

Final balance sheets of provincial governments Year 2013

Istat presents the results of financial flow calculations on the final balance sheets of provincial governments for fiscal year 2013, which were calculated using data supplied by the Ministry of the Interior.

Revenue accounts by economic category

In 2013 total assessments as net of clearing accounts was equal to 10,363 million euros, reflecting a decrease over the previous financial year (-6.1 percent) (Table 1). This figure represents a substantial fall in current revenue and a growth both in opening of lines of credit and in capital revenue.

In greater detail, the decrease in current revenue (-10.1 percent related to 2012, from 9,409 to 8,456 million euros) can be attributed to a fall in revenue from contributions and transfers (-12.0 percent), in tributary revenue (-9.2 percent) and in non-tributary revenue (-8.6 percent).

The assessment of capital revenue grew up by 4.7 percent (from 1,387 million euros to 1,451 million euros), representing the effect of contractions in transfers (-13.4 percent) and in credit collection (-7.9 percent) on the one hand and an increase in property transfers which appreciably grew by 93.9 percent on the other hand.

For 2013, revenue related to financial management revealed changes in composition relative to the previous year. The impact of current revenue dropped (from 85.2 to 81.6 percent), while an increase was registered in capital revenue (from 12.6 to 14.0 percent). Revenue from the opening of new lines of credit grew up too (from 2.2 to 4.4 percent).

An examination of cash management reveals that total collections rose, from 10,856 to 11,343 million euros. Revenue from the opening of new lines of credit registered an increase (+22.3 percent), such as capital revenue (+5.6 percent) and current revenue (+3.1 percent).

The results for economic items related to current revenue collection rose from 8,746 to 9,019 million euros. Both contributions and transfers and collections from non-tributary revenue grew (+11.6 percent and +2.3 percent, respectively), while tributary revenue collections revealed a negative change (-2.4 percent).

Items related to capital account collections presented a growth (from 1,531 to 1,616 million euros). Asset transfers (+107.3 percent) significantly grew, while credit collection (-19.2 percent) as well as transfers (-11.4 percent) registered a contraction.

Collection capacity, which is the ratio between accrual collections and assessments, grew up by 3.1 percentage points relative to 2012 (from 68.3 to 71.4 percent). Compared to the previous financial year the current revenue indicator presented an growing trend (from 73.4 to 74.8 percent), as well as positive changes were detected for capital revenue (from 36.4 to 46.2 percent) and for revenue from the opening of lines of credit (an appreciable increase, from 51.9 to 88.2 percent).

Total current revenue was 8,456 million euros at the national level, reflecting a per capita value of 142 euros, -19 euros relative to the previous fiscal year (Table 2).

The value of current per capita revenue was highest in the provinces of Basilicata (272 euros, -4 euros), followed by the provinces of Friuli-Venezia Giulia (254 euros, -21 euros) and Toscana (203 euros, -14 euros). At the bottom of the scale were the provincial governments of Sicilia, Molise and Puglia at 90 (-16 euros), 115 (-32 euros) and 119 euros (-14 euros), respectively.

Expenditure accounts by economic category

Provincial governments adopted a total of 10,645 million euros of expenditure commitments during fiscal year 2013 (-1.7 percent compared with the previous year) (Table 3). Commitments for current expenditures

fell by 6.9 percent relative to the previous fiscal year, decreasing from 8,085 to 7,529 million euros; commitments for capital expenditures increased by 16.2 percent, from 1,738 to 2,020 million euros. Loan repayment expenditures grew (from 1,010 to 1,096 million euros, +8.5 percent).

All economic items contributed to different degrees of the decrease in the current part of commitments. Expenditures for purchase of goods and services dropped by 12.4 percent, passive interest fell by 6.6 percent, as well as transfers, which dropped by 5.7 percent, and personnel expenses, which decreased by 4.9 percent. Other current expenses significantly grew by 36.5 percent.

An appreciable increase was registered for capital commitments by 16.2 percent relative to the previous year. Almost all items raised, movable property, equipment (+16.8 percent), investments in public works (+10.0 percent) and granting of credits and advances (+1.6 percent), while capital transfers dropped off (-19.7 percent). Participations and conferment significantly grew by 400.6 percent.

As regards cash management, the total payments amounted to 11,439 million euros (+3.5 percent). The total for current payments was 7,632 million euros (-4.4 percent), for capital account expenditures was 2,762 million euros (+30.0 percent) and for loan repayment was 1,045 million euros (+10.5 percent).

Spending capacity, as represented by the ratio between accrual payments and commitments, grew by 1.5 percentage points (from 61.8 to 63.3 percent).

