

WHAT COULD A LABOUR GOVERNMENT MEAN FOR LIFE SCIENCES COMPANIES?

Analysis of the key proposals
and what they mean.



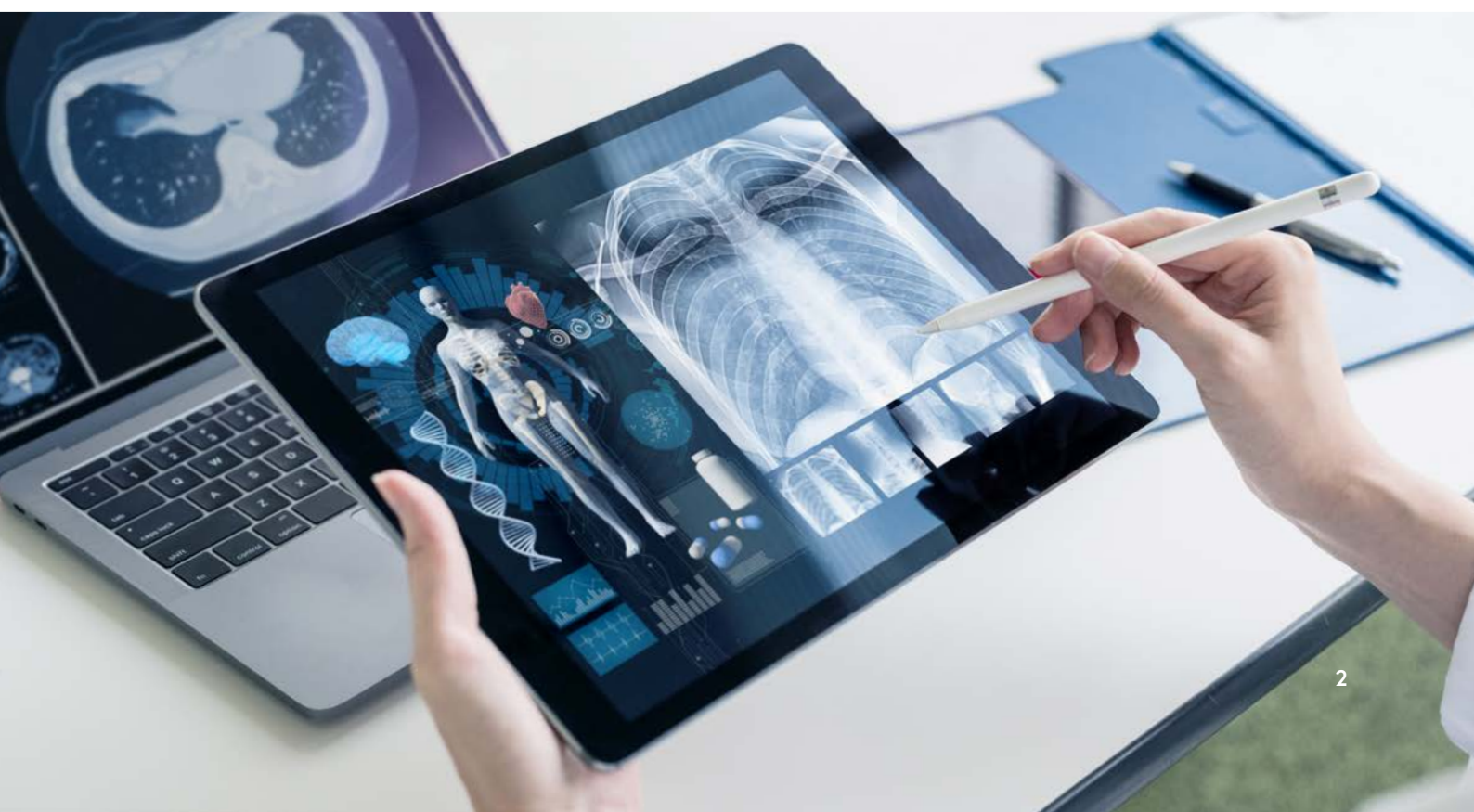
Overview

Labour is heading for power. At the time of writing, Sir Keir Starmer's party has a polling lead of almost 21 points, which would equate to a whopping 485 seats. While historic election trends have broadly seen sizeable leads narrow out before polling day, Labour looks all but set to return to Government for the first time since 2010.

