

# Financial report 2022



**MÉTROPOLE**

**GRAND LYON**

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# Introduction

**The Lyon Metropole is a public authority with a special status resulting from the merger on 1 January 2015 of the Greater Lyon Urban Community and the Rhône department in its territorial area.**

**This financial report shows the authority's principal income and expenditure and enables assessment of its management and financial health. Because of its unique structure, the Lyon Metropole has all of the powers of an intercommunal body and a department. In certain respects, it seemed sensible to distinguish between those elements from within the old Urban Community and department boundaries, including, for example, the various components of the General Operating Grant (DGF<sup>(1)</sup>). The Metropole is now a single authority, however, and so, without appropriate specific methodological precautions, cannot be compared to intercommunal bodies or departments.**

**The following are the key features of the financial year 2022:**

- **substantial financial operating volumes: €2.6 billion in expenditure and €3.2 billion in revenues;**
- **operational investments amounting to €560.7 million gross;**
- **net savings of €386.6 million;**
- **a debt-reduction capacity of 2.8 years.**

**The purpose of the financial report is to provide a sufficiently wide overview to allow financial trends to be discerned. Where possible, figures have been presented over a six-year period, from 2017 to 2022 inclusive.**

(1) abbreviations can be found in the appendices, sub-section 8.4, page 64.

# Revenues

The main income corresponds to tax revenues and financial transfers received from the State.

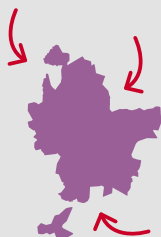
Most of the revenue of the Lyon Metropole is directly created by **the territory**.

## €1.2B FROM THE TERRITORY

### €467.6M

Revenues linked to the dynamism of the territory

- €435.4M Fees for Transfers of Properties
- €20.2M Local consumption tax on electricity
- €12.0M Tourist Tax



### €101.8M

“Household” taxes

- €85.6M Household Waste Collection Tax
- €8.7M Property Tax on secondary residences
- €7.5M Residence Tax



### €595.1M

Business Taxes

- €308.4M Contribution on Business Value Added
- €222.3M Business Premises Contribution
- €35.0M Household Waste Collection Tax
- €15.1M Tax on Commercial Premises
- €9.9M Flat-Rate on Network Businesses
- €4.5M Property Tax on Developed Land



The Lyon Metropole is also a beneficiary of **tax repayments** and **State grants**.

## €1.3B FROM THE STATE

### €553.7M

Grants linked to the territory

- €233.8M Intercommunal Grant
- €213.5M Departemental Grant
- €106.4M Compensations grants



### €766.0M

Tax-related grants

- €466.5M Value Added Tax
- €115.1M Domestic Consumption Tax on Energy Products
- €107.6M Individual Revenue Guarantee
- €76.9M Dedicated Tax on Insurance Policies





# 1. Principal revenues

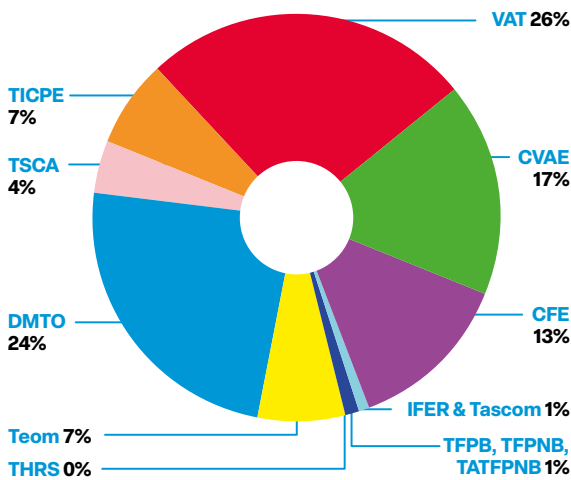
Total income for the Lyon Metropole amounted to €3.66 billion in 2022.

“Regular and permanent” income, which is shown in the operating section of the budget, represented €3.1 billion of revenues. This includes tax income and financial transfers from the government.

## 1.1 Tax

Tax revenues accruing to the Lyon Metropole amounted to a total of €2.1 billion, or two-thirds of operating income. €1.2 billion came from the territorial area and €0.8 billion were allocations from national income or financial flows between authorities.

### Distribution of principal tax revenues



The data below relating to taxes collected on the basis of tax rolls<sup>2</sup> come from general tax rolls<sup>3</sup>.

### 1.1.1 BUSINESS TAXES

Businesses contribute to funding for local authorities by means of four specific taxes:

- the Contribution on Business Value Added (CVAE) is a national flat-rate tax applied to value added;

- the Business Premises Contribution (CFE) corresponds to the old property component of the Trade Tax;
- the Flat-rate Tax on Network Businesses (IFER) has a number of components and applies to certain taxpayer categories;
- the Tax on Commercial Premises (TASCOM).

In addition to these taxes, businesses make a significant contribution to a number of “household” taxes: the Property Tax on Developed Land and the Household Waste Collection Tax.

#### 1.1.1.1 CONTRIBUTION ON BUSINESS VALUE ADDED (CVAE)

##### In brief...

The Contribution on Business Value Added (CVAE) is one of the two components of the Local Economic Contribution (CET), along with the Business Premises Contribution (CFE).

Businesses and self-employed workers contribute when their turnover exceeds €500,000. The rate that applies to their value added increases gradually from 0% to 0.75%, depending on turnover. The 0.75% rate applies to businesses with a turnover of more than €50 million. For their part, the beneficiary local authorities (including the Lyon Metropole) receive a CVAE equal to 0.75% of the added value of all companies with sales in excess of €152,500, with the French government paying the difference.

For a long time this was the Lyon Metropole’s main tax resource (still worth €389.3 million in 2016), but has not been since 2017 when the share of the tax that accrues to the regions doubled (25% of revenues up to 2016, 50% from 2017).

Since the Finance Act 2021 removed the CVAE share for the regions<sup>4</sup>, communes<sup>4</sup> and EPCIs<sup>4</sup> on the one hand and the departments<sup>4</sup> on the other hand, they now receive an equal portion of 53% and 47%, respectively. This tax will be levied for the last time in 2022, as the government decided to abolish it in the initial 2023 Finance Act.

(2) Residence Tax, property taxes, Business Premises Contribution and taxes on network businesses; the rolls are the enforceable titles that public sector accountants use to collect and pursue direct taxes (national and local taxes) and similar taxes (article L. 252A of the Manual of Tax Procedures). These are lists of taxpayers who are subject to tax, created by the tax authorities, that include each taxpayer’s identifier, the nature of the tax, the tax bases and tax rates, the amount to be paid and the beneficiary.

(3) additional tax rolls, which correspond particularly to adjustments for previous years, are also recorded for much smaller amounts, and are not specifically commented on in this report.

(4) There are three levels of government under the national level in France. The administrative divisions are, from the largest to the smallest : the regions, the departments and the communes. It is common for communes to band together in EPCIs for the provision of some services.

### 1.1.1.1 Revenues

The CVAE accruing to the authorities in the territory covered by the Lyon Metropole came to €308.4 million in 2022.

CVAE revenue was fairly stable between 2021 and 2022, with a fall of just 0.2%. CVAE revenue is closely linked to economic activity, but it is also deferred in time: companies pay instalments in N-1, based on their N-2 profits. This 2022 CVAE income

therefore corresponds to the advance payments made by companies in 2021, based on the economic situation in 2020.

Over the period as a whole, the revenue accruing to the Metropole has risen from €279.4 million in 2017 to €308.4 million in 2022, while the revenue paid by businesses has fallen from €558.7 million to €308.4 million.

#### Contribution on Business Value Added - revenues accruing to the territorial area

	2017	2018	2019	2020	2021*	2022
<b>Distribution of revenue between communities</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
... of which intercommunal share	26.5%	26.5%	26.5%	26.5%	53.0%	53.0%
... of which departmental share	23.5%	23.5%	23.5%	23.5%	47.0%	47.0%
... of which regional share	50.0%	50.0%	50.0%	50.0%	-	-
<b>Revenues accruing to the territorial area (€ million)</b>	558.7	558.2	592.1	638.4	309.0	308.4
<i>change yoy</i>	+7.6%	-0.1%	+6.1%	+7.8%	-51.6%	-0.2%
... of which intercommunal share	148.1	147.9	156.9	169.2	163.8	163.4
... of which departmental share	131.3	131.2	139.1	150.0	145.2	144.9
... of which regional share	279.4	279.1	296.1	319.2	-	-
<b>Revenues accruing to Lyon Metropole (€ million)</b>	279.4	279.1	296.1	319.2	309.0	308.4
<i>change yoy</i>	-28.2%	-0.1%	+6.1%	+7.8%	-3.2%	-0.2%

(\*) CVAE share for the regions removed

The Lyon Metropole contributes to a National Equalisation Fund under the CVAE with respect to the departmental share of revenues (see sub-section 2.2.3).

As most companies do not pay the full amount of the CVAE due to local authorities (this is only

the case for those with turnover in excess of €50 million), four-fifths of the revenue is paid by local companies; the remainder is paid by the French government through a rebate system.

#### Contribution on Business Value Added - revenue accruing to the Metropole

	2017	2018	2019	2020	2021	2022
<b>Revenues accruing to Lyon Metropole (€ million)</b>	279.4	279.1	296.1	319.2	309.0	308.4
... of which portion paid by businesses (€ million)	220.5	217.8	225.8	254.7	243.9	243.9
... of which rebated portion (€ million)	58.8	61.3	70.2	64.5	65.1	64.4
<b>Revenues accruing to Lyon Metropole (€ million)</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
... of which portion paid by businesses (%)	78.9%	78.0%	76.3%	79.8%	78.9%	79.1%
... of which rebated portion (%)	21.1%	22.0%	23.7%	20.2%	21.1%	20.9%

### 1.1.1.2 Taxpayers

The number of taxpayers was stable between 2021 and 2022.

#### Contribution on Business Value Added - number of businesses

	2017	2018	2019	2020	2021	2022
<b>All businesses (u)</b>	31,581	32,601	33,342	34,605	35,113	35,086
<i>change yoy</i>	+6.2%	+3.2%	+2.3%	+3.8%	+1.5%	-0.1%
<b>Corresponding CVAE revenues (€ million)</b>	279.4	279.1	296.0	319.1	309.0	308.4
<i>change yoy</i>	-28.2%	-0.1%	+6.1%	+7.8%	-3.1%	-0.2%

Most businesses are “CVAE positive”: they contribute to the Metropole’s tax receipts. Every year, between 200 and 300 businesses are redistributed part of the CVAE they had

previously paid: they are called “CVAE negative” businesses, and the amounts redistributed by the government are deducted from the Authority’s resources.

#### Contribution on Business Value Added - CVAE positive businesses

	2017	2018	2019	2020	2021	2022
<b>CVAE positive businesses (u)</b>	31,304	32,317	33,127	34,334	34,752	34,498
<i>change yoy</i>	+6,2%	+3,2%	+2,5%	+3,6%	+1,2%	-0,7%
<b>Businesses on single premises (u)</b>	28,551	29,479	30,285	31,212	31,681	31,459
... businesses on single premises, as a % of the total number	91,2%	91,2%	91,4%	90,9%	91,2%	91,2%
<b>Businesses on multiple premises (u)</b>	2,753	2,838	2,842	3,122	3,071	3,039
... corresponding premises (u)	11,117	11,368	11,269	12,364	12,313	11,551
... average number of premises (u)	4.0	4.0	4.0	4.0	4.0	3.8
<b>CVAE revenues from CVAE positive businesses (€ million)</b>	281.2	281.5	297.4	321.5	311.0	311.6
<i>change yoy</i>	-28,3%	+0,1%	+5,6%	+8,1%	-3,2%	+0,2%

