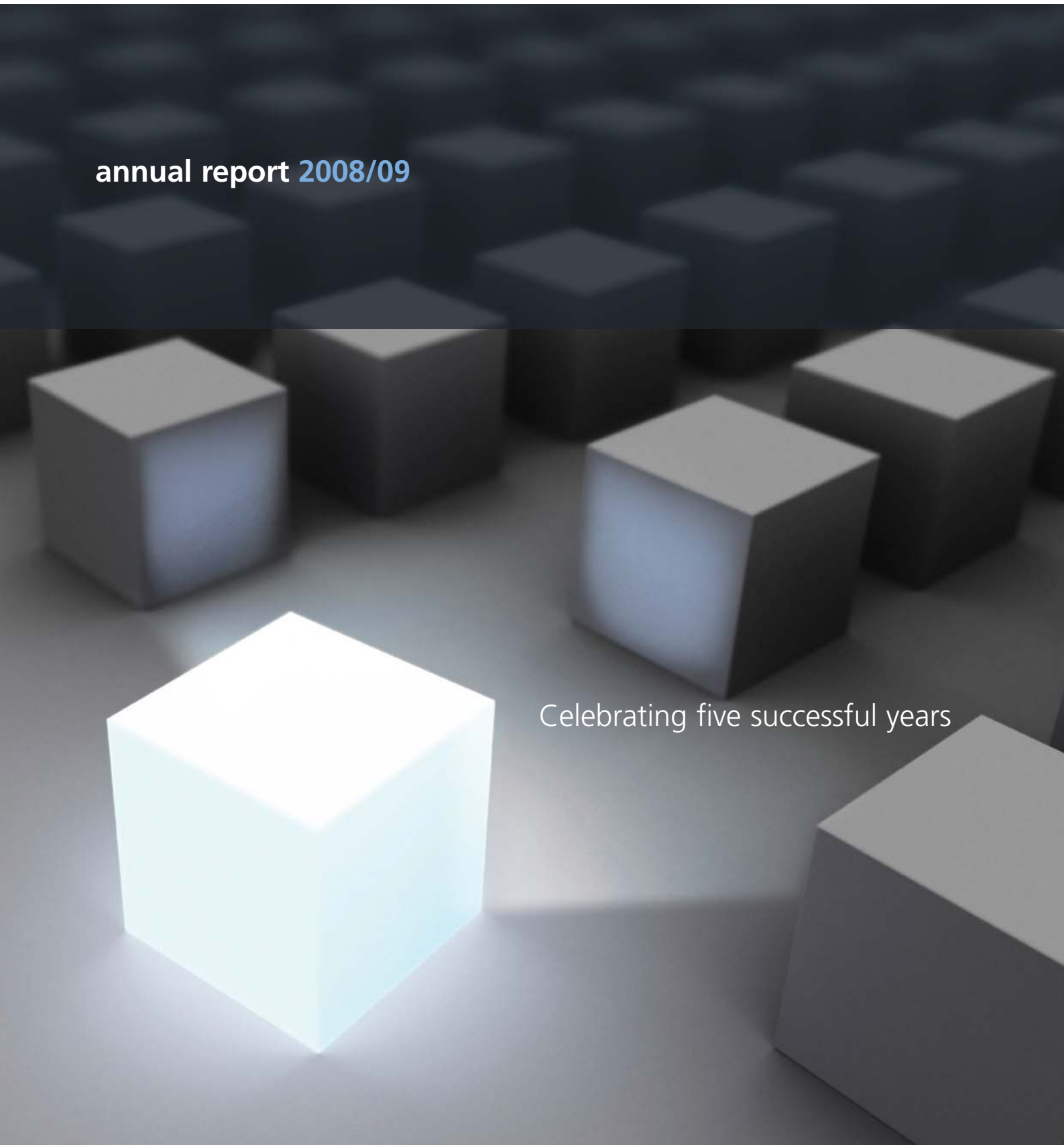


# MidTECH

annual report 2008/09

A 3D rendering of a grid of cubes on a dark, reflective surface. The cubes are arranged in a perspective view, receding into the distance. The lighting is dramatic, with a strong light source from the left, creating highlights on the left faces of the cubes and casting long, soft shadows to the right. The foreground cube is significantly brighter and more detailed than the others, which fade into the background. The overall color palette is dark, with shades of grey, black, and a bright cyan/blue glow from the foreground cube.

