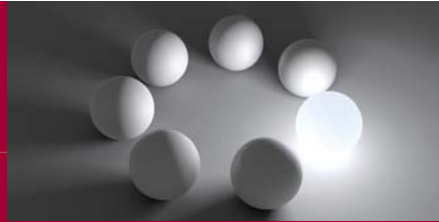


Creating Profitable Partnerships
ANNUAL REPORT 2006/07



Contents

Foreword	2
Introduction	3
Organisation	4
Clients	5
Successes	6
Marketing and Communications	11
Networks	13
Financial Summary	16

Chairman's Foreword

As you will read in this annual review, 2006/07 was another successful year for MidTECH. We continued to identify a stream of ideas for all types of healthcare innovation and are starting to see the results of our efforts over the last three years through licence deals concluded on behalf of our NHS clients.

In last year's annual report I stressed the importance of MidTECH becoming a company limited by guarantee (CLG), to ensure that we could meet the demands of commercialisation of all types of innovation, from the simplest 'low tech' ideas to the more complex 'high tech' innovations. The formation of the CLG at the end of April 2006 gave us greater control of our operations and finances, at the same time insulating our member Trusts from commercial risks. MidTECH's staff are now employed directly by the company, giving us greater freedom to decide how to best deploy them and to structure our activities. We also have greater freedom to choose how to invest funds in the development of innovations. In addition, clearer and simpler lines of accountability make for quicker decisions, ensuring commercial opportunities can be progressed expeditiously.

The year has also seen MidTECH strengthen its strategic networks, at both national and regional level. MidTECH has developed a good relationship and understanding with the newly launched NHS National Innovation Centre (NIC), evidenced by the fact that both David Gleaves and myself were invited to speak at its inaugural conference. At a regional level, our involvement as a partner in the Advantage West Midlands funded medical technologies cluster programme has enabled us to further strengthen our ties with the regional development agency, as well as a number of West Midlands organisations including Medilink West Midlands. MidTECH has established itself as a significant player in the regional medical technologies landscape, and these networks are essential in developing our ability to facilitate collaborations between our client Trusts, industry and academia.



As MidTECH approaches its fourth year as an NHS innovation hub, I believe we are better placed than ever to achieve our objectives of bringing income to our clients and innovators and improvements to healthcare. I look forward to another successful year.

Yours sincerely

A handwritten signature in blue ink, which appears to read 'Alan Wenban-Smith'. The signature is fluid and cursive, with a horizontal line underneath.

Prof Alan Wenban-Smith
Chairman, MidTECH

August 2007



Chief Executive's Introduction

As the NHS innovation hub for the West Midlands, MidTECH's main function is to provide innovation management services to NHS organisations in the region. We do this by developing client relationships with NHS Trusts and PCTs and identifying, protecting and commercialising innovative ideas from their employees. Our performance is measured by the strength of our client base and our success in identifying and commercialising innovations. In the last year we have once again seen significant progress in these areas.

Our client base of NHS organisations continued to grow and at the end of the financial year our clients included all but one of the region's acute Trusts and the majority of its PCTs. We met our target of concluding seven licence deals during the year, which represented a significant proportion of the total deals concluded across the national NHS innovation hub network. This means that innovations originating from the region's NHS have been adopted by commercial partners who will bring products based on them to the market, for the benefit of patients as well as the Trusts and innovators concerned. There are some innovation projects in our portfolio that have significant potential, but are more complex both in technical and commercial terms. While these will take some time to reach the market, I am pleased to report significant developments on all of them during the last year.

Without our commercial partners, we would be unable to make NHS innovations a reality. As well as supporting its NHS clients, MidTECH has therefore taken steps over the last twelve months to further enhance its relationships with industry. We have adopted a new proactive business model, designed to facilitate collaborations between the NHS and industry by allowing early-stage ideas from industrial partners to be assessed and evaluated by NHS partners. This model is well aligned to the region's economic development strategy, and we have directly provided assistance to more than 60 companies, providing links to NHS expertise and bringing potential benefits to both parties.

In 2007/08 we aim to build on the successes of the past year and further develop our networks, resources and processes to help achieve this. As our project portfolio matures and grows, we expect to significantly increase the number and financial value of licence deals concluded. Good progress has already been made towards this goal. As more deals are concluded we will promote these, not only to raise awareness of our successes, but also to encourage more new ideas from within the NHS.