#### Contribution on Business Value Added - CVAE negative businesses

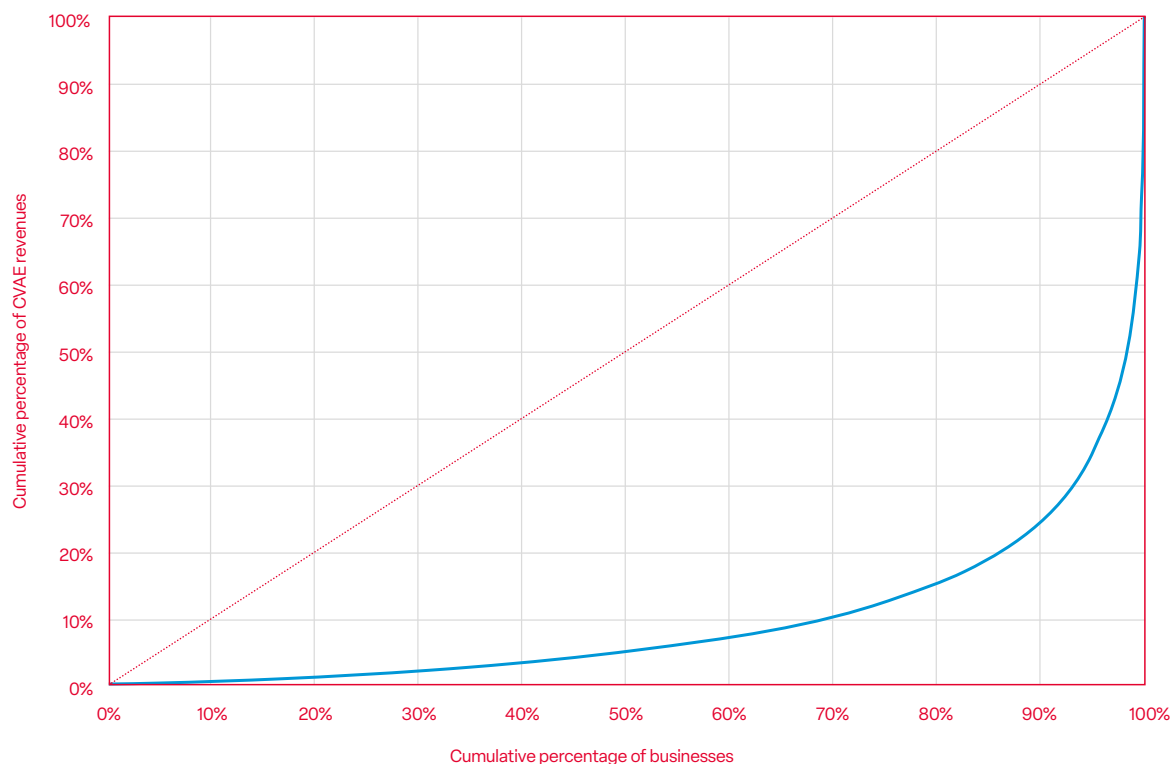
	2017	2018	2019	2020	2021	2022
<b>CVAE negative businesses (u)</b>	277	285	215	271	361	588
<i>change yoy</i>	n.s.	+2.9%	-24.6%	+26.0%	+33.2%	+62.9%
<b>CVAE revenues from CVAE negative businesses (€ million)</b>	-1.8	-2.4	-1.4	-2.4	-2.0	-3.2
<i>change yoy</i>	n.s.	+32.3%	-41.9%	+69.9%	-17.3%	+63.8%

In 2022, the number of CVAE negative businesses increased by €63.8 million due to the Covid 19 health crisis. Businesses have not been able to anticipate their earnings perfectly and have in some cases overpaid in 2021.



### 1.1.1.3 Revenue concentration

#### Contribution on Business Value Added - revenue concentration



There is significant concentration of CVAE revenues: 67% of CVAE positive business contributed just 10% of revenues, and 90% of businesses just 25%.

### 1.1.1.4 Distribution by business sector

The diverse nature of the local economic structure (half services, a third retail, and slightly less than a fifth industry, including chemical and engineering businesses) can be seen in both the distribution of the numbers of taxpayers and in tax revenues, in accordance with the sectors in INSEE's Classification of French Businesses (NAF).

## 1.1.1.1.4.1 Numbers of businesses

## Contribution on Business Value Added - numbers of businesses by NAF sectors

SECTION	SECTION CODE	AS A % OF THE NUMBER OF PREMISES					
		2017	2018	2019	2020	2021	2022
Agriculture, forestry and fishing	A	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Mining and quarrying	B	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Primary sector</b>		<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
Manufacturing	C	7.1%	6.8%	6.6%	6.2%	6.2%	6.1%
Electricity, gas, steam and air conditioning supply	D	0.8%	0.8%	0.8%	1.0%	1.0%	1.1%
Water supply; sewerage, waste management and remediation activities	E	0.8%	0.7%	0.8%	0.7%	0.7%	0.7%
Construction	F	8.7%	8.6%	8.6%	8.7%	8.7%	8.9%
<b>Secondary sector</b>		<b>17.4%</b>	<b>16.9%</b>	<b>16.7%</b>	<b>16.7%</b>	<b>16.7%</b>	<b>16.8%</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	22.1%	21.9%	21.4%	20.4%	20.2%	20.6%
Transportation and storage	H	2.4%	2.4%	2.4%	2.3%	2.4%	2.4%
Accommodation and food service activities	I	5.5%	6.0%	5.9%	6.1%	6.0%	5.7%
Information and communication	J	4.0%	4.2%	4.2%	4.5%	4.5%	4.7%
Financial and insurance activities	K	6.3%	6.6%	6.7%	6.6%	6.5%	6.8%
Real estate activities	L	6.0%	6.2%	6.3%	6.7%	6.7%	7.0%
Professional, scientific and technical activities	M	16.6%	16.2%	16.4%	16.8%	16.8%	16.6%
Administrative and support service activities	N	8.2%	8.3%	8.4%	8.4%	8.9%	8.2%
Public administration	O	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education	P	1.4%	1.4%	1.5%	1.5%	1.5%	1.4%
Human health and social work activities	Q	6.9%	7.0%	6.8%	6.9%	6.9%	6.9%
Arts, entertainment and recreation	R	0.7%	0.7%	0.8%	0.9%	0.9%	0.8%
Other service activities	S	2.2%	2.1%	2.0%	2.0%	1.9%	1.8%
Activities of households as employers	T	-	-	-	-	-	-
<b>Third sector</b>		<b>82.5%</b>	<b>83.0%</b>	<b>82.9%</b>	<b>83.1%</b>	<b>83.3%</b>	<b>83.1%</b>
Not broken down		-	-	0.3%	0.1%	-	-
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## 1.1.1.1.4.2 Revenues

## Contribution on Business Value Added - revenues by NAF sectors

SECTION	SECTION CODE	AS A % OF TOTAL CVAE REVENUES					
		2017	2018	2019	2020	2021	2022
Agriculture, forestry and fishing	A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining and quarrying	B	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Primary sector</b>		<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Manufacturing	C	16.1%	14.8%	15.2%	14.1%	14.1%	13.4%
Electricity, gas, steam and air conditioning supply	D	1.9%	2.0%	1.6%	2.0%	2.0%	1.8%
Water supply; sewerage, waste management and remediation activities	E	0.9%	0.8%	0.7%	0.7%	0.7%	0.6%
Construction	F	5.4%	5.7%	5.9%	5.9%	6.0%	5.8%
<b>Secondary sector</b>		<b>24.1%</b>	<b>23.3%</b>	<b>23.4%</b>	<b>22.7%</b>	<b>22.8%</b>	<b>21.6%</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	15.3%	17.2%	16.9%	16.4%	16.3%	17.6%
Transportation and storage	H	5.9%	5.8%	5.6%	4.2%	4.2%	3.9%
Accommodation and food service activities	I	2.4%	2.7%	2.7%	2.4%	2.4%	1.7%
Information and communication	J	8.7%	8.5%	8.6%	9.7%	9.7%	9.5%
Financial and insurance activities	K	10.6%	9.0%	9.1%	9.9%	9.9%	13.0%
Real estate activities	L	2.4%	3.1%	3.1%	3.6%	3.6%	3.3%
Professional, scientific and technical activities	M	16.1%	16.1%	16.4%	17.3%	17.3%	16.6%
Administrative and support service activities	N	7.9%	7.6%	7.6%	7.3%	7.3%	6.6%
Public administration	O	0.4%	0.3%	0.3%	0.2%	0.2%	0.1%
Education	P	0.6%	0.7%	0.9%	0.8%	0.8%	0.8%
Human health and social work activities	Q	3.8%	4.2%	3.9%	4.2%	4.2%	4.0%
Arts, entertainment and recreation	R	0.6%	0.4%	0.5%	0.4%	0.4%	0.3%
Other service activities	S	1.1%	0.9%	0.8%	0.9%	0.9%	1.0%
Activities of households as employers	T	-	-	-	-	-	-
<b>Third sector</b>		<b>75.9%</b>	<b>76.7%</b>	<b>76.4%</b>	<b>77.2%</b>	<b>77.2%</b>	<b>78.4%</b>
Not broken down		-	-	0.2%	0.1%	-	-
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### 1.1.1.2 BUSINESS PREMISES CONTRIBUTION

Over the period under review, two factors stood out:

- 2017 was the first year when the revised rental values of business premises were applied, the aim being to create greater fairness between taxpayers: this could not be guaranteed by the previous obsolete bases for tax assessment. The revision exercise was accompanied by a range of cushioning mechanisms to soften the impact over times for businesses, whether their contributions increased or decreased with respect to previous situation. These cushioning systems have no effect on local authority resources, and will apply until 2026;
- the French Finance Act for 2021 halved the tax rate applicable to the rental values of industrial premises for the CFE. The French State compensates for the amounts exempt from tax (see sub-section 1.2.4).

#### In brief

At €222.3 million in 2022, this was the Lyon Metropole's 4th highest tax resource.

The Business Premises Contribution (CFE) is one of the two components of the Local Economic Contribution (CET) with the Contribution on Business Value Added (CVAE).

The CFE is generally based on the rental value of the property subject to Property Tax. Smaller businesses frequently come under a special scheme, known as the "minimum contribution" scheme, however. A statutory regulation that applied for the first time in 2019 granted 31,000 taxpayers in the conurbation full exemption from the CFE.

Only the authorities in the communal unit (the communes and the EPCI) receive the CFE.

#### 1.1.1.2.1 Bases, rates and revenues

##### Business Premises Contribution - bases, rates and revenues

	2017	2018	2019	2020	2021	2022
<b>Tax bases (€ million)</b>	790.3	820.8	817.9	856.6	755.8	776.7
<i>change yoy</i>	+3.1%	+3.9%	-0.4%	+4.7%	-11.8%	+2.8%
<b>Rate (%)</b>	28.62%	28.62%	28.62%	28.62%	28.62%	28.62%
<i>change yoy</i>	-	-	-	-	-	-
<b>Revenue from the general rolls (€ million)</b>	226.5	235.4	234.6	245.4	216.3	222.3
<i>change yoy</i>	+3.3%	+3.9%	-0.3%	+4.6%	-11.9%	+2.8%

CFE revenue is subject to two factors: the dynamism of the number of businesses in the area and changes in legislation.

- The slight decrease in 2019 (-0.3%) is entirely attributable to the total exemption from contributions for businesses with sales of less than €5,000. Nearly 31,000 companies benefit from this exemption every year, but the French government fully compensates local authorities for the loss of revenue (see sub-section 1.2.4);

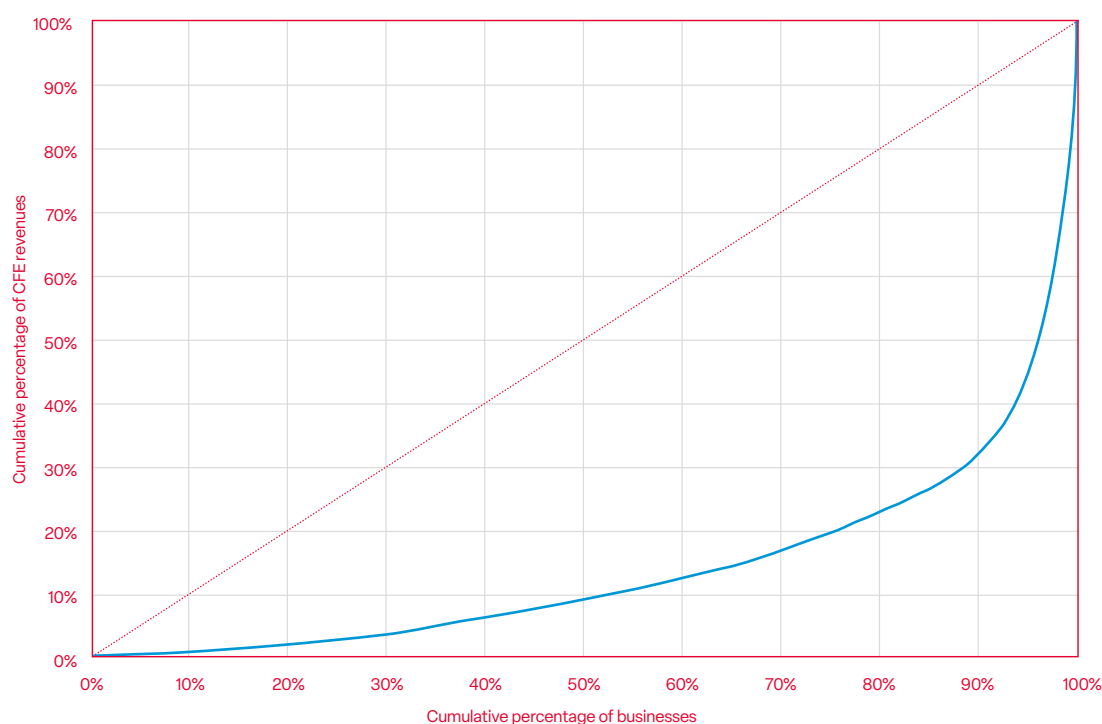
- The decrease in 2021 is due to the reform of rental values for industrial premises also compensated by the French government (see sub-section 1.2.4);
- The year 2022 will see an increase in general tax revenues as business activity recovers and in the absence of tax reform.

### 1.1.1.2.2 Tax base concentration

Almost 102,000 businesses in the territorial area, covering slightly more than 109,300 locations, paid a CFE contribution.

There was a significant concentration of the revenues: around 51% of companies accounted for 10% of the revenues, and around 75% of companies accounted for 20%.

