

March 2025

# Life Sciences Investment Programme (LSIP) Request for Proposals

# Contents

---

1. Context	2
2. Objectives	2
3. British Patient Capital	2
4. Timing of programme	3
5. Process	4
6. LSIP requirements	6
7. LSIP selection criteria	8
8. Terms and conditions	10
9. Legal notices	11

---

# 1. Context

The life sciences industry is a key area of economic activity and importance for the UK. The UK's heritage and excellence in fields such as drug discovery, vaccine development and cell and gene therapies have placed it at the frontier of responses to key global challenges including the COVID-19 pandemic, ageing populations and the sustainability of healthcare provision. The Government's ambition is to continue the development of this sector by making the UK the best place in the world to start and scale a life sciences business.

The availability of long-term funding is a key element to facilitate the growth of life sciences companies which are at the cutting edge of scientific and technological innovation. Local later stage financing is particularly important in helping companies achieve the critical mass in their operations that will anchor them in the UK over the longer term, thereby contributing to the general economic growth and prosperity of the UK.

To date, the scarcity of later stage funds investing in the UK at scale and on a consistent basis over time, has meant that many promising life sciences companies have not fulfilled their potential within the UK ecosystem. To address this issue, the Government, in October 2019, announced that a £200 million Life Sciences Investment Programme ("LSIP" or the "Programme") would be established.

This Request for Proposals ("RFP") seeks bids for this Programme.

# 2. Objectives

The Programme aims to support innovative growth stage life sciences companies in the UK. The Programme's objectives are as follows:

1. Increase the supply of venture growth finance (which we broadly define as Series B rounds and onwards) to high-growth and innovative Life Sciences companies in the UK
2. Signal the competitiveness and commercial viability of the UK Life Sciences sector
3. Develop the UK life sciences investment ecosystem, by enabling the emergence/development of UK-based large-scale specialist fund managers

# 3. British Patient Capital

British Patient Capital Limited ('BPC'), a wholly owned commercial subsidiary of British Business Bank plc, forms part of the commercial arm of the British Business Bank and invests in venture and growth equity, capturing value through financing the growth of innovative companies. References to 'our', 'us' or 'we' throughout this document are to BPC.

Further information on British Patient Capital can be found here: [www.british-business-bank.co.uk](http://www.british-business-bank.co.uk)

We will manage the Programme as a separate mandate alongside our core programme portfolio. The Programme will be invested in successful applicants by BPC on a fully commercial basis.

In seeking to fulfil the objectives of the Programme, the intention is for us to act as a cornerstone investor to facilitate the creation of new venture capital funds that specifically focus on later stage funding rounds for life sciences companies. In order to maximise the impact of this capital for the UK, the Programme is seeking bids from experienced life sciences fund managers who are or will become deeply embedded in the UK life sciences ecosystem. This will in turn support their ability to deploy a very substantial portion of

LSIP – Request for Proposals  
the fund in the UK.

BPC intends to invest between £50 and £100 million in each successful applicant alongside private sector investors, with the LSIP commitment representing no more than 33% of total fund commitments. In this way, the £200m available via the Programme will result in at least £600m being invested into high growth and innovative companies operating in the UK's life sector.

Further background on the Programme can be found on the LSIP section of the BBB website: [www.british-business-bank.co.uk](http://www.british-business-bank.co.uk)

## 4. Timing of Programme

It is expected that the first commitment will be made within the first 12 months following the Programme's launch. The Programme will remain open for applications until all the available funds have been committed.

The Programme will be open for applications from 7<sup>th</sup> July 2021 and we will consider proposals on a first come, first served basis. As we complete each new commitment, we will publicise the amount of remaining funding we have available. Interested applicants are recommended to monitor announcements on the BBB website so that they are aware of the amount of Programme funding available for commitments at any point in time.

This application process is designed to enable us to select proposals that are considered to offer the best overall value-for-money in promoting the objectives and satisfying the LSIP Requirements and LSIP Selection Criteria set out in this RFP.

We will make reasonable endeavours to respond promptly to applications at each stage of the application process.

## 5. Process

We welcome proposals from any applicant that is able to promote the objectives of the Programme and satisfy the LSIP Requirements and LSIP Selection Criteria set out in this RFP. Applications will be assessed in accordance with the process outlined below.

### Expression of interest, proposal, and initial meeting

Applicants are expected to formally express their interest through emailing LSIP@proposals@british-business-bank.co.uk

Following this, applicants may be invited to meet with us, to provide an outline of their investment proposal and capabilities. Following this meeting, we will provide feedback, including whether the proposal is likely to meet the LSIP Requirements and LSIP Selection Criteria as set out in this document.

Proposals that are assessed, at our absolute discretion, as not likely to meet the LSIP Requirements and LSIP Selection Criteria, as set out in this document, will not move forward to the due diligence stage.

