LABOUR BUSINESS CONFERENCE 2024

A PRESCRIPTION FOR GROWTH

Labour's plan for the life sciences sector

Labour

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Foreword

It is an immense pleasure to publish Labour's sector plan for the life sciences.

In opposition, it has been a privilege to work closely with businesses, universities and innovators, and the health service, to understand the challenges, the possibilities and the needs of the sector.

We hope to continue that work in government. The last Labour government laid the foundations for our life sciences success, and the next Labour government will go further.

Labour's defining economic mission is to achieve the highest sustained growth in the G7, with good jobs and productivity growth in every part of the country. Alongside that sits the objective to make Britain the best place to start and grow a business. If we are to achieve these ambitious goals – if Britain is to truly lead the world – then we must back the industries in which we are already world leaders. Life sciences is one of those and it has a huge role to play in Britain's economic future.

The life sciences sector is not just about generating profit. Life sciences are key to our mission for an NHS fit for the future and to pioneering breakthroughs that will transform and extend lives for the better.

When Covid-19 struck, we saw industry, academia and government come together to develop, test and roll out a life-saving vaccination that gave people back their lives, livelihoods and liberties.

But this cannot be an approach we only turn to when challenged with a global pandemic. Britain has an ageing population that is developing multiple long-term conditions and living with them for longer. As a result, our NHS is facing growing demand for services and is crying out for innovation that keeps it sustainable in the long term. If we get this right, we can transform the NHS so that it becomes an engine of innovation, a driver of growth and a public service that once again delivers world class outcomes for patients.

Our mission-driven approach to government will embed this way of working so it becomes business as usual, with Whitehall and Industry pulling in the same direction to meet big strategic challenges, and working together towards shared goals.

In partnership, we will tackle the biggest killers, reduce the number of lives lost to heart disease, strokes and cancer, and improve healthy life expectancy for everyone across the country.

Too often over the last decade, however, government has failed to provide the sector with the stability and certainty that is crucial for the long-term investments innovation relies on. And while the government has, at points, set out laudable goals for the sector, the lack of an industrial strategy has meant delivery has not lived up to those plans. Under the Conservatives, the UK's share of global exports in the sector has plunged from nine percent to four percent, while our share of global pharmaceutical R&D more than halved between 2012 and 2020. That is shocking negligence.

With Labour, that ends. What we are offering is not just a change in government, but a change in mindset: a government ready to work in genuine partnership with industry to build on Britain's strengths.

Labour's approach to the economy – what we call 'securonomics' – is based on the recognition that we live in a new age of insecurity. The pandemic, great power rivalries, war, rapid technological advances and the climate crisis have reshaped and continue to reshape our world. In that context, government must take responsibility for economic security: providing the stability that lets families and businesses plan ahead and take risks, ensuring our national economic resilience in the face of global shocks, and working in partnership with business to navigate the risks and seize the opportunities of an uncertain future.

Our life sciences sector is a critical part of that approach. Its success rests on the stability that lets business investment with confidence. The success of the Oxford AstraZeneca vaccine showed the crucial role life sciences play in our resilience as a society. And the success of the sector rests on partnership – between a mission-led government, enterprising business, and universities that are dynamos of innovation.

In the years to come, we look forward to working with the sector to deliver on our shared objectives. This plan offers a start, not an end, to an ongoing conversation to map out the future of British life sciences between government, business and our universities. It is a plan to ease the strain on our NHS, overcome the gravest diseases and get our economy firing on all cylinders – that's how important this is.

Today, the Conservatives threaten our life sciences sector, our health service and our economy with managed decline. Keir Starmer's Labour Party offers the alternative: a government committed to working with great British industries for a decade of national renewal. Together, we can make sure British life sciences lead the world.

Rachel Reeves

Shadow Chancellor of the Exchequer

Executive Summary

From dementia to obesity the Life Sciences sector is acting with urgency to address the big challenges our country faces. It's time we had a government that matched their ambition and is willing to seize the opportunity new treatments and technology can offer.

The Life Sciences sector is key to Labour's mission led government. Getting the NHS back on its feet and achieving the highest sustained growth in the G7 are deeply linked. We cannot build the workforce of the future while record numbers languish on NHS waiting list.

Fourteen years of the Conservatives has left our NHS on the brink of collapse. People are worried it won't be there for them or their families when they need it. And yet, despite this sense of doom, the Life Sciences sector offers real hope. There is huge potential for the latest wave of technology to transform how medical treatments are discovered and delivered. It could lead to chronic and previously uncurable conditions becoming a thing of the past.

The biggest asset our NHS has is its staff. It's second biggest asset is the pool of knowledge gained through data from our entire population. This unique insight into health and disease can and should be an engine of innovation for our country. But we are very clear we will only tap into this potential and contribute to new research and development if we can earn the trust of patients and the public by offering clear reassurance that data will be safe.

This plan sets out how Labour want to strengthen the foundations our brilliant scientists and researchers work on. We have to reduce the uncertainty faced by academics, entrepreneurs and businesses, whether dealing with the R&D system, regulation, procurement, tax or the planning system.

As well as pioneering the drugs and treatments we need to get people back to work, the sector itself provides highly skilled jobs across the country. Labour's mission led approach will return the sector to the high growth seen under the previous Labour government and create over 100,000 jobs by 2030.

For too long government departments have operated in silos, those working in the Life Science sector tell us this disjointed approach is holding them back.

Taking forward this plan will be a joint endeavour for a Labour government – and the Department for Health and Department for Science, Innovation and Technology will work together, in partnership with industry to implement these recommendations and make Britain a world leader Life Sciences once again.

Wes Streeting
Shadow Health Secretary

Peter Kyle
Shadow Science, Innovation and Technology Secretary

Headline Actions

Labour's industrial strategy

- Bolster the Life Sciences Council and ensure its decisions are acted upon by having it report directly into the Industrial Strategy Council.

- Strengthen the Office for Life Sciences, so that it is politically empowered to truly drive delivery across government.

- Place life sciences and innovation directly under the Health Secretary's ministerial responsibilities, representing a key priority for the department of Health.

Providing stability and certainty for innovation by taking a long-term approach to public R&D funding

- Create a more certain funding environment and a more streamlined funding process, to end Tory short-termism and attract long-term investment. We will set 10-year budgets for key R&D institutions.

- Cut red tape and introduce a system of earned trust in place of retrospective and repetitive reporting and audit by Government departments and UKRI.

