

<b>Committee(s)</b> Port Health & Environmental Services Committee	<b>Dated:</b> 18 January 2022
<b>Subject:</b> Proposed Charges for Street Cleansing, Waste Collection and Public Conveniences 2022/23	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	10, 11, 12
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>£0</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Juliemma McLoughlin, Executive Director Environment	<b>For Decision</b>
<b>Report author:</b> Jim Graham, Assistant Director Cleansing	

### Summary

The City Corporation's Street Cleansing, Waste Collection and Public Conveniences operations provide a range of services and the fees and charges for these services are reviewed annually. This report is the annual submission of that review which outlines the proposed rates for 2022/23.

All proposals in the report align with the City's charging policies such as raising revenue and contributing to the achievement of policy objectives. The charges proposed in this report are exclusive of VAT.

The report also reflects the ongoing service changes approved by your committee on 20 January 2021 and it is recommended that the proposed charges take effect from 1 April 2021.

An increase by Retail Price Index (RPI) of 7.1%, driven largely by rising energy and fuel costs, (1.2% in 2021/22) is proposed for cleansing of private land, sale of Smartbins (post mounted cigarette bins), bulky waste collection and charges for general waste collection from educational establishments.

No changes are proposed to current charges for recycling services, public conveniences, recycling for educational establishments, the removal of highway obstructions and the Clean City Awards Scheme membership fee.

It is also proposed to continue the provision of free collection of bulky waste for low-income households, and free assisted collections for the infirm and the disabled, to enable them to access these services.

The charges proposed in the report, when taken together, are estimated to generate an income of £201,000.

### Recommendation

Members are asked to:

- approve that with effect from 1 April 2022:
  - charges for Street Cleansing services to external clients are increased by 7.1% in line with RPI;
  - charges for special events and other ad-hoc works provided to third parties continue to be made at full cost plus 30% to cover the City’s management and administration costs;
  - the charge for the collection of bulky waste is increased from £35 to £37.50 for up to three items;
  - bulky waste collection continues to be offered free of charge on request to those who are in receipt of means tested benefits and to those who are infirm or disabled receiving assisted collections;
  - the general waste charges for educational establishments are increased by 7.1% and food and recycling collection charges should be maintained at the current level to encourage recycling;
  - charges for the removal of highway obstructions to be increased from £60 to £64 and for the removal of uncollected bagged waste also be increased to £134 from £125 for up to 10 bags and £5 per bag thereafter;
  - charges for the staffed toilet facilities at Tower Hill and Paternoster Square conveniences to remain at 50p per use;
  - costs of smart bins to be increased by 7.1% (post mounted cigarette bins) sold to businesses be charged at cost plus 20% to cover the City’s administration costs;
  - Clean City Awards Scheme membership fees are kept the same.

## **Main Report**

### **Background**

1. Fees and charges are reviewed yearly to ensure that they reflect the City Corporation’s priorities and the charging policies such as raising revenue to allow the continued provision of services and contribute to the corporate policy objectives. They are also reviewed annually as part of the budget setting process within the agreed corporate timeline and are set within the context of value for money.

### **Current Position**

2. The City Corporation has general power under section 93 of the Local Government Act 2003 (“LGA 2003”) and under the power of general competence in section 1 of Localism Act 2011 (“LA 2011”) to charge a person for service it provides. They are discretionary services where the City Corporation is authorised, not required, to provide and the service receiver has agreed to its provision.
3. There is a need for continuous price review of those service offerings and income generation to avoid any service reductions. The proposed fees and charges are competitive within the market environment operated by other local authorities and

the services offered are not inappropriately subsidised. However, the income from discretionary services must not exceed the cost of provision.

4. Officers have set charges to recoup the total cost of providing a service including overheads, whilst also enabling them to manage demands and to offer subsidised services to those who are vulnerable to encourage use and to enhance service access. The policy, therefore, ensures a fair and reasonable price for all services reflecting the ability of the community and organisation to pay.

## **Proposals**

5. Set out below are the details of the review and the proposed fees and charges for the following services in 2022/23 with effect from 1 April 2022.

