

Written evidence submitted by Pfizer (PEG0084)

1. Introduction and Overview

- 1.1. Pfizer welcomes the opportunity to contribute to this important inquiry concerning the UK's economic recovery in the post-COVID environment.
- 1.2. Pfizer has around 2,500 colleagues across five sites in the UK, contributing to over 100 collaborative projects around the country and conducting 54 clinical trials involving over 2,000 patients last year.¹
- 1.3. **As we emerge from the COVID-19 crisis, building resilience, enhancing sustainability and kickstarting economic growth will be critical if the UK is to boost its competitiveness, increase its share of global investment and become, as the Prime Minister described, a “science superpower”.** To achieve this, Pfizer believes that the Government should prioritise:
 - Enhancing the innovation ecosystem for life sciences by making the UK a global hub for next generation clinical trials.
 - Taking urgent action to address challenges in the systems and processes that enable UK patients to access new medicines, as part of reforms to make the NHS innovation-ready.
 - Improving the UK's tax and fiscal support 'offer' to increase its global competitiveness and to help win and retain high-value investment in medicines manufacturing and R&D.
 - Identifying spending programmes and policy reform that can deliver the environmental benefits needed to transition to a net-zero carbon economy.
 - Taking action across the 'three T's' – Talent, Transport, and Trade – in order to level-up growth opportunities for life sciences within and between the regions.
- 1.4. Beyond these actions, the Government should use this unique moment to challenge the conventional view of health as a cost to be borne, rather than a critical investment in the prosperity and growth of the country. As a global biopharmaceutical leader, Pfizer is committed to playing its part and we will bring forward more ideas and research on this topic in the months ahead.



2. What core/guiding principles should the Government adopt/prioritise in its recovery package, and why?

- 2.1. The first area the Government should prioritise in its recovery package is **enhancing the innovation ecosystem for life sciences in the UK**. COVID-19 has thrown a new light on the value that innovation brings not just to patients and population health, but to national wealth as well. Creating the right framework for innovative companies to conduct science and discover the breakthroughs that change patients' lives is therefore vital.

¹ More information about Pfizer UK can be found at <https://www.pfizer.co.uk/pfizer-uk>

- 2.2. A key aspect of this innovation ecosystem centres on **clinical trials**. The extraordinary challenge of COVID-19 has necessitated leaving orthodoxy and traditional practices behind. This has been clearly demonstrated through the RECOVERY trial, which was established in the UK at speed. This entrepreneurial spirit should be harnessed so that the UK can become a global hub for translational science and next generation clinical trials.
- 2.3. Specifically, there are opportunities to streamline the current system and introduce new initiatives to further increase the attractiveness of the UK as a place to conduct innovative clinical trials. Our five big ideas for policy change are:
- **Accelerate approval timelines for clinical trials**, including a new 15-day standard approval process.
 - **Enhance trial recruitment for innovative medicines**, especially for those treatments offering the greatest transformative potential.
 - **Develop a new, nationwide patient registry**, underpinned by clinical and genetic data, to enable rapid identification of eligible patients for trials.
 - **Make it easier for NHS staff to participate in clinical trials**, ensuring that research is at the heart of the NHS.
 - **Create a world-leading Digital Medicines Design Studio at Discovery Park, Kent**, which would provide access to advanced modelling and AI technologies to accelerate complex product development and data-driven research.
- 2.4. Secondly, the Government should **take urgent action to address challenges in the systems and processes that enable UK patients to access new medicines**. We have the opportunity now to embrace this debate through the NICE methods review, the creation of the Innovative Drugs Fund and the publication of the Five Highest Health Gain areas. Pfizer and the broader industry would welcome a discussion with Government on the level of ambition in each of these areas and identify how we can support the NHS to become innovation-ready.
- 2.5. Moreover, in recent months industry took unprecedented steps to help manage pressures on the health system by reducing the need for some patients to receive treatment in hospitals, which included participating in one-time tenders for innovative medicines. These steps were taken as a result of the crisis situation and must not serve as a precedent for future access to patented medicines, which would send a strong anti-innovation message to global boardrooms and go against the principles and spirit of the Voluntary Pricing and Access Scheme (VPAS).
- 2.6. Thirdly, despite the strong existing base of life sciences activities in the UK, the country faces challenges in terms of its perception as a place to invest and do business. Through the upcoming Spending Review, the Government should **enhance the UK tax and fiscal 'offer' to strengthen its position as a place to invest in medicines manufacturing and R&D**.
- 2.7. Specifically, the Government should consider implementing the following changes:

