

Overview of **Local Public Services Enterprises** in **Europe**

Serving European citizens



Collection
Observatoire



Map of LPSEs in Europe

Number of LPSEs in SGI Europe member countries

🌀 Total : 31,759



Editorial

“European Local Public Services Enterprises (LPSEs) are essential players in the lives of all the inhabitants of the European Union (EU). Operating in more than forty lines of business, they provide essential support for the dynamics of the regions in which they are established. Although their form and scope vary according to each Member State’s specific characteristics, they all share the same purpose: to ensure the effective performance of local public services activities.

Throughout Europe, LPSEs are the figurehead of a renewed public services model that is committed and concentrated on the local level. This allows the effective combination of public sector values and principles with the strengths and efficiency of the private sector, taking account of specific regional features. These mixed economy models provide a tried and tested method for providing public services all across Europe, as evidenced by the nearly 32,000 European LPSEs identified in this study.

Services of general interest (SGI) —as they are generally known at the European level— constitute the backbone of the EU Member States’ resilience. LPSEs make a major contribution to the continuity of essential activities in citizens’ lives and are therefore essential players in long-term economic development and social cohesion. This observation was specifically brought to light in the context of the Covid-19 crisis, when these undertakings kept operating continuously, without reducing neither the level nor the quality of their services.

Today, the French Federation of Local Public Services Enterprises and SGI Europe, with the support of all the national sections of the organisation, wish to highlight these companies that are fundamental to our regions. It also aims at addressing the fact that they are sometimes misunderstood. This work therefore seeks to promote and give visibility to these stakeholders, by emphasising their essential roles. Their diversity, effectiveness and the specificity of their regime all constitute assets that we wish to bring to the attention of both the public and national and European institutions.



Pascal Bolo
President of SGI Europe

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Patrick Jarry
President of the French
Federation of LPSEs

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Foreword



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Valeria Ronzitti

General Secretary
of SGI Europe



Since its creation in 1999 by the French Federation of Local Public Services Enterprises (LPSEs) and Dexia Bank, the Overview of LPSEs in Europe has become a central tool to understand the evolution of public services and services of general interest at the European level. In particular, it has shown the growth of this model of enterprises providing public services and services of general interest.

Long overlooked, the "LPSE phenomenon" is now a growing reality throughout Europe. Between 2008 and 2020, the number of LPSEs more than doubled, from 16,000 companies on record to nearly 32,000. More than 1.5 million Europeans are now employed by Local Public Services Enterprises, which generate more than €300 billion in turnover.

This development and rise are the direct results of the efforts and contributions made by the French Federation of LPSEs to modernise our public and general interest services. This third edition of the Overview of LPSEs in Europe celebrates the expansion of a modern model that is tailored to meet the challenges of the 21st century. With their local roots, and promoting growth, social and regional cohesion as well as sustainable development, local public services enterprises are now benchmarks to guarantee citizens' safety and well-being on a daily basis.

Now more than ever, this Overview of LPSEs in Europe also consolidates the need to take account of the now well-established European dimension of the model. While the Covid-19 crisis has revealed the importance of general interest services at local level, it is essential to involve these companies in the recovery plans, as well as to consolidate their position as part of the future of the European socio-economic model, while respecting Member States' freedom to organise and finance their public and general interest services.

In this respect, SGI Europe (known as CEEP—the European Centre of Employers and Enterprises providing Public Services—until December 2020) continues to play a central role. As a recognised social partner and privileged interlocutor for the European institutions, SGI Europe will continue to contribute to the promotion of all public services and general interest models, and more particularly the Local Public Services Enterprise model. As public calls for accessible and safe public services and services of general interest multiply, recognition of the LPSE model at the European level opens up new horizons for the future of public services and services of general interest.

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Local Public Services Enterprises in Europe

Overview of LPSEs in Europe: the 2021 edition

Local Public Services Enterprises (LPSEs) form a dynamic and fully fledged economic sector in Europe. Despite their role as leading local economic actors, the characteristics and advantages of LPSEs are sometimes little known both by decision-makers and by authorities and citizens. This situation is particularly due to the diversity of their areas of activities and their structures, but also to the variety of national contexts.

In 1999, Dexia and the French Federation of Local Public Services Enterprises took the initiative to carry out a study on what, at the time, seemed to be a phenomenon peculiar to France. Nevertheless, the growth of these undertakings ultimately proved to be a characteristic common to most Member States that led to an extension of the analysis. Updated for the third time in 2021, the data recorded reflects the increasingly important role of LPSEs in the regions of the European Union. In addition, the trends that were already observed in terms of modernisation of their activities, social and environmental commitment, and management methods are confirmed by this Overview.

This edition was carried out thanks to the collaboration of SGI Europe, the European social partner that represents employers and providers of services of general interest (SGI) and public services in the Member States. This Overview therefore illustrates the shared values and the excellent cooperation that governs relations between European LPSEs associations and federations through SGI Europe.

Through the presentation of sixteen multi-sectoral Epl in seven countries that are members of SGI Europe, this Panorama aims to show the extent of the actions and missions of public services and general interest that LPSEs can provide on a daily basis.

Local Public Services Enterprises: essential players in territorial management

Before presenting the European dynamics of the LPSE movement, this business model should be characterised. Local Public Services Enterprises can be defined as companies organised on a corporate basis, governed by private law and whose capital is held, in part or in full, by local and/or regional authorities. These companies may take various forms depending on the specific characteristics of the countries in which they operate.

LPSEs are therefore involved at a regional level to undertake missions of general interest in an economic system determined by competition. While fully participating in the market economy, they are also part of the public service structures that are essential to the quality of life of citizens.

In general, they are present in eight major sectors of activity of local public action: economic development, urban development, housing and property development, water and energy production and distribution networks, transport, telecommunications, tourism and environment, to name but a few. In total, more than forty lines of business are carried out by LPSEs.



