MIDDLESBROUGH COUNCIL	

Report of:	Chair of Constitution and Members' Development Committee, Councillor Jack Banks
Submitted to:	Full Council
Date:	9 September 2026
Title:	Constitution Updates – Quarterly Report
Report for:	Decision
Status:	Public
Council Plan priority:	Delivering Best Value

Proposed decision(s)
That Full Council **APPROVES** the schedule of suggested amendments to the Constitution. **NOTES** the amendments made to the Constitution by the Monitoring Officer under the delegated authority as set out at Section 2.4 of the Constitution.

Executive summary
The Constitution and Member Development Committee ('CMDC') reviewed the Constitution and the updated version was approved by Full Council on 10th September 2025. As per Section 2.3 of the Constitution it is the Monitoring Officer's responsibility to monitor, review and update the Constitution. As part of the monitoring, it was agreed that a quarterly report will be provided to the CMDC to consider any suggested amendments, with any agreed amendments to be brought before Full Council for approval The Constitution is a living document that necessitates regular review and revision to ensure ongoing compliance with applicable legislation and established procedures, as well as to promote clarity and ease of use. This report sets out the suggested minor amendments that have been actioned under the delegated authority given to the Monitoring Officer, and a schedule of suggested amendments which have been agreed by CMDC for approval at Full Council.

The Monitoring Officer will also undertake an annual review of the Constitution, which shall be reported to Full Council

The implications of the recommendations have been considered by the appropriate officers of the Council and are set out in the main body of the report.

1. Purpose

1.1 The Constitution and Member Development Committee ('CMDC') reviewed the full Constitution and the updated version was approved by Full Council on 10th September 2025.

1.2 In order to ensure continued clarity and usability it was agreed that a regular quarterly report would be presented to CMDC to consider any suggested amendments, with any agreed amendments to be brought before Full Council for approval.

1.3 This report sets out the suggested minor amendments that have been actioned under the delegated authority given to the Monitoring Officer, and a schedule of suggested amendments which have been agreed by CMDC for approval at Full Council.

2. Recommendations

2.1 That the Council

- **APPROVES** the schedule of suggested amendments to the Constitution.
- **NOTES** the amendments made to the Constitution by the Monitoring Officer under the delegated authority as set out at Section 2.4 of the Constitution.

3. Background and relevant information

3.1 Section 2.3 of the Constitution sets out how and when the Constitution is monitored and reviewed, and says as follows:

2.3.1 It is the Monitoring Officer's responsibility to monitor, review and update the Constitution in accordance with the requirements of this Section 2 and any authority delegated to them. The Monitoring Officer should undertake an annual review of the Constitution, which shall be reported to Council.

2.3.2 Revisions to the Constitution will have regard to:

(a) the effectiveness of the Council's decision-making processes and its operation;
(b) issues raised by the Mayor, Councillors, Officers, the public and other relevant stakeholders;
(c) changes in legislation or statutory guidance;
(d) best practice across the public sector, and / or
(e) any other relevant information.

2.4 When can the Constitution be changed and by whom?

Full Council delegates authority to the Monitoring Officer to amend the Constitution if the change is:

(a) minor or required to remove an inconsistency, ambiguity or typographical error;
(b) required to put into effect any decision of the Council or its Committees; or
(c) required to comply with a legislative provision,

provided that the change is reported to the next meeting of Full Council.

The change will take effect on the date decided by the Monitoring Officer or, where appropriate, the date set out in the relevant legislation.

3.2 This report details the proposed changes to the Constitution, both those that require approval of Full Council, and those have been authorised by the Monitoring Officer, under the delegated powers as outlined in the Constitution at Section 2.4 of the Constitution.

AMENDMENTS FOR APPROVAL AT FULL COUNCIL:

3.3 Full Council are asked to approve the following schedule of suggested amendments to the Constitution that were agreed at Constitution and Member Development Committee on 30th July 2026:

Para Number	Current Wording	Amended Wording	Reason for Change
4.8.10 (b)	If a quorum is not present within **five** minutes of the start of a Council meeting, the meeting will be abandoned. The business of the meeting will be considered at the next ordinary meeting or at an extraordinary meeting convened for that purpose.	If a quorum is not present within **fifteen** minutes of the start of a Council meeting, the meeting will be abandoned. The business of the meeting will be considered at the next ordinary meeting or at an extraordinary meeting convened for that purpose.	An amendment to the arrangements for inquorate meetings to allow a longer period of time

3.4 Full Council are also asked to approve the updated terms of reference for Teesside Pension Fund Committee, as at Appendix 1, which will require updating in the constitution.

