

Cross Party Group on Life Sciences

Minute of the meeting: Tuesday, 28 November 2017

The Livingstone Room, Scottish Parliament

Attendance

MSP's: Kenneth Gibson (Convener); John Scott (Vice Convener); Graham Simpson (Vice Convener); Tom Mason

Guests: Julia Brown, Life and Chemical Sciences; Steven Burke, NHS National Research Scotland; Mike Capaldi, College of Medicine and Veterinary Medicine, Edinburgh University; Mark Cook, Association of British Healthcare Industries; Simon Cree, NHS National Research Scotland; Damian Crombie, AstraZeneca; Alison Culpan, Association of the British Pharmaceutical Industry; Jane Ferguson, Ettrickburn; Kathleen Grieve, MSD; Taylor Grove, Scottish Parliament; Frank Gunn-Moore, SULSA; Claire Headspeath, Association of the British Pharmaceutical Industry; Jim Honeyman, Chiesi Limited; Sally Hughes, Tevak; Scott Johnstone, Scottish Life Science Association; John Macgill, Ettrickburn; Lindsay McClure, NHS National Services Scotland; Richard Mole, Moredun Foundation, Brian Montgomery, Independent Healthcare Consultant; Deborah A. O'Neil, NovaBiotics; Ronnie Palin, Skills Development Scotland; Marie-Claire Parker, Stratified Medicines Scotland; Diane Harbison, Stratified Medicine Scotland; Jonathan Roden, Cancer Research UK; David Scott, Tepnel; Keith Small, Association of the British Pharmaceutical Industry; Alison Strath, Scottish Government.

Presenters: Graeme Roy, Strathclyde University; Craig Johnstone, CMAC, Strathclyde University; George Davidson, GlaxoSmithKline; Greg Stevenson, Roche; Mairi Claire MacPherson, Pfizer; Lorna Patrick, Bristol-Myers Squibb.

1. Welcome from Kenneth Gibson MSP

2. Election of office bearers

Kenneth Gibson opened the meeting and thanked everyone for attending, particularly his colleagues John Scott MSP, Tom Mason MSP, Graham Simpson MSP and Miles Briggs MSP. He then handed the meeting over to the ABPI Scotland Director Alison Culpan for the election of office bearers.

Alison Culpan then took the meeting through the nominations for office bearers.

Convener - Kenneth Gibson MSP (proposed by John Scott MSP, agreed by the Group)

Vice Convener – Graham Simpson MSP (proposed by Kenneth Gibson MSP, agreed by the Group)

Vice Convener – John Scott MSP (proposed by Kenneth Gibson MSP, agreed by the Group)

Secretariat – ABPI Scotland (proposed by John Scott MSP, agreed by the Group)

3. Presentation

The Convener, **Kenneth Gibson MSP**, opened the inaugural meeting which he said was to focus on the part played by the pharmaceutical industry in the life sciences ecosystem. He

introduced the first speaker, Professor Graeme Roy, Director of the Fraser of Allander Institute at Strathclyde University.

Professor Roy presented the findings of the Institute's research into the Pharma industry's economic footprint in Scotland, explaining its key role in the life sciences growth sector and as part of the UK Government's industrial strategy. Professor Roy stated that this was the third research report commissioned by ABPI Scotland but that its analysis and modelling was undertaken by the Institute and was independent of the ABPI.

Headline findings of the research into Pharma and related sector activities, which includes R&D and service elements, were that the output of the sector is £1.5 billion directly, and £2.6 billion in induced and indirect benefit. Gross Value Added (GVA) to the Scottish economy was £1 billion directly and £1.6 billion through indirect GVA. The Institute had found that the sector directly employs 4,500 people and leads to the employment, indirectly, of 16,500.

Professor Roy said that the sector's productivity represents a long-term economic success story.

ABPI Scotland director, **Alison Culpan** told of the Group that the Pharma sector in Scotland is multifaceted, can bring big rewards for Scotland and also has considerable potential to bring more. She then introduced a series of speakers to present short case studies to illustrate collaborative working between pharmaceutical companies and other important players in the Scottish economy.

Greg Stevenson of Roche Pharmaceuticals explained the importance to the company of its global research base, which has led to the signing of a memorandum of understanding with NHSScotland boards and the operation of 57 clinical trials across 18 Scottish hospitals. He commented that the £132 million investment in research and development in Scotland in 2016 was considerably more than the company's income in Scotland from sales.

Marie Claire MacPherson of Pfizer told the meeting about the company's choice of Scotland as an INSPIRE (Investigator Networks Site Partnerships for Research Excellence) site, the only instance in the Pfizer global network of INSPIRE pharmaceutical trial sites that an entire country has been selected for that status.

