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Evaluation of the Mutual Support Programme 2

Final Report

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At **NatCen Social Research** we believe that social research has the power to make life better. By really understanding the complexity of people's lives and what they think about the issues that affect them, we give the public a powerful and influential role in shaping decisions and services that can make a difference to everyone. And as an independent, not for profit organisation we're able to put all our time and energy into delivering social research that works for society.

Contents

Executive summary

This report presents the findings of a process evaluation of the Department for Digital, Culture, Media and Sport (DCMS)'s Mutuals Support Programme 2 (MSP2). MSP2 was a flagship programme offering advice and support to aspiring and growing Public Service Mutuals (PSMs), defined as organisations that: 1) were formerly part of the public sector; 2) deliver public services; and 3) have a large degree of staff influence in the way that the organisation is run.

Through MSP2, the Department provided professional consultancy support to organisations that were either seeking to become a PSM, or to fledgling mutuals which were seeking to grow and diversify. The professional support was delivered by two consortia of business development consultants: Mutual Ventures and Go Mutual, who were selected through a competitive process. The programme ran between March 2018 and January 2020 and supported 44 projects.

The aim of the evaluation was to:

- explore the *effectiveness* of the processes and infrastructure of MSP2;
- understand the *impact* of MSP2 on the growth and sustainability of the mutuals supported;
- gather perspectives on *value for money;* and
- *learn lessons* for the future.

The evaluation was designed in two phases. Phase I concentrated on the experience of applying to the programme, while Phase II focussed on the support received through the programme, the effectiveness of that support and the impact of the programme.

This report primarily draws on findings from Phase II which involved interviews with 20 participants across 12 MSP2 projects. The research adopted a case-study approach, seeking to gather a range of perspectives from organisations that had participated in the programme. We aimed for a diverse sample in terms of the type of project (whether an emerging mutual or a growth project); the size of the organisation (from less than 10 employees to over 500); and the consortium partner that provided the professional support. The fieldwork, main analysis and was conducted by NatCen researchers, with WPI Economics analysing and drafting the findings on perceptions of value for money.

Key findings

One of the key findings was the diverse nature of different organisational journeys from the point of accessing support, throughout the programme and up to the point of the interview. There were two main types of project: 'emerging' projects for organisations that had not yet become mutuals, and 'growth' projects for mutuals which were seeking to grow and diversify. In principle, these two project types could be expected to clearly lead to particular outcomes, namely the establishment of a new mutual, or the growth of an existing mutual. In fact, due to the nature of the projects, organisational plans developed during the course of support and organisations experienced a range of different outcomes: from successfully moving out of the public sector (a process known as spinning out) to having to wind up the organisation. This highlights how organisational development plans could be affected by internal factors, particularly related to staffing, and by external factors, such as changes in the parent local authority or the commissioning environment. Beyond that, contextual factors, linked to the timing of the support programme or delays to the project also played a large role in

the degree to which organisations' journeys proceeded according to plan. Successful organisational development, whether growth or spinning out, was enabled by having a clear aim and sense of direction, by having good support from the consortium partner and by having access to specialist skills.

The MSP2 application process
Applicants experienced both internal and external drivers in applying for the support. Participants felt that the application process was relatively straightforward with a proportionate level of information asked for, though some felt that selection criteria and the type of support available could have been made clearer. Smaller organisations also felt that the requirement for match-funding was not clear, as they only understood the amount required later in the process. In some cases, particularly for smaller organisations, the required level was felt to be too high. There were also differences in the role played by the consortium partner in the application process, with some more heavily involved in supporting organisations through the process. Where organisations already had an existing relationship with a consortium partner, they sometimes felt that they did not have a meaningful choice over who to work with during MSP2 support.

Experiences of MSP2 support
Participants reported positive experiences of the professional support they received through the programme. Support fell into two main categories: more general business development support, and support that was more specific to the development of PSMs. Support plans were generally designed by organisations in collaboration with their selected consortium partner. In some cases, the support plans changed during the project, usually at the request of the organisation, due to timing changes or external factors. Participants identified a number of elements of the professional support as most useful: having an external, independent voice offering constructive criticism; having support from individuals with specific expertise on PSMs; being able to access different types of specialist support through a single point of contact; and receiving specialist legal support. The format of delivery of the support, with consultants being available through multiple channels and often spending considerable amounts of time on-site, was felt to be a key element of its value. This delivered additional capacity; allowed the support to be tailored and specific; engaged staff; helped prioritise business development and sped up the process of understanding challenges. In some projects, participants felt there were a few specific elements of support that were missing, but usually the consortium partner had been upfront at the beginning of the project about their inability to provide that element. More widely, participants felt that the programme lacked the important element of peer-learning, with most organisations not engaging in any peer networking or learning throughout.

Perceived impact of MSP2 support
There were two types of impact that participants felt they experienced through the MSP2 support: direct and indirect. Direct impacts related to staffing and resources. Staff were directly impacted through being upskilled or developing confidence, and through embedding a growth mindset within the organisation. Resources took two main forms: additional capacity – both in terms of time and expertise brought by consultants, and the creation of strategic documents. These direct impacts flowed through to create indirect impacts, which included launching a new mutual and achieving growth of an existing mutual – two of the key objectives of the programme. However, although not all organisations experienced those impacts, there were other indirect impacts, such as improved organisational resilience; diversified income streams and improved ability to innovate. Participants felt that most of these indirect impacts would not have occurred, or would have occurred more slowly, withoutMSP2 support. Staff were the main group directly impacted by the programme, while clients and customers were indirectly impacted through an expanded offer or more innovative delivery of services. From the findings, it seemed clear that the programme had thus met, partially or fully, a number of its core objectives.

Perceived value for money of the programme

Assessing whether the programme achieved value for money was based on participants' perceptions rather than any quantitative analysis. This is because it proved very challenging to collect any quantitative metrics through the evaluation process. However, participants perceived that the programme offered value for money. Their views on this were impacted by the outcome that their organisation had achieved, with some who had not had such a successful outcome having slightly less positive views. Views were also impacted by the timelines of the support received and the requirement of match funding – with many feeling that this enabled a high degree of organisational investment. Organisations generally felt that without MSP2 they would not have achieved the same level of organisational development due to a lack of credibility, funds, capacity or expertise. It was felt that consortium partners brought added value in terms of capacity, credibility and expertise.

Lessons learnt

Overall, MSP2 appeared to meet or partially meet its core objectives. Nevertheless, the findings point to some areas which could be improved or developed for any future programmes.

- **Communication.** There was scope to more widely publicise the programme and to provide greater clarity around the amount of funding available, the criteria for selection and the expectations from organisations. There should be clearer communication around the role of consortium partners in the application process, and the fact that applicants have a choice to select between the two consortium partners should be reiterated.

- **Resources and guidance.** Participants identified a number of areas in which more resources or guidance could be provided. Suggestions included resources relating to the application process, such as providing a copy of the application questions, a Frequently Asked Questions sheet and examples of the way support might be used, in order to make the application more straightforward. Beyond that, there were suggestions for improved guidance and toolkits around some elements of business development for PSMs, such as guidance on effective governance models, fact sheets on common PSM challenges and case studies of different employee ownership models.

- **Design of funding offer.** Given the diversity of the PSM sector, there may be a value in re-considering the design of the funding offer for any future programmes. The findings point to two options in this respect. One possibility is to create two distinct funding offers for emerging and growth projects with tailored guidance available. An alternative is to have two distinct pots of funding available based on the size of the organisation. This would ensure greater clarity about the amount of funding available and could allow different requirements for match-funding in line with the size of the organisation.

- **Success of support projects.** The research found that there were a number of variables that affected the ultimate outcomes of support projects. It was clear that the face-to-face, tailored support MSP2 projects delivered was key to its success. Having a clear aim and sense of direction, with buy-in from other stakeholders, and enough capacity within the organisation to focus on organisational development were also important elements in achieving success. There were a number of internal and external factors that affected project timelines and projects with short timelines and limited capacity found achieving all their aims difficult. Building contingency into project budgets and flexibility into timelines would help ensure projects were ultimately successful and sustainable.

- **Timing of the support.** The value of the support and the degree of impact that the programme is able to achieve appeared to be closely linked to the timing of the

support project. While there is a degree to which this cannot be controlled for, it could be important for future programmes to be designed in a way that allows for organisations to access support in as timely a way as possible. Consideration should be given to whether having application windows or rolling deadlines for the programme are more suitable for achieving timely support, and whether there are further barriers to promptly rolling out support projects that could be addressed through programme design.

- **Peer networking and learning.** Participants felt that there was a real value in learning from the experiences of other organisations that had gone through the mutualisation process. The potential for peer networking and learning appeared to only be realised on an ad-hoc basis, and the findings suggest there is scope to make this a more formalised element of the MSP2 support programme.

- **Sustainability of support**. The findings have shown how complex the processes of mutualisation and subsequent growth can be. Beyond the resources and guidance suggested above, there is scope to consider how future programmes can build greater sustainability into the design of support projects. Two suggestions were made by participants for how to do this. One approach would build in a tapering of funding to allow some follow-up support with consortium partners at specific intervals following the end of the main support package. Alternatively, the option of a small follow-up sustainability grant with a fast turnaround could provide a continued helping hand to the sector and support organisations when they face specific acute challenges which are common across the PSM sector.

- **Build in evaluation approaches to programme design.** During this research process, monitoring the impacts of the programme and being able to objectively assess value for money of the programme proved extremely challenging due to the low response rate to a monitoring tool. Impact, as well as value for money, therefore had to be assessed through the perceptions of programme participants. Future programmes should consider how the evaluation approach can be built into the design of the programme and should set out how quantitative indicators can be collected from the outset. Making the collection of quantitative metrics part of contractual requirements, either through consortium partners or for organisations funded, could be one way of achieving this. Indicators should be simple to collect in order to not place additional burdens on small organisations. Metrics should include financial data on levels and sources of private and public funding, as well as indicators on service levels and quality.

- **Political championing of PSMs.** The PSM sector remains small and the role of these organisations may not be widely understood among local authorities and public service commissioners. The research suggests there is a role for central government to play in continuing to champion PSMs with stakeholders, by highlighting the added value of these types of organisations. Given that identifying PSM sector policy challenges was a key objective of MSP2, developing forums with organisations supported through the programme, where common policy challenges could be identified and fed back to the Department for Digital, Culture, Media and Sport would also help central government to understand how best it can support the sector.

