

Life Sciences Scotland Industry Leadership Group
 March 14th 2017
 Toshiba Medical Visualisation Systems Europe

Attendees

Minister Wheelhouse (PW)
 Minister Campbell (AC)
 Dave Tudor (DT)
 Colin King (CK)
 David Bowie (DB)
 David Scott (DS)
 Deborah O'Neil (DO'N)
 James Cameron (JC)
 John A Brown (JAB)
 Julia Brown (JB)
 Karen McAvenue (KMCA)
 Keith Small (KSm)
 Ken Sutherland (KSu)
 Kevin Moore (KM)
 Marie Claire Parker (MCP)
 Nishan Sunthares (NS)
 Ricky Verrall (RV)

Avril Gold (AG)
 Gillian Cay
 Helen Glass
 Julie Stuart
 Sharon Donnelly

Ronnie Palin (RP)
 Julia Lockerbie
 Victoria Lopez

Apologies

Andrew Morris
 Brian Bathgate
 Fraser Black
 John MacKenzie
 Julie Brittenden
 Sinclair Dunlop
 Tom Stratford

Co-Chair

Industry Chair

Omega

Snap40

Tepnel

NovaBiotics

HIE

SLA

SE

Scottish Government

ABPI

Toshiba

Business Therapies

Stratified Medicine Scotland

ABHI

Scottish Government CSO

Canopus

Scottish Enterprise

Canopus

Scottish Government

Scottish Government

SDS (Skills agenda item)

Union – Marketing and Comms

Union – Marketing and Comms

Chief Scientist

Charles River

James Hutton

Roslin Biocentre

NRS / Glasgow University

Epidarex

Kyowa Kirin

Agenda

1	Welcome, Introduction, Adoption of Minutes
2	Ministerial and Sector Update
3	Strategy Update
4	ILG inputs <ul style="list-style-type: none"> • Skills Update (15 minutes) • Manufacturing Strategy update (15 minutes) • Pharma Services Update (15 minutes)
5	Governance, Marketing and Communications
6	AOB

Actions

2.1	JAB will forward further detail re NHS involvement to Minister Campbell.	JAB to AC	07.04.17
2.2	ILG to indicate their interest in BREXIT working group to AG who will coordinate a response	ALL to AG	07.04.17
2.3	ILG are asked to provide feedback on the green paper to Avril Gold by 10 April who will coordinate a response to be submitted by 17 th April.	ALL to AG	10.04.17
2.4	JC and JB to ensure whole of Scotland coverage	JC/JB	13.06.17
2.5	LSS ILG members to feedback on proposed KPIs	All to MCP	20.04.17
2.6	JB to report on whether indicators were global trend or just a snapshot in time.	JB	20.04.17
2.7	SLA company info with respect to Brexit impact to be fed into LSS ILG	JAB	07.04.17
3.1	Reporting process to be developed	AG / Gov	13.06.17
3.2	SE and HIE to identify support for each strategy implementation.	JC/JB	20.04.17
3.3	AG and DT to speak to members in next few weeks with respect to committing resources to provide full time support to each theme	AG/DT	20.4.17
3.4	Each theme to report in June on their top two priorities and will focus on 90 day timeframes for delivery.	Theme leads	20.05.17
3.5	Pre-ILG meeting dinner to be arranged	DT	20.05.17
3.6	MCP to consider HEI representation at LSS.	MCP	25.04.17
4.1	SDS to consider a 1-day workshop to scope strategic workforce plan	RP	14.04.17
4.2	PSG to report back on alignment of strategy with LSS strategy	DT	20.05.17
6.1	JB to prepare paper for next ILG on women in senior positions	JB	20.05.17

1	Welcome, Introduction, Adoption of Minutes	Dave Tudor
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Dave Tudor as Co-chair, opened the meeting, welcomed everyone and thanked Ken Sutherland and Toshiba for hosting the meeting. Ken Sutherland described the set up for TMVSE which is a research and development centre, with around 100 people at the Edinburgh site, most of whom are software engineers. At some point the name will change from Toshiba to Canon.

