

**ENVIRONMENT PDG**  
**7<sup>th</sup> November 2017**

**Grounds Maintenance – Grass Cutting**

**Cabinet Member:** Cllr Clive Eginton,

**Responsible Officer:** Andrew Pritchard, Director of Operational Services

**Reason for Report:** To provide Members with a report on the present level of grass cutting and Grounds Maintenance with a specific focus on the area of Silverton.

**Relationship to Corporate Plan:** Environment – Priority 4 – Protecting the environment.

**Financial Implications:** The 17.18 budget to maintain open spaces and parks is set out below:

- Grounds Maintenance £620k
- Parks and Open Spaces £386k
- Play areas £159k
- Bereavement Services £77k
- Cemeteries £120k

**Legal Implications:** Health and Safety legislation requires the Council to ensure all parks and open spaces are compliant with current guidelines. Crime and Disorder Act Section 17 requires that open space design and maintenance ensures adequate provision is made to design-out opportunities for anti-social behaviour and criminal activities.

**Risk Assessment:** The Council would require a relevant review of risk assessments for all proposals that significantly impact on current landscaping provision; the intent being to assess risk on a case by case, site by site basis.

**Equality Impact Assessment:** There are no equality issues identified in this report.

**1.0 Introduction**

1.1 This report provides information in response to Cllr Mrs Roach's Motion 538 (Cllr Mrs Roach – 1 June 2017 (00-50-39)) regarding grass cutting,

1.2 At the Environment PDG held on 5<sup>th</sup> September 2017, at item 25, Grass Cutting (00-24-00) Cllr Mrs Roach raised a number of questions. Those questions and the answers are set out below:

1.2.1 *Please could you give separate and approximate figures for grass cutting and the other grounds maintenance work?*

1.2.2 The total budget position for Grounds Maintenance for 17.18 is set out above. The Grounds Maintenance budget is shown against four activity based areas, namely;

- Grass Cutting Team - £380k
- Additional Works Team - £75k

- Gardeners - £94k
- Management Team - £71k

Across any given year seasonal demands have led to elements of the Additional Works, Gardeners and Management Team having a portion of their time charged to the Grass Cutting Team. The 17.18 budget for Grounds Maintenance is attached at Annex A.

- 1.2.3 *The cost of living recharge, is that a way of saying that the charge to the HRA has not kept pace with the cost of living. If this is the case, how long was it reviewed?*
- 1.2.4 The charges applied to the HRA are based on the budget figure for Grounds Maintenance and as such include the inflationary rises applied to Council budgets each year. It is therefore not the case that the charges to the HRA have not kept pace with the cost of living.
- 1.2.5 *When are the funds transferred from the HRA to pay for grass cutting? Have any payments been made this year?*
- 1.2.6 For 16.17 the Grounds Maintenance recharge to the HRA was £112,510; that charge was posted on 3<sup>rd</sup> April 2017. The provisional recharge for 17.18 is £118,160. That is due to be posted on the 3<sup>rd</sup> April 2018.
- 1.3 At the Environment PDG on the 5<sup>th</sup> September 2017 the Director of Operations agreed that a report would be brought using Silverton as the sample area to the next meeting. This report is that document.
- 1.4 To clarify the legal status of HRA Land sales. In 2013 the Secretary of State issued General Consent for the Disposal of Housing Land held for Housing Revenue Account purposes. That General Consent contains the framework and criteria to be applied when selling HRA land. In short, it is possible to sell HRA land; that sale would be within the context of the General Consent. For Mid Devon District Council any such disposal would be through the Capital Strategy and Asset Management Group. There are a number of caveats, gateway criteria and restrictions associated with the sale of HRA Land, but it is technically possible.

## **2.0 Bill of Quantities**

- 2.1 For the purpose of this report 'Bill of Quantities' is the term used to describe the jobs that Grounds Maintenance carry out. It is a list of when, where and how often tasks are completed. For grass cutting it would typically be a map identifying the surface area to be cut, recorded in square metres (m<sup>2</sup>), how often it is cut and the cost per m<sup>2</sup>.
- 2.2 Mid Devon currently use a traditional approach to pricing work where a cost per m<sup>2</sup> is applied to activity. The figures available for Silverton are shown, by land ownership, below:

### 2.2.1 HRA Land (Silverton) – Current Bill of Quantities

<b>Current Task</b>	<b>Frequency</b>	<b>Total Area (m<sup>2</sup>)</b>	<b>Unit rate per m<sup>2</sup> (£)</b>	<b>Current recharge (£)</b>
Play area grass cuts (ellerhayes)	20	770	0.0124	190.96
Amenity grass	10	1347	0.0293	394.67
Hedge cutting	2	627	0.414	519.16
Weed killing	2	500	0.123	123.00
<b>Total</b>				<b>1227.79</b>

### 2.2.2 Mid Devon District Council (Silverton) – Current Bill of Quantities

<b>Current Task</b>	<b>Frequency</b>	<b>Total Area (m<sup>2</sup>)</b>	<b>Unit rate per m<sup>2</sup> (£)</b>	<b>Current recharge (£)</b>
Amenity Grass	10	2551	0.0293	747.44
Weed treatment	2	500	0.123	123.00
Non-Amenity Grass Cutting	10	4644	0.0293	1360.69
Amenity car parks	10	143	0.0293	41.90
<b>Total</b>				<b>2273.03</b>

### 2.2.3 Devon County Council (Silverton) – Current Bill of Quantities

<b>Current Task</b>	<b>Frequency</b>	<b>Total Area (m<sup>2</sup>)</b>	<b>Unit rate per m<sup>2</sup> (£)</b>	<b>Current recharge (£)</b>
Grass	10	6759	NA	2039.69*

\*Provisional figure subject to verification

2.3 The Bill of Quantities for Silverton broadly reflects the total area in m<sup>2</sup> required; the review undertaken with Cllr Mrs Roach identified a number of anomalies that need to be addressed. It highlighted the need to accelerate a rolling programme to ensure all Bill of Quantities used in Mid Devon are accurate. Therefore, current Bill of Quantities will be deemed to be provisional pending their formal review and sign off.