This polling lead is the result of Sir Keir Starmer's transformation of the Labour Party over the past four years. Since his election to the party leadership, Starmer has gone to great lengths to distance himself from the Labour Party under Jeremy Corbyn and take up the centre ground. This has included a concerted effort to engage with businesses and the life sciences sector.

As Labour launches its General Election manifesto this paper provides an analysis of Labour's key announcements to date relevant to life sciences and what they could mean for companies in the pharmaceutical, medical technology and digital health sectors.

PLMR Healthcomms has been working for over 14 years to ensure that our clients from across the life sciences sector have a seat at the table in informing Government policy and supporting patient access to their innovations. If you would be interested in finding out how we can support you to engage with a prospective Labour Government, please email roger@healthcommsconsulting.co.uk.



PLMR General Election analysis and tools:

Below you can read about the various analyses, tools and opportunities that PLMR is putting together for our clients over the course of the Election period. If you would be interested in receiving a more detailed analysis of what a Labour Government would mean for your business, please email roger@healthcommsconsulting.co.uk.

- **The Year of The Long Campaign:** In February, PLMR published its industry-leading report 'The Year of the Long Campaign', which provided detailed analysis of Labour's strategic approach and high-level analysis of key sectors playing a role leading up to the Election. [Read it here.](#)
- **Candidates Portal:** PLMR is proud to have developed a unique portal containing information about all Prospective Parliamentary Candidates (PPCs). Here you can read about each candidate and find contact details to kick start your engagement. We have also launched this portal with a podcast from political commentator, Michael Crick.
- **Insights series:** We are hosting a series of events where you can hear the latest insights from key political, media and policy figures. Coming up, we have:
 - Q&A with Rhys Clyne, Associate Director, Institute for Government, Wednesday 19th June, 2.30-3.30pm – PLMR London Office (Church House, Westminster) and online.
 - Rhys works on civil service and wider government reform, including the Institute's annual Whitehall Monitor. He will share his insights on what a transition to a new government will look like for the civil service, and the key issues on the mechanics of government facing the next Prime Minister.
 - Path to Power: What role can the East of England play in the General Election 2024? Wednesday 26th June, 12.30-1.30pm, Online

This event will see PLMR's Head of Public Affairs, Simon Darby, facilitate a panel discussion on what businesses within the region desire from the next government and, more broadly, what role the East of England can play in the future growth of the UK.

- Pre-Election briefing with LBC's Iain Dale – Wednesday 3rd July 2024, 1.15pm – 2.30pm in the Marlborough Suite, St Ermin's Hotel, London

Taking place on the eve of the General Election, Iain will be sharing his insights on the election campaigns and what the first 100 days of the next government could look like.

- Post-Election briefing – the first 100 days – Monday 8th July, 9am – 10am in the PLMR office and Online

PLMR's Head of Public Affairs Simon Darby and Senior Political Counsellor Leon Emirali, along with special guests, will digest the election result and will explore the key challenges facing the next government.

- **Weekly insights:** Every week, PLMR is sharing the key announcements for clients through our Bluebook. If you wish to receive these insights and be included in the Bluebook, please contact roger@healthcommsconsulting.co.uk.
- **The prospect of a new Government:** Read a top-level explainer [here](#) on the General Election, including information on engaging with Government Bodies such as the Department of Health and Social Care and NHS England.
- **Workshopping:** PLMR Healthcomms has supported a range of clients with their Labour focused engagement strategy. We can help you to refine your **asks** of a new Government (what do you ultimately want), what is your **offer** to a new Government (how can you help them) and your **platform** (how do you describe yourself to achieve genuine partnership).