Nishan Sunthares from ABHI was welcomed as a new member.

DT introduced the new meeting structure with three set pieces in the Agenda: ministerial and sectoral update, strategy execution and mobilisation, governance and communication. There would also be a section for members' items (explained further in papers for agenda item 3).

The minutes of 7 November 2016 were approved: proposed by Kevin Moore and seconded by Dave Scott.

A question was raised about the progress of the sme growth fund and growth scheme. An announcement is expected presently on this. There are ongoing discussions with the potential delivery vehicle. The intention of the fund is to address the issues experienced by companies seeking funding for pre-commercial opportunities. This will feed into the "Access to Finance" stream of the Business Environment Theme.

It was noted that other actions would be covered off during the meeting.

2	Ministerial and Sector Update	Minister Wheelhouse
	Ministerial Update	Minister Campbell
	Sector Update (10 minutes)	Julia Brown

Ministerial Update

Mr Wheelhouse, as Co-chair, provided a further endorsement of the strategy and its successful launch. He noted that due to global restructuring by Johnson and Johnson there were potential job losses at Lifescan in Inverness and Ethicon in Livingston. The First Minister, Keith Brown and Mr Wheelhouse have been engaging with J&J, along with the enterprise agencies, to explore every possible support for the business. That work has been detailed and intensive, looking at what could be done both to help address immediate business challenges, and to maximise the site's future potential. Unfortunately, despite those efforts, the company has decided to enter into consultation on possible site closure, which is hugely disappointing. The company have pointed out that this does not reflect in any way on the Scottish life sciences community or as a place to invest. As the Ethicon site in Livingston currently manufactures 5% of the overall global J&J suture market, it has been identified as a site where manufacturing can easily be absorbed by other sites within the group.

The sector is aware that much of the global life science sector are reviewing and streamlining operations. Rising R&D costs particularly is leading to the increased need for operational efficiencies. This is a stark reality and it is a global problem. Therefore, it is important to recognise that the work we will be taking forward under the key themes of the strategy will not make us immune to future challenges but it will make us a viable option for companies looking to invest.

Just as importantly we need to build our own indigenous business base. The Minister outlined recent visits, most recently to Snap40 which he found very valuable. The working groups will be a place to share bright ideas and it will be helpful to hear how we can engage more imaginatively and strategically with I businesses to anchor, build and attract.

The Minister then talked about the First Minister's statement from 13 March on the intention to seek a second independence referendum vote between Autumn 2018 and Spring 2019. Scottish Ministers are concerned that the UK Government's intention to push for a 'hard brexit' will negatively impact the Scottish economy. A recent Fraser of Allander report estimated a possible loss of up to 80,000 Scottish jobs as a consequence of Brexit. A motion for Section 30 is expected in the Scottish Parliament next week. The UK Government has indicated that Article 50 negotiations will be triggered on 29 March 2017.

Minister Campbell reminded LSS that the Health and Social Care Delivery Plan was published in December 2016. (<http://www.gov.scot/Resource/0051/00511950.pdf>). This marks a shift from hospital-based care to community-based care, and presents an opportunity for NHS Scotland to work collaboratively with the Life Sciences sector, putting the NHS at the heart of economic growth. Research and innovation are both key and core to the NHS working with industry.

Minister Campbell also referred to the 28 recommendations in Dr Brian Montgomery's Review of Access to New Medicines which sets out a process for how appraising medicines can be made more open, transparent and robust. These recommendations were approved by Cabinet and Andrew Morris, CSO and the Chief Pharmaceutical Officer are implementing a revised approval process for true ultra-orphan medicines.