Lorna Patrick of BMS explained the work being done alongside Solid Form Solutions in Midlothian which was providing vital information for future regulatory approval about medicine candidate molecules. She also highlighted the studies being undertaken as part of the ADDoPT advanced digital programme collaboration with Strathclyde University, again working on solid-state of medicines research.

George Davidson of GSK summarised the company's operational footprint in Scotland, particularly at factories in Montrose and Irvine, and the £342 million capital investment programme by the company in manufacturing in Scotland.

Alison Culpan then pointed to what is believed to be the longest running academic collaboration between industry and an academic institution, the continuing work between a group of pharmaceutical companies and the University of Dundee.

Finally, Alison explained that the industry has a "hidden workforce" of some 1000 people, many of them home based, operating in sales and medical support roles across Scotland.

The Convener then introduced **Craig Johnston** Director at the CMAC (Continuous Manufacturing and Advanced Crystallisation) centre at Strathclyde University who presented on the wide variety of work being undertaken by the team there, supported by government and industry funders, to collaborate across the world to research advanced manufacturing

techniques. He pointed out that CMAC's industry membership organisation is supported by eight global pharmaceutical companies, of which only one has a manufacturing operation in Scotland.

The Convener opened the meeting to questions.

John Scott MSP asked what solutions the pharmaceutical industry's important collaborations could bring to the productivity challenge for Scotland. He said there needs to be bold and brave decisions and significant investment in new ideas, given that the Bank of England had recently stated that one third of companies had seen no productivity gain this century.

The Convener echoed this comment as having been something raised as a perennial problem at parliamentary committees.

Mike Capaldi of the University of Edinburgh said that a concern in the overall structure of the Scottish life sciences ecosystem was that SMEs were not being able to make the growth journey in Scotland, and pointed to the importance of the right combination of small and large organisations working together to compete in an international marketplace.

Professor Frank Gunn-Moore of the University of St Andrews and the Scottish Universities Life Sciences Alliance (SULSA) pointed to the work of the organisation bringing together eight Scottish universities and having delivered of the European Lead Factory initiative.

Professor Roy pointed out that the pharmaceutical industry is far ahead of other sectors in the level of integration and cooperation with Scottish universities.

The Convener asked how the NHS, industry and academia could all work together.

Diane Harbison of Stratified Medicine Scotland pointed to the importance of reducing wastage and ensuring the right medicine reaches the right patient at the right time.

Scott Johnstone of the Scottish Life Sciences Association explained the health improvement partnership (HIP) programme, started in 2012, which now sees 170 partnerships, where companies are co-developing solutions and products alongside the NHS, particularly in medical devices and digital solutions.

David Scott of Tepnel Solutions said connectivity is the solution to the current challenge of ideas developed in Scotland moving offshore to be manufactured and then sold back to the NHS. He said it was a considerable challenge for companies to take the next step. He talked of the importance of having reinvestment strategies, and pointed to the important work of Scottish Enterprise in helping Scottish companies.

Greg Stevenson said it was important that the NHS and policymakers should understand that the medicines budget and the pharmaceutical industry must not be seen as problems but as solutions with opportunities that can be encouraged.

Dr Brian Montgomery (former NHS medical director and author of the 2016 review into medicines access in Scotland) said he viewed the relationship between industry and NHS Scotland as having three aspects: R & D, manufacturing and consumption. In R&D he said that clinical trials increasingly are being placed in Scotland with its moves towards a more networked infrastructure, and this would benefit Scottish patients. He called for a collaborative rather than adversarial relationship to deal with the advent of highly targeted medicines, that are expensive, and how to get these medicines to the right people within the finite NHS budget.

Graham Simpson MSP asked the speakers what they believed makes Scotland a good place to operate and what would make it better.

George Davidson pointed to the stable employment landscape, with the low staff turnover based on a long heritage of manufacturing in Scotland. He said for the future investment continues to need to take place and the NHS will have an important part to play in a healthy life sciences ecosystem.

Lorna Patrick said the willingness to innovate in Scotland made it a good place to invest and she believes there is a willingness in Scotland to go forward together.

Greg Stevenson said the heritage in Scotland is immense. He pointed to Roche's long history of collaboration dating back to 1909. Specifically, for Scotland, he pointed to the stability of its genetic population alongside great innovators who draw other people around them. He said the opportunity is there for everyone work to work together to expand and create new platforms

Alison Culpan said there were real opportunities in real-world evidence which would help getting the right medicine to the right person if Scotland can join up its data infrastructure.

Mike Capaldi said he believes there is considerable opportunity for Scotland given that currently the golden triangle of Oxford London and Cambridge, while representing 40% of UK life sciences spending, attracts 83% of venture capital funding.

The Convener thanked all those attending and look forward to a meeting in March to focus on women in life sciences, and a further meeting before the summer recess to examine progress in the delivery of the life sciences strategy to which a government minister would be invited

END