

Science, Innovation and Technology Committee

Oral evidence: Innovation showcase, HC 523

Tuesday 1 July 2025

Ordered by the House of Commons to be published on 1 July 2025.

[Watch the meeting](#)

Members present: Chi Onwurah (Chair); Emily Darlington; George Freeman; Kit Malthouse; Dr Lauren Sullivan; Adam Thompson; Martin Wrigley.

Questions 25 - 29

Witness

I: Neil Daly, CEO and Founder, Skin Analytics.

Examination of witness

Witness: Neil Daly.

Chair: Welcome to the Science, Innovation and Technology Committee innovation showcase. I am sorry we are a bit late. We had broadcasting issues, but we are pleased to be able to start now.

The innovation showcase reflects the fact that the Committee wants to understand how the UK supports innovators, and what more could be done. Each week before our main session, one of our Committee members selects an innovator to share their story. Today, Kit Malthouse is going to present his innovator.

Q25 **Kit Malthouse:** Thank you very much indeed, Chair. As you know, I am chair of the all-party group for life sciences. In that job I get quite a lot of people coming to see me, to show me what are very often in my view miraculous innovations and technologies that will have an enormous impact on our health. From time to time, there are some when I think, "Do you know what, can I have a go at that, please, because I think it might do me some good?" In that vein, Neil came to see me with his remarkable approach towards diagnostics on skin. It is probably best for him to explain it to you and wow you as much as he did me. Neil, over to you.

Neil Daly: Thank you very much. By the end of today about six British citizens will die from melanoma. It is one of the most aggressive forms of cancer, and it disproportionately affects younger people. It is not even the most common skin cancer. If you add up all the other cancers and put them together, that still amounts to fewer cancers than we deal with every year from skin cancer.

My name is Neil. I am the founder and chief executive of Skin Analytics. We are a company that uses artificial intelligence to build better patient pathways by diagnosing skin cancer earlier. Scaled across the UK, we could reduce the waiting lists over the next couple of years to zero, while finding more cancers in their earlier stages and saving the NHS about £35 million a year.

Thank you for having me here to share my views on how we are supporting innovations in the UK, and whether or not we are doing enough, with a particular focus on healthcare as a sector. Specifically, I think the answer is both yes and no. There are some things we do in the UK that are very good, and there are some things that we can improve on. Starting with the good, when you are building a healthcare innovation there are a couple of foundational elements that are absolutely critical to get right. The first is the technology itself. In artificial intelligence we have the benefit of some of the world's best researchers in the field. As importantly, we also have some of the emerging researchers who will be some of the best researchers in the field in the future. At Skin Analytics we have benefited from having access to both of those groups of people.



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The younger researchers tend to be the ones who come in and work with innovators like us on the ground. The direction is often provided by those leading researchers later in their career.

We have had support from the UK Government, in the sense that Innovate UK gave us a grant early in our development which allowed us to do the risky, high-chance-of-failure work with investors being subsidised by a Government grant. That was critical for us as a business to get started. Having the access to researchers is one of the things we do really well in the UK. It is absolutely critical for high or deep technology businesses like ours, especially in healthcare.

The other area is building up the clinical and health economic evidence that the technology works. In healthcare, being able to make the diagnostic decision accurately is the basic right to play in this field. If you cannot do that, you do not have a technology that is valuable. Beyond that, you need to prove that it provides health economic benefit to the system. Can we cut cost out of the system while getting better patient outcomes for the UK public? Both of those areas of research take significant amounts of time and capital. Here again, we got support from the UK Government in the sense that we were given grants from SBRI Healthcare and from the NHS itself to run a series of clinical studies and to run small-scale pilots to really test out that the technology can do what we said it could do.

We were able to prove that we had high diagnostic accuracy and that we could deliver healthcare and make a benefit. Specifically, an independent research report said that we were at least as good as dermatologists at identifying cancer and that for every £1 that was invested in a Skin Analytics deployment we could return £2 back into the healthcare system. We were able to prove with a great level of detail that the technology was able to do the basic things that we needed to do. Again, that is incredibly critical for technologies like ours to be able to start to scale, and that needs to stay as part of the fabric of the UK. Those are the things that we do very well.

