

## **Record of Urgent Decision taken by Head of Paid Service for the North East Combined Authority**

### **Consultation and Agreement**

The Chair and the Vice Chairs of the NECA have been consulted on this matter and have agreed that it is appropriate for the Head of Paid Service to use the delegated powers given to him by the Leadership Board of the NECA and to make an urgent decision.

The Chair and Vice Chairs agreed that this decision is urgent because of the need to progress matters in relation to the funding of the project set out below and that this matter cannot be left until the next Leadership Board meeting on 21 June 2016.

Consultation with the Chair of NECA the NECA on 23 May 2016

Consultation with the 1<sup>st</sup> Vice Chair of the NECA on 20 May 2016

Consultation with the 2<sup>nd</sup> Vice Chair of the NECA on 19 May 2016

### **Record of the Decision**

#### **1. Subject of Decision**

National Centre for Healthcare Photonics

#### **2. Thematic Area**

Economic Development and Regeneration

#### **3. Executive Summary**

The National Centre for Healthcare Photonics (NCHP) will be a multi-disciplinary, world class open-access innovation facility. The Centre will be a facility that accelerates innovation and commercialisation of photonics based solutions for healthcare. Photonics is the application of electromagnetic energy by the use of technologies such as optics, lasers or other light sources. Photonics is regarded as one of the key enabling technologies in the UK and EU. The Centre will bring together medical device specialists, engineers, clinicians and others to innovate and develop products to address healthcare challenges.

The project is to be led by the Centre for Process Industry (CPI) which is a not profit company that has successfully created and grown National Innovation Centres over the past 11 years.

The Centre will be a mix of physical infrastructure and equipment that will enable the development and testing of medical devices.

The Application for funding is for Phase 1 of the project that will be the design, planning and surveying required to bring the infrastructure element of the project to RIBA Stage 3. The amount sought from LEP funding for the financial year 2016/17 is £339,912 with the CPI providing funding of £120,060. The total funding sought for Phase 1 therefore is £459,972.

The Chair and Vice Chair of the LEP approved the funding of Phase 1 subject to specific conditions being included in the Funding Agreement, namely:-

- The Recipient shall ensure State aid compliance in accordance with the advice received from DWF dated 09 March 2016 with particular regard to ensuring that end users are not recipients of State aid;
- The Recipient shall ensure that there is clear cost centre ringfencing for the Project, and in particular to ensure that non economic activity is recorded separately;
- The Recipient shall ensure that economic activity does not exceed 20% of the Recipient's overall annual capacity and that any such economic activities consume identical inputs (material, equipment, labour and fixed capital) as non economic activity.

The agreement to the funding as set out above is sought from NECA as the accountable body for the LEP.

#### 4. **Alternative Options Considered**

**Option 1** To agree to the LEP funding of the project set out above subject to the conditions contained in 3 above and to give delegated authority to the Monitoring Officer to enter into an appropriate Grant Funding Agreement.

**Option 2** To not agree to the LEP funding of the project set out above.

#### 5. **Decision: Not Exempt or Confidential**

To agree to the LEP funding of the project set out above subject to the conditions contained in 3 above and to give delegated authority to the Monitoring Officer to enter into an appropriate Grant Funding Agreement.

#### 6. **Reason for Decision**

Having regard to the Report to the Chair and Vice Chair of the LEP and their decision to support the funding of the project and the Business Plan relating to the project and the comments of the Monitoring Officer and the Chief Finance Officer, I consider it appropriate for the NECA as the accountable body for the LEP to approve the funding of the project as set out above subject to the conditions being included in the Grant Funding Agreement.

#### 7. **Date of Consultation with the Monitoring Officer and their Relevant Comments**

25 April 2016

External legal advice has been sought by the LEP in relation to the issue of State aid in relation to this project. The legal advice provided is that the project can be considered State aid compliant. I have had sight of that advice and concur with it subject to appropriate conditions being included in the Grant Funding Agreement.

#### 8. **Date of Consultation with Chief Finance Officer and their Relevant Comments**

25 April 2016

This scheme is within the approved Local Growth Fund Programme. The Business Case is considered to be satisfactory and the grant conditions are appropriate.

9. **Date of Publication**

8 June 2016

10. **Implementation Date**

8 June 2016