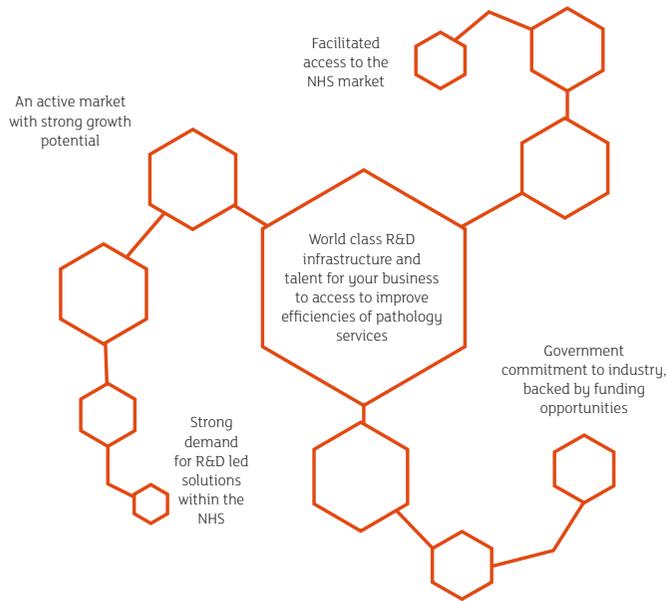


## ▶ Benefits of Doing Business in the UK



## ▶ Success Stories

### Working with the NHS to provide pathology services

Sodexo, the French facilities management company and Labco S.A.S. the French medical diagnostics group have formed a consortium called Southwest Pathology Services with Taunton and Somerset NHS Foundation Trust and Yeovil District Hospital NHS Foundation Trust. The consortia opened a new highly-automated laboratory in Taunton in May 2013, which will initially provide blood tests and other pathology services to the two hospitals on a 20-year contract worth £300m.

### Digital Pathology pilot heralding new approach to histopathology within the NHS

Roche Diagnostics has established two clinical test sites at Birmingham Heartlands Hospital and the Princess Alexandra Hospital, Harlow, working directly with NHS Pathology services, they can evaluate the impact of introducing digital histopathology on both efficiency and outcomes. Roche Diagnostics believes that working together with the NHS on distinct projects, will provide outcome data for the UK and help sites to visualise the advantages of digital pathology for select applications. This information would be beneficial for the uptake of this new and innovative technology.



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## Market Opportunity

### The UK *in vitro* diagnostics (IVD) market

Worth \$1.09bn in 2011

Expected to grow by an average of 7.1% from 2011 -18<sup>1</sup>

- Within the IVD market is Laboratory Medicine, comprising of services which provide knowledge and diagnostic information for the care of individual patients through the scientific analysis of specimens of blood, fluids, tissue and other samples.
- Approximately 95% of pathology testing services (\*Laboratory Medicine) are still provided in house.
- Despite this, the independent market in pathology, is a rapidly expanding opportunity for industry to engage directly with the NHS to service the increasing demand.
- Laboratory Medicine is becoming increasingly centralised, with automation of processes starting to play a key role.

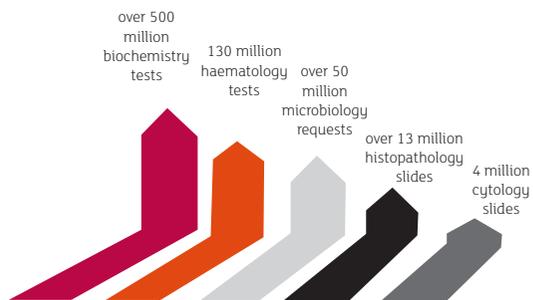
The NHS:



Source:

1. Frost & Sullivan: Western European IVD Market (2012)
2. HM Treasury Total spend for England, Scotland, Wales and Northern Ireland
3. Report of the Review of NHS Pathology Services in England (2008)

## In England in one year the following are carried out, processed and/or examined:



The emergence of new organisations and programmes within the NHS provide a range of opportunities for your business to tap into e.g. Public Health England, the NHS Screening Programme, NHS Health Check and the NHS Genetic Testing Network.