To aid the commercialisation process we will continue to develop our links with industry and also focus attention on relationships with regional universities, with the aim of concluding the remaining Trust-university protocols for managing intellectual property. We are also working towards developing a fund with regional and national partners to provide the investment and associated expertise needed for larger, 'high tech' projects.

Our operational structure and resources will be developed to meet the demands of the innovation process. The recruitment of a Business Development Director with extensive experience and expertise will strengthen our capability, and in recognition of the differing size, capabilities and needs of our client Trusts, MidTECH is also developing its client relationship management strategy. In addition, our internal processes will be aided by the introduction of IP management software.

I am confident that MidTECH has the ambition, dedication and resources to bring an increasing number of innovations forward, and am committed to achieving this for the benefit of our NHS clients, patients and the healthcare industry.

Yours sincerely

A handwritten signature in blue ink that reads "David Gleaves". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

David Gleaves
Chief Executive, MidTECH

Developing Capability

Our Organisation

MidTECH's organisational structure has evolved during the past year to ensure that it continues to match the needs of our business and our clients. Its operations are currently structured as shown in Figure 1 below.

The formation of MidTECH Innovations Limited as a company limited by guarantee (CLG) in April 2006 gave the organisation more freedom in respect of recruitment and retention of its employees.

A Business Support Manager was recruited on a temporary contract in June 2006 to provide secretarial support to MidTECH's Chief Executive and carry out financial and office administration. This arrangement was made permanent in January 2007 and has resulted in the implementation of robust financial and administrative processes.

The three members of staff who remained on University Hospital Birmingham Trust employment contracts have all recently chosen to transfer their employment to the CLG. This means that MidTECH now directly employs all of its permanent members of staff.

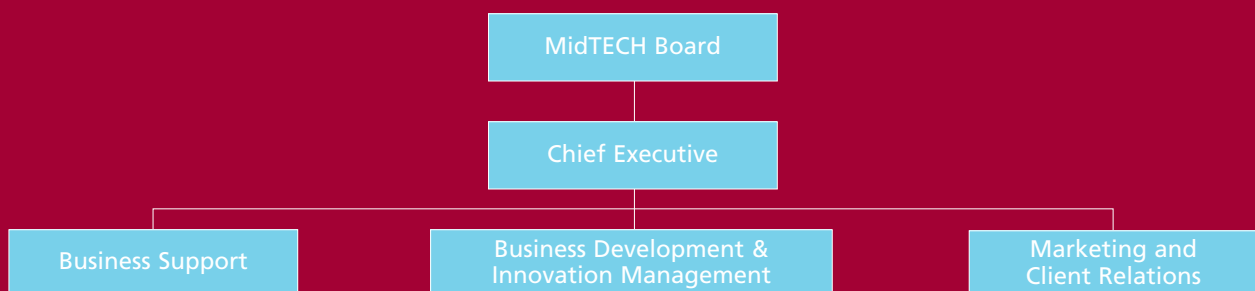
In 2007 MidTECH began the process of recruiting two new employees - a Business Development Director and an Innovation Manager. The first is due to commence employment in September 2007 with recruitment to the Innovation Manager post to follow.

In addition to these new posts, MidTECH's Marketing & Communications Manager has taken on the additional responsibility of managing day-to-day client relations. This will include regular client reviews and will ensure that we provide a service for all our clients tailored to their individual circumstances.

During 2006/07 MidTECH also seconded a number of part-time 'innovation champions'. One of these was from within the NHS and the others from the university sector (Aston and Coventry). The intention was for these to act as embedded technology scouts within specific Trusts and to complement our core innovation management team.

MidTECH continues to engage a number of professional organisations to assist in the smooth running of the company's operations and to advise on our projects. These include accountants Prime Rafterys, HR consultants Peninsula, lawyers Wragge & Co and Mills & Reeve and patent attorneys Appleyard Lees and Withers & Rogers.

Figure 1: Organisational Structure



Delivering Benefits

Our Clients

MidTECH operates innovation management services to NHS bodies in the West Midlands as members (on an annual subscription basis) and non-members (daily rate fees).

