LifeSciences UK
Representing the Human Healthcare Industry

BIVDA abhi abpi BIA

From vision to action: delivery of the Strategy for UK Life Sciences

January 2014

4,980

life science companies
in the UK

176,000

people employed by
life science companies
in the UK

£52bn

turnover from
sales in the UK and overseas
representing

6%

of world market sales

The industry generates
a trade surplus of

£5bn

for the UK per year

25%

of all expenditure on R&D in UK
businesses – that is £11.5 million
invested in the UK per day on
research and development

Foreword

The UK life sciences industry is high-tech, research-intensive, innovative and highly diverse, spanning biopharmaceuticals, diagnostics, devices and medical technology engineering. The industries we represent play a key part in sustaining high-value jobs in research and development and manufacturing, as well as in the delivery of modern healthcare to patients across the UK and around the world.

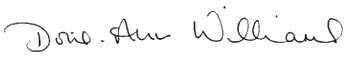
We welcome, therefore, the Government's recognition of the role and importance of the UK life sciences sector and the Government's commitment to fostering sustainable long-term growth and global competitiveness. The roadmap for turning this commitment into action was spelt out in the Strategy for UK Life Sciences, launched in December 2011 by the Prime Minister. Now, two years on, we take stock of progress in the delivery of the Strategy across a range of key actions and suggest next steps to maintain momentum and focus.

The life sciences industry must operate and collaborate in a vibrant ecosystem of health and scientific research - from universities and laboratories through to hospitals and surgeries and the patients who take part in clinical research.

Only by developing partnerships can we turn ideas into reality: to harness emerging technologies to commercialise academic research into the innovations of tomorrow, and to build a healthcare system that embraces the newest and best treatments available.

The prizes of a healthier, wealthier population and a growing, thriving industry are enormous; we want to work with all stakeholders to win them. That is why we re-state our commitment to working in partnership with Government, researchers, charities, the NHS, clinicians and patients, as well as with our own investors, as essential for success.

There is still much work to be done, policy to implement and culture to change to reach a truly joined-up approach for the sector where a positive business environment prevails across research, development, manufacturing, regulation, market conditions and patient access. Through partnerships and a coherent policy framework, we believe the Strategy can be advanced further, bringing leading-edge treatments and technologies to patients and realising the ambition to re-establish the UK's global leadership in life sciences.



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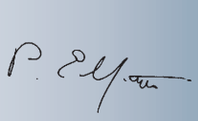

Peter Ellingworth
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Executive summary

The Strategy for UK Life Sciences, published in December 2011, outlined a vision for the UK to be a global leader in the life sciences and included a series of concrete actions designed to nurture the sector and make this vision a reality. It was accompanied by the NHS Chief Executive's Innovation, Health and Wealth report, which was intended to improve the adoption and diffusion of innovation in the NHS. At the same time, two independent Life Science Champions were appointed by the government to support implementation of these documents.

As membership bodies for the medical technology, pharmaceutical, biotechnology and in-vitro diagnostics industries, the ABHI, ABPI, BIA and BIVDA welcomed the Strategy, which supported by a new innovation agenda in the NHS, sent a strong signal to investors, business leaders and the life sciences sector as a whole that the UK was open for business.

Two years on from the publication of the Strategy, this report brings together the four membership bodies of the UK life sciences sector to examine progress in implementing some of the key actions.

As the Strategy was the Government's first of a series of industrial strategies, we believe this report not only provides an analysis that can be used to encourage and refine future actions, but can also offer lessons about policymaking which might be applicable to other sectors.

This report does not attempt to review every strand of the wide-ranging Strategy, but instead evaluates a selection of flagship commitments that we believe have the greatest potential in enabling the life sciences sector to thrive and grow.

We recognise and welcome the positive developments that are already underway. These include establishing and growing the Biomedical Catalyst Fund; introducing the 70 day benchmark from successful research application to patient recruitment to clinical trials; and the launch of the Clinical Practice Research Datalink. These initiatives have improved the opportunities for collaboration between individuals and organisations across the NHS, academia, industry and voluntary sector. They are resulting in new ways of working and delivering demonstrable results.

However, it remains beyond doubt that implementation of the Government's commitments has been inconsistent and in some cases, less rapid than had been hoped.

