

MEETING OF MIDDLESBROUGH COUNCIL

At the Meeting of Middlesbrough Council, lawfully convened, and held in the Town Hall, Middlesbrough on 15 February 2017.

PRESENT: Councillors S E Bloundele (Chair), R Brady (Vice-Chair), R Arundale, S Biswas, J Blyth, D J Branson, J Brunton, Mr D Budd, M Carr, J G Cole, D P Coupe, E Dryden, J Goodchild, A Hellaoui, C Hobson, J Hobson, B A Hubbard, N Hussain, T Lawton, L Lewis, T Mawston, J McGee, L McGloin, J McTigue, G Purvis, P Purvis, J Rathmell, C M Rooney, D Rooney, J Rostron, M Saunders, M Storey, B E Taylor, M Thompson, Z Uddin, J A Walker, N J Walker, M Walters and L Young

OFFICERS: M Allinson, P Campbell, B Carr, G Field, L Henman, A Hoy, A Pain, K Parkes, T Parkinson, B Roberts and J Shiel

APOLOGIES FOR ABSENCE were submitted on behalf of Councillors Councillor P Cox, Councillor D Davison, Councillor S Dean, Councillor T Harvey, Councillor T Higgins, Councillor D McCabe, Councillor F McIntyre, Councillor J Sharrocks.

DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item/Nature of Interest
Councillor B Brady	Non-Pecuniary	Agenda Item 12 - Member of Teesside Pension Fund
Councillor Hellaoui	Non-Pecuniary	Agenda Item 12 - Member of Teesside Pension Fund
Councillor C Hobson	Non-Pecuniary	Agenda Item 12 - Member of Teesside Pension Fund
Councillor Hubbard	Non-Pecuniary	Agenda Item 12 - Member of Teesside Pension Fund
Councillor J McGee	Non-Pecuniary	Agenda Item 12 - Member of Teesside Pension Fund
Councillor D Rooney	Non-Pecuniary	Agenda Item 12 - Member of Teesside Pension Fund
Councillor J Rostron	Non-Pecuniary	Agenda Item 12 - Member of Teesside Pension Fund
Councillor M Thompson	Non-Pecuniary	Agenda Item 12 - Member of Teesside Pension Fund

1 MINUTES - COUNCIL MEETING - 11 JANUARY 2017

The minutes of the Council meeting held on 11 January 2017 were submitted and approved as a correct record.

A member commented that when a number of members had left the meeting it had not been included in the minutes and a point of order had not been recorded. The Chair advised that a decision had been made not to note when members left the meeting.

2 ANNOUNCEMENTS/COMMUNICATIONS

There were no Announcements or Communications for this meeting.

NOTED**3 MAYOR'S STATEMENT AND REPORT**

The Mayor advised that he wished to speak about three things at the meeting: (i) The circumstances surrounding the decision of Surrey County Council to abandon the proposed referendum to decide on a 15% increase in the Council Tax; (ii) The appointment of his Mayoral Assistant (iii) An article in the Gazette regarding empty offices in Middlesbrough.

The Mayor advised that that in response to Surrey County Council's decision to abandon the Council's proposed referendum in respect of a 15% increase in Council Tax in strange circumstances, the Mayor along with the leaders of 61 other labour local authorities had signed a letter to the Prime Minister which asked the following questions:

- a. Was a deal struck for Surrey County Council?
- b. If so, what are the details of the deal?
- c. Why was a special deal struck with Surrey behind closed doors?
- d. Does the Government finally recognise that local Government is grossly underfunded and is that why they have given a special deal to Surrey?
- e. Does the Government now recognise that there will be a £2.6bn shortfall in social care funding by 2020?
- f. If a deal was struck, will Ministers offer the same deal given to Surrey to all councils, regardless of political affiliation, when the Local Government finance settlement is published on 22nd February?

The letter followed details of messages that had been leaked which appeared to show Surrey County Council's leader negotiating with the government to call off a referendum on the Council Tax rise for Surrey County Council. The letter advised that there was a crisis in social care, resulting from the Conservative Government's cuts to local authority funding and it urged the Government to provide a proper solution, which would mean providing councils with the funding they needed to solve this crisis.

The Mayor read the letter out to the meeting and advised that there had been no response to the letter but he highlighted that the Surrey County Council budget had been changed without any notice to the County Council. The Mayor advised that he would be interested to hear members views on this issue.

The Mayor announced that he had appointed Luke Henman to be his Mayoral Assistant at a fixed point salary of £34,195 and he stated that he would confirm the appointment in writing with the relevant terms and conditions.

