Department for Science, Innovation & Technology

Life Sciences Innovative Manufacturing Fund

LSIMF Refresher

An overview of the scheme.

Applying to LSIMF

A deep dive into what makes a strong application.

Why UK?

A further look into the broader case for manufacturing in the UK.

Support available

What OLS can help with if you are interested.

LSIMF Refresher

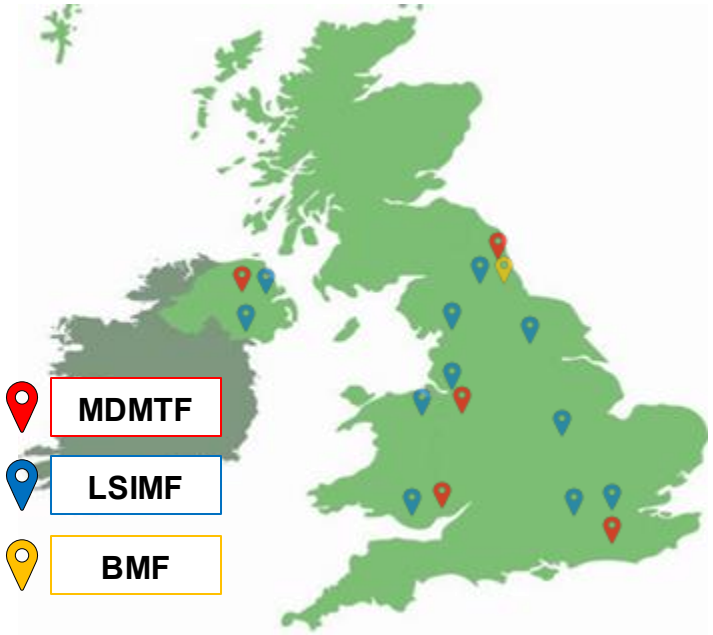
An overview of the scheme.

The Life Sciences Innovative Manufacturing Fund (LSIMF) has up to £520m to make grants towards UK Life Sciences manufacturing.

It is almost ten times larger than the previous LSIMF, and will deliver funding over 5 years.

£60m
LSIMF 1
2022

£520m
LSIMF 2
2025



LSIMF and its legacy funds have supported fifteen manufacturing investments in medicines, MedTech and diagnostics spread across the UK.

These will deliver well over £510m in public/private investment, creating and securing over 1,900 jobs.

LSIMF Refresher

An overview of the scheme.

LSIMF legacy fund manufacturing investments

OLS has supported a wide range of therapeutics and diagnostics companies to date

Company	Total investment and description	
Astra Zeneca	£14.2m	New technologies – continuous manufacturing
Ortho Diagnostics	£13.3m	Expansion – innovative biological diagnostic product lines
Custom Pharma	£13.9m	New facility – high potency medicines for NHS & export
Piramal Healthcare	£10.1m	Facilities upgrade – manufacture of pharmaceutical products
Randox	£23.6m	New large-scale diagnostics manufacturing facility
IPSEN	£75.2m	Innovative medicines for neurological conditions
Pharmaron Biologics	£151.3m	Critical gene therapy and vaccine components
Touchlight Genetics	£14.2m	DNA manufacture for cell and gene therapies and vaccines
Randox	£36.1m	Manufacture of antibodies for diagnostic tests
Sterling Pharma	£30.6m	Manufacture of APIs
Kindeva	£30m	Low-carbon respiratory inhalers
Almac	£53m	API manufacture and centre of excellence
QuidelOrtho	£38m	Medical Diagnostic: Blood typing kits
Accord	£50m	New sterile fill-finish manufacturing facility.

LSIMF Refresher

An overview of the scheme.

The LSIMF's objectives are to strengthen the UK's manufacturing capacity and capability by supporting investments that contribute to both of the following:

1 Creating **economic opportunity**

These are investments which will make a substantial contribution to Gross Value Added (GVA) and provide high-wage, high-skilled jobs around the UK.

2 Increasing **health resilience**

We define health resilience as the UK's ability to withstand and recover from health emergencies such as pandemics, long-term healthcare challenges and system shocks such as supply chain disruption.

This could include investments in current UK health priorities such as:

- Infectious diseases
- Vaccines and vaccine preventable diseases
- Dementia
- Cancers
- Obesity
- Mental health
- Addiction
- Cell and gene therapies

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- Cell and gene therapies

LSIMF Refresher

An overview of the scheme.

To be eligible, your project must be a manufacturing project – this could be manufacturing product for clinical trials or for commercial use – for the manufacture of human medicines and medical technology (including diagnostics, and MedTech products). This could include:

Human Medicines (this includes both the manufacture of active pharmaceutical ingredients (API) / drug substance and finished product / drug product).

Medical Diagnostics for both disease identification and monitoring

MedTech for all types of medical devices related to human health.

To be eligible, your project must:

- ☑ Be primarily a capital investment
- ☑ Be a single company investment
- ☑ Be located in the UK
- ☑ Have a total eligible spend of at least £8 million (capital, R&D and skills/training expenditure)

Our typical intervention rate is between 10-20%.