#### Business Premises Contribution - revenue concentration by business



### 1.1.1.2.3 Taxpayers

24.7% of businesses fall under the common law system, and the contributions calculated for the premises where they are located are based on the tax rental value of the premises they use to carry out their business activity. Large businesses form part of this group, which contributed five-sixths of total CFE revenues.

#### Business Premises Contribution - businesses by taxation system

	2017	2018	2019	2020	2021	2022
<b>All businesses (u)</b>	107,084	116,584	83,922	89,933	96,947	102,210
<i>change yoy</i>	+10.5%	+8.9%	-28.0%	+7.2%	+7.8%	+5.4%
<b>Corresponding CFE revenues (€ million)</b>	226.5	234.9	234.6	245.2	216.3	222.3
<i>change yoy</i>	+3.3%	+3.7%	-0.2%	+4.5%	-11.8%	+2.8%
<b>Premises not paying the minimum contribution (u)</b>	23,932	25,117	24,519	24,567	24,601	25,265
... as a % of the total number	22.3%	21.5%	29.2%	27.3%	25.4%	24.7%
<b>Corresponding CFE revenues (€ million)</b>	189.9	195.0	196.4	204.2	171.8	175.8
... as a % of the total number	83.8%	83.0%	83.7%	83.3%	79.4%	79.1%
<b>Premises paying the minimum contribution (u)</b>	83,152	92,719	60,626	66,655	73,694	78,369
... as a % of the total number	77.7%	79.5%	72.2%	74.1%	76.0%	76.7%
<b>Corresponding CFE revenues (€ million)</b>	36.6	39.9	37.7	41.0	44.5	46.5
... as a % of the total number	16.2%	17.0%	16.1%	16.7%	20.6%	20.9%

In 76.7% of cases, businesses come under the specific minimum contribution scheme (see below), for at least one of the premises where they are located. These are often people engaged in commercial activity under the micro-enterprise scheme (self-entrepreneurs, micro-entrepreneurs). The sharp decline in the number of taxpayers in 2019 was caused by the government's decision to completely exempt businesses with a turnover

of less than €5,000 per year from paying the CFE. Authorities receive full compensation for the exemption.

Between 2019 and 2022, the number of businesses covered by these minimum contributions has risen sharply (17,743 additional businesses). This increase can be explained by the dynamic growth in start-ups in the Metropole, due in particular to the development of self-employment in the delivery sector.

### 1.1.1.2.4 Minimum CFE contributions

Until 2013, CFE taxpayers without business premises were required to pay a minimum contribution, the amount of which was independent of their turnover. Since 2014, a range of amounts payable has been established,

based on the revenue bracket into which businesses fall; this has made it possible for contributions by businesses with low turnovers to be reduced and for contributions by businesses with turnovers of over €100,000 to be increased.

#### Business Premises Contribution - history of minimum contributions

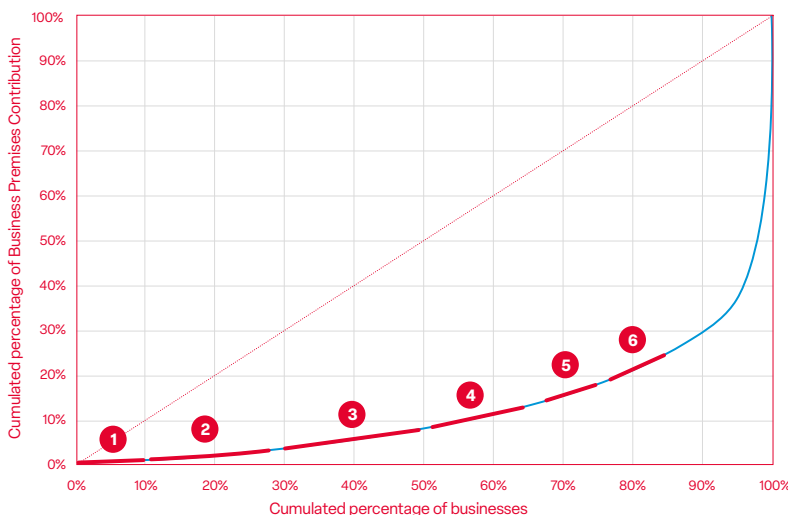
		2017	2018	2019	2020	2021	2022
Turnover <= €10,000	Group 1	147	149	151	152	153	155
€10,000 € < Turnover <= €32,600	Group 2	294	297	301	304	305	310
€32,600 € < Turnover <= €100,000	Group 3	529	534	541	547	550	558
€100,000 € < Turnover <= €250,000	Group 4	676	683	692	699	703	714
€250,000 € < Turnover <= €500,000	Group 5	1,000	1,010	1,023	1,033	1,039	1,055
Turnover > €500,000	Group 6	1,294	1,307	1,323	1,337	1,345	1,365

Close examination of the concentration of CFE revenues based on the premises where they are located helps identify the contributions of the various groups of taxpayers that pay

the minimum contribution.

The premises that pay the minimum contribution are only found in the first 22 percent of cumulative revenues from the CFE.

#### Business Premises Contribution – product concentration by businesses



Premises paying the minimum contribution:

- Group 1 7,735 premises with a contribution of €155.
- Group 2 19,081 premises with a contribution of €310.
- Group 3 20,568 premises with a contribution of €558.
- Group 4 13,353 premises with a contribution of €714.
- Group 5 6,772 premises with a contribution of €1,055.
- Group 6 8,046 premises with a contribution of €1,365.



### 1.1.1.2.5 Distribution by business sector

#### 1.1.1.2.5.1 Revenues

##### Business Premises Contribution - revenue by NAF sectors

SECTION	SECTION CODE	AS A % OF TOTAL CFE REVENUES					
		2017	2018	2019	2020	2021	2022
Agriculture, forestry and fishing	A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining and quarrying	B	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
<b>Primary sector</b>		<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
Manufacturing	C	21.7%	20.3%	21.1%	21.4%	14.9%	14.7%
Electricity, gas, steam and air conditioning supply	D	2.2%	2.3%	2.4%	2.8%	2.4%	2.4%
Water supply; sewerage, waste management and remediation activities	E	1.3%	1.4%	1.4%	1.3%	1.2%	1.2%
Construction	F	4.0%	4.0%	3.8%	3.8%	4.5%	4.5%
<b>Secondary sector</b>		<b>29.2%</b>	<b>28.0%</b>	<b>28.8%</b>	<b>29.4%</b>	<b>23.0%</b>	<b>22.8%</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	21.1%	19.6%	20.5%	19.8%	22.0%	21.7%
Transportation and storage	H	9.8%	9.7%	9.6%	9.1%	8.5%	8.7%
Accommodation and food service activities	I	4.4%	4.3%	4.2%	3.9%	5.7%	5.7%
Information and communication	J	3.4%	3.5%	3.5%	3.5%	4.3%	4.2%
Financial and insurance activities	K	4.5%	4.5%	4.6%	4.9%	5.1%	5.0%
Real estate activities	L	2.3%	2.4%	2.6%	2.7%	3.5%	3.9%
Professional, scientific and technical activities	M	12.5%	14.6%	13.2%	13.4%	12.3%	12.5%
Administrative and support service activities	N	3.8%	3.5%	4.1%	4.1%	4.7%	4.6%
Public administration	O	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
Education	P	1.0%	1.1%	1.1%	1.1%	1.3%	1.3%
Human health and social work activities	Q	4.8%	4.8%	4.7%	4.7%	5.8%	5.7%
Arts, entertainment and recreation	R	1.1%	1.4%	1.1%	1.1%	1.4%	1.5%
Other service activities	S	1.8%	2.2%	1.7%	1.9%	2.3%	2.2%
Activities of households as employers	T	0.0%	0.0%	-	-	-	-
<b>Third sector</b>		<b>70.7%</b>	<b>71.9%</b>	<b>70.8%</b>	<b>70.6%</b>	<b>76.9%</b>	<b>77.1%</b>
Not broken down		-	-	0.3%	-	-	-
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### 1.1.1.3 FLAT-RATE TAX ON NETWORK BUSINESSES

The Flat-rate Tax on Network Businesses (IFER) involves a small number of businesses in the energy, rail transport and telecommunications sectors.

It represented €9.9 million in 2022. Although the IFER has a dozen components, the one that benefits the Lyon Metropole comes mainly from taxation of radio stations (68% of the total amount) and electrical transformers that belong to public transport and electricity distribution networks (25% of the total).

The IFER is shared between the communes, the EPCIs with a Single Business Taxation System, the departments and the regions. As the Lyon Metropole has these two contributing elements, the revenues received can be divided into two parts: in particular, two thirds of the “radio stations” component is allocated as the intercommunal share and one third as the departmental share, while the “electrical transformers” component is allocated in full as an intercommunal share.

### Flat-rate Tax on Network Businesses - revenue breakdown

	2017	2018	2019	2020	2021	2022
Revenues (€ million)	7.9	8.2	8.6	8.8	9.4	9.9
... of which intercommunal share	6.0	6.2	6.4	6.6	7.0	7.3
... of which departmental share	2.0	2.0	2.2	2.2	2.4	2.6
change yoy		+3.7%	+4.3%	+3.0%	+6.2%	+5.0%

#### 1.1.1.4 TAX ON COMMERCIAL PREMISES

The TASCOM represented €15.13 million in 2022. It is payable by businesses that operate retail shops, regardless of their legal form.

It involves shops:

- with a minimum sales area of 400 m<sup>2</sup> (or less, if they belong to a network of shops with a minimum combined area of 4,000 m<sup>2</sup>);
- that opened after 1 January 1960;
- with a minimum pre-tax turnover of €460,000 the previous year.

The amount of tax is equal to the revenues from the sales area multiplied by a given rate. The rate is set based on the turnover per m<sup>2</sup>, and varies from €5.74/m<sup>2</sup> to €34.12/m<sup>2</sup>.

The law allows the Metropole Council to use a multiplication coefficient between 0.80 and 1.20 on the amount calculated. Following a decision

by the Metropole Council on 21 September 2015, the coefficient currently being applied is 1.10. The sizeable change in revenues between 2016 and 2017 was caused solely by the new requirement for businesses that were operating shops with larger sales areas (more than 2,500 m<sup>2</sup>) to bring forward payment of the tax. In 2017 alone, these businesses were required to pay the equivalent of a year and a half's worth of tax. This transitional effect expired in 2018, and on its own explains the decline in revenues between 2017 and 2018. In 2020, revenues experienced a decrease of 8.1%. Despite the economic context, the revenues from TASCOM experienced an increase of 4.7% in 2021, a recovery from 2020. In 2022, TASCOM revenues will fall slightly.

### Tax on Commercial Premises - revenues

	2017	2018	2019	2020	2021	2022
Revenues (€ million)	19.2	15.7	16.2	14.9	15.6	15.1
change yoy		-18.3%	+2.9%	-8.1%	+4.7%	-2.8%
Multiplier Coefficient	1.10	1.10	1.10	1.10	1.10	1.10

## 1.1.2 “HOUSEHOLD” TAXES

### In brief

“Household” taxes get their name because they involve residential premises. However, it may also apply to business premises, offices, factories, etc. if these fall outside the scope of professional taxation. In 2018, a major tax reform was introduced that affected household taxation and changed the Lyon Metropole’s revenue mix: firstly, the reduction in tax for the 80% of households with the lowest incomes, from 2018 to 2020, and then, from 2021, the transfer of the residual tax on primary residences to the State budget (partial exemption for the wealthiest 20% of taxpayers).

From that year onwards, the Lyon Metropole received a share of VAT to replace its income from Residence Tax on primary residences.

In addition, the abolition of the residence tax on principal residences was accompanied by the transfer of the department’s share of Residence Tax on developed properties to the communes. The Lyon Metropole has received a share of the VAT to replace revenues from the share of the Property Tax on Developed Land allocated to the departments since 2021.

### 1.1.2.1 RESIDENCE TAX

Between 2017 and 2022, the Residence Tax was changed from a tax on all residential premises to a tax only on those that are not used as a primary residence.

Residence Tax represented €160.7 million in 2020 and only €7.5 million in 2022. Residence Tax on second homes fell slightly in 2022 to €7.5 million as a result of the reduction in the number of properties subjected.

#### 1.1.2.1.1 Bases, rates and revenues

##### Residence Tax - bases, rates and revenues

	2017	2018	2019	2020	2021*	2022
<b>Tax bases (€ million)</b>	1977.4	2007.0	2077.3	2111.4	103.9	98.6
<i>change yoy</i>		+1.5%	+3.5%	+1.6%	-95.1%	-5.2%
<b>Rate (%)</b>	7.61%	7.61%	7.61%	7.61%	7.61%	7.61%
<i>change yoy</i>		-	-	-	-	-
<b>Revenue from the general rolls (€ million)</b>	150.5	152.7	158.1	160.7	7.9	7.5
<i>change yoy</i>		+1.5%	+3.5%	+1.6%	-95.1%	-5.2%

\* Change in the tax bases

#### 1.1.2.1.2 Taxed items

From now on, residential premises classed as secondary residences are the only premises that will be taxed with Residence Tax.

The change in the number of articles is particularly irregular due to the tax reform, which has increased the importance of the “principal

residence - secondary residence” distinction.

The tax authorities are still in the process of verifying the reliability of the databases, following significant changes in 2018 and 2021, which have resulted in challenges from taxpayers.

