



Department for
Communities and
Local Government

Councillor Carl Maynard
Leader, Rother District Council
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Kris Hopkins MP
Minister for Local Government

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Dear Cllr Maynard

Given the continuing need to tackle the deficit left by the last Administration, councils – like the rest of the public sector – need to find sensible savings and make better use of their resources. In this context, I understand that over the course of 2013, your Council implemented changes to your senior management structure which will deliver significant savings for local taxpayers. This type of innovation is certainly to be welcomed. I am writing today in relation to the way that your Council has accounted for any severance payments made to senior staff leaving the organisation as a result of that restructure.

We expect councils to be open and transparent about how they use taxpayers' money and how they make decisions. By doing so, they give local people the information they need to hold their elected leaders to account. The Government recently published the Local Government Transparency Code 2014 which came into effect on 31 October 2014. The Code sets out the minimum data that must be published by councils. The Government has also introduced a range of measures intended to increase the transparency and accountability of local decisions about the pay and reward of staff, particularly senior staff.

In addition, regulations require that expenditure on remuneration for certain senior staff must be reported in an authority's annual Statement of Accounts. That information must be set out according to particular categories, including the total amount of compensation paid for loss of employment paid to each relevant employee. In order to comply with these requirements, most authorities include all relevant payments under each category in a single table, arranged by individual.

I understand that this was not the approach that your Council took in its accounts for 2013-14. Instead, redundancy payments made to your ex-chief executive and two heads of service are included only within a table collating exit payments by cost band and are not accounted for separately. We do not believe that this approach is line with the requirements of the regulations. Importantly, the Council's current approach would not enable local taxpayers to easily identify the level of payments made to departing senior staff. I would be grateful then if you could provide an explanation of your current approach, particularly if the Council has made local taxpayers aware in some other way of the amount spent on these payments.

I am placing this letter in the public domain.

KRIS HOPKINS MP