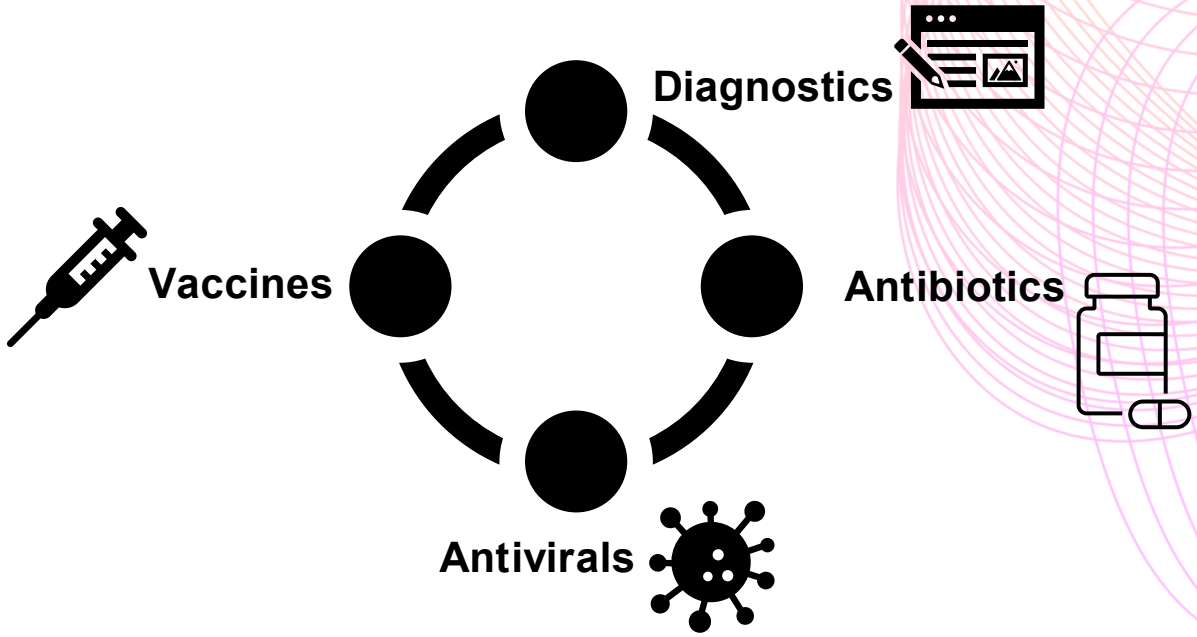
For interested companies, we are happy to discuss company eligibility criteria, further. Information is also available on the Find a Grant page.

LSIMF Refresher

An overview of the scheme.

While we continue to be interested in projects across the Life Sciences sector...

at this point in the LSIMF process, we are particularly interested in proposals which improve UK manufacturing for pandemic preparedness including:

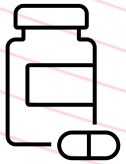


Projects are likely to score highly for health resilience where applicants can show a facility can pivot to high volume manufacturing in a pandemic scenario, and/or where projects reducing the burden on healthcare systems, preventing disease or reversing preventable/chronic conditions in large cohorts.

LSIMF Refresher

An overview of the scheme.



To support UK resilience, we are particularly interested in capabilities that could manufacture the following to improve pandemic preparedness:

- The main vaccine modalities (Inactivated/Live-Attenuated, Viral Vector, Protein sub-unit, and RNA) and the downstream and upstream processes required to produce these.
- Antivirals.
- Antibiotics.
- Monoclonal antibodies.
- Manufacturing facilities that are flexible and can pivot to produce any of the above in the event of an emergency.

At a more granular level, we are particularly interested in investments in:

- DNA Plasmids
- Oligonucleotides
- Antivirals produced by fermentation
- API manufacturing
- PCR testing

Applying to LSIMF

A deep dive into what makes a strong application.

You should look to make a strong case against both of LSIMF's objectives. Here's a detailed look at what each objective refers to:

1 Create **economic opportunity**

- Location of investment;
- Numbers of jobs created and safeguarded;
- How well those jobs pay in relation to jobs in the local area;
- Innovative products with an R&D component in addition to capital component;
- Facilitating R&D investment and R&D 'spillovers' for local economy.

2 Increase **health resilience**

- Is the product useful in a pandemic scenario or other health emergency;
- Could the manufacturing capabilities be repurposed in a pandemic scenario or other health emergency;
- Does the product have a substantial impact on improving population health making the health of the population more resilient;
- -Does the project on-shore much-needed manufacturing capability.

Applying to LSIMF

A deep dive into what makes a strong application.

Thinking back to LSIMF's objectives, you should look to make a strong case against both points, by specifically articulating your investments strengths in both of the following criteria:

1 Create **economic opportunity**

- Numbers of jobs created and safeguarded;
- How well those jobs pay in relation to jobs in the local area;
- Amount of investment;
- Location of investment;
- Innovative products with an R&D component in addition to capital component;
- Facilitating R&D investment and R&D 'spillover' for local economy.

2 Increase **health resilience**

- Is the product useful in a pandemic scenario or other health emergency?
- Could the manufacturing capabilities be repurposed in a pandemic scenario or other health emergency?
- Does the product have a substantial impact on improving population health making the health of the population more resilient?
- Does the project on-shore much-needed manufacturing capabilities or skills?

Applying to LSIMF

A deep dive into what makes a strong application.

