



MUTUALS: HOW ‘HOW’ CAN UNLOCK ‘WHAT’

Baxendale’s public sector lead, **Saimah Heron**, fixes a lens on public service mutuals.

Imagine for a moment that you can shake the magic money tree and fund services that are perfectly focused on delivering the best service to your end users. A tweak here, a flourish there, and suddenly you have an agile approach to satisfying people, building from their needs up.

Alas, the tree doesn’t exist. Instead, looking at how services are delivered can offer a way to unlock benefits, such as reduced bureaucracy and increased commercial freedom.

There are many ways to deliver public services, from in-house to sprawling private organisations. Yet some models – like public service mutuals – are starting to make their mark. They show how to successfully operate outside of government control, revolving and evolving around the communities they serve.

Why do these alternative delivery models work? Because those driving such mutuals and social enterprises have the same public sector values as those in-house – they’re often the same people. The people who know the unique needs of their geographies and see the profound impact their work has on their users. The same, but empowered.

These people may well be people like you.

Freedom to grow and change

Needing to do more with less seems like an impossible equation to balance. Mutual models can help because employee engagement is associated with higher motivation and job satisfaction, as well as improved user responsiveness, delivery quality and customer satisfaction.

Outside of government control, organisations can straightforwardly form new partnerships with other providers to increase chances of winning contracts and generate wider revenue. Collaboration leads to sustainability, growth, and less reliance on public sector commissioners. With early adopters now in their second decade, and over 120 mutuals quietly delivering services outside of government control, studies into the benefits of spinning out are now both qualitative and quantitative. UK mutuals now have a combined turnover of around £1.6bn and rising. New research by Social Enterprise UK shows that they’re growing on average by 50% since launch; 66% have introduced new products or services in the last year; and 85% agree that a happier and more engaged workforce is the primary benefit.

What is a public service mutual?

The government defines a mutual as an organisation that has left the public sector; has a significant degree of employee control; and continues to deliver public services. However, mutuals themselves may identify as social enterprises, charities, community interest companies, co-operatives, and a multitude of other labels.

Their core driver is to have a positive social impact in the communities they serve. Operating outside of government control allows them to cut bureaucracy and diversify income streams if it makes sense for their business.

Why think about becoming a mutual?

Over the last decade, we’ve seen cross-party interest in mutuals growing. This year, the

government announced £1.7m in funding to support the creation and growth of new and existing mutuals. This was swiftly increased as new research emerged showing mutuals are in good health.

So much so that they’re getting wider recognition. For example, the Employee Ownership Association has, in 2018, added an award just for mutuals as part of its Employee Ownership Awards.

Deb Oxley, its chief executive, said: “We hear great stories of public service mutuals from within our membership that demonstrate how through shared purpose, employee ownership structures, and more effective employee engagement, they excel at employee satisfaction and innovation-driven service improvements whilst delivering both community and social impacts.”

It makes sense that mutuals are doing well: they know the communities they serve best and can use their new governance to make the right choices for their users in the right way.

FOR MORE INFORMATION

Baxendale is delivering the Mutuals Support Programme for DCMS alongside its partners Mutual Ventures, Bates Wells Braithwaite and Bevan Brittan.

For an exploratory conversation with the government’s Mutual team, get in touch:

E: mutuals@culture.gov.uk

W: www.baxendale.co.uk