

**RM4158 – L0590; Support Provision under the Mutuals Support Programme  
Devon Youth Services**

Value Statement - Consultancy

<b>Section 1 - Consultancy Value Statement: Value to be delivered</b>									
<b>Supplier Name</b>	Mutual Ventures Ltd								
<b>Title of Contract</b>	RM4158 L0590 – Devon Youth Services								
<b>Requirement Summary</b>	<p>Devon Youth Services (the “Potential PSM”) is spinning out of Devon County Council (the “Parent Body”). It is hoped that as part of the spin out, 8 youth centres (“hubs”) will transfer to the Potential PSM from the Parent Body - the anticipated 8 hubs to transfer are located in: Exmouth, Newton Abbot, Tiverton, Barnstaple, Bideford, Exeter and Okehampton and potentially Totnes. The Supplier will be required to provide further support to assist the Potential PSM in negotiations with the Parent Body around the inclusion of the Totnes Hub as part of the transfer.</p> <p>The Potential PSM will deliver a combination of open access and targeted statutory youth and young people’s services across Devon. The majority of the Area Youth Workers and Senior Youth Support Workers will divide their time equally between the open access work and targeted support.</p> <p>The mutualisation support package has the following objectives:</p> <ul style="list-style-type: none"> <li>• To enable the Potential PSM to develop an existing business plan into a robust 5 year business plan with accompanying and detailed financial model.</li> <li>• To deliver a model of governance that serves the needs of the Potential PSM (enabling staff, service users and young people to participate and contribute to the development of the Potential PSM).</li> <li>• To develop a clear understanding of commercial and financial requirements necessary for the Potential PSM to grow and thrive.</li> <li>• To capture and share key learning and experience with other Parent Bodies and youth services considering mutualisation.</li> </ul> <p>The table below provides an outline of the deadline dates of the Deliverables:</p> <table border="1"> <thead> <tr> <th><b>Deliverable</b></th><th><b>Deadline</b></th></tr> </thead> <tbody> <tr> <td>Support Requirement 1: Legal and Governance</td><td>14 January 2015</td></tr> <tr> <td>Support Requirement 2: Business Planning and Financial Modelling</td><td>14 January 2015</td></tr> <tr> <td>Support Requirement 3: Outline Transition Plan</td><td>14 January 2015</td></tr> </tbody> </table>	<b>Deliverable</b>	<b>Deadline</b>	Support Requirement 1: Legal and Governance	14 January 2015	Support Requirement 2: Business Planning and Financial Modelling	14 January 2015	Support Requirement 3: Outline Transition Plan	14 January 2015
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Support Requirement 1: Legal and Governance	14 January 2015								
Support Requirement 2: Business Planning and Financial Modelling	14 January 2015								
Support Requirement 3: Outline Transition Plan	14 January 2015								
<b>Financial Value Statement</b>	The maximum contract value for this requirement is £29,900.								
<b>Non-financial Value Statement</b>	<p><b>Support Requirement 1: Legal and Governance</b></p> <p>The Supplier is required to provide all technical and advisory support necessary, but not including project management support, interim resource or backfill, to enable the Potential PSM to develop a clear understanding to select the most appropriate legal form going forward and, to develop an appropriate governance structure that suits the needs of the Potential PSM. This support should include – but should not be limited to – the implications of the following:</p> <ul style="list-style-type: none"> <li>• Growth and investment opportunities</li> </ul>								

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	<ul style="list-style-type: none"> <li>• Any skills gaps within the proposed governance structures and board</li> <li>• Tax implications for the new entity</li> <li>• HR (including TUPE)</li> <li>• Future pension arrangements</li> <li>• Maximising staff and young people's involvement</li> <li>• Fundraising opportunities</li> <li>• Appropriate procurement routes to determine options for awarding the service contract for the new entity</li> </ul> <p><b>Support Requirement 2: Business Planning and Financial Modelling</b></p> <p>The Supplier is required to provide all technical and advisory support necessary, but not including project management support, interim resource or backfill, to enable the Potential PSM to update and develop the existing business plan into a 5 year commercial business plan with accompanying robust and updateable financial model. Support should include, but should not be limited to:</p> <ul style="list-style-type: none"> <li>• due diligence of the Potential PSMs existing business plan;</li> <li>• support to develop a financial model (including testing options for achieving 28% financial savings or sourcing additional external funding from FY2016/17 to FY2020/21;</li> <li>• developing a 5 year growth plan with accompanying growth strategy, developing a service pricing strategy and accompanying price list;</li> <li>• developing a feasibility report (assessing the viability of taking on the Dawlish 'Red Rock' MyPlace Centre through an asset transfer from the Parent Body in the spin-out proposal). If it is viable for the Potential PSM to take on the MyPlace Centre, this will need to be included in the business plan, financial modelling and transition plan;</li> <li>• support around preparations and during any negotiations with the Parent Body on the feasibility of the Totnes Hub being included in the asset transfer. If it is viable for the Potential PSM to take on the Totnes Hub, this will need to be included in the business plan, financial modelling and transition plan; and</li> <li>• Consideration should be given for VAT and tax implications, realistic growth assumptions and accompanying investment strategy and (if required) fundraising strategy, financial implications of the support services, market and competitor analysis and pricing strategy, insurance requirements, future services offered by the Potential PSM, and pensions and TUPE liabilities.</li> </ul> <p>A key part of this requirement is to ensure appropriate commercial and financial skills transfer to the Potential PSM and, to support any necessary negotiations with the Parent Body to ascertain assumptions in the business plan for, but not limited to, assets, leases and, service contracts.</p> <p><b>Support Requirement 3: Outline Transition Plan</b></p> <p>Building on Support Requirements 1 and 2, the Supplier is required to provide all technical and advisory support necessary, but not including project management support, interim resource or backfill, to support the Potential PSM to develop an outline transition plan. This should include details of all the activities required to transition to the agreed model, key dependencies, risks, mitigating actions, and</p>
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	any particular HR issues (e.g. future pension arrangements and, managing the TUPE process), legal issues (including any commercial arrangements between the Potential PSM and Parent Body) and financial issues.
<b>Section 2 - Consultancy Value Statement: Actual Value Delivered</b>	
<b>Financial Value Statement</b>	The value paid for support under this contract was £29,900.
<b>Non-financial Value Statement</b>	All the deliverables and objectives outlined above have been met for this contract.