For the year 2006/07 MidTECH's target was to attract three new member Trusts to the organisation. This was achieved, with the Robert Jones and Agnes Hunt Orthopaedic and District Hospital NHS Trust, the Dudley Group of Hospitals NHS Trust and Sandwell Primary Care Trust being welcomed as new members.

With the reorganisation of Primary Care Trusts in October 2006, MidTECH's client base at the end of the financial year stood at 32 NHS bodies out of a regional total of 45. The merger of Good Hope Hospital NHS

Trust with Heart of England NHS Foundation Trust in April 2007 means that in the acute sector MidTECH currently has a client relationship with 95% of Trusts. The continued growth of our client base has strengthened our ability to claim true regional representation.

A review of MidTECH's membership and pricing structure will be undertaken during 2007/08. The aim of this is to ensure that we offer all NHS organisations in the region an appropriate level of annual subscription to meet their needs. This will simplify MidTECH's administration and help Trusts and PCTs to budget for their IP management.

Figure 2: MidTECH's Client Base 2006/07

Members

Birmingham Children's Hospital	Robert Jones and Agnes Hunt Orthopaedic and District Hospital
Dudley Group of Hospitals	Royal Wolverhampton Hospitals
Heart of England	Sandwell and West Birmingham Hospitals
Mid Staffordshire General Hospitals	Sandwell PCT
North Staffordshire R&D Consortium	University Hospital Birmingham
<ul style="list-style-type: none"> North Staffordshire Combined Healthcare University Hospital of North Staffordshire 	University Hospitals Coventry and Warwickshire
R&D for Birmingham and Solihull PCT Consortium	
<ul style="list-style-type: none"> Birmingham East and North PCT Heart of Birmingham teaching PCT Solihull Care Trust South Birmingham PCT 	

Daily Rate Clients

North Staffordshire PCT RM&G Partnership	Shrewsbury and Telford Hospital
<ul style="list-style-type: none"> North Staffordshire PCT Stoke on Trent PCT 	West Midlands South Joint PCT RM&G
R&D Management Services	<ul style="list-style-type: none"> Coventry teaching PCT Coventry and Warwickshire Partnership Trust Warwickshire PCT Worcestershire PCT
<ul style="list-style-type: none"> Birmingham Women's Health Care Burton Hospitals* George Eliot Hospital Hereford Hospitals Royal Orthopaedic Hospital South Warwickshire General Hospitals Walsall Hospitals Worcestershire Acute Hospitals Herefordshire PCT 	
	* Burton Hospitals left the R&D Management Services consortium in April 2007

Commercialising Opportunities

Our Successes

As an NHS innovation hub, MidTECH's main function is to identify, protect and commercialise innovative ideas from within the NHS. We progress innovations from initial idea through to the point where they are ready for licensing to a commercial partner.

During the last financial year, MidTECH concluded a number of licence deals on behalf of its client Trusts. A summary of achievements against targets is shown in Figure 3 below.

Figure 3: Opportunities 2006/07

Key Performance Indicator	Achieved	Target
New opportunities registered	90	95
Opportunities selected for development	25	20
Items of intellectual property registered	10	15
Licence deals completed	7	7

As expected, the number of opportunities registered has remained at roughly the same level as last year. However, as more projects have matured MidTECH has seen a greater number of deals concluded. It is envisaged that this number will increase in 2007/08.



Some of our successful NHS innovators from 2006/07 were recognised at this year's awards ceremony (l-r) Catherine Sykes (dressing loop), Anne Makins (delivering...) and Angela Wright (Let's go to Languageland)

Success Stories

A selection of the innovations successfully licensed in 2006-07 are detailed in the following pages.

Let's go to LanguageLand

'Let's Go to LanguageLand' is a innovative speech and language therapy training package aimed at establishing collaborative working between Speech and Language Therapists and schools. It originated from the need to provide speech and language therapy support to children in mainstream education.

