

COUNCIL

A meeting of the Council was held on Wednesday 29 March 2023.

PRESENT: Councillors , A Bell (Vice-Chair), I Blades, D Branson, C Cooke, B Cooper, D Coupe, S Dean, C Dodds, T Furness, TA Grainge, A Hellaoui, S Hill, C Hobson, B Hubbard, L Mason, T Mawston, D McCabe, J McTigue, J Platt, E Polano, A Preston (The Mayor), J Rathmell, D Rooney, J Rostron, M Smiles, M Storey, P Storey, Z Uddin, S Walker, G Wilson and C Wright

OFFICERS: S Bonner, B Carr, C Heaphy, A Humble, A Pain and A Perriman

APOLOGIES FOR ABSENCE: Councillors R Arundale, D Davison, N Gascoigne, T Higgins, A High, N Hussain, D Jones, L Lewis, C McIntyre, M Nugent, G Purvis, R Sands, M Saunders, J Thompson and J Walker

21/92 **DECLARATIONS OF INTEREST**

Councillor Coupe declared a pecuniary interest in Agenda Item 13 – Border to Coast Governance Arrangements.

Councillors Bell, C Hobson, Hubbard, D Rooney and Rostron declared a non-Pecuniary interest in Agenda Item 13 – Border to Coast Governance Arrangements.

21/93 **MINUTES - ORDINARY COUNCIL MEETING - 18 JANUARY 2023, EXTRAORDINARY COUNCIL MEETING - 24 FEBRUARY 2023 - COUNCIL BUDGET MEETING - 27 FEBRUARY 2023**

The minutes of the Council meetings held on 18 January, 24 and 27 February 2023 were submitted and approved as a correct record.

21/94 **ANNOUNCEMENTS/COMMUNICATIONS**

The Chair advised that the local elections were due to take place on 4 May 2023 and the Council was now in the pre-election period. He reminded members of the guidelines and restrictions on publicity during the pre-election period that started on 20 March 2023.

The primary restriction during the pre-election period was on proactive publicity by the council which particularly related to candidates and other politicians involved directly in the election.

On that basis, the Chair requested members that when asking or responding to questions, that they refrain from proactively promoting themselves or any other member of the Council at this meeting.

The Chair welcomed Clive Heaphy, the Interim Chief Executive, to his first meeting of the Council.

21/95 **QUESTIONS FROM MEMBERS OF THE PUBLIC (IF ANY).**

There were no valid questions submitted from members of the public, within the required timescale for this meeting.

21/96 **MAYOR'S STATEMENT AND REPORT**

The Mayor referred to the following in his update report:

- Previous issues with development in the Gresham Ward
- Cost of living crisis
- Provision of emergency food to children in the town
- How the Council had become more financially aware
- The increase in retail and entertainment venues in the town

- The level of crime in the town and the purchase of additional security cameras
- The work of the Street Wardens
- Rebuilding in the town of Southlands and Nunthorpe Community Centres and the rebuilding of the area of the former Tollesby shops
- The planting of 33,000 new trees which would absorb 20 kilos of carbon
- Creation of BOHO X
- The location of GB Bank in Middlesbrough offices
- The planting of wildflowers in the town
- The opportunities available to the town

21/97 **EXECUTIVE MEMBER REPORTS**

The Chair advised that no questions had been received in respect of the reports of Executive Members.

ORDERED that the Executive Member reports be noted.

21/98 **REPORT OF THE OVERVIEW AND SCRUTINY BOARD**

The Vice-Chair of the Overview and Scrutiny Board presented a report, the purpose of which was to provide an update on the current position regarding progress made by the Overview and Scrutiny Board and each of the individual Scrutiny Panels.

The Chair invited members to note the report.

ORDERED that the report be noted.

21/99 **URGENT ITEMS**

There were no urgent items submitted within the specified deadlines for this meeting.

21/100 **MEMBERS' QUESTION TIME**

There were no Members Questions submitted within the specified deadlines for this meeting.

21/101 **NOTICE OF MOTIONS**

Consideration was given to Motion No. 158, moved by Councillor Wright, and seconded by Councillor P Storey of which notice had been given in accordance with Council Procedure Rules No. 53-60 as follows:

Looked after children and young people and care leavers a protected characteristic

“Middlesbrough Council resolves that ‘looked after children and young people and care leavers’ be added as an additional characteristic in the Council’s Equality Impact assessments to determine the impact on care experienced people, alongside those who formally share a protected characteristic”.

Councillor Wright spoke in support of the motion.

Councillor McTigue and Councillor Mawston spoke in support of the motion.

The Chair requested that the Deputy Monitoring Officer proceed to the vote on the motion.

Following a vote, the motion was **CARRIED**

Consideration was given to Motion No. 159, moved by Councillor M Storey, and seconded by Councillor D Rooney of which notice had been given in accordance with Council Procedure Rules No. 53-60 as follows:

Retiring Councillors

“Middlesbrough Council recognises the service of Councillors who are not intending to seek re-election at the forthcoming elections. Being an elected official is a privilege. All members

make a time commitment to the benefit of the town. This can often impact their work and time with family.

This Council therefore recognises the dedication of retiring members to their wards and the wider town.