1. Introduction to Labour's Life Sciences plan: The Missions Approach

Labour's plans for policy and governance begin with five 'missions'. These missions represent a step change in approach compared to previous Governments, acting as overarching objectives that Starmer and his team want to achieve over the long term. They are designed to give a sense of optimism and hope for voters after '14 years of Tory failure'.

Building on the missions, Labour recently announced six "first steps" that represent early priorities for delivery for the Labour Government, matching a similar tool used by Tony Blair in 1997. These first steps will form the basis of Labour's General Election messaging, and will be the pledges on which they are judged in Government.

On governance, Labour is considering how it can reform the Cabinet Committee structure and replace it with 'Mission Boards'. This is designed to create a taskforce model that will deliver on the missions. The Boards would see civil servants, expert advisers and external stakeholders (including business leaders) play a more active role in Government decision making and would create more opportunities for health and life sciences to be discussed at the highest levels.

As we analyse Labour's policy platform, a couple of important points become apparent. Firstly, as they shift to the centre of UK politics, Sir Keir Starmer's Labour Party has adopted a set of policy proposals that are strikingly similar to the Conservatives. Labour's plans for moving care out of hospitals, prioritising prevention, future-proofing the workforce and making the most of technology are not new ideas.

Where Labour differ from the Conservatives is on delivery and implementation. Starmer and his team understand the importance of delivering on their promises, particularly given the changes in strategy over the years from successive Conservative Governments and a perceived lack of delivery in key areas like 'Levelling Up'. This is why the missions and the Missions Board approach are so vital: they provide the new framework that will enable a Labour Government to deliver.



Labour's Overarching Policy Ambitions

Labour's Five Missions for Government

1. Get Britain building again
2. Switch on Great British Energy
3. Get the NHS back on its feet
4. Take back our streets
5. Break down barriers to opportunity

Labour's first steps for change

1. **Deliver economic stability** with tough spending rules, so we can grow our economy and keep taxes, inflation and mortgages as low as possible.
2. **Cut NHS waiting times** with 40,000 more evening and weekend appointments each week, paid for by cracking down on tax avoidance and non-doms.
3. **Launch a new Border Security Command** with hundreds of new specialist investigators and counter-terror powers to smash criminal gangs and strengthen our borders.
4. **Set up Great British Energy**, a publicly-owned clean power company, to cut bills for good and boost energy security, paid for by a windfall tax on oil and gas giants.
5. **Crack down on antisocial behaviour**, with more neighbourhood police paid for by ending wasteful contracts, tough new penalties for offenders, and a new network of youth hubs.
6. **Recruit 6,500 new teachers** in key subjects to set children up for life, work and the future, paid for by ending tax breaks for private schools.

2. Labour's Plans for the NHS

Wes Streeting has been bold in his assertion that the NHS needs to reform. His language demonstrates a pragmatism and shows him to be unafraid of taking on the status quo. Calling the NHS a 'leaky bucket' demonstrates his willingness to challenge the system and his approach to funding. When he says the NHS is not the envy of the world, he means it.

The challenge facing a new Labour Government is that expectations are high, and the metrics of success are felt by every family in the country who has a relative on the waiting list. Balancing these short term challenges with his ambitions for long-term reform will be a tough ask in a policy area that has felt reform more than most, and which impacts on every person in the country.

Proposals snapshot:

Labour has set out its plans for the NHS under its Health Mission, 'Building an NHS fit for the future'. The proposals set out so far fall into three themes:

1. **Change so that more people get care at home in their community.**
2. **Change so we focus on prevention.**
3. **Change so that we have the workforce of the future, with the technology they need.**

The core proposals include:

1. *40,000 additional NHS appointments, scans and operations a week*

Ensuring the new appointments are split correctly across primary care, diagnostics, outpatients and electives will be important for ensuring the policy does not simply move one bottleneck from one part of the system to another. Should this be achieved, the opportunity for greater uptake of medicines and devices is considerable.

