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Innovations, Universities & Skills Committee.**

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House of Commons

Innovation, Universities & Skills
Committee

UK Centre for Medical Research and Innovation

First Report of Session 2007–08

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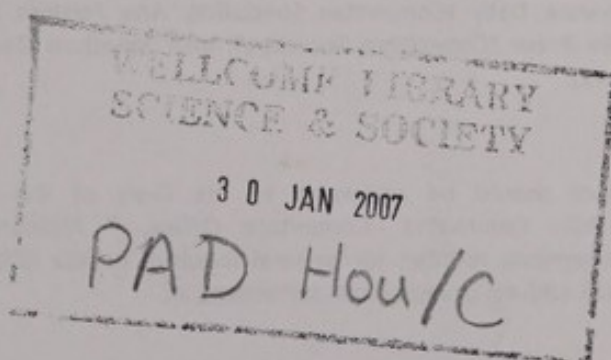
Innovation, Universities & Skills
Committee

UK Centre for Medical Research and Innovation

First Report of Session 2007–08

*Report, together with formal minutes, oral and
written evidence*

*Ordered by The House of Commons
to be printed 16 January 2008*



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The Innovation, Universities & Skills Committee

The Innovation, Universities & Skills Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Innovation, Universities and Skills.

Current membership

Mr Phil Willis (*Liberal Democrat, Harrogate and Knaresborough*)(Chairman)
Dr Roberta Blackman-Woods (*Labour, City of Durham*)
Mr Tim Boswell (*Conservative, Daventry*)
Mr Ian Cawsey (*Labour, Brigg & Goole*)
Mrs Nadine Dorries (*Conservative, Mid Bedfordshire*)
Dr Ian Gibson (*Labour, Norwich North*)
Dr Evan Harris (*Liberal Democrat, Oxford West & Abingdon*)
Dr Brian Iddon (*Labour, Bolton South East*)
Mr Gordon Marsden (*Labour, Blackpool South*)
Dr Bob Spink (*Conservative, Castle Point*)
Ian Stewart (*Labour, Eccles*)
Mr Graham Stringer (*Labour, Manchester, Blackley*)
Dr Desmond Turner (*Labour, Brighton Kemptown*)
Mr Rob Wilson (*Conservative, Reading East*)

Powers

The Committee is one of the departmental Select Committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No.152. These are available on the Internet via www.parliament.uk

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/ius
A list of reports from the Committee in this Parliament is included at the back of this volume.

Committee staff

The current staff of the Committee are: Dr Lynn Gardner (Clerk); Glenn McKee (Second Clerk); Ed Waller (Second Clerk); Dr Christopher Tyler (Committee Specialist); Dr Joanna Dally (Committee Specialist); Ana Ferreira (Committee Assistant); Camilla Brace (Committee Secretary); and Jonathan Olivier Wright (Senior Office Clerk).

Contacts

All correspondence should be addressed to the Clerk of the Innovation, Universities & Skills Committee, Committee Office, 7 Millbank, London SW1P 3JA. The telephone number for general inquiries is: 020 7219 2793; the Committee's e-mail address is: iuscomm@parliament.uk.

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Report

Introduction

The Committee's Terms of Reference

Findings

The Committee was established in 1997 to examine the arrangements for the provision of social care services in the City of London. It was set up in response to a request from the Mayor of London, who at the time was Lord Mayor of London, to look at the way in which social care services were provided in the City. The Committee's terms of reference were to examine the arrangements for the provision of social care services in the City, and to make recommendations to the Mayor on how these arrangements could be improved. The Committee has held a number of public consultations and has received a large number of submissions from the public. It has also held a number of meetings with the Mayor and other senior officials in the City. The Committee's findings are set out in this report. It identifies a number of areas where improvements can be made to the way in which social care services are provided in the City. These include the need to improve the way in which social care services are funded, the need to improve the way in which social care services are delivered, and the need to improve the way in which social care services are monitored and evaluated. The Committee makes a number of recommendations to the Mayor on how these improvements can be achieved. These include the need to set up a new body to oversee the provision of social care services in the City, the need to improve the way in which social care services are funded, the need to improve the way in which social care services are delivered, and the need to improve the way in which social care services are monitored and evaluated. The Committee believes that these improvements are essential if the City is to provide the highest quality social care services to its residents.

Conclusions

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Witnesses who gave evidence to the Committee

Introduction

1. On 5 December 2007 the Medical Research Council (MRC), Cancer Research UK, the Wellcome Trust and UCL (University College London) announced the creation of the UK Centre for Medical Research and Innovation (UKCMRI), to be located in central London next to the British Library and St Pancras station. The announcement was prompted by the decision of the Government to sell the site to the partners for this purpose. The Prime Minister said:

We strongly support plans to create Europe's leading centre for medical research in the heart of London. It will maintain Britain's position at the forefront of global medical research, strengthen the UK economy and, through its links with the NHS, has huge potential to change patients' lives.

By taking groundbreaking scientific discoveries right through to treatment, I expect that the 1,500 staff who will be part of this project will develop many of the cures, vaccines and drugs from which the NHS and its patients will benefit in years to come.¹

2. UKCMRI will bring together science teams from the MRC's National Institute for Medical Research, the Cancer Research UK London Research Institute and UCL. The Wellcome Trust will fund scientists within the centre, who will also be expected to work closely with researchers from other nearby universities and research-intensive hospitals. The technology arms of MRC and Cancer Research UK will also be relocated to the site to encourage industry-researcher collaboration. The centre is expected to open in 2013.

The Committee's interest

3. The establishment of the UKCMRI is potentially one of the most exciting developments in UK research for some time. It is also one of the most high risk, involving an estimated cost of £500m, including nearly £300m of public funds through the MRC.² There is therefore a clear public interest argument that the proposals and their implementation should be closely scrutinised by Parliament. In addition, the former Science and Technology Committee had a long-standing interest in the future of the MRC's National Institute for Medical Research (NIMR), the largest of the existing institutes to be merged to form the new centre.³ We therefore decided as one of our first tasks as the newly constituted Innovation, Universities and Skills Committee to request an update from the MRC on plans for NIMR. Following receipt of this paper, and the subsequent announcement on the UKCMRI, we held an oral evidence session with each of the four partners in the project. In view of certain issues which remain unresolved by the evidence session, we have decided to publish this short Report. The transcript of the evidence

¹ <http://www.mrc.ac.uk/NewsViewsAndEvents/News/MRC004253>

² Ev 15

³ See, for example, Fourth Report from the Science and Technology Committee, Session 2004–05, *The Medical Research Council's Review of the Future of the National Institute for Medical Research*, HC 6–I, and Fourth Report from the Science and Technology Committee, Session 2006–07, *Research Council Institutes*, HC 68–I.

session, together with the update and a further memorandum submitted by the MRC to address follow-up questions, is published with this Report.

The Committee's concerns

4. The Committee has three areas of concern about the UKCMRI project and its management. First, there is the question of the finances. There are few hard figures available about the eventual cost of the project. It is in any case salutary to recall that the estimated cost of the failed project based at the former National Temperance Hospital site rose from £320 million to £367 million between July 2005 and December 2006, an increase of nearly 15% in under 18 months.⁴ The current estimate for the UKCMRI is £500 million, which the MRC Chief Executive described as “a broad figure” and “a reasonably accurate figure overall”, but with some caveats, including the cost of the land which was a further £85 million.⁵ The breakdown between the four partners was given in oral evidence as “round about £260 million overall” from the MRC, £150 million from Cancer Research UK, £100 million from the Wellcome Trust and £46 million from UCL.⁶ MRC later clarified that “MRC has agreed to contribute £47m to the cost of purchasing the [British Library] site and in addition we are planning on the basis that our contribution to the building will be of the order of £250m taking account of current estimates of inflation”.⁷ We are concerned that these figures are unacceptably vague and that MRC should ensure as a matter of urgency that it is in a position to provide a more accurate breakdown of its contribution.

5. The funding from the three private partners is not open to scrutiny by this Committee but the ability of the MRC to meet its projected share of the costs is. The MRC plans to meet the £297m bill through the sale of the National Temperance Hospital site (purchased in 2006 at a cost of £28m), the eventual sale of the NIMR site at Mill Hill, presumably after planned completion of the move to UKCMRI in 2013, and through a bid to the Large Facilities Capital Fund (LFCF), for which a Business Case has to be approved by RCUK, DIUS and the Treasury, successively.⁸ The bid currently submitted to the LFCF is for £118m, which is less than the £140m earmarked from the fund for the NTH project.⁹ However, this figure was based on plans to use significant funds built up in the MRC's own Commercial Fund for this purpose. Recently the Treasury decided to invoke previously unused rules to claw back £92m of these savings, leaving the MRC faced with preparing a bid to the LCFC for £180m to £200m to meet their undertakings in respect of the UKCMRI.¹⁰ The Treasury has also put a cap on the gross income from the fund.¹¹ We are

4 Fourth Report from the Science and Technology Committee, Session 2006–07, *Research Council Institutes*, para 119

5 Q 78, 75

6 Q 78

7 Ev 15

8 Ibid

9 Ev 15; Fourth Report from the Science and Technology Committee, Session 2006–07, *Research Council Institutes*, para 119

10 Q 79

11 MRC told us that “As part of the CSR07 settlement, there is a cap on the gross income from the Commercial Fund in each of the three years – £49.2m in 2007/08 rising to £53m by 2010/11. Below the cap, MRC can retain 100%, but any excess has to be surrendered to the Treasury. The exact amounts to be handed over to the Treasury will thus depend on the levels of income achieved during the next three years.” (Email to the Clerk of the Committee, 14 January 2008)

at a loss to understand the rationale for this behaviour by the Treasury and request an explanation. Encouraging the MRC to be self-financing to a degree and then appropriating its savings, thus forcing the MRC to come cap in hand for funding, is hardly redolent of good faith. Doubts over the MRC's ability to finance the project and science on at least the current scale must be resolved as soon as possible.