**Residence Tax – bases, number of secondary homes, average tax bases**

	2017	2018	2019	2020	2021	2022
<b>Tax bases (€ million)</b>	68.9	68.3	85.5	84.1	103.9	98.6
<i>change yoy</i>		+0.8%	+25.1%	-1.6%	+23.6%	-5.2%
<b>Number of items (u)</b>	28,970	29,071	32,688	32,301	37,685	35,903
<i>change yoy</i>		+0.3%	+12.4%	-1.2%	+16.7%	-4.7%
<b>Average tax bases (€ million)</b>	2,378	2,350	2,615	2,604	2,758	2,746
<i>change yoy</i>		-1.2%	+11.3%	-0.4%	+5.9%	-0.4%

**1.1.2.2 PROPERTY TAX ON DEVELOPED LAND**

Property Tax on developed properties fell substantially between 2020 and 2021, from €272.2 million to €12.7 million. The department's share of the tax was transferred to the communes as compensation for the introduction of the Residence Tax reform.

The remaining part of TFPB belongs to the intercommunal share.

Property Tax on developed properties amounted to €13.2 million in 2022, up 4.6% from 2021.

This increase is partly explained by the 3.4% revaluation of cadastral rental values.

**1.1.2.2.1 Bases, rates and revenues****Property Tax on Developed Land - bases, rates, revenues**

	2017	2018	2019	2020	2021	2022
<b>Tax bases (€ million)</b>	2,191.4	2,245.5	2,297.6	2,350.5	2,301.8	2,407.6
<i>change yoy</i>		+2.5%	+2.3%	+2.3%	-2.1%	+4.6%
<b>Rate (%)</b>	11.58%	11.58%	11.58%	11.58%	0.55%	0.55%
<i>change yoy</i>		-	-	-	-95.3%	-
<b>Revenue from the general rolls (€ million)</b>	253.8	260.2	266.3	272.2	12.7	13.2
<i>change yoy</i>		+2.5%	+2.4%	+2.2%	-95.3%	+4.6%

**Property Tax on Developed Land - taxed items**

	2017	2018	2019	2020	2021	2022
<b>Taxed items (u)</b>	628,905	638,252	648,960	661,364	669,424	683,239
<i>change yoy</i>		+1.5%	+1.7%	+1.9%	+1.2%	+2.1%

**1.1.2.3 PROPERTY TAX ON UNDEVELOPED LAND**

Property Tax on Undeveloped Land (TFPNB) accounts for marginal revenue in generally dense urban areas, and represented only €125 thousand in 2022.

A tax charged in addition to the TFPNB, which is only of interest to authorities with a Single

Business Taxation System, represented slightly higher income: €923 thousand in 2022.

The authorities that benefit from this additional tax have no powers with regard to the rate levied (it has been frozen at 17.03% since the tax was established in 2011).

### 1.1.2.3.1 Bases, rates and revenues

#### Property Tax on Undeveloped Land - bases, rates and revenues

	2017	2018	2019	2020	2021	2022
<b>Tax bases (€ million)</b>	5.4	5.4	5.9	6.0	6.2	6.4
<i>change yoy</i>		-0.5%	+8.7%	+3.1%	+3.1%	+2.8%
<b>Rate (%)</b>	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
<i>change yoy</i>		-	-	-	-0.1%	-
<b>Revenue from the general rolls (€ million)</b>	0.103	0.105	0.112	0.115	0.117	0.125
<i>change yoy</i>		+1.8%	+7.0%	+3.1%	+1.3%	+6.5%

### 1.1.2.4 HOUSEHOLD WASTE COLLECTION TAX

#### In brief

Household Waste Collection Tax (TEOM) is an optional tax that is ancillary to the Property Tax on Developed Land. This is a tax that contributes to funding the public waste prevention and management service. Since 2020, the financial transactions relating to this area of responsibility

have been processed in a separate budget for "Prevention and Management of Household and Similar Waste". Its amount does not depend on the service actually provided and covers the expenses of the ancillary budget.

#### 1.1.2.4.1 Bases, rates and revenues

The Metropole Council votes on the rates for the TEOM. The basis of assessment is the same as that used for Property Tax, and changes are due to the construction of new premises and inflation applied to rental values. While rates remained unchanged over the 2017-2018 period under review, the 2019-2022 period saw two significant changes:

- The average rate fell from 6.10% in 2018 to 5.01% in 2019 and 4.93% in 2021;
- Removal of the different rate for services

that involve guaranteed door-to-door collection six times a week.

The decisions made by the Metropole Council followed the guidelines proposed in the report concerning the Household Waste Collection Tax and changes to the tax, written by the fact-finding and assessment working group, which carried out its work throughout the whole of 2018.

The rate remained unchanged in 2022 and TEOM generated revenue of €120.5 million.

#### Household Waste Collection Tax - rates

<b>RATE APPLIED DEPENDING ON TYPE OF DOOR-TO-DOOR COLLECTION</b>	2017	2018	2019	2020	2021	2022
6 collections/week "full service"	6.79%	6.79%	5.35%	5.35%	4.93%	4.93%
6 collections/week "normal service"	6.32%	6.32%	5.35%	5.35%	4.93%	4.93%
5 collections/week "normal service"	5.05%	5.05%	4.43%	4.43%	4.93%	4.93%
4 collections/week "normal service"	5.05%	5.05%	4.43%	4.43%	4.93%	4.93%
3 collections/week "normal service"	5.05%	5.05%	4.43%	4.43%	4.93%	4.93%
2.5 collections/week "normal service"	4.12%	4.12%	3.71%	3.71%	4.93%	4.93%
2 collections/week "normal service"	4.12%	4.12%	3.71%	3.71%	4.93%	4.93%
1.5 collections/week "normal service"	2.97%	2.97%	2.97%	2.97%	4.93%	4.93%
1 collection/week "normal service"	s.o.	s.o.	s.o.	s.o.	-	-
<b>Average rate, all types of service</b>	6.09%	6.10%	5.01%	5.01%	4.93%	4.93%

## Household Waste Collection Tax - bases, rates and revenues

	2017	2018	2019	2020	2021	2022
<b>Tax bases (€ million)</b>	2,140.6	2,194.7	2,254.3	2,301.6	2,347.2	2,443.6
<i>change yoy</i>		+2.5%	+2.7%	+2.1%	+2.0%	+4.1%
<b>Rate (%)</b>	6.09%	6.10%	5.01%	5.01%	4.93%	4.93%
<i>change yoy</i>		+0.1%	-17.8%	-	-1.6%	-
<b>Revenue from the general rolls (€ million)</b>	130.4	133.8	112.9	115.3	116.1	120.5
<i>change yoy</i>		+2.6%	-15.6%	+2.1%	+0.7%	+4.1%

## 1.1.3 OTHER TAXES

### 1.1.3.1 FEES FOR TRANSFERS OF PROPERTIES

Revenues from Fees for Transfers of Properties (DMTO, the commonly used name for registration fees and the land registration tax, including the additional departmental fee) was the second highest source of tax revenue for the Lyon Metropole, after VAT.

The DMTO revenue amounted to €435.4 million in 2022.

#### Fees for Transfers of Properties - revenues

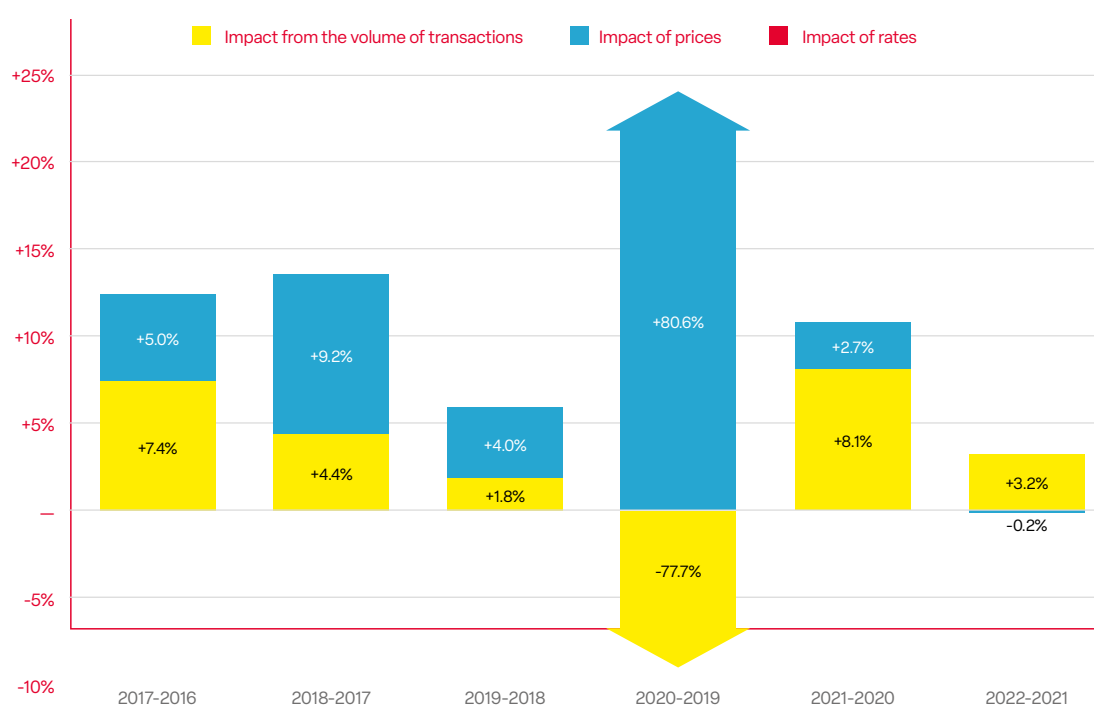
	2017	2018	2019	2020	2021	2022
<b>Revenues (€ million)</b>	308.3	350.1	370.6	381.2	422.6	435.4
<i>change yoy</i>		+13.5%	+5.9%	+2.9%	+10.9%	+3.0%

After the rate increase passed in 2014 by the General Council of the Rhône department, revenues have changed since 2015, mainly in line with the market for older properties. This increase can be understood on the basis of elements relating to the number of transactions and the price level. Over the 2015-2019 period, the impact

of prices has been particularly significant. This phenomenon slowed down in 2019 before picking up again in 2020. But in 2021 and 2022, it was primarily the effect of volume that led to the increase in revenue for the Metropole. It is noteworthy that at the end of 2022 prices started to fall in France.



### Factors behind changes in revenues from the DMTO during the 2017-2022 period



#### 1.1.3.2 PROPERTY IMPROVEMENT TAX

Property Improvement Tax is made up of two parts: an intercommunal part and a departmental part. It comes into operation when planning permission, typically in the form of a building permit, is granted. Both private individuals and professionals are subject to the tax.

After a proportion of the amount collected is repaid to the communes in the territorial area, allocations from the intercommunal share go towards funding projects in the Metropole.

Allocations from the departmental share go towards funding the policy to protect fragile

natural areas on the one hand and the expenditure of the Council for Architecture, City Planning and the Local Environment on the other.

The specific features of the Metropole have led to difficulties in the distribution of these two parts, which are reflected in the administrative accounts.

The revenue collected in 2022 is up by 22.3%, and the split between departmental and inter-Communal revenue has been partially corrected but is still not perfect.

#### Property Improvement Tax - revenues

	2017	2018	2019	2020	2021	2022
“Departmental” share (TDCAUE, TDENS, TA, in € millions)	15.5	9.0	1.6	0.1	0.1	16.7
“Communal” share (TLE, TA in € millions)	18.1	27.8	35.6	28.7	30.5	20.8
<b>Total</b>	<b>33.6</b>	<b>36.7</b>	<b>37.2</b>	<b>28.8</b>	<b>30.6</b>	<b>37.4</b>
<i>change yoy</i>		+9.3%	+1.2%	-22.5%	+6.3%	+22.3%

### 1.1.3.3 EXCISE DUTY ON ELECTRICITY

Excise duty on Electricity applies to electricity supplied by a provider and consumed at a delivery point located on the territory of the Metropole.

The following may be liable for the tax:

- electricity providers: entities that produce or buy electricity to sell it on to an end user;
- entities that produce electricity that they then use as required for their own business activities.

The tax base consists solely of the volumes of electricity supplied by a provider to an end user or produced by an entity that uses it as required for its own business activities.

The communal share of the tax is only collected in the territorial area covered by the city of Lyon, and is paid back to the city in full. In the territorial area covered by the other communes, the revenues are generally collected by the

joint energy management association of the Lyon area, which redistributes the majority of the money to the member communes. Since 2022, the method for the calculation and payment of the tax has changed. Previously, the sums were paid by electricity distributors to local authorities based on electricity consumption in the area. From 2022, the State will pay the excise tax directly to local authorities based on the amount collected the previous year, adjusted for inflation and local electricity consumption.

The department's share of the tax reverted to the Metropole, amounting to €20.2 million in 2022. The Metropole directly received the electricity distributors' residual payments for 2021, as well as the French government's payment for 2022.

