

FINAL BALANCE SHEETS OF PROVINCIAL GOVERNMENTS

Year 2011

ISTAT presents the results of financial flow calculations on the final balance sheets of provincial governments for fiscal year 2011, which were calculated using data supplied by the Ministry of the Interior.

Revenue accounts by economic category

In 2011 total tax assessments as a net of clearing accounts, was equal to 11,674 million euros, reflecting a decrease over the previous financial year (-10,1 percent) (Table 1). This figure represents a substantial fall in capital revenue, in opening of lines of credit and current revenue.

In greater detail, the decrease in current revenue (-2.2 percent relative to 2010, from 10,012 to 9,796 million euros) can be attributed to fall both in revenue from contributions and transfers (-13.6 percent) and non-tributary revenue (-3.1 percent) on the one hand and to increase in tributary revenue (+8.3 percent) on the other hand.

The assessment of capital revenue dropped by 37.3 percent (from 2,382 million euros to 1,494 million euros), representing the effect of appreciable contractions in transfers (-38.9 percent), property transfers (-38.3 percent) and credit collection (-26.8 percent).

For 2011, revenue related to financial management revealed changes in composition relative to the previous year. The impact of current revenue grew (from 77.1 to 83.9 percent), while decrease was registered in capital revenue (from 18.3 to 12.8 percent). Revenue from the opening of new lines of credit dropped too (from 4.6 to 3.3 percent).

An examination of cash management reveals that total collections remained stable, from 12,069 to 12,053 million euros. Current revenue grew by 3.0 percent, while capital revenue fell by 17.5 percent.

Revenue from the opening of new lines of credit registered an increase (+7.6 percent).

The results for economic items related to current revenue collection increased from 9,496 to 9,779 million euros. Both non-tributary revenue collections and contributions and transfers fell (-4.9 and -4.6 percent, respectively), while collections from tributary revenue revealed a positive change (+10.8 percent).

Items related to capital account collections presented a contraction (from 1,971 to 1,625 million euros). Asset transfers (+10.4 percent) grew, while credit collection (-43.1 percent) as well as transfers (-11.6 percent) registered an appreciable contraction.

Collection capacity, which is the ratio between accrual collections and assessments, grew by 7.9 percentage points relative to 2010 (from 65.1 to 73.0 percent). Compared to the previous financial year the current revenue indicator presented an increasing trend (from 76.6 to 79.4 percent), as well as positive changes were detected for capital revenue (from 29.2 to 39.8 percent,) and for revenue from the opening of lines of credit (from 13.7 to 39.4 percent).

Total current revenue was 9,796 million euros at the national level, reflecting a per capita value of 168 euros (stable relative to the previous fiscal year) (Table 2).

The value of current per capita revenue was highest in the provinces of Basilicata (276 euros), followed by the provinces of Friuli-Venezia Giulia (265 euros) and Toscana (226 euros). At the bottom of the scale were the provincial governments of Sicilia, Lazio, Veneto and Puglia at 115, 134 and 139 euros, respectively.

Expenditure account by economic category

Provincial governments adopted a total of 11,683 million euros of expenditure commitments during fiscal year 2011 (-12.4 percent compared with the previous year) (Table 3). Commitments for current expenditures fell by 5.8 percent relative to the previous fiscal year, decreasing from 9,160 to 8,633 million euros, as well as commitments for capital expenditures decreased by 33.8 percent, from 3,518 to 2,330 million euros. Loan repayment expenditures grew (from 659 to 720 million euros, +9.2 percent).

All economic items contributed to different degrees of the decrease in the current part of commitments. Expenditures for transfers dropped by 12.9 percent, as well as the purchase of goods and services, which fell by 5.8 percent, and personnel expenses, which decreased by 2.7 percent. Other current expenses and passive interest grew by 1.4 and 1.1 percent, respectively.

