

CEFG Group City Portraits



Ajuntament
de Barcelona



BORDEAUX
MÉTROPOLE



City portrait

The “CEFG Group City portraits” give a wide overview of the partner city governments in order to understand the main differences/similarities of the **environment that embeds city finances and financial management.**

- Overview:

- A. CONTEXT

- A1. Demography

- A2. Economy

- B. CITY GOVERNMENT

- B1. Functions covered

- B2. Financial autonomy

- B3. National administrative tradition

- B4. Political profile

- C. ACCOUNTING SYSTEM



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City portraits – A. Context

A1. Demography

	AMS	BCN	BDX	HAM	Greater LDN*	MIL	VLN
City population (million)	0.83 ⁵	1.60 ³	0.76 ⁶	1.80 ²	8.42 ¹	1.30 ⁴	0.55 ⁷
City population density (pop/km ²)	3 806 ⁵	15 686 ¹	1 316 ⁸	2 383 ⁶	5 356 ³	7 143 ²	1 359 ⁷
Metropolitan population (million)	2.4	4.8	1.2	5.1	13.8	3.2	0.8
Metropolitan population density (pop/km ²)	930	1 920	211	195	1 790	2 013	83

* In the case of London, figures regarding demography and the economy were used from the Greater London area (Greater LDN; A1 and A2). Whereas in the case of accounting and management information, data is given for the City of London Corporation (CoL; B.1 – C, including the synopsis slide.)