#### Excise Tax on Electricity - revenues

	2017	2018	2019	2020	2021	2022
Revenues (€ million)	13.5	11.9	11.7	10.1	10.2	20.2
change yoy		-11.5%	-1.9%	-13.7%	+0.6%	+98.1%

### 1.1.3.4 TOURIST TAX

Tourist tax is paid by people who stay in tourist establishments and guesthouses. Because of its dual nature, the Metropole collects both the tourist tax (revenue for the Authorities in the communal unit) and the additional tourist tax (revenue for the departments).

Tourist tax is used to fund expenditure linked to tourist numbers and to protection of natural areas visited by tourists.

This revenue was impacted by the health crisis in 2020, with a reduction that year. Since then, the product has risen again, peaking in 2022.

#### Tourist tax - revenues

	2017	2018	2019	2020	2021	2022
Revenues (including additional tax, € million)	6.8	8.6	10.0	8.8	6.6	12.0
change yoy		+26.4%	+17.0%	-12.1%	-24.9%	+81.2%

## 1.1.4 TAX TRANSFERS

### In brief:

Each year, the national government distributes national taxes for the benefit of local and regional authorities. For the departments, to compensate for the costs passed on to them, for local authorities that have not recovered all of their previous resources from the tax system that replaced trade tax, and more recently for the departments and EPCIs to replace Residence Tax on primary residences

and Property Tax on developed properties. Within the intercommunal body in Lyon, there are significant financial flows between the communes and the Metropole, notably the compensation allocations that guarantee the impartiality of tax specialisation since it began to apply in 2003.

### 1.1.4.1 VALUE ADDED TAX

A new major source of income for the Lyon Metropole, each year it receives Value Added Tax (VAT) from the government in two parts:

- As for all EPCIs, one share of the VAT replaces Residence Tax on primary residences, removed from the resources of local authorities since 2021;
- As is the case for all the departments, a share of VAT replaces the Property Tax on developed properties, which was transferred to the communes in the area in 2021.

The revenue paid in 2021 was equal, to the nearest euro, to the revenue received by the Lyon Metropole in 2020 from these two local taxes.

This constituted a blank year for the local authority's budget.

From 2022, the revenue collected will be indexed to the national revenue forecast by the State when the Finance Law for the following year is enforced.

The Metropole's revenue from VAT has therefore increased by 9.6% in 2022, as forecast in the PLF 2023.

However, as national VAT ultimately increased by only 8.1%, the excess VAT income will be regularised in the first half of 2023.

#### Value Added Tax

	2020	2021	2022
Total VAT (€ million)	s.o.	425.7	466.5
<i>change yoy</i>	s.o.	s.o.	+9.6%
... of which VAT substituted for the THRP received as EPCI	s.o.	164.3	180.0
... of which VAT substituted for the TFPB received as department	s.o.	261.4	286.5

### 1.1.4.2 INDIVIDUAL REVENUE GUARANTEE

Following the withdrawal of Trade Tax in 2010, some authorities have not returned to their previous revenue level with the new tax revenues that have been allocated to them. These authorities receive an allocation from the National Fund for Individual Revenue Guarantees (FNGIR), which is tax redistributed from authorities that have “gained” to those that have “lost out”.

The reform is theoretically “zero sum”:

- the authorities that have “gained” are charged a levy on their tax revenues (they contribute to the National Fund for Individual Revenue Guarantees) and the authorities that have “lost out” receive money redistributed by the fund;

- because the levies are not sufficient to cover the redistributed revenues that the authorities that have “lost out” are expecting, they are paid a supplement in the form of financial assistance from the government: the Compensation Grant for Reform of Trade Tax (see sub-section 1.2.3 below).

The Lyon Metropole is one of the authorities that has “lost out”, and so received an Individual Revenue Guarantee of €107.6 million, in line with the former Urban Community and the former department.

#### Individual Revenue Guarantee

	2017	2018	2019	2020	2021	2022
Intercommunal share	96.2	96.1	96.2	96.2	96.2	96.2
Departmental share	11.4	11.4	11.4	11.4	11.4	11.4
<b>FNGIR, overall</b>	<b>107.6</b>	<b>107.5</b>	<b>107.6</b>	<b>107.6</b>	<b>107.6</b>	<b>107.6</b>
<i>change yoy</i>		-0.1%	+0.1%	-	-	-

### 1.1.4.3 “CVAE” COMPENSATION ALLOCATIONS

The transfer of 25 points of CVAE from the departments to the regions has reduced the tax revenues that the Lyon Metropole receives (see sub-section 1.1.1.1.1).

In 2022, the Auvergne-Rhône-Alpes Region paid the Lyon Metropole €128.7 million, which corresponds to the 25 points of CVAE transferred, at 2016 costs.

### 1.1.4.4 RE-DISTRIBUTION OF THE SOCIAL HOUSING SHORTAGE LEVY

Some communes incur a social housing shortage levy, as established in the building and housing code. As it has the responsibility for securing reserved land for the construction of social

housing and has a local housing plan, Lyon Metropole is allocated this levy. The amount collected in 2022 amounted to €2.2 million.

### 1.1.4.5 LEVY ON BETTING ON HORSE RACING AND ONLINE CASINO GAMBLING

Up to 15% of the revenues from the levy payable by the betting organisation PMU or the companies involved in betting organised in accordance with the terms established by article 5 of the law of 2 June 1891, and by the entities that require approval as online betting operators for horse racing, as mentioned in article 21 of law 2010-476 of 12 May 2010, is allocated to local authorities.

Between 2014 and 2018, these revenues went to the Public Body for Cooperation between Local Communities (EPCI) whose territorial area includes one or more race courses that are open

to the public, in proportion to the betting at the horse races organised by said race courses. Since 2019, half of this levy has been allocated to the EPCI and half to the commune where the infrastructure is located.

In 2019, this levy brought in €408 thousand to the Metropole, particularly from the Parilly racecourse, a figure that was 47% lower than 2018 (€771 thousand).

In 2020 and 2021 the Gouvernement has not provided the Lyon Metropole with any figures. In 2022, the revenue is €399 thousand.

### 1.1.4.6 DEDICATED TAX ON INSURANCE POLICIES

A portion of the Dedicated Tax on Insurance Policies (TSCA) goes to fund the powers transferred to departments, as stated in the Local Freedoms and Responsibilities Act of 13 August 2004.

A decision was made about an initial portion in 2004, involving the TSCA as it relates to motorised land vehicles. Then between 2005 and 2007 this portion was increased in order to cover the new expenditure that was being transferred each year as part of implementation of the Local

Freedoms and Responsibilities Act.

Since 2008, new wording has set the portion of the TSCA rate as it relates to land motor vehicles that is paid to departments to compensate for powers transferred between 2005 and 2008 at 11.55%, and has expanded the tax base transferred to departments to include the TSCA as it relates to fire and shipping policies.

In 2022, this represented income of €76.9 million for the Lyon Metropole.

#### TSCA - revenues

	2017	2018	2019	2020	2021	2022
TSCA "Article 52" (various responsibilities)	39.1	41.0	39.5	36.6	42.0	48.6
TSCA "Article 53" (SDIS/SDMIS)	22.8	23.7	22.9	21.3	24.2	28.3
TSCA, all	61.9	64.7	62.4	57.8	66.2	76.9
change yoy		+4.6%	-3.6%	-7.3%	+14.5%	+16.1%

### 1.1.4.7 EXCISE DUTY ON ENERGY PRODUCTS OTHER THAN NATURAL GAS AND COAL

Departments receive two shares of the revenues from the Domestic Consumption Tax on Energy Products (TICPE), which has become excise duty on energy products other than natural gas and coal.

The first share, which was imposed by the 2004 Finance Act, was set up to compensate for decentralisation of Minimum Income Benefit (RMI) and Minimum Earned Income (RMA) from

1 January 2004. This represented €104.7 million for the Lyon Metropole.

Because of the increase in compensation owed to departments, a second share was transferred in 2008, which allocated a proportion of the tax on the amount of fuel sold each year across the whole country to all departments.

In 2022, this represented income of €10.5 million for the Lyon Metropole.

#### Excise duty on energy products other than natural gas and coal- revenues

	2017	2018	2019	2020	2021	2022
TICPE "Article 59" (RMI/RSA)	104.7	104.7	104.7	104.7	104.7	104.7
TICPE "Article 52" (various responsibilities)	9.4	9.2	9.2	6.9	8.8	10.5
TICPE, all	114.0	113.9	113.9	111.5	113.4	115.1
change yoy		-0.1%	-0.0%	-2.0%	+1.7%	+1.5%

## 1.1.5 REDUCTIONS IN REVENUE

### In brief:

Each year, financial flows reduce the revenues from this tax income. However, as public accounting rules prohibit contractions, these amounts are all included under operating expenditure, in Chapter 014. For the sake of clarity, these costs are dealt with in this report in the chapter on tax.

### 1.1.5.1 REDISTRIBUTIONS TO COMMUNES

Some payments from the Metropole to the communes are considered revenue losses because they are taken from the Metropole's tax income. This is the case for "FPU" compensation allocations. These represent the bulk of the tax payments made by the Metropole to the communes in the area. They have a dual purpose:

- to guarantee the financial impartiality of tax specialisation (application of the Single Business Taxation System), on behalf of both the communes and for the Metropole;
- to guarantee the financial impartiality of the transfer of responsibilities, on behalf of both the communes and the Metropole.

Compensation allocations amounted to €202.2 million in 2022. This is a net figure: 32 communes received compensation allocations (amounting to a total of €213.0 million) while 26 other communes paid the allocations (amounting to a total of €10.8 million). This unique situation stemmed from the significant tax integration linked to the major integration of responsibilities prior to implementation of the Single Business Taxation System.



The transfer of certain responsibilities has led to adjustments to compensation allocations:

- the transfer of two responsibilities that were previously the responsibility of the City of Lyon (“coordination or financial support for cultural events with an impact across the conurbation” and “financial support for professional sports clubs’ public interest mandate in relation to training”) have led to a reduction of €1.5 million in compensation allocations to the city centre from 2005 onwards;
- the transfer of responsibility for “authority interest housing policy” from 2006 onwards, and for “tourism” from 2010 also led to adjustments to compensation allocations to some communes, resulting in an overall reduction of €0.3 million;
- the transfer of responsibility for “policing buildings in danger of collapse”, “managing parking permits for taxi operators” and “external protection against fire” from 2018 onwards led to a reduction of more than €800 thousand in the budget.

### Compensation allocations

	2017	2018	2019	2020	2021	2022
Compensation allocations paid (Metropole to Communes)	213.7	213.0	213.0	213.0	213.0	213.0
Compensation allocations received (Communes to Metropole)	10.7	10.8	10.8	10.8	10.8	10.8

In this respect, the Metropole paid €213 million in compensation and €31.2 million in community solidarity grants to the communes in its area (see point 2.1.2 below).

#### 1.1.5.2 OTHER EXPENSES

Certain tax income is subject to special allocation, which means that its revenues must be dedicated to specific public policies. This is the case with the departmental Property Development Tax, received by the Metropole since 2015, and which funds both fragile natural areas and the Rhône Council for Architecture, City Planning and the Local Environment (CAUE). As a result, the Metropole paid €250 thousand to the CAUE in 2022.

## 1.2 Financial support from the government

Financial transfers from the government to local authorities amounted to €105.5 billion in 2022, including operating grants and tax compensation. However, this budget has decreased significantly since 2014, because it is the vector chosen by the government for local authorities' contribution to the efforts required to improve public finances.

### 1.2.1 CONTRIBUTION TO IMPROVING THE PUBLIC FINANCES

From 2014 onwards, local authorities have been involved with improving the trajectory of public finance budget balances and debt through a "Contribution to Improving the Public Finances"

(CRFP). The CRFP has risen gradually at national level, from €1.5 billion in 2014 to €11.5 billion in 2017. Since then, it has remained unchanged.

#### Contribution to Improving the Public Finances - France overall

	2014	2015	2016	2017	2018	2019
All authorities in the communal unit (€ million)	840.0	2,911.0	4,982.0	6,017.5	6,017.5	6,017.5
... of which communes	588.0	2,038.0	3,488.0	4,213.0	4,213.0	4,213.0
... of which EPCI	252.0	873.0	1,494.0	1,804.5	1,804.5	1,804.5
All departments (€ million)	476.0	1,624.0	2,772.0	3,920.0	3,920.0	3,920.0
All regions (€ million)	184.0	635.0	1,086.0	1,537.0	1,537.0	1,537.0
All local authorities (€ million)	1 500.0	5,170.0	8,840.0	11,474.5	11,474.5	11,474.5
change yoy (%)		+244.7%	+71.0%	+29.8%	—	—

The contribution was distributed within the authorities in the communal unit, in the same way as in the regions, in proportion to their actual operating income. The contribution was distributed within departments in accordance with their population sizes, the incomes

of their inhabitants and the Property Tax on Developed Land.

