ABHI

LIFE SCIENCES SECTOR PLAN AND 10 YEAR HEALTH PLAN DELIVERY - ABHI PERSPECTIVES

OVERVIEW

ABHI played a full and active role in the development of both the Life Sciences Sector Plan (LSSP) and 10 Year Health Plan (10YHP), submitting detailed evidence to both and taking part in the Task and Finish exercise which helped develop the former. Other elements of the Government's wider Industrial Strategy are also relevant for HealthTech, such as those relating to Digital, Export and SMEs.

The LSSP has been described by government sources as having six headline deliverables:

- Realising a Health Data Research Service (HDRS).
- Slashing trial set-up times to under 150 days.
- Backing manufacturing with up to £520 million via the Life Sciences Innovative Manufacturing Fund.
- Streamlining regulation and market access.
- Introducing low-friction procurement.
- Partnering with industry to drive growth and innovation.

These are the linked three "Pillars":

1. Enabling World Class Research and Development.
2. Making the UK an Outstanding Place in Which to Start, Scale, Grow and Invest.
3. Driving Health Innovation and NHS Reform.

There are 33 listed actions, each with an identified Senior Responsible Officer.

The 10YHP is part of the government's health mission to build a health service fit for the future. It sets out how the government will reinvent the NHS through three shifts:

1. Hospital to community.
2. Analogue to digital.
3. Sickness to prevention.

To support the scale of change, the government will ensure the whole NHS is ready to deliver these three shifts at pace:

- Through a new operating model.
- By ushering in a new era of transparency.
- By creating a new workforce model with staff genuinely aligned with the future direction of reform.
- Through a reshaped innovation strategy.
- By taking a different approach to NHS finances.

Delivery of the 10YHP is heavily dependent on HealthTech, and the narrative is frank in its acknowledgment that the NHS needs to take a more enlightened view in a number of areas relating to technology adoption. These include being a better and more willing partner with industry, considering value rather than simply cost in procurement, and adopting a passporting system to facilitate the rapid spread of proven technologies.

The Association also maintains an active list of significant and persistent challenges faced by the sector in areas such as Regulation, Procurement, Adoption, Sustainability, Funding and Cost of doing business.

This paper aims to knit together the ambitions of the LSSP with the relevant parts of the 10YHP and the challenges that must be overcome to ensure delivery of both. We have done this by describing nine key themes that we see as straddling both plans, identifying the existing challenges in each, and suggesting an approach to expedite delivery.

EMERGING THEMES

Accelerated Patient Access
(Focus on delivering predictable, faster routes from evaluation to patient access)

National Adoption
(Ensure innovations are spread consistently, addressing health inequalities across regions)

Investment, Productivity and Growth
(Unlock capital, scale SMEs, and deliver NHS productivity gains)

Trusted Data & Digital Infrastructure
(Build interoperable, accessible, and AI-ready health data systems)

Global Clinical Trials and Evidence for HealthTech
(Makes the UK a world leader in HealthTech trials and evidence generation)

Resilient UK Manufacturing
(Strengthen domestic capability and resilience against global shocks)

Future Life Sciences Workforce
(Develop the skilled workforce needed for innovation and delivery)

Translational Research & Innovation
(Bridge discovery to deployment, strengthening UK's global R&D position)

Environmental and Sustainability
(Deliver sustainable, compliant, and green health technologies)

ACCELERATED PATIENT ACCESS

(Focus on delivering predictable, faster routes from evaluation to patient access)

The LSSP outlines an ambition to expand the scope of NICE appraisals beyond pharmaceuticals into devices and diagnostics, strengthen horizon scanning functions, and support earlier patient access through more agile assessment mechanisms. The 10YHP emphasises reforms to NICE, suggesting these actions should broaden appraisal coverage and accelerate adoption of proven innovations through initiatives such as "passporting."