How to make a strong application to LSIMF:

- LSIMF assesses **economic benefit** and **health resilience** as equal objectives and **investments should be as strong as possible in both categories.** Where there is both strong economic and health resilience benefits this will be more likely to lead to a successful application;

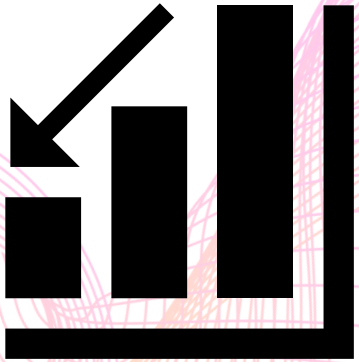
- An ideal investment might look like upgrading or creating new manufacturing capability or capacity in a therapeutic or diagnostic important in a health emergency which delivers high-paying jobs versus the local average salary and can demonstrate innovative process or technology than create spillover benefits for the regional economy.

- We are looking to **support investments that companies would not otherwise make in the UK (at all or to the extent planned), or which would be delayed**. This is what is termed the counterfactual**;**

- To protect taxpayers money, Government will always look for strong justification of the **minimum necessary grant to achieve the stated outcomes** and a clear **case for assistance** which shows that the company requires Government input.

Applying to LSIMF

A deep dive into what makes a strong application.



Some common pitfalls to avoid:

- **Not engaging with the LSIMF team early or fast enough.** We are here to help!
- **Not applying for the grant amount needed** which is the minimum necessary: you must ask for the minimum necessary to deliver the project, not the maximum you think could be offered;
- **Not ensuring information sent is accurate/correct;**
- **Not forward planning: the EOI does NOT constitute a formal application.** Please build in time to submit the full application.

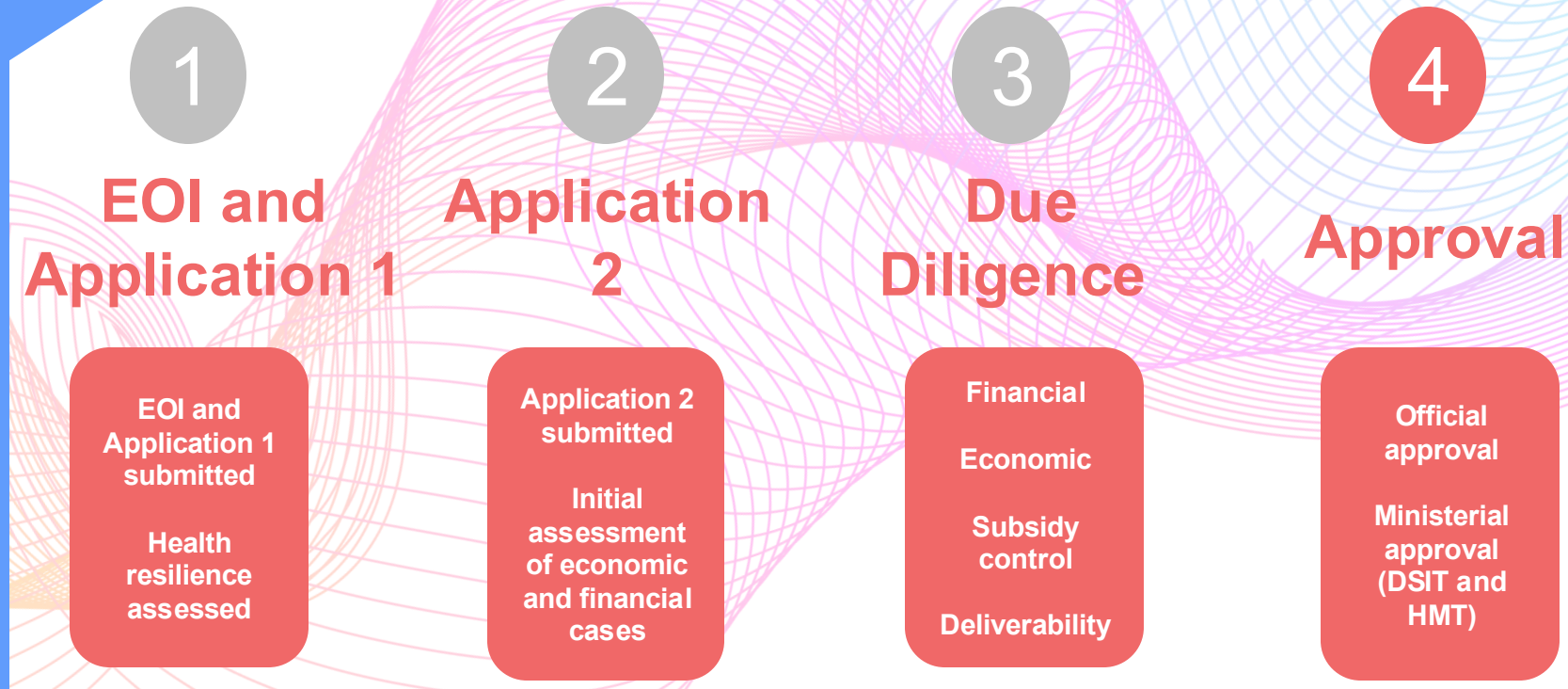
Other hints and tips:

- **Do lay out the detail on the manufacturing capability and products linked to the investment!**
- **Do signal If there is a linked R&D investment!**

Applying to LSIMF

A deep dive into what makes a strong application.

Should you apply to LSIMF, your journey will look something like the below. A smooth and straightforward road to grant support.



Grants over £5m will need to progress via the Industrial Development Advisory Board (IDAB)

Why UK?