6. Our second major area of concern is the timetable and project management of this ambitious scheme. One obvious potential source of difficulty is the MRC's dependence upon funding by the LFCF. Securing funding approval can be a long-drawn-out process, as the MRC will know from previous experience. In this case, the Outline Business Case for £118m has been submitted to RCUK and to DIUS. Before a final decision is taken, the MRC has to complete and gain approval for a full Business Case which will be "prepared once the design work is completed".¹² We note that project managers and designers have not yet been appointed, and that MRC anticipates that the timetable for this will "be completed during the first half of next year".¹³ In any case, the current preliminary work on the LFCF bid relates to the original request for £118m, rather than the larger sum which will be needed. MRC told us that these additional funds will not be needed until the next CSR period¹⁴ which raises the possibility of further uncertainty and delay whilst awaiting the result of the next Spending Round for 2011/2012.

7. Other challenges to the timetable could arise from the competition for construction and project management skills posed by the 2012 Olympics and any delays in gaining planning approval. We note that at the time of our evidence session, the partners had not opened discussions with Camden Borough Council, the local authority for the site and that a planning brief in 2003 indicated that Camden wished to put housing on the site.¹⁵ The objections expressed by residents to both the loss of land for housing and the proposed use of the site for a medical research centre indicates that gaining planning permission may not be straightforward.

8. Our third and most important concern is the science vision for the centre and what, if anything, is likely to be lost from the current research portfolios supported by the partners. The scientific planning is to be led by a committee under the chairmanship of Sir Paul Nurse, President of Rockefeller University, New York, which will determine the shape and direction of the research work to be carried out and the facilities that will be needed to enable this. The committee will:

... look at the detail of the science that is actually being proposed. They will look clearly as to what is going on in NIMR, they will actually look also at what is going on in the London Institute of Cancer Research UK, together with the work that is going on at University College, and the importance is actually to begin to develop a cohesive unit to ensure that those elements that can actually work very well in a complementary fashion are the ones that are actually being brought together on this

12 Ev 15

13 Q 85

14 Ev 15

15 Q 72

site, to help determine how best to use the capacity of that site to further the sort of integrated science that we would like to see.¹⁶

This will include determining controversial questions such as the provision of high security laboratories and animal housing on the site.¹⁷ The MRC Chief Executive also stressed that the committee would "have the capacity to make alterations and changes as we go along, such that [the strategy] remains responsive".¹⁸

9. We welcome the appointment of Sir Paul Nurse and the delegation of the development of the science vision to such a committee, described by the MRC Chief Executive as providing an "independent opinion".¹⁹ We would be concerned if the membership of the committee proved to be too close to the executive and failed to have sufficient current scientific expertise. According to the MRC Chief Executive, Sir Paul Nurse has proposed that there should be representation from all four partners and "has been involved in discussions as to who those representatives should be".²⁰ He can veto an appointment, but "he does not have total control" on membership.²¹ We will take a close interest in the membership of Sir Paul Nurse's committee and will expect it to include representatives of researchers as well as the directors of affected institutes and also as a result to take on board valid concerns of researchers at the Mill Hill site.

10. In the meantime, before the scientific vision is developed and expounded, there is the potential for great uncertainty among current staff of the four partners, especially at NIMR. We were reassured that the MRC Chief Executive emphasised that no assumption need be made about "breaking up" the institutes, given the large capacity of the site.²² However, he also told us that "nothing is ruled in and nothing is ruled out at this stage at all"²³ and that "it is impossible for me at this point to give an assurance that all the staff and the work currently undertaken are necessarily going to transfer over".²⁴

11. We appreciate that the work has not yet begun to determine the science vision of a centre which is still some six years off realisation and accept that the Nurse committee needs to have a free hand in determining the future direction of the new UKCRMI. However, we expect the MRC in particular to give serious consideration to the impact upon NIMR staff of the continuing uncertainty over the mission of the institute and the future of individual research programmes and facilities. The MRC Chief Executive correctly identified that "the history that NIMR has been put through" had led to "considerable apprehension by staff" and that "it is going to be up to us to ensure that we can convince them that this can go ahead and that the science is not going to be impacted

16 Q 22

17 Qq 69-71, 63

18 Q 26

19 Q 27

20 Q 54

21 Ibid

22 Q 25

23 Q 28

24 Q 46

on adversely".²⁵ We welcome his recognition that the priority "is ensuring that we have a proper communication strategy with the staff" and that "they feel that their views are being taken on board and are being taken seriously".²⁶ Early indications of the shape of the new centre, as far as compatible with proper consideration by the Nurse committee, will be an important part of maintaining staff confidence and engagement in the project as a whole. As an example of good practice, we welcome the MRC Chief Executive's reassurance that basic science will not be sacrificed to translational research.²⁷

Conclusion

12. The four partners in the proposed new UKCRM stressed the synergies which will be created by bringing together the NIMR, the Cancer Research UK laboratories, the expertise of UCL in biological and physical sciences and the translational opportunities offered by UCL's four partner hospitals in central London.²⁸ The Wellcome Trust also underlined the importance of the location next to the British Library.²⁹ However, we remain concerned that the sponsors and proponents of this scheme have not seriously evaluated other options outside London, particularly as the proposed location has planning considerations which may prove fatal to the project. It remains unclear what impact the UKCMRI will have on fundamental and translational research in other centres of excellence.

13. We can see the immense benefits that should result from the realisation of this exciting vision. Given the time and goodwill that has been wasted on previous projects to renew the NIMR, it is vital that the UKCMRI is a vision which delivers the first class science and facilities promised and that the project is implemented on time and to budget. **We expect to receive quarterly updates, beginning in March 2008, on the development of the project with particular reference to the concerns highlighted above from the MRC and DIUS and would much welcome similar briefings from the other partners.** We should very much like to see the project succeed. We believe that a centre of such ambition would place the UK firmly at the forefront of world-class medical research, with substantial benefits for the public as well as for British science.

25 Q 98

26 Q 100

27 Q 49. Translational research involves using scientific discoveries to develop practical applications.

28 Qq 4-6

29 Q 4

Conclusions and recommendations

1. We are at a loss to understand the rationale for the behaviour by the Treasury in changing the application of the rules with regard to the MRC's Commercial Fund and request an explanation. (Paragraph 5)
2. We expect to receive quarterly updates, beginning in March 2008, on the development of the project with particular reference to the concerns highlighted above from the MRC and DIUS and would much welcome similar briefings from the other partners. (Paragraph 13)

Formal Minutes

Wednesday 16 January 2008

Members present:

Mr Phil Willis, in the Chair

Dr Roberta Blackman-Woods

Mr Tim Boswell

Mr Ian Cawsey

Dr Ian Gibson

Dr Evan Harris

Dr Brian Iddon

Mr Gordon Marsden

Graham Stringer

Dr Desmond Turner

Mr Rob Wilson

The Committee deliberated.

Draft Report (*UK Centre for Medical Research and Innovation*), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 13 read and agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Thursday 17 January at 9.00am]

Witnesses

Monday 17 December 2007

Page

Sir Leszek Borysiewicz, Chief Executive, Medical Research Council, **Dr Mark Walport**, Chief Executive, Wellcome Trust, **Mrs Lynne Robb**, Chief Financial Officer and Executive Director of Corporate Resources, Cancer Research UK, **Professor Malcolm Grant**, University President and Provost, University College London

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List of written evidence

1 Medical Research Council

Ev 15

Oral evidence

List of Reports from the Committee during the current Parliament

Session 2007–08

First Special Report

The Funding of Science and Discovery Centres:
Government Response to the Eleventh Report from
the Science and Technology Committee, Session
2006–07

HC 214

List of Reports from the Committee during the year 1955

1. Report on the work of the Committee during the year 1955

2. Report on the work of the Committee during the year 1955

3. Report on the work of the Committee during the year 1955

List of written evidence

1. Report on the work of the Committee during the year 1955

2. Report on the work of the Committee during the year 1955

Oral evidence

Taken before the Innovation, Universities and Skills Committee

on Monday 17 December 2007

Members present

Mr Phil Willis, in the Chair

Dr Roberta Blackman-Woods
Dr Ian Gibson
Dr Evan Harris
Dr Brian Iddon

Ian Stewart
Graham Stringer
Dr Desmond Turner

Witnesses: Sir Leszek Borysiewicz, Chief Executive, Medical Research Council, Dr Mark Walport, Director, Wellcome Trust, Professor Malcolm Grant, President and Provost, University College London and Mrs Lynn Robb, Chief Financial Officer and Executive Director of Corporate Resources, Cancer Research UK, gave evidence.

Q1 Chairman: Could I welcome our witnesses to this, the first evidence session on the UK Centre for Medical Research and Innovation, thank our witnesses for coming at such incredibly short notice and welcome Sir Leszek Borysiewicz, the new Chief Executive of the Medical Research Council; we are delighted to have you with us and I am sure it will be a fruitful set of discussions; Dr Mark Walport, Director of the Wellcome Trust; Professor Malcolm Grant, President and Provost of UCL, welcome again, and Mrs Lynn Robb, the Chief Financial Officer and Executive Director of Corporate Resources, Cancer Research UK. Can I certainly thank you all very much and say that the Committee has a longstanding interest in what is happening to NIMR. We have had a longstanding interest before a move to the Temperance Hospital site was mooted and, indeed, the Committee under Dr Gibson's chairmanship made some very, very clear recommendations, not only about the urgency but also in terms of the way that we felt this issue should be dealt with. Could I, just as a starting point, ask you, Sir Leszek, why in fact you did not feel it appropriate to even send this Committee a copy of your proposal?

Sir Leszek Borysiewicz: Sorry, which proposal are you referring to?

Q2 Chairman: The latest Bliss proposal—let us call them that—before they were renamed?

Sir Leszek Borysiewicz: At the time I took over in October we were already in discussions and had submitted a document to bid for the site itself, and at that point it was not forwarded to the Committee here.

Q3 Chairman: It was not even forwarded to us when the Prime Minister made his statement.

Sir Leszek Borysiewicz: I was requested for information and provided that by return, as soon as that information was requested, and I then forwarded the appropriate brochures and things that are relevant to this particular site.

Q4 Ian Stewart: Good afternoon, my name is Ian Stewart and I am actually a new member of this Select Committee with an interest in these subjects, so could I ask, how would you describe in a nutshell the new vision for the UK Centre for Medical Research and Innovation?

