Life Sciences Roundtable: Evening Discussion Summary & Asks of Government

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Overview

In July 2025 the UK Government published its Life Sciences Sector Plan as a ten-year industrial strategy for one of the country's flagship sectors. In it, they set out how Government intends to harness UK science and innovation to drive economic growth, attract investment and improve health outcomes. The Plan positions life sciences as a cornerstone of the wider industrial strategy, with a clear ambition to make the UK Europe's leading life sciences economy by 2030 and the third globally by 2035. It outlines a package of targeted interventions, from strengthening R&D and manufacturing to improving access to capital and accelerating NHS adoption, designed to support companies to start, scale and remain in the UK.

Yet since the plan was launched, the UK biotech sector, which has struggled with capital constraint for some time, has continued to feel squeezed. Over the 18–24 months to the beginning of 2026, many companies within the sector have struggled, particularly in wet-lab, pre-clinical drug discovery where high fixed costs collide with a thinner funding pipeline resulting from high investor caution at this early point in the discovery cycle.

A succession of discovery-stage and platform companies have responded with hiring freezes, restructurings and, in some cases, significant redundancies, not as a reflection of weak science but of a risk environment in which early clinical inflection points are increasingly hard to finance. It was precisely this tension, between the ambition of the Life Sciences Sector Plan and the day-to-day reality of keeping discovery teams, infrastructure and IP anchored in the UK, that made it necessary to bring founders, investors, clinicians and advisors together; to test the Plan against lived experience and to frame concrete, near-term asks of Government.

PM Life Sciences had recently set out some asks of Government in their policy paper, From Hosting Innovation to Owning It: Why UK Life Sciences Policy Must Shift Focus from Multinationals to Scaling Domestic Biotech.

On the evening of 14 May 2026, One Nucleus convened a sector dinner to test and develop some of those ideas.

The session was attended by investors, founders, clinicians, consultants and sector specialists and was structured around three important questions. The discussion was deliberately pitched at identifying asks of Government that are realistic, deliverable and grounded in policy frameworks that already exist, principally the Life Sciences Sector Plan and the O'Shaughnessy Review on commercial clinical trials, while being prepared to challenge both where necessary.

There were some central ideas driving the evening, but we were prepared to challenge these ideas where necessary. One idea in particular is that the UK's life sciences ecosystem is structurally misconfigured: well-funded science and late stage development of de-risked assets, but relatively under-resourced at the moment of maximum commercial vulnerability for domestic companies: the transition from pre-clinical work into early clinical development.

The dinner sought to explore these assumptions and establish actionable recommendations that could provide a meaningful boost to the sector, either to be requested of Government or to be implemented by individuals wherever possible. It was perhaps unsurprising that overall there was appetite for self reliance wherever possible. That said, a number of recommendations to Government were made and are outlined at the end of the paper.

We structured the evening around three questions:

Question 1: If investors aren't funding early drug discovery, who will and should?

What the group said

The discussion coalesced around two distinct ideas: **who provides the funding** and **how we make the activity cheaper and easier**.

On the funding side, participants questioned whether the sector genuinely understands its own capital landscape; what money exists, from what sources and what is actually being funded. There was a view from one group that the dominant assumption, that venture capital is the primary route, is both inaccurate and limiting. Risk appetite among investors has fallen markedly over the last five or six years, and the group debated whether improved AI-enabled drug screening could restore confidence by reducing attrition and improving candidate selection.

Pension reform was raised as a potential lever, though participants were candid about the risk that accelerating pension fund deployment into life sciences might simply fuel competition in already well-funded, de-risked later-stage assets unless incentive structures actively direct capital towards genuinely early-stage activity. The scale of the opportunity here is significant: US pension funds invest more than ten times the percentage of assets into domestic innovation than UK funds do, representing a structural gap that reform could begin to close, but again it is unclear whether this is also just additional funds at the already well resourced later stages.

Grant systems were criticised on the grounds that success rates are extremely low, creating an opaque, costly process that wastes the time of both applicants and reviewers. The lack of clarity about criteria, and the disconnect between grant design and real commercial need, were seen as material problems.

On the cost and ecosystem side, participants pointed to the Boston model as an exemplar of a fractional talent infrastructure: an environment where early-stage companies can access world-class expertise without committing to permanent hires, preserving precious capital while building capability. Pharma participation in the ecosystem was welcomed as a source of mentoring and funding with the caveat that pharma investment in early stage can encourage offshoring of value at later stages.