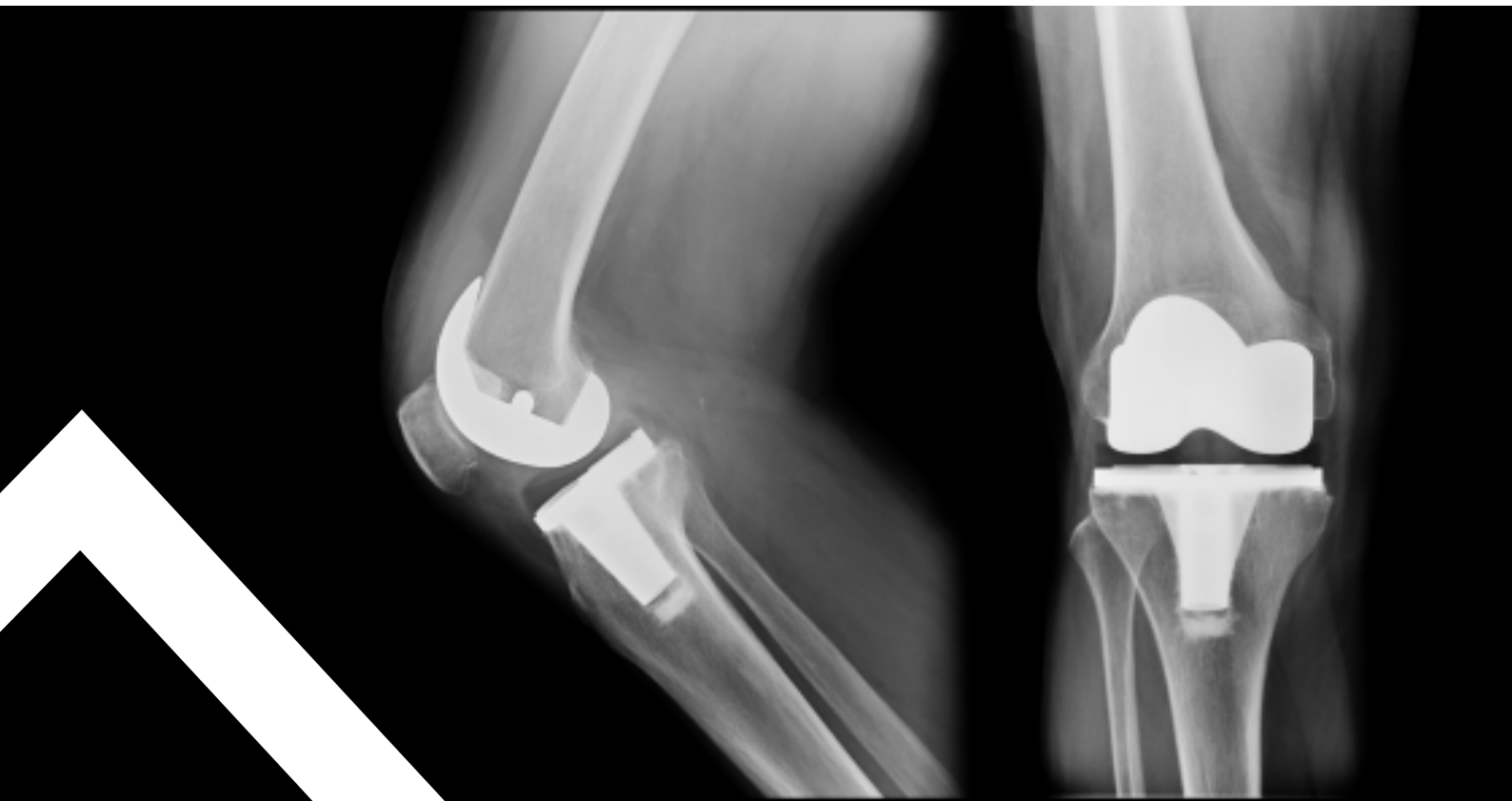
ABHI has consistently emphasised the need for predictable Health Technology Appraisal (HTA) processes and a laser focus on adoption and spread at pace and scale.

NICE has an important role to play in delivering the LSSP, but its Late-Stage Assessments (to become Existing Use Guidance) signal a move of the Institute's focus away from promoting access to innovation towards cost containment, and not consistent with the ambitions of Pillar 2. The Early Value Assessment programme has promise, but is not yet scaled to provide comprehensive early access pathways.

Creating the impression that the NHS is not truly open for business undermines both patient access and investor confidence, and will require urgent attention to ensure the success of the ambitions of the LSSP and 10YHP. The need to tackle these challenges is particularly acute in the period 2025–26, given the timelines for delivery in the respective plans.

Accelerated Patient Access has been a long-standing theme in successive initiatives, and is a clear and welcome focus of LSSP / 10YHP. An empowered, active collaboration between NICE, MHRA, DHSC, NHS England, OLS, industry and representatives from the operational NHS should identify and remove bottlenecks, develop clear timelines, and ensure that action delivery is consistent with the ambitions of Pillar 3.

