

City of London Corporation Committee Report

Committee(s): Port Health & Environmental Services Committee - For decision	Dated: 20 January 2026
Subject: Cleansing Services Annual Fees and Charges	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

This report sets out the proposed 2026/27 fees and charges for a range of services provided by the City's Street Cleansing, Waste Collection and Public Conveniences operations.

To maintain financial sustainability an increase by Retail Price Index (RPI) of 4.5% as at October 2025 has been applied, where appropriate, for a number of services.

All proposals align with the City's charging policies such as raising revenue to help cover the costs of these services and contributing to the achievement of policy objectives. They are exclusive of VAT, and will take effect from 1 April 2026.

As requested by Members at the last Committee, the financial viability of providing public conveniences is also discussed in the report and officers outline options for varying the entry fee, currently set at 50p.

The report further seeks Member approval of a new fee structure for Fixed Penalty Notices (FPN) for environmental crimes, namely, fly-tipping and littering, which came into force under The Environmental Offences (Fixed Penalties) (England) Regulations 2023 (“the Regulations”) on 31 of July 2023.

The charges proposed in the report, excluding FPN charges, when taken together, are estimated to generate an income of £359,000 in 2026/27.

Recommendations

Members are asked to approve the following charges in the report with effect from 1 April 2026. These are grouped into three sections.

a) Street Cleaning, Waste Collection and Membership Scheme Charges

(Options are presented at paragraphs 20-22)

- Charges for Street Cleaning services to external clients are increased by 4.5% 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
- The general waste charges for educational establishments are increased by 4.5% 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 £79 to £83 and for the removal of uncollected bagged waste also be increased from £165.52 to £173 for up to 10 bags and £5 per bag thereafter.
- 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.

b) Fixed Penalty Notice Charges

(Options are presented at paragraphs 35-37)

- Approve the proposed new fee structure and discounted rates for Fixed Penalty Notice (FPN) charges for depositing litter and fly tipping.

c) Public Convenience Charges

(Options are presented at paragraphs 47-49)

- Charges for the staffed toilet facilities at Tower Hill and Paternoster Square to remain at 50p per use, but Members to note forthcoming financial pressures and the possibility that this may need to be reviewed later in the financial year.

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 support 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 a 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. Proposed charges for these services are outlined below separated into three distinct sections, each with their own set of recommendations, namely:
 - a) Street Cleansing, Waste Collection and Membership Scheme Charges
 - b) Fixed Penalty Notices
 - c) Public conveniences

a) Street Cleansing, Waste Collection and Membership Scheme Charges

The following charges are proposed, mainly in line with an RPI increase of 4.5%. Options for this section are presented at paragraphs 20-21

Cleansing for Private Landowners

4. The City provides, via its term contractor, cleansing services to two 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 4.5% in line with RPI for those landowners continuing to use the service. The total anticipated income from this service is £9,000 in 2026/27 as shown in Appendix 1.

Special Events Cleansing

5. 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. Increase in costs for these services are covered by the annual contract uplift formula which is linked to staff pay awards and RPI.

6. Income from those services is expected to be circa £60,000 in 2026/27 reflecting the ongoing improvements in business activities in the City.

Removal of Obstructions, Bagged Waste and Fly-Tips

7. Discarded signage and other items are routinely removed from the highway if they pose an obstruction. 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. Currently there is a charge of £79 for this service and it is proposed that this charge be increased to £83 in line with RPI.

Provision of Pocket Ashtrays and Smartbins

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

Bulky Waste Collection

9. 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. 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 2026/27 based on the current demand for the service.
10. In setting these charges the City is conscious of striking a balance between affordability, support for vulnerable groups, and the need to recover costs. This approach ensures that the service remains accessible while securing some financial sustainability.
11. It is important to note that this service is not self-financing as the expenditure exceeds the revenue generated. With a residential population of approximately eight thousand, demand for the service is too small to cover the cost of providing the service, and it cannot be reduced below a certain level to match the income.
12. The estimated net annual cost of delivering the service is £36,000, compared to an anticipated income of £7,000, resulting in a shortfall, although this is budgeted it should be noted by the committee that full cost recovery is not being achieved.
13. Under section 45 of the Environmental Protection Act 1990 local authorities are required to collect household waste including bulky waste. They have discretion, however, to charge or not to charge for bulky waste collections which the vast majority of Local Authorities choose to do.