Celebrating five successful years

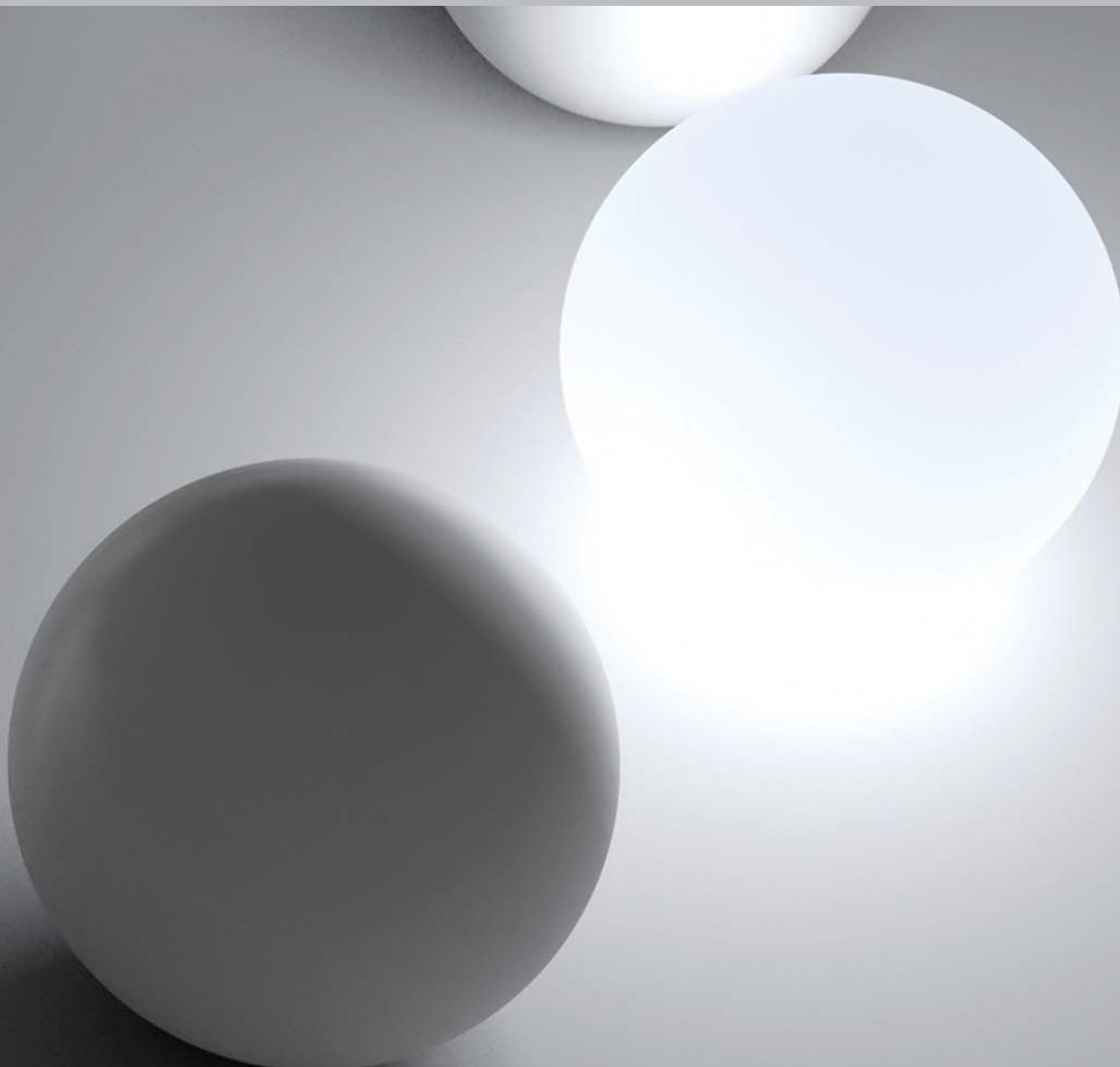


**Innovation is often a product of the need to solve problems met in day-to-day practice, and thus the capacity of the NHS to adapt to changing needs and demands depends on local capabilities. Picking up and developing the good ideas of frontline staff is an intensely direct, practical and effective way of fostering an innovative culture.**

*Alan Wenban-Smith Chairman*

# unity in diversity

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## Chairman's Foreword



**2008/9 has been another good year for MidTECH, with worthwhile progress on two fronts:**

- **As described in more detail later in this report, our bread and butter work has continued to increase in volume and depth: more IP deals are being signed, more of these are significant in scale or content, more revenue is being attracted to Trusts, and more investment is being attracted to the region;**
- **At the same time, MidTECH is becoming a more familiar part of the West Midlands NHS scene. Eight more Trusts have become members of MidTECH over the last year (including 3 more PCTs): 60% of Trusts in the region are now members and most of the rest use our services as clients (either directly or via a network).**

These are particularly important markers because of the changes going on in the wider NHS. Following the Darzi Review there is increasing recognition that if innovation is to be embedded into front-line healthcare practice, much of the impetus has to come from the same place. The devolution of responsibility from Whitehall to the Strategic Health Authorities is a welcome first step in this direction. As resources become tighter over the next few years, innovation will become even more important, as a way of 'doing more with less'. At the same time, MidTECH is a member of a national network of regional innovation hubs, and can draw strength from the knowledge and experience that these represent.

In the context of the continuing changes to the NHS itself, our status as an organisation run by and on behalf of the NHS in the West Midlands continues to be important. Innovation is often a product of the need to solve problems met in day-to-day practice, and thus the capacity of the NHS to adapt to changing needs and demands depends on local capabilities. Picking up and developing the good ideas of frontline staff is an intensely direct, practical and effective way of fostering an innovative culture. We believe that these qualitative impacts will prove as important as hitting our target numbers.

There are undoubtedly challenging times ahead, but we believe that MidTECH is in a good position to build further on the past year's achievements, in partnership with the Strategic Health Authority and our member and client NHS Trusts in the West Midlands.

Alan Wenban-Smith  
Chairman  
29 July 2009

A handwritten signature in black ink, appearing to read 'Alan Wenban-Smith'. The signature is written in a cursive, flowing style with a horizontal line underneath.

## Introduction Setting the Scene

The NHS contains many innovative people with ideas to improve patient care and to make better use of resources. Innovation - the efficient harnessing of these ideas and turning the best of them into reality - is at the heart of the NHS' response to the growing demands of its public and patients in the 21st century. Many NHS innovations involve the development of new products and technologies; turning these ideas into reality requires industry to incorporate them into products that can be made available to the NHS and the wider healthcare market. This process benefits patients and grows companies.

MidTECH - one of the nine regional NHS innovation hubs - provides NHS organisations in the West Midlands with all the expert assistance needed to transfer commercially valuable NHS innovations to industry. We assess and obtain legal protection for ideas; we prototype innovations and secure industry commitment to develop products incorporating these innovations. We also advise NHS organisations on broader aspects of innovation policy and process, and provide innovation training and promote awareness both regionally and nationally. Our performance is measured by our growing client base within the West Midlands and our continued success in attracting and commercialising NHS innovations.