The Teesside Pension Committee Terms of Reference have not been amended since 2017. The Pensions Act 2026 has changed the governance landscape for the Local Government Pension Scheme and the Pensions Committee Terms of Reference require updating to reflect this.

These amendments were agreed at the Constitution and Member Development Committee on 30th July 2026.

3.5 Following Full Council's approval of the Members' Scheme of Allowances on 20 May 2026, a number of amendments to the constitution were required. For the sake of completeness, Full Council are asked to <u>note</u> these amendments as follows:

Paragraph Number	Current Wording	Amended Wording	Reason for Change
5.10.8	No Member shall be entitled to pensions in accordance with this scheme.	Members can opt-in to the Local Government Pension Scheme in accordance with the Local Government Pension Scheme (Amendment) (Elected Member Pensions) Regulations 2026.	Members are eligible to opt into the scheme
5.10 to 5.11	To update relevant parts of section 5 (Scheme of Allowances) namely; **5.10** It was adopted by Council on 25th May 2022; **5.10.1 (d)** The Basic Allowance shall be £7,608 per year; **5.10.3 (d)** - The allowance payable to a Member in respect of travel mileage shall be paid at the Inland Revenue approved rate (Footnote 25 £0.45 per mile as of 31 July 2025) And to add in the following paragraphs: **5.10.5** Independent Person - Audi Committee - Independent Persons co-opted onto the Audit Committee to provide expert advice shall be entitled to receive an allowance of £800;	**5.10** It was adopted by Council on 20th May 2026 ; **5.10.1 (d**) The Basic Allowance shall be £8,330 per year. **5.10.3 (d)** - The allowance payable to a Member in respect of travel mileage shall be paid at the Inland Revenue approved rate (Footnote 25 £0.55 per mile as of June 2026); **5.10.5** Independent Person – Audit Committee Independent Persons co-opted onto the Audit committee to provide expert advice shall be entitled to receive an allowance of £800;	Scheme of allowances updated following IRP report.

	5.10.8 - Pensions Members can opt-in to the Local Government Pension Scheme in accordance with the Local Government Pension Scheme (Amendment) (Elected Member Pensions) Regulations 2026.	**5.10.8 -** Pensions Members can opt-in to the Local Government Pension Scheme in accordance with the Local Government Pension Scheme (Amendment) (Elected Member Pensions) Regulations 2026.	

AMENDMENTS AUTHORISED BY MONITORING OFFICER UNDER DELEGATED POWERS

3.6 Full Council are asked to note the following schedule of amendments to the Constitution authorised by the Monitoring Officer under delegated powers and noted by the Constitution and Member Development Committee at meetings on the 26th March 2026 and 30th July 2026:

Para Number	Current Wording	Amended Wording	Reason for Change
2.2	Meanings of Key terms used in the Constitution: “Chief Officer” Senior officers of the Council including the Statutory Chief Officers and the following non-statutory Chief Officers: (a) a person for whom the Head of Paid Service is directly responsible; (b) a person who is required to report directly, or is directly accountable, to the Head of Paid Service for the majority of their role; and (c) any person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority	To Add key term: "Deputy Chief Officer" Senior Officers of the Council who report directly or are directly accountable to one or more of the Chief Officers.	No definition of deputy chief officer included in the key terms
4.8.15 (b)	A question from the public may only be asked if notice of it has been given to the Proper Officer it in writing or by	A question from the public may only be asked if notice of it has been given to the	The email address is to be replaced