Sir Leszek Borysiewicz: The UK Centre for Medical Research and Innovation is actually part of a consortium bid. What we are looking at here is a completely new facility; what we are trying to achieve on this site is to bring together the high quality and excellence that already exists at NIMR and alongside the Cancer Research UK facilities, bring that again alongside the science that is going on at University College. As a bid it is also being underpinned by support from the Wellcome Trust in order to ensure that it has appropriate facilities and the capacity to develop science further. What it can achieve, I believe, is a question that has been raised in the past: it can ensure that we have appropriate capacity to be able to undertake science and do that science in a collaborative way across a whole spectrum of biological sciences, interfaced not just with the biological sciences at University College but also with the physical and other sciences that are so important for future activity. Also the location places it critically alongside the most important biomedical centres for future translation. That is what I believe, in a nutshell, we actually are trying to achieve in relationship to this centre.

Dr Walport: British biomedical science is world class; it will only stay world class if it moves with the times, so we are moving into a phase where it is important to be able to do multidisciplinary research, it is important to bring together biologists with mathematicians, with physicists, and so this is a fantastic opportunity to create a new state-of-the-art, inter-disciplinary facility. Training will be an important part of it and its co-location next to the British Library where getting information out is also crucial; this is about creating a new, world class institution.

Q5 Ian Stewart: Is that why you brought in new partners, Cancer Research UK and the Wellcome Trust? What do they bring to it?

17 December 2007 Sir Leszek Borysiewicz, Dr Mark Walport, Professor Malcolm Grant, and Mrs Lynn Robb

Dr Walport: Frankly, the reason the Wellcome Trust has come into this is because we see an opportunity to provide synergy, bringing together two great institutes, the National Institute for Medical Research and the London Research Institute of CRUK, and we can see that Wellcome Trust funds will really add value. That is why the trustees of the Wellcome Trust found it easy to make a decision about this because it is such an exciting vision.

Sir Leszek Borysiewicz: The real issue is added value; it is not just the Wellcome Trust potentially working together with the complementarity between the science at the NIMR and the science at the London Institute, it is also what is available through University College, through the whole spectrum of science that is available; coupling that together with the access to the translational centres in Central London is a unique opportunity. To do this alone would be virtually impossible in terms of the scale of what is actually being proposed, it has to be done in combination with these partnerships and I think these partnerships strengthen the bid.

Q6 Ian Stewart: Is that the motive for the partnership with UCL?

Professor Grant: Certainly, the proposal for the centre is absolutely excellent news and we should be celebrating it, most vividly because of the way in which the UK is able to bring charitable funding to underpin what is being done by the Medical Research Council and by UCL. By "charitable funding" I mean the funding of Cancer Research UK and also the Wellcome; as Mark has said the interest of the Wellcome is to invest in the synergies that this proposal can produce. The location is critical in this, because remember the last time I came in front of this Committee we were talking about quite a different location. This new location has the capacity to bring together these two institutes, to bring together some of UCL's own activity but also to interact with other UCL activity, all of which is within about a quarter of an hour's walk distance from the site. The types of activity that Sir Leszek has spoken of include not only the biological sciences but physical sciences—chemistry, physics, nanotechnology, engineering and, finally, the translational opportunities that are provided by our key partner hospitals in the centre of London: UCLH, Great Ormond Street, Moorfields, the National Hospital in Queen's Square. This geographical co-location must in itself be quite a unique phenomenon, at least in Europe.

Q7 Chairman: Previously, with the greatest of respect, Dr Walport, the same vision was there for the Temperance Hospital site, we have been here before, and at that point the Wellcome Trust kept well out of it, Cancer Research kept well out of it. Why are you both in on this bid rather than the previous one?

Dr Walport: Because the footprint allows something that the Temperance site simply did not allow.

Q8 Chairman: Why did you not speak out on that then and say that it was not feasible?

Dr Walport: Because our primary aim is not as it were to interfere in the running of the Medical Research Council; this was a decision that they had taken and we immediately saw the opportunity when this site became available as an option.

Q9 Chairman: Cancer Research UK, Mrs Robb? Why now?

Mrs Robb: Why now? The opportunity for us now is absolutely timely. Our institute in Central London, world class as it is, has reached a point where we need to undertake significant investment to keep ourselves at the forefront and, actually, our most recent five year review of the Institute reaffirmed its status but had some concerns about its longevity as a building. We are committed to invest in the future of that Institute, so this opportunity as it came up this year is absolutely timely for us and we are incredibly excited about the opportunity it gives us.

Q10 Chairman: Sir Leszek, in terms of the purchase of this new site, are you confident that in three, four or five years time we will not be back exactly where we were? Why is this going to be successful whereas the previous MRC bid was not?

Sir Leszek Borysiewicz: Firstly, we have already addressed the size question and that synergy actually ensures the world class that we are really trying to aim for. Secondly, we just have to look at the potential capacity of that site; at the end of the day our initial calculations would be that we are looking at a site with, potentially, 85,000 square metres of space which would equate to about 1500 people being able to occupy that site effectively, plus the capacity on that site to put in the sorts of facilities that are going to be necessary to do the science. That is a world apart from looking at the 0.34 hectare site that we were looking at at the National Temperance Hospital and that is what really makes it a very different proposition. I have to say that the strength of the partnership working together with the three partners here gives us the opportunity to say that this looks likely to be the right positioning for this new development.

Q11 Chairman: Could you just talk the Committee briefly through? As I understand it the site is owned currently by DCMS. It is up for sale.

Sir Leszek Borysiewicz: Yes.

Q12 Chairman: The bid is going to come in through the Wellcome Trust, who will initially buy the site, and we will come back to funding a little bit later—forget sums, I am just talking about the mechanism now so that when we get on to funding we understand it. Funds from the Wellcome Trust will actually buy the site; when it is purchased it will then be moved into another vehicle, which will have a number of partners.

Sir Leszek Borysiewicz: Yes.

Q13 Chairman: Is the next vehicle then to privatise the whole thing?

17 December 2007 Sir Leszek Borysiewicz, Dr Mark Walport, Professor Malcolm Grant, and Mrs Lynn Robb

Sir Leszek Borysiewicz: No.

Dr Walport: Can I respond to that because I think that the Diamond—

Q14 Chairman: Is that true or not, is that a possibility that it could then go to a govco or out into the private sector?

Sir Leszek Borysiewicz: No, it is not the intention here at all.

Q15 Chairman: Is it possible for that to happen?

Sir Leszek Borysiewicz: No, because it would require the acquiescence of the four partners that are dealing with this particular bid. Yes, there will have to be a special purpose vehicle in order to enable us to build this effectively and to make sure that we have streamlined and clear project management in terms of the activity, but it is not the intention in any shape or form that it is to become some sort of privatised entity.

Q16 Chairman: We can scotch that rumour.

Sir Leszek Borysiewicz: Certainly.

Dr Walport: The model for this would be, for example, the Diamond Synchrotron¹ because there has always got to be a mechanism for a partnership between the charitable sector and government through the MRC, and for that to be done a joint venture was set up which had its own board and that is the vehicle through which we can fund the construction and the development of the institute. A joint venture is probably the way it is going to be done. In terms of how it is being acquired—how the cashflow is dealt with is one matter—it will be acquired on behalf of the partnership.

Chairman: Thank you, it was important just to clear that up. Dr Gibson.

Q17 Dr Gibson: In your deliberations about where to site this, I was always amazed that you might not have considered other places like, for example, I remember when Dundee suddenly got a high class place and because of one or two excellent people going there it is world class now; did you consider other places in terms of the good people doing great science in other parts of the country and trying to balance the country off in terms of science in the South as against science in the North; was that a consideration?

Sir Leszek Borysiewicz: In looking at the options for this particular site we did look at alternative proposals.

Q18 Dr Gibson: North of Watford?

Sir Leszek Borysiewicz: North of Watford, actually very much north of Watford, but this still came out top through the appraisal process that we actually were looking at, and that included also looking at an option for the status quo.

Q19 Dr Gibson: You are getting Paul Nurse in there to discuss the details of the site, but has he got a committee yet, or is he going to appoint it?

Sir Leszek Borysiewicz: He is going to be involved in the appointment of that committee and he is, at the present time, looking at the membership of that committee.

Q20 Dr Gibson: When Paul Nurse thinks about excellence in science—and I mean the details of the science—what is going to happen, and maybe you could tell me if Wellcome still does not touch cancer. There was a time when you did not fund cancer.

Dr Walport: No, it has always been a misapprehension that the Trust does not fund cancer. For example, we have a partnership in Cambridge with CRUK, funding the Gurdon Institute, and we are the funder of the Cancer Genome Project which is led by Mike Stratton at the Institute of Cancer Research and the Sanger Institute.

Q21 Dr Gibson: Just for the record I remember somebody saying in 1998 that that was not the case.

Dr Walport: That has always been a misapprehension. What the Trust does not fund is clinical cancer trials comparing one chemotherapy agent with another; we have always funded a large body of cancer research and we are continuing to do so.

Dr Gibson: How are you going to make British science sing by this venture?

Q22 Chairman: Excuse me, could we just have the answer to your question about Sir Paul Nurse and his committee?

Sir Leszek Borysiewicz: Sir Paul Nurse's committee is going to be the science policy committee and they will look at the detail of the science that is actually being proposed. They will look clearly as to what is going on in NIMR, they will actually look also at what is going on in the London Institute of Cancer Research UK, together with the work that is going on at University College, and the importance is actually to begin to develop a cohesive unit to ensure that those elements that can actually work very well in a complementary fashion are the ones that are actually being brought together on this site, to help determine how best to use the capacity of that site to further the sort of integrated science that we would like to see.

Q23 Dr Gibson: Will he bring people into that committee from other parts of the world, from the USA?

Sir Leszek Borysiewicz: Yes, he will.

¹ Note from the witness: Diamond Light Source Limited was established as a private company limited by shares in March 2002 to design, build, own and operate the Diamond synchrotron facility. The shareholders in Diamond are the Wellcome Trust (see annex 1 for a history of the Trust's involvement) and the Science and Technology Facilities Council (STFC). STFC replaced the Central Laboratory of the Research Councils (CCLRC) as a shareholder on 1 April 2007, following the merger of CCLRC and the Particle Physics and Astronomy Research Council (PPARC). The Trust holds a 14% share in Diamond and STFC holds 86%. The project is based at the Rutherford Appleton Laboratory in Oxfordshire and is the largest scientific facility to be built in the UK for over 30 years.