LSSP Actions (25 - 28)



NATIONAL ADOPTION

(Ensures innovations are spread consistently, addressing health inequalities across regions)

The LSSP proposes the establishment of Regional Health Innovation Zones and enhanced roles for Integrated Care Systems (ICSs) in innovation adoption. These ambitions complement the 10YHP, which envisages a rebalancing of NHS expenditure towards community and neighbourhood care, alongside stronger place-based innovation ecosystems. The LSSP also contains a number of measures to support adoption and spread, including innovation passports and the development of a "Rules Based Pathway." There is a focus also on Value Based Procurement (VBP).

In recent years, ABHI has emphasised the importance of professionalised adoption processes, procurement reform, more coherent commissioning, and accountability for uptake.

Despite the focus in both Plans on a more systematic approach to adoption, significant barriers threaten progress. NHS commissioning processes remain opaque, with significant variability across ICSs. Fragmented decision-making, unclear accountability structures, and inconsistent adoption incentives result in innovations being confined to pilot projects rather than achieving system-wide impact.

Without clear mechanisms and identified funding streams to ensure consistency, the ambitions of regionally and nationally-spread innovation risks being undermined. There is little clarity as yet on the Rules Based Pathway, and the interpretation of how social value is measured by some NHS organisations potentially falls foul of industry codes of ethical business practice.

The urgency for reform is high across the 2025–30 period, coinciding with wider NHS structural changes.

An empowered, active collaboration between NICE, MHRA, DHSC, NHS England, Office of Life Sciences, industry and representatives from the operational NHS, should develop models of innovation adoption and spread that reduce variability while respecting local contexts.

The immediate focus should be on improving transparency in commissioning and aligning adoption decisions with clear lines of accountability. Once systemic barriers are resolved, the focus should be on accelerating the diffusion of proven innovations, with measurable impact on patient outcomes and health inequalities.

LSSP Actions (29 - 33)

INVESTMENT, PRODUCTIVITY AND GROWTH

(Unlocks capital, scales SMEs, and delivers NHS productivity gains)

The LSSP sets out objectives to support 10–20 high-potential companies to scale each year, embed VBP, and stimulate capital investment in innovation. The 10YHP commits to NHS productivity improvements of 2% annually between 2025–28 and driving efficiency through procurement and capital allocation reform.

ABHI has argued for the operationalisation of VBP, the introduction of targeted tax and fiscal incentives for HealthTech, and the active reduction of capital to revenue transfers in the NHS.

However, the NHS faces chronic underinvestment in capital infrastructure, with Trusts forced to prioritise in-year savings over long-term investment that would, ultimately, drive efficiency.

Procurement reform remains limited, and SMEs face persistent barriers to scaling based on their activity in the UK market. These factors undermine both productivity gains and innovation adoption. The urgency for reform is acute in the 2025–28 period given the underlying financial position of the NHS and the imperative to return RTT to constitutional standards by 2029

DHSC, Treasury, NHS England, and industry stakeholders should collaborate to resolve capital funding constraints, reimagine private finance initiatives and drive true VBP.

(LSSP Actions 5 & 6; 13 - 15; and 19 - 24)

TRUSTED DATA & DIGITAL INFRASTRUCTURE

(Builds interoperable, accessible, and AI-ready health data systems)

A key element of the LSSP is realising a Health Data Research Service (HDRS), and the Plan supports the expansion of digital infrastructure more broadly, and the creation of incentives for AI adoption as central to sector growth. The 10YHP prioritises data linkage, interoperability, transparency, and the use of population health data to drive digital-first healthcare. ABHI strongly supports the progress on the delivery of the HDRS, and the prominence it has been given in the LSSP and the 10YHP.

ABHI has consistently emphasised the importance of clear interoperability standards, defined access frameworks for industry, standardised information governance arrangements and significant investment in the underpinning infrastructure.

Despite progress, NHS data sets remain fragmented and inconsistent, with weak interoperability across systems and regions.

Governance arrangements for data access remain unclear, creating uncertainty for industry and researchers alike. Underinvestment in digital infrastructure risks leaving the NHS unable to take advantage of the rapid global acceleration of AI-enabled healthcare.

DHSC, NHS England, the operational NHS, OLS, and industry should together bring a focus on interoperability and governance, and develop a consistent national framework.