- Increase the number of spinouts coming out of universities, and structure the innovation funding system to ensure more of them successfully scale-up**.**

Harnessing data to improve services for patients and power cutting-edge medical research

- Deliver on work underway to create linked Secure Data Environments.

- Ensure proper federation of data sets, with a single access point for researchers to use data from all our genomic resources (UK Biobank, OFH, GEL, NIHR Bioresource)

- Seize the opportunity NHS Federated data platform offers, using this platform to improve the way we use patient data in the NHS, in a safe and secure way, as a means to deliver better treatment and care.

- Drive inter-operability between digital systems in the NHS and in care from the bottom-up, by making the NHS App a one-stop shop for health information.

- Ensure that there is a senior official accountable for delivery across organisations within DHSC, who will report to the Life Sciences Council on progress each time it meets.

Increasing access to finance

- Undertake a broader in-government pensions review.

- Enable greater consolidation across all pension and retirement saving schemes (DB, DC, and LGPS) For DC schemes, Labour will give The Pensions Regulator (TPR) new powers to bring about consolidation where schemes fail to offer sufficient value for their members

- Empower the British Business Bank (BBB) with a more ambitious remit: A future Labour government will look to empower the BBB with a more ambitious remit focused on providing growth capital, enabling regional development, and streamlining support offerings for SMEs.

- Establish a British 'Tibi' scheme. Labour will set up an opt-in scheme for DC funds to invest a proportion of their assets into UK growth assets – split between VC and small cap growth equity, and infrastructure investment.

Improving the business environment

- Maintain the current structure and at least the current rates of R&D tax credits over the next parliament, while cracking down on fraudulent claims and those made in error.

- Evaluate the impact of the R&D tax credit scheme on a sector-by-sector basis, starting with the Life Sciences industry.

- Labour is committed to maintaining the patent box regime and protect the Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCT).

Modernising and unblocking the regulatory regime

- Create a Regulatory Innovation Office (RIO) to hold regulators accountable for driving innovation where appropriate and for delays that are holding back innovation. The RIO will bring together the Regulation Executive and the secretariat for the Regulatory Horizons Council and will:

- Set and monitor targets for regulatory approval timelines, benchmarked against international comparators.

- Provide strategic steers for what activity regulators should be prioritising, drawing on priorities from Labour's industrial strategy.

- Support a beefed-up Regulatory Horizons Council, with a new requirement for government to respond to its reports within a set time period.

Planning reform to support the life sciences industry

- Bring laboratory clusters within the scope of the Nationally Significant Infrastructure Regime in England.

- Create new National Development Management Policies tilting the scales in favour of new lab space in our planning system for England.

Skills

- Reform the Apprenticeships Levy into a 'Growth and Skills Levy' so it can be used on the greater range of training courses that businesses tell us they need, so workers can gain new skills.

- Commit to long-term workforce planning across the NHS and social care will review training and look at creating new types of health and care professionals that draw on a diverse skills mix, including the skills staff need to support clinical trials and recruit patients.

Ensuring the NHS is supporting innovation to improve health outcomes

- Develop a comprehensive innovation and adoption strategy in England, working with industry, patients and ICSs. Our strategy will align to the existing Life Sciences Vision and focus the system on harnessing innovation to improve outcomes.

- Labour also recognises that as a universal, single payer system serving a diverse population, the NHS has the potential to lead the world in clinical trials to develop new life saving treatments and technologies.

- Speed up recruitment: by making sure that patients who are interested in participating in research can be reached quickly and easily.

- Give more people the chance to participate: wherever they live in Britain, rather than having research opportunities concentrated on where the big centres are, by identifying patients who would benefit through NHS data and working with devolved nations so patients can access clinical trials regardless of which NHS they reside in.

- Improve the diversity of people who participate: so we test treatments on populations that better reflect the people who need them.

IP/trade

- Publish a trade strategy which sets out clear priorities for vital growth sectors like life sciences.

- Give the Board of Trade a proper purpose as an independent advisory agency, accountable to the Secretary of State, advising on the impacts of regulation on trade and horizon scanning for opportunities

- Ensure reciprocal levels of IP protection in countries with which the UK trades while maintaining our continued support of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

- Use bilateral and multilateral negotiations as an opportunity to remove redundant or duplicative requirements UK medicines face when accessing markets overseas, and maximise opportunities presented by our high regulatory standards to minimise regulatory trade barriers.

Introduction

Britain has a long and proud history of Life Science innovation. We are the home to some of the world's most powerful discoveries and developments - from the discovery of the structure of DNA, to the first use of robotic surgery and the application of AI to predicting protein structures.

The life sciences sector is undergoing a scientific and technological revolution. From the use of AI to discover new drugs, to the mRNA platform for new vaccines and breakthroughs in gene editing, new technologies are transforming the development of new medicines and vaccines to prevent and treat disease.

The UK is well placed to lead this new era of biomedical science. It will bring real benefits, in the form of high-value jobs and investment, a more innovative NHS, and improved resilience of the economy and wider society to disease-related challenges, including pandemics and productivity losses from ill health.

The revolution in data, medical technology and life sciences can be game changers for our health service if harnessed properly. While we acknowledge that getting innovation right in public services is not easy, throughout its history the NHS has changed, adapted and pioneered. It led the first mass immunisation programme in 1958, delivered the first in vitro fertilised baby in 1978, made healthcare advice available to all 24/7, and much more.

Inspired by this legacy, we now have the opportunity to go further and faster than ever before, with genomic medicine and artificial intelligence holding the key to more personalised approaches to medicine.

Fundamental to our plans for reform and modernisation of the NHS will be efforts to harness this technology and work in partnership to accelerate its adoption and spread, as well as to make the most of the NHS as a unique source of data for life-saving research. As a closed, universal system that serves millions, it generates the largest single cohort of medical data anywhere in the world.

However, we are currently punching below our weight. The NHS is a poor partner to innovators and its complex, bureaucratic procurement processes mean that while it should be a lead customer for innovation, it is not providing the demand needed for British start-ups to grow. As a result, not only are we missing out on

potentially life-changing treatments and drugs, but one of our most competitive sectors isn't contributing as much to economic growth as it might do.

Capturing the economic potential in life sciences will be key to Labour's mission for the UK to have the highest sustained growth in the G7. Backing centres that offer real opportunities for expansion across the country and working closely with Scotland, Wales, and Northern Ireland will be central to ensuring that this means good jobs and productivity growth in every part of the UK. We will build on the promise of Britain's life science strengths, in areas like the Golden Triangle, the Central Belt of Scotland and West Yorkshire.

