

Final balance sheets of provincial governments

Year 2010

ISTAT presents the results of financial flow calculations on the final balance sheets of provincial governments for fiscal year 2010,¹ which were calculated using data supplied by the Ministry of the Interior.

Revenue accounts by economic category

In 2010 total tax assessments as a net of clearing accounts, was equal to 12,988 million euros, reflecting an increase over the previous financial year (+2.0 percent) (Table 1). This figure represents a substantial growth both in current revenue and capital revenue. Opening of lines of credit presents a reduction.

In greater detail, the growth in current revenue (+0.9 percent relative to 2009, from 9,924 to 10,012 million euros) can be attributed to increases in tributary revenue (+4.1 percent) and non-tributary revenue (+2.3 percent).

The assessment of capital revenue grew by 12.1 percent (from 2,124 million euros to 2,382 million euros), representing the combined effect of rises in property transfers (+61.3 percent) and transfers (+20.7 percent). Credit collection dropped by 30.1 percent.

For 2010, revenue related to financial management didn't reveal changes in composition relative to the previous year. The impact of current revenue fell (from 77.9 to 77.1 percent), while growth was registered in capital revenue (from 16.7 to 18.3 percent). Revenue from the opening of new lines of credit dropped (from 5.4 to 4.6 percent).

An examination of cash management reveals that total collections fell by 3.3 percent, from 12,486 to 12,069 million euros. Current revenue fell by 1.8 percent, while capital revenue remained stable.

Revenue from the opening of new lines of credit registered an appreciable contraction (-29.0 percent).

The results for economic items related to current revenue collection decreased from 9,667 to 9,496 million euros. Both contributions and transfers and non-tributary revenue collections dropped (-5.3 and -2.4 percent, respectively), while collections from tributary revenue revealed a positive change (+1.7 percent).

Items related to capital account collections presented a stable situation (1,971 million euros). Asset transfers (+8.8 percent) as well as transfers grew (+0.4 percent). Credit collection dropped by 3.3 percent.

Collection capacity, which is the ratio between accrual collections and assessments, fell by 3.6 percentage points relative to 2009 (from 68.7 to 65.1 percent). Compared to the previous financial year the current revenue indicator presented a decreasing trend (from 79.0 to 76.6 percent), as well as negative changes of 9.4 percentage points were detected for revenue from the opening of lines of credit (from 23.1 to 13.7 percent) and for capital revenue (from 35.4 to 29.2 percent).

Total current revenue was 10,012.04 million euros at the national level, reflecting a per capita value of 168 euros (+0.70 euro relative to the previous fiscal year) (Table 2).

The value of current per capita revenue was highest in the provinces of Basilicata (296 euros), followed by the provinces of Friuli-Venezia Giulia (252 euros) and Liguria (238 euros). At the bottom of the scale were the provincial governments of Sicilia, Puglia and Lombardia at 115, 128 and 135 euros, respectively.

Expenditure account by economic category

Provincial governments adopted a total of 13,338 million euros of expenditure commitments during fiscal year 2010 (+2.1 percent compared with the previous year) (Table 3). Commitments for current expenditures grew by 0.8 percent relative to the previous fiscal year, rising from 9,087 to 9,160 million euros, as well as commitments for capital expenditures increased by 6.1 percent, from 3,317 to 3,518 million euros. Loan repayment expenditures dropped (from 666 to 659 million euros, -0.9 percent).

All economic items contributed to different degrees of the slight growth in the current part of commitments. Expenditures for the purchase of goods and services rose by 5.3 percent, as well as other current expenses, which grew by 4.5 percent relative to the previous fiscal year. Transfers, passive interest and personnel expenses fell by 6.4, 4.8 and 0.8 percent, respectively.

An increase was registered for capital commitments by 6.1 percent relative to the previous year. This result reflects the combined effect of contraction in granting of credits and advanced (-30.9 percent), in movable property, equipment (-8.4 percent) and in participations and conferments (-6.4 percent) on the one hand and growth in capital transfers (+16.2 percent) and in investments in public works (+12.0 percent) on the other hand.