### **Cleansing for Private Landowners**

6. The City provides, via its term contractor, cleansing services to private landowners whose land is open to public use. This is a chargeable service and is renewed annually in April. It is proposed to increase charges by 7.1% in line with RPI for those landowners continuing to use the service. Details are shown in Appendix 1. The total anticipated income from this service is £10,000 in 2022/23.

### **Special Events Cleansing**

7. A number of special events are held in the City each year by various organisations. The City arranges for the clean up after each event via its term contractor and recharges the event organisers the full cost plus 30% to cover the City's management and administration costs, and 7.1% inflationary increase is proposed to the current charges.
8. However, due to the pandemic some of those events were cancelled again as they were in 2020/21 and therefore the estimated annual income from this service is reduced to £30,000, although some improvement may be likely in 2022/23 but it is difficult to predict. In pre-pandemic years the estimated income from those services was £70,000.

### **Removal of Obstructions, Bagged Waste and Fly-Tips**

9. Bicycles and other items are routinely removed from the highway if they pose an obstruction. Currently there is a charge of £60 plus VAT for this service and it is proposed that these charges be increased to £64 in line with inflation.
10. The City Corporation has powers granted under Section 17 of the Local Authorities and Transport for London Act 2003, which empower the removal of the offending 'things' from the highway.
11. Uncollected commercial waste left on the highway for collection by third parties is also collected and disposed of with current charges of £125 plus VAT per occasion for up to 10 bags and £5 per bag thereafter. An inflationary increase of

7.1% is proposed to these charges bringing them to £134 plus VAT for the first 10 bags and £5 per bag thereafter.

12. Large quantities of waste deposited on the highway will continue to be treated as 'fly-tip' which carries a fine of up to £50,000 (unlimited if the case goes to the Crown Court) and offenders could also face a prison sentence of up to five years.

### **Provision of Pocket Ashtrays and Smartbins**

13. The City's ongoing Smoking Related Litter campaign continues to be successful and as a result, we have had requests from businesses in the City for the supply of pocket ashtrays for use at their premises. The charge for 100 Pocket Ashtrays currently is £80 and no increase is proposed.
14. The City also provides twin and solo Smartbins to businesses, if requested and this is to be increased by 7.1% RPI plus a 30% administration fee.

### **Bulky Waste Collection**

15. The standard charge for bulky waste collection is currently £35. This is a doorstep collection service, and the charge covers, for example, the collection of a three-piece suite or ten bags of waste. It is proposed to increase the standard charge in line with 7.1% RPI to £37.50
16. The service is free to those who are in receipt of means tested benefits and an assisted collection is offered free of charge to those who are disabled or infirm and it is proposed to maintain this policy.

### **Clean City Awards Scheme**

17. The Clean City Awards Scheme in previous years had had an average membership of over 100 earning £36,000 in fee income. The impact of Covid-19 has affected the membership level, particularly SMEs and it has declined to 55 this year and the trend may continue into 2022/22. The anticipated income from member fees is therefore reduced to £25,000 based on the current membership level. No change to the current fee structure is proposed.

### **Educational Establishments and Charities**

18. Waste collection and disposal from schools and colleges in the City, are chargeable under the Controlled Waste (England and Wales) Regulations 2012 (CWR 2012). The exception to this in the City is The Aldgate School. As it is wholly state funded, only the collection cost is chargeable.
19. In order to promote more recycling, it is proposed to maintain food waste and recycling waste charges at their current level whilst increasing the general waste charges by 7.1% in line with RPI, as detailed in Appendix 2.

20. The anticipated income from these schools, as detailed in Appendix 3, is £66,000 based on the existing number of customers, containers / bags in use and frequency of collection.
21. Waste from charities is collected as commercial waste under the Controlled Waste Regulations (CWR) 2012, whilst waste from places of religious worship is classified as household waste and the City makes no charges for either collection or disposal.

### **Public Conveniences**

22. The impact of the pandemic is felt markedly in the use of public conveniences in the City. Of the four staffed toilets, Royal Exchange and Eastcheap were closed this year due to the difficulty in observing the social distancing rules and your Committee approved the temporary mothballing of these two facilities for the foreseeable future.
23. Tower Hill and Paternoster Square facilities are open now with lifting of the current lockdown rules.
24. The income from these facilities is anticipated to be £60,000 in 2022/23 compared to an estimated income of £335,000 in a normal year. No significant increase in income is expected in 2022/23 and it is proposed that the charge of 50p per use should remain the same.

