

This Delegated Decision is Non-Key and therefore not subject to call-in.

1. Subject of decision

The Setup of a Not for Profit Company - Company Limited by Guarantee

Thematic Lead Area

Corporate issue

Delegation Reference (Refer to Meeting Minute Number or Delegation Scheme in the Constitution)

Minute number 70 of the North East Leadership Board meeting held on 16 January 2018

This decision has been delegated to one or more officer(s) under:

(a) A specific express authorisation was given to the Head of Paid Service by the Leadership Board on 16 January 2018 to make and enter into appropriate contracts in relation to each project after specified consultation.

(b) a general authorisation to take such decisions **and**, the effect of the decision is to:

(i) grant a permission or licence;

(ii) affect the rights of an individual; or

(iii) award a contract or incur expenditure which, in either case, materially affects the Authority's financial position.

2. Name and Title of Decision Maker

Helen Golightly, Head of Paid Service for the North East Combined Authority

3. Details of any Conflict of Interest and any Dispensation granted in respect of such Interest

None

4. Executive Summary

The reason for this report is to provide information in relation to the setup of a not for profit company – Company Limited by Guarantee following agreement by the North East Local Enterprise Partnership (LEP) Board and endorsement of the proposed approach and model from the North East Combined Authority as its Accountable Body.

5. Decision(s)

5(a)

The Head of Paid Service, on the advice of and in consultation with the Chief Finance Officer and Monitoring Officer, to take all steps necessary or desirable to establish a company limited by guarantee without limitation, to approve the form of the company's constitutional documents and other documents to be filed in connection with the formation of the company.

5(b) If Exempt or Confidential, please provide a reason:

N/A

6. Alternative options considered

A Community Interest Company structure was also considered, which could also bring the following benefits:

It is a model recognised as one for community benefit and should also be an attractive model for funders;

The 'Asset Lock' mechanism ensures assets are used for the clear purposes set out, the delivery of the Strategic Economic Plan;

However there are some additional compliance requirements, which may bring additional cost and regulations, without adding any significant value to the model.

An incorporated charity model could use a traditional Company Limited by Guarantee model or the newer Charitable Incorporated Organisation Model. However it is unlikely that the activities of the company would meet the requirements for the charitable registration or charitable activities.

7. Reasons for the Decision(s)

The proposal will enable the North East LEP to have the ability to access additional funding sources. The structure reflects the governance structure of a company designed to deliver LEP objectives, whilst also respecting the obligations on NECA to ensure probity and lawfulness as the Accountable Body.

8. Contact Officer

Michelle Rainbow
Skills Director
0191 338 7439
michelle.rainbow@nelep.co.uk

9. Date of Publication

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