### Background

We have made steady progress since forming in 2004; however, the year 2008-9 presented significant new strategic challenges and opportunities for MidTECH. The year saw the start of major changes in the national and regional NHS innovation landscape arising from the NHS Next Stage Review (NSR), changes that will culminate in Department of Health oversight of MidTECH moving from the National Innovation Centre (NIC) to the West Midlands Strategic Health Authority (SHA) in December 2009. Additionally, the reorganisation of the NHS research infrastructure, started in 2007 as part of the NIHR strategy "Better Research for Better Health", led this year to the dissolution of several older research consortia with longstanding MidTECH service relationships. At the same time, our remaining clients wished to explore extending the MidTECH organisational model to cover complementary service offerings. At an operation level, MidTECH needed to find both more capacity to meet growing service demands and new premises (the lease on our existing offices expired in November 2008).

Responding to these challenges, the MidTECH plan and objectives for 2008-9 was organised around four broad themes:

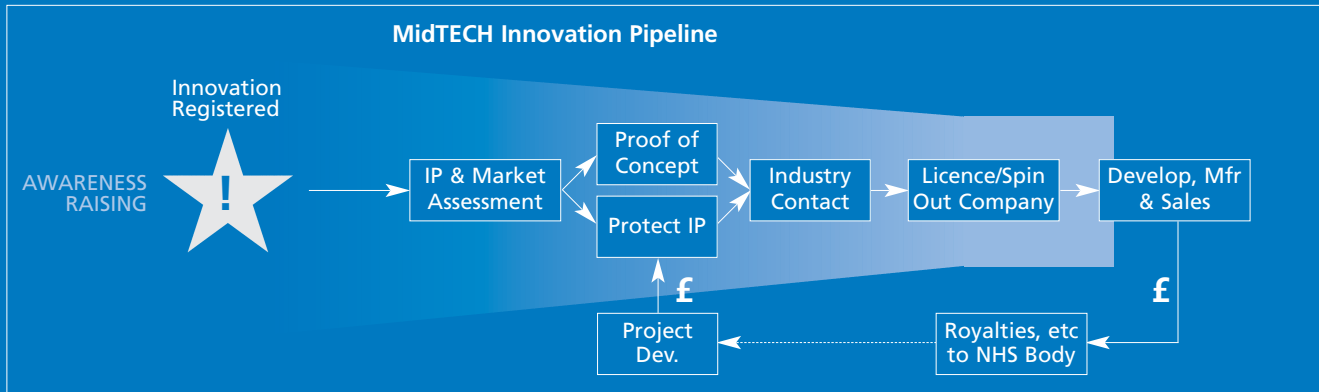
Innovation management	<ul style="list-style-type: none"> <li>• Maintain momentum in moving ideas through to commercial outcomes.</li> <li>• Develop investment opportunities and new initiatives.</li> </ul>
Marketing & Client engagement	<ul style="list-style-type: none"> <li>• Secure commitment with more WM NHS bodies</li> <li>• Develop broader value proposition for clients</li> </ul>
Stakeholder relations	<ul style="list-style-type: none"> <li>• Develop relations with the West Midlands SHA</li> <li>• Consolidate relations with the NIC, PSRE, AWM and other stakeholders</li> <li>• Reposition MidTECH to exploit relevant NSR initiatives</li> </ul>
Capability and Infrastructure	<ul style="list-style-type: none"> <li>• Recruit and retain high-calibre staff</li> <li>• Relocate</li> </ul>

*This report summarises our activities and performance for 2008-9 and our future plans.*

# Challenging

## Innovation Management

### Turning NHS ideas into products



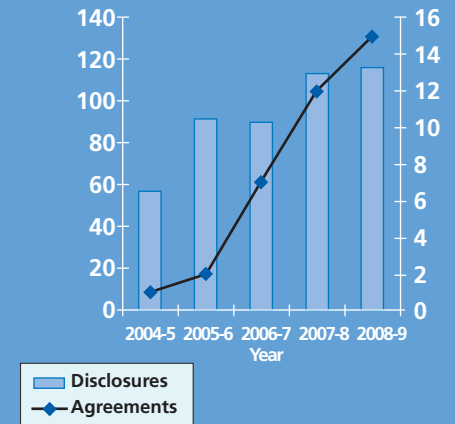
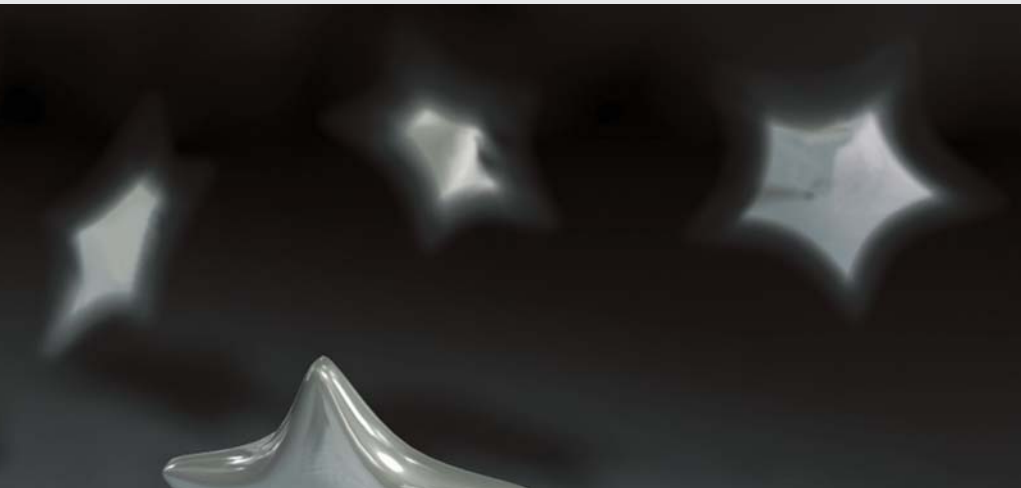
**MidTECH aims to turn NHS ideas into reality by obtaining industry commitment to develop products based on these ideas. Our activity is organised into consecutive stages that progress ideas along a so-called 'innovation pipeline'**

Innovations referred to MidTECH by clients are first assessed to determine their feasibility and market potential. If appropriate, we obtain intellectual property protection on the idea and develop 'proof of concept' demonstrations and prototypes. We then identify and contact industrial partners that are capable of taking the idea to market. Once interest from industry has been secured, MidTECH negotiates the appropriate legal agreements (licences) between the NHS and the company that permit the company to commercialise the idea. These agreements also set out how the interests and contributions of the NHS are protected and rewarded. We aim at all times to keep our NHS clients informed of progress, options and issues.