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A tradition of varying length depending on the country

In some Northern European countries, the emergence of this business model dates back to the end of the 19th century. The real forerunners of the movement were Finland and Sweden, where the first *kommunala bolag* emerged in the 1870s. For its part, Belgium created the intermunicipal companies from 1897, which would have their first legal basis in 1922. Germany followed closely behind with the appearance of the *Stadtwerke* at the beginning of the 20th century, a model that subsequently developed widely throughout the country. In France, local mixed undertakings were created from 1912, although their existence was not granted formal status until 1926. In these countries, the post-war period was very fruitful for LPSEs, the phenomenon of which developed exponentially from the 1950s and became more specific as dedicated national legislative contexts were established.

The Southern countries and the English-speaking world would later incorporate this model into their legislation, starting in the 1980s. From the 2000s, Central and Eastern European countries opted for the LPSE solution as a local public management option. That being said, this more recent approach was no less prolific. Italy, Spain, Portugal and Greece saw their number of Local Public Services Enterprises increase rapidly over a short period. In Ireland and the United Kingdom, however, the liberal tradition is the reason for a still relatively limited number of local authority companies.

Different countries, different models...

The number of LPSEs differs greatly among the European countries that have taken a chance on this management method. This finding is explained in particular by the various levels of decentralisation, but also by heterogeneous political and economic traditions that are all distinctive features in the functioning of these States. Nonetheless, LPSEs are present in a very large majority of the Member States of the European Union.

During the period between 2008 and 2020, the movement thus simply doubled from fewer than 16,000 LPSEs recorded to nearly 32,000 across Europe. They currently represent approximately **1.6 million jobs** and a **turnover of more than 300 billion euros**.

... and shared values!

Due to the diversity of their fields of work and the specificities of their general interest remit, LPSEs are essential management models for the European economy and society. The specific roles assigned to them by the local authorities to which they report, and whose ultimate objective is to support regional development, unequivocally distinguish them from traditional private companies.

Local representatives who decide to use the LPSE model in their region can therefore put in place instruments enabling energy transition, develop the urban transport network, or promote cultural and tourist life at the local level. These missions and objectives must be clearly defined with the local authority in a transparent manner and enable the provision of high-quality services. Accordingly, performance, complementarity and efficiency at the best cost seem to sum up the LPSEs' credo.

In this sense, the fact that SGI Europe has awarded the CSR Label to a growing number of LPSEs attests to the importance of these values and their subsequent implementation in the management of these companies. This label rewards the good practices of public services and SGI providers across Europe in terms of corporate social and environmental responsibility. These are all elements that demonstrate the deep commitment of LPSEs to their regions.

LPSEs as a guarantee of dynamic regional development

Despite a certain disparity between the Member States, the use of LPSEs by European local and regional authorities is increasingly frequent. This trend in local management is explained in particular by the way these entities operate. Indeed, LPSEs enable flexible and efficient management of the missions of general interest for which they are responsible. First of all, the use of private law rules or a diversified shareholding structure that can include private operators allows them to combine company's strengths with public sector's values, while optimising their competitiveness. Secondly, LPSEs respond to a quest for financial and strategic rationalisation by local authorities that leads them to maintain direct control over the service provided, while outsourcing the performance of assignments and the mobilisation of resources to do so.

Furthermore, they offer local and regional authorities the opportunity to use LPSEs as tools for partnership between them. They can therefore achieve economies of scale and

aggregate public funds to finance major infrastructure, in addition to sharing responsibilities between them. These instruments, which serve local public action and enable cooperation with private partners, have many advantages. They increase investment potential and encourage the acquisition of technical skills to respond to the changing needs of citizens and economic stakeholders.

On the front line of the recovery

In recent years, LPSEs have navigated through a context of acute economic and social crisis, marked by a series of episodes that have strongly destabilised the European Union. Faced with these difficulties, they have emerged as stabilisers of the economy, but also as drivers of recovery in their regions. Indeed, their role as a public service provider has positioned them at the forefront, highlighting their ability to manage crises and their availability to assist with recovery measures adapted to local specificities. LPSEs have also maintained their investments to benefit SMEs and local employment.

This third update of the Overview of LPSEs in Europe, made possible thanks to the European network of national federations and SGI Europe, aims to pursue and promote the development of the LPSE movement. The data collected will support their requests and proposals to local, national and European decision-makers and mark the start of deeper work: to introduce LPSEs in Europe by highlighting specific examples of their impact on European regions.



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Austria



The Austrian LPSEs are a recognised component of local public action, especially by citizens. Their motto is to be operators of local public services that are both efficient and capable of guaranteeing sustainable services, while fulfilling their commitments to local authorities. LPSEs pursue a “multi-activity” approach by offering a wide variety of local services of general interest in the areas of energy, water, waste, telecommunications and public transport.

In Austria, LPSEs are particularly involved in the area of energy management and production. Although they are local authority operators, they manage electricity, water and gas infrastructure, and prefer to invest locally rather than pursue large-scale commercial objectives. However, they are also sometimes faced with cumbersome European legislation, growing administrative constraints and competition from major energy operators.

The Austrian LPSEs have a real competitive advantage in terms of innovation in the field of energy transition (*Energiewend*). In particular, local and regional authorities are putting in place instruments enabling citizens to participate in financing renewable energy projects in their quest for self-sufficiency. Conversely, the LPSEs’ position is more complex in terms of housing, due to the fact that local authorities are subject to severe budgetary restrictions that limit their ability to grant housing benefits in a country where the supply of social housing is insufficient. Public transport is also facing major challenges, such as improving the quality of services, transporting more passengers and innovating to meet citizens’ transport demand.

Finally, **LPSEs also have a social impact in Austria, as employers. They play an important role in combating youth unemployment. They also run initiatives in favour of people with disabilities**, such as the case of the local public transport authority in Vienna, which provides “barrier-free access” and which has launched a campaign against discrimination and social exclusion in recent years.

Identity card

8.9 million
inhabitants



Administrative organisation

2,095 municipalities (*Gemeinden*)

Focus on LPSEs

› Number of LPSEs: **4,068**

› Annual turnover:

€6.5 billion

› Number of jobs: **911,900**

Main sectors of activity:

energy, transport, housing, health services, education, water management and waste management.



Flagship projects



Electric bus in Linz.

© Linz AG



The Twin City Liner in Vienna.

© Wien Holding

Sustainable mobility (Linz, Austria)

LINZ AG

Linz AG currently operates in 117 Austrian municipalities. It is active in various fields of

activity, such as energy and water networks, waste and wastewater disposal, as well as telecommunications and mobility. Providing essential services of general interest, this LPSE is one of the main employers in the region, employing more than 3,000 people.