The per capita value of current expenditures, which was 126 euros at the national level, -12 euros relative to 2012 (Table 4), was highest in the provinces of Basilicata (261 euros, -5 euros), Friuli-Venezia Giulia (240 euros, -13 euros) and Toscana (173 euros, -14 euros). The lowest levels were found in the provinces of Sicilia (95 euros, +4 euros), Veneto (104 euros, -3 euros) and Lazio (106 euros, -3 relative to the previous fiscal year).

Expenditure accounts by functional category

Final expenditures in 2013 dropped from 9,823 to 9,549 million euros, with a national-level structure that was different from the structure in 2012 (Table 5).

Spending for administration, management and control (+3.7 percentage points) and for public education (+0.6 percentage points) registered increases. A decrease was witnessed in expenditures for the remaining functional categories.

Economic-structural indicators

For assessing the economic-financial management of provincial governments, several different economic-structural indicators were broken down by geographical and regional sections (Table 6).

The degree of tax autonomy, which gauges how much tributary revenue weighs on current revenue, grew from 55.8 to 56.4 percent at the national level.

The **degree of financial autonomy**, which reflects the ratio of tributary and non-tributary revenue to current revenue, registered an increase of +0.7 percentage points at the national level, from 64.9 to 65.6 percent.

The **degree of tax dependence** represents the proportion of current revenue represented by direct transfers from the state. In 2013 this indicator declined from 5.3 percent to 4.0 (-1.3 percentage points) at the national level.

The **degree of regional dependence**, which represents the ratio between transfers from the Region for its own functions (or functions it delegates) and total current revenue, exceeds the tax transfer indicator by 24.3 percentage points at the national level.

The **degree of structural rigidity** of provincial governments grew from 33.7 to 37.2 percent between 2012 and 2013.

The **incidence of personnel expenses**, which are calculated as how much personnel expenditures weigh on total current revenue, was 24.3 percent at the national level - up by 1.3 percentage points relative to the 2012 value.

Table 1 – Assessments, collections (in millions of euros) and collection capacity (percentage) of provincial Governments by item. Years 2012 and 2013

ITEMS	ASSESSMENTS				COLLECTIONS (a)				COLLECTION CAPACITY (b)	
	2012	2013	Var. %	Comp. %	2012	2013	Var. %	Comp. %	2012	2013
Current revenue	9,409	8,456	-10.1	81.6	8,746	9,019	3.1	79.5	73.4	74.8
Tributary revenue	5,247	4,766	-9.2	46.0	4,820	4,703	-2.4	41.5	86.3	88.0
Revenue from contributions and transfers	3,305	2,907	-12.0	28.0	3,226	3,600	11.6	31.7	55.7	55.4
Non-tributary revenue	858	784	-8.6	7.6	700	717	2.3	6.3	63.3	66.8
Capital account revenue	1,387	1,451	4.7	14.0	1,531	1,616	5.6	14.2	36.4	46.2
Asset transfers	226	438	93.9	4.2	232	482	107.3	4.2	82.8	97.6
Capital account transfers	1,017	881	-13.4	8.5	1,087	964	-11.4	8.5	23.1	22.6
Credit collection	144	133	-7.9	1.3	211	171	-19.2	1.5	57.3	34.1
Opening of lines of credit	242	455	88.3	4.4	578	708	22.3	6.3	51.9	88.2
GENERAL REVENUE TOTAL (c)	11,038	10,363	-6.1	100.0	10,856	11,343	4.5	100.0	68.3	71.4

(a) Includes accrual collections and residual accounts.

(b) Collection capacity is calculated as the percentage ratio between accrual collections and assessments.

(c) As a net of clearing accounts.

Table 2 – Current revenue of provincial Governments by category and region. Assessments. Year 2013 (absolute values in millions of euros and per capita values in euros)

REGIONS	TRIBUTARY REVENUE		CONTRIBUTIONS AND TRANSFERS		NON-TRIBUTARY REVENUE		TOTAL	
	Absolute value	Per capita value	Absolute value	Per capita value	Absolute value	Per capita value	Absolute value	Per capita value
Piemonte	363	82	341	77	50	11	754	170
Liguria	122	76	148	93	30	19	300	188
Lombardia	965	97	165	17	162	16	1,292	130
Veneto	363	74	168	34	61	12	592	120
Friuli-Venezia Giulia	35	28	237	193	40	33	312	254
Emilia-Romagna	378	85	199	45	54	12	631	142
Toscana	335	90	334	89	93	24	762	203
Umbria	79	88	64	71	15	17	158	176
Marche	130	84	129	83	26	16	285	183
Lazio	532	91	134	23	37	6	703	120
Abruzzo	109	82	40	30	16	12	165	124
Molise	31	98	2	8	3	9	36	115
Campania	414	70	246	42	71	12	731	124
Puglia	296	72	159	39	32	8	487	119
Basilicata	51	88	95	164	11	20	157	272
Calabria	160	81	190	96	38	19	388	196
Sicilia	309	61	122	24	28	6	459	90
Sardegna	93	56	134	81	17	10	244	147
ITALY	4,765	80	2,907	49	784	13	8,456	142