While some actions are well in motion, others have progressed so slowly that they are yet to deliver anything close to their stated ambition. For example, the Innovation Scorecard is not yet detailed enough or aligned with the latest National Institute for Health and Care Excellence (NICE) technology appraisals to inform patients and the public about the availability of innovative treatments in the NHS. Progress on other actions appears to have stagnated, for instance the planned Earlier Access to medicines Scheme and work to integrate tariff and incentives with innovation delivery, whilst others have stopped completely, such as the introduction of the Specialised Services Commissioning Innovation Fund. Often, slow progress can be attributed to a lack of resources and leadership within the NHS at a time of significant organisational change or lack of strong accountability within Government in driving delivery of these actions. Indeed, it is not clear that Government activity is being coordinated and checked against the Strategy.

Overall, we are concerned that the "clear commitment and leadership from Government" promised by the Strategy has not been sustained. We firmly believe that stronger leadership and accountability is needed within government and NHS England for coordinating, pursuing and measuring implementation of the Strategy and Innovation, Health and Wealth – the success of which inevitably depends on cooperation across organisational boundaries.

A flourishing and competitive UK life sciences sector, researching, developing and launching new medicines, technologies and devices, will increasingly rely upon the interconnections between public and private sectors and between cutting-edge research and high quality healthcare delivery.

With this report, we celebrate the progress and successes so far, but also make an honest assessment of the challenges and areas for further work. Industry is ready to play its part in defining next steps and working together with government and the NHS to deliver on the ambitions set for the UK economy, the NHS and patients.

Spotlight on key actions

Translating and commercialising academic research

Biomedical Catalyst

The Biomedical Catalyst is a £180 million fund, jointly managed by the Medical Research Council (MRC) and Technology Strategy Board (TSB), providing non-dilutive grants, matched with private funding, to support medical research and innovation in the UK. It explicitly aims to accelerate the translation of research and development from academia into business-led projects to address areas of unmet medical need.

Engagement

The scheme was quickly implemented with commendably open and effective engagement between the MRC, the TSB and with the wider community to educate the sector about the opportunity.

Implementation

The Biomedical Catalyst competition launch was marked by a live webinar broadcast on 17 May 2012 and the first awards were announced in August that year.

Change

To date, almost £125 million has been committed to accelerate numerous medical research projects. These are supporting projects all over the UK and in a wide range of therapeutic areas. This includes over 100 business-led projects which has leveraged almost £70 million of additional private capital and inward investment for project specific work. It has promoted collaboration, with 25% of the business-led projects involving two or more parties.

Next steps

The Biomedical Catalyst has been a hugely successful scheme shining a light on the breadth and depth of UK excellence.

Further funding rounds are planned and additional funding was committed to the Biomedical Catalyst in the Spending Review of 2013.

Cell Therapy Catapult

The UK is undoubtedly a world leader in cell therapy and is at an inflection point of translating research into commercial opportunities across a range of unmet medical needs. As one of seven technology and innovation centres established and overseen by the Technology Strategy Board, the Cell Therapy Catapult aims to create a world-leading cell therapy industry in the UK.

The Catapult's mission is to drive the growth of the industry by helping cell therapy organisations across the world translate early stage research into commercially viable and investable therapies, and to seek solutions to industry-wide challenges including business models, logistics and reimbursement.

Engagement

The Catapult team has engaged energetically and rapidly with the sector.

Implementation

The Cell Therapy Catapult was established as a centre of excellence in 2012, following a number of years of consultation about the concept behind technology and innovation centres.

Change

The Catapult team has already established a number of agreements, including with both large and small companies.

Next steps

To remain competitive it is important the Catapult builds on this early momentum and establish further collaborations to ensure the UK does not miss the opportunity to lead on the commercialisation of cell therapies.

Taken with other aspects of a supportive research environment, including grant funding opportunities and manufacturing facilities, the Catapult can further enhance the UK as a location for cell therapy.

National Biologics Manufacturing Centre (NBMC)

The National Biologics Manufacturing Centre (NBMC), formerly the National Biologics Industry Innovation Centre, is a large scale open access facility for the development of technologies for the manufacture of biologic medicines such as antibodies and vaccines.

The new centre, supported by £38 million of public funding, aims to significantly increase the UK's manufacturing capability in biologics and strengthen the UK's position as the location of choice for life science companies. It will support companies of all sizes to develop, prove, demonstrate, scale up and commercialise new biologics process technologies.