A further look into the broader case for manufacturing in the UK.

A Strategic Investment Destination

Invest where science meets scale—join a thriving ecosystem built for global impact.

670 pharma companies

Located in the UK, alongside 4,190 MedTech firms

£26 billion

in Medicines exports

£10.2 billion

in Medtech exports

2000+ sites

across the UK

118,800 skilled employees

Working in life sciences manufacturing across the UK

15,000+ diagnostic professionals

Located in the UK

A Competitive Business Environment

De-risk your investment with a globally competitive tax regime and strategic support.

R&D tax credits

(20% R&D expenditure credit, uncapped)

Patent Box

Reduced Corporation Tax Rate of just 10% on profits earned from patented inventions.

UK Export Finance

£50bn portfolio supporting global trade – finance for UK businesses & overseas buyers.

£80 million

Sustainable Medicines Manufacturing Innovation Programme

Why UK?

A further look into the broader case for manufacturing in the UK.

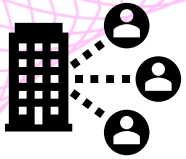
Partnership Driven Growth

Partner with regulators, clinicians, and researchers to accelerate your innovation journey.

MHRA offers **early-stage advice, AI sandboxes, streamlined pathways** and **innovative point-of-care manufacturing.**

Government-backed training and national centres ensure future-ready talent; including UK Medicines Manufacturing Skills Centre of Excellence (RESILENCE), Cell and Gene Therapy Catapult Advanced Therapies Skills Training Network (ATSTN), and others.

Programmes like Innovative Devices Access Pathway and the NHS Accelerated Access Collaborative **fast-track technology adoption.**



Academic-industry synergy via Cell and Gene Therapy Catapult, Centre for Process Innovation, NIHR MedTech and In vitro diagnostics Co-operatives, and Health Innovation Networks – supporting innovation translation and commercialisation in manufacturing.

Support available

What OLS can help with if you are interested.

We are here to help, here's how!

We can **help arrange meetings with senior colleagues and ministers** where it would be helpful, however the evidence we require for financial due diligence is still needed by our team;

At the later stages of the application for larger projects (over £5m) going to our internal governance board, we can liaise with the company to make sure that the **investment case we put to the board is as strong as it can be**;

We may also be able to **signpost you to other sources of government funding** and be open to discussing how LSIMF funds could be part of a larger package of support alongside non-financial support elements e.g. support to navigate the NHS and working with the MHRA

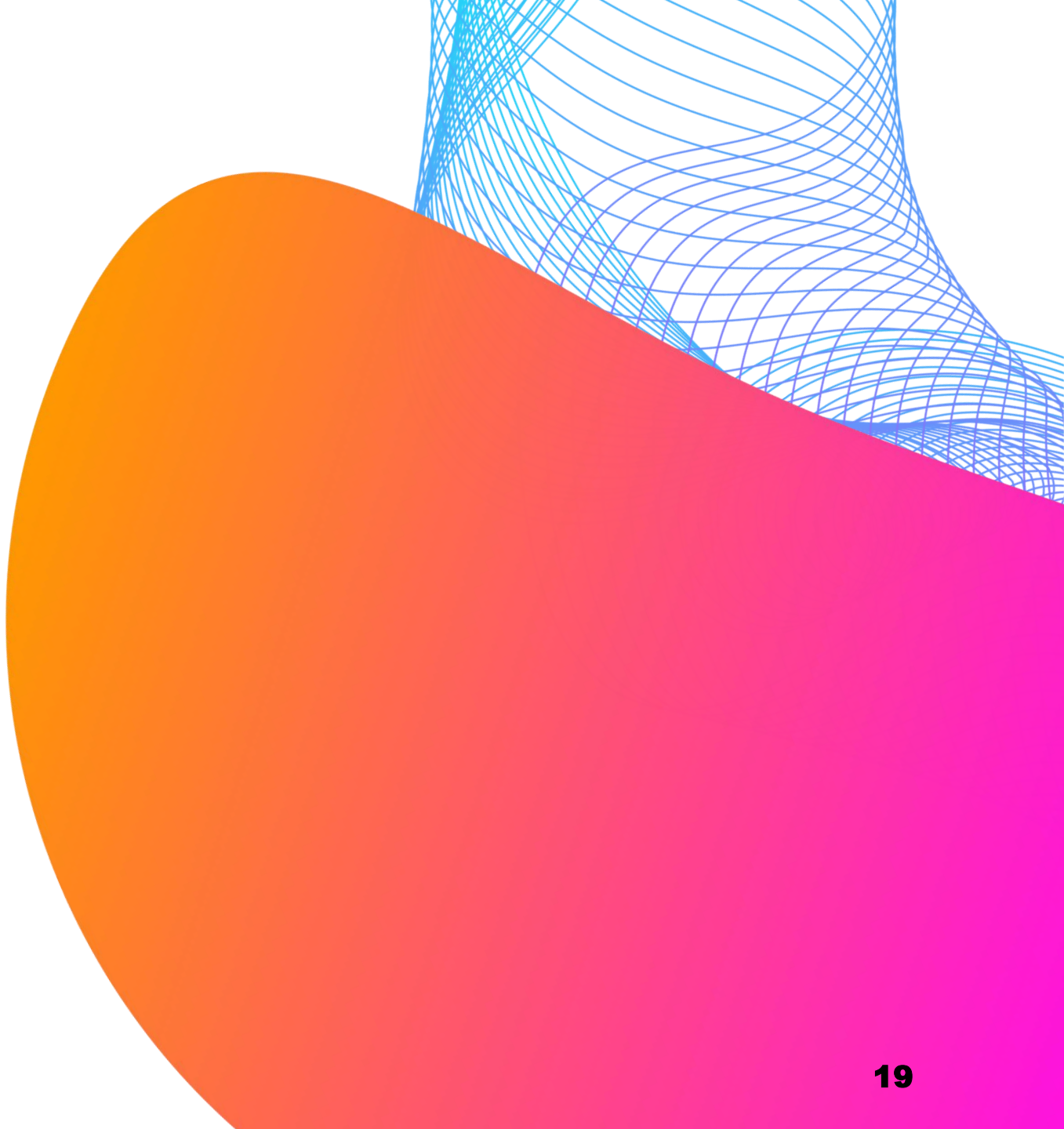
Depending on the size of the investment, and the steps required to leverage the investment, **broader support can be offered through the investment and trade function within OLS.** This support can help generate the right non-financial UK offer for your company.