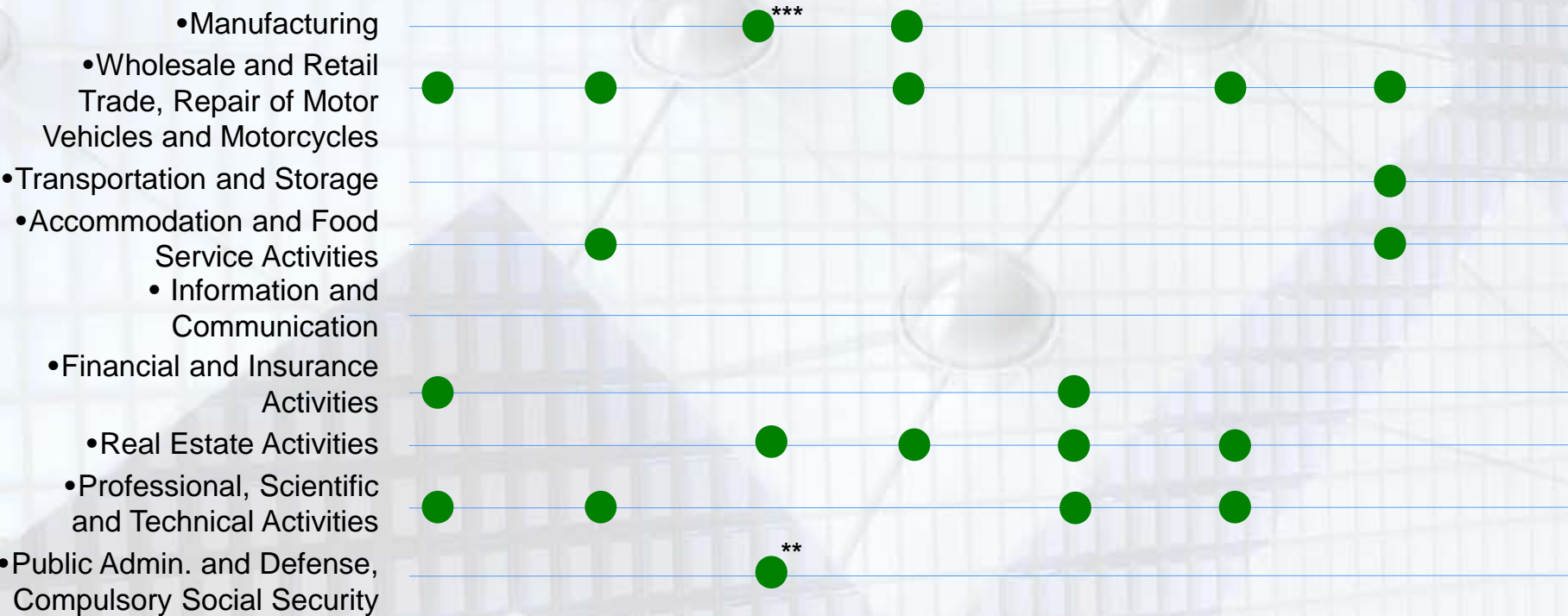
City portraits – A. Context

A2. Economy

	AMS	BCN	BDX	HAM	Greater LDN	MIL	VLN
GDP p/capita (K€)	77.9 ¹	42.2 ⁶	44.8 ⁵	60.5 ²	51.5 ³	46.0* ⁴	36.1 ⁸

Economic sectors

*** + Electricity, Gas, Steam and A/C Supply
 ** + Health, Social Works, Arts
 (exchange rate: 1,18€=1 £)
 * From official Regione Lombardia statistics



City portraits – B. City Government

B1. Functions covered

	Service	AMST	BCN	BDX	HH	CoL	MLN	VLN
General public services	Executive and legislative organs, financial and fiscal affairs, external affairs.		X	X	X	X	X (external affairs not provided)	
	Foreign economic aid.	X	X	X	X			
	General services.	X	X	X	X		X	
	Basic research.	X			X			
	R&D general public services.			X	X			
	General public services n.e.c.**		X	X			X	
	Public debt transactions.	X	X	X	X		X	
	Transfers of a general character between different levels of government.		X		X			
Defence	Military defence.							
	Civil defence.		X		X			X
	Foreign military aid.							
	R&D defence.							
	Defence n.e.c.**							
Public order and safety	Police services.		X	X	X	X		
	Fire-protection services.	X	X	X	X			X
	Law courts.				X	X		
	Prisons.				X			
	R&D public order and safety.		X		X			
	Public order and safety n.e.c.**	X	X		X		X	X

City portraits – B. City Government

B1. Functions covered

	Service	AMST	BCN	BDX	HH	CoL	MLN	VLN
Economic affairs	General economic, commercial and labour affairs.	X	X	X	X	X	X	
	Agriculture, forestry, fishing and hunting.				X		X	
	Fuel and energy.		X	X	X			
	Mining, manufacturing and construction.			X	X			
	Transport.	X	X	X	X	X	X	X
	Communication.	X		X	X			
	Other industries.		X (tourism)	X	X	X		
	R&D economic affairs.		X	X	X			
Economic affairs n.e.c.**		X				X		
Environmental Protection	Waste management.	X	X	X	X	X	X	X
	Waste water management.	X	X	X	X		X (100% participated subsidiary)	X
	Pollution abatement.		X	X	X		X	
	Protection of biodiversity and landscape.		X	X	X			
	R&D environmental protection.		X	X	X			
	Environmental protection n.e.c.**		X				X	X

City portraits – B. City Government

B1. Functions covered

	Service	AMST	BCN	BDX	HH	CoL	MLN	VLN
Housing and community amenities	Community development.	X	X	X	X	X	X	X
	Water supply.	X		X	X		X (100% participated subsidiary)	X
	Street lighting.	X	X	X	X	X	X	X
	R&D housing and community amenities.		X	X	X			
	Housing and community amenities n.e.c.**		X			X		
Health	Medical products, appliances and equipment.				X			
	Outpatient services.				X			X
	Hospital services.		X		X			X
	Public health services.	X	X		X			X
	R&D health.		X	X	X			
	Health n.e.c.**	X			X			
Recreation, culture and religion	Recreational and sporting services.	X	X	X	X	X	X	X
	Cultural services.	X	X	X	X	X	X	X
	Broadcasting and publishing services.		X		X			
	Religious and other community services.		X		X			
	R&D recreation, culture and religion.				X			
	Recreation, culture and religion n.e.c.**		X					