Assessing the core objectives of MSP2	
Objective	**Analysis**
Generate strong prospects for new mutuals from the public sector	**Objective partially met** MSP2 had clearly improved the mutualisation prospects of a number of organisations. However, within the scope of this research it's hard to definitively conclude whether this objective has been fully met.
Create more, successful, public service mutuals	**Objective partially met** The research showed that new mutuals had launched as a result of MSP2 support. However, within the scope of this research it's hard to definitively conclude whether this objective has been fully met.
Support the growth, diversification and sustainability of young mutuals	**Objective partially met** The findings indicate that some mutuals did achieve growth, diversify their income or had improved organisational resilience following MSP2 support. However, in order to effectively assess this, more robust monitoring data of organisational positions before and after the support would be needed.
Offer tailored support to suit the individual needs of applicants	**Objective met** It was clear that organisations felt that the support they had received had been tailored and specific to their organisational needs.
Back winning projects which will inspire other organisations to explore the mutual model through their own means	**Unable to assess** In this research it has not been possible to assess the degree to which the projects supported through MSP2 have inspired other organisations to explore mutualisation. There appears to be scope, however, for greater showcasing of successful PSMs through the programme.
Share learning and smooth the pathway for others to explore and develop a mutual	**Potential to do more** Participants felt that there was the potential to improve the level of peer learning and networking. This could be developed into a more formalised element of the programme.
Identify policy challenges affecting the development and growth of mutuals for government to address	**Potential to do more** This research did not identify forums facilitated through MSP2 that allowed common policy challenges faced by PSMs to be fed-back to the Department. There is scope to develop this as an aspect of the programme.

1 Introduction

This report presents the findings of a process evaluation of the Department for Digital, Culture, Media and Sport (DCMS)'s Mutuals Support Programme 2 (MSP2). The research for this evaluation took place over two phases, with the findings from Phase I on the application process presented in an interim report. This report presents the findings from Phase II which covered the whole MSP2 process and was based on 20 depth interviews with 12 MSP2 projects.

1.1 Background and context

1.1.1 The landscape of Public Service Mutuals

Recent governments have been keen to explore different approaches to encourage more effective and efficient delivery of public services. One such approach has been to support public services to transfer out of local authority control, a process known as 'spinning out', and set up as independent organisations. While continuing to deliver public services, these organisations, that often take the form of social enterprises, have more flexibility in terms of responding to clients' needs, delivering services in innovative ways and sourcing additional income streams. These Public Service Mutuals (PSMs), as they are known, differ from other organisations in three key ways.

1.   They were formerly part of the public sector.

2.   They deliver public services and seek to have a positive social impact.

3.   They have a large degree of staff influence in the way that the organisation is run.

Organisations can take a number of different legal forms, from Community Interest Companies (CIC) to registered charities.

As public finances have continued to face significant pressure, the PSM sector has been growing. In 2019, there were thought to be 129 organisations fitting this definition with a combined turnover of over £2 billion.[1] These organisations deliver an array of different services from health and social care; children and youth programmes; culture, arts and library services; education and employability; justice and probation; and conservation and environmental programmes. Social Enterprise UK research has argued that PSMs are associated with more engaged and committed workforces and more cost-effective delivery of services. Moreover, their research also found that the PSM sector has more diverse leadership teams than other comparable sectors.[2]

1.1.2 The Mutuals Support Programme 2 (MSP2)

MSP2 is DCMS's flagship programme offering advice and support to aspiring and growing Public Service Mutuals. MSP2 built on the Mutuals Support Programme 1 (MSP1) which had similar aims was delivered through the Cabinet Office. MSP2

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[1] Social Enterprise UK 2019. *Public Service Mutuals: State of the Sector*. London: Social Enterprise UK.
[2] Ibid.

formed part of a suite of programmes, including mentoring, research and the Mutuals Partnership Support Programme[3], seeking to support this burgeoning PSM sector. MSP2 offered organisations access to professional support match-funded by the Office for Civil Society, in the Department for Digital, Culture, Media and Sport. The support (including legal, financial, business planning, marketing, HR and organisational change, bid writing and measuring social value) was provided by two consortia of suppliers, Go Mutual and Mutual Ventures,[4] which were selected through a competitive process. To receive support through the programme, at the time of applying, organisations had to either be existing PSMs, which had spun out five years ago or less, or an organisation that was seeking to become a PSM.

The main objectives of MSP2 were to:

- Generate strong prospects for new mutuals from the public sector
- Create more, successful, public service mutuals
- Support the growth, diversification and sustainability of young mutuals
- Offer tailored support to suit the individual needs of applicants
- Back winning projects which will inspire other organisations to explore the mutual model through their own means
- Share learning and smooth the pathway for others to explore and develop a mutual
- Identify policy challenges affecting the development and growth of mutuals for government to address

The programme was launched in January 2018 and ran until March 2020. In total, 44 organisations received support through MSP2.

1.1.3 Research aims

The aim of the evaluation was to:

- explore the *effectiveness* of the processes and infrastructure of MSP2;
- understand the *impact* of MSP2 on the growth and sustainability of the mutuals supported;
- gather perspectives on *value for money;* and
- *learn lessons* for the future.

The evaluation was designed in two phases. Phase I concentrated on the experience of applying to the programme, while Phase II focussed on the support received through the programme, the effectiveness of that support and the impact of the programme.

This report primarily draws on findings from Phase II which drew on interviews with 20 participants across 12 organisations.

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[3] The Mutuals Partnership Support was a pilot project to support PSMs to form partnerships to build resilience and continue to grow. The evaluation of this project is available: Heron, S. & Orłowska, P. 2018. *Partnerships for Better Public Services*. Baxendale.

[4] The two consortia involve a number of organisations. Mutual Ventures consortium includes: Mutual Ventures; Baxendale; Bates, Wells and Braithwaite; and Bevan Brittan. Go Mutual consortium includes: Hempsons Solicitors; Stepping Out; MetaValue; Eastside Primetimers; and Social Enterprise Acumen.

1.2 Methodological approach

1.2.1 Overall approach

In Phase I the focus of the research was on the application process in order to generate learning on how well the process was working. As part of that phase, 23 qualitative interviews were conducted: 15 interviews with successful applicants and eight interviews with applicants who had been unsuccessful (see figure 1). Following this, an interim report (included in appendix A) and a briefing note were provided to DCMS to inform the remaining delivery of the programme.

In order to understand the impact of the support, Phase II was designed to include both monitoring of key metrics as well as a qualitative case study approach. However, collecting quantitative data for the purposes of evaluation proved challenging for this project, with only a limited number of respondents to an initial monitoring tool questionnaire, despite significant efforts to boost the response rate. This is likely due to the fact that organisations, especially smaller organisations, find it hard to resource participation in research in addition to service delivery. As a result, the design was adapted to focus on the case-studies of organisations' experiences after they had received support through MSP2. While this proved an effective method of generating rich insights into the processes of the programme, it is based on participants' reflections and recollections and as such cannot provide an objective comparison of the organisation before and after MSP2 support. The implications of this change in design are reflected on further in chapters 5 and 6.

Figure 1: Timeline of MSP2 evaluation activities
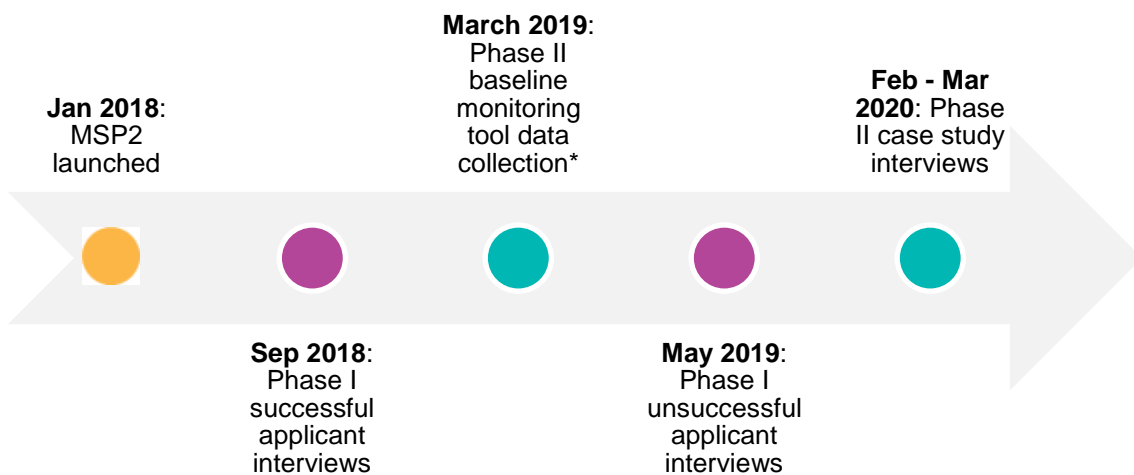
*ultimately monitoring tool data was not used in the evaluation due to low response rate

It is worth noting that the fieldwork was completed before mid-March 2020, when the evolving Covid-19 situation became more acute and many businesses began working from home. As a result, the research was not affected by Covid-19 and the findings reflect the views of participants prior to the disruption provoked by the pandemic.

1.2.2 Phase II

As previously described, the research adopted a case-study approach which aimed to include two to three people from each organisation in order to gain a range of perspectives on how the programme had worked and how effective it had been. The case-study design allows a deep exploration of participants' views on what worked well and what worked less well.

Fieldwork was carried out using semi-structured, in-depth, telephone interviews with 20 key staff members from organisations that received support.[5] The interviews were carried out in February and March 2020.

We aimed for a diverse sample to generate a range of perspectives, with primary sampling criteria of:

● **The consortium partner** the organisation received support from;

● **The type of project**: whether it was establishing a new mutual (emerging) or whether it was supporting an existing mutual (growth);

● **The size** of the organisation (based on number of staff employed).

We also monitored for secondary criteria of **sector** and **region** with the aim of selecting for diversity across the same.

The research used the sample frame of the MSP2 database of projects supported under the programme between March 2018 and January 2020. Recruitment emails were sent to the lead contact from this database from the NatCen research team with the invitation to take part and these were followed up with recruitment phone calls. For all participants that opted in, a mutually convenient time and date were arranged to conduct the interview. We aimed to speak to at least two individuals in each organisation. However, in some cases, it proved difficult to schedule multiple interviews, particularly in smaller organisations with only a few staff members. As a result, the decision was made to widen the number of organisations contacted. In total, 20 individual staff members took part across 12 organisations – with two staff members interviewed in eight projects.

The final sample interviewed for this research is outlined in Table 1 and included organisations across six different service areas: arts and culture; conservation and environment; children and youth; justice and probation; health and social care; and support services.

Table 1: Interviews across different sampling criteria

Consortium	Type of project	Size of Mutual*
Mutual Ventures – 11	Emerging – 6	Micro – 4
Go Mutual - 9	Growth – 14	Small – 10
		Medium – 2
		Large – 4
20	20	20

 * Micro: 1-10 employees; Small: 11-100; Medium: 101-500; Large: 500+ employees.

