

## **FORM I - BASQUE COUNTRY - HOUSING**

### **1. ASSIGNED SGEI**

X Article 2(1) b) of Decision, enterprises that are hospitals and enterprises in charge of public housing engaging in activities qualifying as SGEI.

### **2. UNDERTAKINGS TO WHICH DUTIES ARE ASSIGNED**

2.a Public enterprises attached to the Department of Housing, Public Works and Transport of the Basque Government: VISESA and ALOKABIDE.

In 2011, Alokabide was made public and a merger was arranged with the public enterprise SPGVA S.A., in which the latter disappeared and became part of Alokabide.

2.b Public or private enterprises promoting the rental of protected public housing coming under the Basque Government regulation on the protection and promotion of housing rental.

### **3. CONTRACTUAL OR LEGAL FORM OF THE ASSIGNMENT:**

☐ Legislative or regulatory act

The public services assigned to public and affiliated undertakings are defined by the Decrees creating them.

#### ***VISESA***

Decree 258/1989 authorising the constitution of Visesa and approving its articles of association and amendments introduced by Decrees 29/1990, 175/1992 of 23 June 1992 and 96/2011.

Decree 137/2007 regulating the legal framework of action for Visesa's management of the construction of social housing intended for rental, resettlement housing and *alojamientos dotacionales* (temporary subsidised housing arrangement). The Decree provides that the specific activities in which Visesa engages are to be listed in the relevant assignments by the Housing Department.

#### ***SPGVA (formerly GESVIALSA)***

Decree 126/2007 creating the "Public Enterprise for the management of rental housing /Etxebizitza Alokairuetarako Sozietate Publikoa"-SPGVA.

Decree 316/2002 and subsequent amendments (the latest through Decree 61/2009) promotes the *Vivienda Vacía* (unoccupied housing) Programme and entrusts its management to SPGVA. Programme management is now the responsibility of Alokabide as a result of the merger of Alokabide and SPGV.

#### ***Alokabide, S.A.***

The company was constituted by public deed on 28 March 2000. It acquired public enterprise status and its articles of association were approved by virtue of Decree 65/2011. Alokabide is classified as an instrumental resource of the CAE Administration and as such the tasks entrusted to it by the Housing Department are assigned through a management assignment mechanism.

Decree 181/2011 approves the merger of the public enterprises Alokabide and SPGVA, the elimination of the latter and the amendment of Alokabide's articles of association.

Lastly, Decree 39/2008 and the Order of 7 November 2008 and its subsequent amendments and corrections Order of 9/12/2008, Order of 28/01/2009 and Decree 2009/628) regulate, inter alia, aid for the promotion of public housing and most particularly the fostering of protected rent.

**X Contract**

In the case of Visesa, an annual contract-programme is signed.

**X Mandate**

Until 2011, the relationship with Alokabide was governed by the collaboration agreement approved by the Government Council. Since 2011 it is based on management assignment.

**4. SGEI TERRITORIAL SCOPE:**

☐ infra-municipal

**X municipal:** in the case of municipal public undertakings

**X provincial:** in the case of undertakings affiliated to public bodies or public savings institutions at provincial level.

**X regional:** when the corporate network affiliated to the Department of Housing, Public Works and Transport is involved.

☐ national

**5. EXCLUSIVE OR SPECIAL RIGHTS ATTRIBUTED TO FIRMS RECEIVING COMPENSATION.**

(case of restrictions on competition or exclusion of other economic operators from competing). Justification of the need for these rights:

**6. NATURE OF PUBLIC SERVICE OBLIGATIONS: (description of the Public Service)**

- a - to promote the construction of social housing intended for the lowest income segments of society which as such are unable to find a home on the open market;
- b - in line with the 2010-2013 Master Plan for Housing and Urban Renewal, to particularly promote protected-rent housing with a view to meeting the housing needs of those who, especially owing to the current context, are unable to buy a home;
- c - to manage existing social protected-rent housing and unoccupied housing mobilised for the protected rental market under the Bizigune programme. This programme guarantees rent and the return of the home to the owner in a proper state of repair at the conclusion of the rental contract and provides groups in need of protection with an affordable home, adjusting the rent to their ability to pay.

**7. DURATION OF THE PUBLIC SERVICE OBLIGATIONS:**

Unlimited duration but subject to possible regulatory changes designed to implement social protected housing policy approved by the Basque Government, Foral Government or Local Corporations as the case may be.

8. AMOUNT OF COMPENSATION or payment made by the Administration to the undertaking for provision of the service<sup>1</sup>:

- In the case of public undertakings attached to the Basque Government, the purpose of compensation is to cover the operating losses resulting from the provision of the services entrusted to the respective companies.
- In all other cases, there is a framework for aid for the promotion of different types of protected housing regulated through Decrees and Orders subject to a public call for applications every year. The benchmark used to establish the amount of aid is the estimated cost of the entrusted services .

CALCULATION PARAMETERS:

The calculation system is based on coverage of the losses arising from the provision of the entrusted SGEIs.

It should be noted that, from a strictly economic point of view, the promotion of protected housing with a view to furnishing those segments of the population excluded from the open housing market with dignified housing is a loss-making activity. Therefore, the purpose of the aid is to compensate for that situation.

9. CONTROLS TO PREVENT OVERCOMPENSATION:

X Checks performed by officials or auditors.

Number of checks:

At least one annual check by independent auditors. In addition, checks are performed by the Basque Court of Auditors at intervals deemed appropriate.

Result: Audits are subject to approval by the General Shareholders' Meeting and are then entered in the Register of Companies. In the case of public undertakings belonging to the Basque Government, approval is by the Government Council. Audits performed by the Basque Court of Auditors are published in the Official Gazette of the Basque Country.

- ☐ The rules (particularly accounting) notified to the undertaking to prevent any cross-subsidisation allow for a fair distribution of costs and prevent overcompensation.

Indication of the rule notified:

Brief reference to its content:

X Reimbursement method in the event of overcompensation.

Description: where appropriate, payments compensating losses will be reduced in the financial year following the one in which excess compensation was paid.

- ☐ Other:

Description:

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<sup>1</sup> The amount of compensation **may not exceed what is necessary to cover the costs incurred in discharging the public service obligations**, taking into account the relevant receipts and a reasonable profit on any own capital necessary for discharging those obligations. The compensation must be actually used for the operation of the service of general economic interest concerned, without prejudice to the undertaking's ability to enjoy a reasonable profit.