John Brown raised the role of the NHS in Scotland being encouraged to be a key purchaser as being crucial in helping to anchor healthcare companies in Scotland, e.g. the LifeScan diabetic test strips produced in Inverness which should be purchased by the NHS. Product development portfolio evolution is also important for medical devices.

In response to the independence referendum, Kevin Moore asked whether the ongoing City Deals would be protected. Minister Wheelhouse replied that there were on-going discussions and good working relationships with UK government to continue to support strategic development projects. Scottish Government Ministers are committed to working with industry to reduce uncertainty around City Deals and other research collaborations.

David Scott noted that a stable and globally accepted regulatory environment is vital for pharma services. There would be a very short timeframe to achieve this prior to any referendum. It was noted that pharma services are not being as successful with new contracts and some projects are being delayed due to regulatory uncertainty. It was reinforced that uncertainty is not good for business. John Brown described an example of a contract with a non-EU company being cancelled.

Dave Scott outlined the importance of communication with customers during the Brexit and possible independence referendum period. It will take 2 years to set up new regulations to export to the European Union and Scotland will need a solution to make us attractive for business and investment during that time. Mr Wheelhouse agreed it was important to remove doubt about investment. He would be happy to share early thoughts on this with the First Minister.

Dave Tudor agreed that feedback on impact of BREXIT was a priority action and that opinions from ILG need to be collated and he would lead on this exercise. Names to be on a small working group should be directed to Avril Gold. For future meetings, the impact of BREXIT will be included under the risks section.

ACTION 2.1: JB will forward further detail re NHS involvement to Minister Campbell.

ACTION 2.2: ILG members should indicate their interest to AG who will coordinate a response

Sector Update

Julia Brown presented an outline of key news from the sector and provided an update on the UK Government Industrial Strategy green paper, currently out for consultation. LSS are recommended to submit a response to the consultation. The ten pillars of the green paper reflect and align with the Scottish strategy very well.

The Scottish Enterprise sector team is now Healthcare, Life and Chemical Sciences to reflect the importance of digital health.

Kevin Moore asked that in future meetings, HIE should have an input into sector update

Colin King noted that there were to be 80 jobs lost in Dundee as a result of a significant contract being lost to a Welsh company – Julia responded that discussions with the company are ongoing.

Julia also mentioned the visit of Lord O’Shaunessy, where the focus will be on Accelerated Access and Human Healthcare.

It was noted that UK Government strategy is focused on early stage of life cycle and that they are considering £13-15 M for the Medicines Manufacturing Innovation Centre.

On the issue of KPIs, Julia referred to the circulated paper which suggested a range of measures which could be presented as a dashboard of sector performance. Once the key performance indicators have been selected, The Union will advise on how best to present these statistics. The performance of the sector will be reported to LSS on a quarterly basis to indicate whether the strategy is on target / going in right direction. It was noted that SE Account Managed companies do provide information, but this is not mandatory and sometimes sensitivities prevent them releasing full data.

Kevin Moore suggested that the Fraser of Allander Institute could also be consulted as to what metrics should be used. Julia would be happy to speak to FofA. Current suggested KPIs are from an economic consultancy exercise from SE. (report available on request)

Minister Wheelhouse commented on the mixture of lag and lead indicators and asked whether the statistics reflected global trends or whether they were particular to Scotland and were because of Brexit and if the Government could help to address the downward trend in the number of deals in 2016.

The single biggest factor affecting the industry is the change in US health policy, although Brexit is having a negative impact on the pharma services sub-sector with projects being delayed until the regulatory systems are clarified. This view was supported by experience of SLA companies.

ACTION 2.3 LSS ILG are asked to provide feedback on the green paper to Avril Gold by **10 April** who will coordinate a response to be submitted by 17th April.

ACTION 2.4 JC and JB to ensure national involvement with the strategy implementation.

ACTION 2.5 LSS ILG members to feedback to Governance group who will agree on the proposed KPIs in discussion with JB.