Biosecurity is also vital to our national security, as a component of domestic resilience and a source of strategic advantage internationally.

Discovery drives economic prosperity and the industry is one of the UK's most successful sectors – investing almost £5 billion in UK R&D a year[1], generating over £90 billion in annual turnover[2] and exporting over £24 billion of goods[3].

The global pharmaceuticals market is forecast to exceed $1.2 trillion by 2024. The UK should aim to be a life sciences world leader over this period of growth and transformation. It is central to supporting a high-growth, high-skill economy powered by the jobs and technologies of the future, with over a quarter of a million well-paid jobs across the country – two-thirds of them outside London and the South East.

Previous Labour governments understood the UK's potential in life sciences and supported the sector.

Labour committed to science and created a new ministerial role for science and innovation in 1998. The role saw some stability, with the average tenure being three years, and the longest-serving minister in post for eight years.

[1] https://www.gov.uk/government/publications/life-sciences-sector-data-2023/life-sciences-competitiveness-indicators-2023#section-5-investment-environment

[2] https://www.gov.uk/government/statistics/bioscience-and-health-technology-sector-statistics-2021-to-2022/bioscience-and-health-technology-sector-statistics-2021-to-2022

[3] https://www.gov.uk/government/publications/advanced-manufacturing-plan/advanced-manufacturing-plan-html-version#fn:26

Under the Conservatives, we have had a change of science minister each year on average, with the longest term being four years.

Labour established the institutions that have continued to power UK life sciences. The government worked with The Bioindustry Association to set up the Biosciences Innovation and Growth Team in 2002, bringing together the Department for Health and DTI. Labour also set up the National Institute for Health Research in 2006, the UK Centre for Medical Research and Innovation in 2007 (now known as the Francis Crick Institute) and the cross-departmental Office for Life Sciences in 2009.

The last Labour Government's industrial strategy to support life sciences used a range of levers. This included funding: Labour established the UK High Technology Fund of Funds and its successor, the UK Innovation Investment Fund, which saw the government co-investing with the private sector to the benefit of the sector. It also included less conventional levers, such as the government's crackdown on intimidation and sabotage of scientists by protestors.

We continue to benefit from a proud history in life sciences. We have key strengths that give us a competitive advantage against other countries, from universities and the NHS to start-ups and global champions like GSK and AstraZeneca. We have burgeoning centres of innovation, from health technology in Leeds to precision medicine in Glasgow. Building on our strengths could deliver new, exciting jobs across the country from advanced manufacturing roles to data scientists, lab technicians and apprentices.

There are fantastic recent examples of where UK innovation and entrepreneurship has led to amazing commercial success and growth – companies such as Oxford Nanopore, founded in 2009, show companies can still scale up in Britain.

However, since Labour left office, life sciences competitiveness has declined, particularly in manufacturing. Between 2011 and 2020, turnover in the manufacture of life sciences products decreased by £7.7 billion in real terms[4]. In

[4]https://www.gov.uk/government/publications/board-of-trade-report-life-sciences/life-sciences-whats-next-for-this-top-uk-sector-a-board-of-trade-paper-web-version

2010, the UK was a net exporter of pharmaceutical products, exporting £7.6 billion per year, the fourth highest figure globally[5]. By 2020, the UK was a net importer, dropping to 98th in the global rankings. Looking at gross exports, the UK is now only the eighth largest exporter in Europe[6], behind much smaller economies like Switzerland, Ireland, the Netherlands and Belgium.

While the Life Sciences Vision represents a useful starting point, the government lacks a plan for its implementation. Too often, it does not create the right environment to enable innovators and investors to flourish and fails to adequately capitalise on the commercial opportunity of the innovations we do foster. An entrepreneur with a world-changing idea faces barriers and uncertainty across the innovation journey: from the R&D funding system to NHS procurement. This sector plan sets out solutions in the following areas to unblock the innovation pipeline:

- Businesses and researchers lack a reliable partner in government.
- Our scientists are held back from delivering transformational research by uncertainty and red tape in the funding system. For example, of the 27 major advances in synthetic biology of the last decade, only one has a clear UK link.[7]
- The UK's vast amounts of health data are fragmented and poor quality.
- Life sciences businesses face barriers to finance, with fewer options for companies to access late-stage capital than in other countries.
- Businesses have lacked a stable business environment, with frequent changes to taxes such as R&D tax credits.
- Entrepreneurs must navigate a regulatory and healthcare system that fails to keep pace with technological change. The MHRA recently had a backlog of 966 clinical trial applications.[8]

[5] https://www.ciip.group.cam.ac.uk/reports-and-articles/selling-less-and-buying-more-the-worsening-trade-balance-of-the-uk-pharmaceutical-industry/

[6] https://www.gov.uk/government/publications/life-sciences-sector-data-2023/life-sciences-competitiveness-indicators-2023

[7] https://jameswphillips.substack.com/p/s-and-t-is-the-uk-a-world-leader

[8] https://assets.publishing.service.gov.uk/media/651aee8e6a423b0014f4c717/MHRA_Board_Meeting_Pack_September_2023.pdf

- Shortages of lab space and housing hold back life sciences businesses and contribute to skills shortages.
- There are persistent skills gaps, especially when it comes to digital and data skills.
- Businesses too often lack a clear route to product through the NHS, with procurement failing to support the adoption of new treatments and the scaling-up of innovative companies.
- The UK's export performance has worsened, with the UK now just the eighth-largest exporter in Europe.

If we fail to address this issue and improve the attractiveness of our commercial environment, we will continue to see UK innovations and expertise de-camp to other markets in Europe, the US and beyond. This will lead to a loss of growth, a loss of knowledge and delays in access to new treatments and technologies for UK patients.

