

## SOUTH YORKSHIRE LIFE SCIENCES VENTURE VEHICLE – INVITATION TO TENDER

### 1. Purpose

- 1.01 Legacy Park Ltd is seeking to directly appoint a suitably qualified and experienced consultant to work with Legacy Park Ltd to fully assess the potential activity required to develop a South Yorkshire Life Sciences Venture Vehicle (the venture vehicle).

### 2. Scope

- 2.01 The activity includes the commissioning of:
- A feasibility study,
  - Financial and legal expertise

### 3. Background

- 3.01 The venture vehicle is designed to boost economic activity across South Yorkshire to achieve three aims:
- To invest in and offer bespoke support to start-ups and scale-ups based in South Yorkshire either operating in the life sciences sector, or with the potential to operate in this sector, so that they can be **retained in the region** as they grow.
  - Through this investment and support offer, **attract and retain** life sciences start-ups and scale-ups, internationally and from within the UK, and help them grow.
  - **Attract investors** into the region through investing in the venture vehicle and receiving a healthy return.
- 3.02 The majority of primary activity will be located in Sheffield at Sheffield Olympic Legacy Park.
- 3.03 The ‘retain and attract’ strategy will be underpinned by a requirement that companies from outside the region increase their activity in South Yorkshire, having a material economic impact on the region including job creation, inward investment, and collaborative opportunities.
- 3.04 The venture vehicle will initially focus on three key life sciences sub-sectors:
- Health tech including child health, diagnostics, and wellbeing.
  - Food tech focussed on health, nutrition, and sustainability.
  - Sport tech at the interface with mental and physical health.
- 3.05 This venture vehicle aligns closely with the Sheffield City Council (SCC) Economic Development and Skills Committee priority to improve the start-up and investment ecosystem in the city.

- 3.06 The regional priority setting work being undertaken by South Yorkshire Mayoral Combined Authority (SYMCA), South Yorkshire local authorities, and universities will enhance those specific priorities including ecosystem development, co-investment, acceleration, and start-up programmes.
- 3.07 The venture vehicle will signal the intent of South Yorkshire to support inward investment and significantly increase the leverage of equity growth capital into South Yorkshire from national and international investors.
- 3.08 The venture vehicle will align with SYMCA's [Strategic Economic Plan](#) to 'accelerate innovation-led economic growth by supporting much greater density to harness the benefits of clustering and investing in healthcare innovation infrastructure' and so helping to deliver against three of the main aims of the plan:
- To be a net contributor to the national economy, supporting innovation and entrepreneurship, and attracting new investors to locate in the region.
  - Leading the world in testing, developing and commercialising ideas emerging from our research community and businesses.
  - Our people will be happier, healthier, better off, better qualified, and better able to access good opportunities.
- 3.09 The venture vehicle model is further supported by the [Unleashing Capital report](#) from leading thinktank Policy Exchange in which the author praises Sheffield Olympic Legacy Park as '*...a smashing success – as it has created a pipeline of investable business and research propositions in a local area that had historically been underserved.*' The report also states that '*The Legacy Park now encompasses an innovation eco-system, with a high potential for long-term investment by institutional investors.*'

#### 4. Outputs

**This invitation to tender relates to Output A only.** The main outputs of this work will be:

##### 4.01 **Output A** - The production of the Feasibility Study.

Key activities to achieve output A:

1. Assess value for money of the proposed venture vehicle.
2. Identify the feasibility of the intended deployment of £50m investment within 12 months into companies, some of which have already been identified, which are at different stages of growth: pre-seed, seed, and Series A.
3. Market testing the venture vehicle with investors building out from the modelling already conducted with London-based and international investment groups.
4. Testing the appetite of public sector parties to invest seed capital in the venture vehicle.

5. Assessing the increased likelihood of leveraging private investment into the venture vehicle if the public sector moves first to de-risk the venture vehicle with a cornerstone investment of £5m.
6. Testing the work done so far on projected increases in ROI over five years to show the evergreen nature of the venture vehicle and assessing the estimated set-up costs and running costs for the first five years including staffing.
7. Assess the overall need for a venture vehicle of this type in South Yorkshire through consideration of existing funding mechanisms and unmet demand.

**Output B is included for reference only and should not be included in your tender submission.**

**4.02 Output B** - To develop the venture vehicle model through a suite of documents and information ready for its first fundraising round from investors.

