

Labour’s strategy for life sciences

The Labour Party has published its [flagship policy document](#) for the life sciences sector. This briefing contextualises the strategy, providing background and analysis for BIA members.

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Introduction

On 30 January, Wes Streeting MP and Peter Kyle MP visited the Stevenage Bioscience Catalyst, arranged by the BIA, to launch the Labour Party’s life sciences sector strategy, *A Prescription for Growth*. As the respective Shadow Secretaries of State for Health and Science, Streeting and Kyle presented themselves as a team in lockstep, encapsulating the bond between health, innovation, and wealth. This connection was mirrored by Keir Starmer and Rachel Reeves at the party’s Business Conference on 1 February.



Wes Streeting (leftmost) and Peter Kyle (rightmost) meeting Rafiq Hasan (second from right), CEO of Complement Tx, at the Stevenage Bioscience Catalyst.

Wes and Peter met with stakeholders from across the life science ecosystem, beginning at SBC's 'lab hotel', home to start-ups like Plurify and VasoDynamics. The shadow ministers then also met BIA members Complement Therapeutics, GSK, and AstraZeneca.

The strategy shows the centrality of growth to the party's pitch to voters; Shadow Chancellor Rachel Reeves' foreword describes achieving 'the highest sustained growth in the G7' as 'Labour's defining economic mission'. This 'mission-driven approach to government' also applies to improving the NHS, which will crucially involve 'Whitehall and Industry pulling in the same direction to meet big strategic challenges'.

It is this industrial strategy which sits at the heart of Labour's economic vision: public-private partnerships to drive through innovation and growth. The stakes are high; for a party constrained by its own [fiscal rules](#) intended to demonstrate economic discipline, it is only through growth that Labour will be able to fund their policies and enact change. Life sciences therefore sits in the engine of Labour's whole political project.

As electorate-facing documents, general election manifestoes tend to be high-level and not sector-specific, so we should not expect all of the policies in Labour's Life Sciences Strategy to make their main manifesto later this year. However, there is no doubt that this strategy is a blueprint for our sector under Keir Starmer.

