

Gateway Reference Number: 15384
5th January 2011

To: NHS CEs,
Copy: SHA Medical Directors, SHA Innovation Leads

*Skipton House
80 London Road
London SE1 6LH*

Dear Colleague,

Healthcare and Life Sciences Growth Review: Life Sciences Questionnaire

On 29th November, the Chancellor of the Exchequer and the Secretary of State for Business, Innovation and Skills published *The path to strong, sustainable and balanced growth*¹ – a paper which launched the government's Growth Review programme

I would like to invite your views on the Healthcare and Life Sciences area of this programme. This involves a fundamental review of what each part of Government is doing to support and foster growth in this sector.

Some additional background information is set out below, along with the questions on which we are seeking views. We are keen to ensure that NHS viewpoint is well represented in this process, and look forward to receiving your responses. Please comment on as many or as few questions as you wish.

The path to strong, sustainable and balanced growth

The path to strong, sustainable and balanced growth sets out a range of actions the government will be taking to support growth and prosperity for businesses in the UK. The Growth Review has a broad remit, aiming to both remove barriers to growth (where possible) and foster the appropriate conditions for growth, investment and prosperity.

In addition to the more general and wide-ranging activities, the growth review will also include focused action looking at certain key sectors. Healthcare and Life Sciences has been identified as one of the first sectors for consideration, ahead of Budget 2011.

The **Healthcare and Life Sciences Review's** aims are to:

1. Work with stakeholders to review existing initiatives for their impact and potential to encourage growth, including inward investment, in the UK-located life sciences industries, and, where appropriate to revise these initiatives accordingly.
2. Work with stakeholders to develop further evidence-based proposals that would promote significant growth in this sector.

¹ http://www.hm-treasury.gov.uk/d/growth_291110.pdf

Your contribution

Please submit responses to questions in the attached document, with any supporting evidence, by **14 January 2011**. These should be sent to this email address:

healthcareandlifesciencesgrowthreview@dh.gsi.gov.uk

All contributions will feed into the work to prepare the action plans which will set out what the Government will do to support growth in health care and the life sciences. Action plans for this, and the other initial sector reviews [listed after the healthcare and life sciences questions] will be developed by the delivery of the Budget on March 23rd 2011.

With many thanks for your consideration.

Yours sincerely

Giles Denham
Medicines, Pharmacy and Industry Group

Healthcare and Life Sciences Growth Review: Questions for life sciences stakeholder consideration

Overarching questions

The Government has taken substantial action to create a supportive business environment for life sciences, where the industry can contribute to economic growth and the delivery of high-quality healthcare, as well as ongoing work such as the NHS programme of reform. Nevertheless, the Government is keen to identify areas where more could be done to create the conditions in which UK life science businesses can thrive. We therefore want to identify:

- What are the new or ongoing barriers, such as structural or systemic problems, which are constraining UK growth for the life science industries? What is the evidence to demonstrate that these are issues?
- How can these issues be addressed? What action could Government – or other stakeholders - take to address these issues? What is the evidence that this action would be effective?

Workstream-specific questions

1. Skills

- When the newly formed Cogent run Life Sciences Skills Council is providing clear demand signals from employers, what are the likely barriers stopping universities from responding to demand signals?
- If higher level apprenticeships are taken forward, how can they be adapted to fit with the careers available in the life sciences sector?
- Biology is a rapidly advancing science that demands ever more complex practical training; how can universities continue to teach commercially relevant practical laboratory skills?

2. Research and its translation to commercial products and services

Research

- How competitive is the UK relative to other nations as a location to carry out world-class research? What factors determine the UK's position as a destination for leading researchers and business investment in R&D?

Factors might include:

- The investment patterns in other countries?
- The impact of restrictions on visas?
- The impact of policies on animal testing?

What is the evidence that these factors are a barrier to economic growth?

- Are there currently any barriers to charities and philanthropists supporting research? If so, what is the evidence for these barriers?
- Are there currently any barriers to effective university/business/NHS interaction in the UK compared to the effectiveness of interactions in competitor countries? If so, what is the evidence for these barriers?

Life Sciences

There is an increasing trend towards externally commissioned R&D, through for example CROs and CMO's, more collaborations and an interest in open innovation. As such:

- are any common barriers to establishing these relationships with partners (industry and Universities) in the UK?
- Do you know about and use any of the model Industry Collaboration agreements or do you use your own agreements?
- Are there any other issues that hold you back from collaborations and or open-innovation?
- The UK has a number of successful geographically-based life sciences clusters. We are keen to understand how relevant cluster are to your business, innovation and research activity.
- How important, and why, are locally-based activities compared with those run at the national level? This could be for example be local compared with national networks.
- Are there any barriers to local networking and operations of life sciences clusters in your view? If so, what are they and why do you think they exist?
- Are there things the Government or business itself should be doing to support life sciences clusters?

