

## **Government – Department for Business, Energy and Industrial Strategy (BEIS) and Department for Health and Social Care – Supplementary written evidence (LSI0132)**

Thank you for inviting us to give evidence and present our views to your inquiry 'Life Sciences and the Industrial Strategy'. We offered to follow up with more information about the governance, implementation plans and progress on the Life Sciences Industrial Strategy and Sector Deal.

The Life Sciences Industrial Strategy is a sector-led document. George Freeman, then Life Sciences minister, commissioned Sir John Bell to write a new Life Sciences Industrial Strategy in 2016 with the help of a sector steering board following the EU Exit referendum. The Strategy is not a government document; it is a sector (which includes industry, charities and academia) document which makes recommendations to Government on ways to ensure the UK remains a top-tier global hub for clinical research and medical innovation.

Following the HMG Industrial Strategy green paper, published in January 2017, the development of the Life Sciences Industrial Strategy evolved to include the concept of delivery and implementation through a sector deal process. The Government has responded to and will continue to consider the recommendations in the sector-led Life Sciences Industrial Strategy through the agreed Sector Deal and future Sector Deal discussions with the sector. This Government supports the vision and aims of the Strategy, and we consider the proposals to be a framework from the sector for the negotiations with Government to form the content of future sector deals.

The Government's Green Paper, Building our Industrial Strategy, published in January 2017, marked a shift away from previous approaches to partnership working between sectors of the economy and the Government. We suggested that we would not 'pick winners' but instead suggested that sectors themselves should self-organise and come forward with compelling proposals for how, working with the Government, they could transform their productivity by agreeing Deals with Government. This idea was overwhelmingly supported in the subsequent consultation and backed up by the content of sector deal discussions that were carried out during this time, including with the Life Sciences sector.

In the Government's Industrial Strategy, informed by our discussions with the Life Sciences sector and others, we set out high-level questions to shape the development of future sector deal proposals: ensuring that proposals have identifiable leadership, that they represent the breadth of the sector concerned, that they reflect the strategic strengths and weaknesses the sector faces, that they have specific proposals that both have demonstrable impact and are deliverable, and that the proposals have a clear balance between asks of Government and offers from the sector – all of which are clearly evidenced in the Sector Deal we agreed with the Life Sciences sector. We have also articulated our expectation that the development of Deals should be an iterative process based on an ongoing, collaborative relationship between the sector and Government resulting in a stronger partnership for implementation.

Wave 1 of the Life Sciences Sector Deal was the first ever Sector Deal and it was delivered to very tight timescales, following on just three months after the launch of the Life Sciences Industrial Strategy. The Deal is the first step in realising the vision of the Life Sciences Industrial Strategy and the measures in the deal map to recommendations and themes in the LSIS. The Deal is also aligned with the pillars of the Industrial Strategy:

- **Ideas** – the science ecosystem and innovation environment, as well as the concept of a Health Advanced Research Programme
- **Business environment** – support for growth, medicines manufacturing, enabling SME scaling, the NHS and research collaboration and access to data
- **Place** – clusters and regional policy
- **People** – meeting the sector’s skills needs in emerging fields.

The implementation of Wave 1 of the Life Sciences Sector Deal will be a collaborative one, not just between Government and the life sciences sector, but also with agencies, arms’ length bodies and, crucially, the National Health Service. As Sector Deals themselves are expected to be iterative, the governance and implementation structures put in place will need to balance the need for consistent, robust oversight, with the appropriate flexibility to oversee the work programmes included in future phases.

UK Research and Innovation (UKRI) and NHS England have critical roles to play in delivering the Deal. As Professor Sir Mark Walport, Chief Executive designate of UKRI, confirmed in his evidence to the Committee, UKRI will have responsibility for delivery of the Industrial Strategy challenges, whilst also highlighting that industry will have a key role in the successful delivery of the Deal. Similarly, Ian Dodge, National Director of Strategy and Innovation for NHS England, outlined the role of the NHS in implementation when giving his evidence, in particular of the Accelerated Access Review and actions to promote research in the NHS.

