

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2949

Title: MedCity Business Plan 2022-23

Executive summary:

MedCity was established in 2014 by the GLA and London's three Academic Health Science Centres: Imperial College Academic Health Science Centre; King's Health Partners; and UCLPartners. Since its establishment, MedCity has received grant funding from the GLA. The GLA's most recent funding agreement expired on 31 March 2022.

It is proposed that the Mayor approves expenditure of up to £200,000 in grant-funding to MedCity as a contribution to its costs of delivering its 2022-23 Business Plan. MedCity's Business Plan outlines a total projected income for 2022-23 of approximately £1.3m.

Decision:

That the Mayor approves:

- i. MedCity's Business Plan for the 2022-23 financial year
- ii. the award of £200,000 of grant-funding to MedCity in the 2022-23 financial year as a contribution to MedCity's costs of delivering its Business Plan.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

25/4/22

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. MedCity was established and funded to promote and support the life sciences sector – an innovative growth sector in London. Prior to the establishment of MedCity, there was no dedicated life sciences body in London. Specialist knowledge of, and connections with, London's intricate life sciences ecosystem were required to promote the capital's life sciences expertise internationally and support inward investment opportunities.
- 1.2. As it is proposed that grant funding be awarded as a contribution to MedCity's delivery of its 2022-23 Business Plan, the Mayor is asked to approve that Business Plan. Subject to the granting of such approval, the Mayor is also asked to approve the award of £200,000 grant-funding to MedCity for the financial year 2022-23.
- 1.3. Subject to Mayoral approvals outlined above being granted, a grant agreement will be entered into with MedCity to govern the use and claims for the GLA's funding.

2. Objectives and expected outcomes

- 2.1. To emphasise MedCity's wide outreach, the organisation proposes a refreshed mission: "to grow life science innovation and investment in London, securing the UK's position as a global science superpower". To support that mission, MedCity's updated vision is "to advance cutting-edge health and life science innovation in London nationally and internationally to accelerate industry growth and investment, and improve health and wellbeing."
- 2.2. At a strategic level, MedCity's objectives are focused on increasing the health and wealth outcomes from life sciences research and commercialisation. For example, MedCity has supported inward investment that has created jobs with a total estimated cumulative gross value added in excess of £8.4m.
- 2.3. GLA grant funding will be used to enable MedCity to meet its staffing costs including those of its non-executive chair, chief executive officer and chief operating officer, enabling it to undertake activities aimed at growing and promoting the life sciences sector in London. In doing so, it will seek to deliver against its refreshed strategic priorities as set out in Appendix 1, which include:
 - cluster development, in particular shaping and leveraging opportunities within London life sciences real estate for growth of the sector and creation of jobs
 - business growth, supporting the growth of SMEs across health and life sciences and in particular aligned to MedCity's core themes of advanced therapies, diagnostics and data/AI, underpinned by a focus on sustainability and green healthcare
 - through the above, developing national and international linkages for MedCity's core themes.
- 2.4. Operational objectives that support GLA priorities in 2022-23 include the following:
 - implementing recommendations from MedCity's 2021 life sciences real estate demand study (see Appendix 3), with the aim of supporting more companies to find the right space in London to grow, including through the creation of more specialist space with access to affordable operational facilities for early-stage life science SMEs
 - reviewing, strengthening and potentially broadening/deepening the services and programmes MedCity offers to shape SMEs prior to investment; and/or assist them to raise finance to support the next stage of commercialising their product (e.g. evidence generation)