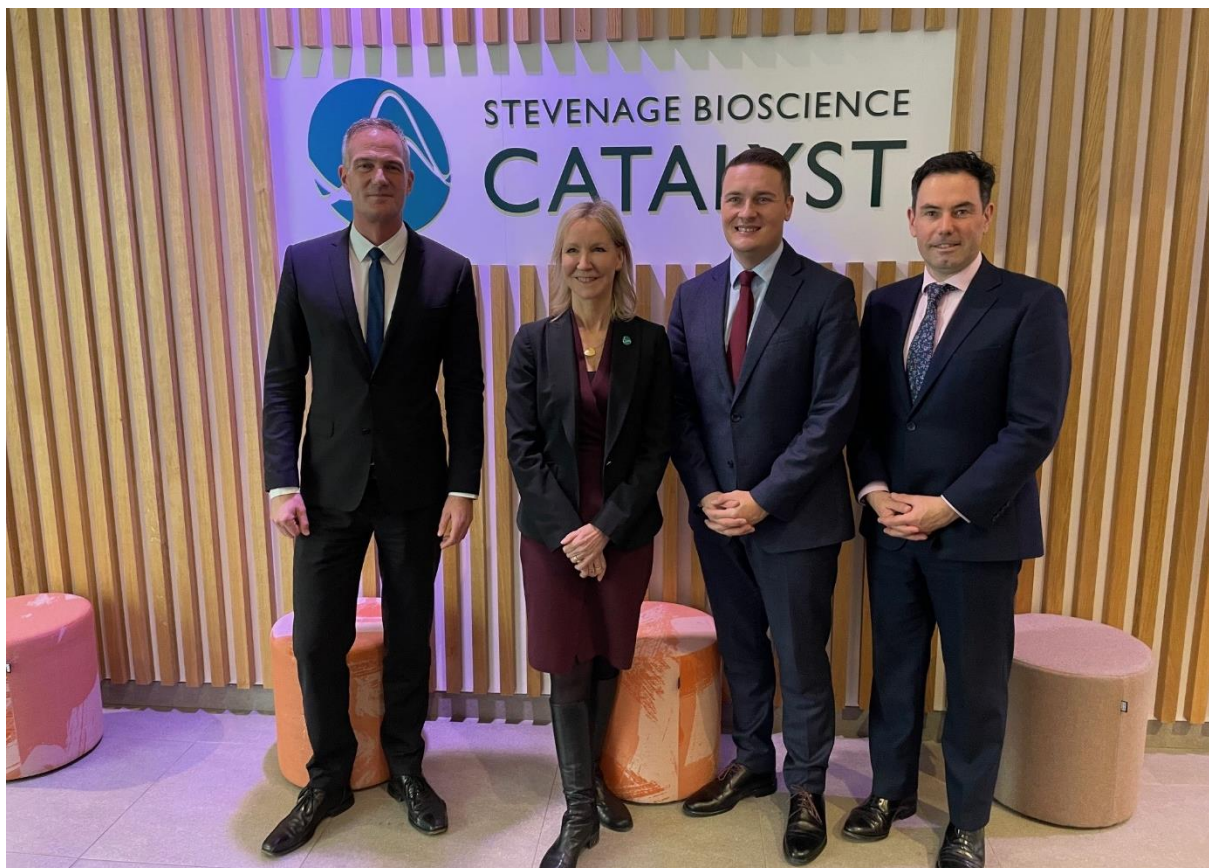
Background

Engagement with industry

A Prescription for Growth is one product of Labour's extensive '[prawn cocktail offensive 2.0](#)' to earn backing from the business community. This programme has been broadly successful, delivering the Labour Party [new donors](#), [endorsements from CEOs](#), and [sold-out audiences](#) for Party Conference business days.

Labour's Business Conference on 1 February saw the party's life science strategy launched in front of over 500 business leaders, BIA CEO Steve Bates among them. Rachel Reeves used her [speech](#) to describe the life science sector as 'the very model for successful partnership between government, industry, and higher education'.

There are also implications for our sector in the party's plan for financial services, [Financing Growth](#), and their forthcoming AI strategy, all of which sit beneath *Labour's Business Partnership for Growth*. This [new strategy](#) reasserts Labour's 'iron-clad fiscal rules', their commitment to 'backing British business', and the need for a 'skills revolution', bringing together long-trailed policies into a succinct industrial strategy for the first time.



Steve Bates meeting Wes Streeting and Peter Kyle at the Stevenage Bioscience Catalyst, alongside SBC CEO Sally Ann Forsyth.

Starmer's foreword asserts that 'Labour has changed' and this is borne out in the party's approach to industry. Five years on from Jeremy Corbyn's [Medicines for the Many](#) campaign and fraught relationships with business, Labour now propose bringing industry into the policy-making process through an Industrial Strategy Council and Council for Economic Growth.

Contributions from the BIA

The BIA has had strong engagement with the Labour Party on behalf of the innovative life science and biotech sector and we are pleased to see numerous policies proposed by the BIA in the final document.

Lord Jim O'Neill's start-up review, published as [Start-Up, Scale Up](#) in 2023, has had a significant impact on Labour's thinking. The recommendations of the BIA's August 2022 [submission](#) to the review included unlocking institutional capital, promoting pro-innovation regulation, reviewing the mandate of the British Business Bank, and standardising the terms and conditions for technology transfer. With start-ups and scale-ups vital to the innovation pipeline within the life science ecosystem, it was good to see these policies adopted in Labour's new strategy.

The BIA also fed into Labour's policy development through the 2023 National Policy Forum. Our [recommendations](#) which have since been adopted by the party include prioritising cell and gene therapies as an area of UK strength and protecting the Enterprise Investment Scheme (EIS).

An election footing

A central strand running through Labour's strategy is the assertion that they are the party of science and technology, citing the introduction of R&D tax credits and the appointment of the first science and innovation minister under Tony Blair. Conversely, it criticises the churn of science ministers under the Conservatives and blames the current government for the UK's share of global pharmaceutical R&D halving between 2012 and 2020.

Evidently, UK life sciences will have a high profile in the run-up to the next general election, being courted by both sides. As set out in a [previous BIA blog](#), battle lines are being drawn between Labour and the Conservatives which serious implications for the future of our sector.