The Mayor referred to a recent article in the Evening Gazette in relation to empty office space in Middlesbrough. The Mayor advised that of 20 previously empty office buildings, 11 had been brought back into use one was under conversion and with active proposals for five. There was only three empty offices where there were no current plans. The Mayor outlined the economic advantages of the regeneration of the empty offices. There was no appetite from developers to change 1970's buildings into 21st century buildings which was why there was a requirement to build new more modern facilities.

The Mayor advised that a report was due to be submitted to Executive next week regarding office development and existing empty offices. He advised that regeneration was the core point of the investment prospectus.

A number of Members responded to the Mayor's report and congratulated him on signing the letter to the Prime Minister and highlighted the need for social care to be funded properly. Members also congratulated the Mayor on the Council's proposals in respect of the development of office space.

A Member queried when the development of the empty office space would come to fruition. The Mayor advised that 11 had already been completed, one was under conversion and five were subject to active proposals.

A member advised that she had met with the leader of Surrey County Council and he had been clear that no deal had been offered by the Government to Surrey County Council. The member expressed concern at the fact that the texts from the Leader of Surrey County Council had been leaked.

The Chair of Health Scrutiny Panel referred to the seminar that had been organised in respect of the Sustainable Transformation Plan (STP). He advised that the plan could radically change the way in which health services were delivered in the town. He requested that members be

involved before the signing off of the STP. The Mayor advised that he was happy to agree to that.

A member advised that the Council had appointed four new apprentices in February 2017 and they had been appointed at NVQ level one grade. This meant that the apprentices would receive £3.40 an hour. The member urged the Mayor to look into this situation and consider whether apprentices should receive the minimum living wage. The Mayor advised that this issue was already being considered at Tees Valley level and he was happy to look into it but he could not make any predictions or promises regarding the outcome.

4 **DEPUTY MAYOR AND EXECUTIVE MEMBER REPORTS**

The Chair invited Members to raise items for general discussion arising from the Information Booklet of Executive Member reports which detailed activities carried out within the respective Executive Member portfolios (Section 1), Executive decisions taken (Section 2) or to be taken where known, prior to and following the meeting (Sections 3 and 4).

Members commented and posed questions in relation to the following matters and Executive Members responded where appropriate:-

a) Snow Centre

A member referred to point 1 of the report of the Deputy Mayor and Executive Member for Regeneration and he acknowledged that the application was due to be submitted to the Planning and Development Committee. He queried whether the Executive Member had further information in relation to the proposal. The Executive Member advised that approximately 300 jobs would be created and the proposal represented a £30m investment. It would bring retail outlets, possibly including a ski shop and a hotel. The roads surrounding the area would be redefined and the whole area would be opened up to investment.

b) Cycles

A member referred to point 7 of the report of the Deputy Mayor and Executive Member for Regeneration and advised that he had previously been involved in provision of a facility for people to cycle. He commented that people were sometimes hesitant to use cycles because there were few facilities to park bikes. He acknowledged that some public buildings did have bike parking facilities, but many did not. He requested the Executive Member to look at the issue of bike parking facilities.

The Executive Member advised that the Council was keen to encourage cycling. A Cycling Centre had been opened along which people could use free of charge and there was also a Cycling Academy. He advised that the Town Hall and Middlesbrough College both had bike parking facilities and there were cycling parking facilities throughout the town and he commented that all employers should be encouraged to provide bike parking facilities.

c) Public Transport

A member referred to point 7 of the report of the Deputy Mayor and Executive Member for Regeneration with regard to the Tees Valley Access Fund. He referred to the £3m secured by the Tees Valley Combined Authority to encourage more people to cycle, walk and use public transport. The member stated that the number of bus services had been reduced because Councils could no longer afford to subsidise bus services. Only one bus service was operating in South Middlesbrough and some areas did not have any. The lack of bus facilities affected people trying to get work and people accessing the town. Along with other Councillors, the member was involved in a Sub Committee to set up a community transport bus between Stainton and Nunthorpe. He stated that he would be pleased if some of the £3m could be used to support the bus service.