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[5] This included a mixture of those who had been interviewed as successful applicants in Phase I and those who had not been previously contacted.

Each interview was conducted with a topic guide that had been approved by the DCMS Mutuals team. Interviews lasted between 30 and 45 minutes. Interviews covered the MSP2 application process, the organisation's journey during and following MSP2 support, their experiences of MSP2 support, and participants' views of the impact and value for money of the programme. All the interviews were digitally recorded with participants' consent. Audio recordings were transcribed verbatim and analysed using the NatCen Framework[6] approach, which facilitates qualitative data management and analysis by case and theme within an overall matrix.

1.3 Structure of the report

In **chapter 2** we outline the **different journeys** that organisations have been on during the programme. The report then goes on to consider how participants experienced the programme, both the **application process** (**chapter 3**) and the **support received** (**chapter 4**), and their views on the effectiveness of the support. Finally, it turns to consider **the perceived impact of the programme** (**chapter 5**) and **the perception of value for money of the support** (**chapter 6**). Each chapter concludes with a section that considers whether there are lessons that can be learnt from the findings to inform the design of future similar programmes.

1.3.1 Interpreting qualitative findings

The reporting of qualitative findings deliberately avoids giving numerical values, since qualitative research cannot support numerical analysis. This is because purposive sampling seeks to achieve range and diversity among sample members rather than to build a statistically representative sample, and because the questioning methods used are designed to explore issues in depth within individual contexts rather than to generate data analysed numerically.

Verbatim quotes and case illustrations are used to illuminate findings. Some basic details of the sampling criteria are provided, however, further information is not given in order to protect the anonymity of research participants. Quotes and case illustrations are drawn from across the sample.

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[6] Ritchie, J. et al (eds). 2013. *Qualitative research practice: A guide for social science students and researchers.* Sage.

2 Organisational Journeys

This chapter explores how organisations changed during and following the period in which they received MSP2 support. Organisations usually set out on the programme with a clear plan of what they wanted to achieve and how they hoped their organisation would change. However, these plans were often complex and involved a range of stakeholders and, inevitably, they changed or developed over time. This chapter explores the factors that impacted on these changes. Understanding these organisational journeys provides important context with which to evaluate the perceived impact of MSP2 which is discussed in more detail in chapter five.

2.1 Diverse journeys and outcomes

MSP2 provided support to a range of organisations across a variety of sectors who were considering becoming a mutual or were in the process of doing so (**emerging projects**), as well as to organisations that were already mutuals that were seeking to sgrow and develop (**growth projects**). As a result, the programme supported organisations at very different stages of their organisational growth – which can make describing typical organisational trajectories challenging. To begin it is useful to describe some of these differing journeys before turning to factors that affected them.

For emerging projects, there was a relatively clear trajectory: projects aimed to successfully spin out from the local authority or to be on the pathway to do so. In contrast, growth projects could take a variety of different forms and included for example, growing existing revenue streams, expanding into new markets and selling new services, and merging with other organisations.

The positions that organisations started from also varied across both types of projects. For emerging projects, organisations were still under local authority control but may have been operating at different degrees of arms-length: from a fully in-house service department to a Local Authority Trading Company. Organisations undertaking growth projects may similarly have been starting from different positions. While the programme stipulated that mutuals supported under the growth project could not be more than five years old, some were well established and had been growing, while others had undergone contraction or loss of income prior to entering the programme.

As a result, across the sample and the different types of projects, there were divergent trajectories (see figure 2). There were examples of projects that had gone smoothly, with the organisation successfully achieving what it set out to. On the other hand, there were also examples of projects that had not ultimately been successful, with some organisations having to cease trading.[7]

For emerging projects there were three main outcomes found: 1) the organisation successfully spun out and a new mutual was launched; 2) the organisation had not yet spun out but still had a plan in place for this to happen; and 3) the organisation had not spun out and the service was to remain in-house to the local authority. Similarly, for growth projects there were three main outcomes: 1) growth plan implemented and the

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[7] The State of the Sector 2019 report suggested that public service mutuals may have better survival rates than other businesses, although clear data on this remains limited. However, this is perhaps unsurprising, given that they are delivering public services. Nevertheless, the PSM sector has a whole is still fairly young, suggesting that further research would be needed on this. See Social Enterprise UK 2019. *Public Service Mutuals: State of the Sector*. London: Social Enterprise UK.

organisation experiencing growth; 2) growth plan in place but the organisation not yet growing; and 3) the growth plan not having been implemented.

Figure 2: MSP2 project outcomes by project type
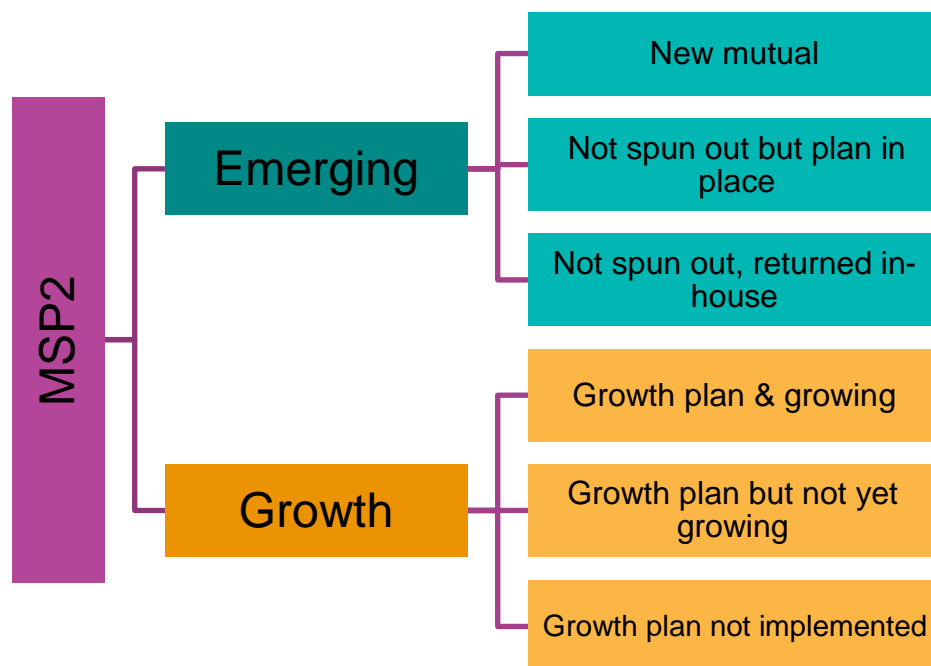
Case Illustration: New mutual

The organisation was delivering youth services for a local authority in the south of England. Senior managers had previously conducted a feasibility study with the support of external consultants on the prospect of spinning out of the local authority and so applied for MSP2 to help develop the business plan and implement the spin out plan. This meant at the point of embarking on MSP2 they were in a strong position to proceed with the spin out. Nevertheless, they experienced a series of delays due to the scale of the legal work and documentation needed from the local authority, resulting in the process taking significantly longer than expected. This had implications for staffing and their ability to access other pots of funding. Notwithstanding the delay, at the time of the research the organisation had recently successfully spun out and the CEO commented: *"I would say now everything is how we expected it to be, and in fact we're doing really well. All the projects are running, we've got new work coming in all the time, and it's only ten weeks [since we spun out]."* (Youth services, emerging project).

2.2 Factors that impacted on changes

Organisations that had not yet achieved their anticipated outcome had experienced a range of changes that had affected their planned trajectories. However, the most common way that plans changed was that processes took longer than expected, whether this was the spin out plan or the growth plan, as was illustrated in the case study above. Factors that affected organisations' planned trajectories could be categorised into internal, external and contextual factors. The research also identified some key facilitators that enabled plans to be stuck to.

2.2.1 Internal factors

There were four main factors that were internal to the organisation that affected whether or not plans changed during the MSP2 project both in emerging and growth projects. Two relate to the support plan agreed as part of the MPS2 process, while the remaining two relate to the staffing and capacity of the organisation.

The support plan agreed as part of the MSP2 process was in some cases changed by organisations themselves. This was usually due to a perceived need to re-focus priorities and to spend longer on one aspect of support. Moreover, plans changed when aspects of the business development work proved more substantial or challenging. Participants noted that they had not always adequately assessed the scale of certain elements of the project and in some cases were unaware of things that would need to be done, for example applying for a VAT number, which then affected the overall progress of the organisation.

Staffing changes within the organisation could also affect the degree to which the plan was followed. Bringing in new staff members often resulted in delays as people had to be brought up to speed and made comfortable with the process. Conversely, organisations undergoing spin out sometimes lost staff and due to the process of transition were unable to back-fill roles, resulting in a loss of capacity. However, more widely than simple availability of staff, were questions of the pace of cultural change within the organisation. This tended to be an issue for growth projects, which involved a shift in mindset for staff members. Some participants explained that this was one aspect that accounted for a slower pace of change than they had hoped for. As one participant noted:

> "*it was actually the cultural change the programme was trying to engender didn't stick as well until we actually basically faced reality.*" (Community support services, growth project)

The role MSP2 played in achieving organisational cultural change is examined in more detail in chapter 5.

2.2.2 External factors

External factors, such as those relating to the local authority, other partners and the wider environment, impacted on projects' progress. Many of the projects, whether emerging or growth, involved a range of stakeholders and changes within the local authority or the wider commissioning environment affected both the pace and outcomes of MSP2 projects.

Changes within the local authority

As PSMs and prospective PSMs work closely with the local authority, any changes within the local authority had repercussions for the projects. For example, a change of senior leadership within the council led to one prospective spin-out being considerably delayed, as new stakeholders needed time to become familiarised with the work to date. Staffing changes within the local authority could also affect existing PSM's growth plans, as staff capacity had to be invested more heavily in managing relationships linked to existing contracts rather than focusing on growth plans. Processes that involved input from the local authority were also often reported as delayed. This primarily affected emerging projects but in some cases growth plans for existing PSMs involved resolving questions relating to buildings and leases which could also be delayed by changes or delays within the local authority. Beyond specific direct changes, there was also the fact that prospective PSMs had to manage the cultural

change around relationships and working with the local authority. This was sometimes a tricky transition as it involved service leads persuading the council that the service could be delivered more effectively independently. It also required officers within the local authority to become comfortable with having less control over the service, an issue raised as a barrier by some participants. One participant suggested that their spin out project, while still on track had been delayed by the need to make sure key stakeholders were comfortable and on-board with the decisions: *"[it is about] managing their level of comfort and control, and having that conversation over a longer period of time."* (Support services, emerging project).

