

## **The London Trees and Woodlands Standard Costs.**

**April 2009.**

### **Introduction.**

For some years now as one element of its England Forestry Strategy the Forestry Commission has been working to improve the management and condition of England's woodlands. Many of these woodlands are on the urban fringe and have in some cases been overlooked, under funded or unmanaged for many years.

Forestry Commission England has sought to influence this lack of management and improve woodlands in England, many of which have Ancient Woodland or SSSI status by providing specific grants for woodland management and improvement through its English Woodland Grant Scheme. These grants have been designed not only to improve the quality of the woodland and regularity of the management but also to encourage greater public access into woodlands on the edges of large urban areas.

The achievement of these goals and the requirement that the Forestry Commission obtain value for money when granting financial assistance to woodland owners has been greatly assisted by the production of Standard Woodland Costs for the whole of England. These have enabled woodland owners to assess how much work they can get grant aid for and for the Commission to be better able to manage the grants system.

### **The London Context**

Grants through the EWGS have been available to woodland owners within the Greater London area. However, in 2004 the Forestry Commission set up a pilot scheme covering a number of boroughs in the east of London called the Block Grant scheme. This scheme has now been superseded by The London Tree and Woodland Grant Scheme.

The Block Grant was a strategic approach to urban planting and piloted in the Thames Gateway as a partnership between Groundwork and the Forestry Commission. The Forestry Commission put aside a proportion of its grant budget taking into account the costs of administering this grant aid and delivered it as a lump sum to Groundwork East London, through a partnership agreement with Groundwork London. Groundwork East London helped The Forestry Commission London Region develop a tree and woodland grant scheme, using their urban forestry skills.

## London Trees and Woodlands Grant Scheme

Applications for the new London Trees and Woodlands Grant Scheme are welcome from any organisation able to represent the wider community with support from other stakeholders. There is an Appraisal Panel (consisting of the GLA, FC and Groundwork) judging applications, the panel considers their social and environmental benefits.

The Block Grant scheme was intended as a three year pilot to assess the potential for the Commission to encourage better management and improvement of the woodland resource in the London area.

The London boroughs previously covered by the three year pilot were:

Barking and Dagenham , Bexley, Greenwich, Hackney, Havering, Lewisham, Newham, Redbridge, Tower Hamlets, Waltham Forest and City of London.

The pilot scheme successfully targeted over £170,000 of Forestry Commission grant aid towards tree planting, woodland improvements/management and increasing public access to woodlands in the east London area. Much of this work has been in areas of social deprivation which have suffered from a lack of quality open space and where woodlands are viewed by local residents as areas of anti-social behaviour.

The Block Grant has now been renamed The London Trees and Woodlands Grant Scheme (LTWGS) and the scheme has been extended to the remaining twenty two London borough's as of April 2008.

### **Development of Standard Costs for London.**

London, as the UK's capital city is the 2nd most expensive city in Europe and the 5<sup>th</sup> most expensive in the world. This status brings with it additional costs that are not reflected in the current standard woodland costs as applied to the rest of England. Accommodation costs are obviously more, transport, in terms of distances travelled and time taken as well as nominal costs such as parking and the congestion charge all make additional demands on businesses that seek to operate in the London area.

Recent research (Cost of Living Comparisons Between London, Edinburgh and Manchester, GLA 2003) indicates that the cost of living in London is 17% higher than in Edinburgh and 23% higher than in Manchester. Businesses operating in London naturally have to charge more for goods and services than they would do in other parts of the country. Materials and goods they require for running their businesses are also more expensive.

Staffing costs are also correspondingly increased. The Forestry Commission and the Greater London Authority are committed to improving career opportunities in the forestry and green skills sector. The development of careers in these areas is intimately linked with the development of viable businesses willing to undertake the type of work connected with tree planting and woodland improvement. As such any list of standard

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costs needs to reflect the additional costs of providing these services within the London area.

The London Trees and Woodland Framework as the Forestry Commission's Regional Forestry Framework and the Greater London Authority's overarching guidance for trees and woodlands in London encourages this approach, economic development being one element of producing a sustainable and long term strategy for creating better access to better quality woodland in London

Initially it was considered appropriate to produce London's standard woodland costs by taking a random number of schedules of rates for woodland work from around the London area together with figures produced by local contractors for particular operations. Then, making an assessment of the figures derived in this way estimating an average of each cost that could be applied to a particular woodland operation.

In undertaking an assessment of these compared costs it quickly became clear that as far as woodland and arboricultural work within London was concerned there were quite large differences in the quoted costs or prices for a particular operation from area to area. The most marked differences being for operations such as ride clearance/management and thinning or extraction.

It was felt that these marked differences in costs for particular operations would lead to inconsistencies and unrepresentative figures if they were used to create an average cost that could be applied to London as a whole.

Consequently it was decided to use the work and figures that had already been established in the production of the EWGS standard costs as a base line from which to derive standard costs for London. These London costs being the EWGS cost which is then weighted by a percentage dependant on the location of the work being done in either Inner or Outer London.

This approach is similar in nature to the well established principle of providing London weighting on top of salaries of employees in London dependant on where they are based. This was deemed to be the fairest way of calculating an average, but representative figure for a particular operation whether it was carried out in Tower Hamlets, Bromley or Hounslow.

For the purposes of these standard costs the Inner London Boroughs are:

Camden, City of London, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

The Outer London Boroughs are:

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Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Haringey, Harrow, Havering, Hillingdon, Hounslow, Kingston upon Thames, Merton, Newham, Redbridge, Sutton, Waltham Forest.

### **Standard Cost Tables**

This note sets out the most current set of standard costs used by the Forestry Commission in London to operate the LTWGS. Forestry Commission England uses standard costs to satisfy European Union Rural Development Plan requirements.

The attached tables (appendix A) give the details of the different work activities and specifications that incur the different calculated costs dependant on location. It must be emphasised that these costs are not definitive and are not considered to be absolute figures for the work described. Standard costs are by their very nature an average cost for the specified work and they do not purport to reflect the costs that may be incurred in every situation.

They are intended to be representative and there will be occasions and locations which due to a variety of reasons incur costs that are different from those quoted. From time to time these standard costs will be updated. This may involve for instance a change to a specification, or an increase or reduction in the Standard Cost. These changes will apply to LTWGS applications approved after the change is published on the Forestry Commission website. Existing approved contracts will not have their rates automatically amended and Forestry Commission will not normally accept amendments to alter the rates on existing contracts. These tables will be maintained as the current list of standard costs available for applications to LTWGS.

### **Percentages**

The percentages quoted as deviating from the costs detailed in the EWGS are increases of 20% and 15% for Inner and Outer London respectively. These percentages have been arrived at by looking at the different Costs of Living indexes available for London and then arriving at an average increase appropriate for the area.

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In general it was considered that a flat rate increase of 20% for Inner London and 15% for outer London gave a representative figure as to the additional costs that came with working in that area,

The costs are uplifted annually taking into account the retail price index.

### **Conclusion.**

This approach should in the longer term assist in achieving the aims and objectives of the London Trees and Woodlands Framework in producing a stable and healthy woodland management sector within London that replaces the current situation of a number centres of excellence, but with the vast majority of London's woodlands being unmanaged and restricted in terms of their availability for public access.

This will further develop the Forestry Commission's and Greater London Authority's focus on the sustainable development of London's woodlands through the key areas of social, environmental and economic improvements for the people of London.

These standard costs are a key element of encouraging woodland owners in London to utilise the grants available while at the same time demonstrating that woodland management can be a productive and financially sound endeavour.