City portraits – B. City Government

B1. Functions covered

	Service	AMST	BCN	BDX	HH	CoL	MLN	VLN
Education	Pre-primary and primary education.		X	X	X	X	X	X
	Secondary education.		X		X		X	X
	Post-secondary non-tertiary education.				X			
	Tertiary education.			X	X		X	
	Education not definable by level.		X		X		X	
	Subsidiary services to education.		X	X	X		X	X
	R&D education.			X	X	X		
Education n.e.c.**	X	X						
Social Protection	Sickness and disability.		X		X	X	X	
	Old age.		X	X	X	X	X	
	Survivors.		X		X			
	Family and children.		X	X	X	X	X	X
	Unemployment.	X	X	X	X			
	Housing.	X	X	X	X	X	X	X
	Social exclusion n.e.c.**		X	X	X	X	X	X
	R&D social protection.		X	X	X			
Social protection n.e.c.**			X			X		

** n.e.c.: "Not elsewhere classified."



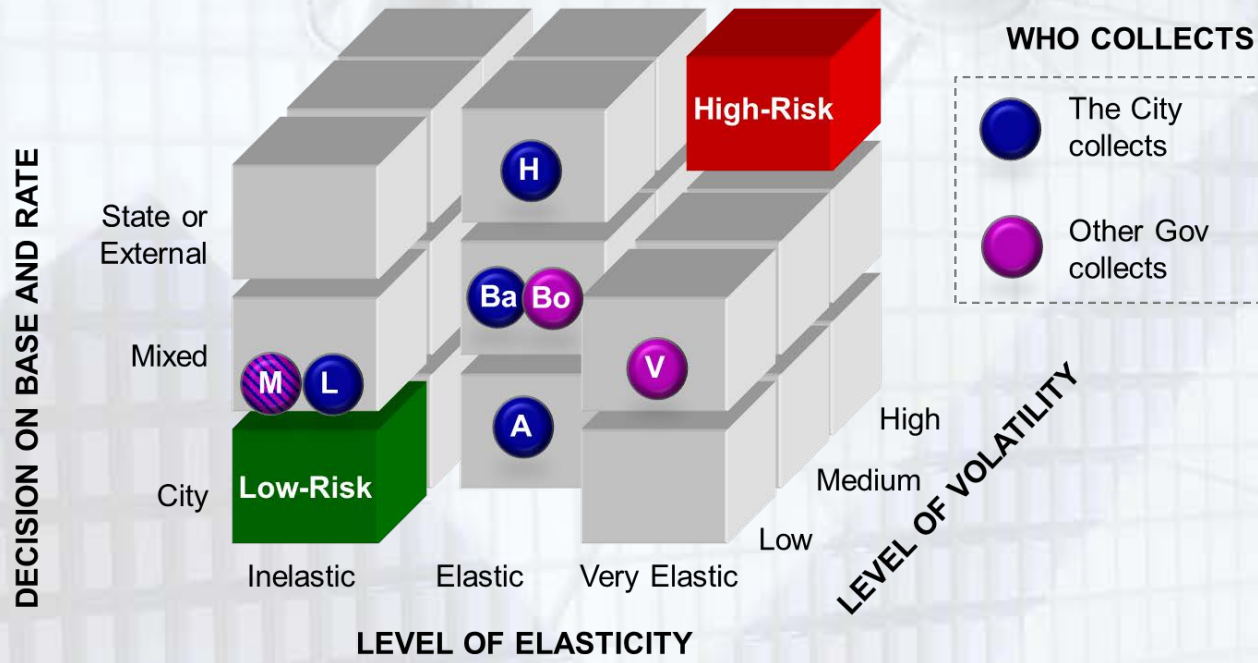
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City portraits – B. City Government