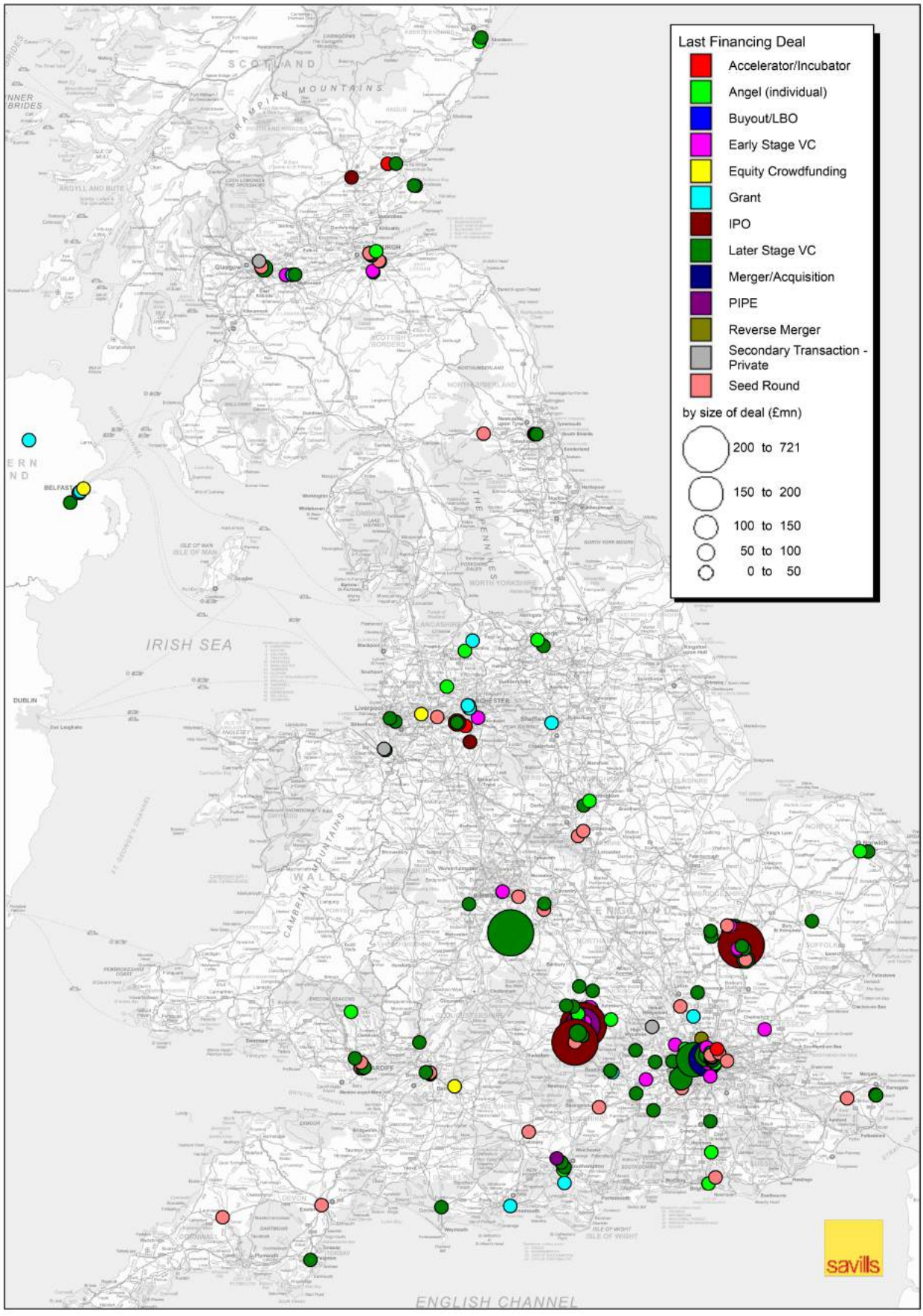
That can change – life sciences could bring billions more to our economy while transforming the care patients can receive in the NHS.

If Labour restored UK Life Sciences R&D share to its 2012 level, by 2028 this could mean an extra £10 billion R&D investment in the UK per year. GVA in Life Sciences manufacturing growing at the same rate as the last Labour government would generate £1.9 billion more every year by 2028. Returning the sector to high growth rates could support an extra 100,000 jobs by 2030.[9]

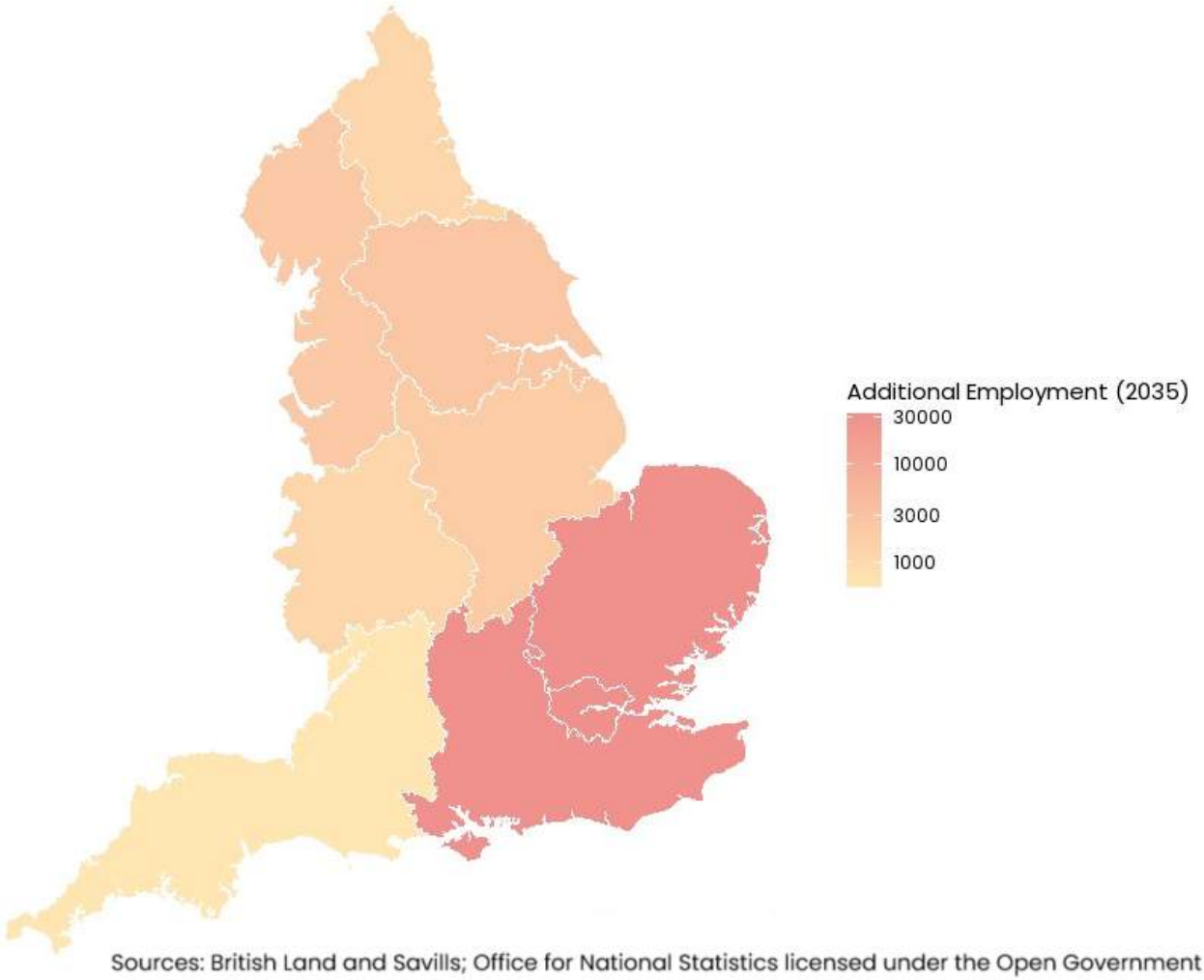
A Labour government would use this plan to provide industry with certainty and capitalise on these opportunities.

