Interview: Steve Bates – CEO, BioIndustry Association (BIA), UK

"We have a place on the global [biotech] podium and would like to go further"

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Steve Bates, CEO of the UK BioIndustry Association (BIA) for over five years, shares the importance of the UK's status as a global life science hub, the long-term government actions that continue to render the life-sciences sector attractive, and how the NHS is well-suited to the advent of big data and personalized medicine.

Can you introduce the BIA to our international readers?

The BIA is the trade association for innovative life science in the UK, and although we are based here, we think globally. We interact with companies in all stages of development, from those starting out with one or two people to large global leaders like GSK and AstraZeneca.

Since our founding at the start of biotechnology in the 1990s, we have had a strong membership of drug discoverers and developers and have broadened into an association of life science practitioners. Recently, we launched a Genomics Advisory Committee, which is dedicated to data analysis and diagnostic interpretation; an altogether newer area. We are lucky to build on the heritage of the Wellcome Trust and Sanger Institute heritage.

We do three things for our members: we act as the voice of the sector and influence the policy space in which the most important facet is the industrial strategy, we connect them with the people who can help their business to grow and succeed and we help them to save money through our business solutions scheme.

We have evolved to reflect the specific sub-sectors that we see in life sciences in the UK. We are the third global cluster for life sciences which means that we have a size and scale in our ecosystem that can influence several areas. We have a highly developed financing function for life sciences. The BIA can help bring investments together in the UK as the association acts as a hub for the City of London, investor relations companies, and biotech management teams.

In addition, we have a globally influential legal community that is at the forefront of intellectual property law. As well as emerging themes in the sector, such as genomics, we offer assistance in synthetic biology, where we look at how to provide the tools for the processes that we use in cutting-edge technology.

Can you explain the strengths and weaknesses of the UK innovation ecosystem?

If we consider funding, consistently the UK has been the most significant country raising funds into biotech in Europe, although it is, of course, some way behind the East and West coasts of America. We have a place on the global podium and would like to go further but are already in a good position. We are robust, broad-based and there is an extensive heritage of experience chiefly because pharmaceuticals have been a significant part of the UK economy for years. Furthermore, we have fantastic science and research centers across the UK with major hubs in Cambridge and Oxford as well as the newly establish Francis Crick Institute. This strong science base ensures that the UK's long-term outlook and pipeline remain strong.

The challenge that we face is that we need to grow and scale up more UK businesses. If we look at some of our home-grown biotech companies, they are now part of some of the world's biggest MNCs. Of course, assets are for sale and do not necessarily have to stay within the parent company, but we would like investors to stay the course and grow companies here in a long-term timescale. We have seen Swiss companies such as Actelion grow their biotech companies to scale and are confident that the UK can do the same. We already have a good stable number of companies doing this in the UK, supported by our world-class management teams, and we require a shareholder base that is happy to carry on the journey.

[Featured_in]

How does the UK, and in particular, London stack up on the world stage?

The UK benefits from patient long-term capital, we have a fantastic talent pool, and the UK is a great place to work, run a business and thrive. London is the largest city in Europe, and the flexibility and opportunity it represents are impressive. I often joke that platform nine and three

quarters is where the magical journey starts – not just for Harry Potter, because on one side of Kings Cross Station we find the Francis Crick Institute, the most significant biomedical organization in Europe, and on the other side we find Google Deep Mind's campus; they combine to form a magical setting! The access and application of Big Data to cell biology for innovative companies, coupled with London's status as a vibrant city make it a fantastic place to live.

We have a complete cluster in London which is equally useful for working with Boston, Europe, and even Singapore given its convenient time zone.