### Due diligence

For applications which progress following the initial meeting, we will review the proposal. In addition to a review of the materials prepared by the applicant and shared with investors as part of a data room / information memorandum / investor marketing materials, it is also likely that our team will visit the applicant at their offices, undertake background and reference checks on the applicant's team, verify the team's track record and review the legal documentation for the proposal, including the proposed terms.

We will also wish to speak with other potential investors in the proposal. Applicants will generally be expected to warrant the information provided during the due diligence process.

### Investment committee

Any recommendation made to BPC's investment committee will be based on our team's assessment of the proposal, data room / information memorandum / investor marketing materials, and due diligence undertaken. The investment committee has absolute discretion on whether to approve making an investment in the proposal. The investment committee will only make an approval if they are confident that the proposal will meet the objectives and criteria set out in this document.

If the investment committee does approve making an investment in the proposal, we will issue a non-binding offer subject to pre-conditions set out by the investment committee, as appropriate to the situation. Such pre-conditions may include confirmatory due diligence, satisfactory completion of fundraising by a longstop date, entry into definitive legal documentation, and any further conditions which we, in our discretion, deem necessary.

**Important Note:** Selection is competitive. We cannot invest in every proposal received. The application process is designed to enable us to select proposals that are considered to offer the best overall value-for-money in promoting the objectives of the Programme and satisfying the LSIP Requirements and LSIP Selection Criteria. We reserve the right to reject, or decline to progress, any application which does not, or which in our opinion based on the information provided is not likely to meet the objectives or satisfy the criteria for investment at any stage in the application process.

### Privacy Statement

The application process requires applicants to provide us with personal data (name, email address, telephone number). If an application progresses to formal proposal and due diligence stages, we shall need further information to carry out background checks, which will involve applicants providing identity documents.

We will also ask for diversity and inclusion information about an applicant firm, which although this information is aggregated, is considered special category data and only obtained with your consent. For further information about how we process personal data, its lawful basis and your data protection rights, please see our privacy notice - [www.british-business-bank.co.uk/privacy-notice](http://www.british-business-bank.co.uk/privacy-notice)

### **Further information**

Should you have any questions about the Life Sciences Investment Programme or wish to set up an initial meeting, the investment team can be contacted at:

[LSIPproposals@british-business-bank.co.uk](mailto:LSIPproposals@british-business-bank.co.uk)

LSIP Proposals, British Business Bank,  
Steel City House, West Street, Sheffield, S1 2GQ  
0114 206 2131

**Please note that requests for business advice, direct investment, or other support cannot be answered.** Businesses looking for such advice should contact their professional financial advisors in the first instance.

## 6. LSIP Requirements

Under the Programme, BPC has a funding allocation of up to £200 million to invest in successful applicants. Consistent with the objectives of the Programme, Proposals must meet the following requirements:

### a) Dedicated Life Sciences Focus

The Programme intends to invest in funds that are solely dedicated to the life sciences sector. This includes the development and manufacture (where relevant) of drugs, vaccines, cell and gene therapies and other complex drug products. Strategies that include an allocation for diagnostics, devices and digital health will also be considered.

### b) Later stage focus

The Programme intends to invest in funds that are focused on providing later stage capital (which we broadly define as Series B rounds and onwards) to support the scale-up of high-potential and innovative life sciences companies, including (but not limited to) those with clinical-stage biopharmaceutical opportunities, as well as those providing drug development and manufacturing services.

### c) Focus on funding UK companies

LSIP's funding has been earmarked for proposals with a significant investment focus on UK-based SMEs<sup>1</sup>. This does not preclude BPC from investing in proposals that have a wider geographical remit or include larger companies in the portfolio, but we will require a strong commitment from applicants that a minimum of the lower of (i) three times our investment or (ii) 50% of total fund commitments be invested in UK-based SMEs.

### d) UK Presence in Investment Team

The Programme is seeking to support fund managers with the appetite to build a sustainable presence and deep network within the UK life sciences ecosystem, not just for the benefit of LSIP, but also to lay the foundations for potential future funds. All applicants should currently have a permanent UK office or commit to opening such an office, with a minimum of one full-time Partner level resource to be located at that office during the life of the fund.

### e) Pari passu

BPC investment terms must be pari passu with private sector investors. BPC will only invest on at least as favourable terms as private sector investors, including in respect of returns, fees, costs, and incentives.

### f) Minimum fund size

To meet the objectives of the Programme, proposals should be targeting a minimum fund size of at least £250m to ensure significant capital can be deployed in portfolio companies. There is no cap on the maximum size of proposal that we will invest in.

