Local Partnerships

The mutual or social enterprise development journey

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Introduction

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- Local Partnerships is a joint venture between HM Treasury and the Local Government Association….
- …bridging the gulf between national policy and local practice.
- We provide the public sector with commercial expertise and know-how. If it is new, commercial or complex within public services, contracts or investments then we can help local public bodies.
- Our work includes:
  - Helping manage the Social Enterprise Investment Fund, focused on spin-outs
  - Procurement and commissioning advice
  - Asset Management
  - Transformation and Efficiency

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Options appraisal

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- Options for provider form include:
  - do nothing
  - integration with another public service provider
  - social enterprise
  - for-profit enterprise
  - government enterprise
  - “managed disbursal” or open procurement
- Each option
  - has different characteristics
  - brings benefits and challenges
  - has precedents
  - may not always be open

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The journey – key milestones

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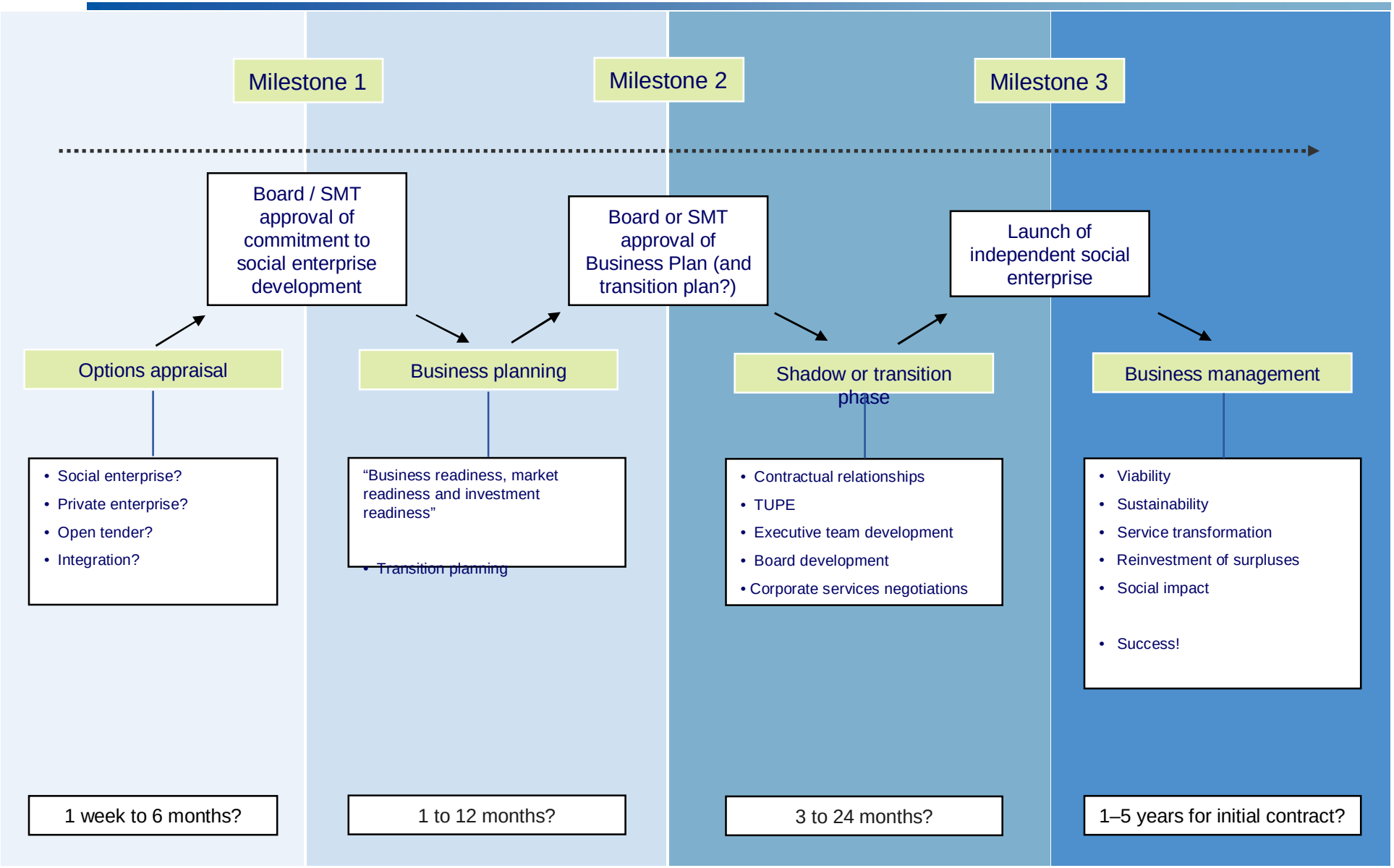

The journey – a business planning work programme

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Area of work	Responsible	Timescale	Deliverables	Costs
Mission, strategy and core business				
Commercial and market analysis		3 months?		
Products and services (inc. development)	Lead officer?		Mission statement?	
Resources				
Financial forecasting				External support?
Management (including risks and compliance)				Internal staff time?
Membership and governance				
Communications and stakeholder management				
Transition planning				

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The journey – stakeholder management

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- Staff
- Service users
- Community
- Senior Management
- Governing body
- Commissioners
- Unions
- Regional and local government
- Government departments
- Regulators
- Other service providers

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The journey - costs

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- Internal
  - Staff time
  - Back-fill
  - Staff and user consultation
- External, including technical and specialist capacity and capability
  - Tax
  - Financial and accountancy
  - Legal (governing documents, contracts, HR, pensions, TUPE, SLA and others)
  - Business planning
- Transition
  - Relocation
  - Insurance
  - IM&T
  - Communications and marketing
  - Staff and Board development
- Launch
  - Working capital
  - Professional accreditation or membership
  - Development capital
  - Assets

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The journey – resourcing the costs

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- Parent organisation
- Historic surpluses
- Traditional finance providers
- Pro bono support

- Bespoke investors…
- … and emerging models?

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The journey - wider support

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- Central government
- Professional, technical, business and legal expertise
- Study visits
- Mentoring
- Regional learning sets
- Local and regional government support
- Peer-to-peer support
- Sector representative bodies

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Policy levers - entitlements

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- The Right!

- Pensions
- Initial multi-year contract
- Central policy support and guidance
- Access to insurance and other schemes
- Support costs

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Policy levers - enablers

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- Alternative enabling models:
  - Investment fund model – DH Social Enterprise Investment Fund
  - Framework of resources – Asset Transfer Unit
  - Enterprise pays – Hull Community Services
  - Others?
  - None?
  - Private sector investment?
- Cabinet Office say “These pathfinders will be trailblazers for the rest of the public sector – helping Government establish, by learning from the front line, what type of support and structures will best enable the development of employee-led mutuals on an ongoing basis.”

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