## Ease of Doing Business

With the increasing cost, risk and complexity of R&D, it is ever more challenging for medical technology companies to commercialise innovations. To address this challenge, the UK Government has introduced a suite of fiscal measures, grants and funds including:

Funding initiatives and tax incentives to stimulate innovation and growth:

**Patent Box** – 10% rate of corporation tax

**R&D tax credits** for SMEs up to 27p on every £1 (7p for large companies)

**Low corporation tax rate** currently standing at 23% decreasing further to 20% by April 2015

Funding available to encourage research and innovation for your IVD company:

**£180 million Biomedical Catalyst** non-dilutive funding for translation and commercialisation

**Technology Strategy Board Smart Scheme** offers funding to small and medium-sized enterprises (SMEs) to engage in R&D projects

**The NIHR Invention for Innovation (i4i)** supports R&D collaborations that develop innovative healthcare technologies in vitro diagnostic devices

**UK Research Partnership and UK Investment Fund** to stimulate R&D partnerships between universities business & charities

## Rich Diverse Ecosystem

Some of the UK Centres of Excellence, who house state-of-the-art innovative facilities for research in Laboratory Medicine, include:

- **Oxford Laboratory Medicine** – brings together the expertise, services and Bio Resources in laboratory medicine from across the Oxford University Hospitals NHS Trust and the University of Oxford partnership in support of clinical service, medical research and training and education.
- **University of Glasgow** – the Advanced Medical Diagnostics research group at the University of Glasgow has a strong track record in many aspects of bioengineering, especially those associated with advanced biomedical diagnostics, biosensors, cell engineering, Lab-on-a-Chip and Bionanotechnology.
- **Manchester Cancer Research Centre** – partners include The Christie NHS Foundation Trust, Cancer Research UK and the world renowned Paterson Institute for Cancer Research. The Centre provides a range of specialist diagnostics and treatments together with laboratory, translational and clinical research.
- **University of Bristol** – The Diagnostic Laboratories are part of Langford Veterinary Services, which provides an extensive high quality range of laboratory tests.

The UK actively encourages research partnerships between academia, industry, and the NHS:

**In Northern Ireland**, Northern Ireland's Connected Health and Prosperity Action Plan ensures cross sectorial support for health & social care R&D, innovation and widespread deployment of healthcare technologies

**Scotland**, the Scottish Academic Health Sciences Collaboration facilitates partnerships between Scottish universities and health boards. This offers industry a coordinated system to contract and cost research studies across Scotland

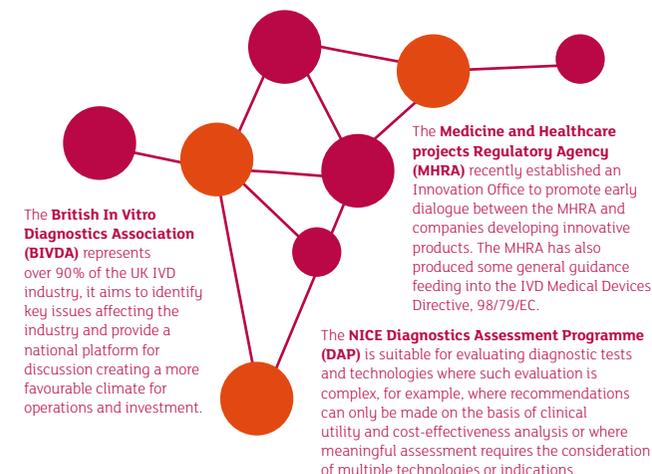
**In Wales**, the National Institute for Social Care and Health Research Academic Health Science Collaboration maximises links between health boards, trusts, universities and industry to facilitate high quality research and improve healthcare

**In England**, five Academic Health Science Centres open up routes to market, supporting the development of new therapies and techniques

## The UK Offers

The UK offers a national infrastructure to support innovation and appraise new technologies in laboratory medicine.

The **National Institute for Health Research Diagnostic Evidence Co-operatives (NIHR DECS)** will focus on clinical areas or themes where evidence of the clinical validity, clinical utility, cost-effectiveness and care pathway benefits of in vitro diagnostic medical devices (IVDs) can improve the way diseases are diagnosed in England.



## Digital Pathology

The emergence of new Digital Pathology systems could enable a completely new approach to histopathology, coupling efficiency savings with more accurate diagnosis. International companies are already working directly with the NHS to understand the potential impact of this new technology on both system efficiencies and patient outcomes.

## NHS Genetic Testing Network

The NHS Genetic Testing Network provides a strong base for the introduction and validation of new genetic tests into the healthcare provision in the UK.

## Managed network delivery model of pathology services

Path Links is a single managed Clinical Pathology Network operating across Lincolnshire. Path Links has demonstrated substantial gains that came from consolidation and integration of laboratory testing (including histopathology and microbiology) across multiple hospitals. Moving towards a managed service across hospital departments to consolidate costs and maximise the benefits for patients.

Serving a population of approximately 1 million, Path Links processes 4.5 million specimens, performs 20 million tests and generates 5 million test reports every year.