

EXAMINING THE STRATEGY FOR UK LIFE SCIENCES

Report of a Meeting of the All Party Parliamentary Group (APPG) for Life Sciences held on 1st March 2012

Chairman: Penny Mordaunt MP

In early December 2011 the Government launched the 'Strategy for UK Life Sciences', aimed at providing vital support for the Life Sciences industries in the UK with an ambition to implement the strategy in full by the end of 2012. To understand what progress has been made towards achieving these aims so far, the APPG on Life Sciences invited the Government's three life sciences advisers to update members of the group. The meeting was well attended with a strong presence from industry and the third sector.

George Freeman MP, as the Government's Business Adviser on Life Sciences, provided an overview of the ambitions of the initiative and how it had been developed. He spoke about the key elements of the venture capital fund which aims to bridge the 'Valley of Death' and provide a much needed life-line to companies which may otherwise not succeed. The newly appointed 'Life Sciences Champions' – Professor Sir John Bell and Chris Brinsmead – then spoke about the five key elements of the initiative and the progress that had been made in each area, as follows:

Collaboration and Partnerships: Collaborative work was described as a 'central part of the story' and aimed to open up the most powerful academic research places. Professor Bell spoke about how the previous Government had grown research funding, and this Government had maintained it despite the recession. Professor Bell spoke about how new initiatives were encouraging academic institutions to start working together effectively,

highlighting the five sectors in the South East that had already started working together. He spoke about how Translational Research Partnerships (TRPs) under the NIHR Office for Clinical Research Infrastructure (NOCRI) were an important and successful new initiative in bringing together academia and industry, but that more improvements still needed to be made in this relationship.

Fiscal Incentives: The 'Catalyst Fund' was identified by Professor Bell as one of the key elements to overcoming the 'Valley of Death'. Significant announcements in this area are expected during 2012. Professor Bell spoke about how the catalyst fund will help provide leg room for private funding and will have a significant impact for smaller companies. He also

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spoke about the important progress that will be made with improved NICE appraisals on medical technology and the use of adaptive licensing in areas of unmet medical need, where 'Early Access Schemes' are to be introduced, enabling access to selected treatments at the end of Phase 2 clinical research.

NHS Innovation: The Government has recognised that procurement of innovation within the NHS is crucial to supporting the Life Sciences industry in the UK. Chris Brinsmead highlighted the important role of the report 'Innovation: Health and Wealth' in supporting the industry in the UK, which had been launched at the same time as the Strategy for UK Life Sciences. He spoke about how the NHS is still not using medicines recommended for use by NICE, but this report marked a commitment to achieve this. He also spoke about how the NHS needs to stop spending money on outdated practices but that this report marked a significant change in the understanding of the leadership of the NHS in how they should be responding to this challenge.

Open Data: Mr Brinsmead spoke about the 'UK Biobank', which has already established the UK as an international leader. It has over 0.5m people aged between 40-69 involved in the programme. He then spoke about plans included in the Strategy for UK Life Sciences to improve the connections between hospital and GP data.

Internationalisation: Finally, Mr Brinsmead spoke about how one of the most important aspects of the Strategy will be to make the global pharmaceutical community aware of the UK Government's commitment to supporting this sector. He said the Foreign Office and the UK Trade and Industry (UKTI) Branch are already undertaking extensive work to promote the role of the UK in the life sciences sector. He admitted that the UK had a limited appeal in being only 3% of the international market, but the role of the Life Sciences Champions and others was to promote the value the UK brings in research and development.

The Chair then opened the meeting to guests and members. The Life Sciences Champions



made the following observations:

- When asked about implementation of the strategy they confirmed that Ministers were expecting a report on progress by the end of 2012, with an interim report to the Prime Minister by mid-2012. Implementation was a key concern about the strategy and was part of the role of the Life Sciences Champions to ensure it would be achieved.

- The comment was made that the UK is becoming increasingly irrelevant to global companies and that slow adoption of innovation was having a major impact on this. The Life Sciences Champions responded that this was the key challenge, but that significant progress had been made in getting the NHS to agree. It was

guest that the main conversation between industry and the frontline of the NHS was the need to save money on supplier costs. In addition there was significant tension between primary and secondary care and no joined up approach to investing in services. In response, the Life Sciences Champions agreed that these were key challenges within the NHS and that a short term approach within the NHS was a significant challenge, as was siloed budgeting. It was important to make sure that the constant approach to these challenges would be to continue to seek a way to address these challenges.

- The comment was made that innovation should not be viewed as an annual cost, but that budgeting should be decided over a longer term basis

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added that the introduction of NICE assessments had added to this, but that all other European countries would begin to introduce cost-effectiveness decisions in a short period of time.

- It was agreed that health economic assessment through NICE had been previously a concern to industry but that there was a realisation that it is now a reality of the UK market; however, the slow uptake continued to be a concern. Many treatments (60%) do not go through the NICE process and the NHS needs to assess the 'healthcare bill' rather than just the 'medicines bill'.

- It was highlighted by a

as the savings can only really come into place over a 5-10 year period. In response, Professor Bell made the comment that in the commercial sector innovation is introduced to reduce costs but in the NHS they layer innovation on top of existing cost. He also spoke about how many of the NHS costs are not related to Life Sciences – for example the cost of the work force. Mr Brinsmead spoke about how it is important that the NHS now implements the 'Innovation: Health and Wealth' report quickly and that there is a demonstrable change as a result of this report; however, this would not be possible overnight.

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- Concerns were raised by a guest about the uneasy dynamic between collaboration and competition and asked where the Research Excellence Framework (REF) system fits within the ambitions to improve collaboration. Professor Bell responded that the previous system siloed people and caused competition and the REF is a step forward in changing this. He spoke about how grant funders do understand this change. Professor Bell felt there was a significant lever in the increased availability of funding that will be available if groups work collaboratively. He admitted that academics in the UK were very competitive but that there had been a change to the tone of this in recent years.

- It was highlighted that the Strategy for UK Life Sciences had acknowledged a specific interpretation of innovation and that this agenda should be joined up with the Government's agenda for Value Based Pricing (VBP), with the same interpretation being used across Government. Mr Brinsmead agreed that this was important and said that work was going on to achieve this. The additional point was made that societal benefits that may be considered under VBP only come to fruition after treatments had been used for some time and that this must be considered in the decisions

being taken. In response Professor Bell said that it was important that access to Real World Data be improved and brought together at the earliest opportunities. He added that the hurdles posed by the cost of Phase 3 trials was so significant that even small amounts of funding will help. Mr Brinsmead commented that there is currently a period of change and that it must be realised that Governments currently do not have deep pockets but that it is important that the value of innovation is recognised as we progress.

In closing the meeting, Penny Mordaunt MP commented that it is essential that industry and other relevant sectors continue to make their voice heard as this programme progresses.

The next APPG on Life Sciences will examine the progress in implementing the 'Innovation: Health/Wealth' initiative. This meeting will be held in October 2012.

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