

News story

Chancellor reveals life sciences growth package to fire up economy

A £650 million war-chest to fire up the UK's life sciences sector and drive forward the government's priority to grow the economy has been unveiled by the Chancellor of the Exchequer Jeremy Hunt today 25 May 2023.

From:

[HM Treasury \(/government/organisations/hm-treasury\)](/government/organisations/hm-treasury), [Department for Science, Innovation and Technology \(/government/organisations/department-for-science-innovation-and-technology\)](/government/organisations/department-for-science-innovation-and-technology), [Department of Health and Social Care \(/government/organisations/department-of-health-and-social-care\)](/government/organisations/department-of-health-and-social-care), and [Office for Life Sciences \(/government/organisations/office-for-life-sciences\)](/government/organisations/office-for-life-sciences)

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- Ambitious life sciences package to support economic growth with new commitments and funding for manufacturing, skills and infrastructure
- Announcements help to cut NHS waiting times with changes to improve commercial clinical trials to bring new medicines to patients faster
- Significant investment follows an already improved IMF growth outlook for the UK

The multi-faceted 'Life Sci for Growth' package brings together 10 different policies including £121 million to improve commercial clinical trials to bring new medicines to patients faster, up to £48 million of new money for scientific innovation to prepare for any future health emergencies, £154 million to increase the capacity of the UK's biological data bank further aiding scientific discoveries that help human health, and up to £250 million to incentivise pension schemes to invest in our most promising science and tech firms.

The Chancellor's £650 million package also includes plans to relaunch the Academic Health Science Network as Health Innovation Networks to boost innovation by bringing together the NHS, local communities, charities, academia and industry to share best practice. It also lays out changes to planning rules to free-up lab space and updates a route for East West Rail (EWR), the new railway line, to improve connections between UK science powerhouses Oxford and Cambridge, bringing more investment to the region.

Life Sciences is one of the UK's most successful sectors, worth over £94 billion to the UK economy in 2021, a 9% increase on the year before. As a key industry driving UK growth the Chancellor has identified it as a focus for government,

ensuring regulation aids innovation, government funding is targeted at vital projects and investment is diverse. This also helps to deliver the Science and Technology framework through reforming regulation, boosting investment and driving up talent and skills.

Chancellor Jeremy Hunt said:

- “ Our Life Sciences sector employs over 280,000 people, makes £94 billion for the UK each year and produced the world’s first covid vaccine.
- “ These are businesses that are growing our economy while having much wider benefits for our health – and this multi-million pound investment will help them go even further.”

The package was first revealed to the UK’s Life Science Council this morning by the Chancellor at a meeting at No10 Downing Street, where it was welcomed by the CEOs of global life sciences companies and industry representatives.

The package follows the Treasury’s Life Sciences Connect conference which the Chancellor hosted on 29 March where he heard first-hand from senior industry representatives about the opportunities and challenges they are facing.

Policy Announcements

The announcements improve the regulatory environment for Life Sciences companies and our approach to UK commercial clinical trials. As part of this, the Chancellor has committed to make it easier for revolutionary healthcare products to get to NHS patients by cutting the regulatory burden of approving clinical trials, and committed £121 million, made up of new and existing funding, to speed up clinical trials and improve access to real-time data via new Clinical Trial Acceleration Networks. This comes in response to publications of the Lord O’Shaughnessy review on commercial clinical trials and Dame Angela McLean’s review on the life science regulatory system.

‘Life Sci For Growth’ commits to invest £154 million from UK Research and Innovation to upgrade the UK Biobank capabilities, the biomedical database containing the in-depth genetic information of half a million UK citizens, something greatly valued by the global scientific community helping drive forward new medical treatments in the sector. The money will go towards a new facility at Manchester Science Park, a new Hub to help SMEs collaborate with industry and academia and better IT to accommodate multi-disciplinary data.

A call for proposals has been released on the government’s Long-Term Investment for Technology and Science (LIFTS) initiative, which will offer £250 million of government support to spur the creation of new vehicles for pension schemes to invest in the UK’s high-growth science and technology businesses, benefitting the retirement incomes of UK pension savers and driving the growth of critical sectors like Life Sciences.

Science and Technology Secretary Chloe Smith said:

“ Backing our life sciences sector is a double win for the UK. The package we are announcing today won’t just help this £94 billion industry drive more economic growth and create more high skill jobs. It will support advances in public health which will mean we can all have happier, healthier, more productive lives, delivering a virtuous circle of benefits to society and the economy.

“ From our pioneering medics trialling new therapies, to our medicine and vaccine manufacturers, and the world-leading population health studies underway at UK Biobank, we have a life sciences industry the rest of the world is rightly envious of. Today we are delivering on the plan we set out in our Science and Technology Framework by going even further in our efforts to back this burgeoning sector, ensuring that it can stay right at the front of the global race for new investment and talent.”

The government has also signalled its ongoing commitment to the transformational new East West Rail line between Oxford and Cambridge. This region is a globally renowned hub of science, research and innovation, and the railway will support job creation and growth at towns and cities along the route. Today it announced its preferred route alignment for the third section of the railway between Bedford and Cambridge, including a direct link to the Cambridge Biomedical Campus, marking a significant step towards delivering the scheme.