An appreciable decrease was registered for capital commitments by 33.8 percent relative to the previous year. All items dropped, participations and conferments (-51.9 percent), investments in public works (-35.9 percent), movable property, equipment (-33.9 percent), capital transfers (-27.4 percent) and contraction in granting of credits and advanced (-21.9 percent).

As regards cash management, the total payments amounted to 11,801 million euros (-3.0 percent). The total for current payments was 8,454 million euros (-1.3 percent), for capital account expenditures was 2,636 million euros (-10.2 percent) and for loan repayment was 710 million euros (+8.0 percent).

Spending capacity, as represented by the ratio between accrual payments and commitments, grew by 59.8 percent.

The per capita value of current expenditures, which was 148 euros at the national level (Table 4), was highest in the provinces of Basilicata (257 euros, -19 euros), Friuli-Venezia Giulia (246 euros, +10 euros) and Marche (207 euros, -15 euros). The lowest levels were found in the provinces of Sicilia (102 euros, -5 euros), Veneto (114 euros, -13 euros) and Lazio (116 euros, -21 relative to the previous fiscal year).

Expenditure accounts by functional category

Final expenditures in 2011 dropped from 12,679 to 10,963 million euros, with a national-level structure that was different to the structure in 2010 (Table 5).

Spending for administration, management and control (+1.8 percentage points), for public education (+1.5 percentage points), for environmental protection (+1.0 percentage points) and for social sector (+0.4 percentage points) registered increases. A decrease was witnessed in expenditures for territorial management (-3.0 percentage points), for transportation (-1.1 percentage points), for tourism, sports and recreation (-0.4 percentage points) and for economic development (-0.2 percentage points). Expenditures for culture and cultural goods remained stable.

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 48.6 to 53.8 percent at the national level.

The **degree of financial autonomy**, which reflects the ratio of tributary and non-tributary revenue to current revenue, exhibited an increase of +5.1 percentage points at the national level, from 56.3 to 61.4 percent.

The **degree of tax dependence** represents the proportion of current revenue represented by direct transfers from the state. In 2011 this indicator declined from 8.9 to 6.9 percent (-2.0 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 22.6 percentage points at the national level.

The **degree of structural rigidity** of provincial governments grew from 29.8 to 30.5 percent between 2010 and 2011.

The **incidence of personnel expenses**, which are calculated as how much personnel expenditures weigh on total current revenue, was 23.1 percent at the national level - down by 0.1 percentage points relative to the 2010 value.

Table 1 – Assessments, collections (in millions of euros) and collection capacity (percentage) of provincial governments by item. Years 2010 and 2011

ITEMS	ASSESSMENTS				COLLECTIONS (a)				COLLECTION CAPACITY (b)	
	2010	2011	Var. %	Comp. %	2010	2011	Var. %	Comp. %	2010	2011
Current revenue	10,012	9,796	-2.2	83.9	9,496	9,779	3.0	81.1	76.6	79.4
Tributary revenue	4,869	5,272	8.3	45.2	4,694	5,199	10.8	43.1	90.3	91.9
Revenue from contributions and transfers	4,378	3,782	-13.6	32.4	4,128	3,939	-4.6	32.7	63.6	65.1
Non-tributary revenue	765	741	-3.1	6.4	675	642	-4.9	5.3	64.2	63.5
Capital account revenue	2,382	1,494	-37.3	12.8	1,971	1,625	-17.5	13.5	29.2	39.8
Asset transfers	146	90	-38.3	0.8	111	123	10.4	1.0	59.4	65.5
Capital account transfers	1,937	1,184	-38.9	10.1	1,409	1,246	-11.6	10.3	23.5	34.8
Credit collection	300	219	-26.8	1.9	450	256	-43.1	2.1	51.5	56.3
Opening of lines of credit	594	385	-35.2	3.3	602	648	7.6	5.4	13.7	39.4
GENERAL REVENUE TOTAL (c)	12,988	11,674	-10.1	100.0	12,069	12,053	-0.1	100.0	65.1	73.0