Summary of key policies

Below is a summary of the headline policies announced in Labour's sector strategy. Please see the annex for further detail and analysis:

- Labour will **give life sciences a stronger voice in government**. The Health Secretary will have life sciences and innovation in their brief, the Office for Life Sciences will have broader links across government, and the Life Sciences Council will be retained and strengthened, report into a new Industrial Strategy Council.
- **Access to finance will be increased** with a wider remit for the British Business Bank, further reforms to the pensions industry, and a UK 'Tibi' scheme, as recommended by the BIA.
- **R&D tax reliefs will be maintained at their current rate** or above for the duration of the next parliament and their impact on the life sciences sector reviewed following BIA highlighting limitations in HM Treasury's current policy evidence base. **10-year public R&D budgets** will also be implemented, including for UKRI.
- A Regulatory Innovation Office will be created to **hold regulators such as the MHRA accountable and ensure innovation**. Key technologies like cell and gene therapies, mRNA and AI will be prioritised.
- Labour's [Health Mission](#) will **reform the NHS** through workforce, technology, and prevention, and they will deliver the recommendations of the O'Shaughnessy Review into commercial clinical trials, reducing bureaucracy.
- Researchers' **access to health data** and patient access to clinical trials will be improved via an NHS app, and the move towards Secure Data Environments (SDEs) in the NHS will continue and link-in non-NHS sources too.
- The Apprenticeships Levy will be evolved into a '**Growth and Skills Levy**' with more flexibility. A new body called Skills England will be established to bring together central and local government with businesses, training provider, and unions.
- Labour commits to delivering the Conservatives' promised **£520 in grants for life sciences manufacturing** over five years from 2025, announced in 2023. The party will also designate laboratories as nationally significant infrastructure.
- **Strong IP protection** will be required from trading partners in new trade deals.
- A new '**founder track**' will **give more options to founders** when negotiating with universities to spin-out their company.

Conclusion

‘This strategy promises to cement life sciences and biotechnology at the heart of Britain’s economic strategy. It identifies the right ingredients to turbocharge the growth of innovative start-ups and scale-ups to deliver life-changing new medicines for the NHS and high-quality rewarding jobs for people across the country. We are pleased to see that Labour recognises our industry needs stable policy but also bold ambition from government, and success is best achieved when public and private sectors work collaboratively together’ – Steve Bates OBE, CEO of the BIA

For a prospective Labour government, economic growth is not just a nice-to-have but a necessity. With the purse strings being clutched tightly, only growth would give the party the fiscal headroom needed to fund their spending. UK growth sectors like the life sciences will be indispensable in achieving this.

We have welcomed the party’s programme of engagement with industry. The BIA was pleased to have the opportunity to feed in, ensuring that the needs of innovative start-ups and scale-ups are reflected throughout the strategy. Cross-departmental policy, particularly the linkage of health and innovation, are essential if our sector is to continue to grow.

A Prescription for Growth is the key pre-election document for our sector. It would be unfeasible to include all its content in the official manifesto, but it, combined with other documents published by Labour in the run-up to this momentous election provide the blueprint for how a Labour government would interact with and support the sector.

Rachel Reeves speaks in her foreword about this plan marking ‘a start, not an end, to an ongoing conversation to map out the future of British life sciences’ and we at the BIA look forward to continuing that dialogue.

Annex: Policy detail & BIA analysis

Prominence of life sciences

‘The Life Sciences sector is key to Labour’s mission in government. Getting the NHS back on its feet and achieving the highest sustained growth in the G7 are deeply linked’ – p. 7

As the first of Labour’s sector strategies to be published, *A Prescription for Growth* promises to raise the profile of life sciences policy. Life sciences and innovation, which sits with a junior minister in the current government, will be added to the Secretary of State for Health and Social Care’s brief, ensuring prioritisation across the Department for Health and across Whitehall.

Labour’s report recognises the foundational role the BIA played in establishing the precursor to the Office for Life Sciences (OLS) and now calls for OLS to be further strengthened. We believe options under consideration including greater ministerial oversight or a link to the Cabinet Office or Number 10.

The Life Sciences Council, on which the BIA is represented, will be retained and will report into to a new Industrial Strategy Council, meaning that our sector is strongly represented within Labour’s plans for industry and the economy.

Access to finance

‘ A Labour government is committed to addressing the growth capital gap by unlocking institutional capital and more effectively leveraging existing public and private funds to make the UK the best place to found, grow, scale, and list a business’ – p. 28

Access to finance is the lifeblood of UK life science SMEs, often making or breaking their ability to scale up. The BIA has fed into Labour’s access to finance policy development from a number of angles and this can be seen in the comprehensive range of policies adopted by Labour.

The British Business Bank (BBB) looms large in Labour’s strategy, with the party pledging to widen its remit, ‘[focusing] on providing growth capital, enabling regional development, and streamlining support offerings for SMEs’. This follows on from the BIA’s recommendation to transform the BBB to make sure it is ‘appropriately aligned with an

industrial strategy focused on supporting highly-innovative and disruptive businesses’, as set out in our [submission](#) to Labour’s National Policy Forum.

