



MedCity Business Plan 2019 - 2020

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1. Introduction

Purpose and Vision

MedCity's purpose is to enable economic growth in life sciences and support the development of an ecosystem in which all parts of the sector can thrive. We aim to work with our partners and other institutions to facilitate the development of new investments, companies and products for the benefit of London and the Greater South East (GSE) along with other cluster organisations UK-wide.

MedCity's vision is to be a **key enabler in the region, so that it continues to be a world leading, globally connected Life Sciences cluster, gateway to the UK and Top in Europe.**

To achieve this we have set out a mission to connect multi-disciplinary excellence across academia, industry and the healthcare system in order to drive growth and investment across research, development, manufacturing and commercialisation.

The vision and mission have evolved following a strategic review of the organisation with the management board in 2018. This document gives a three-year view of the organisation's priorities based on the review, as well as an overview of the 2018/19 objectives that have supported the delivery of the strategic direction (see Section 2),

The 2019/20 business plan is for MedCity as an organisation, including priorities and activities relevant to all funders and key stakeholders¹. It is important to note that some of the activities listed are subject to approval of grant applications to Research England and the London Economic Action Partnership (LEAP) that are in the process of review, highlighted within Section 3.

2019/2020 business Plan, progress against 2018/2019 plan and organisation values

MedCity was solely funded by the Greater London Authority (GLA) and the Higher Education Funding Council for England (HEFCE) Catalyst Fund when it was launched in April 2014 by the GLA and the three London-based Academic Health Science Centres (AHSCs). The organisation has now moved towards a mixed-funding model. This is a fundamental operational change and has been one of the key achievements of the 2018/19 plan.

Since 2018 the new mixed-funding model has consisted of an extension of GLA funding, HEFCE Catalyst Funding, European Regional Development Funding (ERDF), Connecting Capabilities Fund and commercial income from programmes and sponsorships. This strategic change has been implemented in response to the approaching end of the funding agreement with HEFCE in 2019, tapering of GLA funding and the need to develop a sustainable business model, while retaining not-for-profit status.

MedCity is now working to secure funding from Research England, ERDF and the London Economic Action Partnership (LEAP), to enable the delivery of key strategic projects. Over the last two years, MedCity has built the foundations of a robust and agile business, allowing us to further develop a sustainable operations model, including:

- ensuring GDPR compliance;
- implementing a commercial cost model;

¹ Appendix 2 gives a high-level view of MedCity's funders and stakeholders.

- reviewing the CRM system; and
- improving reporting methods for impact review.

The initial success we have experienced in attracting a diverse income stream is largely due to MedCity's strengths. In particular, the organisation benefits from:

- far-reaching networks and credibility within academia, industry and the healthcare system, which continue to develop and widen;
- extensive life sciences sector expertise within the MedCity team across academia, industry and the NHS, in addition to specialist knowledge and networks within real estate, market insight and international relations; and
- strong **organisational values** of objectivity and integrity in client support.

All of which have resulted in steady growth of a diverse client base over the last four years.

2018/2019 plan highlights – *NB this section will necessarily be validated after 31 March 2019*

MedCity has consistently met or achieved targets on a cumulative basis against the organisation's Key Performance Indicators (see Section 3). The following are highlights from the 2018/2019 plan to date. The 2017-2018 Annual Review provides further detail and case studies and can be found on our [website](#).

- 847 new clients (2015 – Q2 2019), for 2018/19 (Q1-3 = 196).
- 92 additional direct life sciences FDI jobs resulting from the MedCity project by end 2017/18, with a total estimated cumulative gross GVA of over £13.6m.
- £6 million worth of investment through Angels in MedCity (£24.6m overall) from 2015 – 2018; 2017/18: £1.65 million and £6.84 million overall. From the GSE region, £3.4 million through Angels in MedCity to date, contributing to a total of approximately £19m including follow-on investments.
- 15 new collaborations between companies and academic institutions through the MedCity HEFCE/ERDF-funded Collaborate to Innovate programme, and further collaborations planned through DigitalHealth.London (DH.L) Accelerator and Collaborate to Innovate for advanced therapies.
- 85 companies supported through the DH.L Accelerator from 2016-19 (21 companies in 2018/19).
- Significant increase in new research space development within London. For example, MedCity has worked with partners involved in the British Library development, which it is anticipated will result in the largest biomedical research facility in Europe.
- Generation of a significant increase in commercial income from sponsorship and programmes in 2018/19 compared to the previous year (2018/19: £136,000 to date; 2017/18 £48,400), resulting from the commercial strategy and diversification of the MedCity income stream.

In addition, MedCity's achievements in 2018/19 include:

Showcasing and connecting excellence

- A successful bid with King's College London and partners to support a second Collaborate to Innovate programme for advanced therapies. This is alongside the launch of the Advanced Therapies Network in conjunction with King's College London, University College London and Imperial College London. So far Collaborate to Innovate has supported the creation of 22 jobs across the SME and partnered academic research groups.
- Ten new products developed by companies under Collaborate to Innovate have and/or are expected to reach the market in the next three years.
- Over £10 million of private and/or public funding leveraged by companies after receiving support through Collaborate to Innovate.

These results are due to MedCity's experience and expertise in understanding demand and in creating and implementing tailored collaboration programmes. In 2019/20 MedCity will continue to leverage opportunities to replicate and partner with organisations to deliver similar programmes.