- **Capital grants:** as proposed by MMIP at the June Life Sciences Council, a capital grants facility – funding a percentage (10-15%) of the capital costs of projects to create new facilities or upgrade existing ones – would bring the UK in line with other markets. This should be coupled with a proactive support offer from Government Departments that mirrors ‘Development Agency’ arrangements found in other countries.
- **R&D tax credits:** the inclusion of eligible capital costs within the scope of the R&D expenditure credit (RDEC) would match offers in other markets and encourage companies to consider expanding the scale of their investment. In addition, there should be an ambition to steadily increase the relief rate over the course of the Parliament, with the aim to reach at least 15% by 2024. A study should also be commissioned to identify the fiscal costs and potential economic benefits of increasing the relief rate still further.
- **Long-term vision for R&D:** the announcement by the Chancellor in March to increase UK public R&D spending by more than double, to £22bn a year, is a very welcome move. We look forward to discussing the prioritisation of this investment in the upcoming Spending Review. Coupled with the objective of spending 2.4% of GDP on R&D by 2024, the R&D Roadmap, and the creation of a British Advanced Research Projects Agency, this sends a strong signal to global boardrooms about the direction and intentions of the UK. To develop this further, Government should work with industry to identify what initiatives could push the UK beyond the 2.4% target.

2.8. Fourth, Pfizer echoes findings in the CBI’s policy paper, “Principles for a low-carbon, sustainable and net-zero aligned economic recovery post COVID-19”, which calls for the **prioritisation of public spending programmes and policy reform that can deliver the environmental benefits necessary for transitioning to a net-zero carbon economy**. As the paper highlights, the private sector will play a key role in achieving this ambition and Government should ensure that appropriate support is offered to industry as the economic consequences of COVID-19 begin to materialise. This includes fostering a climate of innovation that allows companies to alter business practices in a more sustainable way and improving the resilience of supply chains to better manage external shocks.

2.9. Finally, to enhance efforts to kickstart economic growth and level-up development across the country **the Government should prioritise the ‘Three T’s’ – namely Talent, Transport and Trade:**

- **Talent:** published in January 2020, the Science Industry Partnership’s “2030 Life Sciences Skills Strategy” identified the need for 130,000 new jobs to meet anticipated growth across the sector in ten years’ time. To achieve this, the report highlights four critical areas where action is needed, as well as a dedicated delivery vehicle to ensure success of the activities being proposed. These include ensuring multi-disciplinary, industry-relevant skills courses are offered as part of regular academic learning and through enhanced re-skilling of the existing workforce. The strategy also calls for reform of the apprenticeship levy, a simple and easy-to-access immigration system to attract the best global talent, and a strategy for enhancing the perception of life sciences as a career choice. These recommendations should be addressed as soon as possible, with Government and industry working closely together to ensure their implementation.

- **Transport:** improving local, national and international transport infrastructure is vital if growth in life sciences is to occur in regions away from the so-called 'golden triangle', as well as within it. Delivering new services, such as those offered by the Thanet Parkway rail station proposal, will improve connectivity between the major hubs of activity in London, Oxford and Cambridge and other regional science clusters, such as our R&D facility at Discovery Park, Kent. Improving infrastructure for goods transport is also critical and priority should be given to increasing capacity for international trade and transit, such as that proposed for Manston Airport.
- **Trade:** significant opportunities exist from the UK's new trading agenda. The Government now has the chance to make the case for free trade, high IP standards and regulatory convergence across the world. By seeking comprehensive and ambitious trade deals there are real benefits for the health system, the life sciences sector and patients in the UK. The proposal to develop ten Freeports across the country is also a welcome initiative and we look forward to further updates on the policy in due course.



3. Whether the Government should prioritise certain sectors within its recovery package, and if so, what criteria should it use when making such decisions? What conditions, if any, should it attach to future support?

- 3.1. When considering a recovery package, the Government should reflect on the potential for growth in sectors, the value of skills the sector brings, and the possible increases in inward investment and exports that a sector can generate.
- 3.2. Moreover, the COVID-19 pandemic has brought to light the close link between the health of our people, our healthcare system and the economic prosperity of the UK. In previous years, it has often felt like our national conversation treats healthcare primarily as a cost to be borne rather than what it really is: a key driver of productivity and UK competitiveness. The Government should consider how to use this unique moment to create a new consensus that seeks to realise the full value of healthcare as a critical national asset to be nurtured and cherished.
- 3.3. There is strong evidence to demonstrate how healthcare and the economy are inextricably linked. In the wake of COVID-19, the Government should move towards an approach that views health, and healthcare expenditure, as a critical national asset. A number of steps need to be taken to achieve this, including the creation of **a new Health Index to bring parity between health and GDP**. This would help assess health in a holistic way and thereby capture the return on investment for the economy from healthcare spending, allowing the Government to track progress over time and fundamentally shifting the nature of our national debate about the value of health.