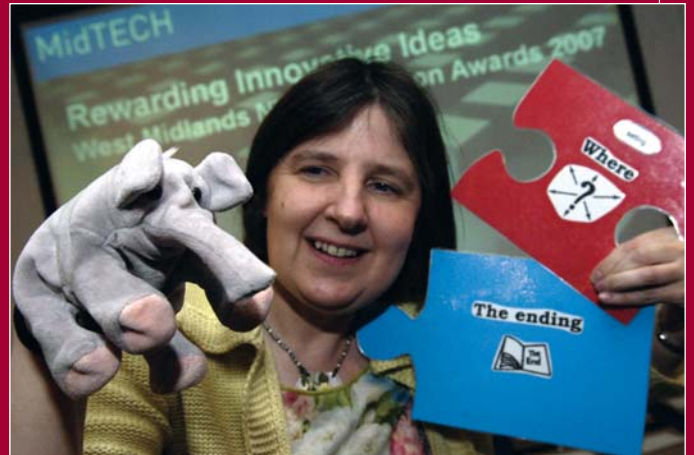
The pack was developed by Angela Wright, Senior Specialist Speech and Language Therapist, when North Staffordshire PCT decided to focus their efforts on supporting class teachers in adjusting teaching practice to accommodate children with



a speech and language delay. It is set around an imaginary journey to 'LanguageLand', where the child learns to improve their listening and talking skills. Used to train teachers and enhance their knowledge, it comprises lesson plans, activities and games for children with speech and language difficulties. It also helps schools to achieve National Curriculum targets.

Angela's innovation came to MidTECH's attention when it was entered into our 2005 innovation awards. At this stage the kit was paper-based, but MidTECH saw the potential to make a digital version and engaged a designer to convert it into pdf format to present to potential publishers.

Black Sheep Press, a specialist publisher of resource material for speech and language therapists and schools, licensed the package from the PCT in February this year. It will be available to order on CD Rom via their website from September 2007. The deal,



Angela Wright at MidTECH's 2007 Innovation Awards

negotiated by MidTECH on the PCT's behalf, ensures that as well as making the product available for the benefit of children across the country, the PCT and Angela stand to benefit financially from sales of 'Let's Go to LanguageLand'.

"We were impressed by MidTECH's initiative in involving a designer at an early stage, this made our decision to become involved a very easy one!"

Alan Henson, Black Sheep Press

"I had not previously considered publishing this piece of work, however after being short-listed in their Innovation Competition, MidTECH provided this marvellous opportunity"

Angela Wright, Senior Specialist Speech and Language Therapist, North Staffordshire PCT

A Novel Application of Optical Coherence Tomography

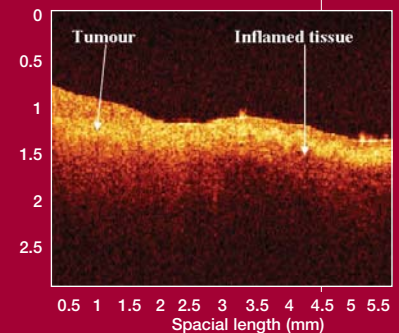
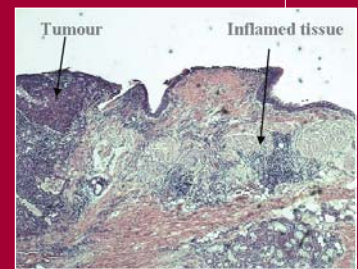
This in-situ optical imaging technique for use in screening and diagnosing lung and other cancers, uses Optical Coherence Tomography technology to obtain sub-surface images of lung tissue at more than five times the resolution of state-of-the-art ultrasound systems. Clinical interpretation of the OCT images is based on extensive comparisons of OCT and corresponding histology images. The technique allows diseased tissue to be distinguished from normal tissue and has applicability to everyday clinical settings, such as during an operation. This enables surgeons to ensure that all tumour can be removed, whilst preserving healthy lung tissue.

This innovation was first brought to MidTECH's attention when the inventor, Professor Monica Spiteri from University Hospital of North Staffordshire, entered it into our 2005 innovation awards. MidTECH ensured that the Trust's intellectual property was protected by filing a patent and has also protected subsequent improvements made in conjunction with Keele University. MidTECH has assisted in forming a company specifically to enable the Trust and Keele to develop

and commercialise the technology. MidTECH has acted as an advisor throughout, including presenting the legal complexities of forming the company to the Trust board.

"MidTECH has supported and assisted both the Trust and myself continuously through what has proved to be a long and complex process towards commercialisation. This is new and unfamiliar territory for us, and I have no hesitation in stating that without their specialist expertise and involvement, it would not have been possible to progress the innovation to this stage."