Engagement with the workforce itself will be critical for implementation. This is a workforce with sections already striking over pay and working conditions, and ideas to solve the capacity problems in the NHS by working staff harder are often quickly shot down.

2. *Reform the primary care system, as the front door to the NHS*

Primary care will likely be a considerable focus for a Labour Government, and we should expect some contention between Ministers and the primary care sector. Already, Wes Streeting and the British Medical Association (BMA) have argued over proposals to turn GPs into salaried staff and over Streeting's expectation that more money should mean better services.

Labour has committed to bringing back the family doctor and to reforming financial incentives to reward GPs who deliver continuity of family care, which the BMA has said is 'impossible' given current workforce challenges and an ageing population.

Contract reform and incentives will be key, and it is likely a Labour Government will need to weather a few storms if they are going to be successful in opening up primary care and improving access.

3. *Delivering a 'prevention first' revolution*

On prevention, Labour commits to creating a Marmot Nation, building on work undertaken by Sir Michael Marmot on the social determinants of health. This will require a focus on health that is wider than just the NHS and the Department of Health and Social Care, and Labour's Mission Board could be well positioned to deliver on this.

However, prevention has been the key focus for the Conservative Government and the NHS for the best part of a decade, without success. There are institutional barriers that have halted delivery on prevention, such as the influence of major hospitals, budget deficits and a lack of joined up planning. Prevention needs time and cultural change across Government silos. For life sciences companies, the shift to a prevention first model may provide the catalyst for starting a conversation about wider measures of value for assessing health interventions.



2.1 Labour's Plans for Innovation and Technology Adoption in the NHS

Industry will take a keen interest in Labour's emphasis on the increased use of technology in the NHS, specifically supporting AI, apps and data. A new Innovation and Adoption Strategy has the potential to become an overarching strategy that unblocks the challenges that are faced when it comes to innovation uptake.

Proposals snapshot:

- ***A plan for procurement, adoption and spread of new technologies*** so innovators have a clearer route to get their product into the NHS. This includes identifying which goods and services should be procured centrally at volume in order to get the best value for the taxpayer.
- ***A better mechanism for accountability:*** ICSs are obliged by law to "foster and deploy research and innovations" under the Health and Care Act. Labour have also pledged to work with the NHS to define what these statutory obligations mean in practice and how to better hold ICSs to account for delivery, whilst allowing for greater flexibility where appropriate.
- ***An approach to identify unnecessary bureaucracy and reduce it*** so NHS Trust Drugs and Therapeutic Committees do not unnecessarily re-evaluate products that have already been shown to be clinically safe and cost effective by NICE.
- ***Reform to the incentives structure to drive innovation*** and give the NHS the freedom to embrace new partnerships, new ways of working, new treatments and prevention.
- ***Working with the CQC to ensure regulation involves speedy adoption of new technology*** so that regulatory assessments of healthcare providers involve adoption of new technology to deliver improved care.
- ***Better horizon scanning*** for emerging treatments, like new, revolutionary drugs for dementia, so that the NHS can better prepare for adoption at pace and scale. As part of this, a Labour Government would look to ensure ICSs get the advice and support they need as to how to adopt new NICE approved medicines, including through sharing of best practice across the system.

- A key aspect of Labour's plan is also *enhancing the NHS App to put more data in patients' hands*. Under Labour, the NHS app would be used to send push notifications to patients eligible for clinical trials, provide access to the latest NICE treatment guidelines, and push screening notifications. Labour has also outlined its priority of improving data sharing across the NHS, and for strengthening the Government's challenge of GPs who fail to comply with data sharing requirements.
- For clinical trials, Labour has committed to *implementing the O'Shaughnessy Review recommendations*. Labour also plans to *host more clinical trials in community settings and GP practices*, and to enhance the skill mix of NHS staff to support clinical trial research and patient recruitment. Additionally, Labour has committed to creating a standing national clinical trial registry to consolidate existing registries and increase data-enabled recruitment, further supporting the future of UK clinical trials.