Its public transport network illustrates its innovative strength: the Linz AG Linien transport fleet is one of the most modern in the world. Indeed, fully electric buses of 24 metres have recently been commissioned. *"More than 3,000 specialists work daily on the further development of our service quality and on future-proof, affordable solutions in harmony with nature,"* says Erich Haider, CEO of Linz AG.

Waterway transport (Vienna, Austria)

wienholding

With 75 companies, **Wien Holding** contributes to the exceptional positioning of Vienna as a social, dynamic and modern city, as well as a large business centre. Alongside the city of Vienna and the Wiener Stadtwerke GmbH, it is one of the largest providers of services of general interest in the capital. Its sustainable projects stimulate economic growth, create jobs and improve the quality of life of Viennese people.

The Twin City Liner, Wien Holding's signature project, is a high-speed catamaran that has connected Vienna's Old City with the Slovak capital of Bratislava in 75 minutes via the Danube since 2006. This river transport line commutes three times a day and can accommodate up to 250 people. It is equipped with a system to limit the formation of waves to protect the river's banks and ecosystem, while being environmentally friendly due to its reduced fuel consumption.



© WIEN HOLDING

Renate Brauner

Special Representative of the City of Vienna for Services of General Interest and Municipal Utilities

President of VÖWG [Austrian section of SGI Europe]

“ The city of Vienna has consistently opposed the idea of privatising services of general interest. It is not least thanks to keeping services like public transport, water supply, waste management, energy supply, health and care institutions as well as the educational system and nursery schools—which are free of charge—publicly organized that Vienna is repeatedly listed as the city most worth living in the world.

The mission of Vienna's LPSEs is not maximizing profit but guaranteeing the high quality and fair prices of these services. They therefore contribute essentially to the outstanding quality of life in Vienna.”

VÖWG

VÖWG (Verband der öffentlichen Wirtschaft und Gemeinwirtschaft Österreichs) is the Association of Local Public Services Enterprises in Austria that represents the interests of the public sector economy, especially in the area of local services of general interest.

Bulgaria



Bulgaria has a single level of local authority: municipalities (*obshtina* in Bulgarian). As legally independent entities, the 265 Bulgarian municipalities have their own budget and assets. **The municipal council**

is the deliberative assembly that decides on local policy, while the mayor represents the executive body of the municipality, responsible for implementing the policies decided by the council.

Although there are many powers that belong to municipalities, it is possible to cite the management of companies and municipal property, public works, water and waste management, regional development and also public transportation.

After mass privatisations in the 1990s, Bulgarian cities chose to develop LPSEs from the 2000s. There are two types of LPSEs in Bulgaria, the first model of which is similar to French Local Public Companies ("*Sociétés publiques locales*"):

- **Municipal undertakings**, close to autonomous companies. They have legal personality, staff with the public official status, and a budget integrated into that of the municipality. They cover several powers delegated to municipalities, such as transport, car parks, funeral and wedding-related activities.
- **Communal companies** or commercial companies. They have the legal personality of public limited companies and their capital is most often 100% owned by municipalities whose staff and accounting fall under private law. The sectors represented include transport, municipal markets, waste management, green spaces and energy management (heating, water).

These two types of LPSEs are directly set up by municipal councils, which appoint managers, approve strategies and carry out regular monitoring. Municipal councils are therefore responsible for setting up municipal or locally-run companies and must justify and give reasons for their creation. They appoint a managing director in charge of the management and staff of the LPSE.

Identity card

6.9 million inhabitants



Administrative organisation

28 regions (*ablasti*)

265 authorities (*obshtina*)

Focus on LPSEs

► Number of LPSEs: **550**

Main sectors of activity:

water, waste treatment, transport, roads, hospitals or cemeteries.



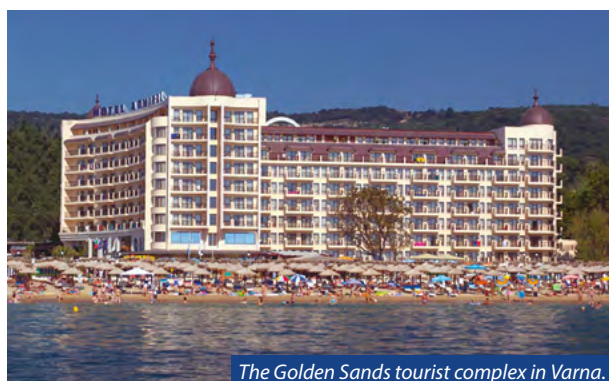
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Flagship projects



Sewer analysis operation in Sofia.

© Sofiyska voda AD



The Golden Sands tourist complex in Varna.

© Golden Sands

Water management technologies

(Sofia, Bulgaria)



Sofiyska voda AD, a leader in water management technologies, provides water and wastewater treatment services to more than 1.4 million

people. This LPSE has been the second largest water investor in Bulgaria for more than three years (behind the State). It operates three major water sources, four drinking water treatment plants, two wastewater treatment plants, 3,700 km of drinking water networks and 1,700 km of wastewater networks.

Over the last ten years, Sofiyska Voda has proven that a public service can be innovative, modern and develop services in line with the digital world in which we live. This LPSE introduced new technologies, developed new IT applications and created an environment that offers modern services and quality control over the entire Sofia water management system. For this large-scale LPSE, "where others see waste, we see resources".

An ecological tourist complex

(Varna, Bulgaria)



Located on the Black Sea coast, the seaside resort **Golden Sands** has been one of Bulgaria's major tourist attractions for decades. The facility, which occupies more than 18,000 hectares, is owned by a consortium of four LPSEs and a private green transport company.

These LPSEs that report to the city of Varna have historically been operators in the water, sanitation and electricity sectors. Through Golden Sands, they have diversified their activities, in particular managing the parking and children's play areas, but also the maintenance of the green spaces of the complex. Indeed, this station is integrated into the Golden Sands natural park, which houses essential habitats of local fauna and flora, and unique landscapes. It is therefore at the heart of this protected area that belongs to the Natura 2000 European ecological network and is dedicated to ensuring its preservation and protection.