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Q24 Dr Gibson: We do not know how many of them there might be in balance.

Sir Leszek Borysiewicz: At the present time, no, we do not know, because he is at the present time literally over here. Our first discussions were last week with him in terms of the membership of that particular committee and he is actually going to come back to us with proposed membership.

Q25 Dr Gibson: What science is the UK going to gain and what are we going to lose by breaking up some of these world class institutes?

Sir Leszek Borysiewicz: Firstly, let us not make the assumption about breaking up. What we are looking at at the present time is a site with a very large capacity, so the first thing that we will need to look at is what is actually world class, how well does it actually become cohesive and we get added value between scientists on two different areas. For example, the science that is being done at the London Institute is very much cancer-focused. The obvious synergy with the work being done in terms of development and developmental biology on the Mill Hill NIMR campus is pretty clear, bringing those two together is actually going to have enormous benefits to both areas. There is also the fact that what we are able to do as we build up this institute is to ensure that the infrastructure is world class and is maintained as being world class. That is key, because if we are going to train some of the very best scientists for the future what we actually need to do is ensure that we have actually got the world class science there and that then we provide the infrastructure and the opportunity for young scientists to train in that environment.

Q26 Dr Gibson: Let me contrast this tension that you are having with Cold Spring Harbor, for example; Jim Watson, when he set that up, went for the best people in the USA to do the best science, because he knows as you know that you can never quite predict what is going to happen and what is going to be important—prions, or bird flu or whatever. We are excellent in this country of seemingly closing things down just as it is starting to become important, so how are you going to avoid that happening again? How do you know that work in these other places that you are amalgamating is not going to be really important in the next five or ten years; how do you make that judgment?

Sir Leszek Borysiewicz: It is a difficult judgment to make, I would accept that, but at the outset what I have to say is we are dealing with institutions which already are assessed as having world class science actually inherent in them, there are world leaders in these various areas, so we are actually bringing together a synergy of people already at the forefront. I cannot predict, in terms of the duration and time it is going to take to develop this particular institute, that huge things are not going to come along; the importance of having a science policy committee set up by somebody as renowned as Paul Nurse actually ensuring that it is made up of strong people, is that they will have the capacity to make alterations and changes as we go along, such that it remains

responsive. Ultimately, the structure that will be created is always going to be the same sort of structure as we have at NIMR, but it needs to be responsive to new directions whilst maintaining an underlying theme of giving people, in an institute-type model, the opportunity to pursue difficult and long term questions. It is a balance.

Q27 Dr Gibson: What will we lose from the NIMR in your opinion?

Sir Leszek Borysiewicz: In my opinion I think it would be very wrong for me to sit here and actually predict what might be lost; that is precisely why we are asking for that independent opinion.

Q28 Dr Gibson: I see; nothing is ruled in and nothing is ruled out at this stage.

Sir Leszek Borysiewicz: Nothing is ruled in and nothing is ruled out at this stage at all.

Dr Walport: Science is an organic process. If you actually look across the States, in Boston there is the Broad Institute, there is the Picower Institute, there are new institutes cropping up all the time, because science has to evolve. The Howard Hughes Medical Institute has just established the Janelia Farm Research Campus².

Q29 Dr Gibson: Private institutes, on the whim of a Howard Hughes or somebody.

Dr Walport: If you view the Howard Hughes, which is a philanthropic organisation, as having whims.

Q30 Dr Gibson: I am on about Howard putting the money in.

Dr Walport: I do not think these are whims, they are actually about providing the very best facilities for science. Science is organic, it is something that changes, and what we need to be sure of is that we are competitive. Look at what has been happening in Singapore with Biopolis, look at the recruitment that they have achieved there through building outstanding facilities. We have to provide scientists with outstanding facilities and this will be a terrific opportunity to do that.

Q31 Dr Gibson: The difference, Mark Walport, you know, is that Britain started off at a high level and we have got to stay there; in Singapore they started off at an exceptionally low level and built up from that with government support.

Dr Walport: But Boston started off at a pretty high level and Boston is not standing still. If we sit on our laurels we cannot take it for granted that UK science will be at the apex for ever, we have to be challenging.

Q32 Graham Stringer: Two questions really. Following Ian's original question, you said you had considered places outside London and the South East for this; how did you consider them?

Sir Leszek Borysiewicz: They were considered as part of the business case that we developing for this particular area. They were actually considered by a

² Note from the witness: <http://www.hhmi.org/janelia>

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group of scientists who looked at the particular opportunities that would be offered by alternative sites.

Q33 Chairman: Is this subsequent to Temperance Hospital or before that?

Sir Leszek Borysiewicz: Subsequent to Temperance Hospital from my understanding.

Q34 Graham Stringer: In considering them, did they know they were being considered, was there a competitive process, were they consulted, how did this consideration take place?

Professor Grant: There was of course a process before the Temperance Hospital which involved a series of options and appraisals, going over at least a decade. There was a time at which it was proposed, for example, that the NIMR laboratories should move to Cambridge. There was then a decision taken by a special scientific committee that had been set up by the MRC to reconsider that decision and to look at possibilities within London, and then eventually to run a competition between King's College, London and University College London, and a decision was taken in February 2005 that the London option should prevail and that it should be a site in central London adjacent to UCL. That was the culmination of a process of decision-making that had taken place over a decade or more.

Q35 Graham Stringer: You have really not put too much flesh on your answer to Ian's questions. You said you had considered places outside London and you have just told me that it was a competition between two parts of London and the process went on for ten years. Did you, for instance, talk to or consult people in Newcastle or Manchester or Dundee?

Dr Walport: With respect, you are trying to have your cake and eat it because on the one hand—

Q36 Graham Stringer: I am just trying to get an answer to the question. We will save the Christmas cake until later.

Dr Walport: Okay, I will give you a simple answer.

Q37 Chairman: That is what we are actually here for.

Dr Walport: One is starting with two great institutes at NIMR and the London Research Institute at Lincoln's Inn Fields; therefore, in a sense, thinking that one could as it were pluck those institutes up and plonk them down in Newcastle or elsewhere in the country is not very realistic, so if we are to achieve and ensure the best of both worlds then, in fact, a London location is a logical location.

Q38 Graham Stringer: I understand that as an answer, it just does not fit very easily with the previous answer that places outside of London were considered. Which is the more accurate answer?

Dr Walport: I have given my answer.

Professor Grant: I do not see any inconsistency between the answers. The choice has to be made, not only on scientific merits, and the scientific merits are not purely a matter of shifting an institute to a

university that already has strong science or weak science. If you start allocating science on a regional basis you will not necessarily get the best answer for the UK. The answer has to be predicated on where scientists can most readily go or where they would most readily wish to be located. The institutions that are being brought together here are actually already based within close reach of the existing site.

Q39 Dr Gibson: It was nothing to do with the research assessment exercise and keeping your score up with Oxford and Cambridge and even looking across the pond at MRT? Was that not seen as a pay-off?

Professor Grant: From the point of view of any university that was approached by MRC, as was the original competition, then of course that was a very important set of considerations, absolutely, but I have to stress that the new project is completely different from the old. The old project was an attempt to renew NIMR by looking at comparisons as to whether it should remain on its existing site or should move to another location. The new project is about bringing together an additional institute, Cancer Research UK's laboratories in central London, to try to see what could be brought out of bringing these two together and co-locating them. It is very, very different from the original project that we were talking about here in this Committee two years ago.

Q40 Chairman: Just before I bring Des in, Sir Leszek, can I just clarify or correct your answer that since in fact the Temperance Hospital site proposal there has not been any looking at other sites around the country? You said there was and clearly that—

Sir Leszek Borysiewicz: What we were doing is we were going through, looking at what opportunities there would be as an alternative to this site, so we were taking into account the total consideration which included relocation. I would probably need to go back and check to make absolutely certain of my answer, but my recollection is that there was a look at alternative sites.

Q41 Chairman: I am not being critical of your decision, I am just trying to clarify.

Sir Leszek Borysiewicz: I will have to go back and check on that so that I am correct in what I am saying. I would just ask the Committee to remember that I am actually coming into this extremely late in the day to pick up on some of these points.

Q42 Dr Turner: I am glad that Sir Paul Nurse has been appointed to chair the science policy committee. Sir Paul of course was involved in the task force which assembled at the time of the earlier attempts to move Mill Hill to London and I am perhaps paraphrasing but the substance of what that task force and Sir Paul said at the time was that, yes, fine, but there was to be no loss of science in the process. You yourself, Sir Leszek, just said—if I heard you correctly—that there was no question in your mind of breaking up institutes. Does that mean

that the science currently being practised and the facilities (or the equivalent thereof) at Mill Hill will go to St Pancras?

Sir Leszek Borysiewicz: If I can tackle that question in two directions, the first of these is that we are dealing with a process which is going to be moving on over, we would anticipate, six or seven years; therefore, the very nature of the science currently being undertaken during that timeframe at NIMR I would expect to evolve and change over time so I am not going to sit here and say, therefore, that everything has got to be as it is today. That is certainly not the case and it is not going to be the case over this particular timeframe. Secondly, we do have to look at the suitability of the site for particular elements of science that will have to be looked at by Sir Paul's committee, so we would need to look at the variety of science that is being undertaken by NIMR, just as he will do in relation to what is going on at the London Institute and also UCL. Therefore, we have to make a judgment as to which of those elements it is absolutely appropriate to bring together on this site in order to get the best added value for the United Kingdom in the future. From my point of view the position is that science will change over this period of time, we are going to be responsive to those changes and we are going to try and end up with a product which is actually the best that is possible within the boundaries and constraints.

Q43 Dr Gibson: Do scientists have prejudices about the work they do, do you think; do you think Sir Paul does, yeast as against the real cancer cells?

Sir Leszek Borysiewicz: I believe that when we actually look at a committee—and the individuals that he is actually bringing to bear there—even if Sir Paul had particular prejudices I am sure the other ten members or so of the committee would put him straight if he wanted to go in other directions.