#### Plans for 2008-9

The attraction of ideas into the MidTECH innovation pipeline and their efficient management along the pipeline are key measures of our effectiveness. In 2008-9 we aimed to attract new opportunities and maintain momentum in the flow of ideas through the pipeline through three key initiatives:

- Holding a regional innovation competition and four 'innovation challenge' workshops to identify new ideas from frontline staff.
- Maintaining close links with university partners and other regional stakeholders to obtain early notice of potentially high-value innovations arising from joint NHS-academic research.
- Enlarging the innovation management team from 2.5 to 4 full-time equivalent (FTE) persons.



## Progress

MidTECH attracted 116 disclosures over the year – slightly more than the previous year's total of 113 (the annual figure for disclosures has fluctuated between 90 and 120 since 2005-6). Of the disclosures, 62 were technology and product innovations, 38 were assessed as having commercial value and 8 were licensed in-year – testimony to the efficiency of MidTECH's management of the pipeline. MidTECH spent £258k in third party costs on intellectual property protection, prototyping and development and legal fees. This is 13% more than in 2007-8 and consistent with the greater number of agreements concluded this year. This expenditure included costs associated with ongoing maintenance of five patent applications (including three international filings), five patent and trademark searches, two new patent filings, one trademark registration and two design registrations.

Our well-publicised and highly popular innovation competition attracted over 80 entries and culminated in a highly successful awards evening. We organised two innovation workshops and three related 'deep dive' follow-up sessions that proved popular amongst frontline staff and generated over 50 frontline innovation 'challenges'. (Despite interest from client Trusts and the success of the workshop format, we were unable to organise more workshops due to the demands of higher priority duties on staff.) A significant minority of the competition and workshop outcomes involved technology innovation and complemented the usual direct client referrals.

We maintained close contact with our technology transfer counterparts in the region's universities through bilateral meetings and regional networking events, such as those organised by the Mercia Seed Technology Fund and Advantage West Midlands. These meetings ensured we remained abreast of relevant new research opportunities and that joint innovations between the NHS and universities were expeditiously managed. (The significance of NHS-university relations is reflected in the fact that 40% of the intellectual property agreements concluded this year involved NHS partnerships with universities.)

Our innovation management team was strengthened by the recruitment of a high-calibre full-time innovation manager in September 2008, bringing the innovation team complement to 3.5 FTE persons. Continued efforts to recruit a further innovation manager using both internal networks and external agencies attracted no suitable candidates; as a result team utilisation was high but remained within manageable limits.

## Performance against targets

MidTECH's plans and activity are ultimately measured by performance against quantifiable targets set by the Board. In 2008-9 our 'headline' target was to conclude fifteen intellectual property agreements and licences of which four should have the potential to generate significant incomes or impact. This ambitious target (numerically 25% more than our previous annual total) was achieved, bringing the total number of licences and IP agreements concluded by MidTECH since our formation in 2004 to 37. Some of this year's highlights are summarised on the following pages.

We aim constantly to improve the quality and impact of the innovations we manage, aspects we measure by monitoring the potential impact of the innovation and the funds raised by the innovation either through revenues, grants or external financing. In 2008-9 NHS innovations attracted over £2M in funding commitments, including an award of over €300k to NuovoPROBE Ltd, the UHNS-Keele spin-out company, as part of the 4-year EU Framework 7 NANOTHER project.

## Success Stories 2008/09

Some of the more significant innovation successes of the MidTECH year.



### The Wheelchair Lift

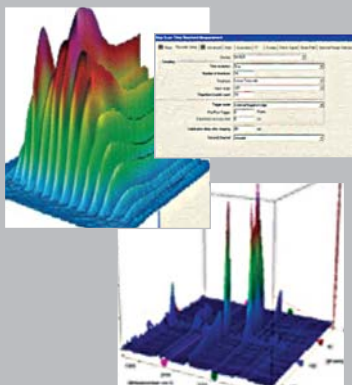
The Wheelchair lift is an innovative idea - originating from Peter Thorneycroft an employee of South Birmingham PCT- that enables a wheelchair to be easily lifted into the boot of a car. Elderly wheelchair users find it difficult to get out and about and one of the limiting factors is the ability to take a wheelchair on a car journey. Usually the wheelchair would be stored in a boot and it falls to the partner or helper of the wheelchair-user to load and unload this. In response to this problem, Peter has devised both a manual and totally automated method of lifting. The manual version takes much of the strain away from loading a wheelchair and also ensures the person lifting uses the correct and more efficient muscle groups. In its automatic set up, the wheelchair is neatly stored in the car boot with minimal user intervention. Both systems are very simple to use, very cheap to construct and can be easily fit to any car size.

MidTECH helped in the development and design of the idea and managed IP protection and commercialisation. A partner organisation, HDTI based at Coventry University designed and built a prototype of the manual lift. This prototype was then exhibited at Naidex show at the NEC in the summer of 2008 where MidTECH was approached by manufacturer, Mangar International Ltd. MidTECH negotiated a licence agreement on behalf of the Trust which was signed in January 2009. The product is due to be launched in the Summer of 2009.