Changes within the commissioning environment

Some participants discussed changes to the commissioning environment as a factor that had affected their organisational plans. In one case, the changes to commissioning environment had helped support the evidence of need for the service – enabling the organisation to achieve faster growth than expected. However, it was more common for changes to core contracts or to the way commissioners were structuring contracts to negatively impact on organisational growth plans. In one example, the structure of contracts to be commissioned changed, meaning that a single bigger contract covering a larger service area was to be issued in place of the previous multiple smaller contracts. This had implications for the PSM delivering the existing smaller contract. Only through seeking a merger with another organisation, would the organisation in question be in a position to bid for the larger contract and thus continue to deliver services. Ultimately, they did not win the contract and so not only did the organisations not merge, but both found themselves in the position of having to wind up their operations.

Changes arising from other stakeholders

Other factors – linked to other external stakeholders – came into play for some projects. Growth projects that involved mergers experienced changes to plans when financial and governance issues in the external organisation were revealed. This ultimately led to the merger not proceeding. In another example, growth plans involved obtaining new premises which required input from other external stakeholders, much of which was also delayed.

2.2.3 Contextual factors

Through the analysis, it became clear that there were a number of contextual factors that influenced organisational trajectories. The most significant of these was the timing of the MSP2 support. For a number of organisations, the MSP2 support came at a key moment that allowed them to make better progress in their overall plan. For instance, one organisation had recently lost its core contract with the local authority, so the MSP2 support provided the impetus to explore other markets. However, in one case, a participant in an emerging project felt that had the support been available six months earlier a better outcome would have been achieved.

Support timelines appeared primarily to be set by consortium partner suppliers but were occasionally dictated by financial year end considerations. While shorter timelines ensured momentum for MSP2 support projects, some organisations found them challenging. As previously described, the most common change to plans was that they were delayed or took longer than expected. For the most part, support timelines were flexible to account for these delays. There was a balance to be struck between ensuring all support was delivered in a timely way, while also taking into account the other factors listed above that impacted project timelines. In one case, a participant explicitly described the value of being able to roll the MSP2 support over from one

financial year to another. The important role of timing has implications for the need to build in flexibility into the design of support. While to some extent delays seemed inevitable, they could have multiple knock-on implications. Missing funding deadlines, losing staff and capacity and the fact that previous work needed to be constantly revised and updated were some of the implications that arose from the delays. One participant described this issue: "*I think our biggest challenge is that because the timeline has run on, the external environment around us is changing and so we've had to keep on refreshing things like financial models.*" (Arts and culture, emerging project)

Towards the end of the fieldwork phase in early March, some of the implications of the Covid-19 situation were beginning to become apparent and participants were working from home. While this is a completely unprecedented situation, it once again highlights the importance of contextual factors and is a reminder that some of the outcomes identified above may be conditional. For instance, some participants described successful MSP2 projects which were due to launch or re-launch services in early April, but these intentions were recorded before the lockdown restrictions were put in place.

Case illustration: Growth plan but not yet growing

The organisation was an existing PSM at the point of applying for MSP2 but had only recently undergone the transition from a limited company (and thus not a mutual) to a social enterprise. Towards the end of the MSP2 project the local authority announced that it would terminate its contract with the organisation. As the organisation had worked with the consortium partner to produce evidence of its effectiveness, they were in a much stronger position to re-negotiate with the council to achieve a new, albeit reduced, contract. Participants from the organisation suggested that the timing of the support and the quality of the work produced by the consortium had enabled them to weather this change in circumstances. Had the withdrawal of the contract happened prior to MSP2 support, the participants felt they may have ceased trading. "*We were kind of forced to diversify [as a result of the contract being cut] directly after we were taught how to do it, so it couldn't have been a better timing.*" (Community support services, growth project).

2.2.4 Enabling the plan

Participants identified three main facilitators that enabled organisations to keep to their original plans.

- **Having a clear goal and sense of direction.** It was felt that having a strong sense from the outset of what the organisation was hoping to achieve in terms of organisational change was key to enabling the plan. As one participant noted, "*I just think we had a clear goal of what we wanted to achieve and why we were doing it.*" (Youth services, emerging project).

- **Support from the consortium partner.** Support received from MSP2 consortium partners was another key facilitator that participants identified as enabling them to stay on track with plans. Tools that the consortium partners provided or the additional capacity the support enabled were key aspects of this. The fact that the support was tailored to the particular organisation's circumstances was also relevant to the achieving what was aimed for in the original MSP2 plan. One CEO noted: "*I felt it was a really bespoke approach, which meant that what we got at the end was absolutely what we wanted to achieve.*" (Arts and culture, growth project).

- **Bringing in specialist skills**. Finally, one organisation had recruited new staff members with specialist skills in key areas, such as fundraising, and this had been pivotal in ensuring they achieved their overall objective. This additional capacity

was able to build on the initial work which had been completed through MSP2 support and ultimately enable the organisation to progress to the outcome they aimed to achieve.

2.3 Lessons learnt

The diversity of outcomes and journeys of organisations that took part in the MSP2 programme and the variety of factors that impacted on journeys make it difficult to make broad generalisations. However, a few key issues emerged and participants themselves made a number of suggestions.

- **Build in contingency.** Flexibility in project timelines was valuable given the most common issue encountered across the projects was delays. Participants valued the fact that the support could be flexed to take account of the various external factors that impacted on their overall trajectory. Projects with short timelines and limited capacity found achieving all their aims difficult, and some felt that the outcomes that were set were unrealistic for the timeline of the project. Given these challenges, it would be sensible for consortium partners to explicitly build some contingency into timelines and to be upfront with project partners about this.

- **Achieving stakeholder buy-in.** For emerging projects, participants strongly recommended involving local authority stakeholders early in the process and maintaining open channels of communication with them. The importance of having senior stakeholder buy-in is acknowledged in the application process, however, applicants would perhaps benefit from greater guidance on this as it is key to ensuring successful outcomes.

- **Ensuring capacity within the organisation**. Organisational development projects, and particularly the process of spinning out, were noted to be extremely time-consuming. Participants acknowledged the difficulty of ensuring enough capacity for the project. However, it was noted that where possible, it was important to resource MSP2 projects sufficiently. For emerging projects, it was suggested that there should be one person within the organisation who focused solely on the mutualisation plan.
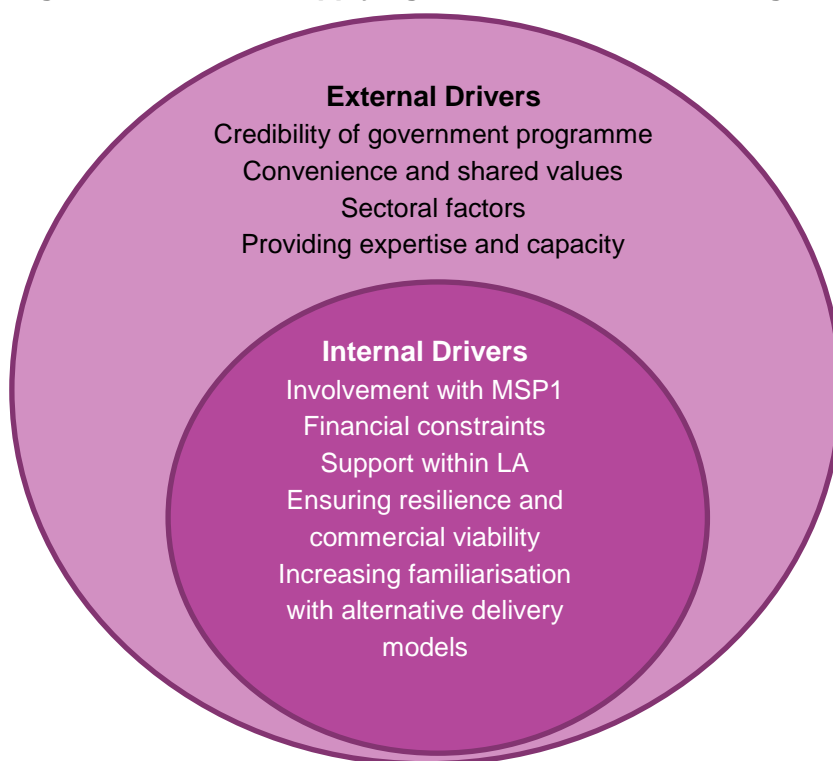
3 Application Process

This chapter presents participants' views and reflections on the MSP2 application process. The application process was covered in more detail in the Phase I Interim Report, which drew on 15 interviews with participants who had recently applied for MSP2 support. In Phase II, reflections on the application process were included as part of a wider discussion of the whole package of support, but were limited as, in most cases, considerable time had elapsed since participants had applied for support. However, these findings build on those from Phase I, and provide additional insight since participants were no longer directly involved in the programme.

3.1 Summary of findings from Phase I

Phase I of the research covered the application process in greater detail, including reasons for applying, views on the different stages of the applications process and views on the type of support available during the application process.

- **Application process and journey.** Findings from Phase I revealed that applicants had a good understanding of the aims of the programme and viewed the requirement for match-funding and the need to secure senior stakeholder support as clear. However, the nature of the practical support they could access relating to some areas, such as organisational change, was considered intrinsically vague, as it could not be pre-defined early in the process

- **Reasons for applying to MSP2.** The research identified both external and internal drivers in applicants' decisions to apply for MPS2, illustrated in figure 3. External drivers included: the credibility of being involved with a government programme; the convenience of working with a supplier that had already been vetted and that had shared values; sectoral drivers; and the opportunity to gain expertise and capacity missing in the applicant's organisation. Internal drivers included: having participated in MSP1; financial constraints facing the service and an expectation that the organisation could become more resilient; having had a positive experience of alternative delivery models for other services within the 'parent' local authority; and the opportunity to become familiar with a range of alternative delivery models.

Figure 3: Drivers for applying to MSP2 identified through Phase I of the research

External Drivers
Credibility of government programme
Convenience and shared values
Sectoral factors
Providing expertise and capacity

Internal Drivers
Involvement with MSP1
Financial constraints
Support within LA
Ensuring resilience and
commercial viability
Increasing familiarisation
with alternative delivery
models

- **Views on the application process.** Phase I found that the application process was considered appropriate and proportionate for the amount of funding available. Scoring criteria were generally considered to be clear, however, the criteria were considered clearer in the first stage of the application process (the EOI stage)[8]. Participants felt that criteria were less clear in the second stage of Provider Assessment. Decisions between the two consortia were driven by two main factors: (a) previous experience of working with the consortium; (b) the track record of the consortium. However, not all applicants were aware of the ability to choose between consortia and there was some lack of clarity around the role of the consortium in the application process.

- **Application support.** Overall, applicants in Phase I were positive about the application support they received from DCMS and the consortium. Support took three main forms: clarification and reassurance; guidance; and facilitation.