Attracting investment and increasing commercialisation

- The coordination of international delegations/orientations across the GSE for major overseas companies and research institutions, from Singapore, multiple jurisdictions across Japan, Canada, the United States, Spain, Denmark, Norway and France. This has resulted in successful engagement with companies including Samsung Biologics and other multi-nationals (note that relationships such as these are developed over a number of years).
- The promotion of the life sciences sector at major international conventions resulting in further industry interest with respect to investment and partnership in the region. MedCity's mission to Japan and South Korea in October 2018, working with the Northern Health Science Alliance (NHSa) brought together 7 HEIs, including King's College London, Imperial College, QMUL, UCL and the University of Cambridge Milner Institute, as well as 13 companies for a programme of industry and academic engagement. MedCity helped secure nine presentations for UK speakers in the BioJapan 2018 conference.
- Providing advice on life science cluster development to the New York Economic Development Corporation (EDC) and to organisations such as the Singapore A-star programme.
- Facilitating an MOU with Link-J, the Japanese pharma organisation in Tokyo.
- Developing a new working relationship with the Korea Pharmaceutical Manufacturers Association as a route to developing stronger links in South Korea, in preparation for potential extension of MedCity's international work in 2019/20 and onwards.
- MedCity is routinely called upon to provide advice to planned capital projects based on overall demand across the wider region for multiple sites.
- Working with NHS England, NHS Digital, NICE and Public Health England to address the lack of standards in evidence for digital health technologies by publishing a Standards Framework for Evidence in December 2018. This is the first standards framework for digital technologies published globally and will help companies developing evidenced technologies that are applicable to the healthcare system, supporting the uptake of innovation.
- Three years as a recognised supporter of the NHS Clinical Entrepreneur Programme to mentor and support innovators within the NHS cohort.

These achievements are a result of MedCity's core work attracting investment and supporting SMEs and entrepreneurialism. This area of focus will continue through our projects in 2019/20.

2. 2019 – 2022 strategic direction: market context and sustainability

Market context, opportunities and threats

The 2019/20 business plan and activities consider external factors, opportunities and threats, including:

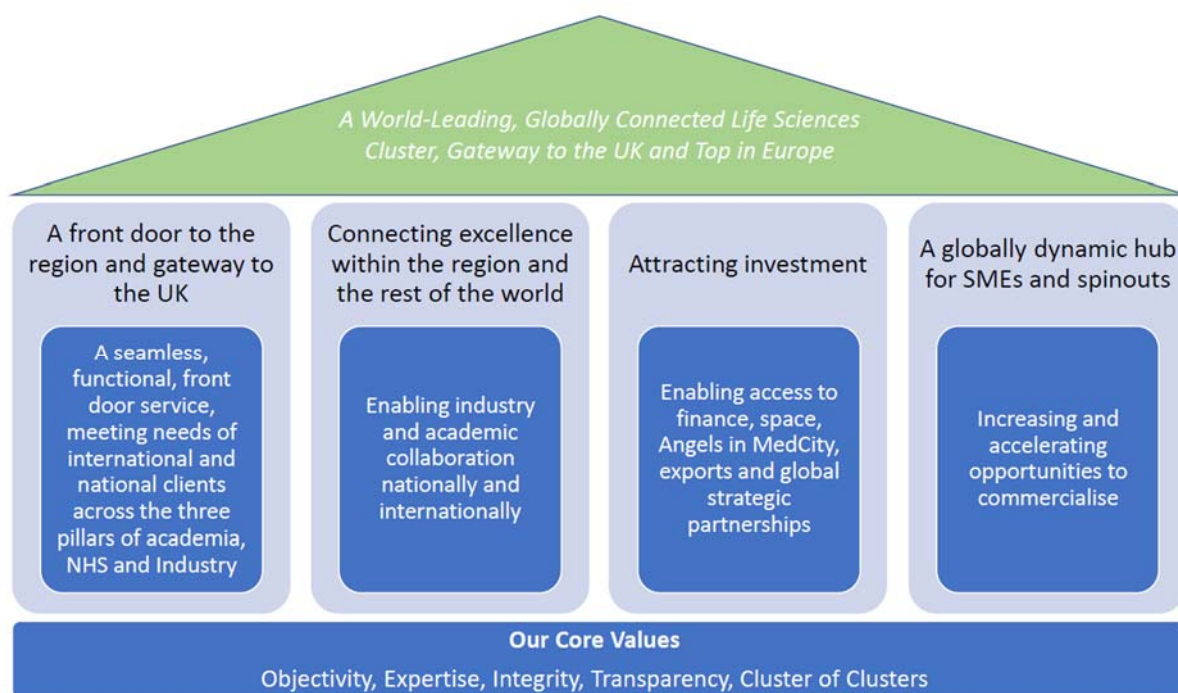
- Brexit and the continued uncertainty: with respect to regulation, in particular medicine approval, release and supply, access to skills and research funding. This has resulted in mixed response from industry, some choosing to invest in London and the wider region and others going elsewhere. MedCity has chosen to actively support those industries wishing to invest and is promoting these as positive stories as well as reassuring the market and reinforcing confidence in the region's capabilities and strengths.
- Life Sciences Industrial Strategy and Sector Deals: MedCity continues to partner with other cluster organisations under the umbrella of the Academy of Medical Sciences to promote UK plc through delivery of joint programmes as well as using its experience and credibility to guide developing clusters. The partnership with the Northern Health Science Alliance (NHS) in bidding to Research England for future funding is an example of MedCity's national cooperation.
- Trend in government rebalancing the economy and life sciences funding flow nationally beyond the GSE: MedCity continues to work with partners for funding to support priority projects that grow the region's strengths (for example, in advanced therapies).
- The rising competitive position of China in the sector and other international life sciences clusters aided by government funding to support national economic growth: this presents an opportunity for MedCity to strengthen the offer of London as a gateway to the UK and Europe.
- Growth of digital health and advances in data science: resulting in an increase in the need for diverse industry and academic partnerships, skills, regulation and infrastructure. MedCity is well positioned to respond to this need due to the organisation's outreach and networks within the region.
- MedCity has grown in connectivity and cooperation across the region: creating the opportunity to leverage this for partnerships and growth, and to promote further inward interest and investment.

Further detail on the plan to adapt and respond to these opportunities and challenges is set out within this business plan.

Strategic Framework

Taking into consideration external market and political factors, the need to have a sustainable business model and to build on the successes and strengths of the organisation, MedCity has refreshed the organisational vision and strategic framework.

