

---

**Section 2.2 – Governance**

---

**POLICY 2.2.8 – LEGAL REPRESENTATION FOR ELECTED MEMBERS AND EMPLOYEES****OBJECTIVE**

Under the *Local Government Act 1995*, the City's 'good government' powers allow it, in appropriate circumstances, to pay for the Legal Representation Costs of an individual Elected Member or Employee.

This Policy sets out guidelines to assist the Council in determining when it is appropriate to pay Legal Representation Costs.

This Policy does not cover legal representation provided to, or on behalf of, the City.

**Explanation of Key Terms**

**Approved Lawyer** is to be:

- (a) a 'certificated practitioner' under the *Legal Practice Act 2003*;
- (b) from a law firm on the City's panel of legal service providers, unless the Council considers that this is not appropriate – such as where there is or may be a conflict of interest or where a law firm from the panel does not have the specific expertise that is required; and
- (c) approved in writing by the Council.

**Elected Member or Employee** means a current or former Commissioner, Elected Member or Employee of the City.

**Legal Proceedings** may be civil, criminal or investigative (including an inquiry under any written law).

**Legal Representation** is the provision, to or on behalf of an Elected Member or Employee, by an Approved Lawyer of Legal Services that are in respect of:

- (a) a matter or matters arising from the performance of the functions of the Elected Member or Employee; and
- (b) Legal Proceedings involving the Elected Member or Employee that have been, or may be, commenced.

---

## Section 2.2 – Governance

---

**Legal Representation Costs** are the costs, including fees and disbursements, properly incurred in providing Legal Representation.

**Legal Services** includes advice, representation or documentation that is provided by an Approved Lawyer.

**Payment** by the City of Legal Representation Costs may be either by:

- (a) a direct payment to the Approved Lawyer (or the relevant law firm); or
- (b) a reimbursement to the Elected Member or Employee.

### GUIDELINES

#### 1 Statements of principle

The City may pay all or part of the Legal Representation Costs of an Elected Member or Employee when it is satisfied that the Payment is in the interests of the City.

#### 2 Payment criteria

There are three major criteria for determining whether the City should pay the Legal Representation Costs of an Elected Member or Employee. These are:

- (a) the Legal Representation Costs must relate to a matter that arises from the performance, by the Elected Member or Employee, of his or her functions;
- (b) the Legal Representation Costs must be in respect of Legal Proceedings that have been, or may be, commenced; and
- (c) in performing his or her functions, to which the Legal Representation relates, the Elected Member or Employee must have acted in good faith, and must not have acted unlawfully or in a way that constitutes improper conduct.

#### 3 Examples of Legal Representation Costs that may be approved

3.1 If the criteria in clause 2 are satisfied, the City may approve the Payment of Legal Representation Costs:

- (a) where proceedings are brought **against** an Elected Member or Employee in connection with his or her functions – for example, an action for defamation or negligence arising out of a decision made or action taken by the Elected Member or Employee;
- (b) for involvement in a statutory or other inquiry that requires information to be given, or to which information is given, by an Elected Member or Employee in connection with his or her functions; or

---

**Section 2.2 – Governance**

---

- (c) to enable proceedings to be commenced and/or maintained **by** an Elected Member or Employee to permit him or her to carry out his or her functions – for example, where an Elected Member or Employee seeks a restraining order against a person using threatening behaviour.

3.2 The City will not approve the Payment of Legal Representation Costs to an Elected Member or Employee for a defamation action, or a negligence action, instituted by the Elected Member or Employee.

**4 Application for payment**

4.1 An Elected Member or Employee who seeks assistance under this Policy is to make an application(s) for Payment of Legal Representation Costs.

4.2 The application:

- (a) is to be made in writing to the Council; and
- (b) is to give details of:
  - (i) the matter for which Legal Representation is sought;
  - (ii) how that matter relates to the functions of the relevant Elected Member or Employee;
  - (iii) the lawyer (or law firm) who is to be asked to provide the Legal Representation;
  - (iv) the nature of Legal Representation to be sought (such as advice, representation in court, preparation of a document etc);
  - (v) the estimated cost (if known) of the Legal Representation; and
  - (vi) why it is in the interest of the City for Payment to be made;
- (c) is to contain a declaration by the applicant that he or she has acted in good faith, and has not acted unlawfully or in a way that constitutes improper conduct in relation to the matter to which the application relates; and
- (d) so far as possible, is to be made before seeking the Legal Representation to which the application relates.

4.3 The application is to be accompanied by a written statement by the applicant that he or she:

- (a) has read, and understands, the terms of this Policy;

---

**Section 2.2 – Governance**

---

- (b) acknowledges that any approval of Legal Representation Costs is conditional on the repayment provisions of clause 8 and any other conditions to which the approval is subject; and
- (c) undertakes to repay to the City any Legal Representation Costs in accordance with the provisions of clause 8.