	electronic mail to councilquestions@middlesbrough.gov.uk no later than 5.00 pm seven clear days before the date of the meeting.	Proper Officer in writing or by completing the Council Question form at (Public questions in meetings | Middlesbrough Council) no later than 5.00 pm seven clear days before the date of the meeting.	with a form – weblink will be added
4.8.15 (e)	A Member of the Council may ask the Mayor, an Executive Member or the Chair of any Committee a question on notice (including about the business of joint committees, joint authorities and outside bodies) at a Council meeting (apart from the Budget Meeting) provided that notice of the question is given to the Proper Officer in writing or by electronic mail to councilquestions@middlesbrough.gov.uk no later than 5.00 pm seven clear days before the date of the meeting.	A Member of the Council may ask the Mayor, an Executive Member or the Chair of any Committee a question on notice (including about the business of joint committees, joint authorities and outside bodies) at a Council meeting (apart from the Budget Meeting) provided that notice of the question is given to the Proper Officer in writing or by electronic mail to the email address: monitoring officer@middlesbrough.gov.uk no later than 5.00 pm seven clear days before the date of the meeting.	The email address referred to is going to be removed
4.8.15 (h)	A Member of the Council may ask the Mayor or an Executive Member a question on any update provided under paragraph 4.8.4(c)(vii) or 4.8.4.(c)(xi) provided that prior notification of the topic of the question is given to the Monitoring Officer in writing or by electronic mail to councilquestions@middlesbrough.gov.uk no later than 5.00 pm the day before the meeting.	A Member of the Council may ask the Mayor or an Executive Member a question on any update provided under paragraph 4.8.4(c)(vii) or 4.8.4.(c)(xi) provided that prior notification of the topic of the question is given to the Monitoring Officer in writing or by electronic mail to the email address: monitoring officer@middlesbrough.gov.uk no later than 5.00 pm the day before the meeting.	The email address referred to is going to be removed
5.10.2	5.10.2 c	sub paragraphs should start with (a) not (c)	Sub section numbering incorrect - begins with c) rather than a)
6.17.14 (a)	(a) Members of the public may ask questions of the Mayor and Executive Members about any matter listed on the	(a) Members of the public may ask questions of the Mayor and Executive	No details of where to submit

	agenda for a meeting of the Executive. Notice of the question must be given by delivering it in writing or by electronic mail to the Proper Officer no later than 5.00 pm three clear days before the date of the meeting.	Members about any matter listed on the agenda for a meeting of the Executive. Notice of the question must be given by delivering it in writing or by electronic mail to the Proper Officer, or by completing the Council Question form at (Public questions in meetings | Middlesbrough Council) no later than 5.00 pm three clear days before the date of the meeting.	question other than "the Proper Officer" Link to the form to be added
9.8.1	Table 6: Statutory Officers	Local Government Pension Scheme Senior Officer [59] [59] The Local Government Pension Scheme (Governance) Regulations 2026 (SI 2026 545)	Updated to include the LGPS Senior Officer into the table, including the footnote to explain where the designation comes from
10.14.2	The Staff Appeals Committee is authorised to consider and determine any appeal made by an officer below the grade of Chief Officer116 regarding: (a) disciplinary action; (b) grievances; (c) grading.	The Staff Appeals Committee is authorised to consider and determine any appeal made by an officer below the grade of Chief Officer116 regarding: (a) disciplinary action; (b) grievances; (c) any other dismissal	This is incorrect as the Staff Appeals Committee does not consider grading - Delete para 10.14.2 (C)
10.25.8	The Council has delegated to the Chief Finance Officer the following Non Executive functions: (e) the day to day management and administration of Teesside Pension Fund matters including ensuring arrangements for investments of assets and administration of contributions and benefits, excluding matters delegated to the Teesside Pension Fund Committee	None - Para deleted	Under the Pensions Act 2026, The Local Government Pension Scheme (Amendment) (Governance) Regulations 2026 (SI 2026

			545) this function will become the responsibilities of the LGPS senior Officer – delete para (e)
10.27	Statutory Officer Delegations 10.27.1 The Statutory Officers who are not Chief Officers (see paragraph 9.8) are as set out at Table 6. They are responsible for discharging the following functions:	(d) LGPS Senior Officer The LGPS Senior Officer has responsibility across all pension functions in accordance with guidance issued by the Secretary of State including the day to day management and administration of Teesside Pension Fund matters including ensuring arrangements for investments of assets and administration of contributions and benefits, excluding matters delegated to the Teesside Pension Fund Committee.	To include the LGPS Senior Officer in the delegations
12.6.12 1	What are the Chief Finance Officer's delegated powers in relation to the Pension Fund? The Chief Finance Officer is authorised to manage the Pension Fund on a day-to-day basis, including the exercise of the Council's functions as Administering Authority, the power to seek advice from professional advisers, and to devolve the handing of the Pension Fund's investment to appropriate fund managers.	What are the Local Government Pension Scheme (LGPS) Senior Officer's delegated powers in relation to the Pension Fund? The LGPS Senior Officer is authorised to manage the Pension Fund on a day-to-day basis, including the exercise of the Council's functions as Administering Authority, the power to seek advice from professional advisers, and to devolve the handing of the Pension Fund's investment to appropriate fund managers.	Pensions Act 2026, The Local Government Pension Scheme (Amendment) (Governance) Regulations 2026 (SI 2026 545) - these powers will become the responsibilities of the LGPS Senior Officer. Change the title from Chief Finance officer to Local Government

