

Meeting:	Standards Committee
Date:	19 September 2006
Subject:	Indemnity for Members
Responsible Officer:	John Robinson, Director of Corporate Governance
Contact Officer:	John Robinson
Portfolio Holder:	David Ashton – Business Development
Key Decision:	No
Status:	Part 1

Section 1: Summary

Decision Required

To note the report.

Reason for report

To update Members on a recent legislative change.

Cost of Proposals

Covered by Insurance.

Risks

Members need to know this information if a complaint is made.

Section 2: Report

2. Background

- 2.1 Regulations have been made which give local authorities the power to indemnify Members against legal costs incurred in defending themselves against an allegation of breach of the Code of Conduct.
- 2.2 It is usual for a lawyer to present the case against a Councillor and for a lawyer to advise the Standards Committee (or Hearing Panel). As some cases can be complicated and the consequences severe and Members may choose to arrange legal representation but they must bear the cost themselves.
- 2.2 It must be noted that there are drawbacks to the powers of the Council to indemnify Members. The legal costs is limited to £50,000 per claim, and more importantly, if the complaint is upheld, the Councillor must repay the legal costs incurred.
- 2.5 In addition, the insurance company may impose some restrictions on the level of legal support that can be financed. Clearly some cases would not warrant the use of very senior barristers.
- 2.6 As the power to indemnify members is available to Harrow, in practice if an allegation is made against a Councillor,
- (a) the Councillor will be advised of the possibility of the Council providing an indemnity for legal costs; and
 - (b) clarification would be obtained from the insurance company as to what is covered and what conditions might apply.

Options Considered

Not indemnifying Members. As the cost of insurance is minimal it is considered Members should be given the opportunity of seeking indemnity.

Consultation

None

Financial Implications

Cost of Insurance cover per member is £25.00 per member. The Council's insurers have confirmed that the Members Code of Conduct insurance does not have an excess. This additional cost will need to be contained within existing budgets.

Legal Implications

The Local Authorities (Indemnities for Members and Officers) Order 2004, gives local authorities the power to indemnify members against legal costs incurred in defending themselves against an allegation of breach of the Code of Conduct

Equalities Impact

None

Section 17 Crime and Disorder Act 1998 Considerations

None

Section 3: Supporting Information/Background Documents

Background Documents: None.