Dr Walport: He has a distinguished track record at leading two institutions: firstly, the London Research Institute and, secondly, the Rockefeller University. You are not successful at leading institutes like that unless you are able to support the breadth of science.

Q44 Dr Turner: Sir Leszek, what you have just said strongly suggested that if an area of activity at Mill Hill is awkward then it may not be appropriate to move it to St Pancras, and the obvious example is the work on dangerous pathogens, which is an important area which the MRC is tasked with as something of a national priority. Clearly, there are potential hazards in locating that kind of activity in a central city site, and can you give an assurance that if, for instance—I am just picking this as one example—that is too hot a potato to put on St Pancras, the future of that work and of the scientists involved will be secured elsewhere?

Sir Leszek Borysiewicz: What is really important is to make sure that we maintain at NIMR currently the high quality of excellence of the work that is going on, that is absolutely key. I believe that this work is of the highest calibre and highest

importance. I do not know as yet what Sir Paul's proposals are actually going to be recommending as to what should actually be moved onto this site, but what I do know is that if it was proposed to move pathogen-related work it would be done to the highest security and the highest standards that are required for such work to take place and therefore the security and those issues will be something that will have to be considered. That will also have to be considered in relation to planning applications, so I am sure that there will be some debate in these areas. Were it not to go forward and were it to be maintained at the highest international class and level then clearly we have all sorts of strategies within the MRC to ensure that that work continues for the public good within the United Kingdom.

Q45 Dr Turner: You must have taken some view on this because I find it inconceivable, if you are managing this project properly, that you have not done some sort of feasibility study on how and what you can put on that 3.9 acre site and how you will deal with considerations such as security and bio-safety?

Sir Leszek Borysiewicz: Is it impossible to put it on that site because of its location, and the answer is no, but you would have to look very hard at the security and bio-safety aspects. All of these facilities, wherever they are built, are built to those specifications and standards and will have to be cleared with security agencies within the UK. What I do not know at this point is whether Sir Paul Nurse's committee when it actually considers in the round the science that is going to be done is going to recommend that this actually goes to this particular site. If it were to recommend so, then we will look as to what needs to be put in place in order to ensure that that work can be carried out on that site. You also asked me what would happen were this not to be put on that site, and I have given you the answer that, in essence, provided that work is world class and provided it remains absolutely necessary then MRC has all sorts of strategies to ensure that that work will continue.

Q46 Dr Turner: Are you then giving an assurance to current MRC staff that there will be no redundancies?

Sir Leszek Borysiewicz: No, I am not giving that assurance at all. What I am saying, as I have stated right from the outset, is that we are dealing with a flexible situation where science is going to mature and change over a six to seven year period. Clearly, I would see that under a new director of NIMR during this intervening timeframe the nature of that science is going to change; therefore it is impossible for me at this point to give an assurance that all the staff and the work currently undertaken are necessarily going to transfer over.

Q47 Dr Turner: We have never had a justification from the MRC as to the clear view of the Council that the Mill Hill site itself is a busted flush, that it is not possible to fulfil let us say the Cooksey vision on the Mill Hill site, despite the fact that it is far bigger

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than the site we are talking about at St Pancras and you could put everything that you have talked about into it. What is the justification, what is the explanation, why does the MRC hate Mill Hill?

Sir Leszek Borysiewicz: I am sorry; I just cannot accept that last statement. We certainly do not hate Mill Hill, we recognise it as a hugely important part of the MRC mission. The really important element is actually that the site at Mill Hill is going to require considerable refurbishment at this point; secondly, we have to ask the question whether it is ideally located to deliver the Cooksey agenda. What we see is that the central London site actually offers far greater opportunities for interaction, for interface with the opportunities that the Wellcome Trust, Cancer Research UK and University College bring, and in terms of translation we know that geographical proximity is really very important to be able to get the very best in terms of translational research, so I am afraid that as far as I am concerned the opportunities of this new site are far greater than the Mill Hill site could actually provide, looking into the future.

Chairman: I am going to stop there, Des, because I want to really bring other members of the Committee in and you are getting into other areas at the moment.

Q48 Dr Harris: On this question of translation, is the aim to have the best science or is the aim to have the best translation of science on this site? Because the two are not the same?

Sir Leszek Borysiewicz: The two are not the same but, in essence, one is very dependent on the other and I am a strong believer that the basic science component is absolutely key, so if you have the very best science, ultimately from that science you get the best opportunity to get the very best translation. What is important is that wherever there is an opportunity for translation we can actually take advantage of it.

Q49 Dr Harris: I understand that, but you cannot have everything, as you just explained, and there may be bits of research going on in the component institutions being amalgamated that will have to be lost. If you look at your press release on 5 December I cannot find the word "basic" anywhere in it, while there are various references to translation. The Prime Minister says "discoveries right through to treatment", you are quoted as saying "research findings are turned into benefits for patients and the economy as efficiently as possible", Cancer Research UK talk about delivering "better cancer treatments", not a surprise, and Dr Walport is quoted as saying, "A key focus of the centre will be to ensure that new discoveries and technological innovations lead to health benefits". No one is going to disagree with that, but if you think about someone who is doing basic research without an obvious translation, but is of the very top quality, they may feel that they are disadvantaged when things come to the crunch in getting their lab space continued into this new institution. Are they right to be concerned?

Sir Leszek Borysiewicz: No, they are not right to be concerned, for two reasons. Firstly, you have used the term "new discoveries" from several of those quotations, and those new discoveries are fundamentally dependent upon the basic science in order that we can move forward and make those new discoveries. Yes, we will be looking at translation, but in every statement that I have made since taking over as chief executive of the MRC I have made absolutely clear that the building block and the foundation on which biomedical science in Britain is dependent is the strength of its basic science agenda, and that is why I believe that they should be reassured that that is going to continue to be the sort of policy we will pursue.

Q50 Dr Harris: I understand you can get cost-free translation opportunities from co-location, we will take that as read, but I just wanted to ask Dr Walport whether he recognises that there is an opportunity cost in adopting the Cooksey agenda in terms of a reduced ability to fund good, basic, non-applied research.

Dr Walport: I do not agree actually. If you look at what is happening in biomedical science at the moment, where the basic research is leaping ahead in ways that we could not have guessed—if you just look at what is happening in genetics at the moment, look at what the Cancer Genome Project is delivering in terms of new drug targets. For example, by sequencing cancer genes, the BRAF gene was discovered to be mutated in malignant melanoma, suggesting that it is important in the development of skin cancer; that is immediately a translation programme. The location of the institute, therefore, is absolutely crucial. We have talked about the UC associated hospitals; just down the road are the Imperial College Hospitals, St Mary's and Hammersmith, to the south is the Institute of Psychiatry, Guys and St Thomas's, with very good rail links. This is about basic science but in proximity to environments where the translation can occur.

Q51 Chairman: Mrs Robb, can you answer the same point, please?

Mrs Robb: Yes, and if I think can just answer for people who do not know our institute as well as I do, it is one of the top five basic cancer research institutes in the world, so if we did not have a basic element we would actually be pretty empty when we move in. For us it is fundamental that we continue our world class basic research, but fitted into an environment that will allow translational research to actually accelerate and bring discoveries to our patients, cancer patients, much quicker. It is a basic research institute that we have and that we will continue to invest in.

Q52 Dr Harris: My last point really is—and I will try and reduce it to what I hope is not an absurd level of simplicity—if there are n slots for labs and, as is always the case, there are $2n$ bids for those labs, is it not going to be difficult to avoid favouring, given the mission, those labs that already have found a target that they can then generate a drug molecule towards

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and put into pre-clinical and then clinical research, over those teams that are still looking for very interesting leads but have not yet found either the gene or a target? Do you see the concerns that might be out there?

Sir Leszek Borysiewicz: I see where you are going, but actually I can be very clear on this: as far as I am concerned it is the basic science that will actually dominate, it is the quality of the science that is actually being undertaken. What is important is that where a target is actually identified we have other mechanisms of ensuring that appropriate support for those areas is given and it does not depend necessarily that particular favouritism has to be given in selection of those areas of science into this particular institute. At its heart what we have to ensure is that we have the world class science in there, it is dominantly going to be basic science and then we are going to have the opportunities around to ensure that that science as it leads on can actually be effectively translated.

Q53 Dr Harris: There is going to be someone from the Prime Minister's office, or from the Cooksey team, measuring the "translational-ness" of the proposals, because otherwise how are we going to deliver our commitment to translation unless we measure and demonstrate that we are actually encouraging it. But what you are saying is that there will be no specific encouragement, it will just be the "best science".

Sir Leszek Borysiewicz: Actually, I am sure somebody will be measuring it and we will be being asked to comment on it directly and to provide metrics to support it or otherwise. My belief is that if you have the very best basic science you are going to ensure the very best translation will actually follow. That may be a credo, but it does stand up to scrutiny.

Dr Walport: You are presenting it as either/ors and it really is not a case of either/ors. Our philosophy is that we fund the very best scientists. Sometimes the very best scientists who discover things are not necessarily the best scientists to translate them, and you need to bring in different teams, and then we facilitate that through our technology transfer division, but I do not think you are actually talking about either/ors, you are talking about a mixed economy and you are talking about an institute which is of critical mass so that it can do better.

Q54 Chairman: Just before I bring Des back in, Sir Leszek, everybody is really excited about Sir Paul Nurse's appointment and the fact that he will be putting together if you like the expert committee. Will he have total control over that committee, or who will in fact appoint to it? Will that be you, will it be your committee, who will it be?

Sir Leszek Borysiewicz: The current constitution of the committee that is proposed by Sir Paul Nurse is that there will be representation from the MRC, there will be representation from the Wellcome Trust, from Cancer Research UK and from UCL. He has been involved in discussions as to who those representatives should be from those areas, but he

does not have total control because, for example, I feel very strongly that NIMR must be represented on that committee so that people are aware of what is actually going on and how that committee will actually consider it, but he can veto an appointment.

Q55 Chairman: That was my point. In terms of NIMR would it be represented by a scientist or would it be the chief executive?

Sir Leszek Borysiewicz: Sorry, the chief executive of?

