



Be part of the conversation! Follow APSE on Twitter and LinkedIn



@apseevents
@apsenews



**@APSE - Association
for Public Service
Excellence**



**APSE Commercialisation Network
Income generation, trading and charging
network 16 August 2022**

**Mo Baines, Deputy Chief Executive,
APSE**

Context for 2022 and beyond....

- Austerity – value of neighbourhood level services
- Pandemic – increased footfall in parks and public realm
- Recovery, renewal and replacement – funding for the future

Reliance on new sources of income

- Charging for events
- Concessions and franchises
- Hire or short lettings
- Fees and charges
- Advertising and sponsorship

But what powers?

Charging.....

- Its lawful!
- What powers?
- S.95 trading powers
- S.93 charging powers
- New power of general competence
- But ... historic powers too!

Be mindful of differences in Scotland, Wales and Northern Ireland

Limitations?

- Previous limits under ‘well-being’ removed (in England) but.....
- GPC – subject to checks in England, Wales and Northern Ireland.
- Falls short of ***‘saddle up the horses, arm your citizens and invade France’***
- Wide accountancy rules ‘taking one year with another’

Do you need a company for 'profit' based income generation?

- No!
- Many things you can do as 'the council'
- Consider what you can do without?
- Mechanisms for non-delivery and compliance measures
- Exit strategy

Without a company?

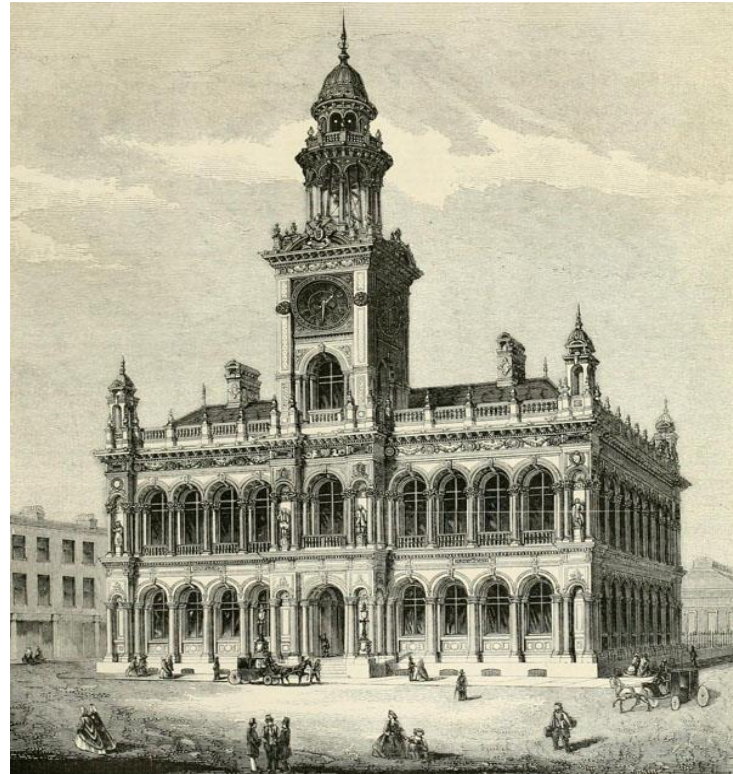
- Local Authorities (Goods and Services) Act 1970*
- Section 45 Environmental Protection Act 1990 (commercial waste)
- Local Government (Miscellaneous Provisions) Act 1976:-
Section 11 (Renewables); Section 19 (Leisure); Section 38 (surplus computer capacity)
- Section 145 Local Government Act 1972 (entertainments)

* *Scotland Act equivalence*

And more...

- Staff secondment s113 Local Government Act 1972
- Section 97 Building Act 1984 (works)
- Section 32 Local Government (Miscellaneous Provisions) Act 1976
- Civic Restaurants Act 1947
- Section 45 Road Traffic Act 1988 (MoT)
- Section 139 LGA 1972 Acceptance of gifts and incidental works

Local authority companies



Local authority companies

- Powers to set them up
- Are they needed
- Advantages?
- Disadvantages?
- Recent Developments