### The Surgical Drape

Dr Kevin Eardley, a consultant nephrologist at the Shrewsbury and Telford Hospital NHS Trust, designed a new product called a Tunneled Jugular Line with Observation Window Drape - which will help reduce the chances of dialysis patients developing MRSA. It is specifically designed for use during the insertion of tunneled haemodialysis lines. This procedure, which is performed under local anaesthetic, involves the placement of a catheter into the main vein in the neck via a tunnel under the skin starting at the upper chest. The new drape will help ensure that these lines are inserted in a sterile way and with the least discomfort as possible for the patient. It is also designed to help reduce the feeling of claustrophobia many patients experience by having a transparent section covering the patient's face. This will also aid nurses' observation and reassurance of the patient during the procedure. MidTECH used their in-house designer to produce drawings of the design and these were shown to a local company, 365 Healthcare. The managing director, Rob Gidley, showed an immediate interest in the idea and produced a batch of prototypes for testing. Once the dimensions were finalised, MidTECH protected the intellectual property and negotiated a licence deal on behalf of the Trust. The Trust will now receive a percentage of all sales of the drape worldwide. The product was launched in 2008.



## Improved Pyjama Design

A team from the urology ward at Solihull Hospital developed a new design for pyjama trousers. The unique design prevents catheters from kinking, therefore reducing the risk of infection through blockage, clot retention or urinary stasis. It also provides greater dignity and comfort for patients, as the crossover design of the front removes the tendency of traditional hospital pyjamas to over-expose catheterised patients.

Nurse Heather Gerrard came to MidTECH with her first mock up of the trousers in 2005 after hearing about MidTECH from Bethan Bishop, R&D Manager at Heart of England NHS Foundation Trust. MidTECH registered the design and in 2009 licensed it to Alexandra plc, a leading UK clothing and uniform manufacturer. The first samples from Alexandra are already under evaluation at the Trust.

## Application of Infra Red Spectroscopy to COPD Diagnosis

Chronic obstructive pulmonary disease (COPD) is a serious condition which needs consistent and regular monitoring. However, there is currently nothing that offers practical, near-patient, non-invasive monitoring.

Professor Monica Spiteri, Professor in Respiratory Medicine at the University Hospital North Staffordshire NHS Trust analysed patients' sputum samples using an infra-red spectrometer and discovered that spectral features could be related to patients' COPD condition.

MidTECH arranged for the idea to be patented and licensed the patent to a specialist optical equipment manufacturer, Brüker Optics.

Professor Spiteri has since secured funding from the National Institute of Health Research and is undertaking further investigations in close collaboration with Brüker.

## Surgeon's HeadGear

High-tech headgear designed at Birmingham City University could make it easier for surgeons to perform lifesaving operations on babies and small children. Working closely with surgeons at Birmingham Children's Hospital, engineers at the University have developed a lightweight headgear system. The prototype, which is designed for surgeons to wear in theatre, is 70% lighter than those currently in use. In addition the system is wireless which removes the need for trailing cables. The new headgear features magnifying lenses, camera and lights which are aligned in seconds to the surgeon's head by using a 3D scan; current models can take up to 15 minutes to be fitted correctly, adding extra time to an operation. Discussions with manufacturers are taking place, with a view to making bespoke and fully adjustable models. Clinical trials are due to commence shortly, with four more headsets being made for surgeons at the hospital. At the request of the Trust, MidTECH worked closely with the University's Business Partnership and Knowledge Transfer Department to agree an intellectual property agreement that secures the Children's Hospital's interest in any future commercial exploitation.

## Marketing & Client Engagement

### Promoting Innovation



MidTECH offers innovation services to NHS organisations on a client-supplier basis. As Trusts and PCTs are under no obligation to contract with MidTECH, we need constantly to respond to demand and to demonstrate effectiveness to secure business. Understanding and meeting the needs of clients, publicising our successes and services and making it easy to contact and contract with MidTECH are key elements in our client engagement strategy. In 2008-9 we aimed to secure more NHS clients – particularly those that previously belonged to the now defunct research consortia – and to maintain commitment from existing clients by developing a wider service offering.

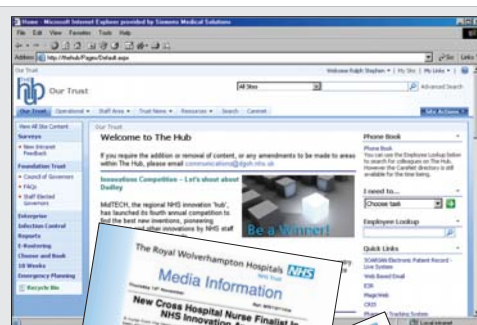
#### Securing new clients

To attract new clients, we undertook the following actions:

- We promoted a simplified pricing structure designed specifically to attract PCTs and smaller Trusts that have had little or no previous direct relationship with MidTECH.
- We developed relationships with the new Local Comprehensive Clinical Research Networks.
- We continued to publish our seasonal newsletter, “MidTECH Matters”, containing news of our successes and activities and related regional and national initiatives.
- We publicised our innovation successes in regional newspapers and professional journals (*shown in figure 1*).
- Our regional innovation competition was promoted to all NHS organisations in the West Midlands; nearly a third of the entries came from non-client NHS organisations.