In this instance again, the Lyon Metropole belongs both to an EPCI and a department. It therefore paid the contribution twice:

#### Contribution to Improving the Public Finances - Lyon Metropole

	2014*	2015**	2016	2017	2018	2019
Metropole linked to an EPCI (€ million)	10.5	36.2	61.7	73.8	73.8	73.8
Metropole linked to a department (€ million)	10.7	36.6	62.2	88.4	88.4	88.4
Total contribution from the Metropole (€ million)	21.1	72.8	123.9	162.1	162.1	162.1
change yoy (%)		+244.3%	+70.3%	+30.9%	—	—

(\*) Amount of the departemental share reconstituted for the Lyon Métropole

(\*\*) Extension of the territory of the Lyon Metropole

So, in 2017 and subsequent years, the Lyon Metropole's CRFP stood at €162.1 million. In addition to the CRFP, which now remains at the same level every year, local authorities' involvement in controlling public spending has been part of a "bond of trust" since 2018. This bond is mainly reflected in an effort to control

changes in current expenditure, principally by means of a contractual agreement between the government and the main authorities in the territorial area (the regions and departments, the Lyon Metropole, the major cities and the main EPCIs).

## 1.2.2 GENERAL OPERATING GRANT

### In brief:

General Operating Grant (DGF) is the main financial contribution the government pays to local authorities. The amount of the DGF and the criteria for distribution are set each year by the Finance Act. Because of its special status, the Lyon Metropole receives

the allocations for both EPCIs and departments. Between 2014 and 2017, the DGF was the preferred “vector” for local authorities’ Contribution to Improving the Public Finances.

The DGF’s components are usually established on the basis of the population size of the authority receiving it.

One of the unique features of the Lyon Metropole is that there are two “DGF populations”, one intercommunal and the other departmental:

#### The Metropole’s DGF populations

	2017	2018	2019	2020	2021	2022
<b>Intercommunal DGF population</b>	1,388,546	1,405,326	1,417,702	1,422,109	1,436,959	1,450,480
<i>change yoy</i>	+1.3%	+1.2%	+0.9%	+0.3%	+1.0%	+0.9%
<b>Departmental DGF population</b>	1,367,496	1,385,286	1,398,283	1,405,108	1,419,876	1,433,387
<i>change yoy</i>	+1.3%	+1.2%	+0.8%	+0.3%	+0.9%	+0.9%

### 1.2.2.1 “INTERCOMMUNAL” DGF

The General Operating Grant that the Lyon Metropole receives as an EPCI has two main components: the Intercommunal Grant and the Compensation Grant.

#### 1.2.2.1.1 Intercommunal Grant

In light of the freezing of the value of the government’s financial support to local authorities passed as part of the initial Finance Act for 2011 and 2012, all per capita grants remained stable in each category between 2010 and 2018. Consequently, between 2015 and 2018, the amount of the grant given to the Lyon Metropole (€75.04 per capita before CRFP) corresponded to the basic grant to urban communities and metropolises, i.e. €60.00, plus a guarantee for EPCIs established before 2008, €15.04 in this instance. However, in 2019, the DGF was reformed. There is no longer explicit reference to the Contribution to Improving the Public Finances, which has remained at its 2018 level, i.e., an annual deduction of €73.8 million for the Lyon Metropole (see above).

There are now three grants within a single budget for all of the EPCIs, irrespective of their form: a basic grant (mainly based on population size), an equalisation grant (that takes account of the EPCIs’ wealth indicators, i.e. their “tax potential”) and a guarantee or cap, the function of which is to smooth out changes over time. The indicators used to distribute the package are now population size, the tax integration coefficient, tax potential and per capita income, the outcome of which has been to place the Lyon Metropole in the centre of all the country’s EPCIs. For 2022, this led to an increase of 0.9% in the allocated budget.

## Intercommunal Grant

	2017	2018	2019	2020	2021	2022
<b>DGF population (in the sense of the EPCIs, with current boundaries)</b>	1,388,546	1,405,326	1,417,702	1,422,109	1,436,959	1,450,480
<b>Intercommunal Grant n-1 before CRFP (€ million, up to 2018)</b>	82.2	83.3				
... of which basic grant n-1	-	-				
... of which guaranteed grant n-1	82.2	83.3				
<b>active part of the population</b>	+125.1	+126.6				
... of which on the basic grant	+20.9	+21.1				
... of which on the guaranteed grant	+104.2	+105.4				
<b>Intercommunal Grant n before CRFP (€ million, up to 2018)</b>	207.3	209.9				
<b>Total CRFP for the year (EPCI share)</b>	25.3	25.2				
... of which 2014 CRFP	1.1	1.0				
... of which surplus from 2015 CRFP	0.3	0.3				
... of which surplus from 2016 CRFP	10.5	10.5				
... of which surplus from 2017 CRFP	25.7	25.7				
<b>Intercommunal Grant n after CRFP (€ million, up to 2018)</b>	12.4	12.4				
<b>Intercommunal Grant (€ million, from 2019)</b>			33.7	35.0	35.4	35.7
... of which basic grant			11.9	12.4	12.1	10.4
... of which equalisation grant			21.8	22.6	21.9	19.0
... of which guarantee or cap			-	-	1.3	6.3
<b>Intercommunal Grant across the whole period (€ million)</b>	30.4	31.7	33.7	35.0	35.4	35.7
<i>change yoy</i>	-26.1%	+4.2%	+6.4%	+3.7%	+1.0%	+0.9%

### 1.2.2.1.2 Compensation Grant

This portion of the DGF is linked to the numerous reforms of the Trade Tax. The CFL sets an indexation rate each year. In 2022, this portion (€198.1 million) represented 83% of the DGF from the old Urban Community within the Metropole.

It is made up of two portions:

- the first portion corresponds to compensation for the Gradual Removal of the Earnings Share (SPPS) from the base for the Trade Tax between 1999 and 2003, which was adjusted in 2011 when Trade Tax was removed in full;

- the second portion corresponds to allocations from the National Trade Tax Equalisation Fund to compensate for reductions in the Compensation Grant for Trade Tax (DCTP) between 1998 and 2001.

In light of the funding needs in the DGF (population growth, development of intercommunal co-operation, increased equalisation), the CFL set a cap of 1.22% for the first portion in 2021.

## Compensation Grant - trend factors

	2017	2018	2019	2020	2021	2022
<b>Compensation Grant (€ million)</b>	219.0	215.1	210.3	206.5	202.5	198.1
... of which SPPS share (€ million)	216.1	212.2	207.3	203.5	199.5	195.1
... of which DCTP share (€ million)	2.9	2.9	2.9	2.9	2.9	2.9
<b>Indexation of SPPS share</b>						
... coefficient for the year	0.972213	0.979118	0.977039	0.981717	0.980306	0.978064
... amalgamated coefficient from 2011 to 2017	0.892401	0.873766	0.853703	0.838095	0.821589	0.803567

### 1.2.2.2 “DEPARTMENTAL” DGF

#### 1.2.2.2.1 Block Grant

The Block Grant changes from year to year depending on population size and is subject to a cap that contributes to coverage of funding needs (population increase, equalisation trends) within departments’ DGFs.

In addition, it was the preferred “vector” for departments’ Contribution to Improving the Public Finances.

#### Departmental Block DGF

	2017	2018	2019	2020	2021	2022
<b>DGF population (in the sense of departments, with current boundaries)</b>	1,367,496	1,385,286	1,398,283	1,405,108	1,419,876	1,433,387
<b>Block Grant n-1 before CRFP (€ million, up until 2017)</b>	177.3	-	-	-	-	-
active part of the population	+1.4	-	-	-	-	-
Cap	-1.6	-	-	-	-	-
<b>Block Grant n before CRFP (€ million, up until 2017)</b>	177.1					
total CRFP for the year (EPCI share)	88.4					
Of which 2014 CRFP	10.7					
Of which surplus from 2015 CRFP	25.9					
Of which surplus from 2016 CRFP	25.6					
Of which surplus from 2017 CRFP	26.2					
<b>Block Grant n after CRFP (€ million), up until 2017)</b>	88.8					
<b>Block Grant n-1 (€ million, from 2018)</b>		88.8	88.8	88.8	88.3	88.2
active part of the population		+1.3	+1.0	+0.5	+1.1	+1.0
Cap		-1.2	-1.0	-1.0	-1.2	-1.2
<b>Block Grant n (€ million, from 2018)</b>		88.8	88.8	88.3	88.2	87.9
<b>- Block Grant over the whole period (€ million)</b>	88.8	88.8	88.8	88.3	88.2	87.9
Change n/n-1	-22.9%	+0.1%	-0.1%	-0.6%	-0.1%	-0.3%

#### 1.2.2.2.2 Compensation Grant

In the early 2000s, the Compensation Grant was introduced as a substitute for other financial support from the government. Although in principle the grant has been frozen, in 2017 it was reduced to enable increases in the

government’s “civil protection” budget, which includes an investment programme for departmental fire and rescue services and the new loyalty and recognition bonus system for volunteer firefighters.

### 1.2.2.2.3 Urban Equalisation Grant

The Urban Equalisation Grant applies to “urban” departments, i.e. departments with population density greater than 100 people per km<sup>2</sup> and with an urbanisation rate (the number of communes included in an urban unit as defined by INSEE) greater than 65%.

In addition, the department’s per capita financial potential must be less than or equal to 1.5 times the average per capita financial potential, and the average per capita income must be less than 1.4 times the average per capita income.

In both cases, the benchmark is the average of all “urban” departments.

### 1.2.2.2.4 Overall DGF total for the territorial area of the Metropole

#### DGF for the Metropole, all components

	2017	2018	2019	2020	2021	2022
<b>Intercommunal share (€ million)</b>	249.4	246.8	244.0	241.5	237.8	233.8
... of which Intercommunal Grant (€ million)	30.4	31.7	33.7	35.0	35.4	35.7
... of which Compensation Grant (€ million)	219.0	215.1	210.3	206.5	202.5	198.1
<b>Departmental share</b>	150.3	151.0	151.2	150.7	150.7	150.7
... of which Compensation Grant (€ million)	40.2	40.2	40.2	40.2	40.2	40.2
... of which Block Grant (€ million)	88.8	88.8	88.8	88.3	88.2	87.9
... of which Urban Equalisation Grant (€ million)	21.3	22.0	22.2	22.3	22.4	22.6
<b>Total</b>	<b>399.7</b>	<b>397.8</b>	<b>395.2</b>	<b>392.2</b>	<b>388.5</b>	<b>384.5</b>

## 1.2.3 COMPENSATION GRANT FOR REFORM OF TRADE TAX

The authorities that had previously been in receipt of Trade Tax have been receiving alternative revenues since 2011. Where the amounts collected from Residence Tax (which was previously a departmental tax), the Local Economic Contribution (the CFE and CVAE, and the new business taxation system) and other smaller income sources were lower than previous revenues, authorities receive a Compensation Grant for Reform of Trade Tax (DCRTP), financial assistance from the government, and repayment of tax (an allocation from the FNGIR, see sub-section 1.1.4.1).

After several years of stability, the two portions of the DCRTP due to the Lyon Metropole have gradually been cut. However, the share of the DCRTP due to the Metropole as part of its department component increased in 2021 as a result of a correction by the French State to the 2017 reduction, which did not take account of the local authority’s dual status.

In 2022, the DCRTP will remain unchanged compared with 2021.

#### Compensation Grant for Reform of Trade Tax - revenues

	2017	2018	2019	2020	2021	2022
<b>Total DCRTP (€ million)</b>	58.9	58.9	57.7	57.3	59.9	59.9
change yoy	-9.5%	-0.0%	-2.1%	-0.6%	+4.5%	-
... of which intercommunal share (€ million)	50.4	50.4	49.8	49.4	49.4	49.4
change yoy	-	-	-1.2%	-0.7%	-	-
... of which departmental share (€ million)	8.5	8.5	7.9	7.9	10.5	10.5
change yoy	-41.8%	-0.3%	-7.2%	-	+32.5%	-

## 1.2.4 TAX COMPENSATION

When the French government changes the rules governing local tax exemptions, it generally allocates a compensatory allowance to local authorities whose revenue is reduced. This compensation may be partial or temporary.

The main events of the period under review were:

- The end of the Residence Tax compensation allowance in 2021
- The sharp increase in the CFE compensatory allowance, which includes exemptions for business start-ups, exemptions for micro-businesses with turnover of less than €5,000 (2019) and, above all, the 50% exemption for rental values of industrial premises (2021),
- The grant for transferring compensation for exemption from local direct taxation, which only involves the departmental part of the Metropole and represents €2.1 million. It is also constantly decreasing because the French government uses it as an adjustment variable in the annual budget for local authorities,
- The compensation allowance for Property Tax, which mainly concerns housing in Urban Free Zones, Priority Neighbourhoods of the Urban Policy areas, has fallen sharply as a result of the transfer of this tax to the communes, but the part relating to the exemption of 50% of the rental value of business premises remains.

### Tax compensation

	2017	2018	2019	2020	2021	2022
Professional taxes (CFE and CVAE)	0.1	0.2	4.9	5.6	41.1	43.6
Property Taxes	1.5	1.3	1.4	1.5	0.6	0.6
Residence Tax	6.1	6.4	6.8	7.1	0.0	0.0
Additional tax to DMTO	0.0	0.0	0.0	0.4	0.2	0.2
DTCE-FDL	3.3	3.3	3.0	2.5	2.1	2.1
DUCSTP	1.2	0.0	0.0	0.0	0.0	0.0

# 1.3 Other revenues

## 1.3.1 WATER TREATMENT CHARGE

### In brief:

Legislation enables any public water treatment service to be provided against payment of a charge for water treatment: every consumer is required to contribute financially to the protection of water resources.