Q56 Chairman: The director of NIMR; would it be at that level or would it in fact be a representative of the scientists themselves?

Sir Leszek Borysiewicz: There will be more than one representative from there and it depends very much on who Sir Paul will actually require on his committee in order to give him the best advice that he would require.

Q57 Dr Turner: What proportion of MRC's annual budget will in future be accounted for by the St Pancras institute, once it is running, given that the basic costs and running costs of anything in London are 30 per cent higher than they are outside, so you are building in an increase in the cost base; have you got the expansiveness in the MRC budget to cover that?

Sir Leszek Borysiewicz: The current proposals—and the Council has looked at these proposals—are that we will be looking at a cost case which is more or less the same level as we are currently expending on NIMR; however, I make the point that we are dealing with a situation which is six to seven years hence. We support science of the highest quality wherever it is actually located. If the science at this institute, as I would hope it would be, is going to be world class and of the very best quality, there is no reason why through the variety of budgetary mechanisms that we have, a higher allocation is not actually made at the end of the day. It is entirely dependent on the quality of the science to determine what that base will be and, frankly, in six years time it is extremely difficult to predict what is going to be the actual sum of money that is available for running this centre.

Q58 Dr Turner: What would happen if the business case and the science case which you now have to prepare do not succeed? Do you have a fallback?

Sir Leszek Borysiewicz: At the present time we are looking at this as the main direction forward; if this were not to be successful we would have to look again at alternative proposals. At the present time my focus is on trying to ensure that the case here is made at the strongest level for that to succeed.

Chairman: I want to return to that issue later because Graham wants to bring that up.

Q59 Dr Iddon: Can I ask Lynn Robb how many people are currently employed on the Lincoln's Inn Fields site; how many are on the payroll, full-time equivalents?

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Mrs Robb: The total is about 500 people.

Q60 Dr Iddon: How many are at the Mill Hill site, Sir Leszek?

Sir Leszek Borysiewicz: About 700.

Q61 Dr Iddon: So there will be an expansion if you say the British Library site can house 1500.

Sir Leszek Borysiewicz: It is very dependent on how the proposed building is configured, which is in turn dependent on the nature of the science that we undertake. For example, the size of animal facilities, the opportunity for UCL staff who would also be coming into this area would need to be very carefully considered, so just taking the simple numbers against gross areas is the appropriate measure that we should be using at this point. We have to take a step back and think precisely what the science is that we want to do, what are the right circumstances to provide the physical infrastructure and then ensuring that we get the best value for money in terms of the site.

Q62 Dr Iddon: Is it your intention to vacate the Mill Hill site completely, including the animal laboratories that are there too at the moment?

Sir Leszek Borysiewicz: The decision that Council has taken remains at the present time the decision that has been ratified again by Council, that we do not intend to remain on the Mill Hill site beyond the development of this new site.

Q63 Dr Iddon: So the preference is to move the animal laboratories into central London.

Sir Leszek Borysiewicz: That will certainly be being considered, I am sure, by Sir Paul Nurse in relationship to this area. Will animal facilities be required on a site of this sort? Any site that is actually undertaking biomedical research is going to require animal facilities on such a site and there are other sites in central London which already have animal facilities to enable the science to go forward. The scale and size of that particular development is something that Sir Paul Nurse's committee will have to consider.

Q64 Dr Iddon: Have you considered the intimidation that the staff who are building the institute and occupying the institute eventually will get from the animal rights activists, who have not gone away?

Dr Walport: May I just comment on that because actually the Government has taken an extremely strong view on animal rights activists. They are operating outside the law and this is a form of terrorism, and it is good news that the Government and Parliament in general have taken such a strong stance on this, which I hope this Committee supports.

Q65 Dr Iddon: We have had an almost weekly demonstration, very weak at the moment, up at Mill Hill, I gather, but in the past we have had quite strong demonstrations outside the Mill Hill facilities. I agree with what Mark has said, but

nevertheless these are pretty ruthless people and moving into central London just, in my book, makes it easier for them to demonstrate.

Sir Leszek Borysiewicz: I would reiterate that to my knowledge there are many sites in central London where they could demonstrate in the same way. Clearly, we would take guidance from the security and other services in relationship to this, and this will be part of the consideration we will have to take, but the primary consideration at this point for me is really what is going to be required to deliver the very best science that we envisage.

Q66 Dr Iddon: On this footprint, Sir Leszek, do you think you will have room for future expansion as new ideas are evolved?

Sir Leszek Borysiewicz: I believe we will, but we will have to watch this very carefully because, again, the scope and scale of that expansion as to filling the site as of day one is something that has to be very carefully considered. My own view again is that we are dealing with a timeframe that we have to make allowance for in terms of the changing nature of the science. Secondly, we have to ensure that whatever facility is actually constructed is a very flexible facility to be able to accommodate changes in science and, thirdly, we have to consider very carefully what we already have that is of world class quality that Sir Paul Nurse's committee may want to move to that site. It is a balance between those three that I do not think I can strike that balance here and now, it is something that I can only strike with the advice that that committee is going to be able to give me.

Dr Walport: Science is something that evolves, so it is not a question of continuous expansion in a sense. If you look at the Sanger Institute, which is the institute that the Wellcome Trust largely funds, that started as an institute that was there to sequence the human genome and then subsequently other genomes. If you go there now, which you are very welcome to do, you would find that what that institute is now doing is working to exploit that genome sequence by looking at genetic variation, bringing it to patient populations, and every scientific institution if it is being kept on its toes—which it should be—is actually going to do different science at different periods.

Q67 Dr Gibson: But that is on a greenfield site, is it not? The Sanger Institute is on a greenfield site, it is well outside Cambridge.

Dr Walport: Yes, it is, and you can argue that that is a limitation because it does not have the same ready communications that this site would have.

Q68 Dr Gibson: Would you move that into Cambridge, next door to Addenbrooke's?

Dr Walport: The Sanger Institute is doing very well at the moment.

Q69 Dr Iddon: Could I look at the other more important bio-security issue and that is category 3 or category 4 containment. My understanding is that the original plans for the Temperance site put in

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place a category 3 facility which was capable, I think, of handling avian flu, but in terms of this being one of the leading medical research centres in the world, would it not be better to gear yourselves up for the worst eventuality of handling category 4?

Sir Leszek Borysiewicz: I am sorry, but I would defer that very much to Sir Paul Nurse's committee because that is precisely the kind of question that he is going to have to address in the context of what is going to be undertaken on this site, so it would be wrong for me to actually prejudice the judgment that his group are likely to make in this regard. They will be proffering us advice on that area and we will be considering that advice very carefully.

Q70 Dr Iddon: There is still room to put a category 4 facility in there.

Sir Leszek Borysiewicz: It would have to be one of the considerations; I do not want to lock off that as a possibility from the advice that they may actually be able to give us, but having received that advice, as I have said before, we would certainly need to look at the security issues and the necessity for the build that would actually be required to deliver that safely and effectively at this location.

Q71 Dr Iddon: Can we control extremely dangerous pathogens in a major city?

Sir Leszek Borysiewicz: Yes, I believe we can. There are other locations, both within London and other major cities, that house major pathogens that are being very effectively monitored and controlled in this regard.

Q72 Dr Iddon: I am glad you said that because obviously that is a very important consideration. Turning now to your relationships currently with Camden Council, this site, the British Library site, was originally to be a mixed development of housing and community facilities. Those facilities are desperately needed in the Camden area; indeed, the whole of that area is undergoing regeneration at the moment, and in order to regenerate you need people living in the regenerated areas. Have you been in consultation with Camden Council to see whether they are going to press that mixed development or whether they are going to be prepared to relinquish the site for what Des has called the St Pancras Institute?

Sir Leszek Borysiewicz: First and foremost let me just say that we have not been in direct contact with Camden Council, it would have been wrong for us to be so while we were actually bidding for this particular site. What we will be looking at is that this site is going to be very full if we are to achieve the sorts of levels of occupancy that I have actually dealt with, so I do not believe that we are going to have much opportunity to provide additional housing on this particular site. Maybe what I would like to do is pass this over also to Professor Grant who has been in contact with Camden during these times.

Professor Grant: We operate, obviously, within Camden. We are the largest employer within Camden and we have a very good operating relationship with the council. The site was the

subject of a planning brief published in 2003 which did indeed indicate a desire on the part of Camden to have housing on the site as part of a mixed use development and 50 per cent of that is affordable housing. The planning brief was then accompanied by the adoption in 2006 of the unitary development plan for Camden and in that plan there is reference to facilities being provided by the public sector and paid for by public money and involving universities, in which it is indicated that the affordable housing requirements would be looked at perhaps in a different way with greater flexibility. We understand from our initial relationships with Camden that they will wish, of course, to try to secure housing and affordable housing in the borough; that is a primary ambition for any inner London council, but that at the same time they recognise the sheer importance of being able to encourage within their area a world-class biomedical research operation, so we will, I think, wish to have discussions with them to try to see how best we can achieve both of those aims, but I have to say, for all the reasons that Leszek has just indicated, this is very early times. We did not want to broach these discussions with them when we were in the process of buying the land because that would have been thought to be unfair to other potential bidders for the land. We would have been seen to be canvassing which we did not want to do.

Q73 Dr Turner: Have you offered them the NTH site for housing?

Sir Leszek Borysiewicz: No, we have not offered it because we have not been in contact with Camden to have those levels of discussion so we could not conceivably have offered them any alternative site.

Q74 Dr Gibson: How much would it cost to buy that land, is your estimate?

Sir Leszek Borysiewicz: Which land?

Q75 Dr Gibson: The British Library site.

Sir Leszek Borysiewicz: It was £85 million.

Q76 Dr Gibson: Did you beat them down from £100 million?

Dr Walport: No. We made them an offer which they accepted.

Q77 Chairman: In terms of the Temperance Hospital site, does that become part of the overall bargaining with Camden? That is the question we would like to put.

Sir Leszek Borysiewicz: At the present time what can I say in terms of the MRC? If we were to go ahead with this particular development then clearly the Temperance Hospital site is above the requirements of the MRC and we would be looking to dispose of that site in due course, but that is as far as I can take it at this point.