3.2 Reasons for applying

For participants interviewed in Phase II of the research, there were a number of ways that organisations heard about MSP2, although not all participants could remember exactly how they had become aware of the programme due to the amount of time that elapsed between the application and the research interview (more than a year in many cases). There was a range of ways organisations reported hearing about the programme. Participation in MSP1, pro-actively searching for this type of funding and having heard about the programme from other organisations or from other mutualisations within the parent local authority were ways participants reported hearing of the opportunity. Having the opportunity flagged by consortium partners, seeing it in newsletters or updates from other networks, such as the Social Enterprise Network, were other channels through which participants became aware of the programme.

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[8] The application process involved two stages: an initial Expression of Interest followed by the Provider Assessment stage at which point the relevant consortium partner scores the application.

3.2.1 External drivers for applying

In line with the findings of Phase I, there were both internal and external drivers for organisations to apply to MSP2. However, not all of the drivers from Phase I were identified in Phase II. This was possibly due to participants not being able to recall the same detail in Phase II. Nevertheless, several of the key drivers previously identified were re-affirmed through these findings. External drivers for organisations in this phase of the research included: the credibility of the programme; gaining expertise linked to the mutual sector; and changes to the external funding environment.

For certain applicants, simply being involved in the programme supported the credibility of their plans – either with internal or external stakeholders.

> *"Almost through just winning the money, that there was some rationale for us looking at this as a spinout. Almost just the process of being accepted for funding was almost an independent validation of taking that position"* (Support services, emerging project).

For others the external expertise on the process of mutualisation and understanding of the PSM sector more widely was the key driver in applying.

> *"There was a kind of skills, experience, capability gap within the county council to do that independently, and felt that the process would be more rigorously delivered where we could have access to external expertise and support to ensure that we were making best use of our resources as a public body."* (Arts and culture, emerging project)

3.2.2 Internal drivers for applying

Internal drivers were identified as: gaining additional capacity and resource; facing financial constraints; and ensuring the resilience and commercial viability of the organisation.

For some organisations, a key driver for applying was simply the lack of capacity to undertake the additional organisational development work:

> "*We just didn't really have the resources or the capacity*" (Health and social care, growth project).

Several organisations discussed the fact that they were facing difficult financial circumstances which was one of the key drivers in applying for MSP2. For emerging projects, financial constraints were the result of changes to parent local authority funding. Getting support through MSP2 to spin out appeared to be a route to greater organisational resilience.

> *"There was a change to the funding of [type of service] so some central funding for [type of service] was withdrawn. (…) Based on the experiences of other [type of service] up and down the country, some of whom had become mutuals and been able to financially sustain themselves through a more commercial mindset outside the county council, county council wanted to explore mutualisation as a route to relieving pressure on public funds."* (Arts and culture, emerging project).

For growth projects, improving resilience was linked to diversifying income streams sometimes directly in the face of the financial constraint imposed by having lost their core contract:

> *"We applied for that [MSP2], it must've been a couple of years ago, because we'd lost our main contract, so the contract that we spun out (…) expired. (…) So we've lost about 90-to-95 percent of our income overnight."* (Justice and probation, growth project).

3.3 Reflections on the application process

As in Phase I, participants felt that the application process was straightforward and clear. However, reflections of participants in Phase II on some elements of the application process echoed the findings of Phase I.

Understanding the requirements of the application

Some parts of the application process that applicants in Phase I found less clear were also commented on by participants in Phase II. In particular, interviewees felt there was a lack of clarity about exactly what was available, in terms of the level of funding, and about some of the requirements from the organisation. Participants from both emerging and growth projects expressed finding it difficult to estimate the amount of time needed for the project as, in some cases, they had not undertaken this type of work previously. Similarly, some participants found it difficult to estimate the amount of match-funding that would be required. Although the proportion that organisations were expected to contribute was made clear from the outset, it was only later in the application process that organisations understood what this would mean in terms of the actual cost to the organisation, as they became aware of the total cost of the project.

Selecting consortia and their role in the application

As found in Phase I, participants also had different experiences with the role of the consortia during the application process. In some cases, it appeared that the consortium partner had provided significant input into the application process. This tended to occur in growth projects where the organisation already had a clearly established relationship with the consortium partner.

Decisions about which consortium to choose for the support package were based on one of two factors: 1) whether the organisation had a previous positive experience of working with them or 2) based on research, including conversations with the two organisations. Of those who made decisions based on research or conversations, decisions centred around the type of previous work the consortium had undertaken (for example whether the partner had worked in the same sector) and the perceived cultural fit with the organisation.

> "*We felt [consortium partner] was a better fit for us because they were smaller and therefore they might appreciate our challenges a bit better, and we really liked the people.*" (Community support services, growth project).

However, again, as in Phase I, some participants did not feel they had a meaningful choice about which consortium partner to work with.

> "*There was no opportunity I believe for us to choose between who we were going for.*" (Justice and probation, growth project).

In one case, the participant felt that the existence of a previous relationship with the other consortium partner made it feel that they did not have the option of working with the other consortium.

"We talked to both of them on the phone, but like I said previously I got the impression that [consortium partner] was not really interested in working with us because of our existing relationship with [other consortium partner]." (Youth services, emerging project).

Effect of match-funding requirement on application process

The requirement for match-funding did not appear to act as a barrier to applying. Some local authorities have specific pots of funding available for transformation projects so this did not act as a barrier for emerging projects to applying for the programme. However, views on the requirement varied slightly. Providing match-funding was seen as important for achieving buy-in to the organisational change process, as will be discussed in more detail in chapter six.

> "*I'm a big believer that if you get something for nothing then you don't really value it, whereas if you're putting something in then you're almost obligated to, there's some internal pain that's felt.*" (Community support services, growth project).

However, smaller organisations, despite acknowledging that it was reasonable to expect some match-funding, felt that the level required was quite large.

> "*I thought it was quite high for Mutual, especially if you're not far into your company, into the life of your company.*" (Youth services, emerging project).

For smaller organisations, the level required could be a considerable amount of their overall cash reserves. As found in Phase I, participants usually did not become aware of the total amount of match-funding required until relatively late in the process, once they became aware of the overall project cost.

3.4 Lessons learnt

The findings confirm that the application process for MSP2 worked well overall. However, in both phases of the research, participants made some suggestions about how the application process could be improved.

- **Communications.** Participants in Phase I felt that the programme could be more widely publicised and that the process of the application, particularly in the Provider Assessment stage, could be made clearer. Participants in Phase II of the research also felt that there could be slightly more clarity of communication especially with regards to the amount of funding that was available and the funding selection criteria.

- **Reiterate choice of consortium.** While clearly many organisations valued the ability to continue working with consortium partners with whom they had previously worked, participants felt that in practical terms they did not have a choice as a result of their pre-existing relationship. There is thus a need to reiterate that there is a choice and consortium partners should also communicate this to organisations. Finally, some participants felt it would be good to have a greater choice of the consultants and organisations to work with.

- **Resources and guidance.** Participants in Phase I made a number of practical suggestions for the sort of resources and guidance that could make the application process more straightforward. Some of these suggestions included: making an example application form available to potential applicants; providing a Frequently Asked Questions sheet; providing fact sheets on common challenges and different

types of models mutual might adopt; providing examples of ways support might be used; and providing a ballpark of the match-funding requirements – perhaps in funding bands. This final suggestion was echoed by participants in this Phase of the research who felt it would be useful if the application process could provide an estimate of the potential cost of the support in order to get an indication of the likely level of match-funding required. Participants also felt there was a need to improve clarity about the type of support available through the programme.

- **Design of the funding offer.** In Phase I, the possibility of having a more distinct offer for new and existing mutuals with more tailored documentation and advice was suggested. In this Phase, participants suggested having two distinct funding pots available based on the size of the organisation as a better way of organising the funding. The requirement for match-funding could also be scaled in line with the size of the organisation. Participants from smaller organisations felt they were in quite a different financial situation than those in large organisations and therefore perhaps had less to leverage in terms of match-funding.

4 Experiences of MSP2 Support

This chapter presents findings on organisations' experiences of MSP2 support. It provides an overview of the type of support provided, views about what was the most useful element of that support, and perceptions about quality and format of support provided.

4.1 Type of support provided

Under MSP2, organisations were able to access a range of different types of support to help the spin out process or to grow and develop their business. Organisations were able to design their package of support and there were two main ways that this process occurred. Some organisations entered the MSP2 process with a clear set of aims and a very definite view of where they wanted the focus of their support package to be. For instance, one growth project said:

> "*We wanted most of the effort to go into the market and the research, so we could be clear about what the opportunity was*" (Community support services, growth project).

However, it was more common for the support package to be designed in collaboration with the consortium partner. Most often this process was described as the organisation setting out its challenges and aims and the consortium partner suggesting the areas in which support could seek to address those challenges and participants tweaking or amending the support programme. This was described as a positive process, with consortium partners occasionally raising areas of support that proved very useful that the participants themselves may not have thought of.

> *"That was a really good process. Basically it was through a series of phone calls with [consortium partner] consultants where I basically described the challenge and the need. They took that on board from my telephone interviews with them. They then sort of shaped a programme."* (Arts and culture, growth project).

There was a range of types of support that organisations received through MSP2. Some packages involved multiple different types of support, while others focused more on one element. The types of support provided can be broadly divided into a) general business development support, and b) support that was more specific to the challenges faced by a public service mutual (see table 2).

Table 2: Types of support provided through MSP2

General business development support	Mutual specific support
• Business planning • Competitor analysis/market research • Marketing • Financial forecasting and modelling • Sales and pricing strategies • Legal support on contracts/leases	• Legal work on organisational structure • Support on employment conditions for TUPE staff • Support on governance issues • Social impact measurement • Bid writing • Stakeholder engagement

Both types of support were found across both emerging and growth projects. However, stakeholder engagement support and legal work on the organisational structure tended to occur among emerging projects only.

In some cases, the MSP2 support plan changed after the application, or over the course of the programme. As discussed in chapter two, one of the most common changes that organisations experienced was a delay or a slowing down of their projects, often due to external factors. In most cases the support programme was able to adapt and accommodate those changes. The flexibility of the support in being able to respond to changing needs was considered a key strength of the programme.

> *"What was really helpful is that there were no rigid guidelines to the service that they provided. We had a budget and we chose how to spend it and over what time scale. We kind of drew down on that service that we bought into in a way that suited us."* (Community support services, growth project)

Organisations also made decisions themselves to shift the focus of the support programme, deciding which parts of their package to prioritise. In one example this occurred because the organisation had not received the amount of funding they had applied for, so prioritised certain elements of the support.

There was only one example of the support plan changing in a way that was perhaps not ultimately beneficial to the organisation. In this example, it appeared that there had been a degree of 'scope creep' and that the boundaries became somewhat blurred in terms of what the consortium partner was supposed to deliver.