			Pension Scheme Senior Officer
ALL	Amend all Director titles to reflect the changes further to the SMT review effective 01.01.26	Titles changed	Amended to reflect change in titles
4.8.4 (f) (iv)	The business to be considered at the Budget Meeting shall be limited to the budget reports, subject to the Chair having discretion to accept additional items other than those relating to the budget in exceptional or urgent circumstances. Accordingly the following items shall be excluded from the Council Budget Meeting agenda set out at 4.8.4(c) unless the Chair agrees otherwise for the efficient discharge of Council business: (i) (iv); (ii) (vii) to (x); (iii) (xi b-d); (iv) (xii) to v).	(xii) to (xv)	Reference at this para to (iv) (xii) to v) is incorrect. Correct reference is (iv) (xii) to (xv)
5.11.14 (a)	a) If a Member or an Officer receives an offer on behalf of the Council which falls outside the general consents set out in paragraph 5.12.5, regardless of value, they must:	a) If a Member or an Officer receives an offer on behalf of the Council which falls outside the general consents set out in paragraph 5.11.12, regardless of value, they must:	Reference at this para to 5.12.5 is incorrect as this para does not exist. Correct reference is 5.11.12.
9.3.2	Deputy - Head of Legal Services (People) Head of Policy, Governance and Information	Head of Legal Services (only)	Head of Policy, Governance and Information is no longer a Deputy Monitoring Officer. Job title is also incorrect, but as this is being removed, is not relevant.

4. Other potential alternative(s) and why these have not been recommended

4.1 Do nothing – If the Constitution remains unchanged, it risks becoming outdated and failing to reflect current working practices. The proposed revisions aim to enhance clarity and improve usability.

5. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including Social Value)	There is no direct financial impact as the amendments recommended improve clarity and usability only.
Procurement	There is no direct procurement impact as the amendments recommended improve clarity and usability only.
Legal	There are no legal implications as the amendments recommended improve clarity and usability only and are still in line with relevant legislation.
Risk	The amendments recommended provide clarity in the identified areas and therefore improve the risk associated with governance and decision making.
Human Rights, Public Sector Equality Duty and Community Cohesion	There is no change to the impact on Human Rights, Public Sector Equality Duty and Community Cohesion.
Reducing poverty	There is no change to the impact on Reducing Poverty.
Climate Change / Environmental	There is no change to the impact on Climate Change / Environmental.
Children and Young People Cared for by the Authority and Care Leavers	There is no change to the impact on Children and Young People Cared for by the Authority and Care Leavers.
Data Protection	There is no change to the impact on Data Protection.

Appendices

1	**Updated Terms of Reference for Teesside Pension Fund Committee**
2	
3	

Background papers

Body	Report title	Date
Full Council Report	Refresh of the Constitution	10th September 2025

Constitution and Member Development Committee	Teesside Pension Fund Committee Terms of Reference	30th July 2026

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APPENDIX 1 – UPDATED TERMS OF REFERENCE FOR TEESSIDE PENSION FUND COMMITTEE

Teesside Pension Fund Committee

Role and Delegated Functions

The Pension Fund Committee's principal aim is to carry out the functions of Middlesbrough Council as the Scheme Manager and Administering Authority for the Teesside Pension Fund in accordance with Local Government Pension Scheme and any other relevant legislation.

In its role as the administering authority, Middlesbrough Council owes fiduciary duties to the employers and members of the Teesside Pension Fund and must not compromise this with its own particular interests. Consequently this fiduciary duty is a responsibility of the Pension Fund Committee and its members must not compromise this with their own individual interests.