When the NHS system was set up in the 1940s, they did not understand the value of what we now see in the 21st century. The way we follow, track and understand disease is made more accessible by the initial foundations of the NHS. In one sense, we are lucky to have a unified healthcare system which has the potential to realize early on the benefits of new technologies. If we look at the work that is being done by Biobank UK, who can understand and track cohorts over many years and who now spot diseases of longevity in middle-aged people, we realize that we are well prepared. That said, no health service is perfectly funded or works in the most modern way efficiently, and there are of course some leaders and laggards in adopting innovation in the UK.

Concerning the application of AI and Big Data to genomics, we find many bright hubs of scientific excellence across the UK: Sanger, LMB, Cambridge, Oxford, Dundee and Manchester. We are conscious of the rapid progress in places like China, indeed, we envy their ability to restructure so quickly, but we will continue to be a European leader. The UK's ability to forge its path in Europe, and off the back of its expertise in the market, means that Britain will continue to produce exciting projects, strategies, and ideas.

To what extent does Brexit threaten to derail progress?

The vote for Brexit came as a surprise to us in the life sciences sector, and we campaigned for the benefits of remaining Europe. In part, there was a moment of reflection for people as to the implications of Brexit, and there may be some barriers for people who are used to living and moving around freely in Europe. I hope that the rules are straightforward for those working in the life sciences sector, and that the UK continues to build our talent pool on a global selection. For me, brain circulation is vital to ensure proper dissemination of ideas.

In what areas will Brexit's impact be most pronounced?

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There are numerous scientific reasons for collaboration to continue, and I have yet to meet a European academic who thinks that taking one of the powerhouses of scientific knowledge out of the European system is a sensible thing to do. Nobody wants to see an ugly divorce, and science has always been separated to politics: we look at Switzerland and Israel as examples of countries that engage in a lot of successful deals with the EU.

Regarding funding for companies, I don't think we have seen a drop-off as a result of the Brexit referendum, and the impact of the pound being weaker regarding our ability to pay has also made our practices cost-effective. But with currency, there are always winners and losers.

There are three reasons for which UK companies will not be as negatively impacted as initially thought. Firstly, companies require private investments and given the scientific excellence we see in the UK, we will continually see that investment flow. Secondly, in scientific funding, money promised by the UK government and their long-term strategy reassures the industry that Brexit will pose less of a problem. The UK government has worked on a sector deal for the life sciences and we also have a long-term Life sciences Industrial Strategy – in addition to this the patient capital review will open up new sources of funding in the UK. We have been lucky to host the EMA in London, who are now moving to Amsterdam; this is a severe loss for the UK system, and we are sorry to see them go. However, more important than the office is the ongoing regulatory system and the approach which we will see being negotiated over the coming period.

Finally, in manufacturing, we try to stress the importance of frictionless trade across all borders as we know how useful it is in starting a business in Europe. The fewer trade barriers we see across borders, the less of an impact Brexit will have.

How supportive is the government of the life sciences industry?

Government support is long term, strategic, based around the best science and in the latest iteration of Sir John Bell's report, which focuses on enabling businesses to grow through the business environment rather than building an industrial champion through a dirigiste approach, is an excellent platform for life sciences success.

We are lucky in the UK that the life sciences sector is seen as a jewel in the industry crown. We have a strong government backed Life Sciences Industrial Strategy alongside a sector deal which both demonstrate the long-term commitment of the government to our sector. There has been a longstanding consensus of the importance of life sciences and collaboration with the science community and investment has a long history, stretching back to the aftermath of the Second World War.

The 100,000-genome project which has been going for three years, and Biobank which has been running for even longer reflect the holistic approach drawing on all the different elements. Government support is, of course, important currently, but it has been so down the years, for decades now: the long-term strategy towards healthcare has been around for as long as our Queen Elizabeth has been on the throne.

The style of investment into UK life sciences is crucial, too; we see heavy support for primary research, globally relevant universities and enabling support for making the UK a great place to do business. In the last 15 years, The R&D tax credits, low rates of corporation tax, the patent box, and stable and consistent support from governments of all political persuasions has built a great environment for healthcare innovation businesses.

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