On tax, there was clear consensus that the current environment is too tax burdened, particularly from a personal and company tax perspective: corporation tax and employer national insurance were both cited as deterrents, and the Enterprise Investment Scheme (EIS) was identified as creating insufficient incentive. One group specifically recommended reinstating R&D tax credits for work conducted outside the UK (for non-rare diseases), drawing a direct comparison with Australia's more permissive model.

Finally, the Life Sciences Sector Plan acknowledges the scale-up capital gap and commits to a support service for 10–20 high-potential companies, but does not specify mechanisms for addressing the pre-clinical to Phase I funding gap and has not yet set out criteria. This was identified as an urgent need.

Question 2: What should the UK Government do to protect early drug discovery capacity, given fiscal constraints, geopolitics, and competition from other sectors?

What the group said

This was the broadest discussion of the evening and produced the most textured, sometimes contentious exchange.

On university spin-outs, there was a suggestion that companies are spinning out too early, leaving the shelter of university infrastructure before they have generated sufficient data to de-risk investor conversations or negotiate from strength. Grail was cited as a counter-example of a company that spun out at Phase I with meaningful clinical momentum. Founding teams were seen as a compounding problem: scientists without business capability tend to spend like academics with an unlimited grant, rather than preserving capital as a finite runway. The ecosystem needs to create better conditions for the right teams to form, including business and commercial talent alongside scientific founders.

Manufacturing was a significant area of concern. The £520million allocated in the Life Sciences Sector Plan for manufacturing was described, bluntly, as inadequate and critically, it was noted that the fund is structured to attract globally mobile inward investment rather than to build British-owned manufacturing businesses. This structural point is important: it exemplifies the broader pattern identified in the policy paper, where public investment de-risks and activates the ecosystem for others rather than building durable domestic capacity. Corporation tax and planning reform were both seen as necessary for manufacturing expansion.

The group identified a significant absence of vertical integration in the UK ecosystem: companies are forced to buy services overseas, or take assets there, due to a lack of domestic technical infrastructure. Lab space was described as both plentiful and scarce depending on geography and type, a symptom of the absence of a true industrial strategy capable of coordinating supply and demand at a national level.

On the question of whether the Life Sciences Sector Plan can be delivered, the group was sceptical. The plan was described as **too broad**, making insufficient choices about what the UK is actually for in global life sciences terms. Australia's deliberate positioning around Phase I studies was cited as a model of national focus and prioritisation. Metrics were questioned: is the sector measuring inputs (citations, publications, seed funding) rather than outputs that matter (drugs reaching patients, companies retained in the UK at scale)?

The concept of **sweating national assets** has been raised here and elsewhere. Qualifying domestic companies could receive free or heavily discounted access to NHS data sets, MHRA scientific advice, NICE guidance and NHS trial sites, not as a favour, but as deliberate deployment of nationally-funded infrastructure in service of the UK's stated growth objectives. This maps directly onto the "clinical development passport" proposal in the policy paper.

On tax: the hostile environment came up repeatedly across both funding and policy threads. Participants expressed fear that the direction of travel is towards further rises rather than relief, and called for a tax incentive for businesses investing in early-stage startups, analogous to EIS/SEIS but business-facing.

Finally, on the commitment to back 10–20 companies: participants were broadly supportive but wanted to see urgency. The criteria need to be developed and deployed now, with rigorous selection focused explicitly on very early-stage companies, since de-risked assets are already getting backed. Party-political consensus on life sciences was also raised: overseas investors need consistency of policy signal across electoral cycles.

Question 3: How can Government support R&D staff transitioning to the future sector if structural redundancy is permanent?

What the group said

The group approached this question with a degree of ambivalence about the central assumption. There was genuine uncertainty about whether current redundancy pressures represent a **permanent structural shift**, driven by AI, changing R&D strategies and offshoring, or a **cyclical trough from which recovery is already beginning**. The BioIndustry Association's recent optimism was welcomed, but participants were cautious: even if activity recovers, it may do so unevenly, with winners and losers, and without the system as a whole getting meaningfully larger.

On workforce transition, current courses for jobseekers were dismissed as generic and unfit for purpose for scientific professionals. Participants asked who would create and fund training that is genuinely designed for scientists, ideally free or affordable. Cross-company programmes, potentially anchored by larger UK Life Sciences employers such as AstraZeneca or GSK, were floated as a viable model.