> "*I think we probably encouraged [consortium partner] into areas that perhaps they might have been better out of. (...) Probably [consortium partner] morphed into our general advisers on everything.*" (Health and social care, growth project).

This organisation did ultimately not have a successful outcome from their MSP2 support. While it was not possible to definitively link this outcome to the change in the support plan, the senior managers involved felt that it may have contributed to the organisation not achieving the desired outcome.

Organisations were sometimes receiving support from other sources in addition to MSP2 support. The types of additional support received included support from other departments within the parent local authority, peer support from other similar organisations, or support from different types of organisations. Only one organisation included in this research had received mentoring through DCMS. These other forms of support were seen as complementary to the support from MSP2, but in most cases were described as of limited impact.

4.2 Most useful types of support

Views on what was the most useful type of support varied considerably depending on organisations' particular circumstances and the differing aims of their MSP2 projects. Some of the elements of support identified as being most useful were: support on governance, business planning support, marketing support, bid-writing and introductions to potential partners.

There was some convergence of views about what made certain elements of support more useful than others.

- Having an **external, independent voice** was a key element that made the support especially useful to participants.

"*Having somebody there who was not one of the team who could be more objective about it was really, really helpful"* (Youth services, emerging project).

For projects that are emerging this can be particularly relevant for engagement with stakeholders. For growth projects, the role of the external consultant was valuable in challenging and disrupting internal discussions, pushing people to think beyond their usual parameters.

- Having access to support from consultants who had **specific expertise on public service mutuals** was also seen as one of the most useful aspects of MSP2 support.

For emerging projects this was linked to understanding the processes of spinning out: "*understanding what form a new mutual would take was incredibly important in terms of the support we received through the programme."* (Arts and culture, emerging project).

For growth projects, this expertise helped think about potential new markets and growth opportunities.

- Being able to draw on **different types of specialist support** through a single point of contact:

"*I really like the consortium format, so access to multiple partners with a range of skills and experience, tailored to particular elements of the programme of work that we needed to do, but all managed through a central source. That really helped us reduce any kind of administrative overhead."* (Arts and culture, emerging project).

- Access to **legal support**. Participants in both growth and emerging projects noted that legal work was an area where specialist expertise was indispensable and irreplaceable.

"*I suppose the bottom line was the legal advice from Bates Wells, couldn't have done it without that, absolutely not. If you stripped everything out we could have probably cobbled together a business plan"* (Youth services, emerging project).

Legal work tended to be more relevant to emerging projects. However, certain growth projects that involved new contracts or mergers also involved considerable legal work.

Participants had mixed views about whether there were clearly identifiable common support needs that all PSMs would share. There was a view that organisations at similar points in their trajectory (either of spinning out or post spin-out growth) may have similar needs: for instance, legal support around organisational structure and asset transfer; business planning support; and support to deal with loss or renegotiation of core contracts. As one participant from a growth project commented there are potential key danger moments for PSMs:

> "*it is probably the same situation as us in terms of you've spun out and you've been pretty successful in your existing [mutual], as it were, which is a success story in its own right, but I think it is about the next stage really. Also particularly I think around when service level agreements or original contracts are due for renewal, because that's the real potential danger point for an organisation, what happens there."* (Arts and culture, growth project)

However, there was also a view among participants that each organisation would find itself in quite a unique situation, reflecting the variety of trajectories and so would need tailored support.

4.3 Views on the consortia and the quality of support

Organisations expressed positive views about the quality of support they received. The following quote provides just one example of the positive comments made about support:

> "*Really fabulous. Really quite in depth; very supportive; very clear on the information that they provided.*" (Health and social care, growth project).

Participants with positive views attributed these to the positive and strong relationships that had developed with their consortium partners over the course of MSP2 support and sometimes over the course of previous projects (for example projects under the MSP1).

> *"[MSP2 support] has exceeded our expectations because of the relationship we had with them [the consortium partner]" (*Community support services, growth project)

Participants' views on the quality of support depended, to a certain extent, on the skills that were available within the organisation. MSP2 support often brought a level of expertise and experience to business development projects which would have simply been unavailable without the programme.

The research also asked participants about whether there were any areas where they felt the support was lacking or areas that were not covered by the programme. Once again this varied depending on the specific projects that each organisation had undertaken, but examples included: digital marketing, tax analysis and aspects of operational support such as IT. Participants generally felt that consortium partners had been upfront in the beginning of the process about areas where they would be unable to provide support, although in some cases during the process areas participants would have liked additional support did emerge. Smaller organisations tended to report that they would have liked some more support on more practical, operational matters. However, they recognised that this was not the aim of the programme.

A larger aspect that participants felt was missing from the programme was the opportunity for peer networking and learning. In some cases, consortium partners had organised some form of networking or mentoring with other PSM organisations. Participants felt there was a lot that could be learnt from other PSMs who may be a slightly different stages of the process and this was not currently a feature of MSP2 and this was felt to be a missed opportunity. "*I'm not sure whether the overall programme necessarily maximised the value of that shared learning."* (Support services, emerging project).

4.4 Format of the support

Support packages were delivered through a mixture of face-to-face contact (including workshops with staff and stakeholders) and regular email and telephone contact. The degree of specialised and direct contact was felt to be a key factor in the value of the support. Participants highlighted the fact that consortium partners were often on-site through visits and were able to engage directly with staff. This was important for establishing the relationship, the value of which was highlighted above, and for ensuring that consortium partners really understood the culture and ethos of the organisation.

"I think it also helped because the consultants that we worked with were seeing us in the environment in which we work and understanding the context even better of where we work and who we work with." (Arts and culture, growth project)

The face-to-face nature of the support was seen as very valuable by participants when compared with other resources, such as detailed guidance, that may be available. Participants acknowledged that there were resources available, or that they had made use of some resources in certain areas but often they described not having the capacity, in terms of time but also expertise, to be able to engage effectively with the resources that were available.

"I think capacity is always a massive issue for any service, so again, having somebody that can really drive that through I think is massively beneficial to keep that momentum going. I think, if I'm being quite frank, if you had a toolkit and a template to do a business case, there's always going to be something that trumps it." (Arts and culture, emerging project).

This participant reflected that it was a combination of taking the time away from the operations to focus on the toolkits as well as having the expertise to apply it effectively that limited their usefulness. Instead having an outside consultant who was able to keep momentum and tailor the support was particularly valuable.

Some types of information or support, for instance information relating to governance issues, were felt to be more suitable for toolkits or detailed guidance. Nevertheless, participants generally felt that this one-to-one bespoke support could not be replaced with toolkits or detailed guidance.

The value of the face-to-face support was felt to lie in the fact that:

- It provides **additional capacity** which can help organisations, particularly those that are smaller to make faster progress on a project.

- It allows support to be **tailored and specific**. Participants described the fact that consultants on-site provided a level of coaching and mentoring and understood the specificities of the organisations' challenges and constraints, "*a toolkit would have been great. But someone would've still needed to have sat down and explained it and then made it relevant for us,*" (Justice and probation, growth project).

- It ensures that **business development is prioritised** and enables a **greater level of staff engagement**; "*I think part of the value of that face-to-face support is it effectively forces the business to prioritise the business development process.*" (Community support services, growth project). Having consultants come in and deliver workshops helped to engage staff in the process of business development.

- It speeds up the **process of understanding of challenges and support needs**. As described above, participants felt that having consortium partners on site and interacting face-to-face really enabled them to better and more quickly grasp the specific challenges facing the organisation. This, it was felt, helped to speed up the project overall and make it more effective.

4.5 Lessons learnt

Organisations reported positive experiences of the support they had received through MSP2. There was quite a wide variety of types of support provided and different types of support packages. The core value of the support seemed to emerge through having specific types of expertise available through the consortium model, and the fact that support was provided face-to-face and was therefore tailored and bespoke to each

organisation. However, there were a few areas that participants identified where support could be improved.

- **Face-to-face support allows tailored, in-depth advice.** The format of the MSP2 support had been effective for organisations in terms of providing detailed, tailored and specific advice and support. Participants highly value the specialist expertise and credibility brought by the consortium partners to the MSP2 projects. As this is a key objective of the programme, it's worth noting the effectiveness of the programme in this respect. Support worked best when aims of the project were clearly defined and when roles were clearly maintained throughout.

- **Resources and guidance**. Despite noting the value of face-to-face support in contrast to guidance documents, participants did note a lack of accessible resources in some areas. In particular, guidance on mergers, leadership, governance and effective board practices, structures for employee ownership; cross-cutting tax issues; and case studies of successful mutual 'spin-outs' from similar sectors were felt to be lacking.

- **Peer networking and peer learning.** Participants felt that MSP2 did not maximise the possibility for peer learning and networking. Although some organisations accessed peer networks in other forums, not everyone did. This was felt to be an area that was lacking from the overall package of support. While during some projects, consortium partners facilitated some peer networking, future programmes should consider making this a more formalised element of MSP2 support.

5 Perceived Impact of MSP2

This chapter presents the main findings regarding the perceived impact that the MSP2 support had on organisations and examines the degree to which the programme was effective in meeting its initial objectives. As outlined in the introduction, this chapter relies on perceptions of impact, as it proved difficult to measure changes in key metrics in a quantitative way. We return to the implications of this in the final section of the chapter.

5.1 Direct and indirect impacts

Participants were asked to reflect on the impact in terms of both what the support had enabled their organisation to do as well as what it had enabled their organisation to achieve. Participants described two different types of perceived impact of the programme: direct and indirect impacts, which are listed below in figure 4.