As regards cash management, the total payments amounted to 12,162 million euros (-5.1 percent). The total for current payments was 8,567 million euros (-0.6 percent), for capital account expenditures was 2,937 million euros (-16.9 percent) and for loan repayment was 658 million euros (-1.2 percent).

Spending capacity, as represented by the ratio between accrual payments and commitments, dropped by 54.9 percent.

The per capita value of current expenditures, which was 154 euros at the national level (Table 4), was highest in the provinces of Basilicata (276 euros, -11.67 euros), Friuli-Venezia Giulia (236 euros, -14 euros) and Liguria (223 euros, +6 euros). The lowest levels were found in the provinces of Sicilia (107 euros, -8 euros), Puglia (116 euros, -3 euros) and Lombardia (124 euros, -7 relative to the previous fiscal year).

Expenditure accounts by functional category

Final expenditures in 2010 rose from 12,404 to 12,679 million euros, with a national-level structure that was analogous to the structure in 2009 (Table 5).

Spending for environmental protection (+2.2 percentage points), for transportation (+1.5 percentage points), for economic development (+0.4 percentage points) and for tourism, sports and recreation (+0.2 percentage points) registered increases. A decrease was witnessed in expenditures for territorial management (-2.6 percentage points) and for public education (-0.8 percentage points) and for social sector (-0.5 percentage points). Expenditures for the remaining functional categories slightly dropped.

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 47.1 to 48.6 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 +1.6 percentage points at the national level, from 54.7 to 56.3 percent.

The **degree of tax dependence** represents the proportion of current revenue represented by direct transfers from the state. In 2010 this indicator declined from 9.3 to 8.9 percent (-0.4 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 23.9 percentage points at the national level.

The **degree of structural rigidity** of provincial governments fell from 30.3 to 29.8 percent between 2009 and 2010.

The **incidence of personnel expenses**, which are calculated as how much personnel expenditures weigh on total current revenue, was 23.2 percent at the national level - down by 0.4 percentage points relative to the 2009 value.

Table 1 – Assessments, collections (in millions of euros) and collection capacity (percentage) of provincial governments by item. Years 2009 and 2010

ITEMS	ASSESSMENTS				COLLECTIONS (a)				COLLECTION CAPACITY (b)	
	2009	2010	Var. %	Comp. %	2009	2010	Var. %	Comp. %	2009	2010
Current revenue	9,924	10,012	0.9	77.1	9,667	9,496	-1.8	78.7	79.0	76.6
Tributary revenue	4,679	4,869	4.1	37.5	4,615	4,694	1.7	38.9	92.7	90.3
Revenue from contributions and transfers	4,497	4,378	-2.6	33.7	4,361	4,128	-5.3	34.2	66.5	63.6
Non-tributary revenue	748	765	2.3	5.9	691	675	-2.4	5.6	68.2	64.2
Capital account revenue	2,124	2,382	12.1	18.3	1,971	1,971	-	16.3	35.4	29.2
Asset transfers	90	146	61.3	1.1	102	111	8.8	0.9	55.6	59.4
Capital account transfers	1,605	1,937	20.7	14.9	1,403	1,409	0.4	11.7	25.3	23.5
Credit collection	429	300	-30.1	2.3	466	450	-3.3	3.7	69.0	51.5
Opening of lines of credit	684	594	-13.1	4.6	848	602	-29.0	5.0	23.1	13.7
GENERAL REVENUE TOTAL (c)	12,732	12,988	2.0	100.0	12,486	12,069	-3.3	100.0	68.7	65.1

