

Commercialisation in the public sector

Maximising the opportunities

October 2016

Agenda

What is commercialisation

Why do it

What assets could be involved

Structures for commercialisation

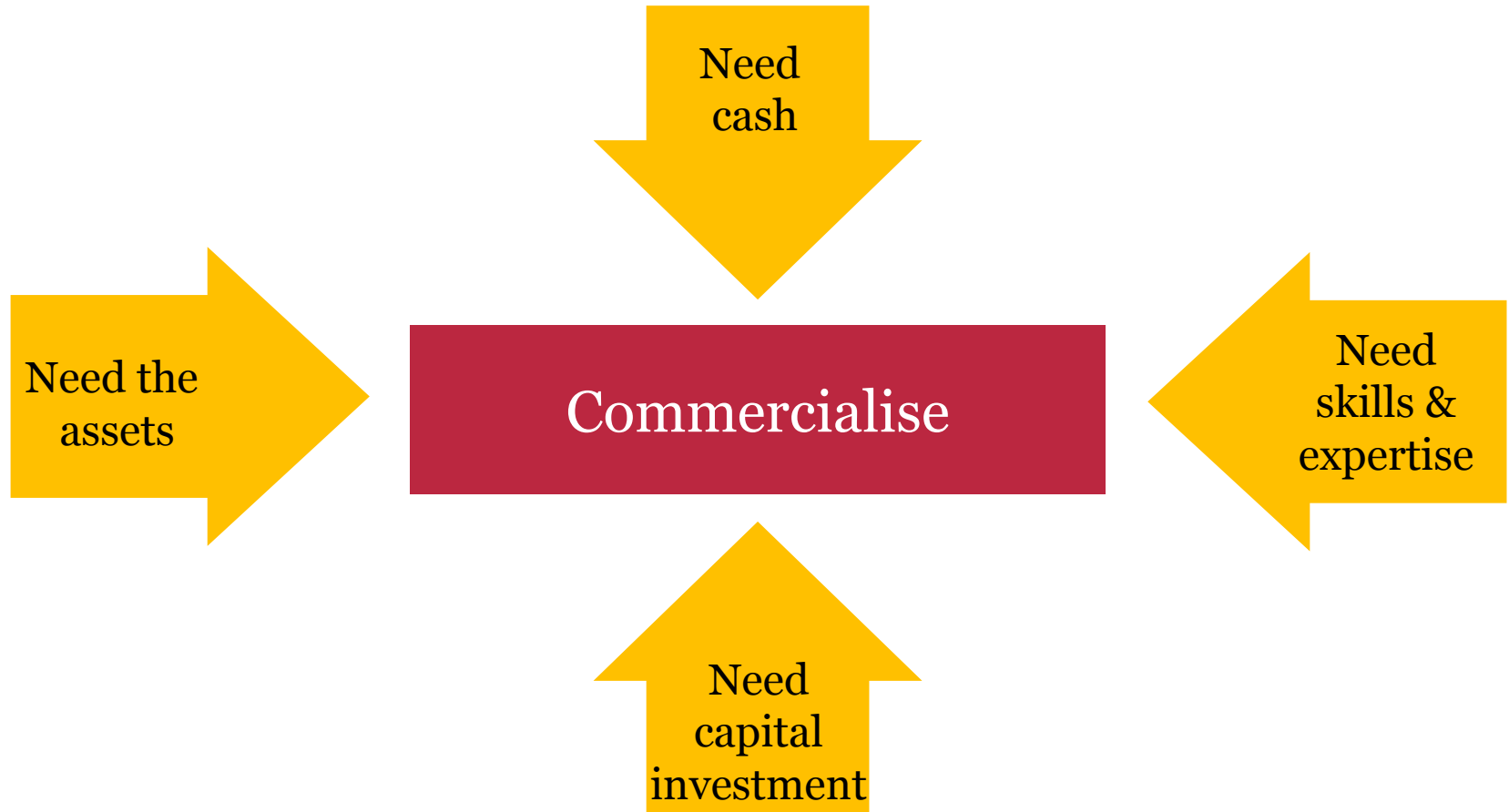
Maximising the opportunities

What is commercialisation?

Placing (quasi) commercial arrangements between public sector entities

Using public sector assets to generate value from the private sector on commercial terms

Why do it?



What public sector assets could be involved?

Any which have scope to realise value

- Surplus land and buildings
- Infrastructure
- Knowledge assets
- Exclusivity, licences
- Brand
- People
- Unrealised efficiencies



Structures for commercialisation

- Grow commercial revenues
- Set up a trading fund
- Partial sale, ie of a share
- Temporary sale – concession, lease
- Creation of co-owned vehicle for investment
- Long term partnering contract with shared risk and return
- Outright sale of assets (+/- long term service “buy-back”)
- Outright sale of assets + regulation of service



Maximise the opportunity by...

Understanding value and what drives it, and how what you ask for affects the value of what is being offered



Maximise the opportunity by...

Placing firm contractual
Boundaries around the
business, its assets, its
rights and obligations



Maximise the opportunity by...

Having data available
to a standard suitable
for bidders



Maximise the opportunity by...

Understanding the bidder market



Maximise the opportunity by...

Understanding the legal constraints, including:

- TUPE
- Tax
- State Aid
- Structures
- Companies Act
- MPM



Maximise the opportunity by...

Having the resources to execute, then manage, the commercialisation through its life