Department for Science, Innovation & Technology

Appendix

Further information for prospective applicants

GOVERNMENT DUTY AND LEGISLATION



OUR DUTY AND LEGISLATION UNDERPINNING GRANTS

1. The government has a *managing public money* duty to support investments which achieve the highest value for money for the taxpayer. LSIMF is a publicly available competitive fund and we have a duty to treat companies fairly and equally;

2. We acknowledge that other countries seem to be able to make very rapid grant offers with minimal due diligence, however our subsidy and fair competition obligations means we have to fully evidence;

3. Prior to any grant offer, projects will be assessed for their value for money in line with the Green Book. This guidance sets out how public servants should approach financial appraisal of policies, programmes and projects. You are not required to ensure compliance with the Green Book, but the principles of the guidance will be used to assess your application and may therefore be a useful point of reference;

4. Grants will be provided under Section 7 or 8 of the Industrial Development Act 1982. Grants are a public subsidy and must be compliant with the UK subsidy control regime and international trade obligations;

5. Projects within the Windsor Framework (i.e. in Northern Ireland) fall under European Commission State aid rules, while those outside the framework (i.e. in Great Britain) are subject to the UK subsidy regime, as defined in the Subsidy Control Act 2022, and overseen by the Competition and Markets Authority (CMA);

6. For example, subsidies must bring about a change that would not have occurred without the subsidy; and cannot be fund activity that would have happened anyway. Subsidies for the relocation of an activity are also generally prohibited.

7. You may want to seek their own advice on subsidy control and the appropriateness of their application.

GRANT AWARD CASE STUDY

GRANT AWARD - ALMAC

Almac, a contract development and manufacturing organisation (CDMO) based in Northern Ireland, specialise in producing small molecule active pharmaceutical ingredients (APIs). In May 2023, Almac applied to LSIMF (2022). Their proposed investment was to establish a Commercial API Centre of Excellence in Northern Ireland which would handle high-potent drugs such as oncology treatments and support various therapeutic areas using powder containment technology.

Here's how their journey unfolded:

- **Almac began with an Expression of Interest (EOI)**, engaging with the LSIMF team to understand eligibility criteria and minimum requirements. After passing the EOI stage, Almac faced an interview panel of independent manufacturing industry experts. The panel evaluated their project based on innovation, health resilience, and sustainability;

- **Upon successfully passing the interview, a dedicated grant case officer was appointed to support them** though the application stage. Almac had four weeks to submit a comprehensive application that allowed their proposal to be assessed against feasibility, deliverability, economic impact and value for money criteria;

- **The Life Sciences Manufacturing Funds Board concluded the application was comprehensive, credible and in line with the fund's strategic objectives** and progressed the application to due diligence;

- During the due diligence phase, **OLS and the appointed case officer worked closely with Almac to assess the validity of eligible costs, determine the minimum necessary amount for the project to proceed, and evaluate whether the grant offered good value for money for the taxpayer** by considering all associated benefits. Detailed financial and economic assessments followed, leading to a positive recommendation for a grant award. A refined version of this four-stage model: EOI – Application – due diligence – grant offer will be used for the new LSIMF fund.