Clean City Awards Scheme

14. 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 an annual awards dinner and access to several resources for advice and guidance around sustainability. The current charges are in Appendix 4.
15. The anticipated income from membership fees is £20,000 based on the current membership level. A nil increase is proposed to the fee structure, this is subject to a full review of the delivery and charging model, which is currently being undertaken in close collaboration with other areas of the organisation such as the Climate Action team.

Educational Establishments and Charities

16. 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.
17. 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 4.5% in line with RPI, as detailed in Appendix 2.
18. The anticipated income from these schools and educational institutions, as detailed in Appendix 3, is £53,000 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.
19. 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.

Options

20. **Option 1** - Agree the proposed charges to commence from 1 April 2026 as detailed and explained in paragraphs 4-19. **Recommended.**
21. **Option 2** - To keep charges at current levels. This would increase pressure on services as service costs will increase. This would require compensatory savings to be made from frontline services. **Not recommended.**
22. **Option 3** – To increase fees and charges higher than those proposed. This could put the City out of step with commercial providers and other Local Authorities and may result in a loss of business. **Not recommended.**

Proposals

23. There is a need for continuous price review of those services 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.
24. Officers have set charges to recoup the total cost of providing a service including overheads wherever possible, whilst also enabling them to influence demands and to offer subsidised services to those who are vulnerable to encourage use and service access. The proposed fee structure ensures a fair and reasonable price for all services reflecting the ability of the community and organisations to pay.

b) Fixed Penalty Notice Charges

25. The Environmental Offences (Fixed Penalties) (Amendment) (England) Regulations 2023 came in to force on 31 July 2023. The regulations increased the maximum level of Fixed

Penalty Notices (FPN) that Local Authorities (LAs) can levy for environmental offences such as fly-tipping and littering.

26. The legislation allows for Local Authorities' discretion in setting the FPN levels up to the maximum permitted charge, and whether or not to offer a discounted rate for early payment. This flexibility ensures that the FPN charges can be set at an affordable level locally to encourage behaviour change.
27. The two relevant offences which are enforced by City Enforcement Officers are for littering and fly-tipping. The City currently applies the maximum charge for these offences available under the previous legislation. This maximum has been in place for 8 years.
28. The new, maximum penalty charges represent a significant increase. Officers are recommending increasing the FPN levels for these offences, but not to the maximum level. The proposals are set out in the table below.

Offence	Current Penalty Charge Maximum	New Penalty Charge Maximum	Proposed New Charge
Littering (EPA 1990 s.87)	£150	£500	£300
Fly-tipping (EPA 1990 s.33)	£400	£1000	£600

29. Officers believe that this approach strikes the correct balance between being proportionate and reasonable whilst also being significant enough to encourage compliance and is broadly in line with the approach taken by neighbouring local authorities.
30. Increasing the level for FPNs to the maximum upper limit may create the perception that the increase is being used to generate income for the City. The guidance from DEFRA is that FPNs should not be used for revenue purposes, but to encourage compliance.
31. In addition, offenders could claim that maximum charges are unaffordable and therefore, they may seek legal remedies through the court. This route increases the administrative burden for officers and means they are required to spend less time on street and more time collating case files. Any fees which are recovered through this route are also paid to the court and not the Corporation.
32. Officers are also proposing the inclusion of a discounted rate for early payment set at 50% of the full penalty charge. This discounted rate would be applied if payment is made within 10 days. In setting the level of discounted rate, the City is also mindful of setting it at a level that will act as a deterrent to offences whilst fulfilling its duty to ensure its land is kept clear of litter and refuse. Proposed rates are included in the table below.

