



Department for Communities and Local Government

Councillor Carl Maynard
Leader of Rother District Council
Town Hall
London Road
Bexhill-on-Sea
TN39 3JX

Kris Hopkins MP
Minister for Local Government

**Department for Communities and Local
Government**
4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

Tel: 0303 444 3460
Fax: 0207 035 0018
E-Mail: kris.hopkins@communities.gsi.gov.uk

www.gov.uk/dclg

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Dear Cllr Maynard

TRANSPARENCY: FAILINGS BY ROTHER COUNCIL

Thank you for your letter of 7 January. The Coalition Government has made a clear commitment to the public that we will make councils – like every part of the public sector - more open, transparent and accountability in how they conduct their business and spend public funds.

There is a clear legal requirement within the Accounts and Audit (England) Regulations 2011 for authorities to publish certain information on senior remuneration in their annual statement of accounts. The secondary legislation sets out the separate elements of remuneration that must be published for certain senior staff. This includes any payments made in connection with the termination of employment. Such payments cannot be protected from disclosure by confidentiality agreements. To be absolutely clear, neither the Code of Local Authority Accounting nor past judgements by the Information Commissioner can override these statutory obligations.

In light of the approach you have taken in your annual statement of accounts, we have taken the opportunity to look at your Council's broader approach to transparency. This has raised further concerns. For example, your Council does not appear to be following best practice on Localism Act pay policy statements. Our guidance states that councils should ensure that pay policy statements are easily accessible to the public as stand alone documents, not hidden in committee papers. Your Council does not appear to have followed this guidance.

Furthermore, I am concerned that the information published on your website on senior salaries does not meet the requirements of the mandatory Local Government Transparency Code 2014 – which simply has been introduced through secondary legislation. Indeed, I note that your Council has stated that it intends to achieve compliance with the Code by April 2015. Councils' statutory obligations under the Code are very clear – the first set of quarterly data had to be published by 31 December 2014 and the first set of annual data had to be published by 2 February 2015. It appears from your website that your Council has not published data in a number of important areas, for example, contracts over £5,000, land and assets, senior salaries, an organisation chart,

trade union facility time, parking revenues, grants to the voluntary sector and the like. This is a significant failing.

In light of this, I have decided to withhold your new burdens funding for 2014-15 in respect of publishing data in 2014-15 under the Code. I will reconsider making a new burdens payment in respect of 2014-15 if you are able to show that the data specified in part 2 of the Code was published in line with the Council's statutory responsibility. However, I must be clear that we will also consider withholding any future payments if it continues to appear that the Council is not complying with the Code, and therefore not incurring any relevant new burden. We may also take into account the extent of your compliance with these statutory obligations in determining your eligibility for future grants.

Your Council also submitted an Expression of Interest to become a statutory notice pilot. At the heart of the pilot scheme is how councils convey decisions to local people which may affect their lives, property or amenity. We carefully considered, therefore, whether your Council's apparent non-compliance with statutory transparency obligations should preclude you from becoming a pilot – some may argue that your council should not be a pilot if it cannot be transparent about things like contracts, assets, senior salaries etc. However, on balance excluding you from the pilot would have meant penalising other councils with whom you propose to work to deliver it and we think it would be wrong to penalise them simply because your Council is not performing well on the transparency agenda. Therefore, we have decided to include your Council in the statutory notice pilot programme and this has been conveyed to your officials.

Councils should aim to provide the highest standards of transparency, particularly in how they spend local taxpayers' money, and certainly meet their legal duties. The public expect no less. It is our view that, as it stands, your Council is failing to do so. I would therefore urge you to use the coming weeks to ensure that your authority takes the necessary remedial action and to ensure that local taxpayers in Rother have access to all the information that they have a right to expect.

I am publishing a copy of this letter on my department's website.

A handwritten signature in black ink, appearing to read 'Kris Hopkins', with a horizontal line underneath.

KRIS HOPKINS MP