The diagram below illustrates MedCity's three-year strategic direction from 2019-2022. The four pillars represent the strategic priorities that will deliver the vision.



MedCity continues to see the international benchmarks for London and the wider region as Boston and the Bay Area in the US and European hubs such as Berlin, Switzerland, Medicon Valley in the Nordics and the developing hub around Barcelona.

MedCity itself continues to be viewed as a benchmark for other geographies. A recent study by Future Place Leadership (<https://futureplaceleadership.com/wp-content/uploads/2018/04/Case-Cambridge-London-Oxford-by-Future-Place-Leadership.pdf>) recommended MedCity as a model for the Basel region.

The study highlighted the dual role of MedCity as both a successful service provider to the regional life sciences ecosystem, and as a marketing agent externally.

“Place branding has been extremely important in helping the Golden Triangle develop internationally, and MedCity is an excellent example of a vehicle that caters to the needs of the life-science ecosystem itself, while also acting as an external agent for marketing.”

MedCity’s support of the SME sector and in turn the wider life sciences industry was also noted as an approach to replicate.

“The availability of start-ups and SMEs matters greatly to large corporations, and MedCity has contributed greatly to the Golden Triangle’s ability to strengthen relationships between start-ups, SMEs, and large corporations.”

Sustainability

Over the past two years, MedCity has developed and is implementing a plan for future sustainability. This strategy includes long-term objectives, some of which will continue into 2019/20 and beyond including the commercial and sponsorship model.

The plan consists of:

- (i) Continued financial support from the GLA beyond March 2019, as per the funding agreement in 2017/18 (subject to Mayoral approval of the annual MedCity business plan).
- (ii) A bid for funding from the LEAP and further discussions with other LEPs within the region for longer-term funding support to enable closer partnership and collaboration.
- (iii) Submitted bids for further ERDF funding for a future generation of collaboration programmes.
- (iv) Being a financed delivery partner for the Research England Connecting Capabilities Fund Advanced Therapies Programme, led by King's College London. The deliverable being academic and industry collaboration in advanced therapies as well as an advanced therapy network.
- (v) We are developing our commercial and sponsorship models and expect these to contribute to the funding model in the coming years. MedCity has succeeded in generating £136,000 income in 2018/19 to date through the commercial and sponsorship model.


In addition, there are a number of new areas of work that we would like to develop, and we are in detailed discussion with the Research England Development Fund team about a bid for funding these new programmes. These projects are outlined in Annex 1.

The Operational Plan for 2019/20 in Section 3 is illustrated based on income sources i, iii, iv and v listed above. Projects enabled by additional income as a result of a successful bid to the Research England Development Fund and the LEAP (ii) are outlined in Annex 1.

Section 3 outlines MedCity's 2019-2022 strategic priorities to achieve our vision. Note, any activities from the 2018/19 business plan that are outstanding will be rolled over as appropriate.

3. Achieving the business aims: 2019- 2022 ambitions, strategic priorities and operational plan 2019/2020 and KPIs

2019- 2022 strategic priorities and operational plan 2019-2020

	<p>Strategic priorities 2019-2022</p> <p>MedCity's ambition is to be even more widely known in our target markets of US, Japan, the Nordics and looking forward (and subject to funding) South Korea and China – as a front door to the region and a gateway to the UK for life sciences by 2022.</p> <p>MedCity's USP is objectivity, expertise in the life sciences sector, wide networks and deep relationships within the ecosystem. The <i>front door</i> is the entry point for developing long-term industry relationships and future investment into the region.</p> <p>Success will be measured by the number of clients supported (as per KPIs) and for key clients, number of jobs created.</p> <p>Priorities:</p> <ol style="list-style-type: none"> 1. To continue to provide expert and unique front door services to businesses in need of support to navigate the region and make connections that will enable goal attainment. 2. To create a seamless interface with key client-facing organisations (including London & Partners, the Academic Health Science Networks – AHSNs – and others as appropriate) so that this service enhances the collective offer to industry.
<p>Operational plan 2019/2020</p> <p>2019-20 objectives:</p> <ol style="list-style-type: none"> 1. Assess the feasibility of measuring how often we support the same clients in addition to new clients via our front door activity, to give additional granularity to our offer and helping us to measure value to clients. Feasibility assessment to be completed by end of Q2 FY. 2. Assess the opportunity to partner with AHSNs to provide a front door to SMEs on their behalf on a partnership basis. Feasibility assessment and discussion with one to two AHSNs to be completed by Q1 FY, to support delivery of AHSN innovation exchanges.² 3. Develop and implement a plan for active promotion of the front door service to ensure we continue to be widely known in our target markets (Q2 FY and onwards). 	

² See: <https://www.ahsnnetwork.com/innovation/innovation-exchange/>

<div data-bbox="212 230 491 638"> <p>Connecting excellence within the region and the rest of the world</p> <p>Enabling industry and academic collaboration nationally and internationally</p> </div>	<p>Strategic priorities 2019-2022</p> <p>MedCity's ambition is for London and the Greater South East to continue to be recognised internationally for excellence in key capabilities, and, as a result, increase the numbers of industry and academic partnerships and collaborations as well as clinical research activity.</p> <p>Over the last two years, we have worked with partners to promote the region as a centre of excellence for genomics and advanced therapies. Over the next three years MedCity will continue to strengthen this offer and also add life science and health data, analytics and AI as key areas of excellence. The scientific advances, academic and research expertise, proximity of specialist centres, patients and investment in genomics and advanced therapies and health data within London makes the region highly attractive for companies to develop networks and relationships to further their business strategies and research. These strengths are a priority to showcase.</p> <p>Success will be measured in the numbers of academic and industry collaborations enabled through programmes. MedCity's support of programmes such as accelerators, networks and events will be catalysts for potential collaborations.</p> <p>Priorities:</p> <ol style="list-style-type: none"> 1. Work with partners to create and promote a cohesive regional offer for industry relating to data, analytics and AI. Enable cross industry and academic collaboration and a growth in investment in these areas as a result. 2. Continue to invest in BIOUS and BIOJapan, working with partners including London & Partners, HEIs and industry. Develop China as a target market to the same extent as Japan, enabling the creation of Chinese-UK collaborations within the sector. 3. Create and market a portfolio of commercial services and offers relating to collaboration and partnerships, adding to the Collaborate to Innovate programme, technology scouting, where possible promoting the region's capabilities (genomics/AI/data) and meet the needs of industry. 4. Strategically widen and formalise a network of academic institutions within the Greater South East, thereby increasing opportunities for collaboration.
<p>Operational plan 2019/2020</p> <p>2019/2020 objectives:</p> <ol style="list-style-type: none"> 1. Map region's AI capabilities: companies, data sources, academic capabilities in data and analytics. Scope project outline to develop an offer for data/AI in London for life sciences and engage relevant partners to promote internationally (BIOUS/Japan and other opportunities). (Q1 FY) 	

