MINISTERIAL (Bio-Pharmaceutical) INDUSTRY STRATEGY GROUP
9th July 2014, 9.30am – 11:30am
Board Room, Richmond House, Whitehall

Attendance:

Government

Rt Hon Jeremy Hunt MP	Secretary of State, Department of Health
Rt Hon Dr Vince Cable MP	Secretary of State for Business Innovation and Skills
Rt Hon Lord Howe	Parliamentary Under Secretary of State for Quality - Lords, Department of Health
Rt Hon David Willetts MP	Minister of State for Universities and Science, BIS

Industry

Steve Bates	CEO of BioIndustry Association (BIA)
Jonathan Emms	President of ABPI (Managing Director UK, Pfizer)
Haruo Naito	President, Eisai Co Ltd
Pascal Soriot	CEO, AstraZeneca
Ulf Wiinberg	CEO of H Lundbeck A/S
Stephen Whitehead	Chief Executive, ABPI
John Young	President and General Manager, Primary Care Business Unit, Pfizer Ltd

Industry Guests

Ian McCubbin	Senior Vice President, North America, Japan & Global Pharma Supply, GSK
Dr Stephen Taylor	Senior Vice President, Fujifilm Diosynth Biotechnologies – (BIA Rep)

Officials

Kevin Baughan	Director of Technology and Innovation, Technology Strategy Board (TSB)
Professor Sir John Bell	Chair of OSCHR/Life Sciences Champion
Martha Bostock	Policy Adviser, Health Team, Public Services Group, HM Treasury
Will Cavendish	Director General for Innovation, Growth & Technology, Department of Health
Sir John Chisholm	Chair, Genomics England
Sir Gordon Duff	Chair, MHRA
Sir Malcolm Grant	Chair, NHS England
Dr Ian Hudson	Chief Executive, MHRA
Sir Bruce Keogh	National Medical Director, NHS England
Professor Carole Longson	Executive Director, Centre for Health Technology Evaluation, NICE
Dr Nicole Mather	Director for Office for Life Sciences
Jonathan Mogford	Director of Policy MHRA
Dr Keith Ridge	Chief Pharmaceutical Officer, NHS England
Professor Sir John Savill	CEO, Medical Research Council
Nick Seddon	Prime Minister's Office, No. 10

Dr Mark Treherne	Chief Executive, UKTI
Dr Louise Wood	Acting Director, Head of NHS Research Infrastructure and Growth, Department of Health
Liz Woodeson	Director, Medicines, Pharmacy & Industry Group, Department of Health

Secretariat

Sue Middleton	Executive Director BPG
Jane Belfourd	Office for Life Sciences
David Kullman	Office for Life Sciences

Apologies

Chris Brinsmead	Life Sciences Champion
Professor Dame Sally Davies	CMO/Director General of Research and Development, Department of Health
Lord Deighton	Commercial Secretary, HM Treasury
Sir Andrew Dillon	Chief Executive, NICE
Iain Gray	Chief Executive, TSB
Fahd Malik	Growth and Efficiency Delivery Advisor to Secretary of State, Department of Health
Flemming Ornskov	CEO, Shire
Dr Mene N Pangalos,	EVP, Innovative Medicines & Early Development, AstraZeneca
Simon Stevens	Chief Executive, NHS England
Patrick Vallance	President, Pharmaceuticals R&D, GSK

1. Welcome

1.1. Pascal Soriot opened the meeting by welcoming those attending, in particular Vince Cable for the first time.

1.2. Vince Cable welcomed the opportunity to engage with the sector. His priority is industrial strategy, which is about collaborative working between government and the industry, and taking a long-term perspective. Across the 13 industrial strategy sectors the government is interested in aligning training, innovation and procurement. He was keen to learn about how this industry approach conversations and work with government, including for example their approach to applying research.

2. Minutes of previous meeting

2.1. The minutes of the previous meeting were agreed and all actions have been covered.

3. PPRS Implementation and Medicines Optimisation

3.1. Jeremy Hunt said that he hoped very much to be able to make the PPRS mechanism work at a local level in the NHS to allow all commissioners to take advantage of the effective cap in the medicines budget and he thanked industry and the NHS for the efforts put in to try to make this work. He felt that there was value in stopping the local duplication of assessment decisions made by NICE. Making the system work well he saw to be a big win-win for industry, the NHS, for patients. He was disappointed at not being able to resolve the issue, but saw real transformative potential in a capped budget at CCG level. The bottom line was that NHS finances had a deficit and he cannot breach in-year spending limits as HMT had raised objections. He was under the impression that industry did not have a united position about what they wanted and he was unable to make the case within government although he would like this to happen if he could.