4. How can the Government best retain key skills and reskill and upskill the UK workforce to support the recovery and sustainable growth?

4.1. As referenced in a previous question, the Science Industry Partnership (SIP) produced a series of recommendations in their paper “Life Sciences 2030 Skills Strategy”, which Pfizer strongly encourages the Government to adopt in due course.

4.2. These recommendations focus on four themes, namely:

- **Rapid technological advancements will drive a need for integrated skills at all levels** to create a workforce fit for the future, including by providing courses in digital and translational skills, life-long learning programmes, and fostering entrepreneurial activity via industry placements, fellowships and mentoring schemes.
- **Reform of the apprenticeship levy** to develop a more flexible approach that allows companies to better utilise funding for the existing workforce and prioritise upskilling needs in digital and other critical areas.
- **Supporting the transfer and exchange of global talent** to ensure the UK remains an attractive destination for scientific professionals, including by providing feedback to the Government on the implementation of the Points Based Immigration System and specific schemes such as the Global Talent Visa.
- **Boosting the perception and attraction of the life sciences sector** as a place to build a career, including by ensuring issues around equality, diversity and inclusion are addressed by industry.

4.3. In addition, the Government should consider how it can support life sciences companies in promoting the value of STEM subjects to young people. At Pfizer, we have developed a number of programmes to give students a greater understanding of the processes involved in developing medicines and the importance of innovation to sustaining a healthy population:

- Our [Science in a Box](#) programme and the [Community Lab](#) initiative are perfect examples of how to bring science to life and inspire young people to consider a career in STEM fields.
- Our ‘[Superbugs: Join the Fight](#)’ campaign connects primary and early-secondary students with engaging science and PSHE curriculum-linked resources covering antimicrobial resistance, vaccination, viruses, and pandemics. Since launching in 2018, we reached over 250,000 students around the country with these materials.

4.4. Finally, as referenced in the CBI policy paper “Principles for a low-carbon, sustainable and net-zero aligned economic recovery post COVID-19”, there are significant employment opportunities in green and low carbon jobs. Creating these opportunities will require policy change and public spending initiatives in low carbon infrastructure, as well as the availability of relevant Government-backed (re)training schemes for businesses to take advantage of.

5. Is the Industrial Strategy still a relevant and appropriate vehicle through which to deliver post pandemic growth?

- 5.1. Yes. The Life Sciences Industrial Strategy set out a vision to deliver future growth for the sector and highlighted opportunities for the UK to build on its strengths in order to remain globally competitive. Although not all policy recommendations from both versions of the Strategy have been implemented, it is clear that the framework of bringing industry, trade associations, academia and Government together to discuss opportunities for boosting the sector has worked well.
- 5.2. Indeed, the Life Sciences Council provides a critical forum for strategic, high-level dialogue between Government, industry and the NHS on how to improve the ecosystem for the benefit of patients and UK Plc. The Government should seek to maximise the opportunities that this forum, alongside others such as the Patient Access to Medicine Partnership, offer in order to fully exploit the role that the life sciences sector can play in driving growth in the post-COVID environment.
- 5.3. We understand that work is now underway to refresh the Life Sciences Industrial Strategy in light of COVID-19. We believe that the ideas and recommendations outlined in this paper can form part of that assessment and Pfizer will continue to engage with Government, the NHS and the wider industry to strengthen the sector and boost its economic contribution to the UK's recovery.



6. What opportunities exist for the UK economy post Brexit and the pandemic for export growth?

- 6.1. To increase opportunities for export growth, Pfizer recommends that the Government prioritise two areas:
- **Freeports:** The Government consultation on this subject closes in July and Pfizer's R&D site in Sandwich is engaging with the Port of Dover around the potential opportunities that may arise for our business from being included in a Freeport zone. We strongly encourage the Government to ensure that the final Freeport model is based on the best-in-class examples from around the world, which provide for a simple to use customs system that allows companies to take advantage of the benefits of Freeports without additional administrative cost.
 - **Global trade:** As the Government embarks on negotiations with trading partners, there are significant opportunities to promote regulatory convergence and strong IP protections in other territories, which gives greater certainty to companies and greater incentives to consider new export markets. In addition, the UK should continue to lead conversations in international organisations concerning barriers to trade and investment – in particular export bans relating to drug products and materials that are required for treating patients with COVID-19. In this context, consideration should also be given to updating the WTO

pharmaceutical 'zero for zero' agreement to ensure that new Active Pharmaceutical Ingredients (API) can be captured in its scope. These efforts should be coupled with strong messaging about the advantages of robust and flexible international supply chains – particularly in the life sciences sector where, with around 12,000 medicines used by the NHS, 'self-sufficiency' is neither desirable nor achievable.

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