2. Work with partners and use four-year clinical trial data to publish a report on trends and strengths to support the region's offer. (Q1 FY)
3. Finalise and implement an event (international and national) plan for 2019/20 aligned to priorities and deliver key events as per plan and campaign measures. (Q1-4 FY)
4. Support, enable and fund at least ten collaborative projects on advanced therapies, between academic research organisations and SMEs under a new Collaborate to Innovate scheme specifically targeting advanced therapies companies. (Q3 FY)
5. Advanced Therapies Network (ATN): deliver at least four events this year and increase the number of members of the ATN platform to over 300 by end of FY 2020.
6. Work with the Cell and Gene Therapy Catapult, the three Advanced Therapy Treatment Centres and the newly founded London Advanced Therapies to convene stakeholders to set an agenda for how health economics and reimbursement models for newly developed Advanced Therapy Medicinal Products (ATMPs) can evolve. (Q4 FY)
7. Explore the need and opportunity to create standing working groups with members of the Advanced Therapies Network, including Cell and Gene Therapy Catapult as well as the National Institute of Health Research (NIHR) and other stakeholders to work and report on key aspects of advanced therapies. (Q4 FY)
8. Explore and potentially develop a portfolio of structured commercial services relating to collaboration, drawing on MedCity's experience with respect to demand and market via appropriate channels including the MedCity website. (Q2 FY)
9. Develop a business development strategy for additional programmes from 2019–22. Emphasis on genomics, advanced therapies and AI/data. (Q3 FY)
10. Evaluate whether a structured offer can be developed with relevant partners for international delegations. Implement proposal on management of international delegations to include reporting back to partners on impact. (Q4 FY)

	<p>Strategic priorities 2019-2022</p> <p>MedCity's ambition in this area is to enable delivery of measurable economic growth and account for our performance to our stakeholders, thereby enhancing our reputation and profile. All the pillars of work lead to this goal, however the <i>attracting investment</i> pillar focuses on MedCity's ability to influence and shape the investment space, planning and real estate sector, enabling significant global and strategic partnerships. Due to the specialist expertise and networks required to support industry in this area, MedCity's input has been widely sought and the organisation has enabled some key developments in the region.</p> <p>Over the next three years, MedCity will focus on growth of inward investment in the sector measured by an increase in jobs and GVA. Note that this assumption has been based on a political steady state - currently the UK is in an unprecedented environment of uncertainty, as highlighted in our strategic review.</p> <p>Priorities:</p> <ul style="list-style-type: none"> • By providing objective, credible advice to developers, academic partners, companies, providers and funders, help to influence the growth of the right real estate capacity, at
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	<p>the right size (from incubation through to grow-on), in the right places for life sciences to thrive.</p> <ul style="list-style-type: none"> • Lead on the articulation of the opportunities in the life sciences real estate sector by situating development and opportunities for development. • Provide thought leadership in articulating an understanding of the changing nature of both industry and cluster convergence dynamics. (Potential demand study 2.0 publication.) • Continuing to strengthen the Angels in MedCity offer.
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Operational plan 2019/2020

2019/2020 objectives:

1. Deliver two pitching events and two investor workshops for Angels in MedCity, number dependent on funding (Q4 FY).
2. Evaluate how MedCity should be working with venture capital organisations to optimise support to companies with respect to finance. Deliver recommendations to the team (Q2 FY).
3. Evaluate future development of MedCity map and implement next steps (Q2 FY).
4. Assess MedCity's role vis a vis trade and export with partners (London & Partners). Implement recommendations (Q4 FY).
5. Evaluate whether real estate and demand for space has changed since the publication of the last demand study, recommend and implement next steps (Q4 FY).

	<h3>Strategic priorities 2019-2022</h3> <p>As a future pipeline for economic growth, SMEs and spinouts have been a focus for MedCity over the past four years. MedCity has supported companies to grow and commercialise through accelerator programmes, incubators and direct support. MedCity has also engaged in projects that simplify the ecosystem to remove barriers that slow commercialisation for both small and large businesses. Over the next three years, MedCity's ambition is for the region to be globally recognised as a dynamic hub for SMEs and spinouts across the life sciences sector, but in particular in MedTech, digital and AI.</p> <p>Priorities for the next three years:</p> <ul style="list-style-type: none"> • To continue support of SMEs and provide insight and expertise to projects that aid in acceleration to market.
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2019/2020 operational objectives:

1. To support companies on the DigitalHealth.London Accelerator programme on Cohort 4 (2019/20) and its pilot scheme in 2019, Launch Pad, targeting support to earlier stage digital health companies. On the combined cohorts we will support 15 companies on a one-to-one basis (Q4 FY).
2. To provide support in workshop design and presentation for DigitalHealth.London, DigitalHealth.London Accelerator and other accelerators as appropriate (Q4 FY).
3. Support of a further 12 Entrepreneurs from the NHS Clinical Entrepreneurs Programme (Q4 FY).

Key Performance Indicators

In common with the previous plans, MedCity will be accountable to its funders for its direct impact and programme of work.