(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 2010 (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	385	86	503	113	58	13	946	212
Liguria	149	92	206	127	30	18	385	238
Lombardia	786	79	403	41	147	14.	1,336	135
Veneto	377	76	266	54	54	11	697	141
Friuli-Venezia Giulia	49	40	217	176	45	37	312	252
Emilia-Romagna	383	86	222	50	65	15	669	151
Toscana	348	93	411	110	103	27	862	230
Umbria	88	97	78	86	27	29	193	212
Marche	154	99	181	116	27	17	362	231
Lazio	531	93	281	49	42	7	853	149
Abruzzo	111	83	76	57	18	13	205	152
Molise	24	74	25	79	3	8	51	161
Campania	609	104	457	78	53	9	1,118	192
Puglia	297	72	208	51	21	5	525	128
Basilicata	40	68	129	220	5	8	174	296
Calabria	140	70	269	134	29	14.	437	217
Sicilia	290	57	265	52	25	5	580	115
Sardegna	109	65	182	109	16	9	306	183
ITALY	4,869	82	4,378	74	765	13	10,012	168

Table 3 – Commitments, payments (in millions of euros) and spending capacity (percentage) of provincial governments by title and category. Years 2009 and 2010

ITEMS	COMMITMENTS				PAYMENTS (a)				SPENDING CAPACITY (b)	
	2009	2010	Var. %	Comp. %	2009	2010	Var. %	Comp. %	2009	2010
Current expenditures	9,087	9,160	0.8	68.7	8,622	8,567	-0.6	70.4	67.7	66.8
Personnel	2,344	2,326	-0.8	17.4	2,311	2,281	-1.3	18.8	89.6	89.2
Purchase of goods and services	4,101	4,319	5.3	32.4	3,838	3,958	3.1	32.5	61.0	60.1
Current transfers	1,861	1,743	-6.4	13.1	1,718	1,573	-8.4	12.9	47.5	45.1
Passive interest	458	436	-4.8	3.3	457	431	-5.7	3.5	98.1	97.7
Other current expenses	323	337	4.5	2.5	298	325	8.9	2.7	67.9	71.9
Capital account expenditures	3,317	3,518	6.1	26.4	3,534	2,937	-16.9	24.2	21.0	16.0
Investments in public works	2,326	2,605	12.0	19.5	2,381	2,052	-13.8	16.9	6.9	5.7
Movable property, equipment, etc.	107	98	-8.4	0.7	128	93	-27.5	0.8	22.3	20.8
Capital transfers	403	468	16.2	3.5	526	438	-16.8	3.6	14.2	14.8
Participations and conferments	59	55	-6.4	0.4	71	58	-17.1	0.5	78.7	86.5
Granting of credits and advances	422	292	-30.9	2.2	428	296	-30.8	2.4	96.7	94.9
Loan repayment	666	659	-0.9	4.9	665	658	-1.2	5.4	96.4	97.5
GENERAL EXPENDITURES TOTAL (c)	13,070	13,338	2.1	100.0	12,821	12,162	-5.1	100.0	57.3	54.9

(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 2010
(absolute values in millions of euros and per capita values in euros)

REGIONS	PERSONNEL		PURCHASES OF		OTHER CURRENT		TOTAL	
	EXPENSES		GOODS AND SERVICES		EXPENDITURES		Absolute value	Per capita value
	Absolute value	Per capita value	Absolute value	Per capita value	Absolute value	Per capita value		
Piemonte	187	42	410	92	307	69	904	203
Liguria	80	49	214	133	67	41	361	223
Lombardia	273	27	548	55	411	41	1,232	124
Veneto	123	25	267	54	231	47	621	126
Friuli-Venezia Giulia	57	46	165	134	69	56	291	236
Emilia-Romagna	180	41	191	43	227	51	599	135
Toscana	189	50	406	108	191	51	786	210
Umbria	58	64	59	65	60	66	177	196
Marche	88	56	141	90	117	75	347	222
Lazio	213	37	372	65	200	35	785	137
Abruzzo	67	50	67	50	49	37	182	136
Molise	20	63	22	68	7	22	49	153
Campania	161	28	705	121	130	22	995	171
Puglia	119	29	236	58	121	30	476	116
Basilicata	44	75	97	165	21	36	162	276
Calabria	143	71	99	49	140	70	381	190
Sicilia	238	47	208	41	93	18	539	107
Sardegna	88	52	111	66	73	43	272	162
ITALY	2,326	39	4,319	73	2,515	42	9,160	154