Monica Spiteri, Professor of Respiratory Medicine, University Hospital of North Staffordshire



Tumour detection within bronchial mucosa: reflected on scan as featureless tissue

Delivering...

Planning and monitoring performance are key to managing any organisation. In large organisations integrating and coordinating these tasks across the whole operation, and ensuring that efforts are focussed on achieving corporate goals, can be a complex and difficult undertaking, particularly in the NHS where there are numerous standards and targets to achieve.



Delivering... is a user-friendly internet based planning and performance management tool, which enables individuals within an organisation to record their actions and link them to strategic

plans. Progress on these actions can then be monitored and reported using the system. It was developed by a team at North Staffordshire Combined Healthcare NHS Trust, one of the country's top mental health trusts.

MidTECH has assisted this project over the last two years with business planning and advice. It supported the team with sales and marketing resource to establish the feasibility of commercialising the product. MidTECH also showcased delivering... at the annual Healthcare Computing exhibition in Harrogate. This resulted in interest from Ardentia Ltd, a company with substantial expertise in healthcare intelligence, who signed a reseller agreement for the tool. Licences for the system have been sold to a number of organisations, including the YMCA.

"MidTECH has provided valuable support for the Trust's project to commercialise 'delivering...'. It has been actively involved since the project began and has provided guidance and advice along with sales and marketing input and support. We are delighted that MidTECH has supported our project, and the organisation has learnt a great deal from our collaboration."

Chris Buttanshaw, Chief Executive, North Staffordshire Combined Healthcare NHS Trust

The K-Stick

Traditional walking sticks have a single fixed holding position intended for general support and walking use and do not have the capacity to adapt to varying terrain. They also force the user to hold the handle in a pre-determined position. Research conducted by Sandwell PCT with stick users and clinical professionals suggested that there was an opportunity to develop a stick which provided a number of holding options.

This unique ergonomic design for a walking stick handle, developed by the PCT, provides three distinct holding positions:

1. A horizontal handle for flat terrain.
2. A forward handle provides a resting position and is also useful for low gradients.



3. A top grip for climbing up and down steps and steep gradients and getting up out of a seated position.

MidTECH protected the design and conducted licence negotiations with a local company, West Bromwich based TC Keight Precision Tooling Limited, who have established a spin-out, K-Stick Ltd, to commercialise the handle. The licence ensures that the PCT retains a share of ownership of the intellectual property and receives a percentage of any revenue generated by product sales.

Fabric Safety Bed Rails

This is another innovation which MidTECH has licensed on behalf of Sandwell PCT. The fabric safety bed rails were developed after research into equipment provided for home care identified fundamental safety and design flaws in many of the products currently available. Difficulties relating to fitting and assembly have in some extreme cases led to injury and even death as a result of patients becoming trapped in the equipment.

This new design includes a unique fixing system that can be adjusted to fit any size of divan. The patient is prevented from falling out by a fabric covered frame positioned on the side of the bed. The fabric cover also provides additional comfort and reduces the risk of entrapment and injury.

Polymorit Ltd, a Coventry company specialising in mobility aids for the elderly and disabled, have signed a licence deal to manufacture and distribute the bed rails. Again, MidTECH have ensured that the PCT will benefit financially from sales of the product.

"I am delighted that we have been able to steer these health service ideas for new products all the way to commercial manufacture"

John Middleton, Director of Public Health,
Sandwell PCT



In addition to the successful deals concluded in 2006/07, licences for the following projects have already been completed in 2007/08.

Dressing Loop

This simple but innovative tool from University Hospital Birmingham NHS Foundation Trust helps occupational therapists rapidly assess a patient's ability to carry out basic tasks, allowing them to quickly identify help or assistance that the patient would need to enable them to return home. It facilitates speedier discharge from hospital and the more efficient use of bed space and staff time. The device has been licensed to Nottingham Rehab Supplies Ltd.



Theatre Leg Prop



An innovation for use by theatre nursing staff, this device allows a patient's leg to be elevated in a variety of positions and heights whilst surgery is being performed. This eliminates the need for theatre staff to hold the leg in position, which puts strain on the individual, can cause injury and stops them from assisting in a more useful capacity during surgery. A licence deal for this innovation has been concluded between the Royal Orthopaedic Hospital and a Birmingham based company, Valtrar Ltd.