Figure 4: Perceived direct and indirect impacts of MSP2
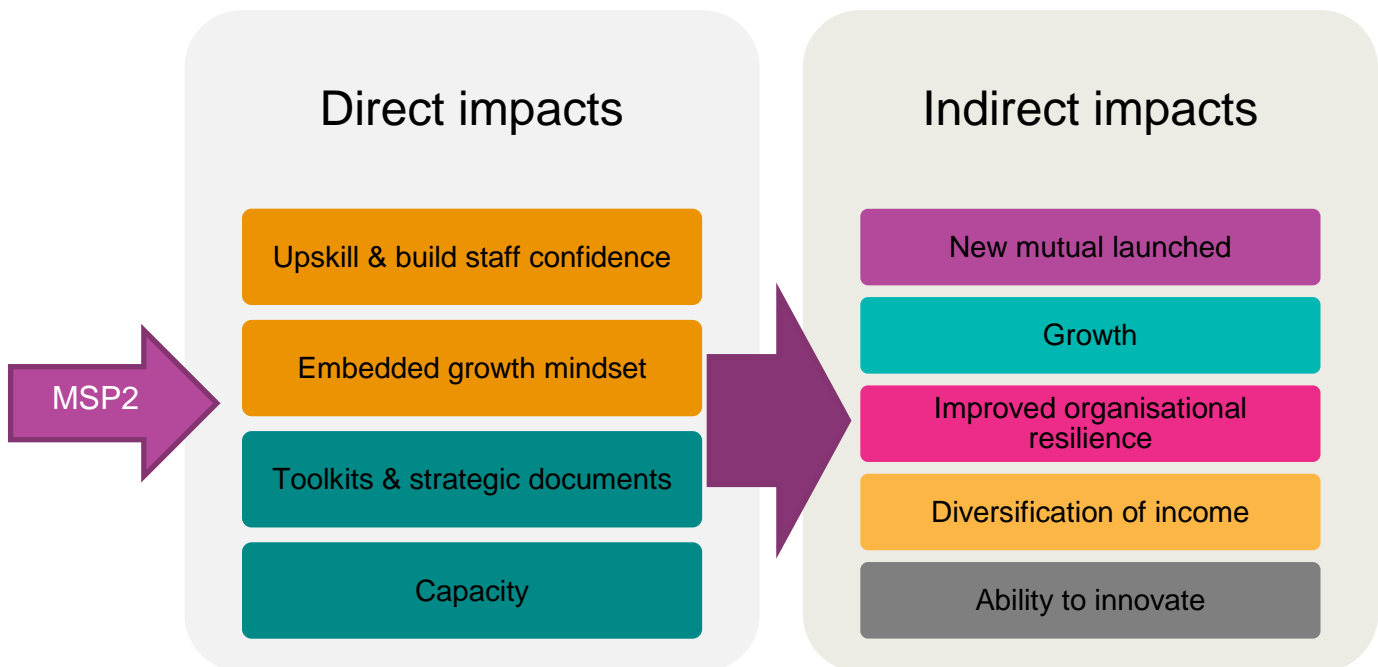
5.1.1 Direct impacts

Across the projects, there were two types of direct impacts identified which stemmed directly from the input of MSP2. These were related to staff development and engagement, and to the resources that the support afforded.

Staff development and engagement

A key direct impact identified across the range of projects was staff development and engagement. This happened in two ways:

● **Improved learning, more skills and greater confidence within the staff team**. Organisations identified learning and upskilling for staff as a key outcome from the MSP2 support. In some cases, these were skills that could be re-deployed in similar future situations.

"*Real, real fabulous learning outcomes for [the organisation], just in terms of if we were ever to be in that situation again, we would be able to be quite confident in doing that [work]*" (Health and social care, growth project).

This increase in skills also led to a greater level of confidence among staff and thus within the organisations.

"*I think the biggest thing the programme actually gave us was confidence, because I think when the council said they're going to cut our contract, I think if we had been on our own we may well have gone under.*" (Community support services, growth project)

● **Embedding growth mindset**. A related but distinct impact that was identified was linked to the mindset of the staff, which in turn was felt to improve the organisational culture. Participants felt that through the support, staff members had developed a growth mindset which encouraged greater sense of ownership of the organisation and its development. This impact was primarily reported in smaller and medium sized organisations and tended to be found in growth projects. A number of projects involved staff engagement exercises as part of their business development processes. Involving staff in these processes of planning for the future and identifying opportunities for growth helped everyone to understand how their contribution fitted into the overall strategy as described in the case illustration below. These workshops were also spaces where participants learnt more about other staff members' skills.

Case illustration: Staff engagement in growth strategy

In one example, a series of workshops identifying strengths and opportunities had fed into a new growth plan for the organisation. As all staff members had participated in these activities, they had a good understanding of the objectives of the growth plan. Alongside these activities, job descriptions for each role were re-written to align with the new plan, so that each staff member had a clear understanding of how their role fit into the larger strategic picture. Both staff members interviewed reflected that together these initiatives had led to a much greater level of staff engagement: "*I think there's a real sense of ownership with the company in terms of the business plan, its vision and its direction.*" (Arts and culture, growth project)

Resources

MSP2 support also afforded access to different types of resources.

● **Toolkits and strategic documents**. Often participants described key strategic documents that had been produced as part of the MSP2 support as the most clearly identifiable direct impact. Most obviously, emerging projects had developed the key output of a business plan for their mutualisation. Growth projects had usually produced a growth plan which took different forms depending on the form of growth being targeted: merger plans, business relaunch plans, re-location plans, pricing templates. Certain organisations also pointed to other documents that had been outputs from the programme, such as social impact measurement frameworks, fundraising plans, articles of association, and templates for commercial documents. These documents were considered key to underpinning future business development. However, they also played an important role in shifting stakeholders' perceptions and attitudes towards the organisation.

"*For us to be able to show to the council an externally-produced document that says we are extremely attractive to an external funder and here is the pipeline, a list*

of national trusts and foundations that we can apply to, and then applying a degree of probability... it's hugely, hugely helpful." (Youth services, growth project).

- **Capacity.** Clearly a further direct impact was the additional capacity that the programme provided to organisations both in terms of time and expertise. Undergoing, in some cases, large-scale transformational projects was something that required time as well as the specialist knowledge and expertise of the PSM sector. As identified in chapter four, organisations acknowledged that there were other resources, such as toolkits available, but when faced with operational pressures, simply having an extra person was a huge benefit. Further, organisations also recognised that they did not have all of the skills in house that would enable them to complete the project. "*We wouldn't have the capacity or the capability in-house to be able to do [it].*" (Arts and culture, emerging project).

5.1.2 Indirect impacts

From these direct impacts, participants identified a range of indirect impacts that had ensued. Among these were the headline impacts that the programme was seeking in terms of the establishment of new mutuals and the growth of existing ones. However, there were a number of other important organisational impacts.

It should be noted, however, that some organisations found it difficult to identify these indirect impacts or felt that it was too soon following the end of the programme to effectively assess them. This was because processes had taken longer than expected, project timelines had been delayed (see chapter two), or simply the result of the fact that there was a time lag before indirect impacts could be identified. Participants were realistic about this when asked, with one commenting "*on paper, massively helpful because it [the growth plan] is this roadmap and these new instructions. At the end of the day, the hard work has still got to be done.*" (Arts and culture, growth project).

However, as described in chapter two, there were also examples of organisations facing the prospect of winding up and ceasing trading. In these cases, participants did not feel that this linked with the MSP2 support they had received. Instead this was attributed to external factors.

New mutual launched

As a result of the work achieved through MSP2 , among the interviewed sample, one new mutual had been launched, while others had moved further along the pathway towards mutualisation. For this organisation, the participants felt that it would have been impossible for them to have pursued the mutualisation project without the support received through MSP2. Another emerging project, although they had not yet spun out at the point of conducting the research, also felt that the mutualisation process would have been impossible without having received the support of the programme.

Growing mutual

Some organisations had experienced tangible growth. This included emerging and growth projects. For example, one project had developed business plans and conducted market research for two new services and at the time of the interview were at the point of launching these. In this case, the participant was confident that the capacity and expertise derived through the MSP2 support had enabled this growth, helping them to identify the right opportunities as well as speeding up the process of the roll out. In another example, although the emerging project had not actually fully spun out, they had achieved significant growth as a service, which they felt was attributable to the business planning they had completed as part of MSP2: "*[that] work*

has underpinned us as a business and our growth." (Support services, emerging project).

Improved organisational resilience

Organisations felt that through the development of strategic documents and the upskilling of staff members, the support had enabled them to improve the organisational resilience of the business for the future. By identifying areas of strength and opportunities, as well as gathering evidence of need and impact through the MSP2 support, organisations were in stronger positions to make the case for their businesses, whether in renegotiating contracts with the council or winning new funding bids. This resilience was sometimes felt to be manifest in having *not* had to cease trading. As one participant put it:

> "*I'm not saying it was easy, because we're still struggling a lot, but we probably would be out of business now if we hadn't have gone through that process and got their support.*" (Community support services, growth project)

Diversification of income

Diversification of income was an indirect impact identified by some participants. These organisations reported having won new contracts or new funding during or following their MSP2 support. In this context, MSP2 support enabled participants to gain a better understanding of market contexts and their own strengths in relation to the market. In some cases, through MSP2 support some staff had directly received bid-writing training or had developed their pricing tools. As a result, participants felt they were in a stronger position to write credible proposals with a strong case for support.

> "*We're now better at marketing, we're now better at securing clients, and if we had not gone through that programme, I don't think we would still be in operation.*" (Community support services, growth project).

Nevertheless, it was recognised by participants that this was an ongoing process, with most participants feeling that it was too early to comment on how effective the programme had been over the longer term.

Ability to innovate

Organisations reported having explored new areas of service delivery during their MSP2 support. Participants reported being pushed outside their comfort zone by the consortium partner or exploring options that they would not have previously considered. However, at the time of the interviews, organisations had not necessarily instituted changes or rolled out new delivery models. Nonetheless, participants felt optimistic that being able to respond flexibly and innovate would be a part of securing their longer-term sustainability. For one participant, the growth plan developed through the MSP2 support,

> "*it's enabling us to be that, hopefully, innovative flexible organisation. I think we're doing that. I think we absolutely challenge our status quo in terms of who people are - who we engage with, what we do.*" (Environment and conservation, growth project).

5.1.3 Who has been impacted?

In line with the different types of impact there were two main groups who had been impacted by MSP2 support, directly and indirectly.

The main group identified by participants to have been impacted directly from MSP2 support were the staff of the organisations. Staff were described to have been impacted by:

● having learnt or gained news skills;

● feeling a greater level of engagement in the business planning and

● having better representation in organisational decisions.

Those identified as experiencing indirect impacts from the programme were the clients or customers of the services. Examples of how this materialised included:

● Organisations reporting being able to support an increased number of clients,

● Organisations expanding or innovating their service offer for existing client groups, and;

● Organisations offering support to new client groups.

This was primarily the case where organisations had been able to launch new services following a successful programme of MSP2 support. However, as noted above, while many organisations were optimistic that in the longer term they would be able to achieve this, across the interviewed sample, there were fewer examples of organisations who had got to the stage of launching new services or projects or expanding existing ones.

5.2 Effectiveness of MSP2

Having identified the perceived direct and indirect impacts of the programme, this section explores the degree to which MSP2 effectively met its core objectives based on the analysis of the findings. The objectives of the programme and the degree to which they were met is presented in the table below.

