



improving people's lives

## baxipartnership

### **Mutualisation and employee ownership. Do you need help?**

The Government wants to unlock the potential of public sector managers in a way that has never been done before. Its proposals for reform of the sector and the “right to provide” mean that every public service provider has the chance to lead their employees in a spin out and become an employee owned enterprise.

Which means of course that there are many decisions you need to make, challenges you have to consider and things you have to do, if you want to make the move in a way that is successful and sustainable.

A4e, one the UK's leading providers of public services with a social purpose, has joined forces with Baxi Partnership, the UK's foremost provider of specialist support and funding to employee owned organisations, to provide a unique package of advice and support to public sector service providers who are contemplating whether and how to become mutuals.

### **What makes us different**

We know that there are many people offering to help you become a mutual. But none have our combined experience of actually delivering services, and successfully supporting organisations through transition into mutual or employee owned enterprises.

**A4e** has been a provider of public services for 20 years, and has grown from a small start up of three people to a thriving company employing more than 3,000 people. We understand the challenges of delivering public services within challenging contracts, of selling services to new customers within public sector procurement rules, and developing new ways to provide services funded from the public purse.

In addition, many of our people know what it's like to make the move from the public sector to a more commercial but still socially aware culture. So the advice and support which they provide is based on intimate and direct understanding of the challenges which you face if you are to be successful.

Most important of all, the services we offer include a wealth of experienced advice but if required go much further. As a major service provider we can offer direct and long-term support to mutuals and spin outs including, in appropriate circumstances, the option to partner with providers to form joint ventures. This enables you to have direct access to services and support in such areas as business planning, finance and new business development.

**Baxi Partnership** has a unique 10 year track record in offering funding and specialist support to help grow strong, successful employee-led organisations. Our first-hand experience in supporting organisations in both the public and private sectors has shown time and again that giving employees a significant stake in the enterprise they work for, and real participation in how that enterprise is run, produces superior performance and





improving people's lives

## baxipartnership

productivity.

We have supported over 30 full transitions into employee owned enterprises, including a number who we have taken onto our books as partner companies. We have worked with many more organisations to provide access to funding, and to deliver specialist support services focused on leadership, governance, commercial performance and employee led culture.

Our senior team members have worked with and for the best performing employee owned organisations in the UK, from the John Lewis Partnership to Central Surrey Health. Baxi Partnership is currently mentoring three of the Government's Pathfinder mutual spin outs, and has been advising the Cabinet Office on the development of its mutuals policy.

### What we do

Our joint services offer can be tailored to your specific needs and covers all stages of the process to becoming an employee owned enterprise. Depending on your needs and preferences, that support can take five forms:

- **Strategic advice and consultancy** tailored to your specific requirements and provided by experts in options appraisal, mutual and employee ownership, business planning, commercial service development, and financial planning and fundraising.
- **Long term mentoring** and hand-holding to help you through the entire transition process and provide continuing support where needed in the medium to long term. A4e and Baxi Partnership are both official Cabinet Office mentors to the Mutual pathfinder programme. We can provide you and your team with support from managers with direct experience of the issues, including some who have made the transition from the public sector, who have supported business start-ups or have themselves run successful employee led social enterprises.
- **Specialist support**, where appropriate and necessary, to ensure your new organisation is fully equipped to survive as an independent employee led mutual. This includes advice and skills training focused on leadership, governance and creating a strong and thriving employee led culture.
- **Access to capital** either through our own investment funds, or through specialist advice on how to leverage external investment to support transition.
- **Full business partnership**. In the right circumstances we can become a full business partner, investing directly in your enterprise and giving you access to a range of services to help you make the transition to independence from the public sector. For some providers this will be a sensible and attractive alternative to building their own in-house capacity or finding new services from a range of sources, often in a tight timeframe.



## Areas of expertise

Among the challenges we can help you address are the following:

**Options appraisal and initial business case.** A number of questions need to be asked at the start. Is this the right thing to do? What are the costs and benefits of spinning out? Can I deliver the standards and outcomes required of my existing services? What are the realistic opportunities to expand the service? And what new capabilities will the team need to replace services no longer available or to meet new requirements such as support for new business development?

**Ownership options.** There are a number of ways in which you can pursue mutualisation which have different implications for you, your employers and other stakeholders. What are the options and what are their benefits and drawbacks? How do you involve your team and get them behind the move? What do you need to do to move forward with your chosen option? Do you need to change the culture of your organisation and if so, how?

**Business planning.** A full business plan is likely to be an essential part of the move to a mutual or employee owned structure, and may need to satisfy a number of different stakeholders and interested parties – including political leaders, service commissioners, service users, your own team and potential investors. Each of these will have different requirements and expectations. How do you structure your plan to meet a number of needs? How do you get the information you need to analyse current and future demand, including from new customers and in potential new markets? Can you develop a robust plan for the next 3-5 years? Do you have enough information to develop solid forecasts of income and expenditure? Does your plan have external audiences? Does it need to support the case for external investment?

**Capacity building.** Most providers will be used to receiving a range of support services that will no longer be available. What are the options for replacing these services? Do you need different or better services than you get now? And do you need new capabilities that you have not had before, especially in marketing and selling your services to new customers?

**Fundraising.** Most existing providers who are contemplating spin out will have limited needs for funding but many will need some working capital and some will want to invest to support growth? Where do you get the capital you need? What sources of finance are available and on what terms? How do you write a business plan which gives potential finance providers the comfort they will need before making an investment?





improving people's lives

## baxipartnership

### How do I find out more?

If you want to know more about the services we can provide please contact:

Neil Stanworth  
Director  
A4e Insight  
Email: [neil@i-a4e.com](mailto:neil@i-a4e.com),  
Tel: 020 7009 3550  
Mob: 07590 441494

Campbell McDonald  
Director  
Baxi Partnership  
Email: [campbell.mcdonald@baxipartnership.co.uk](mailto:campbell.mcdonald@baxipartnership.co.uk)  
Tel: 0845 680 6702  
Mob: 07879 466 959