(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 2011 (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	417	96	409	94	54	12	879	202
Liguria	150	96	162	103	28	18	340	217
Lombardia	853	88	399	41	130	13	1,382	142
Veneto	419	86	200	41	54	11	674	139
Friuli-Venezia Giulia	50	41	229	188	43	35	322	265
Emilia-Romagna	421	97	221	51	63	15	705	162
Toscana	367	100	360	98	103	28	829	226
Umbria	94	107	77	87	17	19	188	213
Marche	161	105	146	95	29	19	337	219
Lazio	531	96	166	30	41	7	738	134
Abruzzo	123	94	105	81	19	15	247	189
Molise	25	81	28	89	2	8	56	178
Campania	681	118	341	59	57	10	1,079	187
Puglia	329	81	211	52	21	5	561	139
Basilicata	44	76	111	192	5	8	159	276
Calabria	158	81	220	112	35	18	412	211
Sicilia	330	66	215	43	27	5	573	115
Sardegna	119	73	182	111	13	8	314	192
ITALY	5,272	91	3,782	65	741	13	9,796	168

Table 3 – Commitments, payments (in millions of euros) and spending capacity (percentage) of provincial governments by title and category. Years 2010 and 2011

ITEMS	COMMITMENTS				PAYMENTS (a)				SPENDING CAPACITY (b)	
	2010	2011	Var. %	Comp. %	2010	2011	Var. %	Comp. %	2010	2011
Current expenditures	9,160	8,633	-5.8	73.9	8,567	8,454	-1.3	71.6	66.8	68.0
Personnel	2,326	2,263	-2.7	19.4	2,281	2,224	-2.5	18.8	89.2	89.6
Purchase of goods and services	4,319	4,069	-5.8	34.8	3,958	3,954	-0.1	33.5	60.1	59.9
Current transfers	1,743	1,519	-12.9	13.0	1,573	1,513	-3.8	12.8	45.1	47.2
Passive interest	436	441	1.1	3.8	431	434	0.7	3.7	97.7	97.4
Other current expenses	337	341	1.4	2.9	325	328	1.0	2.8	71.9	74.6
Capital account expenditures	3,518	2,330	-33.8	19.9	2,937	2,636	-10.2	22.3	16.0	18.0
Investments in public works	2,605	1,671	-35.9	14.3	2,052	1,882	-8.3	15.9	5.7	7.1
Movable property. equipment. etc.	98	65	-33.9	0.6	93	66	-29.3	0.6	20.8	11.1
Capital transfers	468	340	-27.4	2.9	438	429	-2.0	3.6	14.8	16.7
Participations and conferments	55	26	-51.9	0.2	58	24	-58.1	0.2	86.5	70.1
Granting of credits and advances	292	228	-21.9	2.0	296	235	-20.4	2.0	94.9	95.7
Loan repayment	659	720	9.2	6.2	658	710	8.0	6.0	97.5	97.0
GENERAL EXPENDITURES TOTAL (c)	13,338	11,683	-12.4	100.0	12,162	11,801	-3.0	100.0	54.9	59.8

(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 2011
(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	179	41	401	92	245	56	825	189
Liguria	78	50	197	126	40	26	315	201
Lombardia	264	27	536	55	392	40	1,193	123
Veneto	120	25	235	48	197	41	552	114
Friuli-Venezia Giulia	59	49	172	142	68	56	300	246
Emilia-Romagna	176	41	186	43	228	53	590	136
Toscana	184	50	385	105	161	44	730	199
Umbria	57	64	57	64	61	69	174	197
Marche	86	56	140	91	93	60	319	207
Lazio	207	38	244	44	188	34	640	116
Abruzzo	65	50	83	64	59	45	207	158
Molise	21	67	25	80	7	24	53	170
Campania	161	28	652	113	129	22	943	164
Puglia	116	29	263	65	137	34	516	127
Basilicata	43	75	87	150	19	33	149	257
Calabria	134	69	107	55	107	55	349	178
Sicilia	229	46	194	39	88	18	512	102
Sardegna	83	51	105	64	80	49	268	164
ITALY	2,263	39	4,069	70	2,301	40	8,633	148

