

REVIEW OF UK HEALTH RESEARCH

Response from the South East Health Technologies Alliance (SEHTA)

Introduction to SEHTA

SEHTA is a company limited by guarantee set up just over a year ago as a response to the South East England Development Agency (SEEDA) need to interface with the health technologies sector in a more effective way.

SEHTA represents the SEEDA region's 1000 biotechnology, diagnostic, medical device and pharmaceutical companies employing over 50,000 employees.

Independent analysis of the SEEDA region's health cluster concluded that it is one of the biggest in the world outside the US.

SEHTA is governed by an all-industry Board including senior representatives of large pharma, medium and small diagnostics, medical device and biotechnology companies (Kowa, Pfizer, Oxford Genome Sciences, Guildhay, Proteome Sciences, Genzyme, Cardionetics, GSK). Our Chair is currently Ian Odgers (Odgers Ray and Berndtson). One of the main aims of SEHTA is to work with small and medium sized enterprises to help them to grow and, as over 95% of the companies represented by SEHTA are SMEs, the response to the Cooksey review will attempt primarily to represent their views.

The value of SMEs to the UK economy is well defined; in the 2003 DTI innovation report, it was recognised that 3-4% of start-ups in a given period account for 50-70% of all jobs created 10 years later.

Compilation of the response

SEHTA has a database of over 1500 contacts, a widely read web site and sends out a monthly newsletter to around 1000 subscribers. Responses to the report were collected after an invitation was sent out to all contacts. In addition, informal discussions were held with key Board members representing their own companies or trade associations.

Key messages

1. SMEs need more opportunities to participate in publicly-funded health research

A more creative and pro-industry approach needs to be taken in order to encourage innovative SMEs to integrate into mainstream health funding – whether it be through the MRC, Universities or NHS R and D. Some members feel that there is still an 'elitist' culture in parts of health research funding, especially in the MRC, which prohibits their participation. Many SMEs could develop excellent incrementally-innovative products given opportunities to collaborate with public sector partners.

Further, many SMEs are put off participation by confusion relating to IP issues and high costs when working with the public sector. Universities, the NHS and MRC should be more conversant of industry needs and more creative in their approach to partnering with SMEs: shared IP, royalties or equity may be acceptable to both parties rather than cash in many instances.

Some members believe that there should be funding streams available exclusively for SMEs with minimum bureaucracy and reduced or zero match-funding. This could be managed through a third party like SEHTA to reduce the risk of state-aid issues. There is a feeling that UK plc and patients would benefit tremendously by direct public- funded support of the world-class SME base in the region.

2. Public health research funding should be organised and funded more like a business

Currently, many of the SMEs find it difficult to recognise the overall strategy and direction of health research funding in the UK.

Where is the 'business plan?'

Where do we want to be in 10 –20 years and how are we going to get there?

How is basic, translational and applied research integrated – almost as a 'pipeline' to patients?

Where is the focus and what are the key priorities? What does the market need?

Means of addressing many of these questions are given in this document.

Although there is the recognition that health R and D cannot be run precisely like a business, there is some rationale behind attempting to ask and answer some of these basic business questions. At the most basic business level, if the government currently spends over £1 billion of taxpayers' money on healthcare R and D, how does it define a good return on its investment?

There is also a general feeling that, as far as possible, health funding should be run outside the political arena by a single independent autonomous organisation.

Review Questions

1. Strengths and weaknesses of current programmes

Strengths: MRC centres of basic research excellence.

Weaknesses: Lack of integration between basic, translational, and applied research. Relatively low engagement with SMEs. Relatively poor support for translational R and D and near-market R and D. Some technologies in areas between sub-sectors fall through gaps.

2. Key scientific and organisational challenges

Scientific: understanding more fully the molecular and physiological basis of disease of aging population (Diabetes, Alzheimer's, Parkinson's etc).

Greater understanding of the value of molecular biomarkers in disease management and therapeutics.

Organisational: more integration of basic, translational and applied research – development of ‘research pipelines’ related to clinical needs.

3. Priorities for health research

Understanding and managing care of chronic diseases of the aging population.

Understanding and managing obesity.

Understanding and managing ‘stress’; fostering ‘wellness’.

Understanding and deploying molecular biomarkers in disease management.

Prevention and early disease detection.

Integration of technologies into medical systems.

Identification and development of new health technologies.

4. Balance

No contradiction between long-term economic and social benefits and needs to improve healthcare – key to identify areas where knowledge-based activity can generate high value jobs and meet long-term public policy priorities.

SMEs would value greater proportion of spend than at present on applied and near market R and D, but accept that most public funding should be spent on basic research.

General feeling that ‘translational’ research is under-resourced.

Strong feeling that longer-term studies should be funded to avoid the stop/start mentality and culture.

General feeling that ‘value’ of research should be quantified in relation to spend.

5. Up-take of publicly funded health research

More SMEs should be involved, sometimes at the end of the pipeline to deliver products to the market. There could be a requirement in some projects that an identified SME or group should be funded and responsible for delivery to the market. There is also some discontent, especially among medical device companies that the systems of procurement to the NHS tend to prohibit take up of innovative new products.

6. Links between basic, translational and applied researchers

This could be achieved by funding more cross-disciplinary projects. If funding sources were under one body, this would be easier as it would be possible to adopt a strategic approach and actively link cross disciplinary projects together.

In the limited experience of SEHTA, funding small groups around a common clinical need, for example programmes addressing wound care technology and procedures,

and stroke management, have brought together clinicians, academics, diagnostic companies, medical device companies, biotechnology companies and pharmaceutical companies to good effect.

7. Encouraging translation, entrepreneurship and innovation

Get more good innovative SMEs involved in all projects! The DTI innovation report in 2003 stated that start-ups are responsible for 55% of the incremental and 65% of the radical innovation produced in the UK.

Fund more centres of excellence around scientific or clinical foci e.g. Biomarkers to engage the whole spectrum of research activity and industry sub-sectors.

Devolve more responsibility to organisations like SEHTA who have membership and links to all parties involved in health research.

Foster market conditions which encourage and reward innovation and entrepreneurship, both in the public and private sectors.

8. Most effective use of funding

Set up an independent body, possibly as a company limited by guarantee, and devolve all current funding of health research (basic, translational, applied) into the body.

Give the body as much autonomy as possible. Creating clear blue water between it and the short-term political ambitions of government are essential, as the company would need to accommodate the long-term nature of some health technology R and D. Run the body as a company with strategic aims and a business plan accountable to a commercially - minded and preferably industry - dominated Board. Ensure that the body funds projects driven by clinical needs. Make the organisation responsible to an appropriate government body (the treasury?) with key performance indicators.

The body could then contract with any suitable third party to deliver its business plan.

9. Examples from other countries

No submission

10. Merging existing funding bodies

A more radical approach has been suggested (see 8 above)

11. Recent innovations in health research

No submission

12. Links between NHS R and D and Research councils

No submission

SEHTA would be very pleased to discuss any of these points further.

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