3.2. Pascal Soriot agreed the hurdle was in-year financing.

3.3. Stephen Whitehead said that what had actually been formally agreed in the PPRS was being delivered. ABPI had collaborated with NHSE to produce the paper summarising the joint work. Payments from industry are technically one year in arrears but there was some appetite in industry to see if there could be flexibility in the payment schedule, whilst not breaching the PPRS agreement. He said that Industry would like to maintain the political conversation as we have 5 years to do it.

3.4. John Young said industry supported patient access to innovative medicines in UK and it was important to put in place measures to support uptake.

3.5. Jonathan Emms said there was unity on the principle of improving access but differences of view on how to fill £160m funding gap.

3.6. Earl Howe highlighted the importance of the Medicines Optimisation work which Keith Ridge had been championing to create buy in at clinical level in the NHS to make the PPRS work.

3.7. Liz Woodeson said that ABPI/DH/NHSE had held discussions but the issues were complex. PPRS does not cover total spend on branded drugs and 20% of spend is outside the scheme. It was a challenge for clinicians to know which drugs were covered.

3.8. Malcolm Grant reiterated NHSE's commitment to making the PPRS work but did not want to reopen the PPRS as this would be destabilising. The Medicines Optimisation approach is rational and offered transformation over time. There was also a need to consider what happens at the end of the PPRS.

3.9. Keith Ridge introduced the Medicines Optimisation paper, which summarised the joint work between NHSE and ABPI to accelerate uptake of clinically and cost-effective branded medicines which maximises the benefits of the PPRS including creating real clinical pull for patient access to these medicines.

3.10. He finished by saying the introduction of medicines optimisation was a very significant step towards improving patient outcomes from medicines, which also aligned the aims of both the NHS and industry.

3.11. Jeremy Hunt offered congratulations on the huge progress made. He was also keen to look at linking GP records with wider system e.g. social care and asked if industry could help with making GP summary care records available to pharmacists, so they could safely play their full part in medicines optimisation, including taking pressure off other parts of the health system. He proposed 2 actions by next MISG:

- Plan and timetable for pharmacist access to GP summary care records to be developed by the next meeting of MISG – and pharma industry to consider support maybe by contributing to costs.
- Final position if possible to have a cap on prices at CCG level and to see if can bridge £160m funding gap and address other HMT concerns.

3.12. Will Cavendish proposed taking forward action on - in year budgets and balancing; HMT concerns at end of scheme risks; evidence demand reduction in secondary care.

3.13. Carole Longson suggested tools for managed entry of innovative medicines to allow seamless introduction alongside financial flows needed was also important.

4. Manufacturing

4.1. Ian McCubbin, chair of MMIP, introduced the progress report on medicines manufacturing as outlined in the paper.

4.2. Mr Naito welcomed the work especially skills development. Pascal Soriot saw it as an opportunity for the UK to take an innovation based approach. Fiscal environment is also important. He saw Singapore as the competitor.

4.3. Vince Cable saw the ambition to speak as one voice as admirable. Some sectors were more fragmented than pharma and these have gelled and come together quickly and it was possible to achieve a great deal in a short period of time. Secondly, he commented that many institutions provide funding but need a clearer picture and work with industry to identify gaps. Thirdly, on proposals for catapults, TSB are majoring on HVM catapult. On proposals for the autumn statement, and this fits well. However, there is a long list of additional asks across the piece for Autumn Statement and no indication from HMT that there is additional funding.

4.4. Kevin Baughan explained that TSB was proactive at multiple levels in the subgroup with KTN to help navigate and how new ideas can link with existing plans. TSB was active in looking at how to engage research councils and through BMC tools in place to continue to work alongside team to come together for industry. TSB was encouraged by the report.

4.5. David Willetts welcomed putting in industry experts to resource MMIP, and saw it as an important step forward in sustainability. Reflecting on Ian's presentation he asked for a future discussion at MISG on how to exploit EU funding.

4.6. Mr Willetts noted that he had announced yesterday £32.6m for a new Science Industry Partnership (see paper MISG 14(06)). He asked which bid had priority as the Formulation Centre had been close last time. Ian McCubbin said that the Centre for Digital Design was the priority.

4.7. Mr Naito said that many British based companies were supporting tropical diseases e.g. malaria at low margin or no profit and this needed to be considered.

4.8. Steve Bates said BIA welcomed the work. Biotech manufacturing community was geographically diverse in UK. There was value in jobs being close to the regulated process. Much of value in know-how rather than patented process. He suggested perhaps different approach to capture value of patent box.

4.9. Pascal Soriot agreed that patent box required clarification and a broader definition would attract more value to the UK.