The influence of the BIA’s [long-running campaign](#) to unlock institutional investment into life sciences from pension funds can also be felt in Labour’s strategy. They propose an in-government pensions review and greater consolidation across pension funds to increase investment in illiquid assets and therefore fund innovation whilst providing a return to savers. These actions were identified in Labour’s [Start Up, Scale Up](#) paper published in 2023, to which the BIA [submitted](#).

One particular policy which the BIA has [advocated](#) is the establishment of a British ‘Tibi’ scheme akin to that run in France since 2020. This has been picked up in Labour’s strategy, summarised as an ‘opt-in scheme for DC funds to invest a proportion of their assets into UK growth assets’.

Labour’s *Prescription for Growth* lays out a strong range of policies to support life science companies by ensuring access to finance, striking a balance between continuity of existing measures and new innovations.

Tax credits and R&D budgets

‘For the first time, Labour will evaluate the impact of the [R&D tax credits] scheme on a sector-by-sector basis, starting with the Life Sciences industry. This will demonstrate how R&D tax credits support our world-leading industries’ – p. 29

In line with Shadow Chancellor Rachel Reeves’ policy of [‘secuonomics’](#), Labour are making stability a mantra of the prospective Labour government. The provision of R&D tax credits will be an important part of improving the stability of the business environment for the life science sector.

The commitment to evaluate the impact of R&D tax credits for the life sciences industry comes after the BIA raised concerns regarding the limitations of HM Treasury’s existing evidence base. We will shortly be publishing proposals for how such an evaluation could be conducted. The BIA played an [instrumental role](#) in restoring a competitive R&D tax credits regime for research-intensive companies in early 2023. We have also highlighted what Labour describes as the ‘chopping and changing’ of R&D tax credits, with [five regime changes](#) for companies to navigate over the five years from December 2021. Labour have therefore pledged to maintain the current regime for the duration of the next parliament.

Similarly, the party says it will ‘end Tory short-termism and attract long-term investment’ by setting 10-year budgets for public funding bodies like UKRI, NIHR, and the Cell and Gene Therapy Catapult. This complements the BIA’s [calls](#) to strengthen R&D funding, particularly key channels like the Biomedical Catalyst administered by Innovate UK.

Regulation

‘For the Life Sciences sector to retain its competitiveness, the UK’s regulatory and market authorisation environment needs to be agile and responsive to new technical advances’ – p. 29

Labour’s strategy provides due regard to regulation, recognising that the UK’s clinical trial performance has [declined](#) in recent years. They propose creating a Regulatory Innovation Office to hold regulators such as the MHRA accountable and ensure innovation, absorbing the existing Regulatory Horizons Council. This builds upon the BIA’s work to ensure pro-innovation regulation, as manifested in [various submissions](#) and our bilateral meetings with the MHRA.

A Labour government would streamline regulation for key technologies ‘for which the UK should aim to be a frontier launch market’, potentially including cell and gene therapies, mRNA vaccines, and AI-enabled healthcare. These are all transformative technologies that the BIA has championed and which the UK could lead the world in with sufficient support from government.

There is also an international angle to Labour’s approach to regulation, promising a ‘proactive approach to regulatory diplomacy’. This would build upon the MHRA’s International Recognition Procedure, which was [discussed](#) at the BIA’s ‘Future of Regulation’ conference last year.

There is a theme of ‘cutting red tape’ which runs throughout *A Prescription for Growth*, linked to the UK’s commitment to the G7’s [100 Days Mission](#) to be able to develop a vaccine against a novel pathogen within 100 days. It remains to be seen which red tape will be targeted.

NHS

‘We will not make changes purely for the sake of it. When it comes to the Life Sciences sector, this means a commitment to building on the goals of the Life Sciences Vision, including the four preconditions for success it set out’ – p. 22

With waiting lists [high](#) and COVID-19 fresh in the collective memory, the NHS will inevitably be an important part of any opposition party’s manifesto, hence Keir Starmer’s [mission](#) to ‘get the NHS back on its feet’. Wes Streeting has gone further, foregrounding reform and prevention in his vision of the NHS of the future.

Labour’s strategy fleshes out what this reform would look like. While retaining the [Life Sciences Vision](#) published in 2021 and its commitment to the NHS as an innovation partner, Labour says it will go beyond, developing a ‘comprehensive innovation and adoption strategy in England’ bringing together industry, patients, and integrated care systems (ICSs). They argue that this will reduce regional variation in the uptake of innovation between trusts, but it remains to be seen how exactly Labour will reform procurement to provide innovators with ‘a clearer route to get their product into the NHS’.

