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G-Cloud 15

NHS Digital Spin-Out & JV Enablement (Cloud & AI IP) – Options Appraisal to Execution

Service Description

We help Public Sector and NfP organisations turn in-house cloud/AI products into sustainable wholly-owned subsidiaries or joint ventures.

As a managed-service lead, we provide the specialist professionals to run due diligence (tech/IP, finance/tax, legal/TUPE), produce a decision-grade Options Appraisal & Business Case, and guide set-up (MoU/HoTs, TSA, governance) to best value for money. Vendor-agnostic, NHS standards-aligned, and designed for speed to value with measurable outcomes and clear risk control.

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What this service does

Rapid due diligence & options appraisal for Public Sector-origin digital/IP (cloud platforms, AI/ML, data services).
Spin-out model design: WOS (Ltd by shares), JV Ltd, CIC (shares) – compared for control, tax/VAT, investment path, and optics.
Decision-grade business case and MoU/Heads of Terms; Transitional Services Agreement (TSA) outline.
Execution support: governance, TOM, SLAs/KPIs, stakeholder comms; set-up and cutover.
Value-flow design: dividends/royalties/TSA/R&D income structured for public value and sustainability.

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Typical outcomes (you get)

- Board-ready Options Appraisal with recommended route (WOS/JV/CIC), risk & mitigation, and timetable.
- Financial model & valuation range (3–5 years), tax/VAT memo, working capital view.
- IP & technology posture (licences, architecture, security) and roadmap feasibility.
- Draft MoU/HoTs, TSA outline, and a clear execution plan to go/no-go.
- A sustainable operating model (governance, policies, SLAs, KPIs) and a plan to build capability in-house.

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Service scope & phases

Phase 1 – Rapid Due Diligence & Options (4 weeks, fixed-price)
Tech/IP review; finance/valuation & tax; legal/structuring options; TUPE & pensions implications; subsidy control note.
Outputs: Options Appraisal, valuation range + tax memo, IP/licensing matrix, risk register, recommended model.

Phase 2 – Deal Design & Business Case (2–4 weeks, fixed-price)
Target company design, MoU/HoTs, TSA outline, governance/board composition, execution roadmap.
Outputs: Business Case, draft MoU/HoTs, TSA outline, decision gates, comms plan.

Phase 3 – Execution Support (call-off, T&M)
Legal drafting support, data room, commercial negotiation, TUPE/pensions process, stand-up of NewCo/JV and service continuity cutover.

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Key features

- **Managed-service leadership** ("single throat to choke"): not an agency, accountable delivery.
- **Vendor-agnostic**: we don't sell software; we protect the Trust's position.
- **NHS standards aware**: DSPT/IG, DCB0129/0160 (where clinical), service governance, FOI/procurement aware.
- **Public value focus**: value-flow design (dividends/royalties/TSA/R&D), arm's-length pricing, sustainability.
- **Lean squads**: small, senior teams; quick cycles; early draft artefacts by Week 2.

Roles & team (SFIA-aligned)

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- **Engagement Lead / Deal Director** (SFIA **STPL/ITSP L6-7**): strategy, governance, risk, board interface.
- **Commercial/Legal Structuring Lead** (SFIA **FMIT/PROC L5-6**): JV/WOS design, MoU/HoTs, governance.
- **Financial Modeller / Valuation Analyst** (SFIA **FMIT/FINC L5-6**): 3–5yr modelling, valuation, working capital.
- **Technology & IP Due Diligence Lead** (SFIA **ARCH/INAS/SCAD L5-6**): architecture, IP/licences, security posture.
- **People & TUPE Lead** (SFIA **ORDN/PEMT L5-6**): workforce mapping, TUPE, pensions, comms.
- **PMO / Delivery Manager** (SFIA **PROJ/PRMG L4-5**): plan, RAID, data room, cadence.

Service levels & timeline

- **Mobilisation in 5–10 working days** from call-off.
- **Week 2:** initial findings pack (risks, valuation range outline, IP matrix draft).
- **Week 4: Board-ready Options Appraisal**.
- **Week 6–8: Business Case + MoU/HoTs + TSA outline** (subject to scope).
- Weekly exec stand-up; fortnightly decision forum; measurable milestone KPIs.

Customer responsibilities

- Name SRO and commercial lead; provide stakeholder access and key artefacts (contracts, IP registers, financials).
- Confirm **budget envelope** and preferred call-off route.
- Identify any incumbent advisers and legal panels/frameworks.

Exit & knowledge transfer

- All artefacts (models, options appraisal, MoU/HoTs drafts, TSA outline, governance papers) are delivered to the Trust.
- Handover workshops, RACI, and a **playbook** for operating the NewCo/JV (or for a clean stop).

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Why MLC

- **Managed-service lead** with NHS provider experience spinning out services and enabling JVs—**speed to value, low risk**.
- **One-team approach**: we share success and build capability **in-house**.
- **Sustainability**: structures and value-flows that stand up to audit and support long-term public value.

Optional add-ons (call-off)

- **Leadership upskilling (3 sessions, £3,000 fixed)** on responsible AI, assurance, and decision-making.
- **Vendor due diligence** (per vendor) – focused deep dives with partner-signed outputs.
- **Capital raise/readiness** – if external investment is contemplated.

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MLC is a UK owned SME consultancy specialising in complex public sector transformation, assurance and delivery. We support government organisations to adopt digital, data and AI capabilities safely, responsibly and at pace.

Through our G-Cloud service offerings, we help clients define clear requirements, manage delivery risk, and provide independent assurance across procurement, implementation and in-life operation. Our approach combines deep public sector experience with practical governance, audit-ready evidence, and a focus on outcomes that stand up to scrutiny from regulators, auditors and senior stakeholders.

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Pricing Approach

MLC Partners offers flexible pricing models to meet public sector commercial and assurance requirements. Services can be delivered on a time and materials (T&M) basis, capped T&M, or fixed-price engagements, depending on the nature of the work and the level of certainty required.

Our preferred delivery model uses outcome-based Kanban milestone cards, where work is structured around clearly defined deliverables and measurable outcomes rather than open-ended activity. This approach provides transparency over progress, supports strong governance and audit trails, and enables buyers to demonstrate value for money.

Milestones, costs and acceptance criteria are agreed upfront, with regular review points to support effective commercial control, change management and assurance throughout delivery.