© BICA

Milena Angelova

General Secretary of BICA
[Bulgarian section
of SGI Europe]

Vice-President of SGI Europe

“ Bulgarian LPSEs have coped well with the crisis caused by the Covid-19 pandemic, showing good resilience in such an extreme situation. The establishing and development of LPSEs in the future will be an indicator not only for the growth of the utility sector in Bulgaria, but also for the Bulgarian society as a whole.

LPSEs have a vital role as facilitators of successful transition to sustainable and digital society and for active inclusion of local communities. To achieve this, LPSEs need to tackle some particular challenges caused to a great extent by problems of local self-government, but also by the need of better management skills of Mixed Ownership Companies and more transparent approach in fighting grey practices and corruption.”



BULGARIAN
INDUSTRIAL CAPITAL
ASSOCIATION

BICA (Bulgarian Industrial Capital Association) is the Association of Local Public Services Enterprises in Bulgaria that represents the interests of employers of services in the general interest.

France



French Local Public Services Enterprises (LPSEs) can be defined as companies governed by private law, which operate at a regional and local level, and serve the general interest.

They work at the heart of urban and rural development by reconciling the satisfaction of the general interest and the assets of the company model while relying on local resources. Therefore, LPSEs must demonstrate daily efficiency and adaptability to succeed in their missions, while serving the general interest.

Its customers are local authorities, which, through it, want to find efficient, solidarity-based solutions adapted to the development challenges of their regions. In France, they can take three forms:

- **Mixed Companies** (*Sociétés d'économie mixte/Sem*) are public (between 50% and 85% of the capital) and private limited companies that can operate in many areas of activity. They are appointed to their roles after systematic competitive tendering.
- **Local Public Companies** (*Sociétés publiques locales/Spl*) are limited companies with 100% public share capital held by at least two local authorities. They enable elected representatives to steer public interest missions quickly and in a legally secure way. They are exempt from competitive tendering.
- **Single-Operation Mixed Companies** (*Sem à opération unique/SemOp*) have a flexible mixed capital (between 34% and 85% for the local authority and between 15% and 66% for the other shareholders). The contract for the assignment is awarded to the SemOp by a single public call for tenders. At the end of its contract, it is dissolved.

LPSEs offer solutions adapted to the challenges of local elected representatives: control by the local authority and company management, allowing contractual simplicity and promoting the expertise of specialised players through competitive tendering. They cover more than forty lines of business at the heart of citizens' lives, from water management to planning and transport. The 1,332 French LPSEs and their 11,000 local elected representatives have been represented by the French Federation of Local Public Services Enterprises since 1956.



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Identity card

67 million inhabitants

Administrative organisation

13 regions

101 departments

34,970 municipalities

Focus on LPSEs

Number of LPSEs: 1,332

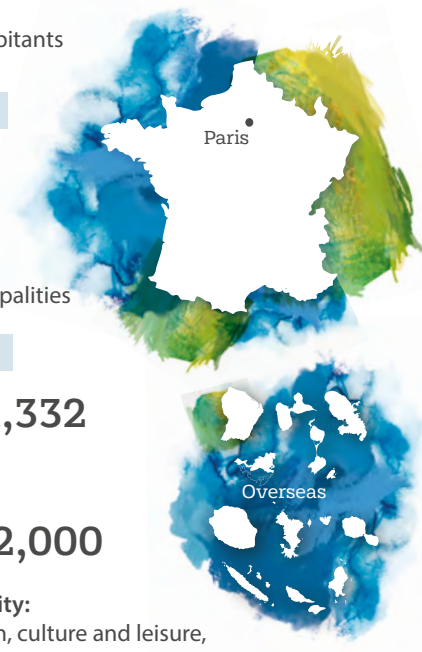
Annual turnover:

€15 billion

Number of jobs: 62,000

Main sectors of activity:

development, tourism, culture and leisure, water, energy and waste management.



Flagship projects



The Palais des Papes in Avignon.

© Empreintes d'ailleurs

Management of cultural sites

(Avignon, France)

AVIGNON
TOURISME

The city of Avignon has chosen to entrust the management of monuments and tourist sites to the **Avignon Tourisme** LPSE. This operational player serving the community is dedicated to developing tourist attractiveness and promoting the local heritage of sites, tourist and related facilities, through associated public utilities.

One of the major cultural sites it manages is the *Palais des Papes*, a symbol of the power of Christianity and the temporal and spiritual power exercised by the papacy at that time in Avignon, as the seat of Western Christianity. A figurehead of French tourism, this historic site, classified as a World Heritage Site by UNESCO, is one of the most visited sites in France by domestic and foreign tourists, welcoming over 600,000 visitors per year.

Flagship projects



Celebration of the 20th anniversary of the Cité de l'Espace in the presence of the astronaut Thomas Pesquet.

© Semeccel



Nantes e-Busways.

© Semitan

Promoting science

(Toulouse, France)

SEMECCEL
CITÉ DE L'ESPACE • L'ENVOL DES PIONNIERS

The *Cité de l'Espace* is the largest space discovery site in Europe. Every year, 400,000 visitors, both the general public and schools, visit its immersive exhibitions, its gardens featuring iconic full-scale spacecraft and its performance venues. Visitors also take part in some of the many events or educational projects it arranges, which are often in tune with the latest developments in space. This facility of Toulouse Métropole is managed by a Mixed Company, **Semeccel**.

Located in Toulouse —the European Space Capital—, the *Cité de l'Espace* maintains very close links with the local, but also national and international spatial, educational and tourism ecosystem, through its shareholding structure and strong partnerships with the main players in these sectors. It stands out for its significant international commitment to cooperation with space agencies (France, Europe, USA, China and so on) and structures around the world with which it shares its know-how.

Public transport

(Nantes, France)

semitan
Transporter. Progresser. Partager.

Semitan operates the *Nantes Métropole* public transport network. This LPSE coordinates mobility throughout the territory.

Its fleet consists of tramway lines, electric buses, buses and river shuttles. It provides nearly 150 million journeys per year for a conurbation of 646,000 inhabitants.

