

Committee: Port Health and Environmental Services Committee	Dated: 28 March 2023
Subject: Proposed Charges for Street Cleansing, Waste Collection and Public Conveniences 2023/24	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	10, 11, 12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Juliemma McLoughlin, Environment Director	For Decision
Report author: Joe Kingston, Assistant Director, Gardens and Cleansing	

Summary

The City Corporation's (the City) 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 rates for 2023/24.

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 and they take effect from 1st April 2023

Income received from fees and charges during this financial year continue to be impacted by slow economic recovery and reduction in footfall following the pandemic. Some of the income sources are still experiencing reduced demand, particularly the use of public toilets.

An increase by Retail Price Index, all items, (RPI) of 13.4%, driven largely by rising energy and food costs, (7.1% in 2022/23), is proposed for cleansing of private land, sale of Smart bins (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 £262,000.

Recommendations

Members are asked to:

- approve the charges in the report with effect from 1 April 2023:
 - charges for Street Cleansing services to external clients are increased by 13.4% 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 £37.50 to £42.50 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 13.4% 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 £64 to £72.57 and for the removal of uncollected bagged waste also be increased to £152 from £134 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 (post mounted cigarette bins) to be increased by 13.4% sold to businesses be charged at cost plus 30% 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 charging policies such as raising revenue to allow the continued delivery of public services as well as contributing 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 is authorised, not required, to provide and the service receiver has agreed to its provision.

3. However, the income from discretionary services must not exceed the cost of provision as these services are provided on a cost recovery basis under Act of 2003.
4. There is a need for continuous price review of those service offered and income generated 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.
5. Officers have set charges to recoup the total cost of providing a service including overheads, whilst also enabling them to influence demands and to offer subsidised services to those who are vulnerable to encourage use and 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

6. Set out below are the details of the review and the proposed fees and charges for the following services in 2023/24 with effect from 1 April 2023.

Cleansing for Private Landowners

7. The City provides, via its term contractor, cleansing services to private landowners whose land is open to public use to maintain the land in good order. This is a chargeable service and is revised annually in April. It is proposed to increase charges by 13.4 % in line with RPI for those landowners continuing to use the service. The total anticipated income from this service is £12,000 in 2023/24 as shown in Appendix 1.

Special Events Cleansing

8. Several special events are held in the City each year by various organisations. The City arrange for the clean up on request after each event via its term contractor and recharge the event organisers the full cost plus 30% to cover the City's management and administration costs, and 13.4% inflationary increase is proposed to the current charges.
9. In pre-pandemic years income from those services was circa. £70,000. The estimated annual income in 2023/24 from this service is £40,000, although this income stream is reduced compared to pre-pandemic it is now stable reflecting recent increase in business activities.

Removal of Obstructions, Bagged Waste and Fly-Tips

10. Bicycles and other items are routinely removed from the highway if they pose an obstruction. Currently there is a charge of £64 for this service and it is proposed that these charges be increased to £73 in line with inflation.

11. The City has powers granted under Section 17 of the Local Authorities and Transport for London Act 2003, which empower the removal of the offending items from the highway.
12. Uncollected commercial waste left on the highway for collection by third parties is also collected and disposed of with current charges of £134 plus VAT per occasion for up to 10 bags and £5 per bag thereafter. An inflationary increase of 13.4% is proposed to these charges bringing them to £152 for the first 10 bags and £6 per bag thereafter.
13. 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

14. The City also provide twin and solo Smartbins to businesses, if requested and this is to be increased by 13.4% RPI plus a 30% administration fee.

Bulky Waste Collection

15. The standard charge for bulky waste collection is currently £37.50. 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 13.4% RPI to £42.50 and anticipated to receive an income of £5,000 in 2023/24.
16. The service is free for 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 pre-pandemic years had had an average membership of over 100 earning £36,000 in fee income. The impact of Covid-19 over the past few years has affected the membership level, particularly SMEs and it has declined to 55 members over the past two years. The anticipated income from membership fees is therefore reduced to £25,000 based on the current membership level. A nil increase is proposed to the fee structure and the City is looking to work closely with other teams such as the Heart of the City to increase income.

