

CALL-IN OF CABINET DECISION

REPORT OF THE LEGAL SERVICES MANAGER

Provision of Indemnities in Respect of Legal Costs

The report sought Cabinet's agreement to grant indemnities in respect of legal costs likely to have to be incurred by Councillor Peter Jackson, Councillor John Riddle and Mrs Daljit Lally OBE in respect of the matters outlined in the report.

The Democratic Services Manager has received a Member request to 'call in' the decision of the Cabinet taken at their meeting on 24 July 2018 that:

RESOLVED unanimously that an indemnity be provided to Councillors Peter Jackson and John Riddle, and to Mrs Daljit Lally OBE for the purposes of obtaining independent legal advice and representation in respect of the action proposed by the developers of the Dissington Garden Village, and a similar indemnity be provided to Councillor Peter Jackson and Mrs Daljit Lally OBE in respect of action proposed by a former employee, subject to the following terms:

- a. That it covers, retrospectively, and on the terms set out below, the cost of any legal advice which they have obtained in respect of this matter between the issuing of the letter before action on 28 June and the date of this approval;
- b. That the fees of the legal representatives payable by the Council are capped at a level to be agreed by the Council's Cabinet;
- c. That the indemnity is restricted to £10,000 in the first instance with any further advance in tranches of no more than up to £15,000 on each occasion; which extension is only to be agreed following receipt of Counsel's opinion that it is reasonable for the Council to extend the indemnity;
- d. That any costs recovered via any orders or negotiated settlement made in favour of Councillors Jackson, Riddle and Mrs Lally are paid to the Council;
- e. That the indemnity will not apply to legal representation for any action committed by Councillors Jackson and Riddle and Mrs Lally which is outside their authority from the Council; where their actions were fraudulent, deliberately wrong or reckless or not authorised by the Council; were outside the powers of the Council; or where the matter exceeded their own powers and it was not reasonable for them to believe that their actions were within those powers;
- f. That if a Court finds that if all of any of Cllrs Jackson and Riddle, or Mrs Lally behaved improperly, illegally and outside their authority in relation to the

developers, then the Council is entitled to be refunded all costs paid out under the indemnity.

The reason for the call-in is that the decision was not taken in accordance with Article 13 of the constitution, namely:

- (a) ***proportionality (ie the action must be proportionate to the desired outcome);***
- (b) ***due and appropriate consultation and the taking of professional advice from officers;***
- (c) ***a presumption in favour of openness, and***
- (d) ***clarity of aims and desired outcomes.***
- (e) ***respect for human rights***

The decision will be considered by the:

**CORPORATE SERVICES AND ECONOMIC GROWTH OVERVIEW AND
SCRUTINY COMMITTEE**

**Monday 3 September 2018 at 10:00 a.m.
County Hall, Morpeth, NE61 2EF**

**J. ROLL
DEMOCRATIC SERVICES MANAGER**