Key performance indicators consist of those measures that are not comprehensive for every aspect of MedCity's activity, but which MedCity believes collectively provide a barometer reading as a proxy for the effectiveness of MedCity. As well as indicators reflecting the main themes of MedCity's work programme.

GLA KPIs:

- Number of new clients/ongoing clients supported.
- GVA (cumulative) of additional direct life sciences jobs in London resulting from the MedCity project.
- Additional funding raised for the MedCity project (indicating diverse income stream).

Additional indicators:

- Number of direct life science jobs in London.
- Number of additional direct life sciences jobs in London resulting from the MedCity project.
- Additional collaborations with MedCity involvement (related to programmes).
- Additional capital raised for the continuation of the Collaborate to Innovate programme.

Indirect indicators:

- Commercial clinical trials trend.
- Patients recruited to these trials.

In previous years we have collated information on spinouts, patents and licenses. This information was reported to HEFCE as part of the HEFCE Catalyst fund reporting requirements, which ends at the end of March 2019. Clinical Trial and Patient volume was also reported on and we propose to keep monitoring that measure (and not set targets), as it is an indicator of the research activity within the region and supports insight on capability and capacity.

In addition to the above, MedCity records and reviews metrics relating to newsletter subscribers, Twitter and website views. MedCity will actively promote equality and diversity at our events and monitor participation accordingly through impact reporting for major events.

The following table illustrates performance according to KPIs over the last 3 years.

GLA KPIs: the following three indicators are to be reported on primarily for GLA project management purposes.

Measure and metrics ³	Yr 3 – 2016/17 (target) - actual	Yr 4 – 2017/18 (target) - actual	Yr 5 – 2018/19 (target)	Yr 6 – 2019/20 (target)	Measurement method
Customers: number of new customers supported ⁴	(120) Actual: 334	(150) Actual: 229	(150) Actual Q3 (195)	(125) ⁵	No. of approaches recorded by MedCity
GVA (cumulative) of additional direct life sciences jobs in London resulting from the MedCity project ⁶	(£3.4m) ⁷ Actual: £8,197,557 ⁸	(£11.2m) Actual: £13.6m ⁹	(£14.8m) Actual not yet available	(£21.3m)	2019/20 target GVA calculated by using cumulative discounted direct job years ¹⁰ (see footnote) multiplied by GVA per job in this

³ All data in this table is subject to final verification.

⁴ Individuals, SMEs, inward investors, investors, multi-national companies and any other legitimate client supported by MedCity with advice or consultation, and who have not previously engaged with MedCity. Some additional legitimate customers were counted prior to 2017/18.

⁵ Against a backdrop of Brexit-related uncertainty for the life sciences sector, and due to the tapering of GLA funding from £375k in 2018/19 to £295k in 2019/20, the 2019/20 target for this KPI has been slightly reduced compared to 2018/19.

⁶ Gross GVA, at 100% additionality and not taking programme costs into account. The GVA per workforce job in the life sciences sector is estimated at £78,199 in 2018/19 prices, based on a methodology developed by GLA Economics using data from the Office for National Statistics (ONS). Life sciences is not a specific sector within the Standard Industrial Classification (SIC) of the ONS, and has been based upon selecting individual industrial codes which best match the activities within life sciences (particularly parts of divisions 21 on manufacture of pharmaceutical products, and part of division 72 on scientific research and development). The SIC codes used are felt to be the most relevant to FDI; other investments – such as investment in digital health, or private sector investment in healthcare – have not been included. GLA Economics will be producing a new GVA calculation later in 2019, which may be used in future years.

⁷ This target was previously reported as being £3.7m. It has now been corrected further to review of GLA Economics calculations.

⁸ This figure is based on 15 jobs reported through L&P (and based on the categorisation in L&P's 2016-17 completions data) and an additional 24 jobs which were not included in L&P's FDI completions, but which MedCity have also reported involvement in. The underlying information for the latter is therefore not of the same standard of documentation as those jobs reported through L&P. Due to reasons of commercial confidentiality, some of the jobs reported by MedCity are based on estimates. Due to the difficulty of assessing true additionality, for comparison the GVA is £6,559,434 at 80% additionality and £4,921,310 at 60% additionality. Of those 15 jobs reported through L&P, for 13 it has not been possible to obtain conformation from L&P on MedCity's involvement, due to L&P staff changes. The GVA for these jobs is £6,642,728 based on 100% additionality, £5,316,959 at 80% additionality, and £3,984,248 at 60% additionality.

⁹ Due to the difficulty of assessing true additionality, for comparison, the total cumulative GVA at 80% is £10,918,507 and at 60% is £8,183,674 (noting that the 2017-18 jobs number has already been reduced by 50% to reflect reduced additionality – see related endnote). Also for comparison, the cumulative GVA not including the 5 2017-18 jobs reported by MedCity and only including the 15 2016-17 jobs reported through L&P is £10,272,976 at 100% additionality; £8,218,380 at 80% additionality; and £6,163,785 at 60% additionality. The GVA not including the estimated jobs reported by MedCity for 2017-18 (but including all 39 jobs in 2016-17) is £13.3m.

