

Press release: Government and Life Sciences sector agree transformative sector deal

- Business Secretary Greg Clark and Health Secretary Jeremy Hunt have today (Wednesday 6 December) announced a Sector Deal with the Life Sciences sector.
- Significant investment by 25 organisations from across the sector and supported by government will ensure the UK is at the forefront of developing new innovative treatments and medical technologies that improve patient lives.
- The transformative Sector Deal gives the life sciences sector and government an agreed set of strategic goals that will ensure the UK builds on its exceptional reputation for science and research, genomics and clinical trials.

A transformative Sector Deal between the UK life sciences sector and the government has today (Wednesday 6 December) been announced. This draws substantial investment into the sector from across the world, ensuring that the next wave of breakthrough treatments, innovative medical research and technologies, and high skilled jobs are created in Britain.

A key part of the [Industrial Strategy White Paper](#), the Life Sciences Sector Deal sets out an agreed strategic vision, built on co-investment, for the government and UK life sciences that will modernise the industry, boost businesses large and small within it, and ensure the sector is perfectly positioned to respond to the challenges and opportunities of demographic change and pioneering research and development.

The deal brings together a number of significant commitments and investments into the UK by 25 global organisations from across the sector, including a major investment by global healthcare firm MSD, known as Merck and Co. Inc. in the US. The investment by MSD will include a new world-leading life sciences discovery research facility and headquarters in the UK, supporting 950 jobs including 150 new high-skilled and high-value research roles.

Business Secretary Greg Clark said:

Across the world, advances in science and technology are transforming the way we live our lives. Nowhere is innovation more life-changing than in medicine, healthcare and its associated fields.

New discoveries and the applications of new technologies are making diagnoses earlier and more accurate, making new treatments available and existing ones more effective; and making care more beneficial and comforting.

The United Kingdom is extraordinarily well-placed to play a leading role in this revolution in the life sciences. Our universities and research institutes rank among the best in the world. They nurture and attract some of the most inventive people on earth.

We are home to many of the most successful global life sciences businesses and we are also a hotbed of new businesses – springing up to bring new discoveries and techniques to a wider market. Our National Health Service is a prized national asset – the nation’s biggest employer and a deep source of learning and of translating discoveries into care.

That is what our Industrial Strategy sets out to support and achieve. So it is appropriate that the first Sector Deal of our Industrial Strategy should be with the Life Sciences sector.

Health Secretary Jeremy Hunt said:

The UK has a huge amount to offer the life sciences sector, combining globally renowned scientific research bases with our world leading NHS which allows innovators to test and refine products at scale.

Today proves that life science organisations of all sizes will continue to grow and thrive in the coming years, which means NHS patients will continue to be at the front of the queue for new treatments.

The government and industry have worked extensively since the launch of the Industrial Strategy Green Paper to secure the deal, with Prof Sir John Bell convening industry involvement in the deal. Yesterday evening, representatives from the companies involved in the deal attended an event at 10 Downing Street to celebrate the success of the sector, attended by Business Secretary Greg Clark and Health Secretary Jeremy Hunt.

Secretary of State for International Trade, Dr Liam Fox said:

Today’s deal is a clear signal to life science investors around the world that the UK is open for business and a world leader in scientific innovation. The Department of International Trade has provided dedicated support to make this investment possible, and that offer is available to all investors through our global network.

As an international economic department our role is to promote the UK as a premier destination to invest, and we are ready to work with potential investors to secure our capital requirements for infrastructure, regeneration and innovative projects in every part of the country.

Regius Professor of Medicine, University of Oxford, Prof Sir John Bell said:

This Life Sciences Sector Deal demonstrates how powerful it can be to have industry, the NHS, the research community and charities all working together to provide important new insights that can lead to the discovery and implementation of novel innovations for healthcare.

It represents a significant change in both pace and culture that I hope will lead to a flow of such investments into the future.

Key themes of the deal

The deal sets out a plan for key priorities for the sector going forward, with a vision and strategy that are aligned to the pillars of the Industrial Strategy and the themes of Sir John Bell's Life Sciences Industrial Strategy. It includes action on the technologies of the future and the evolution of clinical trials, alongside government support for direct and indirect investment to support growth.

Each theme sets out a programme of action:

- research: building on the UK's position as a world leader in biomedical discovery with major inward investments, including MSD announcing a new state-of-the-art R&D hub in London
- technologies of the future: the deal outlines plans to grow the UK's international reputation for pioneering early diagnostics and genomics programmes, with a government investment from the Industrial Strategy Challenge Fund of up to £210 million, subject to business case. This will contribute to the genomics programme in partnership with organisations including GSK and AstraZeneca and launch a trail-blazing AI programme to develop digital pathology and radiology programmes in partnership with industry, embedded in the NHS
- the evolution of UK clinical trials capabilities: ensuring that the UK continues to lead the world with its clinical trials, through innovative new trials platforms and investments in the UK's digital evidence collection abilities, combined with a progressive regulatory system. The Medicines Company is today announcing new trials that will use novel methodologies
- business environment: the government has committed £162m, through the first wave of the Industrial Strategy Challenge Fund, to develop innovative medicines manufacturing infrastructure and enable SMEs to

manufacture advanced therapies. This includes two new national centres – Medicines Manufacturing Innovation Centre and a Vaccines centre – adding to the existing national centres and three advanced therapy treatment centres co-located in hospitals across the UK as well as funding for viral vectors.