ACTION 2.6 JB will report back on whether reported indicators were a global trend or just a snapshot in time.

ACTION 2.7: SLA company info with respect to Brexit impact to be fed into LSS ILG

3	Strategy Update: LSS next steps	Dave Tudor
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As described in the associated papers, LSS ILG is moving from a strategy refresh stage to the mobilisation phase; into action planning and deployment. DT, as Co-chair of LSS ILG, presented the proposed strategy implementation process.

It was noted that in the past, the UK strategy had appeared fragmented and silo based. The overlap now between the LSS and the UK strategy will help build success. We have now a clear vision and mission.

There are changes in global trends, including healthcare payers no longer willing to pay as much and Governments demanding evidence of value for money.

DT emphasised that in the four key strands of the strategy, Scotland has all the necessary strengths, but the ILG must work together to promote Scotland as one life science hub with strengths in Innovation, good capability in Manufacturing and in Commercialisation although each has its tension points.

Scotland has greater strengths and a healthy pipeline around Innovation at present but has less success in turning this into real economic value. In contrast, Singapore is very successful in commercialising ideas, but does not have the innovation pipeline. Greater collaboration between the NHS and life science companies would help this, as demonstrated by the positive impact of the Health Innovation Partnership which should be supported and promoted. An integrated NHS could be the jewel in the Scottish Life Sciences crown.

In the LSS strategy, the Life and Chemical Sciences Manufacturing Strategy will roll into the “Sustainable Production” theme. There are growing opportunities in the western world to provide more robust supply chains as manufacturing performance in India declines. Our strong regulatory environment is a boost in this area.

In the Internationalisation theme, DT noted that there are two strands: supporting Scottish companies exporting to overseas markets, supported by the efforts of SDI who are currently recruiting more personnel to their team.

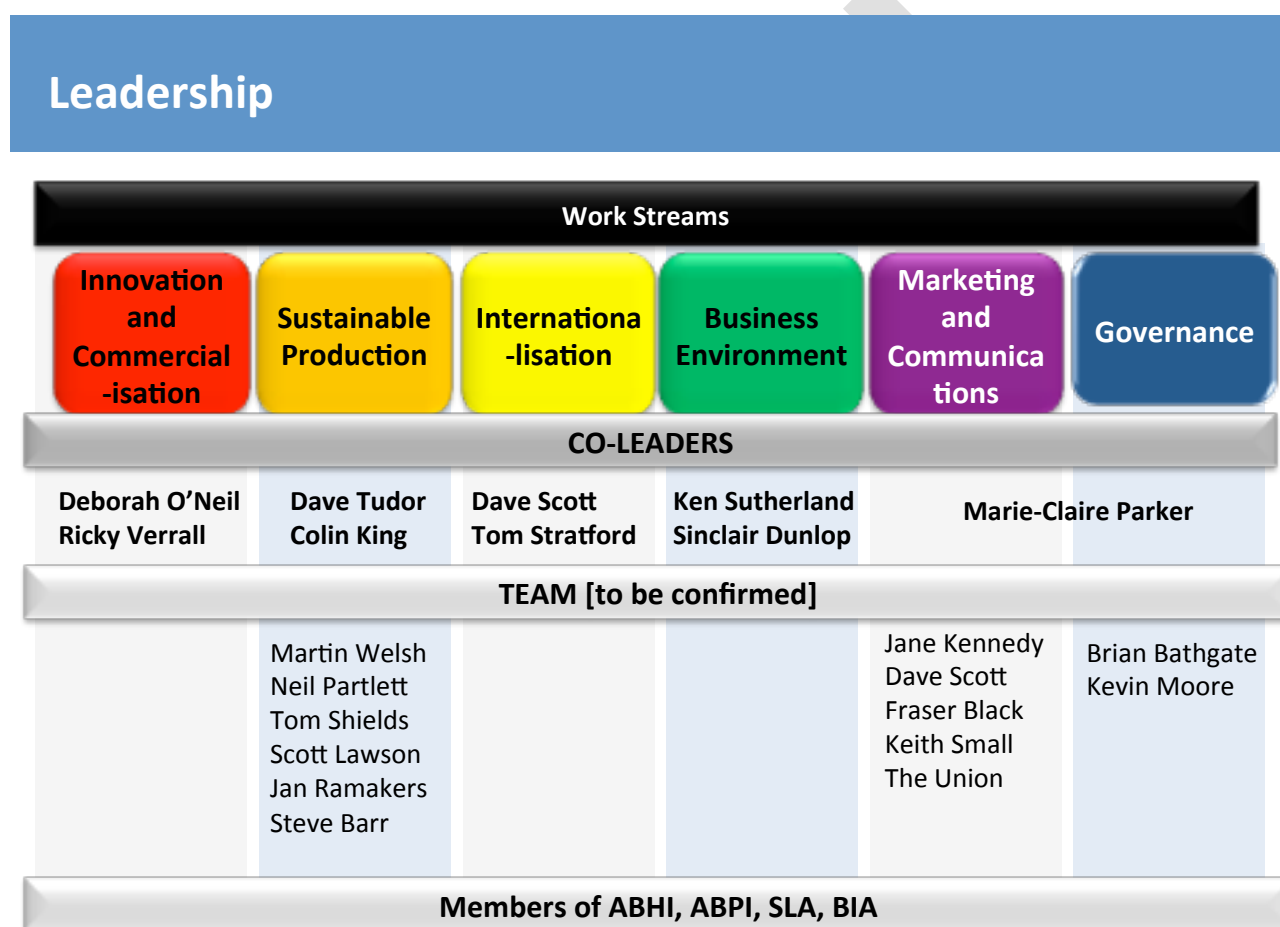
The second strand is in working with SDI to attract inward investment, assessing the requirements of targeted companies and organisations and tailoring the propositions round this to be more effective. For example, clean room capacity for vaccines and biotherapeutics could be part of this offering.