¹⁰ Calculations are based on Year 1 FDI jobs (based on the categorisation in L&P's completions data or as reported by MedCity). For the purposes of the final evaluation of the MedCity project, Year 3 FDI jobs data will be used, aligned

					sector of £78,199 in 2016 prices. Note: Previous targets calculated using <u>GVA/job figures available at time of target setting</u> : £87,200 in 2015/16 and 2016/17 ⁱ ; and £69,412 in 2017/18.
External funding raised for the MedCity project (Commercial and Sponsorship Income)	(Not a KPI)	(£48k) Actual: £48.4k	(£120k) Actual: £136k to date ¹¹	(£140k) ¹²	

Measure and metrics ¹³	Yr 3 – 2016/17 - (target) - actual	Yr 4 – 2017/18 (target) – actual	Yr 5 – 2018/19	Yr 6 – 2019/20	Measurement method
Number of direct life sciences jobs ¹⁴	(110) Actual: 121	(125) Actual: 21	(125) Actual not yet available	(120)	No. of jobs recorded by L&P for FDI projects.
Number of additional direct life sciences jobs	(10) Actual: 39 ¹⁶	(25) Actual: 10 (5 counted)	(25) Actual not yet available	(20) ¹⁸	No. of jobs with direct involvement recorded by MedCity for UK investment ¹⁹

with the evaluation method of London & Partners in assessing the impact of inward FDI. A job-year may be defined as full-time work for a year. The job benefits of a project with, say, five years of work will be a series of job years, each discounted by the Treasury Green Book discount rate of 3.5% in real terms from the start of project funding. “Cumulative discounted job years” is the cumulative sum of the present value of the jobs expected to be created as a result of project funding (hence additional job creation is realised.)

¹¹ Includes some VAT, to be confirmed.

¹² This target is subject to discussion with MedCity’s Management Board.

¹³ All data in this table is subject to final verification.

¹⁴ Jobs in London – based on L&P’s categorisation or as reported by MedCity – from FDI projects. Year 1 FDI jobs. This figure may include additional direct life sciences jobs from FDI projects where MedCity has played a brokerage role (see metric in row below). It is inappropriate to devote excessive effort to determining the allocation of these jobs between L&P and MedCity and so the FDI jobs will be reported by MedCity but should be considered within L&P’s target where they are included in L&P’s FDI completions.

¹⁶ Included in the actuals are some jobs that MedCity have reported, but which were not included in L&P’s FDI completions. The underlying information is therefore not of the same standard of documentation as those jobs reported through L&P. Due to reasons of commercial confidentiality, some of the jobs reported by MedCity are based on estimates.

¹⁸ Against a backdrop of Brexit-related uncertainty for the life sciences sector, and due to the tapering of GLA funding from £375k in 2018/19 to £295k in 2019/20, the 2019/20 target for this KPI has been slightly reduced compared to 2018/19.

¹⁹ No. of jobs recorded using L&P’s FDI questionnaire on life science investment and job creation. It is possible that MedCity may also report jobs where they have had engagement, but which may not be in L&P’s FDI completions. The

resulting from the MedCity project ¹⁵		for GVA calculations) ¹⁷ 92 cumulative total 2015/16 to 2017/18			
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Measure and metrics	Yr 3- 2016/17 (target)- actual	Yr 4- 2017/18 (target)- actual	Yr 5 – 2018/19	Yr 6 2019/20	Measurement method
Additional capital raised for the continuation of the Collaborate to Innovate programme ²⁰	(£170k) £74,920	(Tbc) £249,998 ²¹	£1.047 million to 2019	C2N2 ERDF extension: £840k (tbc 2019-21) – Connecting Capabilities £5M (2018-21)	Recorded by MedCity once 2019/20 projects confirmed.
Additional Collaborations with MedCity involvement ²²	(4) See ²³ Actual: 0	(5) Actual: 15, exceeding target of 12 over 3 years	(0) Unless new funding is confirmed	(10 over 2 years)	Recorded by MedCity once 2019/20 projects confirmed. (see action plan for details)

underlying information may therefore not be of the same standard of documentation as those jobs reported through L&P.

¹⁵ Jobs in London – based on L&P's categorisation or as reported by MedCity – from FDI projects. Year 1 FDI jobs. This figure will include jobs from FDI projects where MedCity has played a brokerage role. It is inappropriate to devote excessive effort to determining the allocation of these jobs between L&P and MedCity and so the FDI jobs will be reported by MedCity but should be considered within L&P's target where they are included in L&P's FDI completions.

¹⁷ Whilst ten jobs have been reported by MedCity, for the purposes of GVA calculation, a figure of 5 jobs has been used (50% additionality). This is because it is not possible to say with certainty that the do-nothing option would have still resulted in these jobs, recognising that MedCity could not claim and 100% additionality on the jobs created. These are jobs that MedCity have reported, but which were not included in L&P's FDI completions. The underlying information is therefore not of the same standard of documentation as those jobs reported through L&P. Due to reasons of commercial confidentiality, some of the jobs reported by MedCity are based on estimates.

²⁰ The process for bidding for and securing ERDF funding, which is being used to contribute to elements of the Collaborate to Innovate (C2N) programme, has driven the timetable for securing additional funding and has had knock-on effects on MedCity's plans to launch and execute the programme (referred in previous plans as the seed funding programme). This has been wholly out of MedCity's control and is dictated by the ERDF timetable. Income has now been secured and although the detailed breakdown is not shown within this plan, the expected income is identified above. It should be noted that the Collaborate to Innovate programme is not supported by GLA monies.

²¹ Relating to Collaborate to Innovate (C2N) ERDF funding.

²² Inter-institutional or inter-disciplinary projects generated through the MedCity seed funding activity. Please note that inter-institutional and inter-disciplinary can refer to company to academic institutions, as well as collaborations that involve NHS/clinical services, as well as academic and/or company collaborators.

²³ C2N, project delayed due to a pause of DCLG at time of Brexit. Programme launched Sept 2016, awards made in Feb 2017, 15 projects commenced after April 2017.

Indirect indicators: the following basket of indicators are collected to gain a sense for the health of the life sciences sector

Note: Each AHSC has taken a very different approach to supporting commercialisation and simple identification of growth in activity is not appropriate. The numbers for spinouts, patents and licensing deals should therefore be viewed in combination, to reflect successful overall commercialisation activity. These measures will not be reported in future as they were previously collected for HEFCE reporting but are nevertheless included here to show metrics for 2018/19.