The Executive Member advised that he would like to encourage people to use other forms of travel and community transport could be the way forward. The problem the Council had was sustainability in the long term and subsidising buses in the short term could lead to

disappointment. Discussions had been held with Stagecoach with regard to people accessing foodbanks having access to free travel.

d) Maternal Infant and child health strategic partnership

A member congratulated the Council and the CCG on the maternal and child health strategic work particularly in relation to Post Natal Depression. The member advised that mental health was something that needed to be taken seriously especially in respect of people who had given birth. Referrals for new mothers had gone up from one in 2014 to 280 in 2016. The member suggested that the Clinical Commissioning Group and the Council could work together perhaps with the National Birthplace Trust to fund Breastfeeding Peer Support Workers and it was suggested that some joint working could be established. The Executive Member suggested that it could be incorporated into the work of the Public Health Team and discussions could be held on how to progress this.

e) Books on Prescription for Young People

A member referred to point 15 of the report of the Executive Member for Communities and Public Health with regard to funding received from South Tees CCG to pilot a self-help reading scheme, aimed at young people, in partnership with GP surgeries. The scheme involved a collection of books being available in GP surgeries and in selected community hub libraries. The member urged everyone to support the use of the resource, in the hope that it would become a fixed resource.

The Executive Member advised that according to the figures for the issue of books, the scheme had been very successful. He stated that some of the books were about self-help around mental health and sexual health and he hoped the scheme would be extended beyond the pilot phase.

f) Captain Cook Birthplace Museum

A member congratulated the Council on the work carried out at the Captain Cook Birthplace Museum and the fact that the museum would be re-opening soon. The member commented that there had been a number of rumours about the closure of the museum and the fact that the museum was due to re-open in May should reassure members of the public.

Another member added his congratulations on the news that the newly refurbished museum would be re-opening in May 2017, he congratulated a member on his campaign to keep the museum open and he queried about the future of the cafe.

The Executive Member for Culture, Leisure and Sport advised that there could be a delay in the re-opening of the museum because of the structural works to the museum but it was still expected to open in May 2017. There had been informal interest in the cafe, however the tendering process had not yet commenced.

g) Public Poetry Project

A member commented that he had viewed the first piece of public poetry on the gable end of Subway on Baker Street and it had been very eye-catching.

The Executive Member for Culture, Leisure and Sport advised that the initiative was high impact but low cost. The next phase would be at 11 King Edwards Square. It was anticipated that the next stages would be to take Public Poetry into residential areas.

h) Arts Council Funding

A member referred to the three bids that had been submitted to the Arts Council under its National Portfolio scheme on 1 February for annual funding support for 2018 - 2022. The member advised that the Culture White Paper 2016 called for leaders to embrace culture and this was exactly what was happening in Middlesbrough. The member congratulated the Executive Member on the achievements in Middlesbrough and stated that Councils should not

be restricted to delivering statutory duties and the way Middlesbrough was looking to expand its culture offer was great for the future generation.

The Executive Member advised that the Council had submitted a bid under the National Portfolio scheme, which if successful, had the potential to bring in funding of up to £4m to enable the Council to work with artists in the area to enhance the town.

i) Holmwood School

A member stated that she would like to compliment the staff and pupils of Holmwood School for being the top performing school out of nearly 1000 special primary schools in the DfE's performance tables for special schools in 2016. The school was 4th in the table for progress in writing and 1st in Maths and Reading. The school were 4th in attainment for reading but 1st in grammar, punctuation and spelling and maths. The member stated that she was very proud of the pupils and staff and was proud to be a governor of the school.

A member stated that Holmwood School was in Ladgate Ward and added her congratulations to the school on their achievement.

The Executive Member for Education and Skills congratulated the school on their achievement and advised that the staff at Holmwood inspired their pupils and it was great to celebrate the success of the school.

j) Bereavement Services

A member commented on the ongoing improvements and investment in respect of Teesside Crematorium. The member commented that Bereavement Services had been a scrutiny topic the previous year and the developments in respect of the Crematorium demonstrated how Scrutiny and Executive Members could work together with staff to bring about improvements.

k) Adult Social Care

A member advised that she had written to the Prime Minister to advise of her concerns regarding the proposed Social Care Council Tax precept to fund Social Care. The member pointed out that residents struggled to pay the Council Tax. The member highlighted that under the previous Mayor the Council tax had been increased by 12% and the Middlesbrough Council level of Council Tax was now higher than the national average.

The Executive Member for Finance and Governance advised that the precept was a regressive tax. Middlesbrough residents already paid tax, The money that the Government used to give Council's was partly paid by resident's tax. The precept would not cover the additional cost for social care and it would not even cover the cost of the national minimum wage. The Government was phasing the removal of the Revenue Support Grant and the Council was expected to raise the shortfall locally from increased revenue from Council Tax and Business Rates. The Executive Member urged the member to request that the Government to re-think the proposal of removing the Revenue Support Grant and give the local authorities the funding they required for social care.

5 **REPORT OF THE OVERVIEW AND SCRUTINY BOARD**

Council received and considered a report presented by the Vice-Chair of the Overview and Scrutiny Board. The Vice-Chair advised that the content of the report demonstrated how busy the Scrutiny panels were and how successful Middlesbrough was in terms of the scrutiny process.