Engagement

The Technology Strategy Board and Centre for Process Innovation (CPI) consulted widely with industry to help develop the requirements brief for the centre. Industry is also represented on the NMBC steering board which chose Darlington as the location for the hub of the centre's hub-and-spokes model.

Implementation

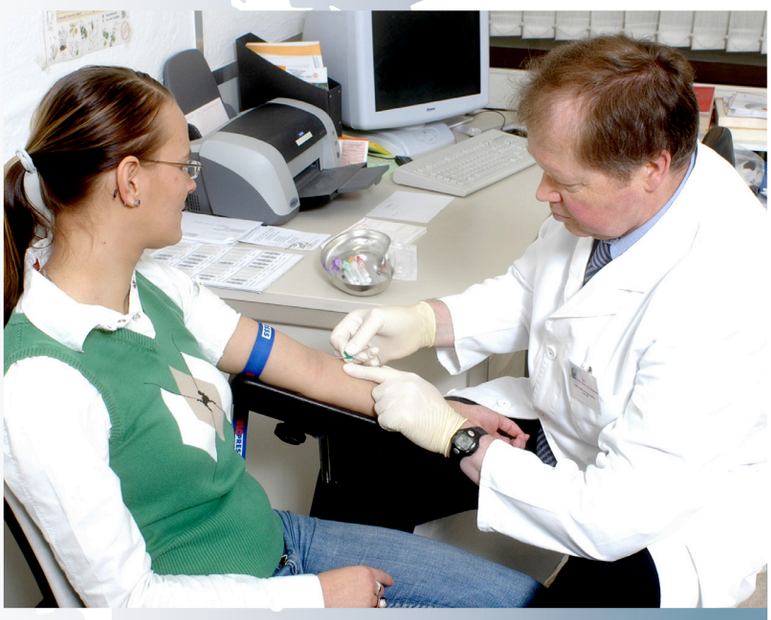
CPI has developed a design specification for the centre in Darlington and is identifying its construction partner. The centre is due to be open in Q1 2015.

Change

CPI plans to get some early stage programmes running in 2014 at its existing facility.

Next steps

Industry members on the NBMC steering board will help ensure the centre is delivered to requirements and is awaiting decisions on the exact "hub and spokes" model to be established.



Spotlight on key actions

Overcoming barriers and creating incentives for the promotion of healthcare innovation

Aligning financial, operational and performance incentives

The *Innovation Health and Wealth* (IHW) report recognised that the NHS was intrinsically slow in implementing innovation at pace and scale, to the detriment both of high quality patient care and sustainable NHS services. It recommended a fundamental review of the various financial, operational and performance incentives, with the aim of aligning them to support the adoption and diffusion of innovation, for example, by breaking down 'silo budgeting' and accelerating payment coverage for innovative medical technologies and approaches.

Engagement

There was very limited opportunity to engage directly with the new NHS architecture.

An initial IHW workstream on Incentives, Levers and Sanctions, which included industry and met during 2012, ceased to be operational in early 2013 and did not share its outputs with industry.

It has been difficult to see where responsibility for various incentives resides within and between NHS England and Monitor.

Implementation

A fundamental review of incentives and levers was announced in NHS England's Planning Guidance for the NHS for 2013/14 in December 2012.

The management of the 'national tariff' and all aspects of NHS funding flows are undergoing major change in 2013/14, but relatively little account has been taken of issues related to the adoption of technology.

Change

This IHW workstream has had limited traction. Despite the potential for an alignment of financial incentives and sanctions to drive change, as has been seen with the national implementation of the Friends and Family Test, there have not yet been any substantive changes to support implementation of innovation.

Next steps

NHS England is committed through the Mandate to drive innovation across the NHS and this will be critical to addressing the challenge of rising demands on the NHS at a time of limited resources. Clear leadership and accountability for this will be important to ensure alignment of NHS England's strategic priorities and to drive implementation at all levels of the NHS system.

Earlier Access to medicines Scheme

The development and implementation of a workable Early Access Scheme was a priority area in the Strategy for UK Life Sciences and a concept jointly developed by industry and the Medicines and Healthcare products Regulatory Agency (MHRA). It could facilitate patient access to medicines, up to a year before marketing authorisation for selected medicines, where there is high unmet medical need.