Establishing a company

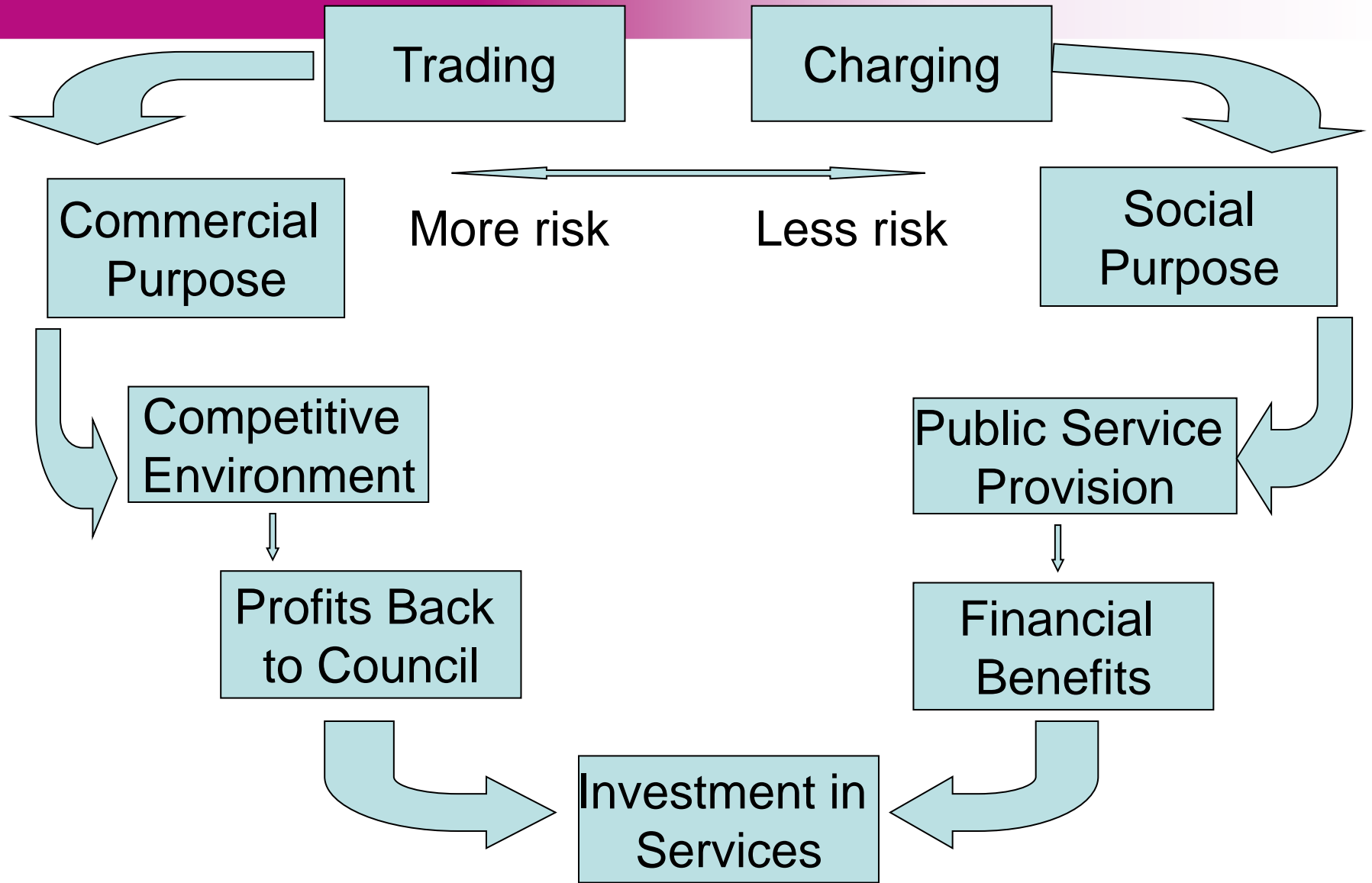
- Many types of corporate entity
 - Limited Liability Partnerships
 - Community Interest Companies
 - Company limited by shares / guarantee
 - Industrial and Provident Societies
 - Charitable Trusts
- The most suitable vehicle depends on the specific needs of the authority

Benefits of company vehicle?

- Limited liability for shareholders
- Freedom from direct management / standing orders of the authority
- The authority is able to present an external corporate face to the market
- Able to buy / sell / hold its own assets
- Able to exploit joint venture opportunities with the private sector and take advantage of private sector perspectives in winning new work
- But.....Some company types will expose you to competition

Disadvantages

- Taxation – always get a proper analysis
- Speed – not a quick process
- Markets – testing your market
- Immaturity of the company and its' finances
- TUPE?
- Equal Pay and comparator employer

