

## **Cabinet Office Case Study on 3BM**

*“Partnering with Prospects in a mutual joint venture has empowered us to become a highly successful public service mutual.”*

3BM spun out of the London Boroughs of Hammersmith and Fulham, Westminster City Council and the Royal Borough of Kensington and Chelsea in 2013 as a public service mutual. They formed a mutual joint venture with Prospects to deliver services directly to local schools (192 contracts) as well as strategic functions back to the 3 local authorities (single contract). 43 staff transferred and 18 months on they employ 60 people, and have seen revenue increase by 60%, whilst staff retention is at 96%.

When considering spinning out the staff acknowledged the risks of unilaterally running a business without the security of the local authority. They asked the local authority to help them find a minority partner who could not dictate but could provide strategic support. Through paying for Prospects support, by shares in this joint venture, 3BM have a partner with a shared aim (and benefits) of developing 3BM to be as successful as possible.

Forming the joint venture allowed 3BM to bring its committed and experienced staff into the JV with Prospects who provided intensive initial support and to continue to provide light touch support. This is ongoing and highly valued by 3BM. Support focussed on helping with business development, developing a joint service offer, mobilisation, commercial readiness reviews and, critically, supporting the culture and practical shift from employees to empowered co-owners under the mutual model.

Through creating the partnership, the staff groups spinning out felt “safe” and Prospects provided the Council with the assurance that the service would continue and staff protected if obstacles to transition were hit. This helped the council feel confident in releasing these services.