Measure and metrics ²⁴	Yr 3 – 2016/17 (target) - actual	Yr 4 – 2017/18 (target) - actual	Yr 5 – 2018/19	Yr 6 – 2019/20	Measurement method
Number of new spinout companies created	(15) 6	(16) 6	(18) Actual not available until 2019/20	Will not be collected routinely	Recorded by London AHSCs
Number of new patents filed	(5-10% increase on previous year) ¹ Actual: 88 (= +8.6%)	(5-10% increase on previous year) 2017/18 Academic Year 91 (+3.4%)	(5-10% increase on previous year) Actual not available until 2019/20	Will not be collected routinely	Recorded by London AHSCs
New licences awarded	(5-10% increase on previous year) Actual: 64 (= +1.6%)	(5-10% increase on previous year) Actual:101 (Relating to academic year 2017/18)	(5-10% increase on previous year) Actual not available until 2019/20	Will not be collected routinely	Recorded by London AHSCs
Increase in commercial clinical trials Phase I - IV	(+7%) increase on baseline) Actual: 1480; 47.6 % increase	(+8%) 1311 (+30.6% Increase on baseline)	(+10%)increase on baseline) Actual not available until 2019/20	Indicator only therefore, no targets for MedCity	Recorded by NIHR/CRNs/Trust R&D offices/MedCity on an annual basis.
Increase in patients recruited to commercial clinical trials	(+20%) increase on baseline) Actual: 7826; +13%	(+15%) 9569 (38.2% increase from baseline)	(+25%) increase on baseline) Actual not available until 2018/19	Indicator only, therefore no targets for MedCity	Recorded by NIHR/CRNs/Trust R&D offices/MedCity on an annual basis.

²⁴ Data in this table is subject to final verification. Data is only available on an annual basis, and relates to the academic year.

4. Draft Financial Plan 2019/20

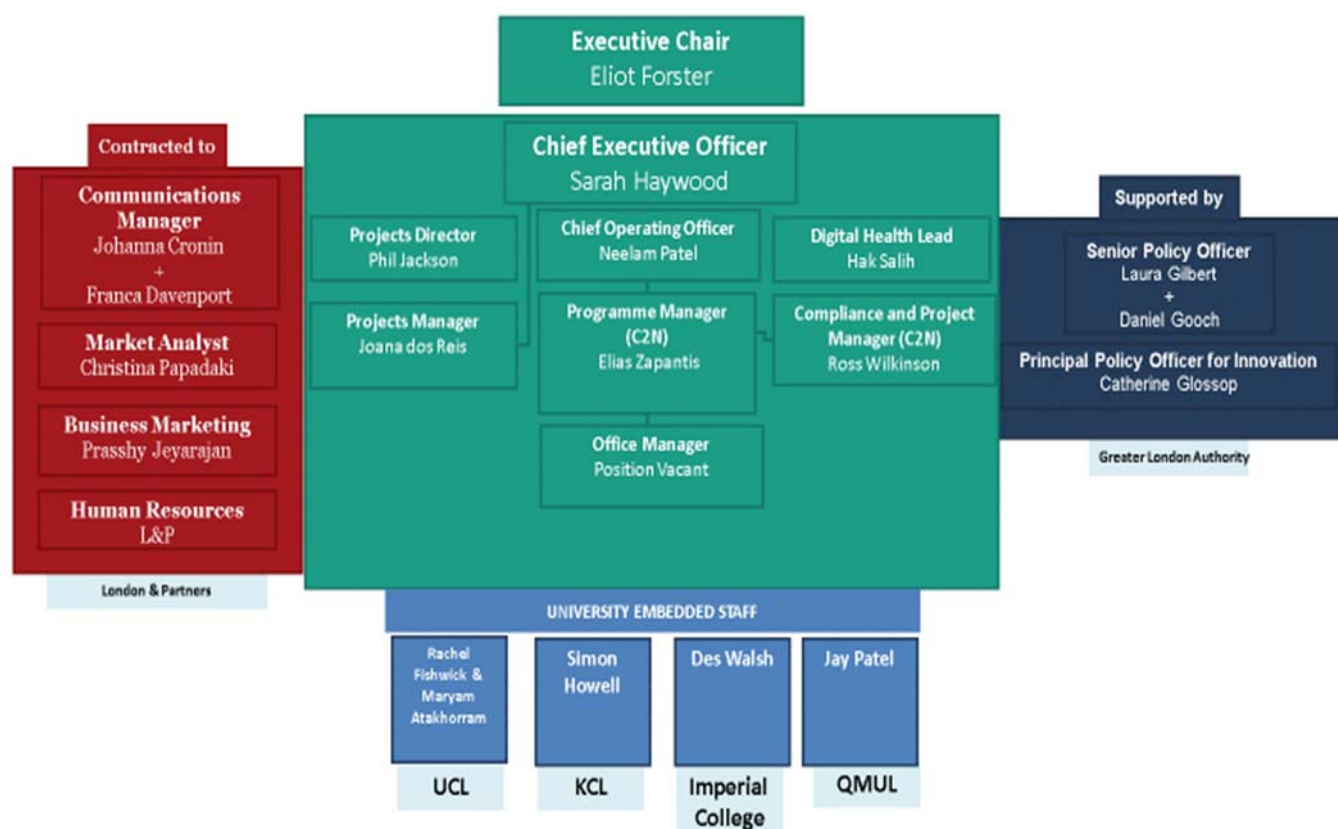
Expenditure budget	£000s
Salaries	668.3
Expenses	8
HR	15
Insurance	3
Office and company costs	92.86
Communications	10
International	80
Events	20
Programme	45
Reserve	10
<i>Total - assuming no cuts</i>	<i>952.2</i>
Income budget	
Confirmed	
GLA	295
CCF	100
DH.LA ERDF match	10
HEFCE underspend (C2N)	110
Reserve	10
Approved awaiting written confirmation/approval	
RE interim	120
Cocoon/C4DR project	100
Bids in play - outcome awaited	
ERDF (advanced therapies)	100
LEAP	50
Income projected	
Commercial	30
Programme sponsorship	15
International sponsorship	60
<i>Total (best case scenario)</i>	<i>1000</i>
Research England bid (Y1)	380

It is not possible at this stage to apportion GLA grant funding, due to projected income coming from other sources in addition to the GLA. This will be reviewed once the outcomes of the Research England and LEAP funding is confirmed.