Engagement

Stakeholders and industry responded to the MHRA's prompt consultation on an Earlier Access to medicines Scheme in 2012. The MHRA facilitated ongoing discussion via an Expert Group through 2013.

Implementation

The regulatory framework for the scheme has been developed for some time but the scheme is currently on hold pending alignment on an appropriate funding and access mechanism.

Change

There has not yet been an output delivered against this commitment.

Next steps

The scheme needs to be funded to be workable and outstanding funding and access issues must be resolved by the Government soon for a workable scheme to be delivered by the MHRA.

Other countries such as Belgium and Turkey have recently introduced similar schemes which the UK could learn from.

Spotlight on key actions

Putting clinical research at the heart of innovation in the NHS

Improved NHS management of clinical trials

The Government has acknowledged the need for transparent benchmarks to drive improved performance of clinical research by the NHS. Through the National Institute for Health Research (NIHR), the Government committed to re-launch an enhanced web-based UK Clinical Trials Gateway to provide patients and the public with authoritative and accessible information about clinical trials.

Engagement

The government included industry as a core stakeholder during the development of the Clinical Trials Gateway.

The Department of Health (DH), NIHR and the NIHR Clinical Research Network (CRN) continue to engage with industry in the implementation of metrics for performance management of commercial clinical research.

Implementation

The UK Clinical Trials Gateway was launched in December 2011.

At the same time, the NIHR made the 70-day benchmark, from receipt of a valid research application to the recruitment of the first patient for trials, a condition of new contracts with providers of NHS services. There is also a requirement for NHS providers to publish clinical trial performance metrics against agreed benchmarks.

Change

While there is some evidence of improved NHS management of clinical trials, this is based on incomplete data.

Companies sponsoring clinical trials within the NHS report mixed experiences, suggesting that there is more work to be done to accelerate the setting up and delivery of trials.

Next steps

The UK Clinical Trials Gateway is being redeveloped to improve its functionality and the presentation of information for the public and patients.

Continued collaboration is needed to create an effective and streamlined clinical research delivery infrastructure in the NHS.

It is vital that the NIHR receives sufficient funding to increase its capacity to deliver a higher proportion of commercially-funded studies to time and target. Improved metrics to track performance are also important.

Clinical Practice Research Datalink (CPRD)

The Clinical Practice Research Datalink (CPRD) is the observational data and interventional research service for the NHS in England. Jointly funded by the NIHR and the MHRA, the CPRD can link anonymised NHS clinical data for observational research beneficial to safeguarding and improving public health. CPRD usage has resulted in over 1400 clinical reviews and papers.

Engagement

CPRD and the Health and Social Care Information Centre (HSCIC) engaged with industry to ensure they understood industry's requirements for the resource. Once launched, industry hosted meetings with the HSCIC and the MRC to highlight the available resources for data linkages and capacity building in informatics skills.

Implementation

The CPRD was launched in April 2012. In September 2012, it was complemented by the HSCIC's secure data linkage service making primary and secondary care data routinely available.

Change

The CPRD now holds a range of over-arching governance approvals that make undertaking research on NHS datasets far simpler. It connects patient information from GPs and hospitals to other records, such as disease registries and audit datasets. These combined datasets can be used to answer medical research questions, with results shared via peer reviewed publications. It has also developed several service offerings for industry researchers.

Next steps

Continued dialogue is needed between industry, data providers and government to improve and speed up access by the biopharmaceutical industry to health data within appropriate and robust governance structures.

Further steps can also be taken to improve the quality and reliability of data by including more GP practices and building access to other relevant data sets.

Spotlight on key actions

Encouraging adoption and diffusion of innovation in the NHS

Academic Health Science Networks (AHSNs)

Academic Health Science Networks' (AHSNs) core purpose is to enable the NHS and academia to work collaboratively with industry to identify, adopt and spread innovation and best practice. In practical terms, they will establish a set of relationships including public health and social care that can transform the quality of care locally and deliver wealth creation.

AHSNs were established during 2013. Working with stakeholders from across the NHS and scientific community, academia, the third sector and local authorities, AHSNs will link up the system and improve diffusion of innovation. They will work with industry to scope problems and jointly develop solutions to key health challenges. They will strengthen collaboration between clinicians and other practitioners and the pharmaceutical, medical technology and diagnostic industries on which innovative product development, product implementation and pathway changes so often depend.