4.10. John Young thought that MMIP was an excellent template of industry-government working together, and was pleased to see that it was so action focused. Pfizer was strongly behind this work.

4.11. The chair noted that the recommendations in the paper were agreed and asked for a report back in November. He also asked Eisai to raise with MMIP group if they wanted to pursue a suggestion about linking with UK based exports to developing markets.

5. R&D Environment

5.1. Pascal Soriot saw this as an enormous opportunity for fundamental research and development. He invited John Bell to give an update on the work of the R&D Task and Finish Group. Pascal Soriot felt that paper was a good first step to frame the issues but there was lots more work to do to identify actions.

5.2. John Bell presented the paper from the group which had strong oversight from AZ and GSK. The Task and Finish Group had undertaken a range of stakeholder engagement across industry, academia and the NHS; from this engagement, three themes had emerged as areas where action could be taken to improve the UK R&D environment:

5.2.1. Harness technology and data (eg genomic data and phenotypic data) to transform health research and healthcare

5.2.2. Continue to invest in skills and research infrastructure

5.2.3. Research culture - new models incl differentiated approach for small and large companies.

5.3. OSCHR has also looked at the work, to take a high level view about where the UK could play and complete. Some things stand alone as action by government or industry, but this project rightly focuses on where there are high level areas where there should be joint work.

5.4. John Bell recognised the valuable assets in the research base from the MRC and NIHR, and argued that there was an increasingly viable tech cluster. However, there were a serious set of issues where there was yet to be sufficient levels of collaboration across academia, the NHS and industry. To do that we need new models, which engage all partners. The working group had confirmed that cultural issues are significant barriers, but it was recognised that overcoming them needs work and time.

5.5. John Bell felt that the working group had made a good start, but the next stage needed to have much more granularity and momentum.

5.6. Pascal Soriot opened the discussion by agreeing that we needed to identify the opportunity and set an ambitious goal.

5.7. Earl Howe agreed that the work had made a good start, and endorsed the ambition and direction, but said that we have to recognise ever moving scene and competitive global area. He supported the contention that culture was the most difficult area.

5.8. Malcolm Grant felt that there could be even more ambition, and wanted the work to become more ambitious and specific. In his view there should be more urgency so that the UK does not lose our global competitive position.

5.9. The critical area is data which has the potential to be transformational. His view is that there should be broad focus with biotech medical devices, big data, data mining. He offered to be involved with others and offer the intellectual leadership to draw together what we know and give more impetus to the work.

5.10. Ian McCubbin commented in Patrick Vallance's absence on behalf of GSK, and confirmed GSK would continue to be involved and would like to see urgency behind concrete actions.

5.11. Will Cavendish agreed with Malcolm Grant, and highlighted how his new directorate for growth in the Department for Health offered the opportunity to make a real difference in this type of area. He felt that this was a critical agenda that he also wanted to be personally involved in going forward.

5.12. Louise Wood commented that this is familiar ground, and suggested that challenge is the consistency of what is happening on the ground.

5.13. John Chisholm suggested it would be useful to use specific worked examples.

5.14. David Willetts suggested that whilst there has been incremental progress, the current opportunity for the sector to influence the infrastructure is through the current science capital budget consultation. He reminded the meeting that significant investments are made in genotype and phenotype data already, and strongly encouraged the industry members of MISG to advocate why they thought continued investment was important, and come forward as a co-investor to ensure that investment continued in the right areas.

5.15. Steve Bates highlighted the Biomedical Catalyst as a key driver for successful R&D and advocated its continuation. He noted that the Early Access to Medicines Scheme is significantly weakened by having no reimbursement.

5.16. John Saville agreed that there are great opportunities. He noted concerns with EU Data Protection Regulation amendments which might compromise progress.

5.17. Carole Longson argued that NICE is very passionate about having right infrastructure as helps demonstrate appropriate value. She agreed about the vital need to transform hearts and minds in all in NHS.

5.18. Ulf Wiinberg applauded the UK for the recent G8 summit on dementia. In particular he wanted to commend the UK in joined up thinking and commented that he was interested in how innovation can enter early into the market.

5.19. Pascal Soriot thanked the working group on behalf of MISG. He suggested that Patrick Vallance and Mene Pangalos work with John Bell, Will Cavendish and others to add further momentum to this work to get recommendations and big projects and come back to the next MISG meeting with an ambitious progress update.

6. AOB

6.1. Under any other business – the following papers were noted for information

- UKTI Communications MISG 14(06)
- UK Health Life Sciences Competitiveness Indicators MISG 14(07)
- Skills - Science Industry Partnership MISG 14(08)

6.2. The meeting closed.

NEXT MEETING Wednesday 26th November 2014