Table 3 – Commitments, payments (in millions of euros) and spending capacity (percentage) of provincial Governments by title and category. Years 2012 and 2013

ITEMS	COMMITMENTS				PAYMENTS (a)				SPENDING CAPACITY (b)	
	2012	2013	Var. %	Comp. %	2012	2013	Var. %	Comp. %	2012	2013
Current expenditures	8,085	7,529	-6.9	70.7	7,986	7,632	-4.4	66.7	68.3	68.2
Personnel	2,160	2,054	-4.9	19.3	2,151	2,047	-4.8	17.9	90.6	91.4
Purchase of goods and services	3,850	3,374	-12.4	31.7	3,789	3,594	-5.2	31.4	61.2	64.5
Current transfers	1,302	1,227	-5.7	11.5	1,305	1,236	-5.3	10.8	42.3	35.2
Passive interest	419	391	-6.6	3.7	416	385	-7.3	3.4	97.8	96.0
Other current expenses	354	483	36.5	4.5	325	371	14.0	3.2	69.6	55.5
Capital account expenditures	1,738	2,020	16.2	19.0	2,125	2,762	30.0	24.2	13.7	31.1
Investments in public works	1,193	1,313	10.0	12.3	1,618	1,746	7.9	15.3	5.2	12.6
Movable property, equipment, etc.	35	41	16.8	0.4	51	54	5.7	0.5	11.7	28.5
Capital transfers	313	252	-19.7	2.4	299	532	77.7	4.6	7.9	27.1
Participations and conferments	54	269	400.6	2.5	23	305	1,218.9	2.7	29.6	98.5
Granting of credits and advances	143	145	1.6	1.4	134	125	-6.8	1.1	91.4	81.8
Loan repayment	1,010	1,096	8.5	10.3	945	1,045	10.5	9.1	92.9	89.0
GENERAL EXPENDITURES TOTAL (c)	10,833	10,645	-1.7	100.0	11,056	11,439	3.5	100.0	61.8	63.3

(a) Includes accrual payments and residual accounts.

(b) Spending capacity is calculated as the percentage ratio between accrual payments and commitments.

(c) As a net of clearing accounts.

Table 4 – Current expenditures of provincial Governments by category and region. Commitments. Year 2013
(absolute values in millions of euros and per capita values in euros)

REGIONS	PERSONNEL EXPENSES		PURCHASES OF GOODS AND SERVICES		OTHER CURRENT EXPENDITURES		TOTAL	
	Absolute value	Per capita value	Absolute value	Per capita value	Absolute value	Per capita value	Absolute value	Per capita value
Piemonte	161	36	352	79	180	41	693	156
Liguria	72	46	155	97	34	21	261	164
Lombardia	239	24	515	52	393	39	1,147	115
Veneto	115	23	219	45	177	36	511	104
Friuli-Venezia Giulia	57	47	174	141	63	52	294	240
Emilia-Romagna	162	37	174	39	227	51	563	127
Toscana	171	46	350	93	127	34	648	173
Umbria	53	59	50	55	37	42	140	156
Marche	79	51	117	75	58	37	254	163
Lazio	178	30	240	41	206	35	624	106
Abruzzo	58	44	55	41	36	27	149	112
Molise	17	57	14	43	4	12	35	112
Campania	147	25	365	62	141	24	653	111
Puglia	108	25	202	50	121	30	431	105
Basilicata	38	67	89	153	24	41	151	261
Calabria	121	60	71	36	88	45	280	141
Sicilia	205	40	150	29	131	26	486	95
Sardegna	72	42	82	50	55	33	209	125
ITALY	2,053	34	3,374	57	2,102	35	7,529	126

Table 5 - Final expenditure of provincial Governments by geographic section and function. Commitments. Years 2012 and 2013 (in millions of euros)