### g) Our role in fundraising efforts

The Programme is designed to unlock additional private sector capital into UK life sciences companies. Accordingly, we intend to invest between £50m and £100m in successful applicants alongside private sector investors, with the LSIP commitment representing no more than 33% of total fund commitments.

---

<sup>1</sup> Eligible SMEs for BPC comprise companies with an annual global turnover of less than £100m



## **h) No subordinated or subsidised public sector support**

Proposals must not receive any form of subordinated or subsidised public sector support. LSIP is not intended to compete with other forms of public sector support for investment into SMEs. We will not invest LSIP in any proposal that receives subordinated or subsidised Government, public sector, or European Structural Fund investment. A similar prohibition applies to investing in tax advantaged funds such as VCT or EIS funds.

## **i) Fund structure, location and regulation**

We expect to invest through a closed-ended English limited partnership structure or a similar structure in other jurisdictions. For these purposes, all EEA jurisdictions will generally be considered acceptable. Other jurisdictions will be considered on a case-by-case basis.

Proposals must be consistent with the requirements of British Business Bank plc's group wide tax policy and must meet regulatory requirements. The British Business Bank complies with the principles of HMT's "Managing Public Money". This means that it will not engage in, or connive at, tax evasion, tax avoidance or tax planning. In accordance with the British Business Bank's tax policy, BPC will only enter into transactions and investments that produce tax results which are consistent with the underlying economics of the relevant arrangements.

Applicants must have all appropriate permissions, registrations, and authorisations to raise and operate the relevant investment vehicle.

## 7. LSIP Selection Criteria

In addition to demonstrating how proposals will help promote the objectives of the Programme and meet the LSIP Requirements, we will assess Proposals against the following LSIP Selection Criteria:

### Management team

Applicants must be able to demonstrate that their management team is suitably qualified and collectively possesses the knowledge, experience, and capability needed to successfully build, manage, and exit a portfolio of relevant investments where appropriate. The management team will ideally be able to demonstrate a track record of working together to deploy a strategy similar to that outlined in their proposal.

As set out in the LSIP Requirements section previously, an applicant's investment team will also need to have a UK presence. Other things being equal, we will favour proposals with a substantial investment team presence in the UK with a clear intent for this to be maintained in the long term.

Diversity and inclusion will be included in our overall assessment of applicants and their teams. We believe that diversity and inclusion is a critical success factor for high performing teams and therefore we will be requesting all applicants to respond to a questionnaire modelled on the ILPA diversity and inclusion DDQ. Applicants whose organisations score highly, and whose teams are comprised of individuals from diverse backgrounds, will be viewed positively.

### Investment strategy

Applicants must be able to articulate a credible later stage Life Sciences investment strategy that will generate a commercial rate of return.

The investment strategy should outline:

- Life Sciences sub-sectors the fund manager will target
- Stage focus
- Target shareholdings
- Approach to portfolio construction and diversification
- Fund manager's approach to dealflow generation, deal syndication, transaction structuring and exits
- Any existing dealflow pipeline

As set out in the LSIP Requirements section previously, applicants will need to meet the minimum requirement in respect of focus on funding UK companies. Additionally, applicants must outline the proportion of the fund to be deployed into UK companies. Other things being equal, we will favour proposals with greater UK content.

### Investment track record

Applicants must be able to demonstrate a relevant and verifiable track record in the proposed sectors, stages and geographies outlined in the investment strategy.

Track record information should include fund and transaction level performance data with clear attribution to current and former team members.

## **Ability to raise private sector funds**

Applicants to the Programme should be able to articulate a credible strategy for raising private sector capital alongside the LSIP commitment, such that a first close of the fund could occur no later than 9 months after receipt of written confirmation from us that an investment mandate has been awarded. Evidence of existing fundraising activity and pipeline is requested, where appropriate.

## **Fund manager remuneration and costs**

Applicants must be able to demonstrate that the level of management fees, costs, and/or incentives are commensurate with value delivered and that performance related compensation aligns the interests of the management team with investors.

Proposals should demonstrate that management fees and charges are reasonable and linked to running costs. Carried interest and other similar performance related compensation should be designed to align the interests of the management team with investors.

Our overall assessment will balance expected returns with management fees, costs, and incentives to make an overall judgement on value for money. Whilst lower fees and costs will be preferred, we recognise that applications with the lowest level of fees or costs may not always represent the best value for money.

## **Other Fund Terms**

Applicants must be able to demonstrate that all other proposed fund terms, beyond those described in the criteria above, are appropriate for a fund of the type within the proposal. We will give greater weight to proposals where terms and governance are in line with industry best practice. We maintain our right to seek to negotiate any improvement in terms, as we think reasonable.

## **Monitoring and governance**

The applicant must have appropriate monitoring, reporting, and governance processes in place. BPC will need to ensure its investment will, and will continue to be, properly monitored and managed.