- continuing to deliver the LEAP-funded “Collaborate to Innovate: London Diagnostics” programme; and further developing and marketing the MedCity Diagnostic Growth Hub as an offer internationally, drawing in inward investment and an innovation pipeline
 - maintaining relevance to shape and gain support for a sustainability offer from MedCity – working with the Office for Life Sciences (OLS) and others, the ambition is to place London at the forefront of the sustainability in health agenda
 - delivering a social media campaign promoting London life sciences
 - implementing a refreshed international strategy with a focus to bring more inward investment from Wider Asia and Middle East for the London ecosystem.
- 2.5. During the course of 2022-23, MedCity will also progress some rescheduled activities, which were restricted as a result of the pandemic, in particular MedCity’s international work.
- 2.6. MedCity currently has a mixed funding model consisting of grant-based funding from the GLA, Research England and the European Regional Development Fund, plus some commercial income from programmes, services and sponsorships. This includes £600,000 per annum in grant income from Research England until June 2023 (£1.8m over three years – part of a joint award to MedCity and the Northern Health Science Alliance). MedCity has reported securing over £160,000 commercial income at the end of Q3 – well in excess of its annual target – from a range of projects including providing consultancy services to an NHS organisation and a partnership with an investment management firm.
- 2.7. MedCity’s ambition in 2022-23 is to further increase its proportion of income from commercial programme services and sponsorship. MedCity will need to demonstrate financial viability in terms of both commercial income and confirmed grant funding by December 2022, at the latest, in order to sustain its operations beyond June 2023.
- 2.8. MedCity has made positive progress to date in generating additional income from diversified sources, although the pandemic has had an impact on its income streams. Nonetheless, MedCity’s draft 2022-23 Financial Plan (see Appendix 1) indicates that a significant proportion of public funding – whether from the GLA, Research England, LEPs or universities – will continue to be required. This income mix reflects the need for ongoing public funding to address deep-seated market failures, alongside a diverse range of other funding streams to support long-term financial sustainability. It also reflects the continued impact of Brexit and the Covid-19 pandemic.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities must have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. Relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marital and civil partnership status, race, religion or belief, sex, and sexual orientation.
- 3.3. The GLA will ensure, via the enforcement of provisions within the funding agreement, that MedCity adheres to the requirements of the Equality Act to make decisions in a fair, transparent and

accountable way, considering the needs and rights of different protected groups. This will be achieved through assessing the impact that changes to programmes of work could have on people with different protected characteristics, where appropriate. The GLA recognises that, when providing grant funding to MedCity, assessing the impact on equality of proposed changes to policies, procedures and practices is not just something that the law requires, it is a positive opportunity to ensure that better decisions are made based on robust evidence

- 3.4. MedCity will ensure equality of opportunity for all protected groups through the organisation's staff recruitment and selection processes, and when organising events, in particular through ensuring MedCity events are accessible for people with disabilities.
- 3.5. The GLA's Equality, Diversity and Inclusion (EDI) Evidence Base identifies that young women are less likely to study science, technology, engineering or maths (STEM) at A-level. MedCity will therefore continue to consider opportunities to promote female entrepreneurship at MedCity-facilitated/hosted events, to address the current under-representation of women in the STEM sector. The 2022-23 funding agreement will require MedCity to monitor diversity – by gender and ethnicity – of speakers and panellists at MedCity-facilitated/hosted events, and of programme participants, with a view to establishing a baseline for future use.
- 3.6. This year MedCity has developed its own EDI philosophy and priorities, and has successfully applied to become a member of Equality, Diversity and Inclusion in Science and Health, a coalition of organisations working to improve EDI within the science and health research sector. The 2021-22 GLA grant funding agreement required MedCity to deliver its EDI objectives, including organising an industry roundtable to highlight EDI challenges within London's life sciences sector, and creating a board leadership scheme, supporting the transparency of boards and developing the next generation of life sciences board leaders. To underpin the organisation's EDI work, MedCity has completed a project with UCL to examine gender diversity in London's life sciences industry and research institutes (see Appendix 5). MedCity will now organise a roundtable to discuss the research findings and determine next steps. MedCity created an outline for a board leadership programme, however an enhanced or different approach may be required to deliver impact. MedCity therefore plans to use the roundtable to gauge what type of initiative may be required. The organisation will subsequently seek resource and/or partnerships to either modify and implement a board leadership scheme, or propose an alternative. The 2022-23 funding agreement will require the roundtable and subsequent initiative to be delivered.
- 3.7. Reasonable progress has been made on MedCity's other EDI objectives, which were highlighted in the organisation's 2021-22 Operational Plan and included in the 2021-22 GLA grant funding agreement.
- 3.8. MedCity supports the growth of the life sciences sector, which is not only key to London's economic recovery, but also a source of innovations that have the potential to improve the health and wellbeing of Londoners and narrow health inequalities. MedCity therefore proposes in 2022-23 to host a symposium in partnership with the National Institute of Health Research focused on technologies and methodologies in clinical trial recruitment, to maximise the inclusion of diverse populations. The 2022-23 funding agreement will require this event to be delivered. In addition, MedCity will explore with its Digital Growth Hub partners an event focusing on medical diagnostics and devices, specifically on improving services for under-represented populations in London.