Good progress has already been made on implementing the commitments in the Sector Deal, and establishing the formal governance and implementation structures. On 22<sup>nd</sup> January, a £70 million funding allocation for medicines manufacturing was announced, a significant step on delivering on the commitments in the Sector Deal to support leading-edge healthcare in the UK and speed up access to innovative medicines. This funding includes projects to develop and manufacture novel medicines, projects that focus on digital healthcare solutions, three advanced therapy treatment centres and funding to support building the UK’s capacity for the manufacturing and production of viral vectors.

On 31<sup>st</sup> January, the independently-chaired Accelerated Access Collaborative (AAC) met for the first time. This group will be responsible for developing the Accelerated Access Pathway (AAP), selecting the best innovations to take forward and monitoring their progress. The AAP aims to streamline regulatory and market access decisions, in order to get breakthrough products that will be truly transformative to patients more quickly.

Work is ongoing in relation to the other elements of the Sector Deal. The Office for Life Sciences, together with the Medical Research Council and Innovate UK, are continuing to develop the programme of work under the 'Data to Early Diagnostics and Precision Medicine' challenge under the Industrial Strategy Challenge Fund, which will include funds for work in genomics, digital radiology and pathology with AI and the digital innovation hubs.

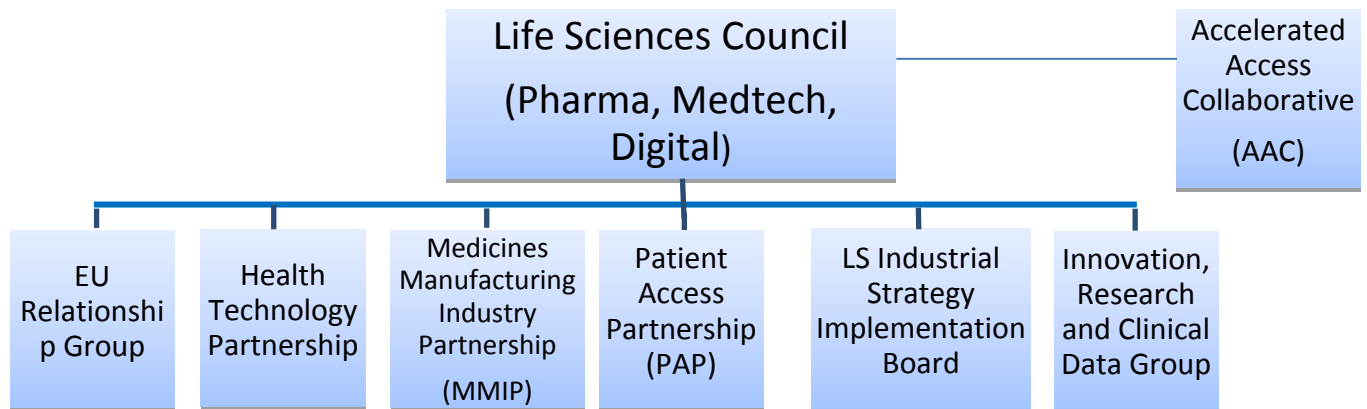
We are now considering potential timings for future waves, which should address other recommendations in the Strategy and further commitments as a result from the sector. To do this we are maintaining close working relationships with the sector stakeholders as we collaborate on content development for future iterations. It is worth noting here that there may be other recommendations in the Life Sciences Industrial Strategy that do not fit neatly into a sector deal and it is right that Government identifies these and proposes alternative policy development and implementation mechanisms. This work will be progressed in consultation with the new Life Sciences Industrial Strategy Implementation Board once it has been set up.

In terms of governance, officials are currently in the process of finalising membership of the Life Sciences Council (LSC), and the expert groups that will report into the council. One of these groups will be the new implementation board for the Life Sciences Industrial Strategy and Sector Deal. This group will be chaired by Sir John Bell from the sector with joint Chairs from Government. The group's terms of reference are also being finalised. Cabinet level oversight will be provided by the LSC, which will be chaired by the Rt. Hon Jeremy Hunt, Secretary of State for Health and Social Care and the Rt. Hon Greg Clark, Secretary of State for Business, Energy and Industrial Strategy. Further detail on the governance structures described here is included in the annexes to this letter. Given the nature of the partnership approach we are adopting with the sector, it is right that the implementation board for the Life Sciences Industrial Strategy and Sector Deal helps to shape and agree the implementation plan. They will consider this at their first meeting and we would be happy to update you further on the progress of these plans once the board has convened.