Engagement

There was early and open engagement through the AHSN working group during the process of establishing AHSNs and a role for Life Sciences associations in reviewing AHSN applications. There is now senior level representation from the life sciences industry on every AHSN Advisory Board.

Implementation

15 AHSNs were formally established on 23 May 2013. AHSNs have published priorities and work programmes, and several have already embarked on projects with industry partners to drive innovation.

Change

While some AHSNs are making good progress, for example in reviewing implementation of NICE Technology Appraisals (TAs), there can be a lack of clarity and uncertainty across AHSNs regarding their role in responding to NICE recommendations and engagement across the breadth of industry. There is also variation in AHSNs' priorities, capability and readiness to engage in partnership working with industry.

Next steps

It is vital that the Government continues to fund AHSNs as they cannot be self-sustaining within one year of being established. Greater clarity over the role and accountability of AHSNs in improving the adoption of innovation is needed.

There is also scope to find more opportunities for industry to work in partnership with AHSNs to improve access and uptake of innovation. Some direction on this would be helpful to bring consistent focus across each network.

NICE Implementation Collaborative (NIC)

The NICE Implementation Collaborative (NIC) is a partnership between the NHS, the life sciences industry, healthcare professional bodies, key health organisations and the public, who have committed to work together to understand and analyse the barriers that exist to the implementation of NICE recommendations. The NIC will suggest practical steps that can be taken to help the NHS overcome these barriers so that implementation of NICE recommendations can be significantly improved.

Engagement

Industry was a key stakeholder on the working group to establish the NIC. Those discussions were instrumental in the establishment of the NIC Concordat.

Implementation

The NIC was launched in December 2012. The NIC Concordat, setting out the principles by which the NIC will operate and signalling its next operational steps, was published in March 2013 and signed up to by the ABPI, ABHI and BIVDA alongside Royal Colleges, NICE, the Royal Pharmaceutical Society and NHS organisations.

The NIC began pilot work on NICE guidance in four areas: osteoporosis, stroke, diabetes and heart disease. Successful advisory boards were held in 2013 to identify key barriers for Denosumab (for osteoporosis) and New Oral Anticoagulants (NOACs), and to develop solutions to support successful implementation.

Change

Engagement to develop a Royal College Consensus to support the clinical implementation of NOACs in atrial fibrillation proved successful and will result in publication of a consensus document. There has, however, been limited progress in the Denosumab workstream.

Change on the ground in the NHS has been extremely limited at this stage.

Next steps

It is important to move beyond the individual workstreams and to leverage what has been learnt to enable wider improvement in the NHS' adoption of innovation through the implementation of all NICE technology appraisal guidance.

A longer-term strategy is being developed and an operational plan will then be agreed by all NIC partners.

NHS Innovation Scorecard

The aim of the Innovation Scorecard was to develop and publish a "straightforward Innovation Scorecard designed to track adoption of NICE Technology Appraisals at a local level". The Innovation Scorecard should be a useful tool to enable NHS staff to understand their organisation's performance in adopting innovation, and for patients and the public to exercise choice about their service provider, or simply to demand better services.

Engagement

NHS England has worked closely with industry to develop the Innovation Scorecard, with regular meetings and dialogue.

Implementation

The first Innovation Scorecard was published in January 2013. Since then, there have been three further iterations.

Change

Whilst it is encouraging to see regular publication and a small number of iterative improvements, the Innovation Scorecard currently falls short of the stated aims in the original commitment. There is a long way to go before patients and NHS stakeholders will be able to understand the Innovation Scorecard.

Next steps

It is vital that the Scorecard includes more newly NICE appraised therapies so that it gives a true picture of NHS adoption of innovation, and that this is compared against meaningful benchmarks of expected levels of eligible patient usage.

A longer-term strategic vision is needed to deliver a Scorecard that is meaningful to NHS organisations, patients and industry alike.

Transparency in local formularies

The *Innovation Health and Wealth* initiative announced the launch of a NICE Compliance Regime to reduce variation and drive up compliance with NICE TAs. The regime requires all NICE TAs to be automatically incorporated into relevant local NHS formularies, in a planned way that supports safe and clinically appropriate practice. A new requirement, set out in the Operating Framework, binds the NHS to comply with NICE TAs.

Engagement

NHS England has worked closely with industry and other stakeholders to implement the NICE Compliance Regime, with regular meetings and dialogue.