The Vice-Chair advised that confirmation had been received from South Tees Hospitals NHS Foundation Trust that the Health Scrutiny Panel's recommendation for an extension in the length of time patients / visitors to James Cook University Hospital could park free of charge had been approved. The free drop off period had been extended to 20 minutes with immediate effect. The Health Scrutiny Panel had also negotiated the cheaper monthly (£9.70) or three monthly (£21.20) pass for regular visitors.

NOTED**6 MEMBERS' QUESTION TIME**

The details of the specific questions were included at Agenda Item 9.

11/16 - Question from Councillor Lawton to the Deputy Mayor and Executive Member for Regeneration regarding the precise detail of the cost/benefit analysis exercise carried out prior to agreeing the sale of the land of Centre Square East to Ashall Property and their parent company Sherland Property LLP.

The Deputy Mayor and Executive Member for Regeneration advised that having checked with officers this question was not submitted as an FOI (Freedom of Information) or Onestop request by Councillor Lawton.

The proposed development of Grade A office space to the East of Centre Square is a private development. The Council's only involvement to date has been that of the sale of the land in question. As such, there is no in-house cost/benefit analysis in respect of the proposed development, rather the qualitative aspects of the development will be governed by the Planning and Development Committee, in due course.

Councillor Lawton requested that a supplementary question be put but as the Chair did not consider that the supplementary question related to the answer given to his question, the supplementary question was ruled out of order.

12/16 - Question from Councillor Lawton to the Executive Member for Finance and Governance regarding the total amount of loans and mortgages that Middlesbrough Council have made to Sherland Property LLP.

The Executive Member for Finance and Governance advised that the first loan was for £5.8m and the second loan was for £1.25m and both loans were due to run to 2023. In the unlikely event that the company were unable to repay the loans, the Council was protected by a legal charge.

The Executive Member pointed out that there was only twenty minutes between the Councillor submitting the one stop request and the Council question.

13/16 - Question from Councillor Lawton to the Mayor regarding whether the Council was supporting without reservation, the triggering of Article 50.

The Mayor advised that the Council had not expressed a view as the triggering of Article 50 was not a Council matter. The issue for the Council was the impact of Brexit and a report that had originally been prepared for the Tees Valley authority had been submitted to Council in October with regard to the potential implications for the authority. The Mayor pointed out however that the Government was still in the process of defining Brexit.

The member asked a supplementary question with regard to the role of the two MPs in representing the Council's views and the Mayor responded accordingly.

14/16 - Question from Councillor Lawton to the Mayor regarding the proposed demolition and relocation of the Bus Station.

The Mayor advised that no decision with regard to the future of the Bus Station had been made. The Council was looking at all possibilities and options, one of which included the possible redevelopment of the Bus Station and Broadcasting House.

7 NOTICE OF URGENT MOTION

There were no urgent motions for this meeting.

8 SENIOR MANAGEMENT REVIEW

The Monitoring Officer presented a report in relation to a senior management review which sought approval of the re-creation of the role of Executive Director of Children's Services, and to the associated remuneration package set out in the report.

In the latter part of 2016, the Interim Chief Executive had carried out a senior management review which involved the Executive Directors, Strategic Directors and Directors of the Council. A copy of the review was attached to the report. As part of the review, it had been identified that the scope of the role of Strategic Director, Children's Services had broadened to include additional strategic responsibilities for children's early help services and partnerships.

The role of Strategic Director, Children's Services was, itself, created as a result of a removal of responsibilities in relation to Adult Social Care of the role of Executive Director, Wellbeing, Care and Learning. This was unchanged; however, there was now a need to recognise that the role of the Executive Director of Children's Services was greater than the reduced role envisaged in January 2016.

The post of Executive Director had been independently evaluated as the recommended remuneration fell within the Council's Executive Director grade in the range of £103,707 to £114,618, and Council approval was required for remuneration packages which exceeded £100,000. Salary costs for the post would be met within the current Senior Staffing budget of the Council.

ORDERED that the re-creation of the role of Executive Director of Children's Services and the associated remuneration outlined above be approved.

9 POOLING OF PENSION FUND ASSETS

The Strategic Director of Finance, Governance and Support submitted a report which informed Council Members, acting as members of the Administering Authority of the Teesside Pension Fund, of the reforms to the Local Government Pension Scheme and the implications for the investment of the Teesside Pension Fund.

The report sought approval to acquire a shareholding in the new, regulated asset management company and set up a Joint Committee to act as a supervisory body to ensure the Teesside Pension Fund's investment issues were appropriately considered.

