



## Appendix E

### Examples of other mutual organisations

#### Recent Mutual Organisations Established

- 1) One of the most well-known and successful public sector mutuals is **Greenwich Leisure** which spun out in 1993 and is operating across many London Boroughs and across the country, currently operating approx. 400 facilities.
- 2) **Provide** is a Community Interest Company (social enterprise) and attended the market engagement event. Their website states that they:  
*“... deliver a broad range of health and social care services in the community and are committed to making sure that they are safe, responsive, and high quality. They work from a variety of community settings, such as community hospitals, community clinics, nursing homes, and primary care settings, as well as within people's homes to provide more than 40 services to children, families, and adults. Provide services across Essex, East Anglia and Dorset.”*  
Their website states income of approximately £67 million and they serve communities with a total population of more than 4.5 million people.
- 3) **Leading Lives** is based in Suffolk and has been trading 20 years. Their website says:  
*“Leading Lives provides high quality social care support for people with learning disabilities, autism and complex needs across Suffolk and beyond in the home and in the community.  
They are an employee owned, not-for-profit social enterprise. Any surplus made is re-invested back into services for customers or in the local community through their Community Benefit Fund.  
They have over 20 years' experience and have won numerous national and local awards. and all their services which are CQC inspected are rated 'Good'.”*

#### Recent Mutual Joint Ventures Established

- 4) **3BM** is a JV between its staff and Prospects. They are a successful example that had to re-invent itself when the host borough reduced its core contract.  
66 people, £8.59m turnover, £1m EBITDA 22/23)
- 5) **My Civil Service Pension** is a JV between Equinti and the Government with nearly 500 staff who were transferred out in 2012.

#### Octavo Partnership Ltd (OPL)

Octavo was established as a mutual not-for-profit trading company as a spin off from the Council on 1st April 2015 and returned to the LA on 1st April 2020. A case study is attached which draws out the key learning to apply in establishing CES as a mutual, the issues that caused Octavo difficulty and how these issues are being mitigated or do not apply in case of CES.

## Key Learning to Apply to Establishing CES as a Mutual

	<b>Issue that caused Octavo difficulty</b>	<b>How that would apply in case of CES</b>
1	Length of contract at only three years plus annual break points thereafter didn't give adequate time to commercialise CES.	CES mutual is proposed as 7+3 year. Provides adequate time for CES to commercialise and be fit to bid for future contracts.
2	Council ownership and Board representation: no continuity of Council Directors. Council ownership inhibited significant change to T&C.	Ownership of CES mutual proposed as <ul style="list-style-type: none"> <li>• No Council ownership</li> <li>• &gt; 50% employee ownership</li> <li>• &lt; 50% third party</li> </ul> The enterprise will be free from public sector limitations.
3	Employee Terms and Conditions remained the same, including LGPS, which meant they struggled to compete with private sector in some areas of delivery.	Mutual has option to freeze LGPS for new starters. In the future, they would be able to consult employees over T&C.
4	OPL Board was not entrepreneurial, lacked business and commercial expertise and lacked continuity of membership.	Board to comprise the existing Management Team and directors from the partner, who are to be procured based on their entrepreneurial and business skills.
5	Nature of some services, such as Ed Psy and school improvement, are high risk with a critical impact on LAs relationship with schools in Croydon and pupil outcomes.	CES services have a lower-level threshold of risk.