We would like to thank the Committee for their insightful questions, which helped to shed light on the issues that the Life Sciences Industrial Strategy and Sector Deal are looking to address. We look forward to the Committee's report and anticipate that the recommendations will help guide us in ensuring the successful delivery of the Sector Deal and vision of the Strategy.

*27 February 2018*

## **Life Sciences Council Structure**



## **Life Sciences Council Membership**

Secretary of State (Health & Social Care)
Secretary of State (BEIS)
Parliamentary Under Secretary of State for Health
Parliamentary Under Secretary of State for Life Sciences
Chair British Pharma Group
Chief Executive, NHS England
Director, Office for Life Sciences
Life Sciences Champion
CEO UK Research and Innovation
Wellcome Trust – Chief Executive
Association of British Pharmaceutical Industries – Chief Executive
Association of British Healthcare Industries – Chief Executive
UK BioIndustry Association (BIA)-Chief Executive
Industry CEO 1 (UK)
Industry CEO 2 (Japan)
Industry CEO 3 (EU)
Industry CEO 4 ( US)
Industry R&D
Digital and Data Spokesperson
Medtech CEO/EU lead

Industry Innovation
Department for International Trade
BEIS Director General
National Institute of Health Research

### **Expert Leadership groups**

Groups will be chaired or sponsored at Ministerial Level with a co-chair from industry. Each group will have senior sector and Government membership, capable of proactively shaping the areas of most concern and opportunity and ensuring delivery of consequent actions. Suggested chairs are:

<b>Expert Group</b>	<b>Minister</b>
EU Relationship Group	Lord O'Shaughnessy
Health Technology Partnership	Lord O'Shaughnessy/Lord Henley
Medicines Manufacturing Industry Partnership (MMIP)	Lord Henley (sponsorship only)
Patient Access Partnership (PAP)	Lord O'Shaughnessy
LS Industrial Strategy Implementation Board	Lord Henley/ Lord O'Shaughnessy
Innovation, Research, Clinical Data Group	Lord Henley

### **Life Sciences Industrial Strategy Implementation Board**

#### **DRAFT Terms of reference**

The Life Sciences Industrial Strategy Implementation Board will oversee implementation of the Strategy, both in terms of monitoring and overseeing the delivery of commitments made in the Life Sciences Sector Deal, and driving progress on future phases of the Deal. The board will be accountable for the delivery of the Deal and will report on progress to the Life Sciences Council. The board will also help to set the direction for future phases of the Deal, within the strategic framework agreed at the Life Sciences Council.

The Board will be co-chaired by Professor Sir John Bell, Lord O'Shaughnessy and Lord Henley and will meet quarterly, with secretariat support from the Life Sciences Council secretariat (composed of Association of the British Pharmaceutical Industry, AstraZeneca, GSK, ABHI, NHS England and Office for Life Sciences).

The Implementation Board does not have a role in relation to industry-Government relations outside of that which is necessary to deliver the Sector Deal, and other policy programmes that will deliver the aims of the Life Sciences Industrial Strategy (outside of those overseen by other expert groups named above).

### Proposed membership

Names have not been included for Sector representatives below, as individuals have not yet been approached.

<b>Theme</b>	<b>Sector</b>	<b>Government</b>
<b>Chairs</b>	Sir John Bell	Lord Henley
<b>Members</b>	Healthcare Charity representative	Lord O'Shaugnessy
	Industry / pharma representative x 4	Sir Mark Walport (UKRI)
	Investment community representative x2	Chris Whitty (Chief Scientific Adviser, DHSC)
	SME company representative	Kristen McLeod (Office for Life Sciences)
	Manufacturing representative	Ian Dodge (NHS England)
	Medtech representative	Fiona Watt (Medical Research Council)
	Accelerated Access Collaborative representative	Ian Campbell (Innovate UK)
	Data and clinical trials representative	Sarah Wilkinson (NHS Digital)
	NHS Trust CEO	
	Relevant Trade Associations	

The proposed membership above aims to ensure that the board can deliver its dual function of:

1. Overseeing progress on the sector deal, and Life Sciences Industrial Strategy policy, with an industry and Government owner accountable for each key aspect of the deal.
2. Helping to set the direction for future phases of the deal, within the strategic framework agreed at the Life Sciences Council. Members will be able to provide a wider view beyond immediate implementation questions.