Transport Secretary Mark Harper said:

“ The cities of Oxford and Cambridge are renowned across the globe for their academic excellence - East West Rail will be vital in allowing them to thrive for generations to come and help to grow the economy.

“ With the potential to unlock £103 billion of growth through new homes, businesses and job opportunities, this crucial line will also serve as a catalyst for development in one of Europe’s most vibrant local economies while making travel quicker, cheaper and easier across the region.”

The manufacturing arm of the UK’s life sciences sector is also set for a funding boost thanks to three new pots to bolster the country’s health resilience. A Biomanufacturing Fund worth up to £38 million in new funding has been announced to incentivise investment and improve the UK’s resilience to any future pandemics, via a competitive process to distribute grants. This comes on top of a further £6.5 million made up of new funding and funding from Innovate UK, to ensure that the Life Sciences sector continues to have the right people it needs to deliver its high skilled work. £10 million new cash has also been announced to fund projects to drive innovation in cutting edge medicine manufacturing that can bolster the UK’s health resilience, such as those which use nucleic acid technology and intracellular drug delivery to help improve vaccines, as part of Innovate UK’s ‘Transforming Medicines Manufacturing Programme’.

Today the government announced that Sterling Pharma Solutions are the latest recipient of funding through the Life Sciences Innovative Manufacturing Fund. This announcement follows the first tranche of four grants from the Life Sciences

Innovative Manufacturing Fund in March 2023 and the Medicines and Diagnostics Manufacturing Transformation Fund (MDMTF).

Health and Social Care Secretary Steve Barclay said:

- “ This investment is another significant step in harnessing UK innovation to help cut waiting lists - one of the government’s five priorities - and build a stronger NHS.
- “ We will take forward Lord O’Shaughnessy’s recommendations to speed up the delivery of clinical trials and boost patient involvement in research, so people getting NHS care can benefit from cutting-edge treatments faster, supported by £121 million in government funding.
- “ We’re also accelerating research into mental health, backed by over £42 million of investment in clinical research centres across the UK – including in Birmingham and Liverpool - to improve the speed and accuracy of diagnosis and increase the use of technology for treatment.”

Jeremy Hunt also committed to increasing lab space today through pledging to reform planning rules to help scientists. Proposals including local authorities taking greater account of R&D needs in their planning decisions.

In addition, £42.7 million for the Mental Health Mission will go towards delivering treatments to patients, setting up a new centre in Liverpool to understand how mental, physical and social conditions interlink, and a site in Birmingham to support research and novel treatments for early intervention in psychosis, depression and children. £10 million for the Addiction Mission will go to support UK organisations and researchers to create novel pharmaceuticals, MedTech, and digital tools to improve treatment and aid recovery for people with opioid and cocaine addictions.

The Chancellor has hosted four similar events to the Treasury’s Life Sciences Connect conference throughout 2023, each one focused on his key growth industries; digital tech, green industries, creative industries and advanced manufacturing.

Stakeholder quotes

Steve Bates OBE, CEO of Bioindustry Association, said:

- “ Today’s package of support for the UK life sciences sector will help address fundamental challenges large and small companies in our industry face as they look to invest and grow in the UK.
- “ We welcome today’s initiatives, including those that will improve access to finance for start-ups and scale-ups, and to create a pro-innovation regulatory environment. These positive steps will put us on the front-foot in the global race to develop and manufacture the next generation of medicines and technologies, underpinning our economic growth and better health for years to come.”

Richard Torbett, Chief Executive, Association of the British Pharmaceutical Industry (ABPI), said:

- “ Today’s announcements show that the government recognises the huge opportunity waiting to be grasped if the UK can unlock the economic potential of its life science industry – already worth £94.2 billion in 2021. These measures demonstrate the government has listened to industry and will help put the UK on track to meeting its life science vision.
- “ Lord O’Shaughnessy is right that making the UK an attractive destination for industry clinical trials requires regulatory reform, speedier study set-up and approvals, and improved access to data. Implementing his proposals, alongside these other announcements, can be a springboard to delivering on the UK’s ambition to be a science superpower, and we now must press forward with delivery at pace.
- “ However, improving research is only one part of the equation. To get innovative medicines to patients and fully capture the growth opportunity, we must also fix the commercial environment, and for that, we also look forward to agreeing with Government to a new and improved Voluntary Scheme as soon as possible.”

Association of British HealthTech Industries (ABHI) CEO, Peter Ellingworth said:

- “ Today’s range of announcements and their emphasis on HealthTech are very welcome. I am pleased to see that the contribution of our industry has been acknowledged in each of them.
- “ Critical for the continued supply of technology to NHS patients and the competitiveness of our country, will be the approach taken to the regulation of medical devices and diagnostics. This was recognised last year by the Life Sciences Council and led to the creation of an Advisory Group. Today builds on that group’s aligned proposals published in March, and the Chancellor’s ambition for the recognition of approvals from other, trusted jurisdictions.
- “ Collectively, this package represents significant progress to create a system that values innovation and affords our citizens safe, timely access to life saving and enhancing technology.
- “ We look forward to continuing to support the work of the LSC Advisory Group, and helping to deliver the recommendations of the Pro-Innovation Regulation of Technologies Review, through initiatives such as secondments to a Regulator with an enhanced and welcome focus on HealthTech.”

