

The true cost of work

by Nick Adams and Owen Konig



A few weeks ago I heard a passing comment about making cutters more professional; I believe it was repeated to me from a FISA Steering Group meeting. The implication being though, that all cutters (and, by extension, anyone working on the tools) are not professional enough, and frankly, that boiled my blood.

We don't need to go into all the reasons why that's utter rubbish here, you all know that, but it did get us to thinking – what does it take to be professional in the eyes of those that make these things up? Qualifications? Experience? What about the kit you're using? And the costs you incur to do your job?

We decided to investigate these costs further. Included in this article you will find two sets of figures, one for a self-employed cutter and one for an employee of a small business. To make the figures a bit easier to digest we have condensed them down into groups of similar items; so where it says PPE, that will include all the items you would expect – helmet, chainsaw trousers, boots etc.

A basic tool kit will consist of everything you could need to do minor repairs or servicing. The lifespan of any item will vary depending on local conditions and user maintenance but our costings are worked out on an average we think would be reasonable to expect. We have a much more comprehensive set of figures which goes into more detail should anybody wish to see it.

Prices are accurate as of Autumn 2022 and there could obviously be regional variation. All figures have been based on 252 working days per annum (Monday to Friday with 20 days holiday + 8 bank holidays) and an eight hour working day.

Owen Konig, self-employed cutter:

Over the last few years, I have slowly whittled my essential kit down to the items I have listed in my tables (Table 1 opposite). These are what I would consider to be the tools I need to get a tree over safely in most situations, excluding winch assisted work. There are certain technical items that could be added such as mechanical wedges or tree jacks but

many of us probably don't need them often enough to justify the £800+ investment in such tools and they could hardly be described as basic equipment. Even with a bare minimum list, it is easy to see how quickly it all begins to add up.

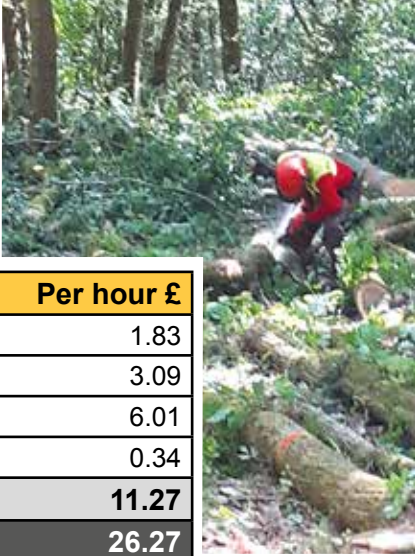
Savings can be made in a lot of places, especially when it comes to transport. This, however, is one of the focus points for me in the 'professionalising' the industry comment I've heard circulating; you don't see utility and telecoms workers driving round in 10-year-old vans and trucks using old kit and wearing cheap PPE. Most of us will be doing high mileage each year so a new, warranted, and reliable vehicle is essential to get to site each day – and one less thing to worry about. It also needs to be suitable for the site conditions. I've gone for a 4x4 pick-up but a van may be suitable, depending on your circumstances.

I have shown the cost for pre-mixed Aspen fuel. In the past I wouldn't have done this but with the introduction of E10 fuel, it has become even more relevant, not just for operator health, but machine health too. Stihl and Husqvarna will both have price rises again in the new year putting most professional saws over the £1,000 mark.

All the equipment aside, how much should we be paying ourselves?

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TABLE 1: COSTS FOR SELF EMPLOYED CUTTER

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EQUIPMENT	Total cost £	Per day £	Per hour £
PPE	855.00	3.28	0.36
Felling equipment	338.00	1.30	0.14
Fuel storage	96.00	0.37	0.04
Saw and cutting equipment	2,920.00	11.23	1.25
Sharpening equipment	100.00	0.38	0.04
TOTAL	4,309.00	16.56	1.83
FUEL AND OILS	RRP (inc VAT) £	Per litre £	Per fuel can £
Petrol - UK average 10/11/22	1.64	1.64	8.20
Husqvarna XP 2Stroke oil 10L drum	209.99	21.00	2.10
Oregon chain oil 25L drum	146.11	5.84	17.52
TOTAL			27.82
TRANSPORTATION	RRP (inc VAT) £	Per day £	Per hour £
Isuzu D-Max Utility 4x4 single cab - 33.6mpg	30,109.80	23.16	2.57
Set of tyres	500.00	3.85	0.43
Tank of fuel - 76L (UK average diesel - 10/11/22)	140.60	21.48	2.39
Road tax	165.00	0.63	0.07
Insurance - social, domestic, business use	950.00	3.65	0.41
Annual service	350.00	1.35	0.15
TOTAL	32,215.40	54.12	6.01
COMMUNICATIONS	Cost (inc VAT) £	Per day £	Per hour £
Mobile phone	1,200.00	2.31	0.26
Motorola DP1400 handheld radio - per unit	228.00	0.44	0.05
Radio holder - per unit	54.00	0.21	0.03
TOTAL	1,482.00	2.95	0.34
STORAGE	Price £	Per day £	Per hour £
20 x 8ft Shipping container - 'Grade A used'	3,000.00	1.15	0.13
Land rental - per 0.5 acre pcm	500.00	16.67	1.85
Industrial unit rental - 70sq/m - per month	1,600.00	53.33	5.93
TRAINING	Price (ex VAT) £		
Chainsaw cross cutting & maintenance - 2 days	545.00		
Felling trees up to 380mm - 3 days	615.00		
Felling trees over 380mm - 4 days	575.00		
Severing uprooted trees - 3 days	650.00		
TOTAL	2,385.00		
WORK RATE	Per day £	Per hour £	
Equipment	16.56	1.83	
Fuel and oil	27.82	3.09	
Transport	54.12	6.01	
Communications	2.95	0.34	
Total	101.45	11.27	
GRAND TOTAL (inc wages)	236.45	26.27	