4.4 An application is also to be accompanied by a report prepared by or on behalf of the CEO or, whether CEO is the applicant, by the Director Corporate Services and Resource Management.

**5 Legal Representation Costs - limit**

- 5.1 Unless otherwise determined by the Council, payment of Legal Representation Costs in respect of a particular application is not to exceed \$5,000.
- 5.2 An Elected Member or Employee may make a further application in respect of the same matter.

**6 Council's powers**

- 6.1 The Council may:
  - (a) refuse;
  - (b) grant; or
  - (c) grant subject to conditions, including a financial limit,an application for payment of Legal Representation Costs.
- 6.2 A condition under clause 6.1 may include a financial limit and/or a requirement to enter into a formal agreement, including a security agreement, relating to the payment, and repayment, of Legal Representation Costs.
- 6.3 In assessing an application, the City may have regard to any insurance benefits that may be available to the applicant under the City's Councillors and Officers insurance policy (or its equivalent).
- 6.4 The Council may at any time revoke or vary an approval, or any conditions of approval, for the payment of Legal Representation Costs.
- 6.5 The Council may, subject to clause 6.6, determine that an Elected Member or Employee whose application for Legal Representation Costs has been approved has, in respect of the matter for which Legal Representation Costs were approved:
  - (a) not acted in good faith, or has acted unlawfully or in a way that constitutes improper conduct; or

---

## Section 2.2 – Governance

---

(b) given false or misleading information in respect of the application.

6.6 A determination under clause 6.5 may be made by the Council only on the basis of, and consistently with, the findings of a court, tribunal or inquiry.

6.7 Where the Council makes a determination under clause 6.5, it may also determine that all or part of the Legal Representation Costs paid by the City are to be repaid by the Elected Member or Employee in accordance with clause 8.

### 7 CEO's powers

7.1 In cases of urgency, the CEO, subject to clause 7.2, may exercise, on behalf of the Council, any of the powers of the Council under clauses 6.1 and 6.2, to a limit of \$2,000.

7.2 Where the CEO is the applicant, the powers in clause 7.1 are to be exercised by the Director Corporate Services and Resource Management.

7.3 An application approved by the CEO under clause 7.1, or by the Director Corporate Services and Resource Management under clause 7.2, is to be submitted to the next meeting of the Council which may exercise any of its powers under this Policy, including its powers under clause 6.4.

### 8 Repayment of Legal Representation Costs

8.1 An Elected Member or Employee whose Legal Representation Costs have been paid by the City is to repay the City:

(a) all or part of those costs – in accordance with a determination by the Council under clause 6.7; or

(b) as much of those costs as are available to be paid by way of set-off – where the Elected Member or Employee receives monies paid for costs, damages, or settlement, in respect of the matter for which the City paid the Legal Representation Costs.

8.2 The City may take action in a court of competent jurisdiction to recover any monies due it under this Policy.

---

Previous Policy No:	A2-12, EM15
Amendments:	CJ213-06/99, CJ001-02/01
Issued:	March 2001
Related Documentation:	Delegated Authority Manual

---

---

**Section 2.2 – Governance**

---

## MODEL POLICY

### LEGAL REPRESENTATION FOR ELECTED MEMBERS AND EMPLOYEES

#### POLICY OBJECTIVE

To allow the *City/Town/Shire*, in appropriate circumstances, to provide financial assistance to elected members and employees towards the cost of legal representation, where legal proceedings have been, or may be, commenced against them in relation to matters arising from the performance of their functions.

Financial assistance will not be provided for the payment of legal representation for a defamation action, or a negligence action, initiated by an elected member or employee.

This Policy does not cover legal representation provided to, or on behalf of, the *City/Town/Shire*.

#### EXPLANATION OF KEY TERMS

**Approved lawyer** is to be:

- (a) a 'certified practitioner' under the Legal Practitioners Act 1893;
- (b) from a law firm on the *City/Town/Shire's* panel of legal service providers, unless the Council considers that this is not appropriate – such as where there is or may be a conflict of interest or where a law firm from the panel does not have the specific expertise that is required; and
- (c) approved in writing by the Council.

**Legal proceedings** may be civil, criminal or investigative (including an inquiry under any written law).

**Legal representation** is the provision, to or on behalf of an elected member or employee, by an approved lawyer of legal services that are in respect of;

- (a) a matter or matters arising from the performance of the function of the elected member or employee; and
- (b) legal proceedings that have been, or may be, commenced.

**Legal representation costs** are the costs, including fees and disbursements, properly incurred in providing legal representation.

**Legal services** includes advice, representation or documentation that is provided by an approved lawyer.

**Payment** by the *City/Town/Shire* of legal representation cost may be either by:

- (a) a direct payment to the approved lawyer (or the relevant firm); or
- (b) a reimbursement to the elected member or employee.