From the point of view of the user:

The contribution is equal to the volume of water consumed multiplied by the cost per cubic metre of

water, as approved each year by the Metropole Council. It is clearly labelled in the water bill.

From the authority's point of view:

The revenues from the charge contribute to funding works for collecting, transporting and treating wastewater so that it can be discharged into the natural environment without polluting it.

The water treatment levy on the water bill is proportional to consumption; it was €1.0392/m<sup>3</sup> excluding VAT in 2022 (compared with €1.0343/m<sup>3</sup> excluding VAT in 2021).

The water treatment charge is allocated solely to the Ancillary Water Treatment Budget. It reached €73.8 million in 2022. The exceptional amount received in 2018 was solely related to the change in the terms of repayments under the DSP contract with Eau du Grand Lyon.

### Water treatment charge

	2017	2018	2019	2020	2021	2022
Revenues (€ million)	70.8	97.6	75.9	76.9	75.9	73.8
change yoy	+3.3%	+37.9%	-22.3%	+1.3%	-1.3%	-2.7%

The price of water includes a number of elements set out in the table below. The variable portion of the price excluding tax includes:

- the price of water as a raw material; this is the portion of the price that goes to the farmer;
- the water treatment charge, which goes to the Metropole;
- taxes levied on behalf of Voies Navigables de France (Navigable Waterways of France, a public body established in 1991 to maintain navigable waterways);
- charges levied on behalf of the Water Agency: one portion for drinking water and support for rural communities (since 2005), and another to combat pollution.

The standing charge for a 15 mm is equal to the needs of a typical household consuming 60 m<sup>3</sup> of water every six months (reference: INSEE).

The standing charge was set at €21.2825 excluding tax, compared to €20.9418 excluding tax in 2021. The price of water was set at €1.4077 in 2022.

Since 1 January 2014, the VAT rate applicable on all water treatment facilities is 10%, compared to 5.5% for drinking water.



## Water pricing table

	2017	2018	2019	2020	2021	2022
<b>Drinking water (€ excl. taxes/m<sup>3</sup>)</b>	1.3756	1.3819	1.3662	1.3873	1.3909	1.4077
Water (raw material)	1.0202	1.0264	1.0305	1.0434	1.0471	1.0642
... of which delegated body	0.8028	0.8077	0.8093	0.8207	0.8248	0.8395
... of which Urban Community/Metropole	0.2174	0.2187	0.2212	0.2227	0.2223	0.2247
National Fund for Water Supply Tax	0	0	0	0		
Water Agency levy, "Drinking Water and Support for Rural Communities" share	0.0599	0.0599	0.0599	0.058	0.058	0.058
RMC Water Agency levy, "Domestic Pollution" share	0.2900	0.2900	0.2700	0.2800	0.2800	0.2800
Navigable Waterways of France Tax	0.0055	0.0056	0.0058	0.0059	0.0058	0.0055
<b>Water treatment (€ excl. taxes/m<sup>3</sup>)</b>	1.1749	1.1946	1.2027	1.2090	1.2352	1.2311
Water treatment charge	0.9985	1.0150	1.0254	1.0265	1.0343	1.0392
Water Agency levies, "Network Renovation" share	0.1550	0.1550	0.1500	0.1500	0.1500	0.1600
Navigable Waterways of France Tax	0.0214	0.0246	0.0273	0.0325	0.0509	0.0319
<b>Standing charge for a meter<sup>(1)</sup> of 15mm (€ excl. taxes/half-year period)</b>	20.4028	20.5264	20.6106	20.8689	20.9418	21.2825
... of which delegated body	16.0555	16.1533	16.1859	16.4141	16.4956	16.7890
... of which Urban Community/Metropole	4.3473	4.3731	4.4247	4.4548	4.4462	4.4935
<b>VAT<sup>(2)</sup></b>						
on consumption (€/m <sup>3</sup> )	0.1931	0.1955	0.1954	0.1972	0.2000	0.2005
on standing charge (€/half-year period)	1.1222	1.1290	1.1336	1.1478	1.1518	1.1705
<b>Price of water (€incl. taxes/m<sup>3</sup>) on the basis of consumption of 60m<sup>3</sup>/half-year period</b>	3.1024	3.1329	3.1267	3.1604	3.1943	3.2136

(1) standing charge for a half-year period, divided by 60m<sup>3</sup> to obtain the price of water in € excl. taxes/m<sup>3</sup>

(2) VAT at 5.5% for the public drinking water supply and 10% for the public water treatment service

### 1.3.1.1 INCOME RELATING TO THE SOCIAL SECTOR

The Lyon Metropole receives income from a number of sources to fund social expenditure that falls within departmental responsibilities:

- under the APA (Personal Independence Allowance), the Metropole received income from the National Funding Agency for Independent Living (CNSA), which amounted to €45.6 million in 2022;
- under the RSA (Active Solidarity Income),

in addition to the TICPE, which are tax receipts transferred by the government to the Metropole (see sub-section 1.1.4.7), the Metropole received income from the departmental Mobilisation Fund for Integration (FMDI) to an amount of €11.7 million;

- under the PCH (Disability Compensation Benefit), the Metropole received revenues from the CNSA in the amount of €19.9 million.

#### Income relating to the social sector

	2017	2018	2019	2020	2021	2022
<b>CNSA Apa (€ million)</b>	34.2	35.6	36.3	39.9	44.0	45.6
<b>CNSA MDMPH (€ million)</b>	1.3	1.3	1.5	1.4	1.5	2.2
<b>CNSA PCH (€ million)</b>	10.4	13.3	14.3	14.2	13.0	19.9
<b>FMDI (€ million)</b>	12.2	11.3	11.5	10.7	12.1	11.7

### 1.3.1.2 OTHER INCOME

The Metropole receives variable amounts of other income. One of the largest sources is revenues from tolls on the northern section of the ring road, which is a tunnel over most of its length.

#### Tolls from the Lyon Northern Ring Road (BPNL)

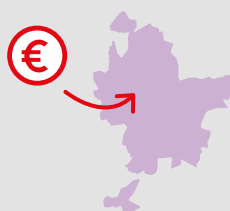
	2017	2018	2019	2020	2021	2022
<b>BPNL tolls (€ million)</b>	31.7	36.9	44.9	32.3	33.6	45.3
<i>change yoy</i>		+16.3%	+21.6%	-28.1%	+4.2%	+34.8%

# Redistributions

Equalization aims to reduce wealth differences between territorial areas.

This redistribution mechanism applies between communities (between municipalities or between departments) or from the State to the communities.

**THE LYON METROPOLE  
IS PERCEIVING  
€31.6M**



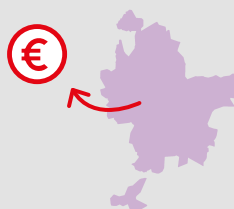
**€17.7M**

from the State (Equalised  
Compensation Mechanism)

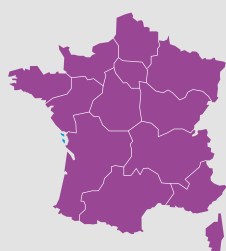
**€13.9M**

Departmental Solidarity Fund

**THE LYON METROPOLE  
PAYS  
€176.7M**



**AMONG**



**€16.9M**

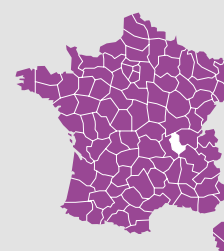
to others intercommunal groups  
through the Equalisation Fund for  
Intercommunal and Communal  
Assets (FPIC).

The Communes of the Metropole  
also contribute to an amount of €15.9  
million or a total of €32.7 million



**€31.2M**

to the communes in the territorial  
area through the community  
support grant



**€128.6M**

to the other Départements, among

- €72.3M to the Département du Rhône with the Metropolitan Area Compensation grant
- €53.5M for the 3 Equalisations Fund for fees for transfers of properties
- €2.7M for the National Equalisation Fund for the contribution on business value added

## 2. Equalisation

### In brief:

Equalisation is a redistribution mechanism whose purpose is to reduce the wealth differences between territorial areas. It can be horizontal, i.e. between authorities on the same level, or vertical, i.e. from the government and meant for authorities. The Metropole is predominantly

a contributor to these mechanisms with regard to horizontal equalisation, whether at the level of the communal unit, at departmental level or when it involves a mechanism that deals specifically with the territorial area that used to belong to the Rhône department.

### 2.1 Equalisation specific to authorities in the communal unit

#### 2.1.1 EQUALISATION FUND FOR INTERCOMMUNAL AND COMMUNAL ASSETS

The Equalisation Fund for Intercommunal and Communal Assets (FPIC) was implemented for the first time in 2012, and is funded by levies on the assets of communes and EPCIs in “rich” intercommunal groups. Money is transferred to groups with fewer assets, where taxpaying entities pay higher taxes, and where expenditure is higher.

As part of the Lyon intercommunal group, the Lyon Metropole was subject to a levy of €16.9 million in 2022. In the same year, all the communes in the territorial area had to pay a levy of €15.8 million. The Lyon intercommunal group is not eligible for transfers.

#### FPIC

	2017	2018	2019	2020	2021	2022
<b>national budget (€ million)</b>	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
<i>change yoy (%)</i>	-	-	-	-	-	-
<b>contribution from the Lyon intercommunal group (€ million)</b>	35.4	34.5	33.9	33.6	33.9	32.7
<i>change yoy (%)</i>	+24.0%	-2.5%	-1.9%	-0.9%	+0.9%	-3.3%
<b>contribution from Lyon Metropole (€ million)</b>	20.6	20.2	19.8	19.6	19.6	16.9
... of which basic contribution	18.3	18.0	17.6	17.5	17.4	14.5
... of which responsibility for the contributions of certain communes	2.3	2.2	2.1	2.1	2.2	2.4
<i>change yoy in the contribution from the Metropole (%)</i>	+23.8%	-2.0%	-1.8%	-1.1%	+0.2%	-13.9%

## 2.1.2 COMMUNITY SUPPORT GRANT

This budget was set up and voted on by the Community Council and renewed by the Metropole Council for the communes in the territorial area.

In 2020, a legislative reform changed the criteria for distribution of DSC. However, article 256 of the French Finance Act 2020 also allowed local authorities to roll over the 2019 amount while waiting for the new distribution arrangements to be voted on. Following work carried out in 2021, a new definition has been agreed for 2022. The DSC budget remained unchanged at €27 million in 2022, with a new allocation method: six fractions, including:

- two fractions based on Communal wealth and representing 50% of the total budget, in accordance with the law;
- four fractions that take into account the number of RSA recipients, the number of accommodation places for adults in need, the Communal area classified as PENAP (protection of peri-urban natural and agricultural areas), and economic development.

However, a top-up has been put in place for communes that lose out under this new distribution, to guarantee them a CSG equivalent to the amount received in 2021. The total DSC 2022 budget was therefore €31.2 million.

### Community Support Grant

	2017	2018	2019	2020	2021	2022
Community Support Grant (€ million)	20.5	20.5	27.0	27.0	27.0	31.2
change yoy	-	-	+31.9%	-	-	+15.6%

## 2.2 Equalisation for departments

### 2.2.1 THE METROPOLE COMPENSATION GRANT

When the Rhône department was divided into two parts along the lines of the old Urban Community, a local assessment board for expenditure transfers reviewed the financial assets. The board was committed to maintaining the financial equilibrium of both of the two new authorities, while at the same time monitoring the level of savings that resulted from the division. As a result, the Lyon Metropole is required to pay the new Rhône department

a Metropole Compensation Grant annually in order to guarantee the financial equilibrium from before the department was split. This amounted to €75.0 million in 2015, based on non-final data. Application of the pro rata temporis principle in 2016 resulted in a payment that year of €74.7 million. It was revised in 2016, and has represented €72.3 million since 2017.

### 2.2.2 NATIONAL EQUALISATION FUND FOR FEES FOR TRANSFERS OF PROPERTIES

This comprehensive fund, set up in 2020, brings together the 3 former equalisation funds based on DMTO: the DMTO equalisation fund, the departmental solidarity fund and the inter-departmental support fund. Like its predecessors, it aims to rebalance

revenues between departments according to the dynamics and level of their DMTO revenues. As contributions come from a levy on every department's DMTO revenues, it is possible for a department to be both a contributor and a recipient, in the same way as with the FPIC.

Now, the fund is made up of 2 parts:

- one lump-sum part that consists of a levy of 0.34% on the basis of the general law of transfer fees from the previous year (to neutralise the rate effect) for all departments;
- one progressive part aimed at levying €750 million on departments whose standard DMTO base per inhabitant is at least 75% of the national average, in 3 bands (75% to 100%, 100% to 200%, over 200%), with a ceiling set at 14% of the previous year's DMTO income.

The Lyon Metropole already contributed to the 3 old funds, so logically it also does so for the new. However, the new rules for the levy have led to an increase in contributions since 2020, from a total of €48.9 million in 2019 to €53.5 million in 2022, without reaching the levy ceiling.

Once the levy has been calculated, the funds are redistributed to the departments in 3 budgets:

The first (the former FSID) concerns rural departments or those with a high poverty rate. The second (the former DMTO fund) is intended for departments with low financial potential or revenues.