Palliative Care Resource Booklet for Care Homes

Many carers who work in care homes are isolated from acute and community nursing. Care home staff previously had no resource specifically aimed at them to explain the principles of palliative care. This booklet, written by MacMillan Nurse Christine Reddall, covers the key areas of palliative care and gives care homes an easy to read resource, leading to a better standard of palliative care and fewer admissions to hospital. After the booklet won a prize in MidTECH's 2006 innovation awards, the hub has assisted Warwickshire PCT in licensing it to specialist publisher Radcliffe Publishing Ltd.



MidTECH's current active projects include more than 30 other innovations at various stages of the assessment and development process.

Promoting Innovation marketing and communications

As a service organisation, it is important that MidTECH actively promotes the benefits of its services to each of our stakeholder groups and shows evidence of success. During 2006/07 this was done in a variety of ways.



'MidTECH Matters' Newsletter

MidTECH launched its newsletter in June 2006 with further issues in December 2006 and June 2007. Around 500 contacts receive a copy, including all of the region's NHS Chief Executives and Chairs and other key stakeholders. The newsletter not only informs readers about MidTECH's successes and raises awareness of MidTECH, but also gives them a wider picture of healthcare innovation in the West Midlands, including articles from our member Trusts and regional partners.



New Literature

Two new high quality brochures have been introduced to target specific messages at key MidTECH audiences. The first is aimed at senior NHS management and explains how MidTECH works strategically with Trusts to promote and develop innovation and the benefits that working with the hub brings. The second is a brochure targeting companies who wish to work collaboratively with the NHS and describes how we are in a unique position to facilitate appropriate relationships that are beneficial to all parties.





Innovation Awards

MidTECH's annual innovation awards are proving to be an excellent source of ideas that have the potential to be commercialised. The second annual awards ceremony was held in June 2006 and was attended by more than 80 guests. Prizes were awarded in 'high tech' and 'low tech' categories and were presented by Professor Bernard Crump, Chief Executive of the NHS Institute for Innovation and Improvement. Two of the winning innovations have since been licensed - the dressing loop and palliative care resource booklet for care homes. In addition, two other deals completed in the last year - Let's go to Languageland and the novel application of optical coherence tomography - were first brought to our attention as finalists in 2005 (see pages 7 and 8). The 2007 awards were launched in January and were promoted to all Trusts and PCT's in the region. Once again a substantial number of high quality innovations were entered, coming from more than 30 NHS organisations across the West Midlands.



Trust Communications

Team members promoted MidTECH, intellectual property and innovation at more than twenty events held at client Trusts during the year. These included presentations at conferences, training sessions and committee meetings as well as roadshows, seminars and intellectual property clinics.

In addition, a number of Trust internal publications have featured MidTECH and its services.

Could you be the next James Dyson?

Have you ever thought of an invention that could improve healthcare, generate income or save money? If so, then MidTECH, the West Midlands' innovation hub, is the place for you.

At the 'hub' of innovation

Many healthcare innovations are the brainchild of people working in the NHS - and now there is professional advice and assistance to help to develop such ideas. MidTECH is one of nine NHS Innovation Hubs, set up by the Department of Health and Industry, to support Trusts and their employees to develop and commercialise innovative ideas to improve patient care, generate income or save money.

If you have an idea or innovation you wish to discuss, contact MidTECH on 0121 455 0346 or enquiries@midtech.org.uk or visit www.midtech.org.uk

Bright Idea

Pharmacist Nurse Sarah Jones (centre) receives her award from David Loughman (left), Chief Executive of MidTECH (The NHS Innovation Improvement) and Professor Bernard Crump, Chief Executive of the NHS Institute for Innovation and Improvement.

brief

Innovations making the difference

FORWARD thinking and embracing innovation is key to the Trust's continued success. Small changes can make huge differences, and those that work with the equipment and systems on a daily basis have a better understanding of changes which can be made.

Have you got an idea but aren't sure of the best way of taking it forward? NHS bodies are now required to operate under the Department of Health guidelines and framework to ensure that ideas stay within the NHS network of innovation hubs and manage innovations for the NHS in the six Staffordshire, Warwickshire, Shropshire, and Herefordshire, Worcestershire.

It's important that those who come up with the ideas get the recognition they deserve. MidTECH employ a team of specialists who employ a bridge between...