Policy Analysis

The indications are there for the system, manufacturers, patients and clinicians that Labour means business when it comes to the adoption pathway of medical, pharmaceutical and digital technologies.

Labour's plans hit the right tone and set out policies to improve the outlook of innovation; including improving the wider pathway, increasing accountability for ICSs, removing unnecessary re-evaluation and improved horizon scanning. Yet, it is also clear that policy announcements to date play a safe hand and are broadly aligned with work being undertaken across the Department of Health and Social Care, NHS England and their Arms-Length Bodies.

In the run-up to a General Election, many expect opposition parties to reinvent the wheel and offer widespread reforms that transform governance, structures and policies created by their opponents. Labour has not done this.

History has shown that efforts to introduce widespread change in the NHS are rarely universally welcomed. Labour appears to be taking a considered approach to NHS adoption that will seek improvements gradually rather than through a complete overhaul.

Should they reach Government, a proactive approach to innovation in the NHS can reinforce the narrative of a new Labour Party that supports industry. Only time will tell whether Labour can deliver on their ongoing promises, but if they do, it will create a positive ecosystem for innovators and patients alike.

3. Labour's Plan for Life Sciences

Similar to Labour's plans for the NHS, Labour's Life Sciences Strategy strikes the right tone. From 2012 to 2020, the UK's share in global pharmaceutical R&D halved, and the nation shifted from being a net exporter to a net importer of pharmaceuticals. As of 2023, almost 50% of medical technology companies have removed products from the UK market due to insurmountable regulatory challenges, and 10% are reporting they may soon relocate their existing R&D activity abroad. These concerning trends underscores the urgency of Labour's proposed interventions.

At the heart of Labour's strategy is the concept of "securonomics," which emphasises government predictability, national economic resilience, and robust partnerships with industry. By reducing uncertainties in R&D and NHS procurement, Labour aims to restore the sector's growth rates to those seen under previous Labour governments and create 100,000 new jobs by 2030. Labour outlines that achieving the 2012 share of global life sciences R&D would potentially attract an additional £10 billion in annual investment.

Policy Snapshot

- *The establishment of a Regulatory Innovation Office (RIO), designed to expedite the regulation of key technologies and ensure accountability among regulators for any delays.*

The RIO would integrate the functions of the Better Regulation Executive and the Regulatory Horizons Council, thereby aligning British regulatory standards with international benchmarks. Notably, Labour has provisionally identified cell and gene therapies, mRNA vaccines, and AI applications in life sciences as priority areas where the UK could become a 'frontier market'.

Whilst the RIO has the potential to drive prioritisation of innovation where the UK has a comparative advantage, it also comes with the risk of adding an additional layer of bureaucracy and pressure onto an MHRA that is already struggling. There is a bigger picture question about what kind of regulator the MHRA wants to be. Key to this question will be for Labour to ensure it engages in genuine partnership with industry to create a future-proofed and innovation enabling regulatory environment.

- *Enhance the Industrial Strategy Council, transforming it into a statutory body tasked with monitoring government progress in the life sciences sector, alongside reforming the Office for Life Sciences (OLS) to provide the Health Secretary with direct responsibility for innovation.*

These proposals aim to ensure a sustained focus and accountability for innovation, while streamlining decision-making processes and fostering a more responsive regulatory environment.

Moving the OLS under the direction of the Health Secretary has the potential to create closer alignment between the life sciences sector and patients, something that both the industry and Labour Shadow Ministers have recognised as critical. Accountability and clear responsibilities will be key to ensure a joined up approach.