Another element of continuity is that Labour will stick to the recommendations of the [O’Shaughnessy Review](#) into commercial clinical trials, reducing bureaucracy so that the NHS can fulfil its potential of ‘[leading] the world in clinical trials’.

The BIA [welcomed](#) both the Life Sciences Vision and the O’Shaughnessy Review and concurs with Labour that reform of the NHS must be laid on the foundations of existing strategies which have proved their value.

Health data

‘We are committed to harnessing the unique potential of UK health data for the public good, to ensure the country remains an attractive location for cutting-edge R&D and to improve our health and care services’ - p. 25

The ongoing programme to establish linked Secure Data Environments (SDEs) will continue under a Labour government, as [discussed](#) by the BIA in our 2022 paper *Driving growth and patient benefit through secure data environments*. Labour will go further by federating other data assets beyond the NHS, providing a single access point to key UK resources like UK

Biobank, Our Future Health, and Genomics England. The BIA has also called for a single data access point in our [response](#) to the Sudlow Review.

With regard to patient access to health data, Labour envisions a central role for the NHS app, a ‘one-stop shop for health information’ which will increase recruitment for trials and enable interoperability across NHS systems, as trailed last year when Starmer spoke of creating a [‘totally digital NHS’](#).

Skills

‘The success of our life sciences sector depends on access to talent... Labour’s plan for skills will give talented people from all backgrounds the opportunity to benefit from well-paid, skilled careers in the life sciences’ – p. 32

Any growth-focused vision for the life science sector needs a robust skills strategy. The BIA has made this point consistently, feeding into Labour’s policy development, including through David Blunkett’s [Council of Skills Advisors](#), whose report included a case study on the Advanced Therapy Apprenticeship Community ([ATAC](#)).

Labour propose reforming the Apprenticeships Levy into a ‘Growth and Skills Levy’, with 50% reserved for apprenticeships and the remaining 50% able to be allocated more flexibly, including towards upskilling existing workers.

As set out as part of Labour’s [mission](#) to break down barriers to opportunity, the party will also establish Skills England, which will bring together central and local government with businesses, training provider, and unions to make sure skill gaps are filled across the country. Feeding into the Industrial Strategy Council, this could help to coordinate skills policy in our sector.

Labour will also encourage more colleges to specialise and become Technical Excellence Colleges (TECs). This would help to alleviate skills shortages, particularly of digital and data skills, as the BIA has set out in reports such as [Genomics Nation](#). The BIA has launched its [#BIGIMPACT](#) campaign to attract skilled graduates to the sector in areas such as bioinformatics and software engineering.

Labs and manufacturing

‘Since Labour left office, life sciences competitiveness has declined, particularly in manufacturing’ – p. 17

A Prescription for Growth recognises the contribution of life sciences manufacturing to the UK economy, calculating that ‘GVA in Life Sciences manufacturing growing at the same rate as the last Labour government would generate £1.9 billion more every year by 2028’. The report also cites [findings](#) by the Science Industry Partnership, of which the BIA is a member, that this could support an extra 100,000 jobs by 2030. To this end, Labour commits to delivering the Conservatives’ promised £520 in grants for life sciences manufacturing over five years from 2025, announced in 2023. This grants programme was the product of the Medicines Manufacturing Industry Partnership ([MMIP](#)), of which the BIA is a leading member.

Tied to this is Labour’s commitment to planning reform, building on Starmer’s self-declared [Yimbyism](#). The party will designate laboratories as nationally significant infrastructure, overruling local planning policy where appropriate in order to alleviate the lab space shortage [identified](#) by the BIA in collaboration with JLL.

IP, trade, and spin-outs

‘The UK’s intellectual property framework has long been a strength, and Labour is committed to ensuring it remains so, as well as being ambitious for worldwide IP protection, particularly in countries the UK has significant trade relationships with’ – p. 37

Labour promises a ‘genuine trade strategy’ which is ‘consistent across all of Government’ and ‘[linked] intrinsically’ to the party’s aforementioned emphasis on industrial strategy. A key component of this will be IP protection, enshrined in future trade deals and through a strengthened Board of Trade.

One specific Labour policy to support spin-outs is a new ‘founder-track’, a technology transfer route where universities agree to take a share of equity at or below ten percent, which is the lower range of typical allocations described in the [USIT guide](#), informed by BIA members. First announced in 2023’s [Start Up, Scale Up](#), the route would be offered alongside other deal term options, giving increased choice for founders keen to avoid dilution of their equity.