Creating Partnerships Our Networks

National Developments: the National Innovation Centre

MidTECH is part of a network of nine regional innovation hubs, covering the whole of England. The hubs are now coordinated by the National Innovation Centre (NIC). This was launched at an inaugural conference in September 2006, at which MidTECH Chief Executive David Gleaves was invited to give a presentation on the role of the innovation hubs and Chairman Alan Wenban-Smith summarised the day's discussions. The NIC acts as a focal point for the many organisations and companies working in the technology innovation arena and provides signposting for the innovation networks, including the hubs. It aims to speed up the development and adoption of new medical technologies and provides a national and international platform for regional innovation.

"The NIC is an enabler to support the 'connectivity' we need within the innovation arena to ensure that innovative technology is taken up for the benefit of the UK economy and the NHS but, most of all, for the patient."

Dr Maire Smith, Executive Director,
National Innovation Centre

As well as our involvement in the NIC launch, MidTECH has been involved in shaping the NHS Innovations agenda by regular involvement in the hub managers' forum. MidTECH also led the NHS Innovations presence at the Healthcare Computing 2007 exhibition in Harrogate in March 2007.

One of the NIC's initiatives is 'Wouldn't It Be Great If...' (WIBGI). This is a national programme aimed at identifying problems that require innovative solutions. Funded by the NIC, it is delivered by the innovation hubs and actively involves NHS staff at all levels. MidTECH has two WIBGI initiatives under way in the West Midlands, one based around 'designing out infection' and the other a series of 'innovation challenge workshops'.

2006/07 Highlights

- The hubs filed 36 patents
- There were 54 deals agreed across the network
- Four new companies were formed
- Approximately 1,000 projects were under review by the hubs



MidTECH's Chairman Alan Wenban-Smith and Chief Executive David Gleaves address the NIC Conference



National Innovation Centre

Regional Developments: Medical Technologies Cluster Programme

The medical technologies sector has been identified as one of the priority areas for creating wealth and employment in the region. With funding of £2.7 million from Advantage West Midlands (the regional development agency), this two year programme was launched in May 2006 to deliver the vision of its Cluster Opportunity Group (COG). The project aims to promote diversification, innovation, product development and access to procurement for medical technologies companies in the region. It is administered by Medilink West Midlands, the regional trade association for SMEs in the health technologies sector, and is jointly delivered by a number of partner organisations within the NHS, industry, academia and education, including MidTECH. This joint delivery enables a collaborative and joined-up approach to the needs of the region's medical technologies industry.



David Gleaves with (l-r) Christina Keey-Andersen (Advantage West Midlands), Tony Davis (Medilink West Midlands) and Jonathan Wedgbury (Healthcare Purchasing Consortium)

MidTECH has used the additional funds from the project to build on our existing capacity and give companies controlled access to NHS expertise and ideas, facilitating partnerships and collaborations between the NHS and industry. MidTECH's achievements for the first year of the project are shown in Figure 4.



**Figure 4: Medical Technologies Cluster Programme
– MidTECH performance 2006/07**

Key Performance Indicator	Achieved
Businesses Attracted to the West Midlands region	1
Businesses Introduced to the project	38
Businesses Assisted	63
Direct Interaction with eligible West Midlands organisations (hours)	148

"MidTECH has been a significant player in the creation of the partnership within the region of key support organisations, which has revolutionised the delivery of business support and led directly to an increase in the depth and range of services available to the region's medical technologies companies. MidTECH has been invaluable in developing the links between industry, the NHS and academia to an extent where the West Midlands is now seen as a role model within the UK. "

Christina Keey-Andersen, Medical Technologies Cluster Manager, Advantage West Midlands

Regional Developments: Other Initiatives

MidTECH is committed to representing NHS interests in the many innovation related activities underway in the West Midlands healthcare sector. We do this in a variety of ways, some of which are detailed below.



Health Design and Technology Institute (HDTI)

MidTECH is one of 20 partners who have teamed up with this newly formed Institute at Coventry University, and has agreed to second resource to support its objectives of developing assistive technology, promoting health, wellbeing and self-management of health and chronic illness. The ageing population in the UK means that assistive technology is a key area for innovation, as patients increasingly need new devices and technologies to enable them to remain living in their own homes. Many NHS-led innovations in this field require input from designers, and our involvement with the Institute means that these are available to us. We can also give the Institute access to NHS expertise.