Several GlobalScots have been contacted by DT to connect into this international diaspora which can be used for introductions and networking overseas.

For the Business Environment theme, DT noted that the regulatory environment is key to success with three world class regulators present in MHRA, SEPA and HSE. Infrastructure is key and alternative models of science park development should be explored. The Skills Investment Plans for Life and Chemicals Sciences are a strength and should continue to be supported and work is underway in identifying solutions to address issues around access to finance.

In addition to the four strategy implementation themes there will also be two enabling groups both chaired by Marie Claire Parker: Governance, which addresses membership of ILG, chair performance, and Marketing & Communications, providing support and improvements to connectivity and communications. The Union have been appointed to by SE to provide a fully managed marketing and communications service to LSS.

Leadership for the LSS ILG strategy implementations is as below:



Although each strategic theme will be led by ILG members, the priority workstream groups will be populated by members of the wider community, as shown by the Sustainable Production and the Marketing groups.

It is expected that every ILG member will contribute to at least one of the workstreams either directly or through an appropriate member of staff from their organisation. It was also suggested that PACE may be a route for those at risk in Ethicon or Lifescan to take up posts in the four key sub sectors.

Minister Wheelhouse expressed support for the proposed approach and stressed the value in Ministers being kept informed of progress across the workstreams, between ILG meetings.

It was emphasised that the Strategy requires alignment between NHS and industry, trade bodies and government agencies, recognising what is happening in other sectors where appropriate, linking into UK strategy and adopting best practice from other countries.

It was noted that the Enterprise and Skills review may impact on the availability and support mechanisms from the public sector. This review is due to report in the next few weeks.

DT noted that feedback to the strategy has been positive. Delegates at the life science dinner were also asked to provide feedback and the new marketing and communications strategy will help to ensure that the website is a “go to” place for the identity of the sector.