Figure 1 PR Coverage

Month	Release(s) & Articles	Coverage Received
June 08	Innovation Hubs Article	The Guardian
July 08	Competition Launch Release	In Trust publications/websites, Sandwell & West Birmingham, UHCW, Royal Wolverhampton, Dudley Group of Hospitals In the Press: Birmingham News, Express & Star, Shropshire Star, Coventry Evening Telegraph, HES online, Birmingham Post '60 Years of NHS' Supplement Partner/Industry Publication: Medilink WM Newsletter
July 08	Physio Master Article	Frontline Magazine
August 08	Competition Launch Release	Mid Staffs Newsletter
September 08	Innovations Hubs Article	Daily Mail
September 08	Drape Licence Release	Worcester News, Express & Star, Shrewsbury Chronicle, Shropshire Star, Express & Star Sandwell
October 08	Drape Article	Operating Theatre Journal
October 08	Hook-On Article	Express & Star
November 08	Awards Release	Royal Wolverhampton Hospitals NHS Trust Press Release
December 08	National Awards Release	In Trust publications/websites, Sandwell & West Birmingham, UHCW, Royal Wolverhampton
January 09	Wheelchair Lift Licence Release	In Trust publications/websites, Sandwell & West Birmingham, UHCW, Royal Wolverhampton, South Bham PCT
January 09	Awards Article	Birmingham Post People Supplement



**Growing the service offering to existing clients**

- We explored with clients a variety of new initiatives that could be developed by MidTECH as part of a widened service offering. There was general support from clients for the formation of a regional device evaluation network (the 'DEN') to provide industry with integrated access to NHS evaluation capability. This initiative attracted interest from Advantage West Midlands and the West Midlands SHA and is now the subject of a detailed scoping paper and funding proposal.
- We promoted the opportunity for full member clients to host innovation challenge workshops and received expressions of interest from several clients. However, as previously noted, it has proven harder than expected to arrange workshops at convenient times for frontline staff.
- We continued to support innovation events in client organisations and presented at internal meetings and seminars

**Performance against targets**

We measure the impact of our promotional activity by our ability to grow our client base. In 2008-9 we set ourselves the target of attracting five new NHS clients and growing our annual income from membership fees from £50,000 to £60,000. We are delighted to report that at the end of 2008-9 we had generated over £60,000 in membership fees attracted and seven new clients:

- Birmingham Women's Hospital
- Birmingham and Solihull Mental Health Trust
- Burton Hospital NHS Trust
- Heart of Birmingham Teaching PCT
- Stoke on Trent PCT
- Wolverhampton City PCT
- North Staffordshire Combined Healthcare NHS Trust



## Stakeholder Relations

### Developing Partnerships

MidTECH's strategic relations with stakeholders within the wider innovation 'landscape' at both regional and national level are critical to our overall success. We need good relations with relevant government departments, agencies, venture capital and industry associations to ensure the innovations we manage have access to industrial and public sector partners and financial support. Our approach to stakeholders focuses on demonstrating MidTECH's effectiveness and impact as an innovation partner.

In 2008-9 our stakeholder strategy had three main strands:

- Develop relations with the West Midlands SHA
- Reposition MidTECH to exploit relevant NHS Next Stage Review initiatives
- Consolidate relations with the NIC, PSRE, AWM and other stakeholders.

#### NSR initiatives and the West Midlands SHA

The publication of the NHS Next Stage Review (NSR) in June 2008 assigned key responsibilities to SHAs in relation to the promotion of innovation and to the management of a raft of regional initiatives (the Regional Innovation Fund, Academic Health Science Centres, Health Innovation and Education Clusters). Additionally, SHAs would assume oversight of the regional innovation hub in 2009-10. Following the publication of the NSR, MidTECH met with the West Midlands SHA and agreed that MidTECH would actively support the SHA in its new role. MidTECH has since worked closely with the SHA on several innovation initiatives including the NHS Innovation Masterclass, the launch of the Regional Innovation Fund and the NHS Innovation Expo event. Additionally MidTECH has represented the SHA at innovation events and meetings at regional and national level – evidence of the good relationship between the two parties. The support MidTECH has provided to the West Midlands SHA was recognised in an additional funding award from the NHS National Innovation Centre.

#### Regional NHS Innovation Hubs and the NHS National Innovation Centre

MidTECH is part of a national network of regional innovation hubs; each hub's activities are overseen by the NHS National Innovation Centre (NIC) on behalf of the Department of Health. We work with the NIC and other hubs on national initiatives and events where collective action is strategically appropriate and cost-effective. As well as regular review meetings with the NIC and hub chief executives, MidTECH was involved in the following joint hub-NIC activities in 2008-9:

- Two members of staff attended a business development seminar organised by the NIC for MidTECH and the East Midlands hub in April 2008;
- One member of staff attended the North East innovation hub awards ceremony in May 2008;
- MidTECH organised a stand and seminar with South West and South East NHS innovation hubs at the Venturefest Event in June 2008 in Oxford;
- All staff attended the national innovation hub event in Oxford in June 2008;
- One member of staff attended the NHS innovation metrics workshop in October 2008.

### Department of Innovation, Universities & Skills

MidTECH's success in transferring NHS innovations to companies provides benefit both to the NHS and business: NHS ideas can form the basis of new innovative products for businesses, helping them to survive and grow. The value of MidTECH's activity to business has been recognised by the award to date of £1M in funding from the Department of Innovation, Universities and Skills (now part of the Department of Business, Innovation and Skills). These funds have assisted in the development of MidTECH's core capability, engagement with NHS frontline staff and project development funding. In 2008-9 the Department announced a further £1M in funding to allow MidTECH to expand its work with businesses.

### Relations with Regional Stakeholders

Innovation is a 'local' business in that ideas can often be quickly progressed through established and trusted partners and networks. We are fortunate in the West Midlands that MidTECH's business is closely aligned to the region's economic strategy and industrial and academic capabilities. Advantage West Midlands (AWM), the Regional Development Agency, views innovation in medical and healthcare technologies as a key driver for economic growth and views NHS innovations as a key source of ideas for businesses. (Note that over half the licence agreements concluded by MidTECH this year involved companies located in the West Midlands).