A DETAILED LOOK AT THE FUND'S ELIGIBILITY CRITERIA

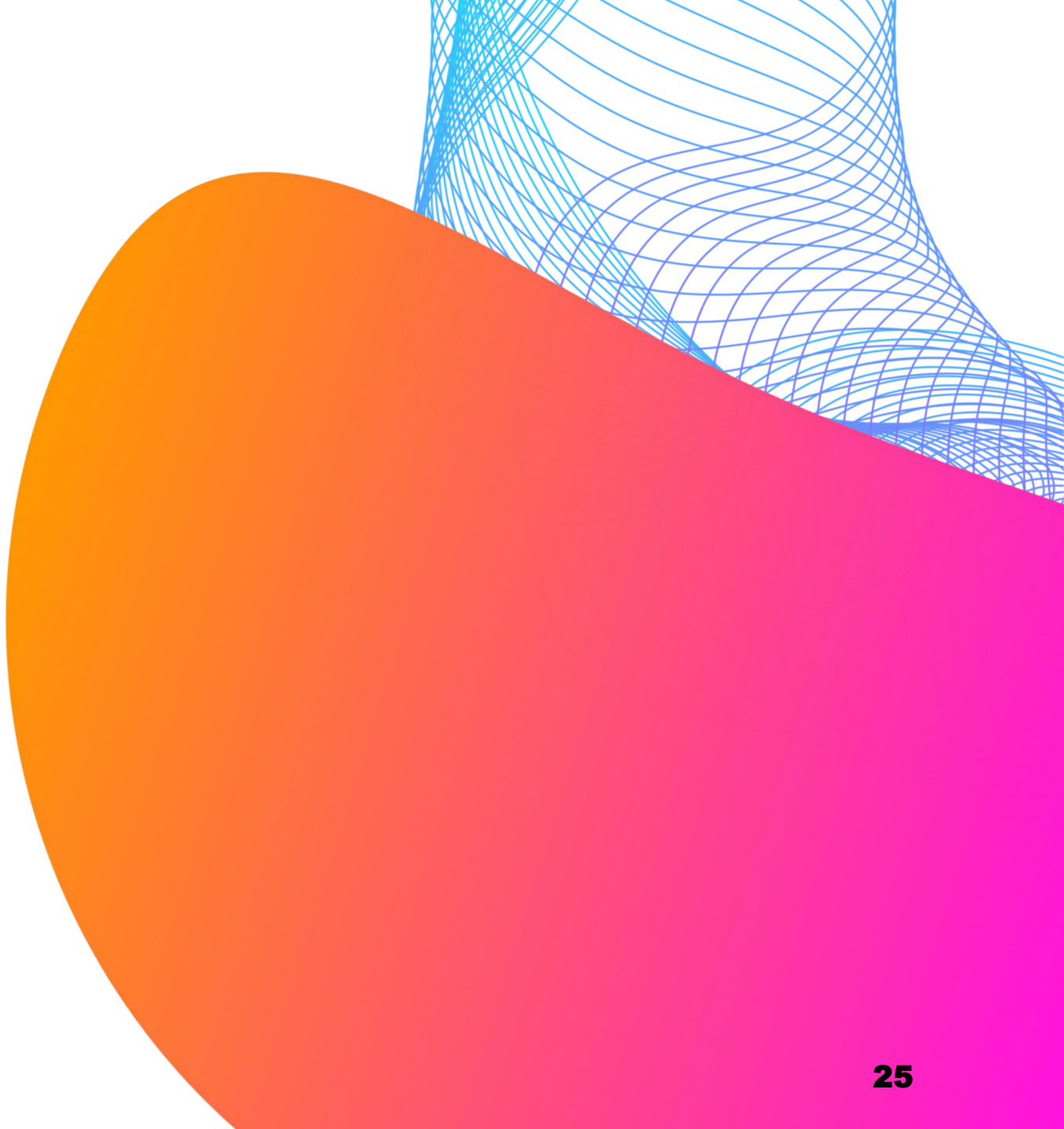
LSIMF SCOPE AND ELIGIBILITY

Scope

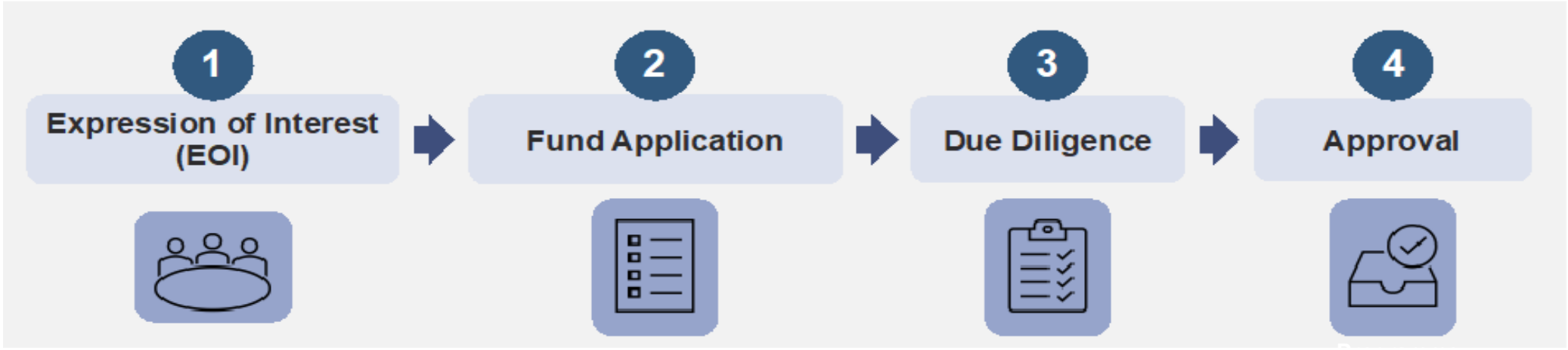
• Your project **must** be a manufacturing project – this could be manufacturing product for clinical trials or for commercial use – for the manufacture of human medicines and medical technology (including diagnostics, and MedTech products).
  ○ Human medicines (this includes both the manufacture of active pharmaceutical ingredients (API) / drug substance and finished product / drug product).
  ○ Medical diagnostics – for both disease identification and monitoring
  ○ MedTech – all types of medical devices related to human health.
• The fund is open to applications for MHRA-licenced medicines, medical and diagnostic devices registered with the MHRA, and products in development where approval to market the device in the UK is intended to be sought for commercial scale-up, for example a manufacturing project for clinical trials or investigational studies.
• Manufacturing facilities are required to work to Good Manufacturing Practice (GMP) and the facility be intended to support clinical and/or commercial manufacture of API or drug product.
• Manufacturers of medicinal diagnostics and medical devices must confirm that their device meets or intends to meet the requirements of the Medical Devices Regulations 2002.