Once foundations are established, there should be a concerted effort to drive adoption of AI-enabled technologies, ensuring that they are deployed at scale and embedded into service delivery. Without this, digital-first ambitions risk becoming fragmented initiatives, leaving the UK trailing international peers in both health outcomes and economic opportunity.

LSSP Actions (7 - 9)

GLOBAL CLINICAL TRIALS AND EVIDENCE FOR HEALTHTECH

(Makes the UK a world leader in HealthTech trials and evidence generation)

The LSSP commits to expanding UK clinical trial capacity, improving the research offer for HealthTech, and fostering rapid learning in health systems. The10YHP calls for the expansion of clinical trials, strengthening patient recruitment, and embedding evidence-based approaches into adoption decisions.

ABHI has recommended the development of proportionate evidence requirements, predictable support for trials, and mechanisms to improve patient access.

However, evidence requirements for HealthTech remain fragmented and inconsistent, capacity for clinical trials is constrained, and the UK faces growing competition from international competitors.

Further, support mechanisms for trial sponsors and SMEs are unpredictable, deterring investment. The existing infrastructure is based on a pharma model and, whilst there are specific actions to improve the offer for HealthTech SMEs, the challenges in doing so should not be underestimated.

MHRA, NICE, NIHR, UKRI and industry should initially focus on harmonising evidence requirements and addressing capacity constraints, ensuring that HealthTech trials are both feasible and internationally competitive. Work needs to take place separately from any aimed at delivering actions related to biopharma trials to ensure the peculiarities of the HealthTech sector are fully recognised.

(LSSP Actions 2-4; and 11)

RESILIENT UK MANUFACTURING

(Strengthens domestic capability and resilience against global shocks)

The LSSP identifies strengthening UK manufacturing capacity, improving supply chain resilience, and diversifying sources of supply as priorities. The 10YHP supports this by emphasising the need to build domestic manufacturing capability, enhance resilience in critical supply areas, and reduce dependency on international imports.

ABHI has recommended long-term manufacturing incentives, investment in resilience, and improved operational planning, including that related to supply chain shocks.

Global competition for manufacturing investment is intensifying, with other nations offering significant incentives. UK supply chains remain fragile, with limited domestic redundancy and insufficient resilience planning. Regulatory divergence risks further complicating supply chains, creating uncertainty for industry.

DBT, DHSC, OLS, and industry, should collaborate on addressing resilience and strengthening incentives for domestic manufacturing investment, including maximising the potential of the Life Sciences Innovative Manufacturing Fund.

LSSP Actions (19 - 20)

FUTURE LIFE SCIENCES WORKFORCE

(Develops the skilled workforce needed for innovation and delivery)

The LSSP sets priorities for expanding skills training, strengthening specialist pipelines, and supporting NHS / industry secondments to enhance capability. The 10YHP commits to expand workforce capacity, particularly that in digital, and strengthen workforce planning systems.

ABHI has called for structured NHS / industry pathways, recognition of HealthTech as a priority area, and the development of targeted recruitment programmes.

Sector challenges are acute. The NHS, regulators and industry all face shortages of skilled staff, exacerbated by weak planning mechanisms and limited specialist training pathways.

Joint NHS / industry skills exchange mechanisms are underdeveloped, and international competition for talent places further strain on the pipeline. Without action, both innovation adoption and service delivery will be constrained.

Working together DHSC, NHS England, the Department for Education, and industry representatives' immediate priority should be addressing pipeline shortages by coordinating investment in specialist training and creating predictable secondment and exchange pathways.

(LSSP Actions 16 - 18)

TRANSLATIONAL RESEARCH & INNOVATION

(Bridges discovery to deployment, strengthening UK's global R&D position)

The LSSP sets out ambitions to expand translational research capacity, strengthen the role of catapults, and incentivise industry collaboration. These ambitions align with the 10YHP, which emphasises building stronger academic / industry linkages, enhancing translational infrastructure, and positioning the UK as a global leader in research and development. ABHI has called for sustainable funding for catapults, predictable collaboration pathways, and reductions in the administrative burden for companies.

Currently, Catapult and Accelerator funding remains short-term and unstable, undermining long-term planning. Collaboration incentives and infrastructures are fragmented, with industry reporting difficulties in navigating support mechanisms.

International competition is intensifying, with rival international counterparts offering more predictable and attractive collaboration opportunities. Translational pathways remain weak, leaving a gap between discovery and deployment.