Table 5 Final expenditure of provincial governments by geographic section and function. Commitments.
Years 2009 and 2010 (in millions of euros)

FUNCTIONS	NORTHWEST		NORTHEAST		CENTER		SOUTH		ISLANDS		ITALY	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Administration, management and control	852	834	709	533	646	629	611	624	394	343	3,213	2,962
Public education	719	676	406	391	462	483	485	462	214	219	2,287	2,230
Culture and cultural goods	57	58	37	32	58	60	70	64	27	24	248	238
Tourism, sports and recreation	47	58	56	61	53	54	43	48	37	40	236	260
Transport	432	680	347	309	324	339	415	430	14	8	1,533	1,766
Territorial management	726	585	470	405	463	528	587	824	328	258	2,574	2,600
Environmental protection	184	197	137	130	238	267	186	444	84	90	827	1,128
Social sector	108	84	47	38	66	53	61	56	44	38	326	269
Economic development	270	276	244	222	299	349	284	307	63	70	1,160	1,225
TOTAL (a)	3,395	3,448	2,453	2,120	2,609	2,762	2,742	3,258	1,205	1,091	12,404	12,679

(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 2009 and 2010 (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	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Piemonte	38.4	40.7	44.2	46.9	4.9	3.5	47.3	46.4	24.1	27.4	19.4	19.8
Liguria	42.1	38.8	50.0	46.5	1.9	2.0	43.9	45.9	26.5	25.7	21.7	20.8
Lombardia	58.6	58.8	68.3	69.8	1.6	1.5	26.4	25.1	26.2	28.2	19.9	20.4
Veneto	54.6	54.1	61.1	61.8	5.8	5.0	32.1	32.5	26.4	27.9	17.7	17.6
Friuli-Venezia Giulia	15.8	15.8	30.3	30.3	1.0	1.1	67.8	67.6	22.3	22.7	18.4	18.2
Emilia-Romagna	55.3	57.2	64.2	66.9	1.1	0.6	32.4	30.7	36.7	35.6	25.8	26.9
Toscana	40.0	40.4	53.2	52.3	3.3	3.0	40.7	41.5	28.2	29.4	22.1	21.9
Umbria	47.6	45.6	55.5	59.5	5.8	3.8	36.8	35.3	35.5	34.8	31.1	30.2
Marche	43.1	42.7	50.4	50.0	4.5	4.5	44.0	42.0	29.3	29.2	24.6	24.4
Lazio	59.9	62.2	66.7	67.1	3.5	3.9	28.5	27.9	33.9	31.2	25.8	25.0
Abruzzo	53.2	54.1	60.4	62.8	18.6	21.1	15.9	13.5	46.2	42.2	34.6	32.6
Molise	43.2	46.1	49.6	51.1	45.8	47.4	4.3	1.1	44.1	45.9	37.0	39.2
Campania	47.4	54.4	51.5	59.1	17.7	15.1	30.4	25.5	21.4	16.1	18.1	14.4
Puglia	55.8	56.5	59.7	60.5	11.7	10.9	28.0	28.1	25.9	27.7	21.4	22.7
Basilicata	22.3	23.0	24.9	25.8	25.0	24.6	45.3	44.6	28.8	29.2	25.1	25.2
Calabria	31.3	32.0	39.2	38.5	30.0	29.8	29.8	29.8	42.0	43.8	32.1	32.6
Sicilia	49.3	49.9	53.8	54.3	33.5	33.8	12.3	11.6	53.6	47.8	41.0	41.0
Sardegna	34.3	35.5	40.3	40.6	14.2	12.8	40.8	44.1	30.7	32.9	26.5	28.7
ITALY	47.1	48.6	54.7	56.3	9.3	8.9	33.8	32.8	30.3	29.8	23.6	23.2

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.

Contact person:

Roberta Di Stefano

Statistics on public and private institutions

ISTAT – Italian National Institute of Statistics

Via Tuscolana, 1778 – 00173 Rome

Roberta Di Stefano

Phone: +39 06 4673.6402