The Pension Fund Committee will have the following specific roles and functions, taking account of advice from the Chief Finance Officer and the Fund's professional advisers:

a) Ensuring the Teesside Pension Fund is managed and pension payments are made in compliance with the extant Local Government Pension Scheme Regulations, Her Majesty's Revenue & Customs requirements for UK registered pension schemes and all other relevant statutory provisions.

b) Ensuring robust risk management arrangements are in place.

c) Ensuring the Council operates with due regard and in the spirit of all relevant statutory and non-statutory best practice guidance in relation to its management of the Teesside Pension Fund.

d) Determining the Pension Fund's aims and objectives, strategies, statutory compliance statements, policies and procedures for the overall management of the Fund, including in relation to the following areas:

   i) Governance Strategy– approving the Fund's Governance Strategy for the Fund within the framework as determined by Middlesbrough Council and making recommendations to Middlesbrough Council about any changes to that framework.

   ii) Funding Strategy – approving the Fund's Funding Strategy

Statement including ongoing monitoring and management of the liabilities, ensuring appropriate funding plans are in place for all employers in the Fund, overseeing the triennial valuation and interim valuations, and working with the actuary in determining the appropriate level of employer contributions for each employer.

iii) Investment Strategy - approving the Fund's Investment Strategy Statement including setting investment targets and ensuring these are aligned with the Fund's specific liability profile and risk appetite after taking advice from Border to Coast Pension Partnership.

iv) Conflicts of Interest Policy - approving the Fund's Conflict of Interest Policy setting out the approach to identifying, monitoring and managing actual, potential and perceived conflicts of interest in relation to the scheme.

v) Training Strategy - approving the Fund's Training Strategy for all Pension Fund Committee members and for all officers of the Fund, including determining the Fund's knowledge and skills framework, identifying training requirements, developing training plans and monitoring compliance with the policy.

vi) Administration Strategy – approving the Fund's Administration Strategy determining how the Council will the administer the Fund including collecting payments due, calculating and paying benefits, gathering information from and providing information to scheme members and employers.

vii) Communications Strategy – approving the Fund's Communication Strategy, determining the methods of communications with the various stakeholders including scheme members and employers.

viii) Discretions – determining how the various administering authority discretions are operated for the Fund.

e) Monitoring the implementation of these policies and strategies on an ongoing basis.

f) In relation to the Borders to Coast Pension Partnership; the Asset Pooling Collaboration arrangements:

i) Monitoring of the performance of the Borders to Coast Asset Pooling Collaboration recommending actions to the Joint Committee, The Mayor or his Nominee (in his role as the nominated person to exercise Shareholder rights and responsibilities), Officers Groups or BCPP Ltd, as appropriate.

ii) Undertake the role of Authority in relation to the Inter Authority Agreement, including but not limited to:

- Requesting variations to the Inter Authority Agreement
- Withdrawing from the Inter Authority Agreement.

g) Considering the Fund's financial statements and the Fund's annual report.

h) Selection, appointment, dismissal and monitoring of the Fund's advisers, including actuary, benefits consultants, investment consultants, global custodian, lawyers, pension funds administrator, independent professional advisers and AVC provider.

i) Liaison with internal and external audit, including providing recommendations in relation to areas to be covered in audit plans, considering audit reports and ensuring appropriate changes are made following receipt of audit findings

j) Making decisions relating to employers joining and leaving the Fund. This includes which employers are entitled to join the Fund, any requirements relating to their entry, ongoing monitoring and the basis for leaving the Fund.

k) Agreeing the terms and payment of bulk transfers into and out of the Fund.

l) Agreeing Pension Fund business plans and monitoring progress against them.

m) Agreeing the Administering Authority responses to consultations on LGPS matters and other matters where they may impact on the Fund or its stakeholders.

n) Receiving ongoing reports from the Chief Finance Officer, the LGPS Senior Officer and other relevant officers in relation to delegated functions.

No matters relating to Middlesbrough Council's responsibilities as an employer participating within the Teesside Pension Fund are delegated to the Pension Fund Committee.

Composition

(a) *Membership*

The Teesside Pension Fund Committee will be composed of 15 members. Its membership will include:

i) Nine Councillors of Middlesbrough Council, determined by the Council.

ii) One Councillor from each of Hartlepool Borough Council, Stockton-on-Tees Borough Council and Redcar & Cleveland Borough Council.

iii) One representative of the other Scheme Employers in the Teesside Pension Fund appointed in accordance with procedures agreed by the Chief Finance Officer and Monitoring Officer.

iv) Two representatives of the scheme members of the Teesside Pension Fund, appointed in accordance with procedures agreed by the Chief Finance Officer and Monitoring Officer.