Eligibility criteria	
Your company must:	✓ Be a UK registered company ✓ Be a wholly private sector business ✓ Be a product developer, contract development manufacturing organisation, or a generics manufacturer ✓ Be able to provide a Parental Undertaking Guarantee, or a bank guarantee, to protect the taxpayer's investment. However, for smaller and medium-sized enterprises, suitable alternatives may be considered.
Your project must:	✓ Be primarily a capital investment ✓ Be located in the UK ✓ Be a single company investment. ✓ Have a total cost of at least £8 million (including capital expenditure).

DEEP DIVE:
THE APPLICATION STAGE



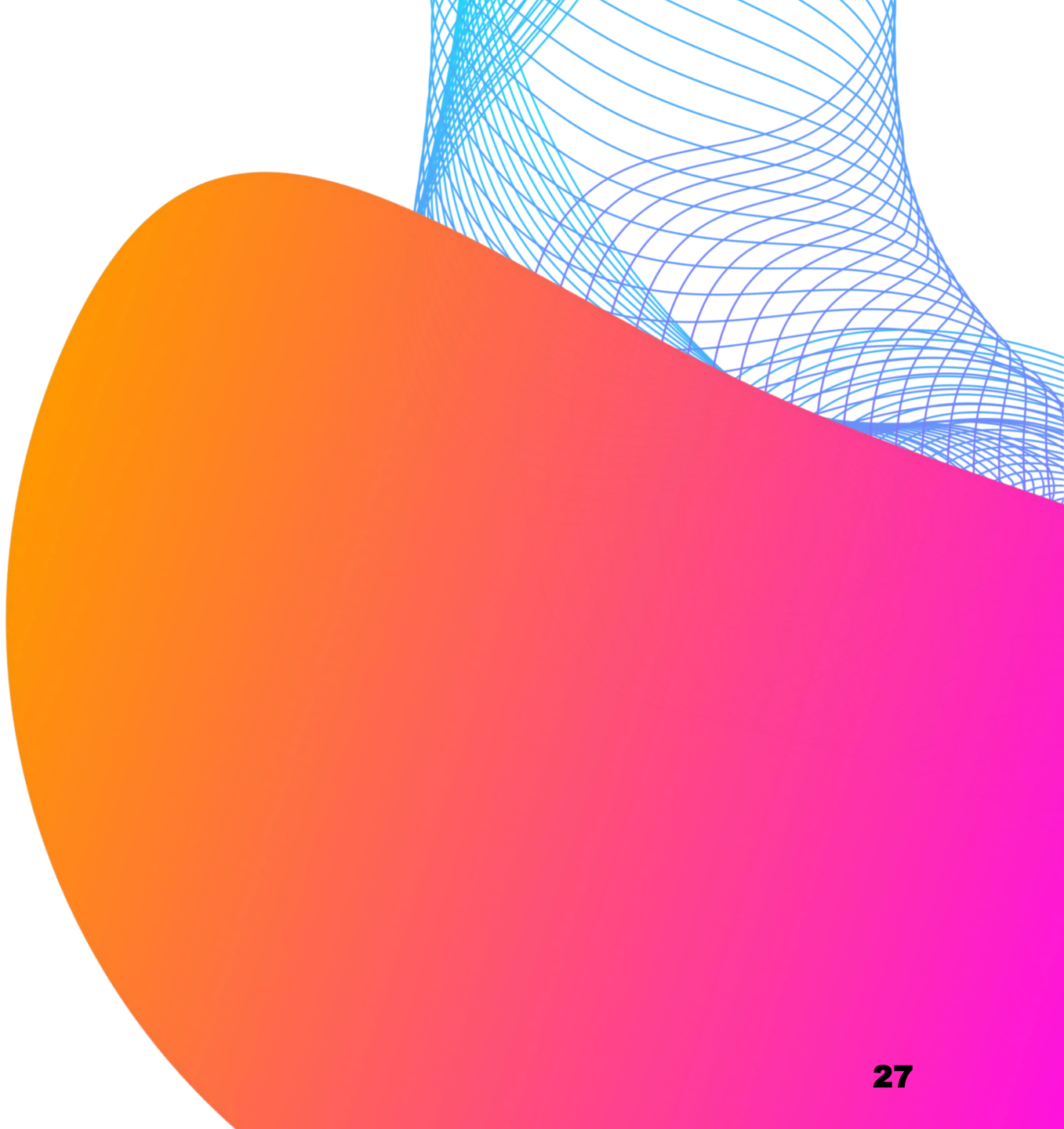
LSIMF process



1 month touchpoint

July-August 2025	September 2025	October 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	March 2026
and Application Submitted	Application Form 2 submission		Due Diligence		LSIMF Board assessment	Grant Offer Letter/ Ministerial Agreement	

DEEP DIVE:
THE APPLICATION STAGE



How to justify your grant request

HMG will only provide grants where there is a clear need and justification for funding. It is essential that you identify and clearly justify your funding needs. You should request only the minimum amount of grant funding necessary for their project to proceed and must explain the potential impact on the project if funding from LSIMF is not received. Please refer to the examples below.