Involving UKRI, NIHR, DHSC, OLS, and industry stakeholders, initial focus should be on stabilising catapult funding and reducing bureaucratic barriers to collaboration. Subsequently, focus can turn to strengthening the UK's international position by embedding robust translational pathways and scaling successful collaborations.

(LSSP Actions 1& 2; 5 & 6, and 10 & 12)

ENVIRONMENTAL AND SUSTAINABILITY

(Delivers sustainable, compliant, and green health technologies)

The LSSP includes commitments to support the NHS Net Zero supply chain, strengthen environmental compliance frameworks, and incentivise green manufacturing. The 10YHP embeds environmental reporting requirements, greening procurement, and ensuring that health system decarbonisation targets are met. ABHI has recommended predictable sustainability regulation, practical roadmaps, and greater support for SMEs in adapting to net zero requirements.

Delivery of these ambitions, however well intended, is far from straightforward. Sustainability requirements are inconsistently interpreted and applied across the NHS, creating uncertainty for suppliers.

SMEs in particular face difficulties in adapting to environmental compliance without structured support. Procurement signals are inconsistent, weakening incentives for green investment. Government departmental responsibility can sometimes be confusing, and the sector has previously had little engagement with DEFRA, and reliable and timely communication presents a consistent and worrying challenge. Underinvestment in green infrastructure risks undermining both NHS net zero ambitions and industry competitiveness.

Together, NHS England, DHSC, DEFRA, and industry, should initially focus on harmonising compliance requirements and ensuring tailored support for SMEs, as well as addressing specific challenges for the sector not considered by DEFRA and other Departmental colleagues in the development of wider sustainability policy.

(LSSP Action 21, and 29 & 30 on Value Based Procurement)

OVERSIGHT & GOVERNANCE

Finally, but critically there must be transparency, oversight and partnership for delivery to secure long-term, stable frameworks for government / industry collaboration. Government cannot deliver industrial strategy, that has to be done by industry itself, with government offering support and helping to remove significant and persistent barriers, such as some of those highlighted in this paper.

The LSSP highlights the importance of building a strong, institutionalised partnership between government, the NHS, and industry. The 10YHP stresses the need for reforms to system operating models, closer alignment of priorities across NHS structures, and stronger accountability through transparency measures such as provider league tables. The 10YHP is also frank in acknowledging that the NHS has a reputation of being a poor and unwilling partner, undermining the ability of the service to make best use of technology for its patients and hampering inward investment for our country. The 10YHP also recognises that the NHS needs to take a more enlightened view on procurement and recognise value, not merely cost. Taken together, these ambitions seek to create a health and life sciences ecosystem that is collaborative, strategically aligned, and credible in its delivery, thus realising the ambitions in Pillar 2 of the LSSP.

Businesses like stability and certainty on which to base investment decisions, and it appears that may be forthcoming on the regulatory front at least, as post Brexit arrangements finally begin to take shape. Elsewhere, however, geopolitical factors, shifting health and care priorities and political instability remain challenging.

The need for the operational NHS to be involved in the process of development and delivery within these plans is key, but not, as yet, year clearly defined.

At the same time, governance arrangements remain fragmented, with duplication across OLS, DHSC, and NHS England, leading to gaps in accountability and a lack of clear lines of responsibility. This creates uncertainty for both industry and policymakers, and risks slowing the pace of delivery. Without credible structures for joint working and transparent oversight, commitments risk being viewed as short-term or rhetorical.

As a matter of urgency there needs to be established structured forums for industry input into the delivery of the LSSP and 10YHP, with recognition of the differences between, and separate needs for, the biopharma and HealthTech sectors.

These formal forums would serve as an effective mechanisms to institutionalise partnership, ensure continuity beyond electoral cycles, and provide a single point of accountability for delivery.

Initially forums would resolve fragmentation, clarify reporting lines, and create transparent metrics for progress. In the longer term, they would support co-design of strategy and maintain momentum through predictable, credible collaboration, particularly important for the delivery of the LSSP as a part of the Government's wider industrial Strategy.

By aligning partnership with accountability, the sector can move beyond piecemeal reforms and deliver a coherent, trusted platform for long-term collaboration and effective oversight. This would provide industry with confidence, government with credibility, and patients with assurance that commitments are being acted upon in practice. Indeed, the Ministerial Foreword to the LSSP states:

> *"This is a new model of partnership between science and society, between government and industry, and between economic and health policy. It is a model that recognises that better health and stronger growth go hand in hand, and that, increasingly, the most effective healthcare relies on the rapid adoption of new technologies and treatments. Together, we can make the UK not just a global leader in Life Sciences, but a country where innovation delivers for everyone."*

ANNEX

The 33 LSSP actions:

Action 1: The government will continue to invest at scale in discovery science.