Q78 Graham Stringer: I understand the current estimate of the total cost of this project is £500 million. What is the breakdown between the partners of that figure? First of all, is that figure accurate?

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Sir Leszek Borysiewicz: It is a broad figure at the present time that is being used by many in terms of the area and it is a reasonably accurate figure overall but it does have some caveats. It does not have, for example, the land costs built into those sorts of numbers. The current breakdown, I think, is that the MRC are looking at round about £260 million overall for that budget, and I think it is £150 million for Cancer Research UK and £100 million for the Wellcome Trust.

Professor Grant: And £46 million for UCL.

Q79 Graham Stringer: Of the MRC contribution how much is to be met by a grant from the Large Facilities Capital Fund?

Sir Leszek Borysiewicz: At the present time we are in discussion with DIUS as to what would be the appropriate sum that we would come forward for from the Large Facilities Capital Fund. We certainly expect that to be quite a large bid at this stage, certainly in the order of £180 million to £200 million, but it would be for a bid that would be for expenditure outside the current CSR because of some of the other calls that are there.

Q80 Graham Stringer: So you are in discussions with DIUS and the Treasury about the overall project?

Sir Leszek Borysiewicz: Yes.

Q81 Graham Stringer: Can you tell us what stage those discussions are at?

Sir Leszek Borysiewicz: They are preliminary discussions at the present time.

Q82 Graham Stringer: You said it was only an initial estimate, the £500 million, which does not include the land costs. The nature of these projects is that they tend to inflate. How confident are you that you are even in the right ball park with that £500 million?

Sir Leszek Borysiewicz: We have sought external advice in relationship to that, and obviously that advice is commercial at the present time, but we are reasonably confident that those figures are robust at this stage in discussion, although I do very much take your view that one has to be very careful because of the way in which inflation will eat into this. What is very critical on this pathway is obviously to make sure that we can stick to a very rigorous timetable in relation to the scrutiny so that we do not allow for slippage and therefore the additional cost that inflation would incur.

Q83 Graham Stringer: Have you appointed a design team or project management team yet?

Sir Leszek Borysiewicz: At this point, no, we have not.

Dr Walport: There is an OJEU procurement going on. I am not sure what OJEU stands for.

Professor Grant: Official Journal of the European Union.

Q84 Dr Gibson: Have you a fancy architect in mind? That will cost you a bob or two.

Dr Walport: I think we will have a good architect but we have not decided yet.

Sir Leszek Borysiewicz: What is really important is to make sure that we can establish the science that needs to be there so that when we draw up a reasonable brief the designers and architects can work to a brief which has taken into account the scientific utility of this particular site. That is the key thing for us at this point to establish.

Q85 Graham Stringer: So when do you expect to appoint project managers and design teams?

Sir Leszek Borysiewicz: That is why we are at the present time looking in a timetable which I would expect to be completed during the first half of next year.

Q86 Chairman: I would like to come in on two points of clarification. First of all, it seems to me that in terms of the build-up of the resource there are a number of unknowns. The money from Wellcome is known, the money from Cancer Research UK is known, I presume that the university is putting some money in, which we have not mentioned yet, but that is known.

Professor Grant: I did mention it, Chairman. We are proposing to put in up to £46 million.

Q87 Chairman: That is £46 million so that is known. The two bits that are the big unknowns that Graham Stringer has referred to are, first of all the money from the Large Facilities Capital Fund, and you say you have not even begun negotiations with the Treasury, or indeed with the Large Facilities Capital Fund over that, and the second bit, which you have not mentioned, is the money which the MRC has in its own accounts, which I understand is over some £200 million. Is that money still there?

Sir Leszek Borysiewicz: We do not have £200 million at the present time.

Q88 Chairman: What have you got?

Sir Leszek Borysiewicz: At the present time the amount that we have in reserve is £106 million. It is going to be declared in our accounts which I understand are going to be laid before the House tomorrow.

Q89 Chairman: What has happened to the rest?

Sir Leszek Borysiewicz: There has been a change in the rules that are being applied to our reserve at the present time. What has happened is that Treasury are now considering the monies that we had set aside for this as part of the normal departmental allocation and is therefore moving some of this to a Treasury fund. That way £92 million is being moved.

Q90 Chairman: So £92 million is being taken out of the savings that MRC have been making in order to bolster up Treasury funds elsewhere? Is that true?

Sir Leszek Borysiewicz: Treasury is taking—

Q91 Chairman: Is that a fact?

Sir Leszek Borysiewicz: That is a fact in the way in which you put it. What is happening is that Treasury believe that there is a set of rules that they wish to apply to this money. Those rules were extant

beforehand but they had not applied them up until this point. They have now changed their view and wish to apply them to the monies that have been saved.

Q92 Dr Gibson: Why have they suddenly enlightened us with this discovery?

Sir Leszek Borysiewicz: If I may be so bold, probably you should require that to be answered by Treasury rather than myself.

Q93 Chairman: The point I am trying to get, which is very important indeed, is that this Committee has been told over a number of occasions is the bedrock on which the MRC is able to put roughly £250-£300 million into a major project and you are saying that a third of that has just been taken away?

Sir Leszek Borysiewicz: Yes. It is closer to a half.

Q94 Dr Turner: That merely adds to the uncertainty around the financial package. Given the way the costs inflated on the NTH proposal, they reached a limit of £360 million before it fell, there is another factor which I hope you have taken into account in your costs which has not been present in the past, and that is that you will be doing this work, if it happens, at a time when the building industry in this country is having an Olympic boom which will obviously make it more difficult to get hold of the best contractors and will also increase prices. Have you factored that into your plans?

Sir Leszek Borysiewicz: That has been factored in at the standard rates that one would apply.

Q95 Dr Turner: Is there a standard rate for the Olympics?

Sir Leszek Borysiewicz: There is an anticipated rate, I think would probably be a better way of looking at it, because it is almost impossible to say how big that boom is likely to be, but it is usually factored in at about 8-12 per cent..

Q96 Dr Blackman-Woods: My first question is to Mrs Robb. What has been the reaction of the staff in the London laboratories to the news of the new location?

Mrs Robb: Our staff have been incredibly positive. They do see that this is a really good time for us to get involved in a venture such as this and see the opportunity of (a) a new world-class facility and (b) a step change in the size of the institute and the work that they will be doing and all the collaboration and additional work that that brings for them, so our institute are very strongly behind this and are very interested in it.

Q97 Dr Blackman-Woods: Do you know what you are going to do with the vacated labs?

Mrs Robb: We are looking at how we can dispose of that site because, obviously, that is going to form part of our funds to finance the build, so we will be vacating the central London site as well.

Q98 Dr Blackman-Woods: Sir Leszek, how were your staff at NIMR consulted on the development of the whole new vision for their future?

Sir Leszek Borysiewicz: I have met with the staff on two occasions since taking up my position, the last time last week as soon as the announcements were made. It was the earliest possible time I could have met with them. My overall sense is that there is some excitement about the vision. I think there is apprehension, with the history that NIMR has been put through, so there is considerable apprehension by staff. I believe that it is going to be up to us to ensure that we can convince them that this can go ahead and that the science is not going to be impacted on adversely, but I do believe that we can bring the staff with us once they can recognise that this vision can become a reality.

Q99 Dr Blackman-Woods: What is the balance, do you think, at the moment between excitement about the future and anxiety?

Sir Leszek Borysiewicz: I have not done a straw poll of the staff. I would love to know, but, as in all these projects, there is a diversity of opinion and both sets of opinions have been expressed to me.

Q100 Dr Blackman-Woods: Perhaps a question for all of you is what you are doing to ensure that all the staff that are affected are enthused by this new vision and this new centre. Have you thought of strategies to bring the staff on board?

Sir Leszek Borysiewicz: First, the most important from my perspective is ensuring that we have a proper communication strategy with the staff. I have put in place regular meetings with myself as we go forward with this process; I think that is important. The director is fully informed. At the same time what I believe is very important is that I have to ensure the staff have confidence at NIMR that their science is going to continue to be supported, that we get an appointment not of an acting director but of a director at NIMR to ensure that they have the confidence to move forward, that their science is going to be supported, that as they go through own quinquennial reviews they are given every opportunity to prove that their science is world-class, and that they have engagement with the process that has been undertaken by representation on Sir Paul Nurse's group so that they know exactly what is going on and that they have a chance to communicate those views to the staff. I have to make myself available, as will any new director, to discuss these matters with the staff in such a way that they feel that their views are being taken on board and are being taken seriously. That is the overall strategy that I wish to adopt in relationship to the staff on this site.

Q101 Dr Blackman-Woods: You wish to adopt, so you think that perhaps there is not a strategy in place already?

Sir Leszek Borysiewicz: I am putting this strategy in place. I cannot comment in great detail on what has gone before but I do recognise that from previous reports this Committee has been critical at times of

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the communication with staff and I am clearly cognisant of that and am trying to avoid the same criticism being applied on this occasion.

Q102 Dr Blackman-Woods: All four partners are going to fund staff and research at the new centre, either directly or indirectly. To what extent will we still be able to see units such as NIMR or Cancer Research UK, or is the new centre going to be one new identity for all of you?

Sir Leszek Borysiewicz: This is still a point which is up for discussion because the governance of this centre is at the same point in terms of the science. I am afraid this is in a sense repetitive but the primacy is to decide what is the science we are going to do, secondly, to ensure that not only do we have the physical infrastructure but that also we have a governance model that is capable of delivering the integrated science that we wish to see on this site. That is absolutely something that will be up for debate and I am sure the staff of all the institutes will have a strong view in relationship to it. Whether the identity that is going to be retained in six years' time is an NIMR or a London Institute identity or whether people are going it will want to work in a much more integrated unit is something we will have to see once the science is moved forward, but there is no *a priori* assumption at this point that you are going to be trying to withdraw the identity from any particular group.

Q103 Dr Blackman-Woods: Would you say that the staff were being adequately involved in shaping the new centre? I was not quite clear from what you were saying whether they would be involved in shaping it or whether you were just communicating what happens and giving them an opportunity to slot their science into it.