Further information

- MHRA is today confirming they will launch a consultation into international recognition of medical devices by October. The regulatory review has highlighted the need for strong leadership of reform of the health technology regulatory

regime, and as a result, Dr Laura Squire will now be focusing on this important area and will move across to head up health technology regulation reporting directly into the MHRA CEO. MHRA is also bringing in the expertise of Dr Camilla Fleetcroft, one of the Review Champions, to lead a gap analysis to ensure the programme of regulatory reform is effective in turning the Review's recommendations into action. Further to this, MHRA will also be consulting on guidelines that support their ambition to maintain patient safety, alongside enabling and encouraging innovation and risk-proportionate regulation. And finally, the MHRA is today announcing, that on 1 June 2023, they will be launching a pilot 'biobank' - a brand-new genetic research resource, in a joint venture with Genomics England to better understand how a patient's genetic makeup can impact the safety of their medicines.

- We are also announcing Chairs of three of our ambitious Healthcare Missions – these are world-leading experts who will drive progress and innovation in responding to some of the biggest healthcare issues of our times. Kathryn Abel and Hussein Manji will co-Chair the Mental Health Mission. Anne Lingford-Hughes will Chair the Addiction Mission, and Peter Johnson will Chair the Cancer Mission.
- We are also announcing publication of a life sciences flexible apprenticeship manual to support companies to take on apprentices within this sector.
- The 'end-to-end MedTech pathway' launched today will be run by the Medicines and Healthcare products Regulatory Agency and the National Institute for Health and Care Excellence, helping boost productivity and reduce waiting lists.
- The government will consult on adding requirements to the National Planning Policy Framework to say that decision makers should pay particular regard to R&D needs, including the need for additional laboratory space, and proactively engage with potential applicants.
- We are also updating the Planning Practice Guidance (PPG) to help local authorities take fuller account of the commercial land needs of businesses and better plan for inward and high value investment. We will work with stakeholders to further understand the changes needed.
- The government is making investment into the relevant sites more attractive by working with local planning authorities to encourage proactive planning tools, such as Local Development Orders and Development Corporations, to bring forward development.

Related documents

- [Pro-innovation Regulation of Technologies Review: Life Sciences and the government response \(https://www.gov.uk/government/publications/pro-innovation-regulation-of-technologies-review-life-sciences\)](https://www.gov.uk/government/publications/pro-innovation-regulation-of-technologies-review-life-sciences)
- [Lord James O'Shaughnessy's independent review into commercial clinical trials in the UK and the government response \(https://www.gov.uk/government/publications/commercial-clinical-trials-in-the-uk-the-lord-oshaughnessy-review\)](https://www.gov.uk/government/publications/commercial-clinical-trials-in-the-uk-the-lord-oshaughnessy-review)

- [Biomanufacturing Fund](https://www.gov.uk/government/publications/biomanufacturing-fund)
(<https://www.gov.uk/government/publications/biomanufacturing-fund>)
- [Long-term Investment for Technology and Science \(LIFTS\) - call for proposals](https://www.british-business-bank.co.uk/ourpartners/long-term-investment-technology-science/)
(<https://www.british-business-bank.co.uk/ourpartners/long-term-investment-technology-science/>)
- [Long-Term Investment for Technology and Science \(LIFTS\) - call for proposals press notice](https://www.british-business-bank.co.uk/press-release/british-business-bank-seeks-proposals-to-deliver-the-long-term-investment-for-technology-and-science-lifts-initiative/)
(<https://www.british-business-bank.co.uk/press-release/british-business-bank-seeks-proposals-to-deliver-the-long-term-investment-for-technology-and-science-lifts-initiative/>)
- [i4i Addiction Mission: Innovation for Treatment and Recovery Awards \(AMI\)](https://www.nihr.ac.uk/funding/i4i-addiction-mission-innovation-for-treatment-and-recovery-awards-ami/33227)
(<https://www.nihr.ac.uk/funding/i4i-addiction-mission-innovation-for-treatment-and-recovery-awards-ami/33227>)
- Flexible Apprenticeships in the Life Sciences Sector manual – available via [ABPI](https://www.abpi.org.uk/publications/flexible-apprenticeships-manual/)
(<https://www.abpi.org.uk/publications/flexible-apprenticeships-manual/>), [BIA](https://www.bioindustry.org/resource-listing/flexible-apprenticeships-manual.html)
(<https://www.bioindustry.org/resource-listing/flexible-apprenticeships-manual.html>) and [ABHI](https://www.abhi.org.uk/resource-hub/file/14529)
(<https://www.abhi.org.uk/resource-hub/file/14529>)
- [East West Rail - route update](https://eastwestrail.co.uk/routeupdate)
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