[9] https://www.bioindustry.org/static/uploaded/3acc684d-f590-4e80-ab90472b1d96dee7.pdf

Map of UK Life Sciences Clusters



Indicative additional employment by region through planning reform to unlock investments in life sciences R&D sites



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Labour's industrial strategy

A reliable partner

Certainty and stability are at the core of Labour's economic approach. We recognise that certainty and stability are key for businesses making investment decisions. Where we propose policy changes, these aim to reduce the uncertainty faced by academics, entrepreneurs and businesses, whether dealing with the R&D system, regulation, procurement, tax or the planning system.

Our commitment to industrial strategy is a commitment that a Labour government would be a more reliable partner for industry. We will introduce an independent Industrial Strategy Council on a statutory footing to hold government to account and provide continuity across the political cycle. It will have representatives from businesses, trade unions and academic experts. The Industrial Strategy Council will monitor progress in priority sectors such as life sciences.

We will not make changes purely for the sake of it. When it comes to the Life Sciences sector, this means a commitment to building on the goals of the Life Sciences Vision, including the four preconditions for success it set out – the NHS as an innovation partner; growing investment in science and research in life sciences; ensuring NHS health data supports research and innovation; and improving access to finance. The policies set out below support these aims.

It also means committing to continuing the implementation of Lord O'Shaughnessy's independent review into commercial clinical trials in the UK, aimed at making the UK one of the best places in the world to conduct clinical trials.

On top of this, Labour supports the government's allocation of £520 million in funding for the life sciences sector over five years from 2025, announced as part of the Advanced Manufacturing Plan.

Labour is determined that all our economic policy is designed in partnership with business, and sees the Life Sciences Council as a valuable forum for ensuring that this partnership is at the heart of our life sciences industrial strategy.

Labour will work with the council members to work out how the structures around it could be reformed or improved to make it as effective as possible in tracking and driving delivery.

To underline the importance of the Life Sciences Council and ensure its decisions are acted upon, with Labour it will report directly into the Industrial Strategy Council.

Maximising the growth of the UK's life sciences sector will depend on successful delivery, which is where life sciences policy has sometimes fallen short in the past.

Labour would also strengthen the Office for Life Sciences, working with industry on how best to do so, so that it is politically empowered to truly deliver across government.

In DHSC, life sciences and innovation would fall directly under the Secretary of State's ministerial responsibilities, representing a key priority for the department.

Providing stability and certainty for innovation by taking a long-term approach to public R&D funding

The UK has world-leading scientists and research institutions. But they are too often let down by the uncertainty of dealing with the R&D funding system and an approach to funding that leaves the UK missing out on some of the most valuable research.

The bench-to-bedside process for new medicines and interventions takes many years. On average, drug discovery and development takes more than 10–15 years and each new drug approved for clinical use costs over £1 billion.

The importance of stability for success is exemplified in the Medical Research Council's Laboratory of Molecular Biology (LMB) in Cambridge, which has produced 12 Nobel Prize winners. A common reason given for the success of LMB is the certainty and flexibility of its five-year budgets, which allow its scientists to focus on long-term research.[10]

[10] https://www.science.org/content/article/nobel-prize-winning-culture

This funding model is not the norm in the UK and the 2023 Nurse Review of the research landscape identified a lack of "end-to-end" and "long-term" funding for projects and institutions reducing research efficiency.

The common practice of one to three-year funding cycles prevents funding bodies like UK Research and Innovation (UKRI) creating meaningful long-term partnerships with industry on new technologies or on funding new R&D infrastructure. Because businesses operate over longer investment cycles many projects take five years or longer to pay off.

To address these barriers to innovation, a Labour Government will:

- Create a more certain funding environment and a more streamlined funding process, to end Tory short-termism and attract long-term investment. We will set 10-year budgets for funding bodies – UKRI and the National Institute for Health Research – and key research institutions such as the Francis Crick Institute, the LMB and the Cell and Gene Therapy Catapult.
- Cut red tape and introduce a system of earned trust in place of retrospective and repetitive reporting and audit by Government departments and UKRI. This will allow the system to develop the agility to respond to new opportunities and shocks, boosting resilience. This will be essential if the UK is to play its part in the G7's 100 Days Mission on pandemic preparedness.
- Increase the number of spinouts coming out of universities and structure the innovation funding system to ensure more of them successfully scale-up. There are more spinouts in life sciences than any other sector, with the founding of 309 pharmaceutical spinouts between 2011 and 2023. This will include working with universities to encourage them to offer spin-outs a 'founder-track' option, one where the university takes a share of equity at or below 10 percent. Such an option could mean founders accepting a different level of support from the university, and Labour will work with universities, founders, and investors on the details of what the option should look like, with regards to IP licensing, non-dilution protection, and the level of support that Technology Transfer Offices would offer alongside it. This would help address concerns that the higher equity stakes taken by UK universities are hampering UK spinout growth relative to other countries. But it would mean

universities could continue to offer an alternative option where they would get a higher share of equity, and could decide what support to offer spinouts alongside that.

Harnessing data to improve services for patients and power cutting-edge medical research

Data-driven technologies like AI have huge potential for life sciences. The UK's most powerful supercomputer, Cambridge-1 has been devoted to life sciences research, partnering with AstraZeneca, GSK, Oxford Nanopore, NHS hospitals and universities. The UK has fast-growing companies dedicated to research on AI for health, from Exscientia to Isomorphic Labs.