This year MidTECH has supported AWM and its partner delivery organisation, Medilink West Midlands, in several innovation projects and initiatives, including:

- The establishment of the Centre for Application of Advanced Materials for Infection Control (CAAMIC). Based at Heartlands Hospital, the centre supports and advises advanced material technology businesses in infection control applications.
- The establishment of the Advantage Proof of Concept Fund that provides grants for new business innovations.
- The organisation of themed seminars and workshops for businesses and NHS (including one workshop devoted to infection control and another to the implications of the NSR for businesses).
- The Device Evaluation Network (DEN) - This concept (described elsewhere in this report) grew out of initial discussions between Medilink West Midlands, AWM, MidTECH and leading Trusts – testimony to the benefit of the close working relations the organisations enjoy. The concept is currently being considered for funding by AWM and the West Midlands SHA.
- Birmingham Science City – This project aims to use science and technology to improve the prosperity of Birmingham and the West Midlands. Medical science and technology is a major theme in this project. MidTECH advises the project on aspects of innovative healthcare.

### The Medical Technology Innovation Centre

The benefits of MidTECH's close working relations with Medilink West Midlands were underlined by the decision of both organisations to co-locate in newly-refurbished premises at the Medical Technology Innovation Centre, at 4 Greenfield Crescent, Birmingham in December. The premises, which comprise office space for the two organisations, conference and meeting rooms, provide a regional nexus for both industry and NHS in medical and healthcare innovation.

### Mercia Technology Seed Fund

The West Midlands boasts several successful venture capital companies with growing portfolios in the medical and healthcare sectors. MidTECH is a partner organisation of the Mercia Technology Seed Fund and over the year met regularly with the fund managers and other partner representatives. Mercia provides MidTECH with access to expert business and investment advice for relevant opportunities; in return, MidTECH provides Mercia with access to NHS expertise and capability to help develop Mercia's business opportunities.

## Concluding Remarks

The year 2008-9 presented significant challenges to MidTECH at both strategic and operational levels. These challenges - and the opportunities they created - required MidTECH to maintain the momentum of its core business and, at the same time, to reposition itself in a changing organisational landscape.

MidTECH achieved (and in some cases exceeded) its major objectives, concluding fifteen licence and intellectual property agreements (more than any previous year), and securing a further seven NHS clients. In addition, MidTECH has developed close working relations with the West Midlands SHA, secured a further £1M of funding from the Department of Business, Innovation and Skills, and is taking forward several regional initiatives originating that will provide wider benefits for its members and clients.

These successes are testimony to the continued innovativeness of NHS staff, to the strength of MidTECH's team, its clients and partners, and their collective ability to work together within an agreed framework and plan.

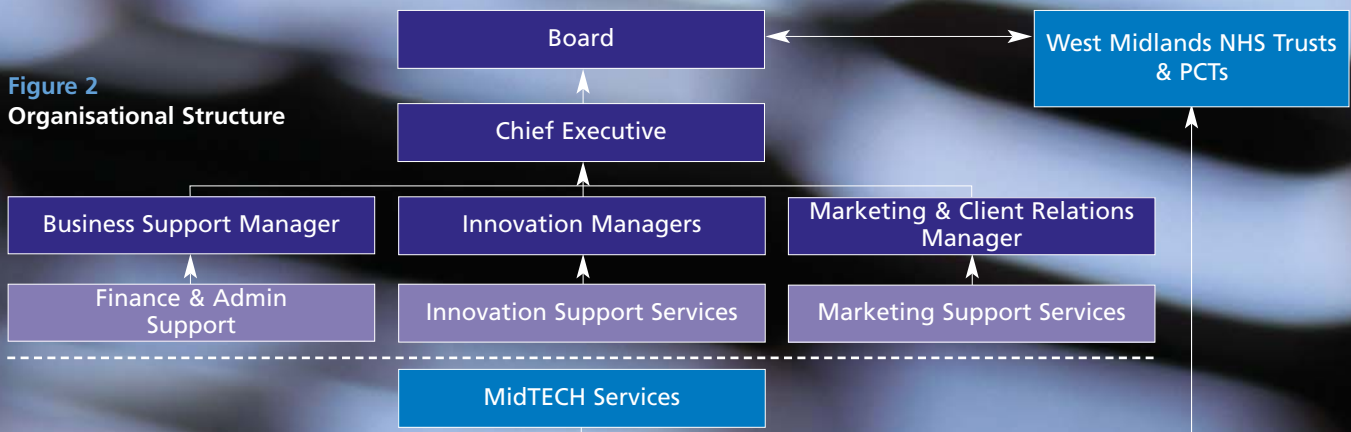
Maintain

Looking to the future, MidTECH will continue to provide and develop its innovation services to the NHS in the West Midlands for the benefit of patients, the NHS and business. We welcome the growing importance attached to innovation in the NHS and the opportunity to be part of this exciting future with new and existing partners.



## Organisation & Resources Developing Capability

Figure 2  
Organisational Structure



MidTECH is a not-for-profit Company Limited by Guarantee providing innovation and intellectual property (IP) management services exclusively to West Midlands NHS organisations. One of a network of regional NHS innovation hubs established with support from the Departments of Health and Trade & Industry, MidTECH assists NHS bodies and their employees in developing innovations with commercial potential for the benefit of patients, the NHS and the wider economic prosperity of the West Midlands and the UK.

At an operational level, MidTECH is managed by a Board of Directors elected from its NHS members and nominated from various independent public sector bodies. Day-to-day management of MidTECH is undertaken by the Chief Executive who reports to the Board. MidTECH members review activity and appoint Board Directors at the company's Annual General Meeting. The company's financial systems are independently audited and accounts filed at Companies House.

MidTECH's organisational structure is designed to provide services efficiently and affordably to members and clients, and at the same time provide a means to reflect their views and interests; the current structure is shown in figure 2 above.

