

REPORT OF MONITORING OFFICER

SUBJECT: VOLUNTARY CAP ON INDEMNITIES

Purpose of Report

The purpose of the report is to inform Members of proposals made by the Minister for Local Government and Communities regarding a voluntary cap on indemnities provided to Members.

Background

Under the Local Authorities (Indemnities for Members and Officers) (Wales) Order 2006, local authorities may but do not have to provide an indemnity for Members in respect of legal costs incurred in relation to misconduct proceedings brought against them under the Local Government Act 2000. The authority also provides and pays for an insurance policy with DAS Insurance.

Current situation / proposal

The Public Services Ombudsman for Wales has raised concern in respect of the level of indemnities that some Members have received and he has therefore expressed the view that he would be prepared to agree to a voluntary cap on legal costs in such matters.

Following consultation with the Welsh Local Government Association, it has been suggested that a voluntary cap of £20,000 on the level of indemnity offered by Authorities to Members subject to proceedings be introduced and a number of Authorities have responded positively to this proposal.

The Standards Committee has the function of determining whether an indemnity is provided. In the event of an indemnity being provided and the Member concerned not being successful in the matter the indemnity must in any event be repaid.

Effect upon Policy Framework & Procedure Rules

There is no impact on the policy framework and procedure rules.

Equality Impact Assessment

There are no equality implications arising from this report.

Financial Implications

There are no financial implications as the authority provides an insurance policy.

Recommendation

The National Park Authority is recommended to approve the adoption of a voluntary cap of £20,000 on the level of indemnity offered for Member code of conduct proceedings.