Labour will soon set out its broader strategy on AI, but health data poses unique challenges and opportunities. The NHS is the largest integrated healthcare provider in the world and generates an unmatched breadth and depth of health data. NHS GP records alone offer decades of data across a diverse sample size of millions.[11] Advances in technology have meant that a whole population cohort is possible, with Health Data Research UK completing the first whole population study of 67 million people across all four nations in 2024.

A Labour government will seize this opportunity. We are committed to harnessing the unique potential of UK health data for the public good, to ensure the country remains an attractive location for cutting-edge R&D and to improve our health and care services. Data systems that are interoperable between providers will enable the different parts of the NHS and social care to work in a joined-up way. They have the potential to streamline a patient's journey through the system, minimise expensive and inefficient variation between different areas, and assist with collaborative NHS planning and research.

Achieving this will require intensive partnership between government, businesses, healthcare professionals and the public.

[11] https://web-assets.bcg.com/e7/10/3a81ba3340c98ff4be732f7f7667/towards-a-healthier-wealthier-uk-unlocking-the-value-of-healthcare-data.pdf P 14

This starts with trust. The NHS is one of the most trusted institutions in Britain, and should be trusted when it comes to keeping personal data safe and secure. This is an enormous strength but should not be taken for granted. That's why Labour would improve communications on how health records are used securely for scientific research and the breakthroughs they enable. A Labour Government will be transparent about which aspects of patient data are shared; which third-party organisations will have access; how the use of data is limited; what patients' rights and the mechanisms to opt-out are; and the safeguards in place to protect confidential patient data. Labour would make the voice of the patient central when making decisions about data and digital in the NHS.

Additionally, Labour has already set out plans for clear standards on AI safety, with binding regulation for those developing the most powerful models.

In addition to this, Labour will begin by:

- delivering on work underway to create linked Secure Data Environments, that provide safe and secure access to data to support researchers and developers across academia and industry.
- ensuring proper federation of data sets, with a single access point for researchers to use data from all our genomic resources (UK Biobank, Our Future Health, Genomics England, National Institute for Health and Care Research Bioresource) to create a truly world-leading R&D platform available to industry and academia. This will have common data standards and streamlined information governance that protects data without creating unnecessary red tape for researchers.
- seizing the opportunity the NHS Federated data platform offers. With the NHS now already rolling out a Federated Data Platform (FDP) to be used by Trusts and integrated Care Boards, soon NHS organisations will be able to connect the data they have and make it easier for staff to find information about a patient's care. The FDP will also ensure data can be better used for collaborative planning. Labour will seize the opportunity this offers, using this platform to improve the way we use patient data in the NHS, in a safe and secure way, as a means to deliver better treatment and care.
- driving inter-operability between digital systems in the NHS and in care from the bottom-up, by making the NHS App a one-stop shop for health

information. All health (and care) providers should publish into it, but all the data would be owned by the patient, who could see it in one place. This will act as a 'single front door' to personalised services that breaks down barriers between primary, secondary and tertiary care.

- As well as this being vital to empowering patients and improving their experience of the health system, the app could also become a front door for patients to enrol in clinical trials. By using information in personal health records stored on the app, eligible patients could be proactively identified and contacted through this interface, giving them the opportunity to easily participate in research.
- ensuring that there is a senior official accountable for delivery across organisations within DHSC, who will report to the Life Sciences Council on progress each time it meets.

Increasing access to finance

Life Sciences is one of the leading drivers of innovation in the UK economy, and is thus responsible for, and reliant on, a significant stream of growth capital invested in the UK.

However, in 2022 the sector faced challenges in raising funds, particularly in public markets, where IPOs raised just £28 million – the lowest amount since 2012 – and in later stage deals.[12]

The government has taken some action, but this have not been adequate to address the wider challenge with UK growth capital. The UK has some of the deepest capital markets in the world, but we are losing ground compared to other jurisdictions. Listings are down globally, but the UK impact is particularly pronounced, with homegrown businesses like Arm Holdings, CRH, and Ferguson seeking to list elsewhere. And British growth firms face the 'Valley of Death' funding gap from Series B to IPO which impacts their ability to raise sufficient capital from UK sources to scale their businesses.

[12] https://www.bioindustry.org/resource-listing/finance-report-2022.html

Our world-class universities and talent pool drive a thriving start-up culture, particularly so in life sciences, yet many businesses struggle to access the growth capital they need to scale-up their operations. A Labour government is committed to addressing the growth capital gap by unlocking institutional capital (including pension capital) and more effectively leveraging existing public and private funds to make the UK the best place to found, grow, scale, and list a business.

Further detail on our plans to improve access to growth capital will be set out in our financial services review, but they include:

- *Undertaking a broader in-government pensions review*
  In government, we will review the pensions landscape. The review will look across the whole ecosystem – at all types of pension, at corporate *sponsors*, at asset managers, and at VCs and private equity, and set out proposals for how to bring about an approach that will benefit both UK PLC and UK pensioners.
- *Enable greater consolidation across all pension and retirement saving schemes (DB, DC, and LGPS)*
  This will enable the access, expertise, and risk profile to increase investments in long-term illiquid assets and therefore deliver higher returns for savers. In particular, for DC schemes, Labour will give The Pensions Regulator (TPR) new powers to bring about consolidation where schemes fail to offer sufficient value for their members

- *Empower the British Business Bank (BBB) with a more ambitious remit*:

  Labour is committed to improving access to capital for high-potential businesses across all regions and nations of the UK. A future Labour government will look to empower the BBB with a more ambitious remit focused on providing growth capital, enabling regional development, and streamlining support offerings for SMEs.

- *Establish a British 'Tibi' scheme*

  Labour will set up an opt-in scheme for DC funds to invest a proportion of their assets into UK growth assets – split between VC and small cap growth equity, and infrastructure investment.

Improving the business environment

Labour is proud to have introduced R&D Tax Credits. The scheme has been shown to have a sizable positive impact on research and development spending by UK companies, with up to £3 of R&D generated for every £1 of tax foregone[1].

However, this is another area where business has lacked the stability they need from government. Recent years have seen far too much chopping and changing of R&D tax credits, with five changes announced this parliament alone. This has made planning harder for firms seeking to carry out R&D investments.

Instability has led to huge costs to businesses having to change their processes, as well as costs to HMRC of £60 million.

To provide much needed stability, Labour will maintain the current structure over the next parliament, while cracking down on fraudulent claims and those made in error.

And, for the first time, Labour will evaluate the impact of the scheme on a sector-by-sector basis, starting with the Life Sciences industry. This will demonstrate how R&D tax credits support our world-leading industries and help to uncover where fraud and error is particularly widespread.

