

City of London Corporation Committee Report

Committee(s): Port Health & Environmental Services Committee	Dated: 19 th November 2024
Subject: Proposed Charges for Street Cleansing, Waste Collection and Public Conveniences 2025/26	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	Leading on a Sustainable Environment - Provide Excellent Services - Statutory duty to collect and dispose of household and commercial waste under the Environmental Protection Act 1990
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	Katie Stewart, Executive Director Environment
Report author:	Joe Kingston, Assistant Director City 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 2025/26.

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 1 April 2025.

An increase by Retail Price Index, all items, (RPI) of 2.7% (6.1% in 2024/25), is used for updating the prices, where appropriate, for services covered by this report.

The charges proposed in the report, when taken together, are estimated to generate an income of £427,000.

Recommendation(s)

Members are asked to approve the following charges in the report with effect from 1 April 2025.

- Charges for Street Cleansing services to external clients are increased by 2.7% 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.
- No increase is proposed for bulky waste collections to remain competitive
- The general waste charges for educational establishments are increased by 2.7% 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 £77 to £79 and for the removal of uncollected bagged waste also be increased to £165.62 from £161.27 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) 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 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 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 the Local Government Act 2003.

Options

4. **Option 1** - Agree the proposed charges to commence from 1 April 2025 as detailed and explained in this report. **Recommended.**
5. **Option 2** - To keep charges as they are. This would put pressure on services as service costs will increase. This would require compensatory savings to be made from frontline services. **Not recommended.**
6. **Option 3** – To increase fees and charges higher than those proposed. This would put us out of step with commercial providers and other Local Authorities and may result in a loss of business. **Not recommended.**

Proposals

7. There is a need for continuous price review of those service offered and income generated 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.
8. 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 organisations to pay.
9. Set out below are the details of the review and the proposed fees and charges for the following services in 2025/26 with effect from 1 April 2025.

Cleansing for Private Landowners

10. 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 2.7% in line with RPI for those landowners continuing to use the service. The total anticipated income from this service is £8,891 in 2025/26 as shown in Appendix 1.

Special Events Cleansing

11. A number of 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.
12. Income from those services was circa. £60,000 in 2024/25 reflecting the improvement in business activities in the City. This is likely to continue in 2025/26, but it is difficult to predict.

Removal of Obstructions, Bagged Waste and Fly-Tips

13. Bicycles and other items are routinely removed from the highway if they pose an obstruction. Currently there is a charge of £77 for this service and it is proposed that these charges be increased to £79 in line with inflation.
14. 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.
15. Uncollected commercial waste left on the highway for collection by third parties is also collected and disposed of with current charges of £161.27 plus VAT per occasion for up to 10 bags and £5 per bag thereafter. An inflationary increase of 2.7%% is proposed to these charges bringing them to £165.62 for the first 10 bags and £5 per bag thereafter.
16. 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

17. The City also provide twin and solo Smartbins to businesses, if requested and this is to be charged at cost (£225) plus a 30% administration fee.

Bulky Waste Collection

18. The standard charge for bulky waste collection is currently £42.50. This is a doorstep collection service, and the charge covers up to three items per collection, for example, a three-piece suite or ten bags of waste. No increase is proposed to this fee to remain comparable with fees charged by neighbouring authorities. It is anticipated to receive an income of £7,000 in 2025/26 based on the current demand for the service.

Clean City Awards Scheme

19. The Clean City Awards Scheme is a membership-based scheme with City businesses paying fees to be members of the scheme. They benefit from best practice meetings, attendance at awards dinner and access to a number of resources for advice and guidance around sustainability. The Current charges are in Appendix 4.
20. The anticipated income from membership fees is £20,000 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

21. Collection and disposal of waste 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 as this school is wholly state funded and therefore, only the collection cost is chargeable.
22. 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 2.7 % RPI, as detailed in Appendix 2.
23. The anticipated income from these schools and educational institutions, as detailed in Appendix 3, is £81,000 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.
24. 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

25. The use of public conveniences at Tower Hill and Paternoster Square has improved over the past two years and has stabilised, although it has not yet reached pre-pandemic levels of use.
26. The income from these facilities is anticipated to be £250,000 in 2025/26 compared 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

27. The proposed 2025/26 charges should produce an estimated income from the services detailed in this report of £427,000, summarised below, in line with the budgeted income.

Description	Forecast Income £'000
Private Land Cleansing	9
City Events – Street Cleansing	60
Clean City Awards Scheme Membership	20
Collections from Educational Institutions	81
Bulky Waste Collections	7
Public Conveniences	250
Total	427

Corporate & Strategic Implications

Strategic implications - effective street cleansing and waste collection services contribute to the objectives of the City's Corporate Plan 2024/29 to lead on a Sustainable Environment and Provide Excellent Services.

Financial implications – The setting of appropriate levels of fees and charges is key to ensuring the ongoing financial stability of core Cleansing services.

Resource implications – There are no resource implications.

Legal implications - 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 Local Government Act 2003 ("LGA 2003") and under the power of general competence in section 1 of Localism Act 2011 ("LA 2011") Act 2003

Risk implications – There are no risk implications.

Equalities implications - 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. Such characteristics have been carefully considered and factored in to ensure the proposals in the report do not unduly affect people with a protected characteristic.

Climate implications - None

Security implications - None

Conclusion

28. The proposed charges for 2025/26 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.

Appendices

- Appendix 1 – Cleansing Service Charges to Private Landowners
- Appendix 2 – Charges for Schools
- Appendix 3 – Estimated School Income
- Appendix 4 – Clean City Award Fees

Joe Kingston

Assistant Director, Gardens and Cleansing

T: 020 7332 4972

E: joe.kingston@cityoflondon.gov.uk

Appendix 1 - Cleansing Service Charges to Private Landowners

Customer	Current Charge 2024/25 £	Proposed Charge 2025/26 £
Drapers Hall, Footpaths adjacent to Drapers Hall, Throgmorton Avenue	2,541	2,610
Carpenters Hall, Footpaths adjacent to Carpenters Hall, Throgmorton Ave (twice daily sweeping)	6,116	6,281
Total	8,657	8,891

Note: VAT is applicable to these charges.

Appendix 2 – Charges for Schools

Container Type	Current Charge	Proposed Charge	Percentage Increase
	2024/25 £	2025/26 £	
General Waste Bag – roll of 50	132.60	136.18	2.7%
General Waste – 1100L bin per lift	20.72	21.28	2.7%
General Waste – 240L bin per lift	6.62	6.80	2.7%
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 is applicable to these charges</i>			

Appendix 3 - Estimated School Income

Educational Institution	Type of Institution	Estimated Income 2024/25 £'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	17
Guildhall School of Music and Drama (Silk Street)	Further Education Institution	10
Guildhall School of Music and Drama (Sundial Court)	Further Education Institution	18
New Park Nursery	Nursery	4
	Total	81

Note: VAT is applicable to these charges

Appendix 4 - Clean City Award Fees

Type of Business	Current Charge 2024/25 £	No Change 2025/26 £
Small Business	50	50
Facilities Management ***	250	250
Large Business	750	750

*** if more than one site, an additional charge of £50 is made per site.