If you look at jobs with similar risk factors – arborists, power/utility companies and rail workers for example – they are in a pay bracket of £30-38k per annum, dependent on experience and years of service with the company. For an 8-hour day, 252 days a year that would be £15.62/hr at the low end.

As a self-employed worker you also need to account for the possibility of sick days. There will be costs involved in either maintaining a minimum level of income during any period of illness, and possibly in maintaining cover at work. These all need to be factored in. Additionally, I would consider what percentage I need to account for breakdowns, sudden price increases and other unpredictable events.

I haven't included insurance because we all offer such varied services; some of us cut, some of us climb too, and others drive machines here and there as well, so the combinations are endless. A reasonable ball-park figure for this would be around £500 a year for public liability.

Finally, just to really stir the pot, the latest FISA chainsaw planning guidance released states that we should 'run our business within HMRC guidelines'. So, how many of us try to do all our own book work, and how many have an accountant to help with things like VAT returns if registered? How much does this cost? I certainly



have no clue, but it is a cost to be considered.

One could question the methods that the big players run their businesses by – that includes the guidance publishers, but that would be unprofessional of us!

Nick Adams, Employee:

My tables (Table 2a, 2b and 2c following) are based on my own business of four employees undertaking a range of tasks – predominately establishment work (planting, chemical and mechanical weeding), but also chainsaw work and maintenance tasks.

The kit I have included is all good quality – picked for operator comfort and efficiency – and things I like to use, or I have found make the job go better. Vehicles and machinery are all new. I've deliberately not just gone for the cheapest of everything; staff need to feel valued and I've always thought that, when you need new staff, showing you offer good working conditions helps to attract good operators.

I've been very conservative on salary. I'm not sure £30k is enough, but I've tried to balance that with what the industry would possibly accept. It's quite likely a higher wage would have to be offered to attract staff.

These figures are purely what it costs to put an operator on site for a day, with the equipment

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TABLE 2a: DAILY OPERATOR SALARY COSTING FOR EMPLOYEE OF SMALL BUSINESS			
	Trainee (0-2 yrs in job, £21k)	Just trained (2-5 yrs exp, £25k)	Operator (5 years exp, £30k)
Monthly pay	£1,750.00	£2,083.33	£2,500.00
Daily pay	£87.50	£104.17	£125.00
Hourly pay	£10.94	£13.02	£15.62
E'er's pension contrib	£36.90	£49.90	£59.40
Daily E'er's pension contrib	£1.76	£2.23	£2.83
E'er's NIC	£144.13	£192.56	£253.10
Daily E'er's NIC	£6.86	£9.17	£12.05
Holiday entitlement	20 days	20 days	20 days
Public holidays	8 days	8 days	8 days
Daily hol cost to E'er	£96.12	£115.57	£139.88
Total holiday cost to E'er	£1,922.40	£2,311.40	£2,797.60