FUNCTIONS	NORTH-WEST		NORTH-EAST		CENTER		SOUTH		ISLANDS		ITALY	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Administration, management and control	688	680	476	460	493	769	539	525	292	335	2,488	2,769
Public education	529	503	340	325	362	381	425	457	172	165	1,827	1,831
Culture and cultural goods	40	28	26	23	35	27	44	40	15	13	160	131
Tourism, sports and recreation	37	26	38	31	25	20	21	15	24	16	145	108
Transport	464	436	295	301	305	295	344	286	4	2	1,413	1,321
Territorial management	544	362	283	279	331	354	376	540	180	135	1,714	1,670
Environmental protection	202	127	109	86	208	193	352	258	70	54	942	718
Social sector	64	52	36	34	41	38	48	43	35	32	225	199
Economic development	232	187	183	161	219	181	226	232	50	42	910	803
TOTAL (a)	2,801	2,401	1,786	1,700	2,020	2,258	2,375	2,396	842	794	9,823	9,549

(a) The total differs from the Table 3 total because it is a net of expenditures for loan repayment.

Table 6 – Economic-structural indicators for provincial Governments by region. Commitments. Years 2012 and 2013 (percentage values)

REGIONS	Degree of tax autonomy		Degree of financial autonomy		Degree of tax dependence		Degree of regional dependence		Degree of structural rigidity		Incidence of personnel expenses	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Piemonte	45.8	48.3	54.3	55.0	3.2	0.9	41.0	41.5	28.2	36.1	20.1	21.3
Liguria	40.7	40.6	49.1	50.7	4.3	4.3	41.2	39.0	30.6	30.6	23.5	24.2
Lombardia	73.4	74.7	87.6	87.2	2.3	2.3	7.8	7.8	28.5	26.8	17.8	18.5
Veneto	60.3	61.3	72.4	71.6	2.4	0.9	24.5	26.5	42.6	36.8	18.1	19.3
Friuli-Venezia Giulia	12.1	11.2	25.1	24.0	0.8	0.9	73.3	74.1	21.8	24.0	17.2	18.4
Emilia-Romagna	59.5	59.9	66.9	68.5	1.2	2.1	29.9	26.9	33.0	36.7	24.9	25.7
Toscana	43.7	44.0	55.8	56.2	3.3	2.4	37.3	38.3	32.9	30.8	21.9	22.3
Umbria	50.0	49.9	58.5	59.5	3.8	3.7	35.8	34.2	36.3	40.1	30.3	33.9
Marche	45.6	45.6	54.4	54.6	3.7	2.2	40.3	41.6	42.8	46.8	26.8	27.8
Lazio	72.8	75.7	78.7	80.9	3.3	0.5	17.1	18.1	38.6	39.0	26.6	25.3
Abruzzo	58.3	65.9	72.1	76.1	14.1	9.8	9.1	10.3	38.7	49.6	29.3	35.3
Molise	83.0	85.6	92.2	93.4	2.0	1.7	4.3	3.7	49.4	66.7	41.7	49.4
Campania	62.5	56.6	67.4	66.3	10.5	11.2	21.8	22.1	20.5	34.1	15.5	20.1
Puglia	55.6	60.9	61.8	67.4	10.3	5.7	26.3	25.1	28.4	29.1	21.0	22.1
Basilicata	36.1	32.3	40.1	39.5	2.6	1.2	50.9	54.1	39.7	90.9	25.3	24.4
Calabria	46.9	41.3	57.9	51.0	15.9	24.8	25.4	22.7	54.7	60.4	32.5	31.1
Sicilia	62.3	67.2	67.1	73.5	12.1	1.8	19.7	24.1	53.2	55.0	40.9	44.8
Sardegna	35.2	38.3	40.6	44.9	4.4	2.0	52.5	51.4	35.4	33.8	29.2	29.2
ITALY	55.8	56.4	64.9	65.6	5.3	4.0	27.9	28.3	33.7	37.2	23.0	24.3

1. Degree of tax autonomy = tributary revenue / current revenue.

2. Degree of financial autonomy = tributary revenue + non-tributary revenue current revenue.

3. Degree of tax dependence = contributions and state transfers / current revenue.

4. Degree of regional dependence = transfers from the Region for its own or delegated functions / current revenues.

5. Degree of structural rigidity = personnel expenses + loan repayments / current revenue.

6. Incidence of personnel expenses = personnel expenses / current revenue.

Information note

The data published in this note are provisional estimations from calculations on the balance sheet certificates of 107 provincial governments, which represent this study's universe of observation. The governments of the autonomous provinces of Trento and Bolzano-Bozen were excluded here because their financial flows were already incorporated in the summary of regional and Autonomous province final balance sheets. In Valle d'Aosta-Vallée d'Aoste, the regional government has the jurisdiction for functions that are assumed by provincial governments elsewhere. Data collection was conducted directly by the Ministry of the Interior which supplied Istat with information for subsequent corrections, processing and calculations.

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