Named substitutes are permitted providing they satisfy the knowledge and skills policy of the pension fund.

(b) *Term of office*

i) The representative members (for other scheme employers and scheme members) are appointed for a period of no more than six years and may be reappointed for further terms.

ii) Councillors of the participating Councils will have a term of office to the next ordinary local government election following their appointment. They may be reappointed for further terms.

(c) Quorum.

A meeting of the Pension Fund Committee shall only be quorate when four members are present

(d) Voting

Voting Rights are held by all members including the scheme member representatives

(e) Chairing the Committee.

i) Only a Councillor of Middlesbrough Council may be the Chair.

ii) The Chair will be elected annually by members of Middlesbrough Council.

iii) The Vice Chair will be decided annually by members of Middlesbrough Council.

(f) Procedure Rules

The Council's Rules of Procedure, Codes and Protocols will apply to this Committee in the same way as they apply to other Committees unless different provision is made in this article.

Members of the Teesside Pension Board shall be permitted to attend Pension Fund Committee meetings, including exempt items.

(g) Knowledge and Skills Requirements

Members of the Committee will be obliged to adhere to the Fund's Knowledge and Skills Policy, including attendance at training events.

(h) *Location*

The Pension Fund Committee may occasionally meet outside of Middlesbrough Council area.

Officers

The Committee may delegate a limited range of its functions to one or more officers of the Authority.

The Pension Fund Committee will be responsible for outlining expectations in relation to reporting progress of delegated functions back to the Pension Fund Committee.

OFFICERS' DELEGATIONS

LGPS Senior Officer
The day to day management and administration of Teesside Pension Fund matters including ensuring arrangements for investments of assets and administration of contributions and benefits, excluding matters delegated to the Teesside Pension Fund Committee.

OTHER DELEGATIONS RELATING TO BORDERS TO COAST ASSET POOLING COLLABORATION

At its meeting on the 15th February 2017, Middlesbrough Council approved its participation, 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. The following are responsibilities delegated relating to this participation (in addition to those mentioned in part (f) of the Teesside Pension Fund Committee responsibilities above).

<table>
<tr><th>The Chief Finance Officer (who is the Section 151 Officer) (or whomever he decides to nominate)</th></tr>
<tr><td>
The nominated person to exercise the Council's rights as a shareholder in BCCP Limited and be its representative at shareholder meetings, on behalf of the Teesside Pension Fund. The responsibilities are as set out in the Shareholders Agreement, Articles, Inter Authority Agreement and any other agreements entered into and include, but are not limited to the following :

a) to serve a written notice on the Board of the Company to cease to be a Shareholder in the Company
b) to vote on matters, including the reserved matters in Schedule 1 of the Shareholder Agreement as replicated below:

Reserved Matters
PART A – Matters for approval by all of the Shareholders (unanimous consent required)
1. subject to FCA rules, extend the activities of the Company outside the scope of the Business or close down any operation of the Business;
2. subject to FCA rules, give any guarantee or indemnity outside the ordinary course of the Business to secure the liabilities of any person or assume the obligations of any person (other than a wholly owned subsidiary) (e.g. guaranteeing a lease that does not relate to the Business of the Company);
</td></tr>
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3. subject to FCA rules, enter into or vary any contracts or arrangements with any of the Shareholders or directors (other than service agreements and letters of appointment as directors) or any person with whom any shareholder or director is connected (whether as director, consultant, shareholder or otherwise) (e.g. any contract which could give preferential rights to a specific shareholder);

4. enter into any agreement not in the ordinary course of the Business and/or which is not on an arm's length basis;

5. enter into or vary any agreement for the provision of consultancy, management or other services by any person which will, or is likely to result in, the Company being managed otherwise than by its directors;

6. change the name of the Company;

7. pass a resolution or present a petition to wind up the Company or apply for an administration order or any order having similar effect in a different jurisdiction in relation to the Company unless in any case the Company is at the relevant time unable to pay its debts within the meaning of section 123 Insolvency Act 1986;

8. reduce or cancel any share capital of the Company, purchase its own shares, hold any shares in treasury, allot or agree to allot, whether actually or contingently, any of the share capital of the Company or any security of the Company convertible into share capital, grant any options or other rights to subscribe for or to convert any security into shares of the Company or alter the classification of any part of the share capital of the Company (in each case other than as expressly permitted by this Agreement and/or the Articles where no prior consent shall be required including, without limitation, pursuant to either clause 4 (Finance & Regulatory Capital) and/or clause 15 (Consequences of Breach) and/or Article 26 of the Articles (Issue of Shares and Pre-Emption Rights));