However, the level of engagement has fallen since initial outputs were achieved.

Implementation

The new regime was introduced in January 2012.

Clauses are now included in the NHS Standard Contract requiring all providers of NHS services to comply with NICE TAs. Providers are also required to publish their formularies to ensure transparency in the medicines and technologies that are being made available locally. This requirement is also set out in the 2013/14 Planning Guidance.

Change

NICE Formulary good practice guidance has been published and all hospital providers have published formularies. Links to Trust formularies are now available through the latest iteration of the Innovation Scorecard.

However, there are examples of formularies that do not include relevant and appropriate NICE appraised medicines, where medicines are not being included within the mandated 90 days, and where there is further restriction of NICE guidance.

This means that patients are still experiencing delays in the NHS in accessing NICE appraised medicines.

Next steps

To ensure meaningful compliance and improved patient access will require NHS England to put in place monitoring mechanisms to check whether published formularies include all appropriate NICE approved medicines in a timely manner and that NICE guidance is being appropriately followed.

Industry is discussing ways to improve the quality of published formularies with NHS England, including to make these easier to access for patients.

Spotlight on key actions

Encouraging adoption and diffusion of innovation in the NHS

Specialised Services Commissioning Innovation Fund (SSCIF)

The Specialised Services Commissioning Innovation Fund (SSCIF), announced in 2011, was intended to be 'top sliced' from the specialised services commissioning budget, overseen by an Advisory Board reporting to the NHS Medical Director. The SSCIF would enable NHS England to generate a better understanding of the cost and impact of innovations and create a robust evidence base for use in national commissioning decisions. Better evidence and commissioning decisions should lead to more rapid, widespread adoption of proven innovations in the NHS.

Engagement

A formal consultation was conducted and NHS England liaised with industry partners in the run up to the launch of the Fund. However, engagement was at times challenging because the channels were not always clear.

Implementation

The SSCIF was originally due to be launched in 2012. The launch was delayed to September 2013 and in October 2013 NHS England announced that it had been suspended.

Change

Not yet implemented.

Next steps

NHS England Specialised Services has committed to continue to lead and facilitate the adoption and spread of innovation, and confirmed that innovation will be a key part of the developing Five Year Specialised Commissioning Strategy.

Industry hopes that the fund will be reinstated within 18 months.

Procurement

A review of NHS procurement was included in *Innovation, Health and Wealth*, which highlighted the importance of procurement as an economic lever and driver of innovation. The intention was to establish new relationships with industry, based on partnerships to deliver mutual value rather than simple transactional business. The report was planned for publication in spring 2012 and appeared in August 2013. Branded pharmaceuticals, covered by existing pricing schemes, were not in the scope of the review. The measures in the review focused heavily on supply side factors and cost saving measures, featuring very little on driving innovation uptake. Cabinet Office intervention in autumn 2013 appeared to cut across wider Government policy towards the life sciences industry by demanding unilateral cuts in prices from a selection of medical technology suppliers without reference to existing Government or NHS objectives.

Engagement

DH ran a consultation through summer 2012. The input from this did not appear to be represented in the report as published and subsequent engagement has had a more strongly transactional aspect.

Implementation

The report as published contained both some 'quick wins' and long term measures for the development of procurement.

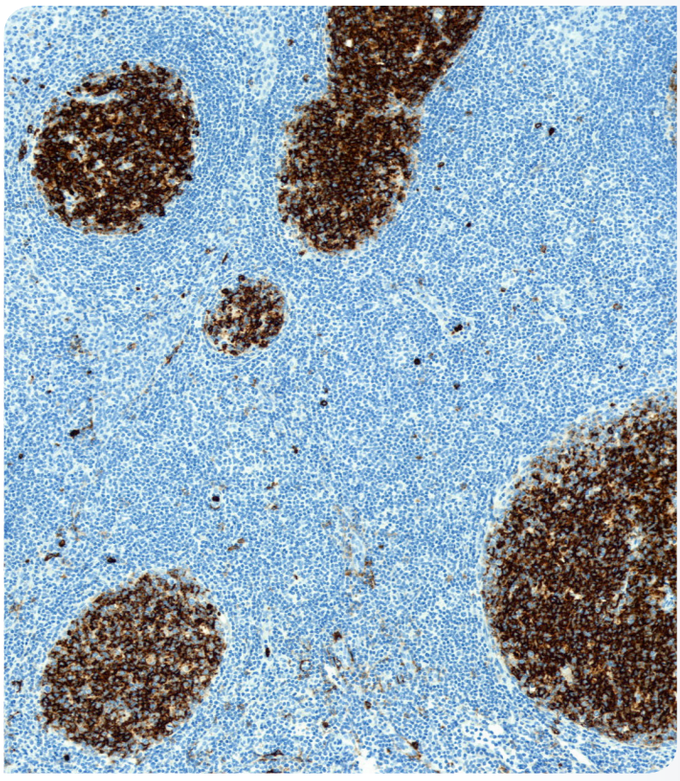
Initial implementation has appeared to focus on supply side factors and cost containment, along largely traditional lines.

