

**03 March 2021**

The UK's COVID vaccine programme has been a standout success combining effective public investment, proactive procurement and constructive regulation. Highlighting the power of the scale of the National Health Service, of a UK Government which moves quickly and is willing to take financial risks and of a regulatory approach which puts practicality first, the programme has not simply delivered vaccines; it has acted as a catalyst for investment.

The UK Government's vision for the 2020s is to use post-Brexit flexibility to drive high-tech investment. The vaccines programme has done just that. But is that a one-off? Will Brexit really create a destination of choice for technology, life sciences and other high-skill industries? Can the UK create the next high-tech heaven?

We have worked extensively over the last 12 months to help international businesses make substantial science and technology based investments in the UK. That experience suggests there is some substance behind the rhetoric. Over the course of 2020 there were clear signs that the UK Government was starting to get to grips with what it will take to play its role in generating a more entrepreneurial, investment focused, economy which is attractive to international business.

The need to bolster economic recovery from the pandemic and deliver on a commitment to "level-up" the UK has reinforced a willingness to intervene. However this isn't simply a question of having the right rules or being prepared to invest public money when necessary – although those are important. It is also about UK Government and regulators thinking and acting in a practical way, being open to understanding the reality of both problems and solutions and being sensitive to the need for businesses to move at speed.

These factors can make an important contribution to creating a distinctive and attractive environment for innovative global business and international capital looking to invest in high-tech success. There are signs that momentum is starting to build.

The 2021 Budget highlighted a series of initiatives which contribute to that momentum and start to sketch the outline of a strategy to take the UK's high tech sectors to the next level.

With *Future Fund: Breakthrough* the UK Government offers direct financial investment into fast-growth tech, matching private sector venture capital. Implementation of the *UK Listings*

*Review* will see greater flexibility and rule changes to make London a more attractive destination for growing companies in the high-tech sectors to raise money on the capital markets.

The *Government Infrastructure Bank* will focus support high risk new technologies which will contribute to meeting the UK's 2050 net zero carbon target. The *Advanced Research and Invention Agency* will fund cutting-edge scientific research to promote the UK as a centre of innovation whilst the *Scale-Up Visa Scheme* will make it easier for high-tech business to attract global businesses to the UK.

Whilst none of these initiatives will be individually transformative, together they will make a significant contribution to the development of a high-tech ecosystem in the UK.

As importantly, technology is not an end in itself but a means to an end. It is the way in which technology is applied that creates value. So effective, proactive and practical regulation will be as important to success as facilitating funding, particularly in areas like fintech and life sciences technology. There are signs that the UK can use its distinctively pragmatic and business focused approach to regulation as a competitive advantage in a global market.

With Brexit, the UK set itself on a course to a new economic future. That requires it to become an attractive destination for high-tech business and global investors. To do that, the UK must make the most of its distinctive advantages: an open and pragmatic approach to inward investment, a very practical and business focused regulatory tradition, a stable and competitive tax system and a common law framework which enables almost limitless flexibility in the way deals are constructed and executed.

Brexit sets the UK on a path it hopes will make it a global leader in high-tech. That path is not straightforward and the UK Government faces some difficult choices on the road ahead; but the UK needs this to work. That makes it open and willing to listen – something which itself opens a window for proactive businesses. Over the last year, it has proven it is willing to learn and to do creative deals to attract investment. For businesses which respond effectively, by proactively engaging with UK policymakers and regulators and thinking creatively about investment strategies, this is a moment of opportunity.

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## **How we can help**

Combining our transactional, regulatory and policy strength, where we operate at the intersection of Government and business, we have developed our [UK2030 programme](#) designed to support clients with their UK strategic and investment decisions.

To capitalise on the opportunities the 2020s present for businesses operating in the UK, organisations will need to:

**Understand** the legislative changes expected in a post-Brexit Britain.

**Engage** effectively with government and society to help shape the UK environment for business.

**Act** through corporate strategies, structures, and investments to seize the opportunities that environment offers.

Hogan Lovells is uniquely placed in the UK market to support you through this period of change and opportunity.

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