A Labour government also introduced the patent box regime, which supports businesses to develop and commercialise IP in the UK. Labour is committed to maintaining the patent box to continue this support.

Modernising and unblocking the regulatory regime

For the Life Sciences sector to retain its competitiveness, the UK's regulatory and market authorisation environment needs to be agile and responsive to new technical advances. The MHRA is a world class regulator which has demonstrated this capacity with its approval of the world-first gene-editing treatment for blood disorders using CRISPR and their approach to vaccines during the pandemic.

[1] HMRC (2015) Evaluation of Research and Development Tax Credit

Yet the number of industry clinical trials initiated in the UK per year fell by 41 percent between 2017 and 2021[13] – and at one point last year the MHRA had a backlog of 966 clinical trial applications.[14]

Labour has already announced that it will create a Regulatory Innovation Office (RIO) to hold regulators accountable for driving innovation where appropriate and for delays that are holding back innovation. The RIO will bring together the Regulation Executive and the secretariat for the Regulatory Horizons Council and will:

- set and monitor targets for regulatory approval timelines, benchmarked against international comparators
- provide strategic steers for what activity regulators should be prioritising, drawing on priorities from Labour's industrial strategy
- support a strengthened Regulatory Horizons Council, with a new requirement for government to respond to its reports within a set time period

In addition, Labour's industrial strategy will set clear priorities regarding the specific technologies and disease areas for which the UK should aim to be a frontier launch market, informed by UK potential strategic advantages and the most significant healthcare challenges facing the UK and the NHS. Labour will work with business, NHS, and patient groups on what these priorities should be, but they are likely to include cell and gene therapy, mRNA vaccines, and the use of AI in life sciences and healthcare.

Labour will ensure that the UK contributes to work to explore cutting-edge research techniques, which include the development and evaluation of test methods and methodologies that minimise avoidable harm, improve the speed and reduce the cost of research trials. We will take a proactive approach to ensuring that regulation keeps up with emerging methods of research in order to drive forward scientific discovery and trials.

[13] https://www.abpi.org.uk/media/news/2022/october/nhs-patients-losing-access-to-innovative-treatments-as-uk-industry-clinical-trials-face-collapse/

[14] https://www.gov.uk/government/publications/mhra-performance-data-for-assessment-of-clinical-trials-and-established-medicines/mhra-performance-data-for-assessment-of-clinical-trials-and-established-medicines#:~:text=The%20backlog%20of%20966%20clinical,deliver%20accelerated%20improvements%20to%20timescales.

To build regulatory capacity, Labour will prioritise secondments into life sciences regulators to close any expertise gaps in the UK's specific priority areas set out as above. Labour will also learn from the success of the Regulatory Pioneers Fund, which has supported a range of projects across life sciences regulation.

We will look to take a proactive approach to regulatory diplomacy, aiming to build regulatory networks with regulators in other countries, where each regulator agrees to focus and take the lead on a different area (e.g. for the UK as above), allowing for regulatory specialisation.

Planning reform to support the life sciences industry

There is a clear lack of commercial space for life sciences, particularly around traditional centres of excellence like the Golden Triangle. For example, the vacancy rate for lab space in Cambridge is three times lower than that in Boston, with demand growing faster than supply can keep up.

To ensure available lab space scales to meet the ambitions of our fast-growing research-intensive industries, not least the life sciences sector, Labour will bring laboratory clusters within the scope of the Nationally Significant Infrastructure Regime in England. Alongside Labour's wider reforms to the regime, including to ensure National Policy Statements are kept up-to-date and to return the final decision to an arms-length body, this will ensure quick and effective planning decisions clearly aligned with policy priorities, which will reflect the priority Labour places on the life sciences sector.

Labour will also create new National Development Management Policies tilting the scales in favour of new lab space in our planning system for England.

NDMPs explicitly take precedence over local policies and must be reflected in local plans. They are therefore powerful tools for national government to direct planning policy. The Secretary of State could create a specific NDMP covering planning for lab space in specific areas of the country, such as across the Oxford-Cambridge Arc and the North West.

The NDMP would then set the planning policy for lab space in those areas, with any local plans or planning decisions having to legally incorporate this policy. The

NDMP could, for instance, create a strong presumption in favour of approving applications for lab space or specify that local plans had to specifically identify and allocate sites for lab space or to support significant growth in lab space. It could specify a lighter touch process for approving lab space, with decisions decided directly by officers, fast-tracked in some ways, subject to some kind of stipulation on timescale or subject to some kind of condition on pre-application engagement.

Labour's reforms to the planning system will also address the housing shortages that affect so many areas of the UK's life sciences clusters, making it easier for skilled workers to move.

Skills

The success of our life sciences sector depends on access to talent. Yet the sector is experiencing skills shortages, especially when it comes to digital and data skills. Labour's plan for skills will give talented people from all backgrounds the opportunity to benefit from well-paid, highly skilled careers in the life sciences.

Labour will give life sciences businesses the flexibility to train their workforce and deliver growth. In England, we will start by turning the failed Apprenticeships Levy into a 'Growth and Skills Levy' so it can be used on the greater range of training courses that businesses tell us they need, so workers can gain new skills.

Under this system companies will have the freedom to use up to 50 percent of their total levy contributions on non-apprenticeship training, with at least 50 percent reserved for apprenticeships.

As the development of technology and digital skills changes the way we work, individuals will need more regular, flexible access to training. Labour's approach, encouraging modular learning in priority areas alongside apprenticeships, will help enable non-apprentices to get access to and training in using the latest technologies and open up new career paths across the sector.

Labour will also support colleges to specialise and lead the development of higher technical qualifications that meet local skills needs and employer

priorities. Bids to become a Technical Excellence College (TEC) will be assessed by Skills England with support from the Local Skills Improvement Fund made available to successful institutions.

For instance, if a Local Skills Improvement Plan identifies an acute lack of digital expertise in a region, a college could bid to become a TEC in digital skills. Businesses and employers would support this bid in return for collaborative input into course design and qualification models, allowing them to better spend their Growth and Skills Levy on these tailored courses and shape their future workforce. University collaboration must also form part of the bid, ensuring that institutions work together to design and deliver the courses needed to boost the specific skills required in a local area.

NHS Workforce

We recognise that as long as the NHS has staff shortages, those who could be working on research will be diverted to support other areas of clinical care and there simply aren't enough clinical academics. There is good evidence that giving time for research to staff who are interested enhances recruitment and retention. We should be making the most of what research can offer to contribute to staff development.

