UK BioIndustry Association

The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

3 November 2025

Dear Chancellor,

As we approach the Autumn Budget, we find ourselves at a critical juncture for UK life sciences. The Labour Government has consistently demonstrated commitment to the sector, and international investors continue to value our incredible science and entrepreneurs, yet the future for so many promising companies is looking increasingly fragile, and requires urgent and decisive support.

UK life science companies are delivering cutting-edge innovation capable of building an NHS fit for the future and transforming patients' lives. The sector has immense – and untapped – potential to deliver economic growth and societal benefits.

However, new data from the BioIndustry Association (BIA), published in its Q3 2025 UK biotech financing report, highlights that the longest global funding drought in the sector is taking its toll, with the investment environment now characterised by caution and heightened selectivity. As a result, while some later-stage companies are still able to access investment, many others that would usually be investible are locked out. From this data, it's clear just how easily global and domestic headwinds can undermine our ability to create and scale domestic champions that deliver jobs and economic growth. This current drought is compounded by the UK's longstanding scale-up funding gap and challenge keeping our innovative life science companies headquartered and growing here in the UK.

To reverse this course, it is time for government to double down on investment and the Industrial Strategy, not look for short-term cost savings that risk our most valuable and highest-potential assets. ***We urge you not to raise taxes or business rates on the UK's innovative companies and their R&D facilities.*** The long-term economic and social returns from backing life sciences and entrepreneurs far outweigh the immediate fiscal pressures.

Instead, we urge you to invest through proven, effective mechanisms that can quickly deliver growth:

- Accelerate the delivery of Innovate UK and British Business Bank funds – which you have already allocated – into the sector to provide immediate working capital
- Enhance R&D tax reliefs, EIS/VCT, and EMI schemes to target support to innovative knowledge-intensive companies
- Double-down on the Mansion House Accord and financial reforms to unlock investment from pension funds and boost our venture capital ecosystem

These can be delivered rapidly to provide much-needed support for quality companies that are being locked out of growth by the global funding drought and those that have successfully built in the UK but face challenging decisions about where they can access scaling capital to grow to the next stage. Together, these measures would send a clear signal that this Labour Government intends to not only protect but to propel UK life sciences, giving investors, companies, and international partners the confidence to invest, build, and grow in the UK.

We are ready to work with you to deliver our shared ambition – unlocking the full economic potential of UK life sciences for the benefit of patients and for growth.

Yours sincerely,

LIST OF BIOTECH CEO SIGNATORIES