Change

No long-term changes in relationships between industry and the NHS have yet been achieved.

Next steps

More news is awaited on how implementation will be led.



Challenges and successes – lessons learnt

The Government's *Strategy for UK Life Sciences* heralded a more coherent policy agenda for the sector and provided flagship initiatives for the relevant stakeholders to focus on delivering. It has also been an important and very welcome statement of the Government's commitment to the life sciences sector.

In reviewing the implementation of the Strategy, a number of common factors can be identified that have either been key to successful delivery of initiatives or have held them back. These are likely to be relevant to the implementation of the other priority sector strategies that the Government has since developed as part of its industrial policy.

Collaborative working

Engaging with the life sciences sector early to understand the challenges and needs of companies is key to the successful scoping of implementation outputs and the recruitment of resources – normally people – from outside government to help with information gathering, development of solutions and project delivery. Listening to outside stakeholders with a stake in the successful delivery of the policy often helps to identify project risks and ways to mitigate them. This is also true at each stage of a project and it is important to maintain strong engagement throughout.

Focus and accountability

Early momentum was achieved in large part thanks to the Champions, but overall policy implementation has since slowed down. In many of the cases where implementation has not been as rapid or successful as was hoped, focus on delivery and accountability for driving it was lacking within either government or the NHS, particularly at a local level. Sometimes this was due to external factors, such as organisational change. In other cases, 'mission creep' or a lack of leadership within projects meant that the focus on the life sciences sector fell down the agenda. Whilst the Champions have played an important role, they have not always been in a position to hold delivery to account across government and the NHS. A clearer identification of the lead department or executive body for each project and of the lines of accountability between them and implementing bodies both nationally and locally, would help to create greater ownership and accountability.

Implementation in the NHS

Implementing a multi-workstream programme during a time of significant structural change and budgetary pressure would be a considerable challenge for any organisation. It is not surprising that the implementation of the *Innovation, Health and Wealth* programme has seen mixed success and some delays, particularly during 2013. The IHW Refresh exercise being run by NHS England is vital to putting implementation during 2014 back on track. Industry has contributed to the exercise and looks forward to its recommendations.

Conclusions

If the UK is to fully grasp the opportunity that the global healthcare market represents, and if the NHS is to meet the challenge of delivering more healthcare with limited resources, we need to support the life sciences sector to research here, to grow and invest here, and to develop and launch new innovations. That is the core purpose of the *Strategy for UK Life Sciences* and the *Innovation, Health and Wealth* programme.

Delivering this is also important to demonstrate the Government's commitment and build business confidence in the UK. Having made this strong and visible statement, the UK's progress is now being monitored by companies and investors to judge the changing environment for investment here. This is an opportunity for the UK, as well as a risk if delivery does not match the vision laid out two years ago.

It is vitally important, therefore, that government, the NHS and other agencies focus on and renew their collective energy to delivering the Strategy and its commitments in full, including the *Innovation, Health and Wealth* programme.

Of course, other wider economic and business policies also play a role in shaping investment decisions and we have welcomed the introduction of the Patent Box, enhancements to R&D tax credits, reductions in the corporate tax rate and ongoing attempts to recruit and retain the best talent in the UK.

The life sciences industry continues to invest resources to work together with the Government, the NHS and other organisations to execute the actions foreseen in the Strategy. We strongly believe that we cannot afford *not* to get it right – for growing a high-skilled economy, for staying at the vanguard of scientific and medical advances, for delivering sustainable healthcare and for improving patient outcomes. We are committed to this programme and look forward to continued progress during 2014 to deliver the vision for the UK's life sciences.

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