Labour is committed to delivering on NHS England's Long Term Workforce Plan to train the staff that the NHS needs to support more clinical trials in the future and ensure we are competitive on the world stage.

Alongside this, we will ensure staff are equipped with the expertise they need to support research and that those skills are valued by the system. Our commitment to long-term workforce planning across the NHS and social care will review training and look at creating new types of health and care professionals that draw on a diverse skills mix, including the skills staff need to support clinical trials and recruit patients.

Our changes to the planning system would address the housing shortage experienced in many life sciences clusters, which prevents skilled workers moving to the area.

Ensuring the NHS is supporting innovation to improve health outcomes

For Labour, the end of the innovation pipeline is just as important as the beginning. Innovators must be supported to roll out their products to accelerate uptake of best practice innovation and ensure UK citizens see the benefits.

Labour recognises the potential that innovation has to transform public services. The Life Sciences Vision is clear that successful implementation relies on the NHS as a critical innovation partner. But when it comes to the NHS, we are too slow to adopt and spread new technology. This means patients experience a postcode lottery in getting access to state-of-the-art treatments, staff are left using out of date equipment and digital tools, and innovators are passed from pillar to post around the system when attempting to get their new tech rolled out.

Labour will make the NHS a better innovation partner, ensuring industry and the VCSE sector gets sustained strategic engagement.

As part of Labour's Health Mission, we committed to develop a comprehensive innovation and adoption strategy in England, working with industry, patients and ICSs. Our strategy will align to the existing Life Sciences Vision and focus the system on harnessing innovation to improve outcomes. It will include:

- A plan for procurement, adoption and spread of new technologies: so innovators have a clearer route to get their product into the NHS, identifying which goods and services should be procured centrally at volume, to get the best value for the taxpayer, versus where a local approach works better.
- A better mechanism for accountability: ICSs are obligated by law to "foster and deploy research and innovations". We will work with the NHS to define what this means in practice and how to better hold them to account for delivery, whilst allowing for greater flexibility where appropriate.
- An approach to identify unnecessary bureaucracy and reduce it: so NHS Trust Drugs and Therapeutic Committees do not unnecessarily re-evaluate products that have already been shown to be clinically and cost effective by NICE.
- Reform to the incentives structure to drive innovation, and give the NHS the freedom to embrace new partnerships, new ways of working, new treatments and prevention.

- Working with the CQC to ensure regulation involves speedy adoption of new technology: so that regulatory assessments of healthcare providers involve adoption of new technology to deliver improved care.
- Better horizon scanning: for emerging treatments, like new, revolutionary drugs for dementia, so that we can prioritise and prepare the NHS to implement at speed. As part of this, we will ensure ICSs get the advice and support they need as to how to adopt new NICE approved medicines, including through sharing of best practice across the system, with a view to eliminating variation which can give rise to health inequalities.

Labour also recognises that as a universal, single-payer system serving a diverse population, the NHS has the potential to lead the world in clinical trials to develop new life saving treatments and technologies.

Our Health Mission also committed to making it easier to conduct life-saving research in the NHS. Our ambitions are aligned to the recommendations in the O'Shaughnessy review, with the aim of implementing a more transparent and less variable process so that our clinical trials environment is:

- More competitive: Unnecessary bureaucracy means it takes too long for trials to be set up in the UK, versus other countries. We can reduce the time setup takes with a standardised process, making sure we fully implement a national approach to costing for industry clinical trials as set out in the National Contract Value Review.
- More efficient: Minimising the number of contracts and bespoke agreements that need to be signed to deliver a clinical trial will reduce the administrative burden for everyone, including the NHS.
- More accessible: If we can get this right, it will also help make clinical trials possible in more community settings and GP practices.

We know that ensuring patient participation in clinical trials is key to success. That's why we will give everyone the opportunity to participate in research if they want to, easily though the NHS app and when they sign up to a GP, so we can speed up recruitment and give patients access to treatments faster.

But right now, only half of industry trials are currently meeting their recruitment targets. Clinical trials registries are an opportunity to change this, which is why Labour will bring those that exist together to create standing national registries, making sure signing up is easy and working towards more data-enabled recruitment (including through the NHS app) to:

- Speed up recruitment: by making sure that patients who are interested in participating in research can be reached quickly and easily.
- Give more people the chance to participate: wherever they live in Britain, rather than having research opportunities concentrated on where the big centres are, by identifying patients who would benefit through NHS data and working with devolved nations so patients can access clinical trials regardless of which NHS they reside in.
- Improve the diversity of people who participate: so we test treatments on populations that better reflect the people who need them.

IP/trade

UK life sciences exports have suffered under the Conservatives, with the UK now only the eighth largest exporter in Europe, behind smaller economies like Switzerland, Ireland, the Netherlands and Belgium.

A Labour government will view trade policy differently by operating through a genuine trade strategy, with a deeper, more substantive, and more focused approach which is consistent across all of Government. We will publish our strategy setting out clear priorities for vital growth sectors like life sciences as well as, crucially, linking up intrinsically with our industrial strategy. We will ask businesses to help shape that strategy so that they can confidently operate alongside it.

If we are to offer the clarity and cooperation needed to properly linking our industrial and trade policies together we must draw on a far wider range of expertise. Therefore, Labour will give the Board of Trade a proper purpose as an independent advisory agency, accountable to the Secretary of State, advising on the impacts of regulation on trade and horizon scanning for opportunities. Additionally, because trade is integral to every region and nation in the UK, it will have an explicit duty to report against how each region and nation is performing to boost opportunities for the whole of the UK.

We will also back our businesses' intellectual property. The protection of intellectual property is a key part of the institutional framework needed to foster the innovation and investment for which the UK's life sciences sector is so valued. The sector has filed over 2,000 UK patent applications over the past decade, and invested £4.8 billion in R&D in 2019, more than any other sector. Protecting IP means protecting the returns to investment and innovation, through growing UK exports and UK companies.

The UK's intellectual property framework has long been a strength, and Labour is committed to ensuring it remains so, as well as being ambitious for worldwide IP protection, particularly in countries the UK has significant trade relationships with. Thus Labour will strive to ensure reciprocal levels of IP protection in countries with which the UK trades while maintaining our continued support of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

In addition, Labour will look to use bilateral and multilateral negotiations as an opportunity to remove redundant or duplicative requirements UK medicines face when accessing markets overseas, and maximise opportunities presented by our high regulatory standards to minimise regulatory trade barriers.

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