SUBMISSION TO HM TREASURY SPRING BUDGET 2017

Alzheimer’s Research UK

January 2017

Alzheimer’s Research UK is the UK’s leading research charity aiming to defeat dementia. We fund world class studies that give the best chance of beating dementia as quickly as possible, and our pioneering work focuses on understanding, preventing, treating and curing the diseases that cause dementia. We are energising a movement across society to support, fund and take part in dementia research. Our vision is a world where people are free from dementia.

We have entered an exciting period for dementia research. We have recently launched several research projects which will grow our research field substantially, including a £250m network of Drug Discovery Institutes, a £30m Drug Discovery Alliance, a Global Clinical Development Fund, the Alzheimer’s Research UK Stem Cell Research Centre based in Cambridge, and a ground-breaking Prevention Fund. Since our launch in 1992 we have funded nearly £50m worth of research into dementia.

Alzheimer’s Research UK is not a recipient of Government funding. However, we do fund grants and projects that occur in partnership with other funders, including NIHR and MRC.

Overview of Key Policy Recommendations:
Post Brexit, the UK will only retain its position as a global powerhouse of R&D if strong, predictable and sustained government funding for research, infrastructure and skills is confirmed.

The dementia research field must be supported to grow and continue to advance knowledge and technology. We will be channelling further thinking into the development of the Life Sciences elements of the Government’s Industrial Strategy and believe there is scope to support our world-leading medical research charities to have a more fundamental, collaborative role in growing the R&D base in the UK.

To maintain the UK’s standing as a global leader in medical research and increase our dementia research capacity we are calling for:

- The introduction of an R&D tax credit for medical research charities;
- Reform VAT on buildings to promote industry-academia collaborations and attract further investment in UK science;
- Increasing the Charity Research Support Fund (CRSF) to enable charities to invest more in university research;
- A Government funded public health programme to educate the public on risk reduction for dementia.
This fiscal assistance will support awareness of dementia and its prevention. It will also allow us to invest in basic research into the diseases underpinning dementia which is urgently needed and to stimulate further investment into our vital research.

The Social and Economic Challenge of Dementia

1. Dementia is the greatest health challenge we face in the UK. Over 850,000 people are living with dementia with a cost to the economy of £26 billion per year. Unless a disease-modifying treatment can be found, by 2025 there will be over one million people in the UK living with dementia, and over two million by 2050. Only through research can we find new treatments and reduce the economic and social burden of this disease;

2. Figures from the Office of National Statistics show that Dementia and Alzheimer’s disease has replaced ischaemic heart diseases as the leading cause of death in England and Wales, accounting for 11.6% of all deaths registered in 2015;

3. Dementia costs the UK economy £26 billion per year, including £8.8 billion in publicly funded health and social care costs;

4. No disease-modifying treatment exists, and no new treatments to even address the symptoms of dementia have emerged in the last 10 years. Only now is our collective knowledge of the mechanisms of the condition making it possible to identify appropriate drug targets. In the best circumstances, developing a drug is a long and expensive process; it costs an average £1 billion, in addition to a significant profit loss during an average of 10+ years of research between the initial discovery and bringing a treatment to market. For dementia the cost of drug development is a staggering £3.6 billion, reflecting the unique challenges of studying degenerative brain diseases;

5. Dementia research is underfunded compared to the amounts committed to other conditions. A commitment to medical research funding, with strong support for dementia in particular is the only way to ensure progress continues in this complex and challenging research area;

6. In 2012, for every £10 in disease costs £1.08 was spent on cancer research, £0.65 was spent on coronary heart disease research, £0.19 was spent on stroke research and just £0.08 was spent on dementia research.

7. In 2015, caring for each person with dementia will have an economic impact of almost £28,500 each year.

8. The current global economic cost of dementia is $818 billion annually (2015 prices).

9. According to Alzheimer’s Disease International early diagnosis could save up to £6,011 per person by delaying institutionalisation.

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1 https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathregisteredinenglandandwalesseriesdr/2015
5 UK research spend in 2008 and 2012: comparing stroke, cancer, coronary heart disease and dementia; Ramon Luengo-Fernandez, Jose Leal, Alastair Gray 2015
6 Lewis et al (2014), The Trajectory of Dementia in the UK – Making a Difference, report produced by OHE for Alzheimer’s Research UK
Research to better understand, prevent and treat the diseases that cause dementia is the only way to have an impact on the social and economic costs of the condition. While a treatment is developed, investment in medical research has been shown to have a positive impact on the economy, so there are both short and long term benefits for investment in this area.

Policy Recommendations for HM Treasury Spring Budget 2017

1. Introduce an R&D tax credit for medical research charities

We echo the calls being made by the Association of Medical Research Charities (AMRC) that public and private expenditure on R&D should be raised to 3% of GDP by 2025.

We know that R&D tax credit schemes for businesses have been successful in incentivising investment in R&D. However, these R&D tax credits are designed for businesses and not for charities. Charities, such as ourselves, are increasingly acting like businesses and collaborating with the private sector to fund vital work such as in the field of dementia prevention and treatment.