We are interested in areas of the life science where emerging technologies have the potential to deliver mid to long-term growth.

- What other emerging technologies do you see as delivering mid to long-term growth and why? Can you identify any barriers holding this area back, for example lack of standards?
- Are there any disruptive technologies that you see as relevant to the life sciences?

3. Clinical research

Through the National Institute for Health Research, the NHS is preparing to adopt standard processes that will simplify and harmonise local research management:

- How can industry and universities use these changes to reduce the failure rate in clinical trials at the same time as starting them more quickly and cheaply?

4. NHS environment for life sciences

- What opportunities will the NHS reforms provide to support growth for the life sciences market?
- What unforeseen barriers might arise that could impact on growth and how might these be addressed?
- How can the life sciences industries work with the NHS to support growth?
- The Department of Health is consulting on a revolution in health care information;

[\[http://www.dh.gov.uk/en/Consultations/Liveconsultations/DH_120080\]](http://www.dh.gov.uk/en/Consultations/Liveconsultations/DH_120080)

what priorities would the life sciences industries wish to see reflected in the forthcoming health information strategy?

5. Trade and Investment

Trade:

- What are the principal barriers that life sciences companies face in exporting goods/services where Government action could make a positive difference? What would help overcome these difficulties?
- How best can Government help reduce the cost and time to market for the UK's life sciences companies in overseas markets and, in particular, in key emerging markets?
- What do you see as the major international opportunities for growth? How can Government help the UK life sciences sector to seize these opportunities?

Investment:

- In order of priority, what are the top three issues for Government to address that could encourage your company to invest further in UK life sciences?

- What do you see as the main challenges to growing life sciences business in the UK?
- Which life sciences sub-sectors (R&D, clinical trials, manufacturing) offer the best opportunities for growth in the UK?

6. Financing and investment

- Stakeholders with an interest in this area are encouraged to respond to the Corporate Tax consultation on the taxation of innovation and intellectual property, which seeks stakeholder views on the introduction of a Patent Box, and on R&D tax credits.
- In addition to these measures, are there other actions which Government could take to support growth in life sciences? If so, what is the evidence for this action?

Questions for stakeholder consideration – Other Growth Reviews

In addition to contributing to the Healthcare and Life Sciences Growth Review, you may wish to contribute to other Growth Reviews. The Project Teams for the below Reviews would like to hear from healthcare and life sciences stakeholders on issues which are general to business, rather than specific to life sciences; if you would like to contribute life sciences-specific comments, these should be sent to the Healthcare and Life Sciences Project Team.

1. Advanced Manufacturing

The recently published Growth Review Framework for Advanced Manufacturing sets out the action Government is taking to provide the right business environment, the key competitive strengths on which we can build, and examines the major future long-term growth opportunities and challenges.

The Review team would like to hear from interested stakeholders on whether:

- The ambitions are the right ones for manufacturing?
- The top priorities are right, or whether there are more pressing issues where Government should set the goals?

Further information, including how to respond to this Review, can be found at: <http://www.bis.gov.uk/assets/biscore/business-sectors/docs/g/10-1297-growth-review-framework-for-advanced-manufacturing.pdf>.

The deadline for responses is 11 February.

2. Planning

We are examining planning policy to consider any barriers to growth, and what could be done to remove them:

- What has your company's experience of the planning system been in the last few years?
- To what extent is planning policy a constraint upon your business development, relative to other factors and Government policies?
- Thinking about future planning applications, what level of confidence do you have that you know (a) what kind of development is likely to be favoured and (b) the agencies appropriate to speak to?
- Was it clear at the outset what information would be necessary to provide in the planning application?
- (If appropriate) If you have made planning applications recently and were asked for infrastructure or other associated contributions, how was the process handled?

3. Competition

- Is it easy to identify contracting opportunities in the public sector? If not, how could we make it easier?
- What factors do you weigh when deciding whether to bid for public sector contracts?
- What would make it easier to bid for public sector contracts?
- Can you give us specific examples of differences between public and private sector approaches to procurement?

4. Regulation

The Better Regulation Executive is reviewing those issues already raised by business in the past few years. They would welcome specific examples of regulatory issues, that are barriers to growth, relating to:

- Environment and climate change
- Employment law
- Tax
- Planning
- Corporate Governance
- Health & Safety

and potential solutions to those.