4. Other considerations

Key risks and issues

Scenario	Impact H/M/L	Likelihood H/M/L	MedCity mitigating actions
Lack of longer-term (up to three years) committed grant-funding threatens the sustainability of MedCity beyond June 2023.	H	H	Continue with external affairs programme to raise awareness of the important role MedCity plays in the London life sciences ecosystem; and its contribution to national life science cluster development and UK economic growth.
Failure to secure adequate funding to deliver on committed activities at the required pace.	H	M	Deliver sustainability agenda within business plan. Seek commercially viable business development opportunities.
Failure to deliver on funded projects.	H	M	Invest in people strategy and operations to support on-time and on-budget delivery of committed projects.
Failure to secure adequate funding to develop new strategic initiatives such as diagnostics collaborative pathway.	H	M	Partnership discussions continue and project will not proceed at risk if funding cannot be secured.
Covid-19 pandemic continues to prevent international travel and face-to-face meetings/networking events, impacting on inbound jobs, income streams from sponsorship and international missions.	H	M	Continue to engage with organisations interested in sponsoring MedCity communities and activities. Continue to host online events.
Inability to recruit to new posts, including non-executive chair.	H	M	Networks, social media and recruiters will be used.
Impact of Brexit on trade, free movement and funding.	H	M	Prioritise activities relating to international markets and collaborate further with cluster organisations, L&P, the Department for International Trade, and the OLS to create a unified message.
Levelling-up agenda risks funding for both MedCity and academic institutions in London.	H	M	Continue to work with the Academy of Medical Sciences; the Northern Health Science Alliance; cluster organisations; the Department for Business, Energy and Industrial Strategy; and other organisations to minimise impact.

Links to Mayoral strategies and priorities

- 4.1. Life sciences was identified in the Mayor's Economic Development Strategy as one of seven sectors that have an especially important role to play in helping to deliver his vision for the economy. Life sciences is also a key sector in London's recovery from Covid-19. The sector has attracted investment due to its essential role in the pandemic response. Alongside the direct economic and

public health benefits that a strong life sciences cluster provides, the sector also maintains many technical, administrative and other jobs in supporting roles. Examples are provided below of MedCity programmes that align with the Mayor's priorities for the recovery of London post-pandemic.

