

Science, Innovation and Technology Committee

Oral evidence: Innovation showcase, HC 523

Tuesday 8 July 2025

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Science, Innovation and Technology Committee members present: Dame Chi Onwurah (Chair); Emily Darlington; Dr Allison Gardner; Kit Malthouse; Jon Pearce; Steve Race; Dr Lauren Sullivan; Adam Thompson; Martin Wrigley.

Health and Social Care Committee member present: Danny Beales.

Questions 30 - 32

Witness

I: Billy Webber, Chief Executive Officer, XR Therapeutics.

Examination of witness

Witness: Billy Webber.

Q30 Chair: Welcome to the Science, Innovation and Technology Committee's innovation showcase. The Committee wants to understand how the UK supports innovators and what more can be done. To inform our work, every week we select an innovator to share their story before our main evidence session. This week, I have chosen the innovator. It is to complement our main session, as well as championing great British innovation.

XR Therapeutics is not from Newcastle, although it is a Newcastle University spin-out. It is based all the way across the river in Gateshead. It provides evidence-based, immersive therapies for people with anxiety and phobia-related conditions. It works with the NHS. As the following session is specifically looking at digital transformation and innovation diffusion in the NHS, the Committee is particularly interested to hear their story this morning. Mental health conditions are an important part of our recently announced 10-year NHS plan.

We are joined today by the chief executive of XR Therapeutics, Billy Webber. Mr Webber, could you tell us about your innovation journey?

Billy Webber: Thank you very much for that warm welcome this morning and for that great introduction. I am Billy Webber, chief executive of XR Therapeutics. As Chi mentioned, we are based in Gateshead, my home town, but we are a spin-out from Newcastle University and the local NHS trust, Cumbria, Northumberland and Tyne and Wear. Research was done together over a 10-year period. We are in the mental health space. Why was the research done and what do we do? It was all about how mental health treatments could be more effective and more efficient. At the time it was looking at neurodiverse patients, specifically those with autism. Traditional methods of mental health treatment were not working for anxiety disorders and phobias.

We wanted to add something visual, and that was immersive technology. I need to make it clear that it is not headset-based. There is not a headset in sight. No matter how many times I say it, everybody thinks there is a headset. This is screen-based technology. The reason it is screen-based is, first, that it works really effectively and, secondly, that it is scalable and can be used out in the community.

How does it work in practice? It is clinically led. We are not looking to replace clinicians in any way, shape or form. The best way to describe it is to imagine that somebody has social anxiety. When they go for mental health interventions, they chat with the therapists and are asked, "How does it feel when you are in that situation? What emotions does it bring on?" What we have developed is technology that allows the therapist to put them in the situation, but with the therapist in control of the environment at all times.



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I am going to give you an example. I have just travelled on the tube. We have a tube scene that can work in lots of environments such as social anxiety, people anxious about returning to work or being in tight, confined spaces. The therapist can take them on to a tube with nobody on it. They can add more and more people, make it busier and louder, stop at stations and people get on and off. They take the patient to where they need to be. That is where the magic comes in. It is now proven, with real-world evidence working in six NHS trusts, that it is effective in just three sessions. In normal talking therapies, or CAMHS with young people, it tends to be eight to 12 sessions, so it is having a huge impact.

To bring that to real life, we had a patient who could not go to work because of their fear of outdoor spaces. They were a social worker. They are now back at work. We had children who were petrified to leave the house and go to school. They are now back at school. As I say, we are working in six NHS settings at the moment.

We can have a real impact on waiting lists and waiting times. That is a big thing. There is effective nursing efficiency. With the NHS we are a medical device and we are DTAC-compliant; we have been through all of those regulatory things. Our strategic approach to getting into the NHS has been by being flexible as to how we do it, because it is difficult.

I have to say that one of the big pluses for us was getting SBRI grant money, which was a huge help. It allowed us to set up sites in Sheffield and Manchester, and we are still working with them post that investment. That was really helpful. Another NHS trust that we approached had a vacancy for a clinical person. We said, "Instead of using that money for a clinical person, why not use it on our therapy instead?" They did, and adopted our technology. We have been very flexible in approaching it in a different way. We know that budgets are tight and that it is difficult for the NHS to find the money at the right times.

Having said that, there are lots of things that could be improved. Before I go on to that, I would like to mention some of the things that, from a Government point of view, have been huge for us as a company. For us to get started, we got nine angel investors. We would not have got them without SEIS and EIS. Without those tax breaks that would not have been possible. We have been lucky enough to be successful with a few Innovate UK bids. They have been really supportive of us and our technology. As I mentioned, the SBRI was huge for us to get into sites and get working on the ground.

What more could Government do to support companies like us in our space? The innovator passport that has just been mentioned is a great start. It is part of the NHS 10-year plan. A little plug for us is that we were featured in that 10-year plan, which was great to see. There is a great opportunity for companies to go, "Right, we are working in one trust, and we've got the innovator passport, so that could be used in another trust." However, that does not allow the purse strings to be



released. What we have continually seen is that, even though we know that we are really effective and really efficient, chief finance officers want to see a return on investment within 12 months. That is very difficult to do. Innovation tends to take a little bit longer than that. We come across that barrier on a regular basis.

Q31 **Chair:** Are you talking about NHS chief finance officers?

Billy Webber: NHS chief finance officers. We see huge enthusiasm from clinical teams, and they want it, but you can see in their face that they are thinking, "How on earth am I going to get this in? What is the procurement process?" As I say, we work in six NHS trusts. To give an example, one approached us 18 months ago with a budget and wanting to use us. We have just signed the contract. Thankfully, that particular chief clinical person was robust. If it had been me, I might have walked away at one point with it taking that length of time to get over the line.

I have seen green shoots in some trusts. There is one that is particularly good, where they have a separate innovation arm. They are very robust with their colleagues in the trust. They say, "We are going to raise some money"—whether it be through a grant or a charity—"but we are only going to do that if you can commit to business as usual funding, so that if this is what it says it is going to do, it actually happens."

I think that is a really good approach. You have the NHS core team and budgets over here going, "We are really stretched; where are we going to get the money from?" I think money should be pushed to an innovation arm that is allowed to trial technology but pay the SMEs, because we are all small companies and we need to be paid for what we do. That is the big thing that Government can do to support SMEs.

Q32 **Chair:** That is very interesting, Mr Webber. Which trust is it that has the innovation arm?

Billy Webber: Alder Hey.

Chair: We will take that example, and also the example of your innovation in the area of mental health support and how to reduce concerns about getting into situations and experiences that might cause anxiety. The immersive technology is a really good example of technology working to support mental health. Thank you very much for joining us today for our innovation showcase.