

NHS Manchester Trust – Supplementary written evidence (LSI0122)

Correspondence from Keith Chantler, Director of Innovation following an evidence session on Tuesday 24 October 2017

On 24 October I had the pleasure of attending the House of Lords Science and Technology Committee to give evidence alongside my colleagues Dame Julie Moore and Professor Brian Williams. I would like to take this opportunity to provide a further written submission to add three points of further evidence.

1. Professor Williams responded to a question regarding the levels of investment, both public and private that were available to NHS organisations. Professor Williams commented that there were increasing positive signs that UK investors were beginning to develop an appetite for Intellectual Property (IP) and other intellectual assets that were developed from NHS Trusts. I would echo those comments as this is our own experience in Manchester. However, where there is still a dearth of funding is in the area of proof of concept and the first steps to develop prototypes or gather sufficient clinical evidence to attract external private investment. In our experience, that I know is shared amongst many Trusts and universities, is that early stage proof of concept funding which has a high risk profile is not an area where the private investment market operates and thus there is a market failure. In many countries, as it was in the UK prior to the financial crisis, these types of funding were provided through public sources to enable very early stage ideas to be further developed.

There still remains a gap between proof of concept and the technology readiness level that investors have a significant appetite for. In the USA, this space is filled by the Small Business Innovation Research programme which enables promising commercial ideas to transition to a point where they have sufficient clinical evidence to be attractive to private investment. If measures could be introduced to address these two gaps, the latter perhaps by modification to the way in which the UK Small Business Research Initiative programme is operated, then this would make a meaningful difference, to both the quantities and the quality of IP opportunities.

2. At the Select Committee, we didn't have the opportunity to talk about the important and critical contribution that NHS procurement plays in the innovation pathway. Whilst there are many including Lord Carter that challenge the effectiveness of the procurement processes, there are significant changes in many NHS organisations to shift the procurement department from a simple purchasing function into an essential partner in their innovation structures. The Department of Health Commercial Department is undertaking a review of the use of Innovation Partnerships and the contribution that an "end to end" innovation approach can play to the development of products and services that are demand led by the NHS

market and that are introduced more effectively (pace and scale) into service.

Procurement can also play a significant and important economic role by taking opportunities to prioritise the use of local supply chains and to ensure that both in line with government good practice and a commitment to local enterprise to ensure that SMEs are paid within the 10 day target and my own organisation Manchester University NHS Foundation Trust has year on year record of achieving high compliance with this. If we do not engage the procurement department in the innovation process, then we will inevitably run the risk of simply continuing to purchase increasingly old technology that was designed for a healthcare delivery model which is both out of date and no longer affordable.

3. During the discussion on the readiness and willingness of the NHS to appropriately use patient data in order to improve the way in which we diagnose and treat patients and also undertake research. During the discussion about this, it was commented by a member of the Committee that the NHS could "sell" patient data. I think that as we commented in the hearing, regaining public confidence on the use of individual and collective patient data is essential if we are to reap the rich rewards that this can offer to both patients and the UK economy. The NHS does not sell patient data, but rather it engages with competent organisations such as research bodies, charities and companies to properly exploit the potential of aggregated patient data within a robust governance framework that absolutely protects patient confidentiality.

I should be grateful if you would consider these further points as part of your overall deliberations and if I can be of further help or assistance, please do let me know.

1 November 2017