In addition to providing details on formal reporting, successful applicants will be expected to set out how they will additionally engage with us to provide information and assurance on the management and performance of the portfolio. In any event we will expect regular relationship meetings with key persons and senior team members involved in managing our investment for the proposal.

In recognition of its significant investment, BPC will generally expect to be represented on the Advisory Committee (or equivalent investor forum).

Successful applicants will need to evidence appropriate ethical standards in relation to the proposed investment activity, operations, and general business activities so as not to cause embarrassment to BPC in view of its status as a Government owned entity.

## 8. Terms and Conditions

The terms of this Request for Proposals and any investments due to be made under it may be withdrawn at any point.

We reserve the right at any time not to make an investment and / or cancel or withdraw from the process at any stage. Any costs or expenses incurred by an applicant will not be reimbursed and we will not be liable in any way to an applicant for costs, expenses or losses incurred as a result of this process.

We reserve the right to reject any and all Proposals at any stage, with or without cause.

We reserve the right to request clarification of information submitted and to request additional information regarding any Proposal, including the right to request face to face meetings. Refusal to provide such information upon request may cause the Proposal to be rejected. Where no reply to a request for information or for clarification is received within ten business days, we may consider that the Proposal has been withdrawn.

No representation, express or implied, is made by BPC as to the completeness or accuracy of any facts or opinions contained in this Request for Proposals and recipients should seek their own independent legal, financial, tax, accounting, or regulatory advice before making any Proposal.

Please note that BPC acts as an investor for the purposes of this Request for Proposals and therefore this Request for Proposals does not require approval under financial promotion legislation or corresponding rules.

Applicants should be aware that we are not authorised to carry out regulated activity. We will thus be unable to consider responses where receipt or processing would require any form of regulatory authorisation or permission.

Any offer to invest in a Proposal made by BPC will be subject to the prompt and satisfactory agreement of legal terms. Applicants will also be expected to provide a timetable for meeting any other obligations, such as the raising of private sector investment, and successful completion of any BPC investment will be conditional on meeting that timetable.

Applicants should be aware that we may enter into arrangements with third-party investors in respect of collaborating jointly on potential investments under the Programme.

Respondents should note that information received by us or any other member of the British Business Bank plc group as part of this process, including personal information, may be published or disclosed in accordance with the access to information regimes.

These are primarily the Freedom of Information Act 2000 and data protection regulations and legislation, including but not limited to the Data Protection Act 2018 and UK GDPR. In view of this, should respondents consider that any information should be treated as confidential and/or commercially sensitive, it would be helpful if respondents could set out why they consider this to be the case in each instance. Automatic confidentiality disclaimers generated by IT systems will not, in themselves, be regarded as binding.

If we or any member of the British Business Bank plc group receives a request for disclosure of information, full account will be taken of any explanation, but no assurance can be given that confidentiality will be maintained in all circumstances. Decisions on disclosure remain the responsibility of BPC or the recipient of such request for disclosure and ultimately the Information Commissioner and courts.

Personal data will be processed in accordance with the privacy notice on our website [www.british-business-bank.co.uk/privacy-notice](http://www.british-business-bank.co.uk/privacy-notice)

By submitting a Proposal, applicants accept these terms and conditions. Except for these terms and conditions, which are intended to be legally binding, this Request for Proposals is not a legally binding document and should be treated as indicative only.

## 9. Legal notices

British Patient Capital Limited forms part of the commercial arm of the British Business Bank. It is a wholly owned subsidiary of British Business Bank plc, registered in England and Wales, registration number 11271076, registered office at Steel City House, West Street, Sheffield, S1 2GQ. It is not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA).

British Business Bank plc and its subsidiary entities are not banking institutions and do not operate as such.

A complete legal structure chart for British Business Bank plc and its subsidiaries can be found on the British Business Bank plc website.



**British Business Bank**

Steel City House West Street  
Sheffield S1 2GQ

t. +44 (0)114 206 2131

[www.british-business-bank.co.uk](http://www.british-business-bank.co.uk)

Original publication date: 7 July 2021

Updated: March 2025

British Patient Capital Limited, registered in England and Wales, registration number 11271076, registered office Steel City House, West Street, Sheffield S1 2GQ. A wholly owned commercial subsidiary of British Business Bank plc, registered in England and Wales, company registration number 08616013, registered office Steel City House, West Street, Sheffield, S1 2GQ. British Business Bank plc is a development bank wholly owned by HM Government. It and its subsidiaries are not banking institutions and do not operate as such. They are not authorised or regulated by the Prudential Regulation Authority or the Financial Conduct Authority. A complete legal structure chart for the group can be found at [www.british-business-bank.co.uk](http://www.british-business-bank.co.uk).