B2. Financial autonomy

	AMS (A)	BCN (Ba)	BDX (Bo)	HAM (H)	CoL (L)	MIL (M)	VLN (V)
Financial autonomy (FH1 KPI, FY 2015)	32% ⁷	51% ⁶	79% ³	91% ¹	53% ⁵	81% ²	91% ¹



City portraits – B. City Government

B2. Financial autonomy

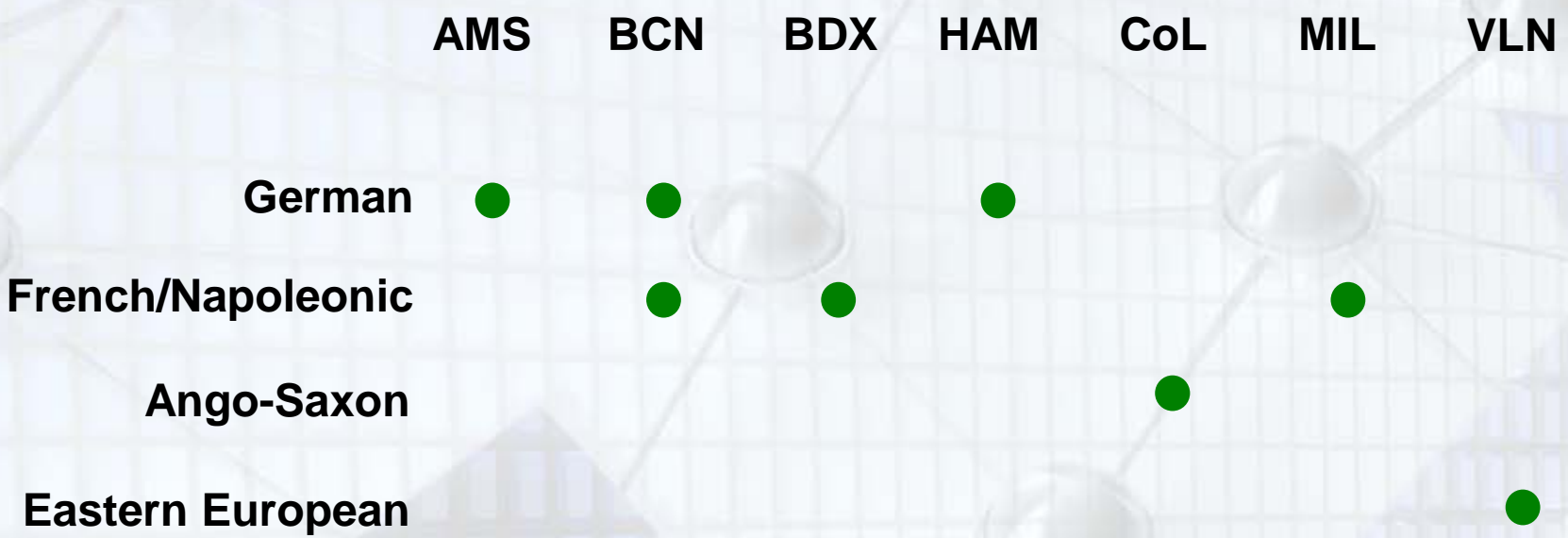
	AMS (A)	BCN (Ba)	BDX (Bo)	HAM (H)	CoL (L)	MIL (M)	VLN* (V)
Financial autonomy (FH1 KPI, FY 2015)	32% ⁷	51% ⁶	79% ³	91% ¹	53% ⁵	81% ²	91% ¹
Financial limits set by higher-level governments							
Limits to amount of tax rates/bases		●	●	●	●	●	●
Borrowing caps		●		●	●	●	●
Expenditure caps		●		●		●	●
Balance rules		●	●	●	●	●	●

*In the case of the City of Vilnius, legislation will enter into effect in 2018 foreseeing the additional limits of Borrowing caps, Expenditure caps and Balance rules. These additional limits are imposed to avoid budget deficits.



