

NHS spinouts are vital to make use of intellectual property

NHS Scotland spinouts should be considered ‘a vital method of commercialising the intellectual property (IP) from innovative staff ideas,’ a formal health service partner insists.

InnoScot Health believes that findings from the fifth annual [‘Spotlight on Spinouts’](#) report – published this week by the Royal Academy of Engineering and Beahurst – underline the immense and sustained value in the NHS taking equity shares in return for transferring IP rights.

Executive Chair of InnoScot Health, Graham Watson said: “NHS Scotland has a long and proud history of inspiring spinouts founded on the innovative expertise of its staff, most often in areas like technology or healthcare services.

“Our organisation holds equity in six spinout companies managed on behalf of NHS health boards and we believe it is a vital method of commercialising the IP from innovative healthcare ideas at an opportune time for NHS Scotland. These cutting-edge enterprises are needed more than ever.

“Reflecting that belief and emphasising the potential scale of opportunity for NHS Scotland, the new ‘Spotlight on Spinouts’ report highlights the continued success of Scottish

universities in helping to deliver innovation-driven spinouts which contribute to the country's economic growth.

"We believe that with the right support, the health service can more fully harness that spinout opportunity and inspire its innovators to push their ideas forward. Commercialising IP through the creation of a successful spinout company is good for the individuals involved, the local and national economy, the NHS, and the patients we serve.

"This new academic spinout data also confirms that the life sciences and pharmaceutical sectors remain the strongest areas for the creation of new firms. It is clear that NHS Scotland must capitalise amid a strong national picture."

'Spotlight on Spinouts' notes that Scotland hosts the UK's third-highest regional concentration of spinouts (12%), while Edinburgh ranks as the second most popular hub for new firms, totalling 86, behind only Oxford with its total of 110 spinouts.

University spinouts

Three Scottish universities are among the top 20 best-performing academic institutions across the UK for spinouts – the Universities of Edinburgh (8th), Strathclyde (16th) and Glasgow (19th), which produced a combined total of 155 firms.

The University of Edinburgh's spinout track record ranks particularly high in the report thanks to its involvement in shaping 71 new firms.

In further encouraging news for Scotland, ranking among the wider list of 42 are the University of Aberdeen (26th), Heriot-Watt (27th), Dundee University (28th), and the University of St Andrews (36th).

The report data notes a trend in universities favouring lower equity stakes in associated spinout companies – considered key

to incentivising academic founders to launch and scale their spinout companies.

Mr Watson continued: “This is an important and positive development with equity investment in university spinouts increasing significantly in 2024 to £2.60 billion – 38 per cent more than in 2023.

This compares well with the wider equity market for high-growth companies, which experienced a near 16 per cent decline in the same period.

“It is also a positive reflection on the fortunes of the thriving life sciences and pharmaceutical sectors, with artificial intelligence (AI) considered the top emerging sector for spinouts.

“The Academy of Engineering recommends that a more balanced distribution of equity between key contributors – including the university, senior faculty, and spinout leadership – is required to grow commercial success.

“There are plenty of learnings here that can be applied just as much to NHS Scotland and its collaborative aspirations for accelerating impactful health innovation. Supporting the development of exciting new companies must be part of this.”



Scottish Health Innovations Ltd. (SHIL)
Graham Watson Executive Chair
Photograph by Martin Shields