

**NORTH SEA COMMISSION GENERAL ASSEMBLY 2006
ECONOMIC DEVELOPMENT GROUP STUDY TOUR
INVERNESS SCOTLAND**

ITINERARY

13.15 Depart Macdonald's Aviemore Highland Resort

14.00 Arrival at the Headquarters Lifescan Scotland Beechwood Park North Inverness

14.05 Split into two groups of 20

Group 1 Tour of Facility

Group 2 30 minute presentation on Lifescan Scotland

15.00 Presentation by HIE Inverness and East Highlands on proposals to develop a Centre for Health Science Project (Ionad Eolas Slainte) in Inverness

16.00 Refreshments Departure

17.30 Return to Macdonald's Aviemore Highland Resort

Introduction

The City of Inverness is the commercial and business centre for the Highlands of Scotland combining traditional industries with innovative technologies together with a well educated and highly skilled workforce.

The city has been successful in attracting inward investment and part of today's study tour will be a visit to Lifescan Scotland part of Johnson & Johnson.

Highlands and Islands Enterprise (HIE) the main Government Regional Development Agency in the Highlands of Scotland deliver their services through a network of local enterprise companies. The second part of today's study tour will feature a presentation by HIE Inverness and East Highlands (formally Inverness and Nairn Enterprise)the enterprise company responsible for persuading Lifescan Scotland of the merits of locating in Inverness. They are currently working to develop Inverness as a centre for medical research and will bring you up to date on how this work is progressing.



Diabetes does not respect class, wealth or social status and can strike without discrimination. In the past diabetes was usually a terminal condition which tended to emerge in childhood. Fortunately nowadays it is treatable, but remains a significant medical condition.

The charity Diabetes UK has compiled figures which suggest that more than 120,000 people in Scotland have been diagnosed with diabetes and another 87,000 unknowingly have the condition. They claim this number "will double" in the next 25 years unless more people undertake dramatic

lifestyle changes. The charity says that thousands of people are placing themselves at risk of type-2 diabetes, which is commonly linked to obesity.

One thing remains constant for those with diabetes: the need to monitor blood sugar levels accurately and often. The process has been made immeasurably better and more convenient by the efforts and ingenuity of Lifescan Scotland Ltd, (LSS) which was established as Inverness Medical Ltd in 1995, at Beechwood Park in Inverness. The company now has over 1200 employees and is one of the largest private employers in the Highlands.

People with diabetes needed to test their blood – up to five times a day, in some cases – and the condition restricted lifestyles. Young people couldn't necessarily enjoy their lives to the full with their friends; older sufferers sometimes encountered difficulties in finding a clean and private location in the office or when travelling. LSS transformed the situation with the development and production of blood glucose systems that were fast and required only a pinprick of blood.

Lifescan's 'One Touch® Ultra™' blood glucose meter, introduced in 2001 in the USA and a year later in the UK, requires just one micro-litre of blood and has a 5 second test time – and it has another big advantage. Previous testing methods took pinpricks from the fingertips, which are full of very sensitive nerve endings. Because it needs so much less blood, One Touch® Ultra™ can be used on other areas of the body, such as the arm. It's a technological revolution, which gained a substantial share of the meter market in just six months. It's hardly surprising, then, that LSS growth has been dramatic. Lifescan Scotland now produces more than \$1 billion (£540 million) worth of products a year from its plant in Inverness.

The figure for worldwide sales represents a dramatic increase in output from when the operation was acquired by healthcare giant Johnson & Johnson in 2001.

Centre for Health Science Project (Ionad Eolas Slainte)

The project was originally conceived by Inverness and Nairn Enterprise in 2002 to persuade Johnson & Johnson to locate their worldwide Diabetes R&D activity in Inverness. J&J subsequently decided to locate their R&D in Inverness, but in a building adjacent to their subsidiary Lifescan Scotland Ltd. manufacturing plant at Beechwood Business Park. The original concept was therefore refined, and now involves a wide range of organisations involved in healthcare education, training, research and business development. The project will be developed in 2 phases, and will comprise dedicated office and laboratories for tenants, business incubation space, and a range of common and shared facilities including: 2 Lectures Theatres, Learning Resource Centre, Seminar Rooms, Café area, Clinical Skills Centre, Internal Street & adjoining external courtyard. The project will create in the region of 200 FTEs and the key stakeholders are:

Phase I

University of Stirling – Undergraduate Nurse Education, Post Graduate Education and CPD at various levels

NHS Education for Scotland (NES) – education, training and CPD across all medical and health professions

NHS Highland – Common services

Phase II

NHS Highland – Clinical Skills Centre

NES – Access Dental, Dental Institute

University of Aberdeen/Centre for Rural Health – Offices and Labs

Lifescan Scotland Limited – Offices and Labs, "Blue Skies" Research

HIE Network - Business Incubators

UHI – Faculty of Health Science

Timing

Phase I construction commenced August 2005 and will be complete September 2006. Phase II construction should commence November 2006, complete September 2007. Total size of Phase I is 4,740m² and Phase II – 2846m²; Total – 7,586m².

Future Plans

Potential for a third phase of the Centre is currently being explored. Discussions are underway between NHS Highland, Lifescan Scotland, UHI and HIE about the potential establishment of a Diabetes Research Institute. 20 NHS clinical staff would be involved, and this project could offer exciting opportunities in investigating new technologies for the care and treatment of the disease. It is understood that this institute would be unique in the UK, directly linking NHS research to that of the University and Private Sectors. A third phase of potentially 2,700m² could be developed and integrated into the first 2 phases.

Costs

Capital cost of Phases I& II are of the order of £16.2m, a third phase would add a further £6.5m