

OPEN

Corporate Policy Committee

30 October 2025

Updated Draft Fees and Charges Policy

**Report of: Ashley Hughes, Executive Director of Resources,
Section 151 Officer**

Report Reference No: CPC/49/25-26

Ward(s) Affected: All wards

For Decision

Purpose of Report

- 1 This report seeks approval for a new Cheshire East Council Fees and Charges policy. This policy will replace the Council's Charging and Trading Strategy from 2017, which requires updating as it does not fully reflect the Council's existing approach to setting fees and charges. The adoption of the new policy will also require the Council's Finance and Contract Procedure Rules to be updated. It is proposed that the new policy is applied to MTFS policy proposals for the 2026-27 budget setting process, with the resulting fees and charges being implemented from April 2026.

Executive Summary

- 2 The Council's existing Charging and Trading Strategy was last updated eight years ago and does not adequately reflect either current practice by the Council or best practice from other councils across the country.
- 3 The new Fees and Charges policy ensures that there will, in future, be full alignment between the policy and the Council's current practice and also brings the Council's approach into line with best practice in other councils.
- 4 The adoption of the new Fees and Charges policy will also require the Council's Finance and Contract Procedure Rules to be amended,

specifically to reflect the responsibility of Corporate Policy Committee to approve any variations from the policy.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Approve the new Fees and Charges Policy as at Annex 1.
2. Approve the proposed changes (as set out in paragraph 7) to the Council's Finance and Contract Procedure Rules.

Background

- 5 Cheshire East Council's current approach to the setting of fees and charges is set out in the Council's Finance and Contract Procedure Rules and a Charging and Trading Strategy (published in 2017).
- 6 The Council's Finance and Contract Procedure Rules permit Heads of Service to set fees and charges for any chargeable goods or services supplied. This delegated approach means the Council risks not having a consistent corporate approach to the setting of fees and charges. This may result in different service areas adopting varying approaches with a consequential inconsistent approach to the subsidy of fees and charges by council taxpayers. This report proposes that a more consistent approach to the setting of fees and charges is embedded in the Council with the application of the default principle that all charges should reflect the full cost of providing the service (including overheads), and that all charges should increase annually in line with inflation. In those instances where proposed fees and charges do not adhere to this default approach, then approval for this variation must be sought from Corporate Policy Committee.
- 7 To reflect these principles the following changes to the Council's Finance and Contract Procedure Rules are proposed:

Para	Existing text	Proposed Change
5.9	<i>Heads of Service shall determine the level of fees or charges payable in respect of any chargeable goods or services supplied, work undertaken or the loan or use of plant, equipment or machinery.</i>	Corporate Policy Committee approves all variations from the 2025 Fees and Charges Policy. New text for Finance and Contract Procedure Rules:

		<i>Corporate Policy Committee will approve any proposal NOT to charge service users the full cost of service provision and/or NOT to increase existing charges by the corporately set level of CPI each year. In addition, the Committee will approve any proposal to offer concessionary prices to service user groups and will approve any proposal to introduce new fees and charges.</i>
5.10	<i>Charges must be reviewed annually by the Corporate Leadership Team in the light of all relevant information, to the service area, including consideration of appropriate inflation factors</i>	CLT will still review all proposed fees and charges as part of Council's established budget setting process. New text formalises the role of Council in the process and commits the Council to publishing a full annual schedule of fees and charges in line with standard practice in other councils: <i>Each year Budget Council will review the complete schedule of proposed fees and charges and approve and publish the schedule as part of the Council's budget for the forthcoming financial year.</i>
5.14	The cost of collection should be taken into account when raising accounts. The Corporate Leadership Team must ensure that the method of collection is the	No change – full cost recovery to include cost of income collection.

	most cost effective relative to the value of the transaction.	
5.15	<i>Payment shall be collected before the service or goods are provided unless explicitly agreed or stated otherwise in the fees and charges register.</i>	No change.