In September 2019, the Semitan launched a line of 22 tandem electric buses (the e-Busway) that connects the centre of the city to the southeast of the Nantes conurbation. 24.38 m long and with a capacity of 150 passengers, each bus has a rapid charging system and a continuous electrical power supply thanks to its telescopic arm which automatically unfolds to recharge at the totems located in stations during passenger changeovers, therefore not impacting operating time.



© Stéphane Laure

Thierry Durnerin

Managing Director of the French Federation of Local Public Services Enterprises

Delegate General of SGI France [French section of SGI Europe]

Vice-President of the Public Services Board of SGI Europe

“LPSEs are at the heart of the development of the territories and close to local communities. These full-fledged companies combine public service DNA with private management efficiency. LPSEs expertise and engineering are the best assets for effective development, innovation and investment that meet social expectations.

French LPSEs are strongly integrated into the European movement of Local Public Services Enterprises. Mixed economy in France draws from the dynamism of neighbouring countries, as with the creation of the Local Public Company (Spl) and Single-Operation Mixed Company (SemOp) models. Pooling the interests of LPSEs allows them to influence at EU level, particularly through the effective action of SGI Europe.”

FÉDÉRATION DES ÉLUS
epl
DES ENTREPRISES
PUBLIQUES LOCALES

Since its creation in 1956, the French Federation of Local Public Services Enterprises (*Fédération des élus des Entreprises publiques locales*) is the only federation of elected representatives representing the LPSE range. Governed by LPSE presidents and directors of all political affiliations, the Federation of LPSEs has been part of a modern and effective vision of local public action for over sixty years.

Germany



In Germany, municipalities are free to decide on how to manage their public services. In fact, LPSEs are the main providers of infrastructure. They promote stability and economic, cultural and social development across regions. They ensure the proper functioning of society and the economy, being both employers and customers. In short, they guarantee an equal quality of life between citizens.

The country currently has 8,700 LPSEs. The vast majority of these are companies owned by the municipalities and made up of 100% public capital, in a country with some 11,000 municipalities. It is not uncommon to have several LPSEs per municipality. There are also municipal holdings, which are generally composed of 100% public capital.

The German LPSEs are very active in the following sectors:

- Electricity and gas infrastructure.
- The field of energy transition (*Energiewende*) and renewable energies.
- Water distribution and sanitation.
- The social housing sector.
- Digital coverage of the population.

Energy is a real challenge for German LPSEs. They seek to develop flexible equipment to ensure sufficient and constant supply of these resources. In fact, **energy efficiency and the use of renewable energies is a priority in all sectors of activity. It is at the core of discussions in the field of housing.** In this sense, German municipalities have made the issue of sustainable development a political priority that is reflected in the actions of their LPSEs, which have circular economy objectives in particular.

In terms of national representativeness of German LPSEs, VKU (*Verband kommunaler Unternehmen e.V.*), the national Association of economic companies and infrastructures owned by the municipalities, promotes the interests of the local public economy model both in Germany and with the European institutions.



© Stadtwerke

Identity card

83.1 million inhabitants

Administrative organisation

295 districts (*Kreise*)

11,194 municipalities (*Gemeinden*)

Focus on LPSEs



› Number of LPSEs: **8,700**

› Annual turnover: **€118 billion**

› Number of jobs: **275,206**

Main sectors of activity:

electricity, gas, drinking water, heating, wastewater management, transport, public swimming pools.

Flagship projects



New energy supply system for a building in Stegerwaldsiedlung.

© Stadtwerke Köln

Energy renovation

(Cologne, Germany)



Stadtwerke
Köln GmbH

RheinEnergie is a subsidiary of Stadtwerke Köln, figurehead of Cologne LPSEs. Thanks to the GrowSmarter project financed by the European Horizon 2020 programme, the subsidiary was able to renovate part of the buildings in Stegerwaldsiedlung managed by the social housing company. This vast energy redevelopment project benefited 16 residential buildings with 687 social housing units leased.

RheinEnergie was responsible for installing photovoltaic panels, high-performance heating pumps that are connected to the urban heating network and monitoring equipment. Smart management systems connected to the RheinEnergie virtual power station were also installed. All these measures enabled better energy efficiency and lower energy consumption in this urban district.

Flagship projects



Stadtwerte München power plant in Munich.



The Stadtwerte Speyer SmartFlower.

Eco-electricity

(Munich, Germany)



Long before Germany's decision to phase out nuclear energy, **Stadtwerte München** had achieved a turnaround in electricity generation. In 2008, the renewable energy expansion campaign was launched. The stated objective was clear: by 2025, this LPSE intends to produce enough eco-electricity through its own power plants to cover all of Munich's needs.

In 2012, the so-called "green heating" vision expanded the concept. Stadtwerte München then committed to cover all of Munich's urban heating needs on a CO₂-neutral basis. The exploitation of geothermal energy was also a key element in this approach, as well as the expansion of green cooling to replace individual air conditioning systems.

Solar energy

(Speyer, Germany)



Located in Rhineland-Palatinate, **Stadtwerte Speyer** is a multi-service LPSE that notably provides electricity, produces renewable energies and electric mobility, and manages drinking water, natural gas and district heating networks. With a tradition dating back more than a hundred and fifty years, it is a pioneer and driving force for climate protection in this region, which produces solar and wind energy locally.

The SmartFlower is an innovative smart energy storage technology project by Stadtwerte Speyer from 2016. As soon as the sun rises, the surfaces of solar modules unfold like a flower. Equipped with a fan that follows the sun, the "solar flower" is positioned at an angle of 90° to the sun. Sensors fold it to protect it from wind damage once the speed of 63km/h is reached.



Ingbert Liebing

Managing Director of VKU
President of BVÖD [German section of SGI Europe]
Vice-President of SGI Europe

“Local public services in Germany are a trustworthy partner for society and the economy – this is more evident than ever in the corona pandemic. Their key characteristics are: regional, reliable and sustainable.

Local public utilities are the central infrastructure providers in Germany, and are key initiators for economic, cultural and social stability as well as development across regions. VKU's around 1,500 members have more than 275,000 employees. They generate more than 118 billion euros turnover per year, of which 12 billion euros are invested in regional infrastructure.”