You will be required to provide evidence supporting your grant justification, which will be scrutinised by OLS analysts and forensic accountants.

For example, without an LSIMF grant:

Justification	Explanation	Example
The project would not take place in the UK	The grant would bridge the gap between the UK and overseas locations in terms of the financial indicators used to decide on which option is chosen.	A location in Spain is preferred because the rate of return, payback period, NPV, or other indicator ranks it above a UK location and a £2m grant would bridge this gap, this £2m could be requested in a grant.
The project would not go ahead at all	The grant will allow your project to be carried out to the desired size.	The project has secured most of the funding needed but requires an additional £2m to go ahead (because it otherwise would not meet a set a desired financial threshold).
Another project would be prioritised over this project	The grant will allow your project and other potential projects to go ahead with neither needing to be abandoned.	There is insufficient funding for both project A (this manufacturing project) and project B to go ahead. However, with a £2m grant, both project A (with a grant allocation) and project B (funded by the company) could go ahead as one no longer needs to be prioritised over the other.
The project would be significantly delayed (3+ years)	Your project would be delayed by at least three years due to lack of available funding, but a grant would allow it to proceed without delay.	Project A would be put on hold for several years or more, but with a £2m grant there would be sufficient funding to progress project A

DEEP DIVE:
THE DUE DILIGENCE STAGE

Successful applications will undergo Due Diligence to evidence claims made in the application form

Due Diligence includes, but is not limited to, confirmation of:

The final amount of the award which will be subject to the evidence you provide and will be the minimum necessary for the project to proceed

The support being compatible with relevant subsidy control regulations in place at the location of your project

The existence of a financially and business credible alternative option (or counterfactual argument)

The deliverability of project investment and employment outputs as set out in the application form

The satisfactory financial standing of you, the applying company, and of your Parent company (if you have one) and their ability to finance the project.

The specific scope of the due diligence is determined on a case-by-case basis and the speed at which the due diligence can proceed is largely determined by your ability to provide us with the required information and detail.

Tips on how to provide strong evidence in application

Assessment	Evidence*
Economic	• **Payroll reports** (e.g. redacted payslips which clearly confirms salaries) • **HR planning info and salary benchmarks for new roles** (e.g. internal HR documentation referencing salary bands and payslips) • **Job descriptions** (detailed descriptions for each role with NVQ requirements) • **Product schedules and shift patterns for new project (**evidence for why new roles will need to be created) • **Evidence of competitors in the market (**whether the products from this project will be in direct competition with any other companies in the UK; if so, who these companies are, their share in the market and therefore any impact which will likely be had on them)
Deliverability	• **Relevant licence** (e.g. GMP etc) / or application • **Planning permission** (if applicable) • **Project plan with milestones** • **Risk register with clear and proportionate mitigations** • **Draft purchase agreement(s), letter of intent or bidding documents** with regards to the purchase of the land/buildings (if applicable)
Financial	• **Net Present Value/ IRR or other investment appraisal calculations** • **Board minutes (**demonstrating evidence that the other projects/ locations were feasible options) • (If relevant) supporting evidence of land/ building purchase or lease agreements • **Costing for expenditure (**third party or historic) • **Accounting policies** (e.g. depreciation) • **Foreign exchange rates used in forecasting** • **Group structure** • **Agreement to a Parental or Bank Guarantee** • **Cashflow / working capital forecast**

***This list is not exhaustive and may change dependent on your specific project**

TERMINOLOGY AND MYTH-BUSTING

Key Terms

Term	Explanation
Defray	**Money leaving the applicant's bank account** when they spend on their project.
Project size	**Total investment costs** (including R&D, skills etc)
Capital or Eligible costs	Any **tangible asset costs** that can be **capitalised under the principals of UK GAAP**
Ineligible costs	Tax, overheads etc. **(items that are immediately expensed to the income statement or are accounted for as intangible assets on the balance sheet)**
Created Jobs	These are new jobs that you will create as a result of the project going ahead
Safeguarded Jobs	These are jobs that would have been lost without the project going ahead
Parental Undertaking Guarantee (PUG)	A PUG provides BEIS with a **mechanism to recover grant funding** from the **ultimate parent company** ("clawback") should the subsidiary fail to deliver on the terms of the Funding Agreement. If you are part of a group, you **must** provide a PUG from the ultimate parent of a bank guarantee.

Common myths applicants have about the fund

Myth	Explanation
You cannot start your project until we award the grant	No, we appreciate you cannot always wait so **projects can start spending at risk from the date the full application form (both parts 1 and 2) is submitted**
You should ask for as much grant as possible	No, you must **only ask for the level of grant that you actually require**.
We are not interested in R&D linked to manufacturing	R&D is included in a range of benefits we include in the economic section which doesn't exclusively look at the size of the investment. This is a capital fund so whilst **we can't include R&D costs towards the applicants eligible costs** we **recognise the importance of linked R&D** so want you to include these in your costings as these will form part of the appraisal process for your application.
Can we link other government procurements and grants	No, this is a **capital grants fund only**
Grant guaranteed	Your **project may be rejected or grant size reduced at any part of the process** and your proposals alignment to the funds objectives will be continuously reviewed to ensure grant funding is only awarded to projects with a strong alignment to the funds objectives.