Key activities to achieve output B:

1. Assessing the appropriate legal structures that recognise that public sector monies might be at risk including SYMCA and Legacy Park Ltd partner organisations.
2. Developing a Green Book compliant business case for public sector investment into the venture vehicle.
3. Identifying a set of viability and feasibility criteria to be applied to companies being considered for the venture vehicle.
4. Identifying an additional set of impact criteria for companies receiving investment, to ensure they have a material economic impact on the region including job creation, inward investment, and collaborative opportunities.

## 5. Budget

- 5.01 Funding for this project has been provided by SYMCA's Project Feasibility Fund (background information included in **Appendix A**) and SCC's Flexible Development Fund.
- 5.02 We have a budget of £32,500 + VAT for a piece of work to complete Output A and we would like you to prepare a proposal based on a realistic assessment of what you are able to achieve by Friday 22 March 2024.

## 6. Timeline

▪ Friday 15 December 2023	Issue / publish invitation to tender
▪ Friday 5 January 2024	Deadline for questions arising
▪ Friday 12 January 2024	Deadline for tender submissions
▪ Friday 19 January 2024	Appoint suitable delivery organisation
▪ Friday 9 February 2024	Interim progress review (end of week 3)
▪ Friday 22 March 2024	Complete commission (end of week 9)

- 6.01 We require the feasibility report to be completed by Friday 22 March 2024.
- 6.02 We are aware this is a tight timeline, and we require the successful consultant to commit to this delivery period.
- 6.03 You will have a dedicated lead contact at Legacy Park Ltd (Dr Chris Low, Chief Executive) to ensure you get the content, access, and signoffs you need to work at pace.

## 7. Assessment Method and Weighting

- 7.01 We would like a short response to this brief covering the points listed below. Your proposal should be no more than three sides of A4.
- 7.02 Any questions arising from the invitation to tender should be submitted via email to [claire.fretwell@olympiclegacypark.co.uk](mailto:claire.fretwell@olympiclegacypark.co.uk) by 5pm on Friday 5 January 2024.
- 7.03 Please email your proposal submission to [claire.fretwell@olympiclegacypark.co.uk](mailto:claire.fretwell@olympiclegacypark.co.uk) by 5pm on Friday 12 January 2024.

Method Statement, Experience, Capability and Capacity		
<b>About you and your experience</b>	<ul style="list-style-type: none"> <li>▪ A brief description of your organisation.</li> <li>▪ Your previous involvement with similar projects.</li> <li>▪ Your experience setting up and operating investment vehicles.</li> <li>▪ Profiles of the team that will be deployed including their relevant experience.</li> <li>▪ Please also include a description of any additional information or expertise that you think is relevant.</li> </ul>	70%
<b>Your approach</b>	<ul style="list-style-type: none"> <li>▪ The main stages of work you will undertake.</li> <li>▪ The approach or methods and tools you will use.</li> <li>▪ How the work can be mobilised quickly and done efficiently.</li> </ul>	
<b>Outputs</b>	<ul style="list-style-type: none"> <li>▪ The main outputs from the work considering the need to generate the relevant structure and documentation ready for the launch of the venture vehicle within six months.</li> </ul>	
Price		
<b>Price</b>	<ul style="list-style-type: none"> <li>▪ Total price.</li> <li>▪ Breakdown of price by team member/consultant.</li> <li>▪ Expenses.</li> </ul>	30%

## Appendix A

### Project Feasibility Funding – Background

#### Purpose

- Contribute to the development and completion of the City Strategy which will also include Policies and Spatial Strategies and the Sheffield Place Based Plan. This suite of documents will set a clear strategic framework to drive forward an inclusive economic agenda that will also take account of environmental impact and deliver Strategic Economic Plan outcomes.
- Consider and develop project ideas from prioritised City strategic objectives.
- Turn ideas into deliverable projects with developed and costed business cases that can deliver against Strategic Economic Plan outcomes.

#### Eligible Activity

- Strategy development and research.
- Early-stage project development (ideation and optioneering) and considering the ‘art of the possible’.
- Feasibility analysis including site investigations and transport and environment impact assessments.
- Project Design and costing.
- Securing Planning Consent where required.
- Development of business cases.
- Consultation
- Benefit realisation – project completion assessment and evaluation
- Programme Management

#### Expenditure Categories

- Internal Staff costs
- Consultancy staff costs
- Professional Fees
- Consultation costs
- Design fees
- Statutory fees
- Legal fees
- Other (tba)