VKU (Verband kommunaler Unternehmen) is the German Federation of Municipal Enterprises. It comprises 1,500 companies owned by German municipalities and cities (*Stadtwerte*) in the fields of energy, water, sanitation, waste management and communication networks.

Italy



Italy has just over 4,300 Local Public Services Enterprises, wholly or partially owned by local authorities, the vast majority at the municipal level. They have financing models that differ depending on

the business sectors concerned: taxation of citizens, national pricing of public services provided, public guarantees or access to credit from banks.

Three types of LPSEs can be identified:

- **In-house companies (Local Public Companies)**, whose local authorities are 100% shareholders and which are entrusted with the provision of services.
- **Companies with mixed capital**, which under European law correspond to the institutionalised public-private partnership (Single-Operation Mixed Companies), which are subject to a single and simultaneous competitive tendering process for the award of the contract and for the choice of private partner.
- **Fully private companies**, which were originally completely public before a wave of privatisation in recent years. Some of them are even listed on the stock exchange.

Their activities cover the traditional sectors of local management (energy, water, transport, development, tourism), but also **in more atypical sectors compared to their European neighbours, such as hospitals, pharmacies and even dairies**. In this sense, they benefit from specific collective bargaining agreements. They also have indirect stakes in many active local organisations and SMEs that manage networks, develop infrastructures or promote tourism.

Italian LPSEs participate in the local economic landscape through mergers or acquisitions of small companies with a view to creating larger and more efficient groups, whose management by municipalities can thus be strengthened. This propensity is particularly evident in the waste management sector, which is constantly modernising and developing. The management of certain local public services is therefore carried out by groups of municipalities, and no longer by isolated municipalities.

Identity card

60.2
million
inhabitants



Administrative
organisation

20 regions (including
5 autonomous regions)

103 provinces

8,056 communes

Focus on LPSEs

› Number of LPSEs: **4,350**

› Annual turnover:

€38 billion (Utilitalia only)

› Number of jobs: more than **100,000**

Main sectors of activity:

development, transport, waste, social housing, energy.

There are two major LPSE networks in Italy: the highly competitive sectors (water, waste, energy) are grouped together in Utilitalia, while the other organisations have formed their own networks, such as Federculture (culture), Asstra (transport), FIASO (health and hospital sector) and Federcasa (social housing).



Flagship projects



Bioplatform project in Sesto San Giovanni.

© Gruppo Cap



Sant'Agata Bolognese biomethane production plant.

© Herambiente

Waste-to-energy (Milan, Italy)



Gruppo Cap manages the water service of the metropolitan area of Milan. This mono-utility group guarantees water services for more than 2.2 million inhabitants.

With the *BioPiattaforma di Sesto San Giovanni* project, the LPSE will transform a waste-to-energy plant and a treatment plant into a bioplatform dedicated to the carbon-neutral circular economy. This new structure will include a production line dedicated to the treatment of sludge from water purification for the production of thermal energy and fertilisers, and a second line dedicated to anaerobic digestion for the treatment of wet waste for the production of biomethane.

This project was set up by Gruppo Cap via a citizen participation and consultation process that led to the establishment of a monitoring and control committee composed of a plurality of stakeholders.

Biomethane production

(Bologna, Italy)



Gruppo Hera is the largest multi-utility Italian LPSE, operating mainly in the environmental, water and energy sectors.

This group meets the needs of 4.3 million citizens in 330 municipalities of Emilia-Romagna, Friuli-Venezia Giulia, Tuscany and Veneto.

The company Herambiente (75% owned by Hera) deals with processing, recycling, energy recovery and waste disposal. It developed the project for the biomethane production plant in Sant'Agata Bolognese which was launched in 2018. It produces 7.5 million cubic metres of biomethane each year, a renewable fuel intended for the automotive sector, but also 20,000 tonnes of compost for agriculture from municipal organic waste and waste from pruning and mowing. This project avoids the use of the equivalent of more than 6,000 tonnes of oil per year.



© Herambiente

Filippo Brandolini

President of Herambiente SPA Bologna

Vice-President of Utilitalia [Italian Federation of network LPSEs]

Vice-President of SGI Europe

“ In Italy, Local Public Services Enterprises showed during the pandemic and the lock down their fundamental role —not always so evident to the citizens—, adaptability and resilience. Indeed, they never stopped providing fundamental services like energy, water supply, waste management so helping to maintain the social cohesion and overcome the difficulties.

The Local Public Services Enterprises have also a strategic role to contribute to overcome the social and economic crisis after the pandemic as well as to fight the climate change, boost the circular economy and pursue the United Nations Goals with investments in digital and sustainable infrastructures and innovation.”



imprese acqua ambiente energia

Utilitalia is the Italian Federation that brings together LPSEs operating in the water, environment, electricity and gas sectors. It has more than 500 member companies, with a total of around 90,000 employees and a production value of around €38 billion. It represents these LPSEs with national and European institutions.

Spain



Spain has 1,200 LPSEs that develop their activities in the water supply, sanitation, public transportation and real estate development sectors. Of these, 85% have 100% public sector capital, while 15%

have mixed capital. These companies that provide services of general interest are considered to be effective, competitive and high-quality tools for the provision of public services to citizens of the regions in which they are located. In practice, they provide public services that benefit 34% of the Spanish population.

The Spanish LPSE movement is largely made up of Local Public Companies, with a certain number of historic Mixed or Single-Operation Mixed Companies (*"mixtas"*). In large cities, the president is most often the mayor, at the head of a "public holding company" that coordinates the work of LPSEs active in different sectors (water, waste, transport, cleanliness, housing, attractiveness, etc.).

The profitability of LPSEs is regularly examined, leading to specific consequences (closures, restructuring plans, concentration of services). In this sense, the movement is constantly evolving to best meet current and future local needs, and to avoid redundancies and overlaps. In this sense, the Spanish government advocates an LPSE model based on transparency and efficiency.

In terms of regional organisation, the trend is towards the creation of supra-territorial initiatives aimed at further pooling resources between administrations and communities and, in particular, small municipalities.

Spanish LPSEs are represented by the Red ELIGE (*Red de Empresas Locales de Interés General*), the Network of Local Enterprises of General Interest, whose role is to promote the essential nature of these companies. It has notably contributed to the creation of the School of Public Services (*Escuela de Servicios Públicos*) whose objective is to highlight the role of public service managers as a means of improving the quality of life of citizens.