This Council resolves:-

The Chair of the Council will write to those members standing down and put on record the Council's thanks for their service.

Councillor M Storey spoke in support of the motion and referred to the long service of Councillor Mawston who was due to stand down at the next elections. He acknowledged the commitment and hard work required as part of the role of a councillor.

Councillor Rooney spoke in support of the Motion. Councillor Rooney thanked the officers of the Council for all their work in supporting councillors and Executive members.

The Chair requested that the Deputy Monitoring Officer proceed to the vote on the motion.

Following a vote, the motion was **CARRIED**

21/102 **NOTICE OF URGENT MOTIONS (IF ANY)**

There were no Notice of Urgent Motions submitted within the specified deadlines for this meeting.

21/103 **BORDER TO COAST GOVERNANCE ARRANGEMENTS**

The Director of Finance and Executive Member for Finance and Governance submitted a report the purpose of which was to ask Council to approve updated documents setting out how Partnership Pensions Limited ('Border to Coast') was governed.

The Executive Member for Finance and Governance presented the report.

The report outlined that the main changes made to the Shareholder Agreement (SHA) included:

- a) Removing provisions relating to pre-establishment that are no longer relevant;
- b) Altering the proportion of Shareholders required for majority consent from 75% to 66.6%, which will continue to be in line with public procurement requirements for joint control of a company.
- c) Including provisions from a Supplemental Agreement executed on 6 October 2020. This amended the SHA to include additional provisions relating to when capital contribution calls may be made on the Partner Funds for expenses resulting from Border to Coast's capacity as an authorised alternative investment fund manager (clauses 4.11 – 4.19). It should be noted that the original drafting from the Supplemental Agreement related to the Border to Coast Authorised Contractual Scheme; this has been extended to cover unregulated arrangements (such as limited partnerships);
- d) Amending the provisions relating to record keeping so it is not necessary for Partner Funds to use their powers to ensure Border to Coast maintains accounting and financial records. The company is responsible for ensuring compliance in this area (clause 6.8);
- e) Removing the requirement for Partner Funds to approve Border to Coast's conflicts policy, as this is not necessary (clause 6.9);
- f) With respect to the provision of information to Shareholders, management accounts will now need to be provided within 90 days of the end of the quarter instead of 30. This provides greater flexibility for the Company which experience has shown would

be useful (clause 14);

- g) Including a framework in a new schedule to the agreement with details of how a merger of two authorities may be managed (although allowing flexibility depending on the circumstances) (clause 15.3);
- h) Updates to the Reserved Matters which require unanimous Shareholder approval, including:
 - i) Excluding agreements to provide services to Shareholders as customers approved under the Strategic Plan (Schedule 1 Part A paragraph 3);
 - ii) Excluding amendments to the Articles required by a direct request from the Financial Conduct Authority (FCA) or following legal advice (it should be noted that a special resolution requiring the consent of 75% of the Shareholders will still be required) (Schedule 1 Part A paragraph 12);
 - iii) Excluding the approval of the removal or appointment of interim directors (previously Schedule 1 Part A paragraph 15);
 - iv) Excluding the requirement for consent to defend claims (although consent is still required to commence or settle any claims); and also excluding non-material claims of £1m or less (Schedule 1 Part A paragraph 15); and
 - v) Excluding the formation of a subsidiary of Border to Coast if done in accordance with the Strategic Plan (Schedule 1 Part A paragraph 17).
- i) Updates to the Reserved Matters which require approval by Shareholder Majority (which is now 66.6%) including:
 - i) Rather than approving the annual accounts of the Company, Shareholder Approval is required for any proposal not to table the accounts at the Company's AGM (Schedule 1 Part B paragraph 5);
 - ii) Excluding the need to determine directors' remuneration, and instead approving a remuneration policy for directors (Schedule 1 Part B paragraph 6);
 - iii) Excluding approval being required to amend a pension scheme for employees of the Company (Schedule 1 Part B paragraph 7);
 - iv) Excluding entering into agency, distribution or similar agreements (previously Schedule 1 Part B paragraph 8);
 - v) Increasing the threshold for leases requiring consent to £500,000 (from £100,000) (Schedule 1 Part B paragraph 9).
- j) Finally, the list of shared objectives in Schedule 2 has been amended to include the objective to primarily invest assets through the collective investment vehicle operated by Border to Coast, which was already recorded in the IAA.

It was highlighted that the above was not an exhaustive list and did not note typographical amendments or minor drafting changes.

The report also detailed minor updates to the Articles of Association, which included:

- a) Increasing the maximum number of directors from 8 to 10;
- b) Amending the required quorum for General Meetings of Shareholders to 66.6% to match the majority requirements that will now be set out in the SHA; and
- c) changes relating to the redeeming of class B shares in order to meet FCA regulatory requirements that in order for shares to qualify as Tier 1 regulatory capital, they must not be redeemable and cannot be reduced or repaid other than on liquidation

Following a vote, it was **ORDERED** as follows:

That the Council:

- Agree to approve the revised Border to Coast Inter Authority Agreement attached at Appendix A to the report.
- Agree to approve the revised Border to Coast Shareholder Agreement attached at Appendix B to the report.
- Agree that approval of future amendments to the Border to Coast governance documents is delegated to the Pension Fund Committee.