Along with the AMRC, we are calling on the Government to extend the principles of its R&D tax credit policies as a tool to drive medical research charity investment. (See AMRC submission).

2. Reform VAT on buildings

Leaving the EU provides the UK with the opportunity to amend VAT rules on sharing of facilities for research to promote industry-academia collaborations and attract further investment in UK science. Along with the AMRC, we are calling on the Government to reform VAT on these types of shared facility buildings.

3. Increase the Charity Research Support Fund (CRSF)

Combined public and charitable funding for health research in the UK has continued to increase in the last ten years, with an annual increase of almost £130 million\(^9\). However, the pace of increased investment has slowed considerably in recent years. The threat of stalled growth could have significant negative impacts on the knowledge capital in the UK if global competitors become more attractive to researchers, but it could also slow the development of important treatments and delay their social and economic benefits.

In addition, there are significant near term benefits to investing in medical research, including dementia. Every £1 spent by the Government on R&D increases private sector productivity by 20p every year\(^{10}\). In areas like dementia, where private investment has historically lagged and in recent years there has been significant disinvestment, public investment drives other funders into the field and creates opportunities for economic benefit even before a treatment is found.

The CRSF enables medical research charities, such as ourselves, to fund research in world-leading universities in England. Since 2010 the CRSF has been fixed at £198 million per annum; a real-terms decrease of £38.7 million over 6 years. This means that researchers in universities in receipt of charity-funding are facing significant shortfall and the sustainability of medical research charity funding is being put at risk.

\(^9\) UK Health Research Analysis. 2015. www.hrcsonline.net/pages/uk-health-research-analysis-2014

\(^{10}\) Haskell, J. The Economic Significance of the UK Science Base. 2013. sciencecampaign.org.uk/CaSEUKScienceBaseReportBriefing.pdf
We ask that the Government ensures the Charity Research Support Fund is increased in line with inflation. This would enable the CRSF to increase to £264 million by 2020/21.

4. Launch a public health information programme – The Risk Reduction for Dementia Fund

In May 2014, the Blackfriars Consensus\(^\text{11}\), a multi-organisation expert group, stated there is now enough evidence to enable people to reduce their risk of dementia by improving their lifestyle. The evidence suggests that a mixture of genetic, lifestyle and health factors are likely to contribute to whether someone develops dementia, with age being the highest risk factor. There are seven modifiable risk factors, which are high blood pressure, obesity, diabetes and education in early life which affect the risk of dementia as well as protective factors such as intellectual activity and social engagement. This view has since been incorporated into Public Health England’s messaging.

Subsequently we are currently working with Public Health England and the Alzheimer’s Society on an NHS Health Check Dementia Pilot programme. This is extending the dementia risk reduction component of the NHS Health Check to all 40-64 year olds at sites in Birmingham, Bury, Manchester and Southampton. In these areas, GP practices are raising awareness about dementia risk reduction amongst people in midlife as part of the health check for the first time, and is also testing a community based model for sharing the message ‘What’s good for your heart is good for your head’.

Whilst some public awareness work is taking place (there is limited information on the NHS ‘One You’ website), messaging is too general. In a YouGov survey, commissioned by Alzheimer’s Research UK, only 25% of British adults said they thought it was possible for people to reduce their risk of developing dementia, compared to 83% for diabetes and 82% for heart disease.\(^\text{12}\)

Research from the International Longevity Centre UK in 2014\(^\text{13}\) suggests that, using the interventions based on the modifiable risk factors of developing dementia, over a 27-year period (2013-2040) 3 million people could be prevented from developing dementia in the UK. This would reduce the costs to the state by £42.9 billion between now and 2040 (minus any associated costs of intervention).

We have recently launched our own research focused £2m Prevention and Risk Reduction Fund, established as part of our ‘Defeat Dementia’ Campaign. This came from a recognition that there is a huge need to make a positive contribution to prevention and risk reduction research. This is an area which has been underrepresented across dementia research funders’ portfolios but which conversely is seeing overall increased research interest, activity and funding.

Given that dementia is now the biggest cause of death in England and Wales\(^\text{14}\) and the associated rising health and economic costs, we call on the Government to fund a high profile public health information programme focusing on how people may be able to reduce their risk of developing dementia later in life. We are calling it the ‘Risk Reduction for Dementia Fund’.

\(^{11}\) http://nhfshare.heartforum.org.uk/RMAssets/Reports/Blackfriars%20consensus%20%20_V18.pdf
\(^{12}\) http://www.alzheimersresearchuk.org/new-figures-show-only-25-of-british-adults-think-dementia-risk-can-be-reduced%EF%BB%F%EF%BB%BF/
\(^{13}\) http://www.ilcuk.org.uk/index.php/publications/publication_details/preventing_dementia_a_provocation
\(^{14}\) https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsregisteredinenglandandwalessseriesdr/2015
Alzheimer’s Research UK would be happy to work as a partner in developing and implementing the information programme.

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