Educational Establishments and Charities

18. Waste collection and disposal from schools and educational institutions 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. This school is wholly state funded and therefore, 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 13.4% in line with RPI, as detailed in Appendix 2.
20. The anticipated income from these schools and educational institutions, as detailed in Appendix 3, is £80,000 based on the existing number of customers, containers / bags in use and frequency of collection. However, there is a risk that they could opt to seek services from other service providers.
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 and both facilities are still making financial losses overall. Tower Hill and Paternoster Square facilities revenue is stable but it has not yet reached pre-pandemic level. Your committee approved the installation of contactless payment entry for Paternoster toilets in November 2022 and the installation of these units will be completed by the end of March 2023.
23. The income from these facilities is anticipated to be £100,000 in 2023/24 set against the cost of running the facilities at £290,000. This compares to an average income of £335,000 in pre-pandemic years. No significant increase in income is expected next year and a nil increase is proposed to the charge of 50p per use.

Key Data

24. The 2023/24 budgeted income from the services detailed in this report is £257,000 and the proposed charges, should produce an estimated income summarised below of £262,000, a surplus of £5,000.

Description	Forecast Income
	£'000
Private Land Cleansing	12
City Events – Street Cleansing	40
Clean City Awards Scheme Membership	25
Collections from Educational Institutions	80
Bulky Waste Collections	5
Public Conveniences	100
Total	262

Corporate & Strategic Implications

Strategic

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.

Financial

27. The January 2023 Retail Price Index (CPI) of 13.4% has been used as the measure of inflation.
28. Although the Index used is high reflecting the current cost of living, to recover the full of cost of chargeable services is an important part of the City's policy on fees and charges. Thus, the cost increases in delivering chargeable services are recovered to avoid additional cost pressures on the city.

Legal

29. The fees and charges detailed in this report are discretionary services that the City is permitted to provide but not required by law. The income from those services do not exceed the cost of provision (both direct and indirect costs) as these services are provided on a cost recovery basis under Act of 2003, referred to in para 2 above.

Equality

30. Under Section 149 of the Equality Act 2010, the City has a public sector equality duty to have 'due regard' to the need to eliminate discrimination and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
31. Such characteristics have been carefully considered and a Test of Relevance has been carried out and which determined that the proposals in the report do not unduly affect people with a protected characteristic and that a full Equalities Impact Assessment was not necessary.

32. Climate implications: None

33. Security implications None

Conclusion

34. The charges for 2023/24 set out in this report, are aimed at maintaining a good standard of City's Street scene, encouraging sustainable waste management, safeguarding the full recovery of income from services and operating in a competitive environment.

35. Although footfall in the City has improved this has not resulted in significant increase in income, although some improvement is felt. Resumption to pre-pandemic levels is likely to take more time depending on work patterns of staff returning to offices in the City and any improvements in tourists numbers going back to pre-pandemic level.

36. While the pandemic has certainly caused or ushered in changes in working habits, there are differences between industries and occupations, and hence improvements in business activities are not uniform and capturing historic income level therefore is slow and gradual.

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

Customer	Current Charge 2022/23 £	Proposed Charge 2023/24 £
Telereal Trillium Ltd, Bastion House Slip Road	2,986	3,386
Drapers Hall, Footpaths adjacent to Drapers Hall, Throgmorton Avenue	2,112	2,395
Carpenters Hall, Footpaths adjacent to Carpenters Hall, Throgmorton Ave (twice daily sweeping)	5,083	5,764
Total	10,091	11,545

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

Appendix 2 – Charges for Schools

Container Type	Current Charge 2022/23 £	Proposed Charge 2023/224 £	Percentage Increase
General Waste Bag – roll of 50	110.20	124.97	13.4%
General Waste – 1100L bin per lift	17.22	19.53	13.4%
General Waste – 240L bin per lift	5.50	6.24	13.4%
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%
<i>Note: VAT (not shown) is applicable to these charges</i>			

Appendix 3 - Estimated Income from Schools

Educational Institution	Type of Institution	Estimated Income 2023/24 £'000
The Aldgate School	State School	6
City of London School	Independent	12
City of London School for Girls	Independent	14
St Paul's Cathedral School	Independent	12
Guildhall School of Music and Drama (Silk Street)	Further Education Institution	10
Guildhall School of Music and Drama (Sundial Court)	Further Education Institution	18
Guildhall School of Music and Drama (Milton Court)	Further Education Institution	4
New Park Nursery	Nursery	4
Note: VAT (not shown) is applicable to these charges	Total	80