9. other than as expressly permitted by this Agreement and/or the Articles, redeem or buy any existing Shares or otherwise reorganise the share capital of the Company;

10. admit any person as a member of the Company or an investor in the BCPP pool;

11. enter into any partnership, joint venture or profit sharing arrangement with any person (excluding entering into any investment or investment vehicle);

12. alter any of the provisions of the Articles or any of the rights attaching to the Shares;

13. amalgamate or merge with any other company or business undertaking;

14. sell, lease (as lessor), licence (as licensor), transfer or otherwise dispose of any of its material assets otherwise than in the ordinary course of the Business;

15. the removal and replacement of any Interim Directors, but for the avoidance of doubt not including any subsequent or replacement appointments of any director which shall be made under Part B below;

16. commence, settle or defend any claim, proceedings or other litigation brought by or against BCPP, except (i) in relation to debt collection (not exceeding £500,000) in the ordinary course of the Business and (ii) in relation to any investment related claims or proceedings relevant to the ACS or other collective investment vehicles;

17. take out any third party loan(s) in respect of BCPP which (in aggregate) exceed the sum of £5,000,000;

18. form any subsidiary of BCPP, or acquire any shares in any other company, whether through subscription or transfer, such that the company concerned becomes a subsidiary of BCPP;

19. determine the composition, governance arrangements and limits of authority of any

and all subsidiaries of BCPP;

20. approving and adopting a Subsequent Strategic Plan (including the Annual Budget) and/or amending any such Plan; and

21. make any capitalisation, repayment or other distribution of any amount standing to the credit of any reserve of the Company or pay or declare any dividend or other distribution to the Shareholders save that no consent will be required to pay the B Share Dividend.

PART B – Matters for approval by a Shareholder Majority only

1. enter into or materially vary any licence or other similar agreement relating to intellectual property to be licenced to or by the Company which is otherwise than in the ordinary course of the Business;

2. appoint or remove the auditors of the Company;

3. alter the Company's accounting reference date;

4. make any significant change to any of the Company's accounting or reporting practices other than conforming with any changes made to the accounting standards adopted by the Company;

5. approve the annual accounts of the Company;

6. determine the amount of, or any increase in, remuneration payable to any directors from time to time;

7. establish or amend any pension scheme (i.e. for employees of the Company);

8. subject to FCA rules, enter into any agency, distribution or similar agreement which confers or is expressed to confer any element of exclusivity as regards any goods or services the subject of such agreement or as to the area of the agreement or vary such an agreement to include any such exclusivity;

9. incur in any financial year any item or series of items of capital expenditure including finance leases (but excluding operating leases) of more than £5,000,000 (unless provided for in the Initial Strategic Plan or any Subsequent Strategic Plan);

10. enter into or vary any operating lease either as lessor or lessee, of any plant, property or equipment of a duration exceeding 5 years or involving aggregate premium and annual rental payments in excess of £100,000 (unless provided for in the Initial Strategic Plan or any Subsequent Strategic Plan);

11. adoption of (and any amendment of) any written conflicts policy;

12. approval of any conflict or potential conflict of interest any director may have which would preclude him or her from being included in the quorum of any meeting of the directors;

13. appointment of any subsequent director, any alternate director (who is not at the time a director of the Company) and including, for the avoidance of doubt any subsequent Chair in accordance with the Companies Act 2006 or otherwise; and

14. removal of any director and, for the avoidance of doubt, the Chair in accordance with the Companies Act 2006 or otherwise.

Chairman (or Vice Chairman in their absence) of the Teesside Pension Fund Committee

The nominated representative of the Council on behalf of Teesside Pension Fund on the Border to Coast Pension Partnership Joint Committee, noting that the Joint Committee shall not making binding decisions on the matters in the Terms of Reference of the Joint Committee but may make recommendations to each Authority to individually determine.
Chief Finance Officer (who is the Section 151 Officer)
a) The nominated officer to meet and resolve any Deadlock Situation as per Clause 11 of the Shareholder Agreement b) The nominated officer to consider and resolve any Dispute as per Clause 13 of the Inter Authority Agreement