Entry-level roles in the sector were identified as a particular problem: most "entry-level" positions require prior experience, creating a structural barrier for graduates and career-changers. Working with universities to create more structured graduate experiences and industrial placements, with proper accreditation, was proposed as a mechanism for genuinely opening the pipeline.

The question of timing was raised: how do we distinguish a permanent shift before it is too late to intervene? The group had no confident answer, but agreed that waiting for certainty risks acting too late to preserve optionality.

Conclusions and proposed actions

The evening was a vibrant, focused event with energetic participation. The Feedback on the night and subsequently has been excellent. Importantly, participants were constructive and mostly optimistic. Conversations remained table-wide, making it an effective networking event. It was widely recommended that the format should be repeated for policy development.

Eight specific requests of Government were drawn from the evening's discussion, mapped where possible to existing policy commitments while being prepared to challenge where those commitments are insufficient:

1. Implement the 10–20 company scale-up commitment now, with clear, published criteria

The Life Sciences Sector Plan commits to supporting 10–20 high-potential UK companies to scale and remain UK-headquartered. This commitment must be operationalised urgently, with transparent eligibility criteria developed with industry input, explicitly focused on very early-stage companies approaching clinical inflection points.

2. Redirect public assets towards domestic companies as a matter of deliberate policy

Qualifying UK-headquartered companies should receive prioritised, streamlined access to NHS data, MHRA scientific advice and NICE guidance, not on a discretionary basis, but as a structured national programme. This is consistent with the Sector Plan's ambitions but requires explicit operationalisation. A "clinical development passport" model, as set out in the policy paper, provides a workable framework.

3. Rebalance the Life Sciences Sector Plan manufacturing fund

The current £520 million manufacturing allocation is inadequate and structured to attract inward investment rather than to build domestically-owned manufacturing capability. Government should commit a ring-fenced proportion of the Life Sciences Innovative Manufacturing Fund explicitly to British-owned manufacturing businesses, and should remove planning and tax barriers, corporation tax and business rates relief for qualifying sites, that inhibit domestic investment in this area.

4. Reform the tax environment for early-stage investment

Government should urgently review the EIS framework and expand its reach, including introducing a business-facing tax incentive for companies investing in early-stage life sciences startups. The reinstatement of R&D tax credits for qualifying work conducted internationally (as Australia allows) should be explored to reduce the cost penalty on UK-headquartered companies that must temporarily offshore Phase I activity due to domestic capacity constraints. The pension fund gap, US funds investing more than 10x the UK percentage into domestic innovation, should be addressed through explicit pension investment incentives tied to UK-headquartered early-stage companies, going further than current Mansion House reforms propose.

5. Set outcome-based metrics for the Sector Plan, and publish them monthly

The current Sector Plan metrics overweight activity (FDI, aggregate R&D) and underweight the domestic ownership and scale-up outcomes that are the stated purpose of the strategy. Government should adopt a supplementary scorecard measuring: number of UK-headquartered companies carried through Phase I/II; number of UK-originated assets retained at clinical value inflection; and number of UK Life Sciences IPOs. The O'Shaughnessy monthly trial performance scorecard model provides the right template.

6. Commission a cross-sector capital mapping exercise and establish a domestic early-stage fund

Government, UKRI and OLS should jointly commission a definitive mapping of what capital is available for UK life sciences, at what stage, from what sources and publish it. On the basis of that mapping, a dedicated early clinical development co-investment fund should be established, operating with commercially-aligned timelines and milestone-linked disbursement rather than academic grant cycles.

7. Establish sector-specific workforce transition programmes with industry co-design

Generic retraining provision is not fit for purpose for scientific professionals. Government should establish a national talent "catapult" or skills bank, a cross-sector, internationally-facing body that provides retraining programmes, mentorship, sector access, and facilitation of cross-sector deployment. This should include structured graduate and industrial placement pathways designed in partnership with universities, genuine apprenticeship and secondment schemes anchored by large corporate employers, and

international training exchange partnerships, recognising that sector convergence and post-pandemic virtual working create a genuine opportunity for UK talent to remain productive across boundaries.

8. Build cross-party consensus on life sciences as strategic infrastructure

Overseas investors need policy consistency across electoral cycles. Government should work with opposition parties to establish a parliamentary consensus statement that life sciences is strategic national infrastructure, modelled on the approach taken to defence spending commitments, providing investors and company founders with a durable signal of intent.

Prepared by PM Life Sciences Consulting following the roundtable held on 14 May 2026. This summary represents a synthesis of discussion contributions and the editorial judgements of the author. It does not represent the views of any individual participant.