Action 2a: The government will establish pre-clinical translational infrastructure to drive development of pre-clinical models as an alternative to animals, and will develop up to 3 fully integrated translational networks in key areas of health research.

Action 2b: The government will, by the end of 2025, publish a strategy to support the development, validation, and uptake of alternative models to reduce and, where possible, eliminate the use of animals, ensuring that that the full suite of policy levers is deployed in addition to further investment in R&D.

Action 3: The government will cut bureaucracy and standardise contracts to reduce the set-up time for commercial interventional clinical trials to fewer than 150 days by March 2026.

Action 4: Significantly expand commercial clinical trials capacity via funding from the VPAG Investment Programme.

Action 5: Substantially enhance the UKRI offer to BioTech and MedTech SMEs.

Action 6: Substantially enhance the NIHR offer to BioTech and MedTech SMEs to develop and evaluate high value innovation.

Action 7: Establish the national HDRS.

Action 8: government will use a combination of policy and legislative change to speed up access to health data for research and other secondary purposes, streamlining governance processes to maintain core safeguards while operating in a more efficient way.

Action 9: Expand and enhance the UK's consented health research datasets and develop the cutting-edge infrastructure needed to deliver a comprehensive genomics ecosystem, maximising patient benefit, with the potential for genomics to contribute to half of all healthcare interventions by 2035.

Action 10: The government will shift investment in health R&D with a focus on primary and secondary prevention and Multiple Long-Term Conditions (MLTCs).

Action 11: The government will promote closer coordination and collaboration across UK health and Life Sciences research funders.

Action 12: The government will update NIHR's governance model and require the NIHR to work to a dual health and growth mandate, driving focus on activity which is growth-maximising alongside improving health outcomes, building a strong foundation for future research.

Action 13: The Life Sciences sector will benefit as the BBB commits an additional £4 billion of Industrial Strategy Growth Capital to support investment and growth in the government's Industrial Strategy growth-driving sectors (IS-8), crowding in £12 billion of private sector capital.

Action 14: Crowd in additional global investment into UK Life Sciences by publishing the BBB's VC investment return data.

Action 15: Develop dedicated support for Life Sciences SMEs to export.

Action 16: Build a training and skills system that delivers a diverse and highly skilled Life Sciences workforce.

Action 17: Maximise the use of existing programmes and deliver specific new programmes to improve sector-specific skills in identified high-priority areas.

Action 18: Promote UK strengths to exceptional international Life Sciences talent through the government's Global Talent Taskforce initiatives and ensure the visa system enables the movement of world class talent.

Action 19: Deliver the £520 million LSIMF.

Action 20: Continue to invest at scale in Life Sciences manufacturing innovation.

Action 21: Continue to refine the implementation of the NHS Net Zero Roadmap.

Action 22: Land at least one major strategic partnership per year over the Spending Review period.

Action 23: Establish a dedicated service to support 10-20 high-potential UK companies to scale, invest, and remain domiciled in the UK.

Action 24: Empower the Health Innovation Network to drive innovation and investment at scale by strengthening support.

Action 25: Reduce unwarranted barriers to market entry, through faster, risk- proportionate, and predictable routes to regulatory approval.

Action 26: Streamline market entry and ensure patients receive the most effective care, by ensuring NICE processes are timely, agile and transparent.

Action 27: Streamline market entry, through enhanced coordination between the MHRA and NICE.

Action 28: Reduce friction in the system to optimise access and uptake of new medicines so the most clinically and cost-effective can reach patients faster.

Action 29: Streamline access and adoption of MedTech by reducing duplication and introducing low-friction procurement and contracting mechanisms.

Action 30: Place a growth mandate on NHS commercial activity including NHS Supply Chain, and within the Medicines Procurement and Supply Chain Frameworks.

Action 31: Strengthen innovation metrics for medicines and MedTech through an updated and expanded Innovation Scorecard.

Action 32: Deliver the ambitions of the government's Healthcare Goals programme across Addiction, Cancer, Dementia, Mental Health, and Obesity, with continued significant government funding.

Action 33: Establish Regional Health Innovation 'Zones' for large scale development and implementation of innovation, for scale-up across the health and care system.

September 2025

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