- *Long-term funding commitments to enhance the wider life sciences sector in the UK* by shifting from short-term to 10-year funding cycles for research bodies such as the National Institute for Health Research (NIHR) and UK Research and Innovation (UKRI). In committing to long term funding settlements for Life Sciences research, Labour is seeking to provide the stability necessary for significant international investment.

Policy Analysis

Confidence is key in any industry, but the commercial environment in life sciences in recent years has been turbulent given Brexit and agreements such as VPAS. Long term funding settlements will encourage industry to invest, but the wider environment needs to match this, from regulation to HTA to supply chain and access. If Labour are able to change the clinical research funding model to take a longer term approach, it may start a conversation about new funding models in other parts of the life sciences system, such as reimbursement.

Labour's commitment to expanded budget allocations for UK life sciences, coupled with the introduction of new bodies such as the Regulatory Innovation Office, represent a unique opportunity for MedTech and Medicines. In Labour's policy platform, there is a recognition, continued from the incumbent Government, of the considerable contribution that life sciences makes to the UK economy.

Similarly, the publication of a plan for the procurement of technology in the NHS is an opportunity to embed named responsibility, clearer routes to market and a greater degree of consistency in the adoption of innovation locally in the NHS.

However, there is inevitably an incredible amount of detail still to be fleshed out on how Government budgets will be allocated, where the RIO will prioritise expedited regulation and the recommendations that Labour's NHS technology procurement plan would make. It is vital that medical device manufacturers and the pharmaceutical sector engage with a Labour Government to inform these policy decisions, to ensure that they realise their ambition of providing timely access to life-changing treatments.

4. Labour's Plan for Business Partnership

Labour's Industrial Strategy, published in September 2023, underscores Sir Keir Starmer's vision of fostering a taskforce mentality through strong partnerships between industry and government. This strategy aims to address critical supply chain needs, boost sovereign capabilities, and maximize the UK's strengths in life sciences and other key sectors.

Key commitments of Labour's plan for business partnerships include:

1. Delivering 100% clean power by 2030
2. Caring for the future
3. Harnessing data for public good
4. Building a resilient economy

Proposals snapshot:

- ***Establish a supply chain taskforce to assess vulnerabilities and enhance resilience across critical sectors, including medical equipment.*** The success of COVID-19 vaccine development is cited as a prime example of effective government-industry collaboration. Labour's plans to enhance resilience across sectors should be seen as an attempt to further this approach across Government procurement and innovation.
- ***Development of 'sovereign capabilities' to safeguard against supply chain shocks and international events.*** These plans include maintaining a robust domestic industrial base and introducing a statutory Industrial Strategy Council to drive the UK's industrial strategy.
- ***The establishment of a British Infrastructure Council,*** composed of senior business leaders, will provide advice on the delivery and funding of national infrastructure projects.

- *Integrating laboratory clusters into the Nationally Significant Infrastructure Regime (NSIR).* This could streamline the approval process for significant laboratory infrastructure projects by involving the Planning Inspectorate and the Secretary of State for Science, Innovation and Technology, overriding local planning regulations and potentially introducing National Development Management Policies for specific regions.
- *Increase R&D spending to 3% of GDP from both public and private sources.*
- *The creation of an Office for Value for Money (OVM)* to ensure competition and return on investment in government contracts.
- *The introduction of a Take Back Control Act* to enhance devolution, granting local and regional authorities' greater powers over skills, transport, and planning.

Policy Analysis

A government's relationship with business, industry and wider economic development is key for its success. Government relies on business, industry, investors, and innovators to deliver on many of its key policies, from wider industrial strategies and economic frameworks to the delivery of key Departmental strategies.

To win an election is one thing; to govern is another challenge altogether. Without the confidence, input and practical support of businesses and industry, these key policy initiatives cannot succeed.

If you would be interested in finding out how we can support you to engage with a prospective Labour Government, please email roger@healthcommsconsulting.co.uk.



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