Table 3: Analysis of whether MSP2 objectives were met

Objective	Analysis
Generate strong prospects for new mutuals from the public sector	**Objective partially met** MSP2 had clearly improved the mutualisation prospects of a number of organisations. However, within the scope of this research it's hard to definitively conclude whether this objective has been fully met.
Create more, successful, public service mutuals	**Objective partially met** The research showed that new mutuals had launched as a result of MSP2 support. However, within the scope of this research it's hard to definitively conclude whether this objective has been fully met.
Support the growth, diversification and sustainability of young mutuals	**Objective partially met** The findings indicate that some mutuals did achieve growth, diversify their income

	or had improved organisational resilience following MSP2 support. However, in order to effectively assess this, more robust monitoring data of organisational positions before and after the support would be needed.
Offer tailored support to suit the individual needs of applicants	**Objective met** It was clear that organisations felt that the support they had received had been tailored and specific to their organisational needs.
Back winning projects which will inspire other organisations to explore the mutual model through their own means	**Unable to assess** In this research it has not been possible to assess the degree to which the projects supported through MSP2 have inspired other organisations to explore mutualisation. There appears to be scope, however, for greater showcasing of successful PSMs through the programme.
Share learning and smooth the pathway for others to explore and develop a mutual	**Potential to do more** As identified in chapter four, there was felt to be the potential to improve the level of peer learning and networking. This could be developed into a more formalised element of the programme.
Identify policy challenges affecting the development and growth of mutuals for government to address	**Potential to do more** This research did not identify forums facilitated through MSP2 that allowed common policy challenges faced by PSMs to be fed-back to the Department. There is scope to develop this as an aspect of the programme.

5.3 Lessons learnt

MSP2 had clearly had a number of positive direct and indirect outcomes for the organisations that had received support. Nevertheless, the PSM sector is a complex and evolving landscape where a number of other factors also impact on outcomes. Moreover, as noted in chapter one, this research has been limited to evaluating perceived impacts. Assessing the programme against its original objectives, it's clear that the programme has had successes, particularly in providing bespoke specific support that has enabled a number of PSMs to either establish, build organisational resilience or grow. The findings point to a few considerations for design of any future similar programmes.

- **Sustainability of support**. The findings indicate that the processes of change required for services to successfully spin out of the public sector and to subsequently grow and thrive are complex and develop over a long duration. As a result, participants raised the issue of the sustainability of the support, as they had experienced the support ending abruptly once the project was over. Participants felt

sustainability could be built in to the design of the programme by tapering the funding to allow some less regular but ongoing support, such as occasional check-ins with the consortium partner, following the end of the project. Alternatively, the option of a small follow-up sustainability grant with a fast turnaround could be part of the response to provide a continued helping hand to the sector and support organisations when they face specific acute challenges, such as the loss of a core contract, which are common across the PSM sector.

- **Build evaluation into programme design.** During this research process, it became clear that monitoring some of the impacts of the programme would prove challenging. This is in part because quantitative data on key metrics was not available and proved difficult to collect. This is likely due to the fact that organisations, especially smaller organisations, find it hard to resource participation in research in addition to service delivery. Future programmes should consider how the evaluation approach can be built into the design of the programme from the outset, particularly with regard to key quantitative metrics. Longer timelines after MSP2 support to measure longer-term impact may also be needed to measure some of the indirect impacts, such as innovating in service delivery models.

- **Continued political championing of PSMs**. Participants felt there was a continuing need for central government to act as a champion of the PSM sector. One view expressed was that central government's commitment to the public service mutual model had waned somewhat in recent years. Participants felt that as a small sector, facing unique challenges, there was still a need for clear championing and leadership. In particular, ensuring that public sector commissioners and other stakeholders appreciate the added social value brought by PSMs is an area where it was felt that central government could play a role. Developing forums with organisations supported through the programme where common policy challenges could be identified and fed back to the Department would also help central government to understand how best it can support the sector.

6 Perceived Value for Money of MSP2 Support

In this chapter, we set out findings from the 12 organisations interviewed regarding their perceptions of the programme's value for money and the factors that impacted on this.

6.1 Overall views on value for money

Participants indicated they believed the programme to be good value for money, citing the achievement of specific desired results through the programme (such as spinning out), general improvements in the organisation and additional capacity or expertise from external consultants. More mixed views on MSP2's value for money were expressed by participants, who had not achieved the outcome they were hoping for after investing a considerable amount, or from participants who, despite acknowledging positive results from the programme, felt unable to gauge what the support they received would have cost outside of the programme.

6.1.1 Factors impacting views on value for money

The findings point to three main factors that shaped participants' perception of value for money: the outcomes achieved; the requirement for match-funding and the timing of the MSP2 support.

Successful outcomes

As noted above, the ultimate outcome of the MSP2 project could impact on participants' perceptions of whether it was value for money. Organisations that had achieved successful outcomes felt that the input gained through the programme was useful to their organisation. This included participants who believed that MSP2 support was essential to their organisation spinning out, and participants that they had been more successful in bids as a result of MSP2. Organisations that had not achieved the results they had anticipated from involvement in the programme, either because they closed or simply had not reached the expected stage of their business plan, expressed more moderated views. While ultimately not having achieved a successful outcome, participants felt that for the majority of the programme they had felt it was a good use of time and money as ultimately the unsuccessful outcome was due to external factors.

Match-funding and organisational commitment

Participants from smaller organisations (between four to fifteen staff) noted the considerable contribution required of the organisation through match-funding. These organisations explicitly mentioned that the amount of match-funding required was considerable given their organisation's size or age.

However, the match-funding contribution was also raised positively by participants in both smaller and larger organisations. Examples include, participants who felt that by contributing themselves they would get more out of the programme and better appreciate its results and participants who cited the match-funding requirement as evidence of commitment from the organisation itself in terms of time. Similar attitudes to involvement with the programme more generally were found where match-funding was described as an "investment".

The implications of MSP2 support for organisational commitment and engagement was raised repeatedly. Beyond anticipated outcomes of the programme, organisations described fundamental changes, such as increased employee engagement and cultural change in the organisation. Participants explicitly stated that they would not have been able to engage staff in the way they did without the MSP2 programme and support.

Timing of MSP2 support

Views on value for money of the programme were also shaped by organisations perceptions of the timeliness of the MSP2 support. This highlights the importance of the contextual factor of timing for perceptions of value for money. Participants mentioned the timeliness of the programme as one of the advantages, with one participant describing the support as coming at the "perfect time". Organisations undergoing significant change or exposed to changing external factors found that MSP2 support increased capacity at critical points and felt that MSP2   support would not necessarily be needed now. In contrast, other organisations felt that the development they underwent through MSP2 support would be useful at any point.

6.2 The counterfactual

In their interviews, participants were asked to consider the counterfactual (what would have happened without MSP2). One view was expressed by participants who felt that their organisational development facilitated by MSP2 was "mission-critical". This group would have had to source the funds from their own finances to ensure the outcome. As a result, they felt that the effectiveness of the programme was "incomparable". Examples included participants that considered the programme essential for the continued operation of the organisation:

> "*the two choices would have been either pay the money to get it done, or close the business*" (Justice and probation, growth project).

> "*I think we'd struggle to survive without that support*" (Youth services, growth project).

Organisations felt that they may have been able to undertake some, or all, of the work without the MSP2 support. However, they highlighted reasons why the counterfactual would have led to different outcomes; including that they would have:

- Not been confident that the results would have been as impactful or effective;
- Struggled to put the funds together alone;
- Had to commit considerably more capacity;
- Had difficulty sourcing the same level of external expertise; or,
- Had to cut down on some of the project due to lack of internal expertise or funds.

In short, it seemed that there would be a considerable trade-off involved in undertaking the work alone. Based on this information, it is reasonable to assume that some of the impact of MSP2 would have happened anyway in the absence of the programme but not a substantial proportion.

6.3 Value-added by consortium partners

Finally, the value added from external consortium partners was an important theme of the interviews in three key ways:

- **Expertise.** Organisations alluded to the fact that the skills and experience in working with mutuals was unique and that this would be particularly difficult to source at an affordable cost. This was particularly reflected by participants from smaller organisations who felt that it was necessary to bring in specific expertise.

- **Capacity.** Participants felt that the external consulting support increased capacity for the organisations, in addition to the expertise brought in. In one example, additional capacity and expertise enabled an organisation to avoid a business decision that would have either meant their business would have gone under (or at best required them to reduce their service offer). A slightly different view was held by participants who felt that their organisations had sufficient expertise to deliver organisational development but lacked the capacity to do so alone.

- **Credibility.** Even when an organisation felt they would be able to undertake work themselves, there was still value in it being done by the external consortium partners in order to increase credibility. Organisations highlighted the value of this when in discussions with their respective local authorities. In another example, the organisation felt that the fact that the work was undertaken by external consultants lent credibility to their business plan when engaging with stakeholders.

In contrast, other organisations expressed somewhat negative views about the consortium partners. For one participant whose organisation had not reached the desired outcome, there was a view that perhaps the consultants had not been receptive enough to feedback. In another case, a participant felt that decision-making at times became protracted. However, even in these cases, beyond these specific reservations, participants felt that the consultants were competent.

6.4 Lessons learnt

Participants generally perceived the programme to have provided good value for money, qualified with an array of reasons. The positive feedback did come with some reservations where expectations about outcomes were not met, even when this was not directly linked to the programme. It appears that for most organisations, the support that they received through MSP2 could not have been replicated either internally (i.e. by the organisation's existing staff) or externally without considerable trade-offs. Nevertheless, the findings point to some aspects for further consideration in any future programme.

- **Timing of the support.** The value of the support and the degree of impact that the programme is able to achieve appears to be closely linked to the timing of the support programme. While there is a degree to which this random and cannot be controlled for, it could be important for future programmes to be designed in a way that allows for organisations to access support in as timely a way as possible. Consideration should be given to whether having application windows or rolling deadlines for the programme are more suitable for achieving timely support, and whether there are further barriers to promptly rolling out support projects that could be addressed through programme design.

- **Match-funding delivers value for money.** The findings demonstrate that the requirement for match-funding in the programme ensures greater value for money for the taxpayer and can also lead to a higher level of commitment from some organisations. However, as outlined in chapter 3, match-funding requirements should be designed with the size of organisations in mind and be scaled to account for these.

- **Build value for money measures into systematic data collection**. As outlined previously, the research was unable to collect quantitative data which could be used to assess impact and value for money. Future programmes should ensure this is built into the design from the outset, with data collected prior to the organisation undergoing structural changes. This data could be collected either in the form of management information collected automatically or information collection requirements placed on the consortia partners, mandating the provision of information as a condition of working with the organisations. For instance, the Department for Transport has required participants in the longer semi-trailers trial to collect and submit data to the evaluators of the trial[9]. Consortia partners could be asked to collect this as part of their initial needs assessment of the organisation, as well as at the end of the intervention. Financial data on the levels of private and public funding as well as indicators on service levels and quality should be among the indicators collected.

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[9] See https://www.gov.uk/government/collections/longer-semi-trailer-trial for full details.