As an organisation that provides expert services to clients, MidTECH is highly dependent on having at its core a competent, dedicated and enthusiastic team. Attracting, retaining and developing this team is, we believe, crucial to our continued success. MidTECH is therefore pleased to welcome Mr James Turner as MidTECH's new Innovation Manager. James reports to Mr Mike Smith, MidTECH's Senior Innovation Manager.

MidTECH core operational team is supported by part-time consultants and seconded staff; over the reporting period MidTECH we are pleased to acknowledge the consultancy support received from:

- Coventry University
- Innovation Challenge Partnerships Ltd
- Gary Thorpe Associates
- BioSpring Ltd

MidTECH has also drawn on specialist services patent agents, legal advisors and design and prototyping, including the following:

- Appleyard Lees
- Health Technology & Design Institute, Coventry University
- Innovations Factory Ltd
- Martineau
- Medilink West Midlands Ltd
- Mills & Reeve
- Peninsula Business Services
- Prime Chartered Accountants
- Renfrew Group International
- Withers & Rogers
- Wragge & Co

## Organisation & Resources

### Developing Capability *continued*

#### MidTECH clients

MidTECH's performance and effectiveness is in large part measured by the level of engagement it enjoys with the region's NHS. NHS organisations are neither mandated to use MidTECH's services, nor are MidTECH's services provided to clients for free (clients are charged an annual fee for services). We gratefully acknowledge the support and commitment of our nineteen clients, listed in the tables below.

#### MidTECH's Clients 2008/09

##### Full Members

Birmingham Children's Hospital  
 Dudley Group of Hospitals  
 Heart of England  
 Mid Staffordshire General Hospitals  
 Royal Wolverhampton Hospitals  
 Sandwell and West Birmingham Hospitals  
 Sandwell PCT  
 South Birmingham PCT  
 University Hospital Birmingham  
 University Hospitals Coventry and Warwickshire  
 University Hospital of North Staffordshire  
 Wolverhampton City PCT

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**Totals:**  
 9 Trusts  
 3 PCTs

##### Limited Membership Clients

Birmingham and Solihull Mental Health Trust  
 Birmingham Women's Health Care  
 Burton Hospitals  
 Heart of Birmingham teaching PCT  
 North Staffordshire Combined Healthcare  
 Stoke on Trent PCT  
 Royal Orthopaedic Hospital

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**Totals:**  
 2 Trusts  
 2 Mental Health Trusts  
 3 PCTs

Support

## Financial Summary

Figure 3 MidTECH Profit & Loss 2008/09

	£
<b>Turnover</b>	
Membership fees	49,455
Government grants	631,406
Other operating income	60,472
<b>Total</b>	<b>741,333</b>
<b>Cost of Sales</b>	
Project costs	184,671
Sub contractors	72,999
<b>Total</b>	<b>257,670</b>
<b>Gross Surplus</b>	
	<b>483,663</b>
Bank & other interest received	26,324
<b>Total</b>	<b>509,987</b>
<b>Expenditure</b>	
Pay & pensions	275,190
Recruitment, etc.	10,470
Travel costs	13,943
Rent, rates, utilities, telephone	36,473
Marketing & exhibitions	70,451
Post, stationery & office expenses	20,609
Computer costs	30,482
Legal & professional fees	22,669
Accountancy & auditors	9,250
Staff welfare & payroll	3,184
Sundries & subscriptions	1,083
Entertainment	26
Bad debt	-
<b>Total</b>	<b>498,830</b>
Bank charges & interest	1,000
Depreciation	4,849
Loss on disposal of fixed assets	-
<b>Net surplus</b>	<b>10,308</b>
Tax on surplus	5,528
<b>Surplus for the year</b>	<b>4,780</b>
Retained surplus brought forward	713,162
<b>Retained surplus carried forward</b>	<b>717,942</b>

A simplified Profit and Loss summary for the year is given in Figure 3; at year-end MidTECH reported a total surplus of £1,361,647 which will be carried forward into 2008-9. MidTECH's audited accounts are available on request.

To provide services, MidTECH relies on a variety of income sources, ranging from central government grant awards, consultancy contracts and fees for services from members and clients. A significant proportion of this income is either competed or re-confirmed on an annual basis, requiring MidTECH to maintain an operational reserve to ensure continuity of staff and service levels while income is secured. For 2008-9 MidTECH derived its primary source of income from its service agreement with the NHS National Institute for Innovation and Improvement (under which agreement MidTECH provides core IP management services to West Midlands NHS bodies). This income was supplemented by the third and final annual instalment of a 3-year grant from the Public Sector Research Establishments (PSRE) Round 3 Fund of the Department of Universities, Innovation & Skills (now part of the Department of Business, Innovation & Skills).

For 2008-9 we reported a turnover of £741,333 and a net surplus on operations of £4,780, which when combined with our reserves gives a total surplus of £717,942. Additional income has already been secured for 2009-10, ensuring that MidTECH's operations are secure for the forthcoming financial year. A simplified Profit and Loss summary for the year is given in Figure 3; MidTECH's audited accounts are available on request.

## MidTECH Board 2008/09

Prof Alan Wenban-Smith	(Chairman)
Dr David Gleaves	(Company Secretary)
Bethan Bishop	(Heart of England NHS Foundation Trust)
Prof John Darling	(University of Wolverhampton)
Tony Davis	(Medilink West Midlands)
Dr Heather Duncan	(Birmingham Children's Hospital)
Ceri Jones	(University Hospitals Coventry & Warwickshire NHS Trust)
Prof James Neuberger	(University Hospital Birmingham NHS Foundation Trust)
Dr Tom Sheeran	(Mid Staffordshire General Hospitals)
Dr Edwin Swarbrick	(Royal Wolverhampton Hospitals NHS Trust)
Robert White	(Sandwell & West Birmingham Hospitals NHS Trust)
Christina Keey-Andersen	(AWM) - Observer

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MidTECH identifies and manages intellectual property in the West Midlands on behalf of the NHS