DT encouraged all members of the ILG to provide direction and advice, support the strategy in public, and align their organisations to the strategy to gain and maintain momentum and also stressed that key to the successful implementation of the strategy will be providing adequate resources to deliver. DT asked LSS to consider what resources their organisation could provide, either through secondment, as GSK is considering, or through provision of cash which could be pooled to buy in support.

DT proposed reinstating the pre-ILG meeting dinner to take place on the evening before two of the four ILG meetings.

Representation of the academic sector at the ILG was raised and will be considered.

ACTION 3.1 AG to work with Governance Group of reporting processes to minimise admin burden and facilitate flow of information

ACTION 3.2 SE and HIE to identify support for strategy implementation.

ACTION 3.3 AG and DT to speak to members in next few weeks with respect to committing resources to provide full time support to each theme.

ACTION 3.4 Each theme to report in June on their top two priorities and will focus on 90 day timeframes for delivery.

ACTION 3.5 DT to organise a pre-meeting dinner prior to ILG meetings twice a year to discuss topics of interest to LSS

ACTION 3.6 MCP to consider HEI representation at LSS.

4	11.00	ILG inputs <ul style="list-style-type: none"> • Skills Update (15 minutes) • Manufacturing Strategy update (15 minutes) • Pharma Services Update (15 minutes) 	Ronnie Palin Dave Tudor Dave Scott
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Skills Update

Ronnie Palin, SDS, referred to the circulated paper and presented an overview of the short term objectives around Lab Skills, Internships, Master classes and Apprenticeships and the long term vision for a joint Life Chemical Sciences Skills Group to deliver more focused goals. LSS ILG endorsed this approach.

Secondly a refresh of the Skills Implementation Plan is required for 2019 but it was recognised that foresighting of skills required would be prudent. Minister Wheelhouse was positive about this approach to meet the needs of the industry as a 'line of sight' and an understanding of what it will take to be competitive.

David Bowie pointed out that software skills are required for digital health innovations as well as a need for commercialisation skills.

The SDS "Workforce Strategy" lends itself to interaction with the innovation centres and universities – an example of this was the SLA working with Heriot Watt to design a new life science degree. Dave Tudor noted that a life science degree with business development would be an example of addressing future needs as would a placement during the degree course. It was questioned whether the industry can wait six years for a new HEI degree to be developed.

Games industry workers should also be encouraged to look at working in MedTech

DT noted that if the Strategy had a 2025 timeline, there should be a strategic workforce plan developed which identifies these longer term needs. A 1 day workshop to bring the diverse needs of the sector together should be considered.

Kevin Moore recommended that there should be lifetime support to the activities of Skills Development Scotland rather than short term three years.

ACTION 4.1: SDS to consider a 1-day workshop to scope strategic workforce plan

Manufacturing Strategy update

Dave Tudor referred to the circulated paper and described the successful launch of the leadership master class on 1st March which included an evening reception at the Scottish Parliament, hosted by Minister Wheelhouse and Angus McDonald, MSP. There will be a further 3, one-day events over the next 3 months. The April event will be around innovation and commercialisation and will be held at Strathclyde University Technology Innovation Centre, the May event on supply chains will be at GSK, Irvine and the final event will be held in June at the Edinburgh BioQuarter.

The programme will be evaluated and it may be worth considering this model for other topics, e.g. for an entrepreneurial master class programme.

Pharma Services Update

Dave Scott referred to the associated paper and presented an overview of the challenges facing the Pharma Services Group (PSG). Different parts of the pharma services sector grow at different rates but the overall goal remains to build a collaborative ecosystem which will generate additional business for Scottish companies.

The PSG are considering how their recently developed strategy aligns with the LSS strategy. This strategy needs to cut across the work of the life science strategy and this re-work will support the life science sector. PSSG are meeting in April to address this.

The ethos of the pharma services is not to think “what’s in it for me?” but to think, “what’s in it for **we**?”