- 8 The Council's existing Charging and Trading Strategy was last updated in 2017 and does not reflect current Council practice or best practice amongst other councils.
- 9 Specifically, the existing Charging and Trading strategy:
- (a) Does not mandate that wherever possible fees and charges should reflect the full cost of service provision. This key principle was included in the 2025-26 Budget Report approved by Council on 26 February 2025, which stated that fees and charges need '*to ensure that they at least cover the cost of services*'.
 - (b) Does not fully reflect the approach taken by the Transformation project on Fees and Charges (reflected in the Council's 2025-26 budget via MTFs Ref No. 55), which is to: '*to compare our existing prices with those of other councils across the country, to identify opportunities to maximise income and fully recover costs of delivery*'.
 - (c) Does not reflect the approach taken by most other councils across the country, which is to maximise income and to ensure that all decisions to subsidise services i.e. to not charge the full cost of service provision, are approved politically.
 - (d) Does not mandate the annual review and uplift of fees and charges in line with inflation. This principle was again included in the 2025-26 Budget Report which stated that fees and charges '*will keep pace with inflation*'.
 - (e) Does not adequately reflect the challenging financial scenario currently facing the Council and the scale of savings required for the Council to maintain financial stability.

- 10 To ensure consistency with the revised Finance and Contract Procedure Rules and current best practice, the new Fees and Charges Policy sets out nine key principles:
- Maximise income – where permitted by legislation, the Council will seek to maximise income from fees and charges to ensure that subsidies from council tax payers are kept to a minimum.
 - Full Cost Recovery – The default position is that charges for discretionary services should reflect the full cost of service, including overheads. It is only in limited circumstances, where demand for the service is elastic (i.e. where demand varies in line with price changes), that a full cost approach may not be possible.
 - Approval for subsidies - Where charges for discretionary services are set at a level below the cost of provision, then approval must be sought for this subsidy in line with the governance set out in this policy.
 - Subsidy reduction/removal – wherever possible subsidies for discretionary services should be reduced with the intention of removing all subsidies completely. Where there is a multi-year transition to full cost recovery, then this must be approved in line with the governance set out in this policy.
 - Benchmarking/comparisons - Charges for discretionary services should be benchmarked against other local authorities and, where the Council is operating in a competitive market, against other service providers.
 - Transparency - Charges must be clear, published, and communicated in advance to service users.
 - Annual Inflation uplift – where permissible, charges will be subject to an annual inflationary uplift, which will be set centrally. Fees should not be frozen from one year to the next and any proposal to do so requires approval from Corporate Policy Committee.
 - Annual Review – all charges must be reviewed each year as part of the annual budget setting process.
 - Payment - service users should pay in advance of service delivery unless there is a clear rationale for collecting the income in arrears.
- 11 The fees and charges within the scope of the proposed new policy are:

- Discretionary services that the Council has the power to provide, but does not have a duty to provide and where charging is permitted under legislation;
- Statutory (non- discretionary services) which the Council has a duty to provide and where charging is permitted, but where the level of charge is determined locally by the Council.

12 The new policy does not apply to:

- Council Tax and Business Rates;
- Statutory services where the level of charge is determined nationally by central Government e.g. planning application fees;
- Contributions to the cost of care, as defined by the Care Act 2014 and other relevant legislation;
- Commercial property rents;
- Services provided to other public bodies under the Local Authority (Goods and Services) Act 1970, which permits the body providing the service to make a surplus.

13 Once approved, it is proposed that the new policy is applied to all existing fees and charges for inclusion in the Council's 2026-27 budget and where appropriate, reflected in MTFS policy proposals. The full schedule of proposed fees and charges for 2026-27 will be recommended by the Council's Executive Director of Resources for consideration by Corporate Policy Committee in January 2026. The schedule will then be presented to Council for approval in February 2026 as part of the consolidated budget report. Any proposals to deviate from the policy for 2026-27 fees and charges e.g. not to apply the corporately set inflationary uplift, will need to be approved by Corporate Policy Committee in January 2026.

14 Once fees and charges have been uplifted for inflation and implemented from April 2026, it is proposed that subsequent inflationary uplifts are applied from January each year i.e. wherever permitted by legislation, annual inflationary uplifts will move forward and be applied from January 2027 and from each January in subsequent years.

Consultation and Engagement

15 This policy will be implemented in policy proposals within the Council's Medium Term Financial Strategy for the period 2026-2030. The Council will engage and consult on the MTFS package and will consider representations prior to the budget being approved in February 2026.

