ analyse supply costs, room costs and laundry costs for an accommodation business
- ◆ analyse how variances in supply costs impact on the business and suggest a range of solutions to address these
- ◆ describe how to calculate stock values and audit and record stock levels.

Higher National Unit specification: support notes

Unit title: Accommodation: Financial Management

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

Outcome 1

- ◆ Resources and costs:
 - profit and loss accounts
 - management accounting systems
 - spreadsheets
 - graphical statistical information
 - fixed costs
 - variable costs
 - staff costs
 - supply costs
 - budgeted costs
 - non-budgeted costs

- ◆ Evaluate micro and macro economic impacts:
 - fixed costs
 - variable costs
 - labour costs
 - supply costs
 - profit goals/forecasting
 - PEST factors/wider economic impacts (political, Economic, Social, Technological)

- ◆ Budget management:
 - controlling costs
 - financial forecasting
 - methods for reducing costs
 - working with colleagues
 - seeking advice
 - historic data
 - anticipated sales
 - promotions
 - contracts and their implications
 - projected revenue
 - projected expenditure
 - setting budget parameters

Higher National Unit specification: support notes (cont)

Unit title: Accommodation: Financial Management

- agreeing and signing off draft budgets
- agreeing draft budget variance ranges
- consultation and its importance in developing budgets
- negotiating skills
- listening skills
- understanding the external environment
- projected revenue
- projected expenditure
- discussion, negotiation and compromise
- management dynamics and hierarchy
- determining banded variances
- setting budgetary performance parameters

- ◆ Role of budgets to monitor performance:
 - evaluation and review techniques
 - accurate recording of data
 - management charts and data
 - reviewing budgetary performance parameters

- ◆ Variances:
 - identifying overspend
 - identifying underspend
 - losses to revenue
 - losses to department supplies and equipment
 - staff-cost variance
 - unforeseen costs
 - increasing revenues against budget costs
 - factors, processes and trends affecting accommodation financial management
 - additional finance requests — sources and process
 - inputs and outputs for budgetary alteration

Outcome 2

- ◆ Different employment options:
 - full/part-time permanent
 - full/part-time temporary
 - minimum hours contracts
 - casual
 - agency
 - strengths, weaknesses, opportunities and threats posed by differing employment options

Higher National Unit specification: support notes (cont)

Unit title: Accommodation: Financial Management

- ◆ Current wage legislation:
 - National Minimum Wage Act
 - where to seek information
 - legal implications for breach
 - Exclusions

- ◆ Staff costs and rotas:
 - manual
 - supervisory
 - management
 - temporary
 - agency
 - hours
 - minimum hours contracts
 - taxation
 - employers National Insurance contributions
 - pensions
 - overtime
 - weekly, monthly, annual
 - budgets and forecasting
 - using historical data

- ◆ Understanding recruitment costs:
 - time
 - advertising
 - loss in productivity
 - training time and costs

- ◆ Labour turnover and costs:
 - calculating labour turnover
 - calculating labour turnover costs
 - productivity
 - training
 - standards and quality

- ◆ Staff productivity and costs:
 - setting and agreeing performance measures
 - dealing with variance
 - implications on performance management

Higher National Unit specification: support notes (cont)

Unit title: Accommodation: Financial Management

Outcome 3

- ◆ Supply costs:
 - impacts upon costs (internal and external)
 - group purchasing techniques
 - negotiating techniques
 - discounts
 - variance in supply costs
 - reasons for and methods of control

- ◆ Understanding room costs:
 - turn round costs
 - labour costs
 - productivity
 - fixed and variable costs
 - sale receipts versus costs

- ◆ Laundry costs:
 - unit item costs (by type)
 - stock costs
 - calculating losses
 - laundry costs
 - lease/purchase costs
 - determining usage levels
 - soiling costs
 - repairs

- ◆ Stock auditing and determining values:
 - par stock
 - stock counting
 - value calculation
 - stock usage costs
 - losses (calculating and attributing value)
 - recording stock level systems

Guidance on the delivery of this Unit

This unit is part of the Professional Development Award in Accommodation Management and as such, the skills and knowledge developed should reflect an accommodation environment. Where possible, candidates should draw from their own experiences of managing budgets in a known business environment, or demonstrate how implementing what they have learnt could have impact in a known business environment.

Candidates are encouraged to speak to individuals within and, where appropriate, outside of their organisation on issues related to this unit.

Higher National Unit specification: support notes (cont)

Unit title: Accommodation: Financial Management

Guidance on the assessment of this Unit

It is recommended that this Unit is holistically assessed. The assessment of this Unit could be delivered as two different assessment tasks, one which tests underpinning knowledge across all outcomes and one which applies that knowledge to a case study or a workplace situation.

Assessment Guidelines

Outcomes 1, 2 and 3

For this Unit candidates should analyse the key financial factors within an accommodation operation and make recommendations on how financial performance could be enhanced.