Identity card

47.3
million
inhabitants



Administrative organisation

17 autonomous regions
(*comunidades autónomas*)

50 provinces (*provincias*)

8,119 municipalities (*municipios*)

Focus on LPSEs

› Number of LPSEs: **1,200**

› Annual turnover:

€1.5 billion

› Number of jobs: more than **10,000**

Main sectors of activity:

water, sanitation, development, transport, housing.



Flagship projects



Staff members of the Life Fluvial project.

© Emalcsa



The Rompemoldes space in Seville.

© EMVISESA

An environmental project

(A Coruña, Spain)



Emalcsa operates urban water supply systems in the city of A Coruña. This LPSE is also

responsible for supplying seven neighbouring municipalities, providing a service to more than 400,000 inhabitants. With a developed infrastructure, Emalcsa is a benchmark in terms of sustainability in the urban water sector. In this sense, it invests 1.5% of its annual budget in research and development.

The Life Fluvial project aims to improve the state of conservation of the Natura 2000 network's Atlantic river corridors (European environmental network of biodiversity conservation sites). It is based on a transnational strategy for the sustainable management of habitats in several Atlantic river basins in the Iberian Peninsula. Emalcsa therefore carries out conservation of biodiversity operations, monitoring and public awareness actions, through the publication of the results of this project.

Social and cultural housing

(Seville, Spain)



Rompemoldes is a handcraft creation space located on the Calle

San Luis, in the historic centre of the city of Seville. This innovative project, launched by the Seville city council through the creation of the **Emvisesa** LPSE, houses artisan workshops and housing since 2012. It highlights the integration of economic and residential activity, a space of innovation, creativity and sociability, based on general interest values.

Historically, Emvisesa has been a social housing operator in Seville since 1918. With more than 22,000 homes built or renovated, more than 60,000 people have benefited from the services provided by this LPSE. Rompemoldes embodies a replicable, exportable public housing prototype adapted to the sustainable urban agenda strategy. This alternative public housing model perfectly illustrates the power of LPSE proposals in their areas of operation.



© Emalcsa

Jaime Castiñeira de la Torre

Managing Director of Emalcsa (water and housing LPSE)

President of Red ELIGE [Spanish Section of SGI Europe]

Vice-President of the Public Services Board of SGI Europe

“ Now more than ever, the need to have high-quality local public services that guarantee the well-being of society has been demonstrated. This situation forces the public sector to maximize efforts at both national and European level to continue providing these services effectively and efficiently.

Spain is involved in the European public services movement, convinced of the common need to develop an agile, sustainable, viable and technological framework for European services of general interest. Training, specialization and excellence of our public service managers is also a fundamental axis. Hence, sharing experiences and working together makes us bet on the European framework and specifically SGI Europe.”



The Network of Local Enterprises of General Interest (Red ELIGE) brings together companies majority-owned by the municipality and other local entities that offer services of general interest in any sector or field of action. It seeks to promote the common interests of all, as well as efficiency, competitiveness and quality of service to citizens.

Sweden



Sweden's municipalities and county councils hold more than 1,800 LPSEs. The vast majority of them (around 95%) are municipally-owned and employ nearly 100,000 people —70-75% of whom specialise in the energy and water, business services and land management sectors (mainly residential). These sectors are the largest, both in terms of number of employees and turnover. **As for the almost 120 companies owned by the intermunicipalities, they employ a total of 20,000 people, mainly in the health sector, although the urban and regional transport sector generates the highest turnover.**

Many LPSEs are active in sectors directly involved in the environment and networks, such as energy, water, waste and transport. One of the difficulties is that the Swedish legal framework is more restrictive towards energy-producing LPSEs than for their counterparts in other countries. This trend is particularly reflected in the possibilities for cooperation, particularly between several municipalities.

Sweden faces a major challenge in terms of human resources, and will have to succeed in recruiting a large number of competent staff. Indeed, most sectors where LPSEs are active face significant demographic challenges, with a large number of employees close to retirement. In the healthcare sector, we can expect growing demand due to the ageing population. The number of people aged 80 is expected to increase from nearly 550,000 in 2020 to more than 810,000 in 2030. Increased demand for these services can therefore be anticipated, in order to continue the pace of private consumption, which is expected to increase.

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LPSEs have a good image in Sweden and are recognised as contributing to improving living conditions, in particular those in the port and housing sectors. They are represented by the Swedish Federation of LPSEs: Sobona.

Identity card

10.3
million
inhabitants



Administrative
organisation

20 counties
(*landstig/regioner*)

290 municipalities (*kommuner*)

Focus on LPSEs

› Nombre d'Epl : **1,970**

› Annual turnover:

€23 billion

› Number of jobs: **100,000**

Main business sectors:

real estate, energy, water, transport.



Flagship projects



Horse racing competition in Gothenburg.

© Got Event

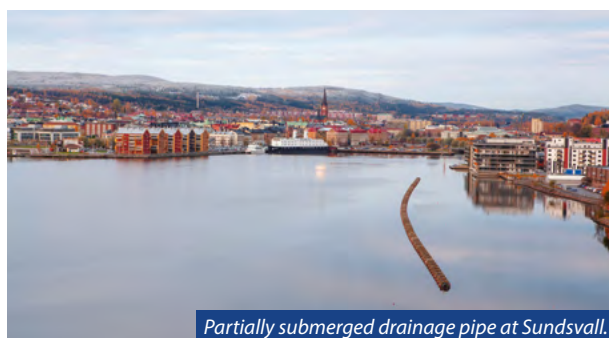
Horse event management

(Gothenburg, Sweden)



As an LPSE of the events sector, **Got Event** manages nine of the main stadia and arenas in the city of Gothenburg, with a capacity of between 500 and 75,000 people. This LPSE hosts around 400 annual events and welcomes several million visitors.