Offence	Current Penalty Charge	Current Discounted Rate	Proposed Penalty Charge	Proposed Discounted Rate
Littering (EPA 1990 s.87)	£150	£80	£300	£150
Fly-tipping (EPA 1990 s.33)	£400	£180	£600	£300

33. Using a discounted payment also helps reduce the number of cases advancing to the court system, and encourages prompt payment. This is a practice adopted by local authorities for a range of offences under the Environmental Protection Act 1990 and other environmental legislations.
34. It should also be noted that should cases of fly-tipping can ultimately carry 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 if they are found to be guilty.

Options

35. **Option 1** - Agree the proposed charges with discounts to commence from 1 April 2026 as detailed above. Officers believe this strikes a reasonable balance between being proportionate whilst also being at a level which will encourage compliance **Recommended**.
36. **Option 2** - To apply charges at the maximum amount permitted. Offenders could argue that due to affordability, they are unable to make payment. A non-payment of the fine would result in prosecution which is resource intensive. **Not recommended**.
37. **Option 3** – Maintain charges at the current level. Although good levels of compliance are currently being achieved, the increase in FPN levels will allow for stronger incentives to increase compliance further. **Not recommended**.

Proposals

38. If agreed the proposed charges will be implemented from 1 April 2026. Officers will include an update in next year's report which will review the impact changes in penalty charge levels have had on compliance and income.

Public Conveniences Charges

39. Following a report on Public Conveniences to the October meeting of your Committee, Members requested further information on the charges, income and expenditure for staffed public conveniences and the effect which varying these charges would have.
40. The use of public conveniences at Tower Hill and Paternoster Square had improved over the years since the pandemic, although this year footfall is slightly down on previous years. Income levels still remain some way off the amount required to make the service break even (with a net cost in 2024/25 of £556,000), a fact that was highlighted in a recent internal audit of the Environment Department's various service fees and charges.
41. The current entrance fee of 50p has remained the same since its introduction over 10 years ago to ensure affordability for users, despite rising operational and maintenance costs. As this is a non-statutory, discretionary service, local authorities can choose whether or not they charge for the service and at what level, however the City's Financial Regulations require that all fees and charges should fully recover costs or where this objective cannot be met the reasons must be submitted to the relevant Service Committee.

42. The income from these facilities is anticipated to be £210,000 in 2026/27, below the level achieved in the last full year of income of £253,000 in 2024/25.

43. The cost of running these staffed facilities and the impact varying charges would have is outlined in the table below. It should be noted that these figures are based specifically on 2024/25 (the last full year income and expenditure figures are available) given varying levels of income and increase in costs, these figures would be subject to variation in future years.

	50p charge 24/25 Actual	£1 charge 24/25 Adjusted	no charge 24/25 Adjusted
Local risk cost (24/25)	£ 645,000	£ 645,000	£ 645,000
Overheads (24/25)	£ 164,000	£ 164,000	£ 164,000
Income	£ 253,000	£ 506,000	£ -
Total cost	£ 556,000	£ 303,000	£ 809,000

44. By way of comparison, charging for public conveniences varies greatly both locally and in other European cities. Locally, Islington and Kensington and Chelsea, provide their council-owned facilities free of charge whilst Westminster charges between 50p to 80p. Privately owned facilities at locations, such as Camden Market and Covent Garden charge more, £1 and £1.50, respectively. Network Rail removed charging for the use of their facilities in 2019. Paris abolished charging in 2006, Berlin offers free use whilst Madrid charges fees ranging from €0.10 to €0.50. In Rome toilet fees range from €0.50 to €1.50.

45. Members also requested information on the breakdown between contactless and cash transactions. The current split for the past twelve months is approximately 70% contactless usage vs 30% cash, representing an income split of £177,000 for contactless and £76,000 for cash (based on 24/25 income levels). Cash collection currently costs £21,000 pa, whilst costs for using the contactless equipment and software are 5% of the transaction fee and therefore £9,000. Officers believe there is still justification for providing both but it is proposed to keep this under review.

46. The City's current financial position is that City Fund is expected to move into a deficit in 2027/28, and the impact of the Fair Funding Review is still being assessed. The net cost of operating these public conveniences has been absorbed within the Environment Department's budgets for 2026/27 but it is possible that all departments will be asked to identify significant savings in the coming months in order to close the City Fund deficit. In this context it is likely that the provision of non-statutory services will come under increased scrutiny and although there is no pressing need to reduce the costs of this specific service at the time of writing the recommended option below may need to be revisited.