Since the Component of Critical Thinking at SCQF Level 6 is embedded in this Unit, it is strongly recommended that you follow the assessment guidelines given. If you wish to use a different assessment model, you should seek prior verification of the assessment instrument(s) you intend to use to ensure that the Core Skill is still covered.

Online and Distance Learning

This unit could be delivered in a flexible learning environment, such as online, open and or distance learning. Success of the mode of study will depend on the candidate having access to both tradition and online resources.

Higher National Unit specification: support notes (cont)

Unit title: Accommodation: Financial Management

Opportunities for developing Core Skills

Core Skills	Level 3	Level 4	Level 5	Example
<i>Communication</i>				
Oral Communication		x		Candidates may need to negotiate on budget parameters while setting and establishing the parameters for variance within an accommodation budget.
Written Communication (reading)			x	Candidates will have to critically evaluate a budget, determine budget parameters, extract information for use, consider variance within a budget and determine budgetary solutions all by reading and comprehending budgetary information.
Written Communication (writing)			x	Candidate will write a budget that determines a range of known and unknown factors, projecting outcomes based upon defined written argument while ensuring both numeric capability and a high degree of literacy.
<i>Information and Communication Technology</i>				
Accessing Information		x		Candidates will use information technology to research and evaluate aspects of the budgetary process, such as current PEST factors, using a wide range of internet websites.

Higher National Unit specification: support notes (cont)

Unit title: Accommodation: Financial Management

Information and Communication Technology (cont)				
Providing/Creating Information		x		Candidates will need to provide both numeric and non-numeric data to support their budget and to interpret and analyse a range of factors to ensure budgetary goals are achieved.
Numeracy				
Using Graphical Information		x		Candidates will develop a budget using well determined and understood budgetary tables.
Using Number			x	Candidates will use a range of numeric data, interpret said data for compliance with systems and procedures, analyse it for areas of variance from agreed targets, specify outcomes to address identified variance and have the ability to critically evaluate numeric nuances and project actual business impacts.
Problem Solving				
Critical Thinking			x	Evaluating budgets, PEST factors, determining input and output solutions and providing evidence that justifies any proposed changes.
Planning and Organising			x	Candidates will develop a budget using well determined and understood budgetary tables while evaluating wider (PEST) factors and projecting impacts upon the budget.
Reviewing and Evaluating			x	Reviewing and evaluating budgets, PEST factors, determining input and output solutions and providing evidence that justifies any proposed changes.
Working with Others				
Working Co-Operatively with Others			x	Seeking information and establishing budgetary parameters and trust are key components of this unit.
Reviewing Co-Operative Contribution		x		Successful impact of the developed budget on the business.

Higher National Unit specification: support notes (cont)

Unit title: Accommodation: Financial Management

This Unit has the Problem Solving component of Critical Thinking embedded in it. This means that when candidates achieve the Unit, their Core Skills profile will also be updated to show they have achieved Critical Thinking at SCQF level 6.

Disabled candidates and/or those with additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering whether any reasonable adjustments may be required. Further advice can be found on our website www.sqa.org.uk/assessmentarrangements

History of changes to Unit

Version	Description of change	Date
02	Core Skills Component Critical Thinking at SCQF level 6 embedded.	28/11/11

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General information for candidates

Unit title: Accommodation: Financial Management

It's one thing to get customers to your premises and it's quite another to make sure that their stay is a profitable one for the business.

This unit is all about looking at the costs within accommodation businesses, and how those costs can be managed. It looks at input costs, like staff costs, and also other fixed and variable costs, all of which an Accommodation Manager should be aware of.

This unit is designed to enable you to understand, monitor, implement and agree a range of financial procedures within an accommodation environment. Following successful completion of this unit, you will be able to do the following:

- 1 Evaluate the accommodation budget for a business.
- 2 Analyse staff costs and controls.
- 3 Analyse supply costs and controls.

Outcome 1 — For any business to be successful there needs to be a clear understanding of the finances of the operation and clear effective methods in place for controlling these. Within accommodation there are a large number of influences on finances, from revenue on one side to the substantial labour costs on the other.

This outcome provides you with skills and knowledge to enable you to understand the budgetary process, what the criteria are managing a budget, dealing with budget variances, how to agree budgets with management and how to manage the performance of the budget at a departmental level.

Outcome 2 — Within accommodation, staff costs are the largest area of expenditure and this outcome will provide you with the skills and knowledge to effectively manage your staff costs. As part of this, you will be expected to evaluate different employment options and their costs, as well as having a greater understanding of wage legislation, how to calculate actual wages costs and how to monitor wages against budget and revenues.

Outcome 3 — Will provide you with the skills and knowledge to be able to manage the supplies within the accommodation operation. The outcome develops skills and knowledge in stock control, auditing, and effective record keeping.

The assessments for this unit will test your underpinning knowledge across all outcomes and also require you to apply your knowledge to case studies or workplace situations.