Among the flagship events organised by Got Event is the annual Gothenburg Horse Show, which has been held since 1977 in the Scandinavium stadium and which has to date welcomed over 3 million spectators. It has been voted the world's best horse competition by international riders on several occasions. Designed as a platform for sustainable development, this event has an environmental certification issued by the Swedish Environmental Foundation that impacts its organisational process (reuse of horse manure, sustainable show jumping fences, and so on). From an economic point of view, the event acts as a catalyst for local businesses, hotels, restaurants and stores.



Partially submerged drainage pipe at Sundsvall.

© Anna Thors

Responsible wastewater treatment

(Sundsvall, Sweden)



Thanks to their ongoing presence with citizens and nature, **MittSverige Vatten & Avfall** is seeking to establish a sustainable society in the municipalities in which it operates —Sundsvall, Timrå and Nordanstig—, which have more than 120,000 inhabitants. It works for them, but, above all, with them to develop and transmit knowledge related to water and waste, focusing on sustainability and ecology.

As the city of Sundsvall develops and new residential blocks are built, the infrastructure must adapt to the new urban landscape. For safety reasons, wastewater pipes cannot pass under residential buildings, so the drainage pipes from the treatment plant have been moved and have a new partially submerged route in the Bothnian Sea. The immersion was a spectacular process that is noticeable on the water surface.



© Mölndal Energi

Christian Schwartz

CEO of Mölndal Energi
Vice-President of Sobona
[Swedish section of SGI Europe]

“Local Public Services Enterprises have been key actors in developing society throughout history, from the growth of 'sanitary cities' through railroads and infrastructure to modern days' new and innovative ways to build a sustainable society.

Sobona's 1100 members employ 100,000 people who everyday contribute to a society characterized by trust and development. This is carried out by delivering on our promise, creating a stable and solid ground for the Swedish society to grow and prosper from. Sustainable development is at our core and Mölndal Energi, as one concrete example, reached the goal of 100% renewable energy in 2018.”



Sobona is the Swedish Federation representing 1,100 local utility companies operating in more than fifteen different business. Sobona's role is to strengthen the LPSE sector and create solutions at the local level.



A European social partner

SGI Europe (formerly CEEP Europe) represents **employers and providers of services of general interest** since 1961.

SGI Europe is one of the key actors of **the European social dialogue at cross-sectoral level** and one of the four **European social partners** representing workers and employers. In that respect, the European Commission, the European Council and the Heads of Government systematically consult SGI Europe.

The action of SGI Europe operates as follows:

- **Political actions and communication** towards the European authorities (positions and statements, participation in consultations).
- **Management support** (training, CSR label).
- **Professional coordination of the network** (business groups, seminars, information on legislative changes to SGI members).

SGI Europe's flagship projects

If SGI Europe has been historically involved in social affairs, its cross-sectoral action leads it to invest in **many current political issues**. Here are some of its emblematic actions:

The 2020 European Recovery Plan

SGI Europe positioned itself as a privileged interlocutor of the European institutions during the Covid-19 crisis.

Supporting a quick, decisive and proactive response from the EU to the Member States, SGI Europe contributed to the adoption of the emergency measures and the "Next Generation EU" recovery plan.

National recovery plans

SGI Europe provided support to the contributions made by general interest providers at the European level.

Working with the European Commission's Recovery and Resilience Task Force (RECOVER), SGI Europe highlighted the importance of investments in this sector, in order to strengthen the resilience of the European socio-economic model.

European Green Deal

SGI Europe seized the unique opportunity to emphasize the importance of services of general interest in the fight against climate change.

SGI Europe advocated for an integrated vision of social, environmental and economic issues that enable climate change mitigation and adaptation within the framework of the Green Deal.

EU taxonomy for sustainable activities

SGI Europe joined the European expert group to achieve the European climate ambition.

The "Green Taxonomy" aims to determine the criteria for assessing whether an activity contributes to climate change mitigation and adaptation. SGI Europe had direct influence on the political discussions.

Digitalisation

SGI Europe made recommendations on the European digital vision specific to general interest providers.

This included the need for equal treatment of public and private enterprises, the importance of European sovereignty in digital matters and the recognition of the *acquis communautaire* specific to services of general interest.

Promotion of public services and services of general interest

As an essential social partner, SGI Europe carries the interests of its members.

SGI Europe is in touch with the different services of the European Commission (at administrative and political level), the European Parliament and the European Council.

Investing in SGI Europe provides direct and privileged access to all European decision-makers in order to address political and legislative issues that are essential for the construction of the European Union and the development of its Member States.



How is SGI France structured?

SGI France is composed of representative members from French undertakings and federations of enterprises **dedicated to missions of general interest**, in the field of networks, social and health services, banking and local development, among others.

Membership to the national sections entitles their members **to participate in the work of SGI Europe and to be elected to governance positions in the organisation's various Commissions and Task Forces.**

How does SGI France defend its interests?

All members of the French section can join the Commissions and Task Forces and de facto contribute to the development of influencing strategies of SGI Europe towards European decision makers.

Its priorities

- **To optimise** French participation in SGI Europe's work.
- **To relay** SGI Europe's views and opinions to the French public authorities, partners and media.
- **To develop** exchanges on the European agenda on services of general interest and issues related to the European social dialogue.

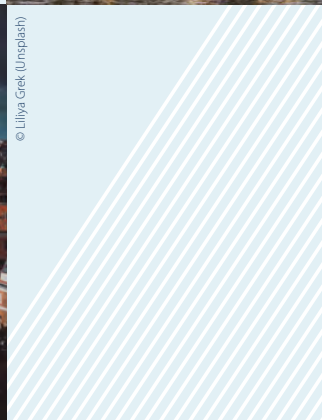
Its members

- **Enterprises with public participation:** EDF, La Poste, Orange, SNCF.
- **Local Public Services Enterprises:** Ciliopée Habitat, La Cité Nantes, La Folle Journée, Nantes Métropole Aménagement, Semitan, Semminn, La Société d'Exploitation de la Tour Eiffel.
- **Professional federations of enterprises and employers:** Fédération des Epl, IPSEc, Nexem, UDES, USH, Fédération des ESH.
- **Public financial institutions:** Caisse des dépôts et consignations.

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- **The national federations of Local Public Services Enterprises**, which have enabled direct contact with their members.
- **The European Local Public Services Enterprises** that agreed to present their emblematic projects.





Overview of **LPSEs** in **Europe**

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