ACTION 4.2: PSG to report back on alignment of strategy with LSS strategy

5	11.45	Governance, Marketing and Communications	Marie Claire Parker
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Marie-Claire Parker referred to the associated papers.

The Governance group will consist of Marie-Claire Parker (Chair), Brian Bathgate and Kevin Moore and is responsible for continuity in the ILG, helping the transition from an advisory to a leadership group. During 2016, the nominations sub-committee considered the membership of the ILG and to ensure a spread of expertise and experience across the subsectors, and create a balance of churn and stability, members were allocated a 2, 3 or 4 year tenure with the option of a follow on 2,3, or 4 year tenure. This process identified a gap in the area of finance which has been addressed by the addition of Sinclair Dunlop to the ILG.

Membership of the ILG is all about what the *individual* brings, not just which company or organisation to which they belong. As a member of the ILG, individuals are asked to contribute to issues where they have insight or experience, and to contribute to the overall goals of the ILG.

The Governance team will work with the strategic theme co-leads to help address identified blockages or constraints and to help take the handbrake off relationships to drive forward the delivery of the strategy. The Governance team will liaise with DT, as Co-Chair of the ILG, and with SE.

Marketing and communication is a significant challenge for a fragmented sector with over 650 organisations. Having a coherent, joined-up and simplified “route-map” of Scotland will be key for inward investors. The key to success will be to pull together information, signposting to other relevant and reliable sources, and delivering a connected marketing product for Scottish Life Sciences that is greater than the sum of the parts.

SE has fully funded the Union to provide a fully managed marketing and communications service to support the sector over the next 2 years, however the success of this is dependent on support and provision of content by all members therefore, LSS will be responsible for maximising the impact of this resource.

The marketing and communications group has met once and will provide monthly updates to the ILG based on a set of 90-day plans. PR has been contracted to an associated organisation and media training will be offered to 10 members of the ILG, date to be confirmed.

Minister Wheelhouse welcomed news of the concerted effort on marketing and promoting Life Sciences and noted the success of the approach taken by Scottish Government Comms in relation to the Strategy launch via the BBC and strong interest it had generated.

Marie-Claire stressed the importance of companies sharing their news and developing case studies which will be used to populate the website.

The marketing and communications group will keep ILG members informed of progress over the next few weeks and welcome constructive input at any point.

ThermoFisher were suggested to be approached to join the marketing and comms group.

6	12.00	AOB	Dave Tudor
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The Minister Wheelhouse reported that a Bavarian inward mission is making a return visit to Scotland and members are requested to contact Avril Gold if they have an interest in making connections

Kevin Moore suggested that the ILG should investigate the reason why few women in Scotland are at senior levels in the industry whilst 75% of first year undergraduate life science-related course members are female. Julia Brown has agreed to present a paper to the next ILG on this.

DT welcomed the discussion and suggested that items for AOB should be submitted in advance of the meeting and that they would be included if time allowed to allow sufficient scope for substantive discussions.

The ILG input item at the next meeting will focus on the trade bodies and how the ILG can support them.

John Brown informed the meeting that the deadline to register for the second call for the Innovate UK healthcare fund is the 5th April.

<https://www.gov.uk/government/publications/funding-competition-innovation-in-health-and-life-sciences-round-2>)

ACTION 6.1: Julia Brown to prepare paper for next ILG with respect to women in senior positions.

12.05	Meeting closes. Lunch
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Papers for Information:

- HIP overview and update –updates for circulation will be provided by SLA
- Brexit paper – a subgroup will be formed and will report back to the ILG
- BioEurope Conference support – this will be considered by marketing and communications
- Medtech Notified Bodies paper – for information

Date of next meeting: Tuesday 13th June, Stratified Medicine Scotland - Innovation Centre, Queen Elizabeth University Hospital, 1345 Govan Road, Glasgow, G51 4TF