Sir Leszek Borysiewicz: Clearly, I believe that on the small committee that Sir Paul Nurse is chairing—and as you can begin to sense, the decisions of that committee are key—the staff themselves are actually represented. I am sure that is going to engender an enormous amount of debate on the campus site at NIMR and I am sure the same will apply to the London institutes, so I do believe that they are inherently involved in the process and, knowing the staff at NIMR, I am sure they are going to make their views known to me pretty vociferously as well.

Professor Grant: May I just say in relation to UCL that the dynamics are very different. It is not a move of a large number of UCL staff. There may be perhaps 300, something like that, but that is out of a total research and teaching complement of 4,500. The real enthusiasm at UCL is coming not only from the life sciences community and the biomedical community but right across physical sciences and particularly, I would say, from chemistry, chemical biology and nanotechnology, so the excitement within my institution is about the synergistic effects that this co-location can have rather than, as it were, taking the whole dynamic of the institution with it.

Dr Walport: I just want to make the point that this is going to be a national institute and so the Wellcome Trust's interest is in funding the very best science and

in providing the very best facilities, and there will be important opportunities for scientists at all of the universities in the UK to participate, and again one of the aspects of this is communication, so I think it is really important that this is a national institute. We are not interested in putting funds into anything else.

Q104 Ian Stewart: Sir Leszek, and perhaps Professor Grant as well, you talked about the staff being consulted, I take it, through their various trade union organisations. The consultation process will take its course as you have described but are you both making yourselves accessible to the trade unions if they wish to approach you?

Sir Leszek Borysiewicz: Of course I am accessible to the trade unions and to all the staff representation. At the end of the day I am making myself personally available during the times that we already have meetings fixed for in the diary, and the next meeting is in February, to enable staff to put additional points to me. We also have routine representative meetings with the staff side and with union representation which are inherent in the MRC processes, so there are very clearly defined routes whereby staff through their trade unions and others can make representation to me during this process.

Professor Grant: I have regular meetings with our trade unions but this issue has never arisen in the course of those meetings because the dynamics are different. For UCL it is seen as entirely a matter of opportunity.

Mrs Robb: Although we do not have a union environment *per se* we do have a very active staff consultative forum set up and that is a very regular opportunity for our researchers to be involved and to ask as many questions as they wish on top of the process that we will be going through on the whole planning.

Q105 Dr Turner: Malcolm, the UCL contribution is £46 millions, relatively small. Clearly you are not going to have any particular problems with your staff because it is all opportunity. Would it be fair to say that UCL is really going to get a very good deal out of this in terms of staff opportunities and prestige for a relatively small input?

Professor Grant: Chairman, to Dr Turner £46 million may seem relatively small.

Q106 Chairman: Such is the talk in the Labour Party at the moment!

Professor Grant: Of course my institution would have to say it is a very significant capital contribution which we are having to schedule over a period of the coming seven years, but he is quite right. It is an investment that we feel it is appropriate to make because of the opportunities it brings to the university, and for all the reasons I have mentioned this afternoon the interaction with so many other bits of UCL is what makes this particularly exciting.

Q107 Chairman: I just have two final brief questions, Sir Leszek. In the press release which came out regarding the new facility there was much talk about

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public partners with the local community on the plans to shape the UKCMRI. It will develop activities to communicate with members of the public and promote science education. Where has all that come from, because there is not any? You have not even spoken to the council, let alone the people.

Sir Leszek Borysiewicz: In setting up this process, of course, we are going to have to communicate and understand the needs of the local community but we are right at the starting blocks of that particular process. Up until three weeks ago we did not even know that we were the preferred bidder for the land itself, so it would have been presumptuous again to anticipate it. What we are putting in place is a process whereby we will be able to get that engagement with the community and with the council and that is a process that is ongoing and so we are starting to put that in place.

Q108 Chairman: Perhaps you could take a message from the Committee that we are delighted to hear—I speak for myself but I am pretty sure I speak for the whole Committee—that the staff are now right at the fore of those consultations, and obviously we hope as a Committee that the public will also be at the fore of those consultations, because the greater the transparency over the proposals the better it is for everybody concerned. It is with transparency I ask

the last question. Clearly the figures which we have been talking about today are really, to be honest, back-of-a-cigarette-packet rather than accurate costings. We would like as a Committee to have a clear indication as to what is the financial make-up and particularly who is putting what into it, and, finally, what are the elements that you need from government and the Large Facilities Capital Fund because if we are to make any recommendations, if it is to support your proposal then we need to know what it is we are supporting, or indeed, if we are not, why we are not.

Sir Leszek Borysiewicz: Of course, Chairman, and I would be very happy to provide that information to the Committee. You will, of course, appreciate that the changes on the commercial fund are about three days old, so the request for information—

Q109 Chairman: Mere excuses!

Sir Leszek Borysiewicz: —still have to be thought through as to the precise sums that would be involved, but I will, of course, communicate that to the Committee as soon as we have those available.

Chairman: Finally, can I thank you all again for coming at such short notice. This is an issue the Committee is deeply interested in, so, Sir Leszek Borysiewicz, Dr Mark Walport, Professor Malcolm Grant and Mrs Lynn Robb, thank you very much indeed. Have a happy Christmas.

Written evidence

Supplementary evidence from the Medical Research Council following the oral evidence session on 17 December 2007

1. *Whether alternative sites outside London have been considered by the MRC since the purchase of the former National Temperance Hospital Site and if so, what form this consideration took.*

Alternative sites outside London have been considered since the purchase of the NTH site. The consideration was part of a formal options appraisal, which fed into the Outline Business Case for the UKCMRI initiative, conducted under the terms of the Treasury Green Book. The Panel selected Manchester and Cambridge as the best comparators with the BL site. The options were assessed by a Panel including an expert, external member and a member from the independent consultants (Deloitte), a process which was later approved by PA Consulting who were appointed by the MRC to carry out an independent review of the Outline Business Case.

2. *What is the detailed breakdown of the cost to the MRC and how is this cost to be met.*

The current position is that the MRC has agreed to contribute £47m to the cost of purchasing the BL site and in addition we are planning on the basis that our contribution to the building will be of the order of £250m taking account of current estimates of inflation.

We are planning that the MRC's contribution to the resource costs of UKCMRI will be at the current level of expenditure of NIMR in real terms—c. £38 million pa at 06–07 values.

The above figures are of course provisional and may well change as a consequence for example of the conclusions of Paul Nurse's Scientific Planning Committee.

The cost will be met from the Large Facilities Capital Fund (LFCF), from the sale of the NTH site, and in due course from the sale of the Mill Hill site. The current bid to the LFCF is for £118m; this is awaiting final approval from the RCUK Executive Group (RCUKEG). In the light of the changes to the availability of monies to the MRC from its Commercial Fund, we will be asking the LFCF for additional funds, though these will not be needed until the next CSR period.

3. *A note on the timetable for negotiations with the Government over the application to the Large Facilities Capital Grant, to include what stage the MRC has currently reached, when the initial Business Plan will be agreed by the MRC Council, when it will be presented to DIUS and to the Treasury and when it is anticipated that the Treasury will make its decision.*

The Outline Business Case was approved by MRC Council in October. The Outline Business Case was also submitted to RCUK in October, and formally to DIUS in November. We are currently awaiting feedback from them. Feedback from RCUKEG consideration of the bid to the LFCF is expected in February. A final decision on the release of funding from the Large Facilities Capital Fund will depend upon the completion and review of a full Business Case to be prepared once the design work is completed.

January 2008

Updated note from the Medical Research Council on developments concerning the National Institute for Medical Research since July 2007, and on current plans for the future of the Institute

The Government responded to the Select Committee on Science and Technology's report on Research Council Institutes on 30 July 2007. The Select Committee had commented on proposals for the National Institute for Medical Research (NIMR) to relocate to Central London close to a world class University, University College London (UCL), and a first class teaching hospital, University College London Hospitals (UCLH). The Committee had raised a number of issues concerning the proposals. There was some concern about the proposed site, the former National Temperance Hospital (NTH), which members felt might not be large enough to meet the project requirements. In addition, the Committee had recommended that the MRC should develop a new plan for revitalising the NIMR on a new site. The Government Response indicated that the MRC was considering options other than the NTH, in particular a site adjacent to the British Library, which offered considerably more space, while remaining close to UCL and UCLH.

Since then the MRC has substantially revised and broadened its original vision. The MRC has entered into a consortium with Cancer Research UK (CRUK), the Wellcome Trust and UCL to acquire jointly a site adjacent to the British Library and to develop and fund jointly a Centre of excellence for basic and translational bio-medical research; this is currently termed "The BUSS Project". To that end, the Wellcome Trust, on behalf of the consortium, has made a bid to purchase the site. We understand that the Department for Culture, Media and Sport (DCMS), the current owner of the site, is currently considering that bid against two other short-listed competitors. A final decision on the preferred bidder is expected shortly and DCMS plans to complete the exchange by the end of the year.

Before submitting the bid, the consortium appointed a team of professionals to undertake a feasibility study on the site to ensure that it was capable of accommodating anticipated requirements and to prepare indicative costs for one or two buildings. The professionals demonstrated that the site is suitable and that there is sufficient space to accommodate a Research Centre of the currently proposed size. An outline Business Case for the new project has been prepared and is currently being considered by the Department for Innovation, Universities and Skills (DIUS). In line with the requirements of the Lyons Agenda, HM Treasury has accepted the case for the project to be located in London. A Gateway Review of the new project is planned for January 2008.

It is proposed that the site will eventually be owned and managed by a charitable company set up by the members of the consortium. The options for how this might best be achieved are currently under review. It is planned that once the company has been set up and received charitable status, ownership of the land will be transferred from the Wellcome Trust, on behalf of the consortium, to the company. A design team (including professional project management) will be appointed by the consortium in 2008 in anticipation of entering into a building contract for the development in 2009 or 2010. It is hoped that the new buildings will be ready for occupation sometime in 2013.

28 November 2007

Memorandum from the Medical Research Council

As part of the CSR07 settlement, there is a cap on the gross income from the Commercial Fund in each of the three years—£49.2 million in 2007–08 rising to £53 million by 2010–11. Below the cap, MRC can retain 100%, but any excess has to be surrendered to the Treasury. The exact amounts to be handed over to the Treasury will thus depend on the levels of income achieved during the next three years.

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