Table 5 Final expenditure of provincial governments by geographic section and function. Commitments.
Years 2010 and 2011 (in millions of euros)

FUNCTIONS	NORTH-WEST		NORTH-EAST		CENTER		SOUTH		ISLANDS		ITALY	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Administration, management and control	834	779	533	520	629	519	624	619	343	318	2,962	2,756
Public education	676	580	391	353	483	407	462	537	219	217	2,230	2,094
Culture and cultural goods	58	38	32	32	60	52	64	70	24	22	238	213
Tourism, sports and recreation	58	42	61	50	54	39	48	29	40	32	260	192
Transport	680	430	309	297	339	313	430	357	8	6	1,766	1,403
Territorial management	585	489	405	347	528	365	824	550	258	171	2,600	1,922
Environmental protection	197	194	130	107	267	251	444	444	90	87	1,128	1,083
Social sector	84	71	38	44	53	47	56	57	38	39	269	258
Economic development	276	251	222	186	349	240	307	286	70	80	1,225	1,043
TOTAL (a)	3,448	2,874	2,120	1,937	2,762	2,232	3,258	2,949	1,091	972	12,679	10,963

(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 2010 and 2011 (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	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Piemonte	40.7	47.5	46.9	53.5	3.5	2.3	46.4	42.4	27.4	31.0	19.8	20.4
Liguria	38.8	44.1	46.5	52.4	2.0	2.2	45.9	40.7	25.7	28.5	20.8	22.9
Lombardia	58.8	61.7	69.8	71.1	1.5	2.5	25.1	22.9	28.2	26.8	20.4	19.1
Veneto	54.1	62.2	61.8	70.3	5.0	3.3	32.5	25.4	27.9	30.2	17.6	17.9
Friuli-Venezia Giulia	15.8	15.7	30.3	29.0	1.1	0.8	67.6	68.0	22.7	23.0	18.2	18.4
Emilia-Romagna	57.2	59.7	66.9	68.7	0.6	0.6	30.7	28.2	35.6	33.4	26.9	24.9
Toscana	40.4	44.2	52.3	56.6	3.0	2.3	41.5	38.0	29.4	30.6	21.9	22.1
Umbria	45.6	50.2	59.5	59.0	3.8	3.9	35.3	35.3	34.8	34.9	30.2	30.1
Marche	42.7	47.8	50.0	56.6	4.5	2.2	42.0	38.8	29.2	31.0	24.4	25.5
Lazio	62.2	71.9	67.1	77.5	3.9	4.6	27.9	16.3	31.2	34.6	25.0	28.1
Abruzzo	54.1	49.6	62.8	57.3	21.1	19.7	13.5	15.6	42.2	36.2	32.6	26.2
Molise	46.1	45.7	51.1	50.1	47.4	38.0	1.1	5.6	45.9	42.8	39.2	37.4
Campania	54.4	63.1	59.1	68.4	15.1	9.4	25.5	22.1	16.1	16.7	14.4	15.0
Puglia	56.5	58.6	60.5	62.4	10.9	5.7	28.1	30.1	27.7	27.1	22.7	20.7
Basilicata	23.0	27.4	25.8	30.3	24.6	18.5	44.6	45.6	29.2	31.7	25.2	27.1
Calabria	32.0	38.3	38.5	46.7	29.8	23.1	29.8	29.4	43.8	44.1	32.6	32.6
Sicilia	49.9	57.6	54.3	62.4	33.8	26.6	11.6	9.8	47.8	46.4	41.0	40.0
Sardegna	35.5	38.0	40.6	42.1	12.8	10.7	44.1	45.1	32.9	33.8	28.7	26.3
ITALY	48.6	53.8	56.3	61.4	8.9	6.9	32.8	29.5	29.8	30.5	23.2	23.1

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 final and result 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.