However, there are some things related to that that we don't do so well. That is the translation of that foundational research into commercial growth for businesses. We know that in healthcare it takes a long time for an innovation to be adopted. You can see that with a range of different technologies, from ulcer treatments through to the use of statins. It takes a long time for new technologies to come in and be adopted. In the UK we need to find a way to short-circuit that. We are a little bit slower to do that than our peers in other countries.

To give you an example close to my heart, as a business we launched our first AI skin cancer pathway back in April 2020. Since then, we have seen 170,000 patients in the NHS. We have found 15,500 cancers, and we have proven out the benefits that I mentioned to you. Most recently we took part in a NICE early-value assessment, and we were recommended



for early use across the NHS. Despite that, there are about 3 million patients in that time that we did not see. Since having our first site live in April 2020, we have only been able to get it deployed across 20 other NHS trusts, with undoubted benefits to the patient and to the system.

From my perspective, when I try to think about how we resolve that as a country, what strikes me is that we are not very good at having a conversation based on risk. It is very clear that a transformative technology like artificial intelligence introduces risks. How will patients feel about these technologies? What happens when they miss a cancer? These are big questions. Who is liable when the AI misses a cancer? We need to find answers to those, absolutely.

We need to put the risk of not knowing the definitive answers to those questions against the risk that patients face each and every day. Again, using dermatology as an example, we know that at the end of last year there were 450,000 patients waiting to see a dermatologist. Using NHS data, my team and I were able to estimate that there were probably around 3,000 high-risk cancers sitting in that patient population. That is melanoma and SCC. That is 3,000 patients who are facing delayed diagnosis, which could have a significant impact on whether or not they survive the disease. When you reframe the question of whether or not we should adopt these technologies using that risk, which faces patients day in, day out, it becomes clear that the risk of doing nothing is not acceptable, but having conversations based on risk are very difficult to do. That is my key message to this Committee.

We need to make sure that we translate technology from research, which we are very good at and very comfortable with doing in the UK, into commercial organisations that are able to grow fast enough to be able to support investment and return to investors and hit the scale that they need to in our health service. We need to make sure that we do not miss the opportunity that artificial intelligence is bringing us.

We have necessarily had to create a healthcare system based on the principle of scarcity. There just aren't enough clinicians. We cannot train them fast enough. We cannot afford to train them for 15 years and just scale up the number of clinicians we have to see the patients. Demand is already outstripping supply, and it is going to get worse and worse. With artificial intelligence we have a transformative technology that allows us the potential to move from a healthcare system built around scarcity into healthcare built around abundance, where we have an infinitely scalable set of artificial intelligence solutions that are able to see anyone who needs to be assessed. To do that, we need to be better at determining what the risks are and having conversations founded in risk to the betterment of the UK population. Thank you very much.

Q26 Kit Malthouse: Could you explain how your technology works and what you actually do?



Neil Daly: Absolutely. We take an image of the skin. Using that image, we upload it into a medical device in the cloud, which is an artificial intelligence system that is able to autonomously diagnose the skin cancer just from that image.

Q27 **Kit Malthouse:** How long does it take?

Neil Daly: It takes a matter of seconds once you have captured the image.

Q28 **Kit Malthouse:** Compared to the wait to see a dermatologist, tests, biopsies and all that, your accuracy is?

Neil Daly: Our accuracy is that over 97% of cancers that we assess we find, which is comparable favourably to a dermatologist.

Q29 **Kit Malthouse:** So those 450,000 people on the waiting list could all be done in a matter of days.

Neil Daly: We have the technology to change the way that pathway works, yes.

Chair: Thank you very much for making those clarifications. Thank you, Neil Daly, for your innovation showcase. It has highlighted for me and the Committee the fantastic opportunities that AI and other new technologies present for patient wellbeing and health, and the blockages that there are in getting that diffused through the NHS. We need to see the NHS and the NHS 10-year plan addressing that. Thank you very much.