### 3.0 Pricing Strategy

- 3.1 The current methodology used to price work and recharge was implemented in the 12.13 financial year.
- 3.2 There are two principle ways to price; apply a unit cost based on surface area (calculated with or without weighting factors), or a price based on the number of hours, staff and the equipment used per task. For Grounds Maintenance a move to pricing on the number of hours, staff and equipment used was identified as the most effective way to show full cost recovery for activity where a charge or recharge is made. It mirrors the most common current commercial approach to pricing grounds maintenance work. The work in Silverton has highlighted the need to accelerate the move from the existing pricing approach to the total cost recharge approach. For full cost recovery the following factors contribute to an hourly charge-out rate of £35.09 per person on task:

<b><u>Total cost recharge</u></b>	
Employee Costs	500,550
Super Back funding	4,660
Premises Costs	24,640
Transport & Plant costs (including sinking funds)	125,040
Supplies & Services	34,330
Internal Recharges (include capital depreciation)	68,830
<b>Total costs of Grounds Maintenance</b>	<b>758,050</b>
<b>Hourly Rate Recharge to cover total cost of GM</b>	<b>35.09</b>

- 3.3 Work undertaken for a third party, or internal client, could in future be priced using the total cost recharge principle.

### 4.0 Conclusion

- 4.1 The work undertaken in Silverton has highlighted the importance of accelerating the work to verify existing Bill of Quantities. It also shows the importance of moving to a total cost recharge model to ensure work undertaken for third parties and internal clients is priced in a manner consistent with the market.

**Contact for more Information:** Andrew Pritchard, Director of Operations

**Circulation of the Report:** Cabinet Members, Leadership Team, Community and Environment Policy Development Groups.

<b><u>Grounds Maintenance</u></b>	
<b>Account Description</b>	<b>2017/18 FY Budget (£)</b>
Basic Pay	401,390
Employers National Insurance	27,910
Superannuation - Current Year	47,560
Overtime Payments	5,700
Cpd Training	2,500
Health And Safety Training	2,500
Employee Insurance	1,990
Protective Clothing	6,000
Agency Staff	5,000
<b>Staffing Costs</b>	<b>500,550</b>
Responsive Maintenance	360
Tree Maintenance Works	20,000
Planned Maintenance	2,000
Electricity	1,500
Water	550
Premises Insurance	230
<b>Premises Costs</b>	<b>24,640</b>
Vehicle Operating Leases	4,300
Vehicle Repairs/Service/Mot	19,000
Vehicle Tyres	2,600
Fuel - Stock Issues	15,000
Fuel - External Purchases	5,000
Road Fund Licence	2,380
Motor Insurance	14,350
Plant Lease/Hire Payments	1,000
Plant - Planned Maintenance	8,000
New Plant Purchases	1,000
<b>Transport &amp; Plant Costs</b>	<b>72,630</b>
Equipment	11,000
Computer Software	560
Skips	2,000
Printing/Stationery/Photocopy	50
Telephones	340
Mobile Telephones	800
Postage	20
Materials And Chemicals	1,000

Materials Stock Issues	1,800
Plants, Trees And Shrubs	11,040
Miscellaneous Expenses	400
Trade Waste Charges	1,700
General Insurance	2,220
Insurance Exp-Unins Losses	1,000
Grass Cutting Contributions	400
<b>Supplies &amp; Services</b>	<b>34,330</b>
Central Messenger Services	2,940
Customer Services Admin	2,190
Phoenix House Franker	20
Accountancy Services	4,880
Payroll Services	3,420
Purchase Ledger	1,450
Sales Ledger	50
Human Resources	11,060
IT Software Support & Main	3,430
IT Network & Hardware	1,370
Gazetteer Management	1,570
Central Telephones	160
Corporate Communications	6,020
Old Road Stores	230
Property Services	1,070
Waste Management	4,170
Office Cleaning	5,210
Safety Officer	3,310
Customer First	5,640
Learning & Development	3,330
Procurement	3,240
Capital Charges – Depreciation	4,070
<b>Recharges</b>	<b>68,830</b>
Vehicle Sinking Fund provision	38,050
Plant Sinking Fund provision	14,360
<b>Sinking Funds</b>	<b>52,410</b>
Super Back Funding 9.80%	4,660
<b>Total Cost of Grounds Maintenance</b>	<b>758,050</b>
Recharge Other Authorities	(7,000)
Grounds Maint Internal Income	(500)
Dcc Recharge Grounds Maint	(7,400)
Grass Cutting Contributions	(26,100)

Service Charge-Tree Works	(10,000)
<b>Total Income from Grounds Maintenance</b>	<b>(51,000)</b>
<b>Net Cost of Grounds Maintenance</b>	<b>707,050</b>