London Recovery Programme	MedCity activity	How the activity supports recovery
Supports the Helping Londoners into Good Work Mission; aligns with the key outcome of reversing lost economic growth.	Provide leadership in life sciences infrastructure and cluster development to attract inward investment.	<p>Business growth across the life sciences sector has the potential to create a range of good quality employment opportunities for Londoners. A sufficient supply of life sciences workspace is critical for job creation through inward investment and company growth. In 2021-22, MedCity:</p> <ul style="list-style-type: none"> • published a study showing a fourfold growth in demand for commercial life sciences R&D space in London since MedCity's 2016 study, with London ranked by companies as the top place to move to; the report provided detailed analysis of space requirements and recommendations to meet demand • launched the MedCity Lab Providers' Forum to tackle rising demand for R&D space • established a quarterly meeting of London boroughs to share learning on planning policies, affordable workspace and facilities to support life science SMEs • undertook research with UCL exploring "what good looks like" with regard to how health and life sciences clusters benefit local communities; a report is expected to be published in Spring 2022 and will be validated with a subset of boroughs, with the aim of the MedCity/UCL framework being used as a tool to aid constructive dialogue between planners and developers.
Supporting business, jobs and growth is one of the GLA's Recovery Foundations. This includes international promotion.	Maintain and adapt international relationships and links with key markets to drive forward inward investment and business growth.	International promotion is essential for continued life sciences investment and collaboration, and remains central to London's ongoing success as a world-leading life sciences hub. In 2021-22, MedCity continued to amplify London's strengths through its 'Unleashing Innovation' campaign, publishing a report on innovations in the London ecosystem that are moving the healthcare and life sciences sector toward a greener future.
Supports the cross-cutting principle of improving the health and wellbeing of all Londoners.	Scope and test the establishment of a diagnostics pathway/testbed.	MedCity aims to better connect the sector ecosystem with a view to driving the faster development, manufacture and commercialisation of quality, evidence-based medical technologies. Earlier and better diagnosis of diseases and conditions will improve health outcomes and help to address inequalities. In 2021-22, MedCity began delivering the LEAP-funded "Collaborate to Innovate: London Diagnostics" SME support programme. The organisation also built on the foundations of the MedCity-led Covid Testing Alliance to develop the Diagnostic Growth Hub – a consortium of London and national partners led by MedCity as a platform to support faster diagnostic development.

Consultations and impact assessments, including data protection

- 4.2. The MedCity team undertakes an annual action plan to ensure GDPR compliance. There is currently no data sharing between the GLA and MedCity.

Conflicts of interest

- 4.3. There are no conflicts of interest to declare for officers involved in the drafting or clearance of the MD.

5. Financial comments

- 5.1. The proposed GLA grant of up to £200,000 for 2022-23 has been included in the GLA's budget for 2022-23 as approved by MD2969, held within the GLA's Economic Development Unit.
- 5.2. In line with previous arrangements, payments will be made on a quarterly basis subject to satisfactory monitoring of performance against the deliverables approved as part of MedCity's 2022-23 business plan. This requirement as well as the standard break clauses will be incorporated into the funding agreement to ensure that performance and risk is managed effectively during the duration of the grant agreement.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor concern the GLA's exercise of its general powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation in Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
 - 6.1.1 pay due regard to the principle that there should be equality of opportunity for all people
 - 6.1.2 consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - 6.1.3 consult with appropriate bodies.
- 6.2. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty - namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.3. If the Mayor is minded to make the decisions in respect of which approval is sought officers must ensure that a funding agreement is entered into and executed by the GLA and MedCity Limited before any commitment to the funding is made.

7. Planned delivery approach and next steps

- 7.1. MedCity's Operational Plan sets out actions to deliver against MedCity's strategic priorities (see Appendix 2).

7.2. The GLA will monitor MedCity progress against a number of KPIs and project milestones, which are confirmed with the GLA Governance team each year. A quarterly monitoring form is submitted to the Economic Development Team's Programme Office Manager. The lead GLA officer attends regular project update meetings with the MedCity team. The GLA – represented by the Assistant Director of Economic Development and lead officer – also attends MedCity Management Board meetings as an observer.

Appendices and supporting papers:

- Appendix 1 – MedCity Business Plan 2022-23
- Appendix 2 – MedCity Draft Operations Plan 2022-23
- Appendix 3 – London Life Sciences Real Estate Demand Report
- Appendix 4 – MedCity Impact Report 2021
- Appendix 5 – MedCity EDI Report

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Laura Gilbert has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Rajesh Agrawal has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 19 April 2022.

✓

EXECUTIVE DIRECTOR, RESOURCES: Anna Casbolt on behalf of David Gallie

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

Anna Casbolt

19/4/22

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature

Date

D. Bellamy

18/4/22