### **Corporate & Strategic Implications**

25. Effective street cleansing services are proven to be an important factor in reducing residents' fear of crime and would maintain both private and public areas to the City's high cleansing standards.
26. Providing efficient and high-quality local services to achieve sustainable outcomes within the Square Mile is part of the City's Corporate Plan 2018/23 and reducing expenditure, enhancing income and improving efficiency.
27. Where charges proposed in this report require variations to contracts, they must be made via Change Control Requests signed by both parties.
28. The Chamberlain and Comptroller and City Solicitor has been consulted and his comments are incorporated in the body of this report.

### **Implications**

29. The 2022/23 budgeted income from the services detailed in this report is £247,000 and the proposed charges, should produce an estimated income summarised below of £201,000, a shortfall of £46,000.

<b>Description</b>	<b>Forecast Income £'000</b>
Private Land Cleansing	10
City Events – Street Cleansing	30
Clean City Awards Scheme Membership	25
Collections from Educational Institutions	66
Bulky Waste Collections	5
Public Conveniences	65
<b>Total</b>	<b>201</b>

## **Conclusion**

30. Although footfall in the City has improved this has not resulted in significant increase in income. Resumption to pre-pandemic levels is likely to take many years depending on work patterns of staff returning to offices in the City and any improvements in tourists numbers going back to pre-pandemic level.

31. The charges for 2022/23 set out in this report, are aimed at maintaining a good standard of City's Street scene, encouraging sustainable waste management and safeguarding the income from services operating in a competitive environment.

## **Appendices**

- Appendix 1 – Cleansing Service Charges to Private Landowners
- Appendix 2 – Charges for Schools
- Appendix 3 – Estimated School Income

**Background Papers**-None attached.

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Appendix 1 - Cleansing Service Charges to Private Landowners

<b>Customer</b>	<b>Current Charge 2021/22 £</b>	<b>Proposed Charge 2022/23 £</b>
Telereal Trillium Ltd, Bastion House Slip Road	2,788	2,986
Drapers Hall, Footpaths adjacent to Drapers Hall, Throgmorton Avenue	1,972	2,112
Carpenters Hall, Footpaths adjacent to Carpenters Hall, Throgmorton Ave (twice daily sweeping)	4,746	5,083
<b>Total</b>	<b>9,506</b>	<b>10,091</b>

**Note: VAT (not shown) is applicable to these charges.**

Appendix 2 – Charges for Schools

<b>Container Type</b>	<b>Current Charge 2021/22 £</b>	<b>Proposed Charge 2022/23 £</b>	<b>Percentage Increase</b>
General Waste Bag – roll of 50	102.89	110.20	7.1%
General Waste – 1100L bin per lift	16.08	17.22	7.1%
General Waste – 240L bin per lift	5.14	5.50	7.1%
Recycling Bag – roll of 50	42.50	42.50	0%
Recycling Waste – 240L bins per lift	1.50	1.50	0%
Recycling Waste – 660L bins per lift	3.00	3.00	0%
Recycling Waste – 1100L bins per lift	4.00	4.00	0%
Food Bin – 140L per lift	11.50	11.50	0%
Food Bin – 500L per lift	45.00	45.00	0%

**Note: VAT (not shown) is applicable to these charges**

Appendix 3 - Estimated Income from Schools

<b>Educational Institution</b>	<b>Type of Institution</b>	<b>Estimated Income 2022/23 £'000</b>
The Aldgate School	State School	6
City of London School	Independent	11
City of London School for Girls	Independent	12
St Paul's Cathedral School	Independent	10
Guildhall School of Music and Drama (Silk Street)	Further Education Institution	7
Guildhall School of Music and Drama (Sundial Court)	Further Education Institution	14
Guildhall School of Music and Drama (Milton Court)	Further Education Institution	3
New Park Nursery	Nursery	3
	<b>Total</b>	<b>66</b>