Investment across the UK

The UK has a number of world-class life sciences clusters across the country and today's deal delivers on the Industrial Strategy's aim to distribute growth and opportunity across the country, with pioneering investments in Manchester, Leeds, Sheffield, Glasgow, South Wales and the South East.

The Sector Deal, published on GOV.UK at 09.00am, sets out full details of the agreed strategy with details of each investment coming into the UK. It includes:

- **MSD:** a commitment by MSD to establish a state-of-the-art life sciences discovery research facility in London, focussed on early bioscience discovery and entrepreneurial innovation. MSD believes that locating a research facility in London will expand its opportunity to engage with leading researchers in the UK and Europe
- **Johnson & Johnson:** one of the Janssen Pharmaceutical Companies of Johnson & Johnson, Janssen Pharmaceutica NV, and the University of Oxford intend to collaborate on novel clinical trial methodologies in the UK; these would include platform trials, focused on mental health disorders such as depression
- **Medicines Company:** The Medicines Company has initiated two projects – one with the University of Oxford to perform a large multinational cardiovascular disease clinical trial and another with The Greater Manchester Health and Social Care Partnership to improve the understanding, management and economics of cardiovascular disease.
- **GSK and AstraZeneca:** significant investments by GSK and AstraZeneca in initiatives to harness advances in genetic research in the development of medicines

Government announced in August £162 million of funding focused on medicines manufacturing from the first wave of the Industrial Strategy Challenge Fund and an additional £86m as part of the response to the Accelerated Access Review. Building on this, as part of the Industrial Strategy White Paper, government committed through ISCF's Wave 2 up to £210m, dependent on businesses cases, for Early Diagnostics programmes including funding for Genomics research and using AI with digital pathology and radiology.

Dr Roger M. Perlmutter, President of MSD Research Laboratories said:

For more than a century, MSD has been inventing for life, bringing forward medicines and vaccines for many of the world's most challenging diseases.

The announcement of our plans to bring a new Discovery Centre to London, as part of the Life Sciences Sector Deal, will enable us to collaborate with scientists conducting promising emerging science in the UK.

Our new site will combine MSD's powerful and proven R&D engine with the cutting edge technologies and deep discovery capabilities afforded by the biomedical research community in the golden triangle of London-Oxford-Cambridge as well as access to the continental European life science ecosystem.

Dr Richard Mason, Head of Johnson & Johnson Innovation, EMEA said:

At Johnson & Johnson we collaborate with the brightest minds in every field to drive innovation, change and transformation in healthcare.

We are proud to be part of today's sector deal, demonstrating our commitment to UK life sciences and to ensuring that the UK remains at the forefront of new innovations.

Our partnership with Oxford University will focus on mental health disorders, which is a priority area of focus for the NHS.

Phil Thomson, President, Global Affairs, GSK, said:

The UK has a world class life sciences sector, but that will only continue to thrive through a strong partnership of Government, industry and academia.

This Sector Deal contains a number of very practical commitments to strengthen the UK's life science base and make it more attractive to international investment in areas such as clinical trials and high-tech research.

Ultimately, this should provide benefits to the economy and create jobs. We look forward to seeing further initiatives result from this strategy for the sector.

Mene Pangalos, Executive Vice-President, Innovative Medicines and Early Development (IMED) Biotech Unit and Business Development, at AstraZeneca, said:

Establishing the UK as a global leader in genomics and precision medicine closely aligns with AstraZeneca's ongoing research programmes and ambitions for the future of medicine.

The UK is one of the best places in the world for cutting-edge science, as is reflected in AstraZeneca's investment of £500 million in our new strategic R&D centre and global headquarters in Cambridge.

The Life Sciences Sector Deal will complement the work of our existing partnerships with Genomics England and others to analyse two million genomes by 2026, helping us to unlock the full benefits that targeted medicines present for patients and the NHS.

Clive Meanwell, Chief Executive Officer, The Medicines Company, said

Our exciting and productive partnerships with the University of Oxford and with The Greater Manchester Health and Social Care Partnership demonstrate the significant potential for The Life Sciences Industrial Strategy to drive growth through new forms of collaboration.

We also believe that our work with these two groups demonstrates the UK's unique capabilities in clinical trials and in digital healthcare data systems which are rapidly emerging as critical capabilities in the life-science sector worldwide.

Peter Ellingworth, Chief Executive Officer, ABHI, said

I welcome today's announcement and with continued Government backing, the UK will be a world leader in developing new medical treatments and technologies in the Life Sciences.

"This deal will not only benefit the MedTech sector, but the healthcare system and the economy as a whole. If we are to ensure the value our industry provides is realised, high levels of sustained NHS collaboration will be crucial to its success."

Mike Thompson, Chief Executive Officer, ABPI, said:

Today's announcements are a great start towards industry and Government working together to deliver the long-term strategic roadmap set out in the Life Sciences Industrial Strategy.

These are smart investments for the future that acknowledge the Government's willingness to build upon the UK's global strength in R&D, our leadership in new technologies such as genomic medicine and the potential that exists in making the best use of health

data.

If we get this right – if the Life Sciences Industrial Strategy is implemented in full – the UK can open itself up to be at the forefront of cutting-edge clinical research. NHS hospitals will reap the benefits of global clinical trials and the financial rewards they bring; doctors can prescribe the latest treatments and patients will get the best standard of care. This ecosystem will deliver for everyone.

Next year could be a transformative year for the NHS as we work together to deliver this innovation to underpin a more productive health service.