The Head of Legal and Democratic Services advised that, the Local Government Pension Scheme (which is the overarching scheme under which all individual pensions funds are run) had, for the past 4 years, been looking to reform the way the investment assets of the individual funds were managed. Over a year ago, the idea of pooling the management of investment assets into six national pools was settled on.

Members were advised that the Council is the administering body for the Teesside Pension Fund, and authority to manage that fund had been delegated to the Teesside Pension Fund and Investment Panel. The Panel carried out a review to identify the best Pool to manage its investment assets, and decided to join with the Border to Coast Pension Partnership. The other partners in BCPP were listed on page 2 of the report.

It was emphasised, that this pooling arrangement was about the administration of the fund, and would not affect anyone's entitlement under it.

In order to fully join BCPP, the Teesside Fund needed to put in place the correct governance arrangements. These included: setting up a Joint Committee with the other partners in BCPP; altering the Council's Constitution; and acquiring the required shareholding in the limited company which would run the new Pool. The Teesside Fund would be an equal partner, with an equal shareholding, and equal vote at both Joint Committee and shareholder meetings.

This matter was before Council, however, because the Panel did not have the necessary authority to establish (or agree to) the Joint Committee, to make the required changes to the

Constitution, or to acquire the shares in the new company. These steps could only be authorised by full Council.

It was highlighted that the report and recommendations were comprehensive, and were standard and consistent across all the partners of BCPP; they would be put forward to the full Councils of each of the administering bodies in BCPP, in order to set up the required governance to allow all the funds, including Teesside, to manage BCPP's activities effectively.

The recommendations were included at paragraphs 30 to 40 inclusive, and Council's agreement to those recommendations was sought.

A member commented that the Teesside Pension Fund would not benefit from the revised arrangements for a considerable period of time. The Teesside Pension Fund was currently ran in-house and was the only one of the 13 funds within the BCCP to be 100% funded.

ORDERED as follows:

1. That the participation by the Council, acting as the Administering Authority for the Teesside Pension Fund, in the Border to Coast Pension Partnership Pooling Arrangement as the Council's approach to pooling investments in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and the Guidance on Preparing and Maintaining an Investment Strategy be approved.
2. That the subscription by the Teesside Pension Fund for 1 class A voting share in the Border to Coast Pension Partnership Limited be approved.
3. That the Mayor (or whoever he decides to nominate) be appointed to exercise the Council's rights as a shareholder in BCCP Limited on behalf of the Teesside Pension Fund.
4. That the subscription by the Teesside Pension Fund for such number of class B non-voting shares in the Border to Coast Pension Partnership Limited as shall be necessary to ensure that the Council contributes by way of equity one twelfth of the minimum regulatory capital requirement of the company as determined in accordance with the requirements of the company's regulators be approved.
5. That the entering into of a Shareholder Agreement (see latest draft in the background documents) between the Council and the Administering Authorities of the other Pool Funds and the company generally in the form described within the Report be approved.
6. That the entering into of an Inter-Authority Agreement (see latest draft in the background document) between the Council and the Administering Authorities of the Partner Funds generally in the form described within the Report be approved.
7. That the Head of Legal and Democratic Services (Monitoring Officer), in consultation with the Strategic Director Finance, Governance and Support (S151 Officer), be authorised to agree the Articles of Association (see latest draft in the background papers) to be adopted by Border to Coast Pension Partnership.
8. That the establishment as a formal Joint Committee under section 102 of the Local Government Act 1972 of the Border to Coast Pension Partnership Joint Committee in accordance with and to carry out the functions set out in the Inter-Authority Agreement be approved.
9. That the Chairman (or Vice Chairman in their absence) of the Teesside Pension Fund and Investment Panel be appointed to represent the Council on behalf of Teesside Pension Fund on the Border to Coast Pension Partnership Joint Committee.
10. That the Head of Legal and Democratic Services (Monitoring Officer) be authorised to make the necessary changes to the Constitution to enable Middlesbrough Borough Council, as the administering authority for the Teesside Pension Fund, to be a partner on the BCPP Joint Committee and undertake all Fund activities in regards to being an investor in Border to

Coast Pension Partnership Limited in its capacity as an Asset Management Company.

11. That the Strategic Director Finance, Governance and Support (S151 Officer) in consultation with Head of Legal and Democratic Services (Monitoring Officer), be authorised to finalise the approval and execution, where required, of all legal documents necessary to give effect to the above decisions including the Articles of Association of Border to Coast Pension Partnership Limited, the Shareholder Agreement and the Inter-Authority Agreement.