TABLE 2b: DAILY OPERATOR COSTING FOR EMPLOYEE OF SMALL BUSINESS


EQUIPMENT & PPE	RRP (ex VAT) £	Per day £	Per hour £
Tools (chainsaws, brushcutters etc)	2,668.94	5.01	0.62
Basic tool kit	342.97	0.46	0.06
Stihl 5+3 combi can	58.94	0.05	0.01
Spares (blades,chains etc)	76.24	1.89	0.23
PPE	1,238.94	4.03	0.45
Communication/Tech	1,320.00	2.86	0.36
TOTAL	5,706.03	14.30	1.73
VEHICLES AND ASSOCIATED KIT	RRP (ex VAT) £	Per day £	Per hour £
Ford Transit van (incl OTR costs)	40,010.83	53.61	6.70
Van fit out (shelving, handwash etc)	3,670.01	4.99	0.62
4 x BF Goodrich AT tyres	880.00	1.75	0.22
Tank of fuel - 76L (pump price as at 10/11/22)	140.60	21.48	2.68
Annual dealer service	396.00	1.57	0.19
TOTAL	45,097.44	83.40	10.41
FUEL AND OILS	RRP (inc VAT) £	Per litre £	Per fuel can £
Petrol - UK average 10/11/22)	1.64	1.64	8.20
Husqvarna XP 2Stroke oil 10L drum	209.99	21.00	2.10
Oregon chain oil 25L drum	146.11	5.84	17.52
TOTAL			27.82
TRAINING	RRP (ex VAT) £	Per day £	Per hour £
Chainsaw cross cutting & maintenance	545.00	0.43	0.06
Felling trees up to 380mm	615.00	0.49	0.06
Brushcutter	320.00	0.25	0.03
Clearing saw	160.00	0.12	0.02
PA1, PA6, PA6 AW	630.00	0.50	0.06
EFAW + F	70.00	0.09	0.01
ATV	260.00	0.21	0.03
B+E trailer	955.00	0.76	0.09
4x4 driver training	360.00	0.28	0.03
TOTAL	3,915.00	3.13	0.39
SUB TOTAL	54,718.47	100.83	12.53
TOTAL COSTING	Per day £		
Operator's salary (30k)	125.00		
Employer's pension / NIC contrib	14.88		
Annual holiday cost (30k)	11.10		
Total working day cost	100.83		
Fuel cost	27.82		
GRAND TOTAL	279.63		

TABLE 2c: SQUAD/BUSINESS COSTS

SQUAD COSTS (2-MAN TEAM):				
Equipment	RRP (ex VAT)	Per working day	Per hour (8-hr day)	Lifespan (based on warranty)
Ivor Williams GP146 trailer (loading ramp, mesh sides, prop stands)	3,982.00	7.90	0.99	2 years
CanAm Traxter 6x6	20,080.00	39.84	4.98	2 years
Annual service at CanAm dealer	396.00	1.57	0.19	1 year
Welfare van hire	19,200.00	76.19	9.52	1 year's hire
TOTAL	24,062.00	125.50	15.68	
Cost divided by 2 for operator day	12,031.00	62.75	7.84	
BUSINESS COSTS (BASED ON 4 EMPLOYEES):				
Item	RRP (ex VAT)	Per working day	Per hour (8-hr day)	Lifespan
Shipping containers	1,248.00	4.95	0.62	Yearly rent total
Workshop/yard	10,000.00	39.68	4.96	Yearly rent total
Insurance (public/employers)	1,500.00	5.95	0.74	Annual premium
Vehicle insurance (4 vehicles, 25+ policy)	2,000.00	7.94	0.99	Annual premium
Plant insurance	1,000.00	3.99	0.50	Annual premium
TOTAL	15,748.00	62.51	7.81	
Cost divided by 4 for operator day	3,937.00	15.63	1.95	
Operator cost (see Table 2b)	279.63			
Squad cost	62.75			
Business cost	15.63			
TOTAL	358.01			

needed to work safely and efficiently. There is no profit margin calculated and the cost of a job (materials, machines and associated costs, etc) have not been considered. I have also not factored in downtime for repairs, additional spares beyond annual servicing, or sick pay.

This is what I would choose for my business, with what my business does in mind, and is not definitive. There are things you could add/delete for your own circumstances, and I would urge you to do so; it's an eye opener.

Those of you that are employers – how many of you can afford to supply everything on that list for the rates you can get?

If we're going to be honest with ourselves, none of us do. And apart from some of the obvious easy things – God forbid, you forget to wear a hi-viz – a blind eye will be turned by those that you contract to. It shows why corners are cut.

It also shows how out of touch the industry is with the true cost of working. Every new requirement never seems to include cost, as if it can all be done for free – and then a lot of energy is expended trying to get around it just to keep the cost down as much as possible. A lot of organisations – FISA, FLS, FE, NRW, Tilhill and Euroforest to name but a few – are guilty of this. Whatever happened to FISA's Safety Before Price initiative?

The point of this is not to argue over some of the detail, or thinking you can exclude some things that you may view as a luxury and therefore be able to do the job cheaper. All we are trying to do is highlight the *real* cost of working. We've based this on industry guidance of what we should have – the bigger picture here is none of us are getting paid what we should. It's no wonder people are leaving the industry.

Something worth thinking about?