



Public Sector Organisations

- There are two types of public sector organisations in the UK

Government Businesses



Public Corporations

- ◆ These businesses are **OWNED** by the public
- ◆ The **GOVERNMENT** decides how these businesses are run on our behalf
- ◆ They are usually large businesses
- ◆ They are paid for through **TAXES**



Municipal Undertakings

- ◆ These are businesses that are run by the **LOCAL** government
- ◆ They usually provide **SERVICES** to people in a local area
- ◆ They are paid for by local taxes, such as the **COUNCIL** tax



Public Corporations

- Public corporations are similar to Public Limited Companies (PLCs) – so don't confuse them!
- The main difference is that they do not sell shares – instead the government owns all of the shares
- The objectives of public corporations are usually linked to providing services
- Examples include:





Nationalisation & Privatisation

- Many public corporations have been **NATIONALISED**
 - This means that they were once PLC's, but the government has bought all of the shares
- In recent years the government has **PRIVATISED** many government-owned organisations
 - PRIVATISATION is the opposite of NATIONALISATION
 - The government sells it's shares to private individuals, so that the business becomes a PLC
- Businesses that have been privatised include:



Why Have Public Corporations?



- They avoid wasteful duplication
 - e.g. what is the point of having 6 different types of post boxes?
- They provide services that are not profitable,
 - e.g. post offices in small villages.
- The government can stop customers being “ripped off”.
- They protect jobs and key industries
 - e.g. who would provide an army?





Municipal Undertakings

- Every Borough in England has its own council, who have to provide certain services to the local area.
- Local governments **MUST** provide the following services:



▶	Education
▶	Refuse Collection
▶	Fire Services
▶	Police Services
▶	Roads and Street Lighting