5. Risk Plan

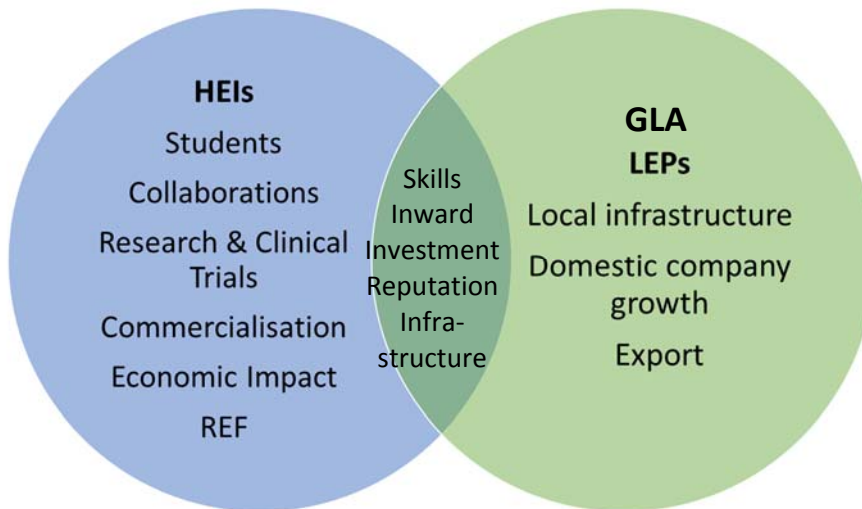
	Likelihood H/M/L	Mitigating actions
Failure to secure adequate funding to deliver on committed activities at the required pace.	H	Mitigate the risk by following through on current grant bids and seeking further opportunities for diversifying income (as per 2019/20 objectives). Continue to engage management board in support of action plan. Deliver on prioritised objectives (scenario 1), based on core activities and core staff.
Uncertainty relating to the future financing of MedCity results in loss of experienced staff.	H	Continue to be transparent and provide full disclosure of the situation to the team, offering support as appropriate. The priority will be to seek alternative sources of funding and to manage vacancies as far as possible.
Insufficient staff/suitable calibre of staff appointed as embedded team(s) – unable to deliver resources from within their institution.	M	Deploy existing relationships with senior stakeholders/MedCity founders to ensure appropriately skilled individuals are identified.
Too much time and resource taken up in reporting processes and operational administration resulting in low productivity.	M	Work with funders to agree mutually agreeable reporting processes that work for all parties wherever possible. Implement a simple SOP framework that ensures efficient, consistent operations and ensures continuity regardless of staff changes.

Appendix 1: MedCity Organisation: Staff and Governance

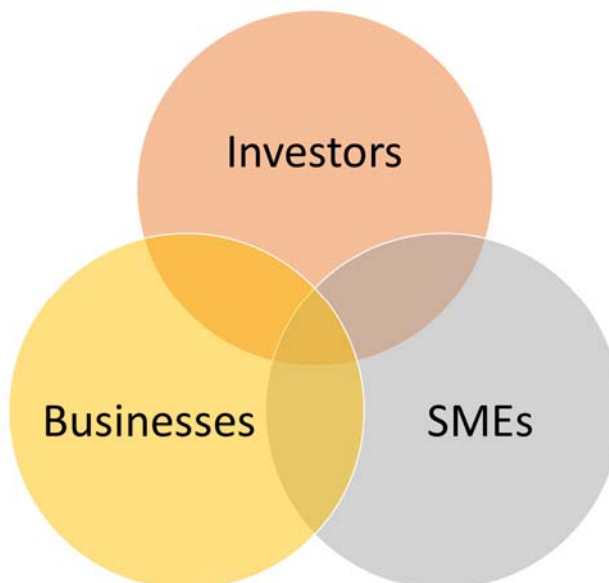


Appendix 2: Funders, Stakeholders and Clients

Priorities for Funders and Stakeholders:



Key Clients supported by MedCity:



Appendix 2 - MedCity Business Plan 2019-2020 – Additional projects

Projects that MedCity hopes will be enabled by additional income as a result of successful bids to the Research England Development Fund and the LEAP are outlined below.

MedCity programme pillars	Operational plan 2019/2020
	(Detail tbc and dependent on outcomes of bids.)
<p>A front door to the region and gateway to the UK</p> <p>A seamless, functional, front door service, meeting needs of international and national clients across the three pillars of academia, NHS and Industry</p>	<ol style="list-style-type: none"> 1. Connecting and developing the UK's Life Sciences Clusters (as per Research England bid) with MedCity being a single front door to London and the South East working with devolved nations. 2. Providing a single front door for advanced therapies (Innovate UK and Research England investment linkage) in the UK. 3. LEAP specific objectives tbc.
<p>Connecting excellence within the region and the rest of the world</p> <p>Enabling industry and academic collaboration nationally and internationally</p>	<ol style="list-style-type: none"> 1. To scope an <i>associate membership</i> model for academia and assess candidates with an aim to formalise an associate membership with at least one university within the region that is not already a partner of MedCity. 2. Undertake an evidence-led focused approach to scope two to three cluster hubs in the Chinese market, with the intention of focusing on one or two City regions. 3. Build a rare diseases network offer, with assessment of likely demand and support, using ATN as a model. 4. Enhance the offer of London as a connected data hub and centre of excellence for AI and: <ul style="list-style-type: none"> • Be a partner with academic institutions and AHSNs to develop a programme and tool to connect SMEs with academic researchers for digital health evidence generation and support on research methodologies. (2019-2022). • Be a partner with North West E-health, NIHR and Imperial College Health Partners (IChP) to conduct a pilot to demonstrate use of connected real world evidence data for conducting studies across London and Manchester for MedTech. This being a precursor for international studies with NEST (US). (2019-2022) 5. LEAP deliverables tbc.