City portraits – B. City Government

B3. National administrative tradition



Classification according to Loughlin (1994) and Hammerschmid et al. (2016); Ongaro (2010) considers Spain within the Napoleonic administrative tradition



City portraits – B. City Government

B4. Political profile

Relationship with central government

SEPARATIONIST

FUSED

Institutional arrangement

DUAL

VLN

**BDX
MIL**

MONISTIC

**AMS
BCN
CoL**



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City portraits – C. Accounting system

City	Type of accounting implemented & used*					Perimeter		As of
	Cash	Modified-cash/Modified-accrual	Accrual (domestic principles)	Accrual (IPSAS principles)	Other	No. of relevant subsidiaries	Consolidated report (accrual)	
<i>Amsterdam</i>		●	⊙			n/a	No	2016
<i>Barcelona</i>	●	●		●⊙	● ⁽¹⁾	45	Yes	2017
<i>Bordeaux</i>	●		⊙	●		ca. 20	No	2016
<i>City of London</i>				●⊙ incl. IFRS		n/a	No	2015
<i>Hamburg</i>	●⊙		●⊙		● ⁽²⁾	380	Yes	2015
<i>Milan</i>		●⊙ ⁽⁵⁾	○⊙ ⁽⁵⁾			18	Yes	2015
<i>Vilnius</i>	●		●	⊙		339	Yes	2016

○ implemented and not used for decision making, ● implemented and used for decision making, ⊙ implemented by law, according to Ernst & Young, 2012

(1) Even though they are not exactly separate accounting systems, the City of Barcelona has also implemented a cost accounting system (not used yet) and the European Systems of Account (ESA) system (also used for internal decision making), which is a statistical/accounting system for nations required by the EU.

(2) Even though they are not exactly separate accounting systems, the City of Hamburg has also implemented and used a cost accounting system. It also backs information according to the European Systems of Account (ESA) system (but not used for internal decision making).

(3) For Italy, Ernst & Young (2012) label “Combination of Accrual and Cash”; for the specific situation of Italy (which is moving towards a new system of accounting that include two systems of accounting) this definition seems to be consistent with the accounting system classifications of accrual and modified accrual.



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BORDEAUX
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Hamburg



CITY OF
LONDON



Milano



VILNIUS



EIPA
Barcelona



City portraits – Synopsis

Dimensions		AMS	BCN	BDX	HAM	CoL	MIL	VLN
A. CON-TEXT	A1. Demography	Intermediate	Big & most dense city	Small & not dense	Big & not dense	Big & dense	Intermediate & dense	Small & least dense
	A2. Economy	1 st , similar to BCN, HAM & LDN	6 th , similar to AMS, MIL & VLN	5 th , similar to HAM	2 nd , similar to AMS, BDX, DUB & MIL	3 rd , similar to AMS & MIL	4 rd , similar to AMS, BCN, HAM & LDN	8 th , similar to BCN
B. CITY GOV.	B1. Functions covered	Intermediate	Intermediate	Several	Several	Few	Intermediate	Several
	B2. Financial autonomy	Low & Low/Medium risk	Low & Medium risk	Intermediate & Medium risk	High & Med./high risk	Low & Low risk	High & Low risk	High & Med./Low risk
	B3. National admin tradition	German	German/French-Napoleonic	French-Napoleonic	German	Anglo-Saxon	French-Napoleonic	Eastern European
	B4. Political profile	Separationist/Monistic	Separationist/Monistic	Fused/Dual	N.A.	Separationist/Monistic	Fused/Dual	Separationist/Dual
C. ACCOUNTING SYSTEM (for internal decision-making)		Non-accrual	Accrual (IPSAS)	Accrual (IPSAS)	Accrual (domestic)	Accrual (IPSAS)	Non-accrual	Accrual (domestic)