Options

As per Members' request Officers have considered three scenarios for varying charges, and their implications on local risk.

47. **Option 1** - Maintaining the current charge at 50p is budgeted for and is sustainable within the current budget envelope. However, it will mean that due to rising costs the

deficit will continue to grow. **Recommended**

48. **Option 2** - Increasing the charge to £1 would still allow for a single coin transaction and means that the rising costs of service provision are absorbed and the local risk budget is under less pressure moving forward. It should be noted that increasing charging may result in a reduction in footfall which is difficult to predict. **Not Recommended**
49. **Option 3** - Removing the charge completely would mirror the free to use public toilets at locations such as Network Rail stations but would drastically increase the pressure on local risk budgets and mean that compensatory savings would have to be sought elsewhere in the service. It would however be welcomed by members of the public and visitors to the City's main attractions. **Not Recommended**

Proposals

50. As the projected net cost of service provision with the current fee level can be met within the Environment Department's overall local risk budget envelope for 2026/27, it is recommended that charging levels remain the same at 50p for the time being.

Corporate & Strategic Implications

51. **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 Service.
52. Effective enforcement through the Environment Offences Regulations 2023 contributes to the objectives of the City's Corporate Plan 2024/29 and leads to a Sustainable Environment exercising its duty to ensure its land is a kept clear of litter and refuse.
53. **Financial implications** – The setting of appropriate levels of fees and charges is key to ensuring the ongoing financial stability of core cleansing services.

Description	Forecast Income £'000
Private Land Cleansing	9
City Events – Street Cleansing	60
Clean City Awards Scheme Membership	20
Collections from Educational Institutions	53
Bulky Waste Collections	7
Public Conveniences	210
Total	359

54. The proposed 2026/27 charges should produce an estimated income from the services detailed in this report of £359,000.

55. **Resource implications** - None

56. **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

57. The Environmental Offences (Fixed Penalties) (Amendment) (England) Regulations 2023 (“the Regulations”) amend the FPN levels in respect of fly-tipping and littering. The proposals set out in this report reflect changes in legislation and changes to existing fee structure which are legally permissible

58. **Risk implications** – None

59. **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.

60. **Climate implications** – None

61. **Security implications** - None

Conclusion

62. All statutory and non-statutory fees and charges increase annually, or they are frozen as deemed fit in some cases. The proposed charges for 2026/27 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.

63. Local Authorities can set fines for Fixed Penalty Notices within the legislative framework. The proposed penalty charges are set at a level which will act as a deterrent to offending whilst fulfilling its duty to ensure its land is kept clear of litter and refuse. They promote changes in behaviour whilst not charging a penalty disproportionate to the offence committed and discouraging cases proceeding to the court system which is resource intensive for the City.

Appendices

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

Background Papers None attached.

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Appendix 1 - Cleansing Service Charges to Private Landowners

Customer	Current Charge 2025/25	Proposed Charge 2026/27
	£	£
Drapers Hall, Footpaths adjacent to Drapers Hall, Throgmorton Avenue	2,610	2,727
Carpenters Hall, Footpaths adjacent to Carpenters Hall, Throgmorton Ave (twice daily sweeping)	6,281	6,564
Total	8,891	9,291

Note: VAT is applicable to these charges.

Appendix 2 – Charges for Schools

Container Type	Current Charge 2025/26 £	Proposed Charge 2026/27 £	Percentage Increase
General Waste Bag – roll of 50	136.18	142.31	4.5%
General Waste – 1100L bin per lift	21.28	22.24	4.5%
General Waste – 240L bin per lift	6.80	7.11	4.5%
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 2026/27
		£'000
The Aldgate School	State School	8
City of London School	Independent	11
City of London School for Girls	Independent	17
St Paul's Cathedral School	Independent	14
New Park Nursery	Nursery	3
	Total	53

Appendix 4 – Clean City Awards Fees

Type of Business	Current Charge 2025/26	Proposed Charge 2026/27
	£	£
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.