Proposals for specific fees and charges to deviate from the policy will be considered by Corporate Policy Committee.

Reasons for Recommendations

- 16 The adoption of a new Fees and Charges policy and the proposed changes to the Council's Finance and Contract Procedure Rules will mean the two documents are fully aligned with each other and will also ensure consistency with the approach set out in the Council's 2025-26 Budget Report. Furthermore, the recommendations align with the commitment in the Council's Corporate Plan 2021-25 to be 'an effective and enabling council.' In particular, adopting a policy to ensure fees and charges reflect the full cost of providing the service will support the Council's additional Corporate Plan commitment to be a 'financially sustainable council, enabled by council-wide service transformation and improvement.'

Other Options Considered

- 17 The Council's existing Trading and Charging Strategy is out of date and need revising. Continuing to work to the old policy risks the Council adopting an inconsistent approach when setting fees and charges.

Implications and Comments

Monitoring Officer/Legal/Governance

- 18 Under the Local Government Act 2003, the Council can charge for discretionary charges for the services that it provides. Discretionary services are services where the council has the power but it not obliged to provide. The Local Government Act 2000 gave local authorities a general power to promote the economic, social and environmental well-being in local communities. The 2003 Act allows authorities to set the level of the charge for each discretionary service as they think fit within the restriction that the income from charges for each kind of service must not exceed the costs of its provision nor can the Council charge for services that it mandated to provide or has a legal duty to provide.
- 19 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous well-being powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles. This includes the ability to charge for services .
- 20 Currently the Constitution dated July 2025 at Chapter 2 Part 5 paragraph 34 delegation was given to all Executive Directors to determine a Pricing Strategy that articulates the level of fees or charges

payable in respect of any goods or services supplied, work undertaken or the loan or use of plant, equipment or machinery. Therefore, as this does not align with the current proposed policy it is necessary to amend the Constitution with the text provided above. This will then align the Constitution with the proposed policy, if Executive Directors set fees and charges that do not align with the policy, then Corporate Policy Committee approval must be sought.

- 21 The Council has a fiduciary duty at all times to the taxpayers and must fulfil its duty in a way that is accountable to local people as to how it spends its public funds.

Section 151 Officer/Finance

- 22 The adoption of the Fees and Charges policy should ensure that fees and charges reflect the full cost of provision, increase in line with inflation each year and are benchmarked against similar charges made by other councils. These changes should facilitate the generation of increased income from fees and charges with the net revenue impact reflected in service MTFS policy proposals for the period 2026-30.

Human Resources

- 23 There are no direct human resources implications from this report.

Risk Management

- 24 This policy will be enacted via MTFS policy proposals for the period 2026-30 and any impact on the Council's strategic risk register will be considered alongside these proposals.

Impact on other Committees

- 25 This policy will be enacted via MTFS policy proposals for the period 2026-30 and all committees will review these proposals as part of the Council's established budget setting process.

Policy

- 26 This policy will be enacted via MTFS policy proposals for the period 2026-30 and the policy implications of increasing specific fees and charges will be considered as part of the Council's established budget setting process.

Equality, Diversity and Inclusion

- 27 There are no immediate implications associated with this report and its recommendations. Any implications from the application of the policy will be considered as part of the Council's budget setting process.

Other Implications

- 28 There are no immediate implications relating to rural communities, Children and young people, Public Health or Climate Change from this report and its recommendations.

Consultation

Name of Consultee	Post held	Date sent	Date returned
Statutory Officer (or deputy) :			
Ashley Hughes	S151 Officer	21/10/25	22/10/25
Kevin O’Keefe	Interim Monitoring Officer	21/10/25	22/10/25
Legal and Finance			
Julie Gregory	Mandy Withington Principal Lawyer	20/10/25	21/10/25
Steve Reading	Finance Manager Resources		
Other consultees:			
Directors			
Sal Khan	Interim Director Financial Improvement	01/10/25	01/10/25
Chris Benham	Director of Finance		

Access to Information	
Contact Officer:	Steve Wilcock, Interim Finance Manager Steven.wilcock@cheshireeast.gov.uk
Appendices:	Annex 1
Background Papers:	None