Trust/University agreements

Following the first NHS-University IP agreement between University Hospitals Coventry and Warwickshire and the University of Warwick in 2005/06, MidTECH has concluded similar agreements between that Trust and Coventry University and between University Hospital Birmingham and Aston. Two more are pending and another three are planned. These agreements confirm an understanding on IP ownership and sharing between Trusts and universities before work is undertaken and seek to avoid complications and misunderstandings arising after projects are completed.

Technology Transfer Fund (TTF)

This fund issues grants of up to £25,000 for prototyping, IP protection, capital equipment and product and process development to SMEs in the Central Technology Belt (the high technology corridor running from Birmingham to Malvern). It is managed by BRDL, the University of Birmingham's technology transfer arm, and run in partnership with Advantage West Midlands, Central Technology Belt, Birmingham City Council, Worcestershire County Council and Aston University. MidTECH's Chief Executive is on the fund's medical technologies investment panel. Small companies who apply for TTF funding can often benefit from NHS input into their new products. MidTECH's involvement in the fund makes it easier for those companies to receive this, via controlled access to clinicians at our client Trusts.

Venture Capitalists

MidTECH has established a network of West Midlands based venture capital organisations specifically interested in investing in the healthcare sector. These include the Mercia Seed Fund, Catapult, Midven and Advantage Business Angels. Links have also been established with others outside of the region. We anticipate that many of our future innovation projects will need to attract funding for further development. Establishing links with these organisations will make it easier for MidTECH to assist innovators in finding appropriate funding.

Creating PROFITABLE PARTNERSHIPS

Financial Summary

The year 2006/07 has once again seen significant growth in our capability and funding support. We have continued to receive financial support from the Department of Health and have secured funding for 2007/08. In 2006/07 MidTECH received the first of three tranches of funding from the Department of Trade and Industry (now the Department for Innovation, Universities and Skills) through the third round of its Public Sector Research Exploitation (PSRE) initiative. In addition, our participation as a partner in the Advantage West Midlands Medical Technologies Cluster programme provided an additional source of funds. Funds from central and regional government are augmented by other income including membership and service fees.

These funds have enabled MidTECH to deliver services and provide a strong basis for continued growth and further investment, in line with our plans for the coming year.

A financial summary for the year is given in Figure 5. The figures combine our income and expenditure as managed by University Hospital Birmingham with the income and expenditure of MidTECH Innovations Limited, which traded from October 2006. The audited accounts of MidTECH Innovations Limited are available on request.

Figure 5: MidTECH Income and Expenditure 2006/07

	2006/07	2005/06	Variance
	£	£	£
Prior Year C/F	584,048	570,849	13,199
Income			
DOH – Commercial Directorate/NIC	518,000	373,000	145,000
DTI – PSRE	240,000	-	240,000
CENTECH	46,659	32,386	14,273
Advantage West Midlands	129,345	-	129,345
Other Income	40,375	56,313	-15,938
Bank Interest	2,654	-	2,654
Adjustments	-2,842	-	-2,842
Total Income	974,190	461,699	512,491
Expenditure			
Pay	374,946	279,869	95,077
Non-Pay	173,359	133,712	39,647
Exploitation	87,591	18,853	68,738
Total Expenditure	635,897	432,434	203,463
Balance	922,341	600,114	322,227
Depreciation	468	-	468
Tax	504	-	504
Accrued Expenditure	9,244	48,330	-39,086
Closing Balance	912,125	551,784	360,341

MidTECH Board 2006/07

Prof Alan Wenban-Smith (Chairman)

Dr David Gleaves (Company Secretary)

Janet Cairns

Dr Darren Clement

Prof John Darling

Tony Davis

Dr Peter Mayer

Prof James Neuberger

Dr Edwin Swarbrick

Robert White

MidTECH has benefited from funding from the NHS Institute for Innovation & Improvement's National Innovation Centre. The views expressed in this publication are those of the authors and not necessarily those of the NHS Institute for Innovation & Improvement's National Innovation Centre.

MidTECH 5 Greenfield Crescent
Birmingham B15 3BE

Tel: +44 (0)121 455 0346
Fax: +44 (0)121 454 1560

Email: enquiries@midtech.org.uk
www.midtech.org.uk

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