## 1. Payment Criteria

There are three major criteria for determining whether the *City/Town/Shire* will pay the legal representation costs of an elected member or employee. These are:

- (a) the legal representation costs must relate to a matter that arises from the performance, by the elected member or employee, of his or her functions;
- (b) the legal representation cost must be in respect of legal proceedings that have been, or may be, commenced; and
- (c) in performing his or her functions, to which the legal representation relates, the elected member or employee must have acted reasonably and in good faith, and must not have acted unlawfully or in a way that constitutes improper conduct.

## 2. Examples of legal representation costs that may be approved

2.1. If the criteria in clause 1 of this policy are satisfied, the *City/Town/Shire* may approve the payment of legal representation costs:

- (a) where proceedings are brought against an elected member or employee in connection with his or her functions – for example, an action for defamation or negligence arising out of a decision made or action taken by the elected member or employee; or
- (b) for involvement in a statutory or other inquiry requiring information to be given, or to which information is given, by an elected member or employee in connection with his or her functions.
- (c) to enable proceedings to be commenced and/or maintained by an elected member or employee only in circumstances so as to permit him or her to carry out his or her functions – for example, where an elected member or employee seeks a restraining order against a person using threatening behaviour;

2.2 The *City/Town/Shire* will not approve the payment of legal representation costs to an elected member or employee for a defamation action, or a negligence action, instituted by the elected member or employee.

## 3. Application for payment

3.1 An elected member or employee who seeks assistance under this policy is to make a written application.

3.2. The written application for payment of legal representation costs is to give details of:

- (i) the matter for which legal representation is sought;
- (ii) how that matter relates to the functions of the elected member or employee making the application;
- (iii) the lawyer (or law firm) who is to be asked to provide the legal representation;
- (iv) the nature of legal representation to be sought (such as advice, representation in court, preparation of a document etc; and

- (v) an estimated cost of the legal representation.
- 3.3 As far as possible the application is to be made before seeking the legal representation to which the application relates.
- 3.4 An application for payment of legal representation costs is to be accompanied by a written statement by the person making the application that he or she;
  - (a) has read, and understands, the terms of this Policy;
  - (b) acknowledges that any approval of legal representation costs is conditional on the repayment provisions of clause 9 and any other conditions to which the approval is subject; and
  - (c) undertakes to repay to the *City/Town/Shire* any legal representation costs in accordance with the provisions of clause 7.
- 3.5 An application is also to be accompanied by a report prepared by, or on behalf of, the CEO.

#### **4. Legal representation costs – Limit**

Unless otherwise determined by Council, payment of legal representation costs for each elected member or employee in respect of a particular matter is not to exceed \$5,000.

#### **5. Council's powers**

- 5.1 The Council may:
  - (a) refuse
  - (b) grant; or
  - (c) grant subject to conditions,an application for payment of legal representation costs.
- 5.2 Conditions under clause 5.1 may include, but are not restricted to, a financial limit and/or a requirement to enter into a formal agreement relating to the payment, and repayment, of legal representation costs.
- 5.3 The Council may at any time revoke or vary an approval, or any conditions of approval, for the payment of legal representation costs.
- 5.4 The Council may at any time determine that an elected member or employee whose application for legal representation costs has been approved has, in respect of the matter for which legal representation costs were approved:
  - (a) not acted in good faith, or has acted unlawfully or in a way that constitutes improper conduct; or
  - (b) given false or misleading information in respect of the application.
- 5.5 Where the Council makes a determination under clause 5.3, the legal representation costs paid by the *City/Town/Shire* are to be repaid by the elected member or employee in accordance with clause 7.

#### **6. Chief Executive Officer's powers**

- 6.1 In cases where a delay in the approval of an application will be detrimental to the legal rights of the applicant, the CEO may exercise, on behalf of the Council, any of the powers of the Council under clause 5.1 and 5.2, to a limit of \$5,000 in respect of each application.
- 6.2 An application approved by the CEO under clause 6.1 is to be submitted to the next ordinary meeting of the Council which may exercise any of its powers under this Policy, including its powers under clause 5.3.
- 7. Repayment of legal representation costs**
- 7.1 An elected member or employee whose legal representation cost have been paid by the *City/Town/Shire* is to repay the *City/Town/Shire*:
- (a) all or part of those costs – in accordance with a determination by the Council under clause 5.3;
  - (b) as much of those costs as are available to be paid by way of set-off – where the elected member or employee receives monies paid for costs, damages, or settlement, in respect of the matter for which the *City/Town/Shire* paid the legal representation costs.
- 7.2 The *City/Town/Shire* may take action in a court of competent jurisdiction to recover any monies due it under this Policy.