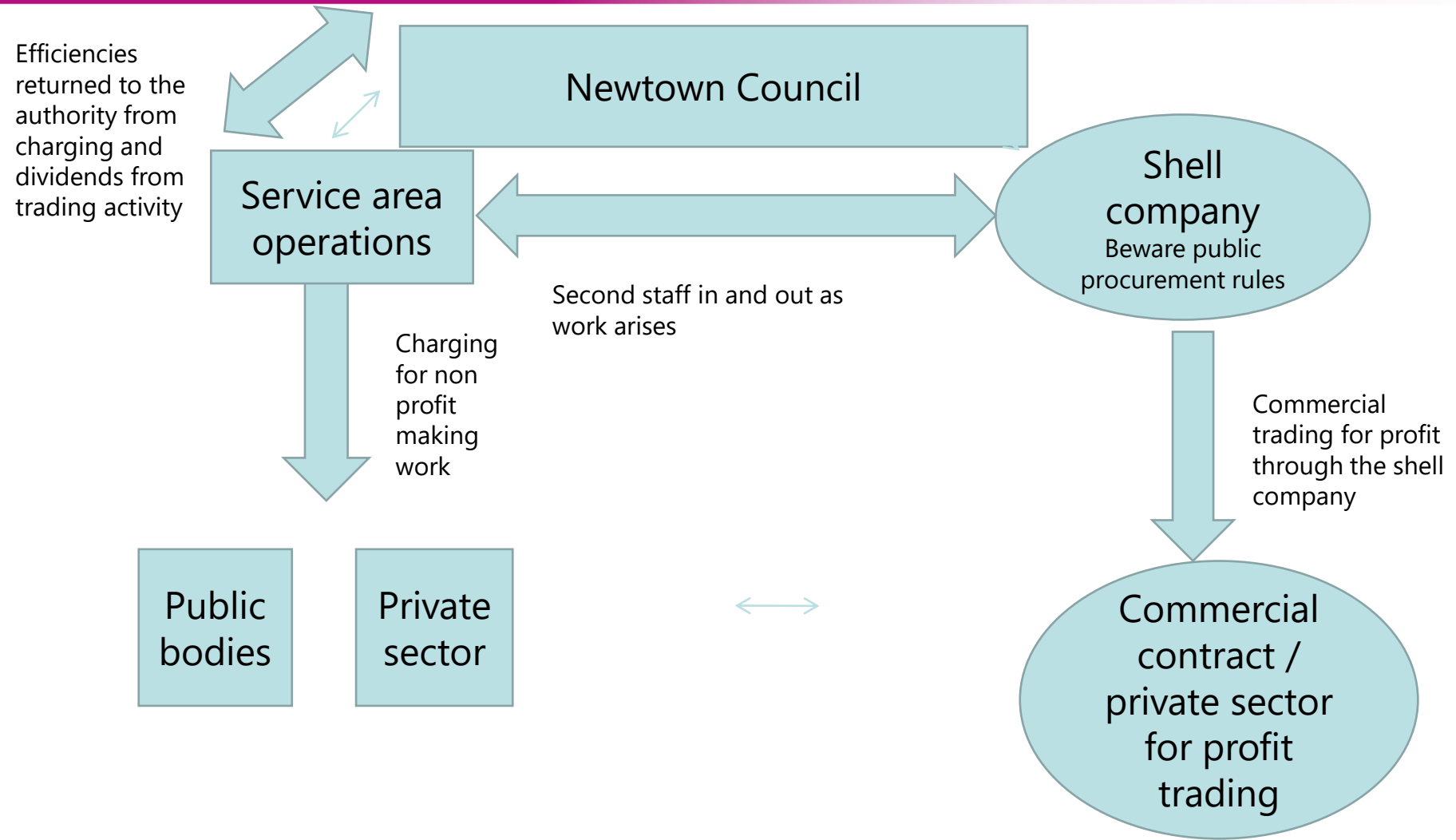


Teckal companies?

- Authenticity?
- Changes to the Directive and Brexit replacements
- Profit!
- 20% external work?
- An 'Entity'?
- Exercising control
- Why not a DSO / DLO?

Hybrids





Key questions embarking on a charging and trading journey

- What is the vision?
- Where are you now?
- Where do you want to be?
- How do you get there?
- Did you get there? (How do you measure success?)
- How do you keep the momentum going?

What are others doing?



Parks and public realm

- Licence to occupy for events and festivals
- Ice cream vans and food stalls
- Fees and charges for pitches and clubs
- Nursery sales
- Garden centres
- Cafes
- Education facilities including conference facilities
- Flower sales and memorials
- Sponsored names / signage / displays





Contact details

Mo Baines, Deputy Chief Executive

APSE

Email: mbaines@apse.org.uk

Association for Public Service Excellence

2nd floor Washbrook House, Lancastrian Office Centre, Talbot Road, Old Trafford, Manchester M32 0FP.

telephone: 0161 772 1810

fax: 0161 772 1811

web: www.apse.org.uk