The third (the former FSD) is intended for departments with low tax potential or revenues, and those with the highest remaining AIS (individual solidarity allowances).

In 2022, the Lyon Metropole was eligible for this last budget, due to the combination of its high outstanding debt and the marked increase in the DMTO of the other departments, bringing the Metropole's per capita level below 140% of the national average.

### 2.2.3 NATIONAL EQUALISATION FUND FOR THE CONTRIBUTION ON BUSINESS VALUE ADDED (FPCVAE)

The purpose behind this fund, which was set up in 2011, is also to redistribute a portion of the departments' tax revenues between themselves, though this time it involves the CVAE (and therefore the impetus from revenues from the business taxation system). The decision about which departments receive the money is made

using a summary assets and expenditure index that takes into account the per capita financial potential, the average per capita income, the number of RSA recipients and the number of people over the age of 75.

In 2022, the Metropole contributed €2.7 million.

### 2.2.4 EQUALISED COMPENSATION MECHANISM

This vertical equalisation mechanism releases government income to the departments and aims to offset part of the departments' remaining spending requirements under expenditure from Individual Solidarity Allowances in accordance with wealth criteria. The amount to be distributed

at national level, which was established in 2014, corresponds to the Property Tax management fees collected by the government, i.e. 3% of TFPB revenues.

In 2022, this represented income of €17.7 million for the Lyon Metropole.

## Departmental equalisation

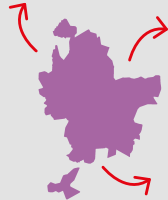
	2017	2018	2019	2020	2021	2022
<b>The Metropole as a contributor</b>						
Total (€ million)	110.6	114.5	123.9	133.1	138.3	128.6
... of which Metropolitan Area Compensation Grant (€ million)	72.3	72.3	72.3	72.3	72.3	72.3
... of which Equalisation Fund from the DMTO (€ million)	27.4	30.7	35.0	58.1	60.2	53.5
... of which departmental Solidarity Fund (€ million)	5.5	6.3	7.0	0.0*	0.0*	0.0*
... of which Interdepartmental Support Fund (€ million)	s.o.	s.o.	6.9	0.0*	0.0*	0.0*
... of which Equalisation Fund from the CVAE (€ million)	5.3	5.2	2.6	2.7	5.8	2.7
<b>The Metropole as a recipient</b>						
Total (€ million)	15.1	23.2	16.0	16.0	16.1	31.6
... of which Equalised Compensation Mechanism (€ million)	15.1	15.3	16.0	16.0	16.1	17.7
... of which departmental Solidarity Fund (€ million)	0.0	8.0	0.0	0.0	0.0	13.9

(\*) funds cuts as of 2020

# Expenditures

The operating expenditure is expenditure that is required so that authority's services can operate.

**€1.9B**



**€830.8M**

for social assistance

- €363.3M for the living expenses for elderly, disabled people and children
- €285.8M for the active solidarity income
- €115.9M for the personal independence allowance
- €65.9M for the disability compensation benefit



**€480.6M**

staff costs

- Gross salaries of employees of the Metropole
- Employer contributions linked to these salaries and related costs



**€358.5M**

for the operating subsidies

- €270.9M for SYTRAL and SDMIS (firefighters)
- €87.6M as an operating subsidies



**€272.0M**

for the services awarded to external businesses and services

The main areas of service operation are waste management, cleaning, road maintenance, and general operation of the organisation.



Once these operating expenses have been met and thanks to income from the territorial area, the Lyon Metropole generates:

**€602.7M OF GROSS SAVINGS**



This saving is dedicated to:

**€216.0M**

for debt reduction

**€386.7M**

to fund investments



# 3. Operating expenditure

Operating expenditure is expenditure that is required so that authority's services can operate. They mainly include:

- staff costs;
- expenditure on maintenance and provisioning;
- miscellaneous operating costs linked to discharging the authority's responsibilities.

## 3.1 Staff costs

### In brief:

Staff costs consist of the gross salaries of the employees working for the Metropole, the employer costs linked to the salaries, and related costs (costs linked to accidents at work, unemployment, temporary work; the Metropole's contributions to staff insurance, transport passes and restaurant vouchers, etc.).

All of these costs, which are recorded in a number accounts, are grouped together in chapter 012 "Personnel and Related Costs" and in chapter 017 "RSA" (for Metropole officials recruited on subsidised contracts and the officials managing RSA policy).

### Staff costs

	2017	2018	2019	2020	2021	2022
<b>Adjusted Main Budget</b>	391.2	390.8	406.4	387.1	393.3	413.3
Main Budget	391.2	390.8	406.4	387.1	393.3	413.3
Adjustment for staff costs for the Northern Ring Road public service company	-	-	-	-	-	-
<b>Ancillary Water Budget</b>	2.4	2.5	2.7	2.2	2.2	3.0
<b>Ancillary Water Treatment Budget</b>	28.7	29.4	29.9	26.6	27.1	28.1
<b>Ancillary Budget for the Administration Canteen</b>	1.9	1.8	1.8	1.7	1.7	1.7
<b>Ancillary Heating Network Budget</b>	-	-	0.03	0.04	-	-
<b>Ancillary Budget for Management of Household and Similar Waste</b>				32.18	33.3	34.6
<b>Total</b>	424.1	424.5	440.9	449.9	457.7	480.6
change yoy (%)		+0.1%	+3.9%	+2.1%	+1.7%	+5.0%

In 2022, staff costs totalled €480.6 million for all budgets, or 18.2% of adjusted actual operating expenditure for the 8,399 full-time equivalent positions as at 31 December 2022. This increase of €23 million (+5%) is due in particular to the implementation of a major recruitment plan and the impact of significant regulatory changes in terms of remuneration:

- the revaluation of the civil service index (€4.85 gross instead of €4.686) with an effective date of 1 July 2022 (+€5.9 million over 6 months);
- the revaluation of the indexed pay scales for categories B and C (+€1.7 million);
- the implementation of the Ségur revaluation, paid in December 2022,

- for more than 650 FPT and FPH employees who provide socio-educational support (+€3.6 million, the local authority having chosen to apply this revaluation as widely as possible);
- the technical ageing effect (GVT) and the “noria” effect, which refers to the differences in remuneration between incoming and outgoing staff (+€6.4 million, including €1.3 million due to the impact of the 12-month seniority bonus for category C staff, following the index revision);
  - payment of the sustainable mobility allowance to more than 860 employees (+€0.2 million).

Finally, the Metropole is pursuing its efforts to promote integration through a proactive policy of welcoming and supporting school trainees and apprentices. In 2022, 642 school trainees (including 142 with grants) and 216 apprentices were welcomed into the various departments of the local authority (total expenditure of €2.1 million), some of whom have a real prospect of remaining with the teams. The Metropole is also maintaining its commitment to supporting young people in their careers by recruiting staff on subsidised contracts, with an average workforce of 133 in 2022.

## 3.2 Individual Solidarity Allowances

### In brief:

Social aid is a solidarity payment provided by the Metropole to any person in need because of their state of health or their economic and/or social situation. This assistance is statutory, i.e., set down by law, and constitutes compulsory expenditure for the authority. There are three allowances: Active Solidarity Income (RSA),

the Personal Independence Allowance (APA) and Disability Compensation Benefit (PCH). As this expenditure is compulsory, the Metropole is subject to changes in the number of recipients on the one hand, and to the amount allocated, as decided by the government on the other (particularly with regard to uplifts).

### 3.2.1 ACTIVE SOLIDARITY INCOME

Chapter 017 is dedicated to RSA-related expenditure. It includes the allowance to be paid, various inclusion costs, and staff costs (with regard to subsidised contracts). The allowances represented €261.3 million in 2022. There was an average of 40,852 RSA

beneficiaries in 2022, down 3.2% compared with 2021, corresponding to the pre-crisis level. Other expenditure, which was linked to subsidised contracts and inclusion actions, amounted to €24.7 million.

### 3.2.2 PERSONAL INDEPENDENCE ALLOWANCE

The purpose of the APA is to fund dependent people over the age of 60. It amounted to €115.8 million in 2022, of which:

- 65.1 million was spent on beneficiaries of the APA at home covering an average of 13,200 beneficiaries. There was a fall in the number of hours worked (-5.7%);

- 50.7 million for people in residential care, of which €8.8 million was paid to establishments and €41.9 million was paid directly to beneficiaries.

### 3.2.3 DISABILITY COMPENSATION BENEFIT

The Metropole contributes to the care of dependent individuals or individuals who are gradually losing their independence, both resident in their own homes or in care homes.

In this context in 2022, the Metropole paid €65.9 million of Disability Compensation Benefit to 6,081 recipients.

#### Individual Solidarity Allowances

	2017	2018	2019	2020	2021	2022
<b>Active Solidarity Income</b>						
Total (€ million)	247.5	254.1	260.3	288.0	286.4	285.8
... of which allowances (€ million)	226.9	235.2	239.3	267.7	265.1	261.3
... of which integration (€ million)	17.1	15.4	17.5	16.7	19.3	20.8
... of which other (€ million)	3.5	3.6	3.5	3.6	2.1	3.9
<b>Personal Independence Allowance</b>						
Total (€ million)	102.7	102.6	105.0	112.0	117.9	115.9
... of which resident in their own homes (€ million)	56.8	55.5	58.0	63.8	63.6	65.1
... of which paid to the care home (€ million)	36.8	38.4	38.2	39.6	41.0	41.9
... of which paid to recipients in care homes (€ million)	9.1	8.7	8.8	8.6	8.3	8.8
<b>Disability Compensation Benefit</b>						
Total (€ million)	47.6	47.1	52.7	54.7	58.5	65.9

In addition to the Individual Solidarity Allowances in the strictest sense of the term, the Metropole pays Third-party Compensatory Allowance (ACTP) to 1,055 recipients under a mechanism for disabled people; the allowance is closed to new claimants.

#### Third-party Compensatory Allowance

	2017	2018	2019	2020	2021	2022
Compensatory Allowance for third parties	9.3	8.9	8.6	8.3	7.9	7.6
change yoy (%)	-4.6%	-3.9%	-3.0%	-4.1%	-4.8%	-3.5%

### 3.2.4 LIVING EXPENSES

In addition to these social benefits, the Metropole is also responsible for covering the cost of living expenses for elderly or disabled people who reside in specialised homes where revenues are too low to carry the cost.

The expenditure in this area amounts to €169.5 million for disabled people, €160.1 million for child social aid and €33.7 million for the elderly.

#### Living expenses

	2017	2018	2019	2020	2021	2022
<b>Living expenses</b>						
Total (€ million)	309.4	317.6	319.7	321.7	348.0	363.3
... of which persons with disabilities (€ million)	158.0	149.8	152.3	153.1	157.0	169.5
... of which family and child welfare (€ million)	117.0	131.1	132.1	135.2	153.1	160.1
... of which elderly persons (€ million)	34.4	36.7	35.3	33.4	37.8	33.7

### 3.3 Operating subsidies

#### In brief:

A subsidy is a financial contribution awarded free of charge on a discretionary basis in order to fund something of general interest.

This expenditure item represented 3.3% of actual operating expenditure restated in 2022, i.e. €87.6 million.

In particular, they cover the cultural sector (€30.6 million, including the €14.4 million contribution to the Musée des Confluences), the employment and social inclusion sector (€14.7 million) and support for social housing (€10.2 million).

#### Operating subsidies

	2017	2018	2019	2020	2021	2022
<b>Main Budget</b>	119.8	113.8	80.4	92.2	89.1	86.5
... of which subsidies	82.9	113.8	80.4	92.2	89.1	86.5
... of which extraordinary subsidies	36.9	—	—	—	—	—
<b>Ancillary Water Budget</b>	0.5	0.5	0.6	0.6	0.5	0.3
<b>Ancillary Water Treatment Budget</b>	0.7	0.1	0.1	0.1	0.2	0.2
<b>Ancillary Budget for Direct Management of Town Planning Operations</b>	—	—	—	—	—	—
<b>Ancillary Budget for the Administration Canteen</b>	0.3	—	—	—	—	—
<b>Ancillary Heating Network Budget</b>	31.8	—	—	10.2	—	—
<b>Ancillary Budget for Management of Household and Similar Waste</b>	—	—	—	0.6	0.8	0.7
<b>Total</b>	153.0	114.4	81.2	103.8	90.5	87.6
<i>consolidated change yoy (%)</i>	+13.0%	-25.3%	-29.0%	+27.8%	-12.8%	-3.2%
<b>Ratio of operating subsidies/expenditure</b>	6.4%	4.9%	3.4%	4.3%	3.6%	3.5%

### 3.4 Contributions and participations

#### In brief:

In contrast to subsidies, which constitute voluntary assistance, contingencies and mandatory contributions (designated from "M57" accounts 655 and 656) are legally mandatory participations.

Mandatory contributions are shown under "M57" account 655.

Participations are shown in account 656. In 2022, they amounted to €315.3 million or 12% of the restated consolidated real operating expenditure.

This item includes the statutory contribution paid to the Public Transport Authority for the Rhône department and the Lyon metropolitan area (SYTRAL) and the contribution to the departmental and Metropolitan Fire and Emergency Service (SDMIS).

The contribution to SYTRAL is now made up of two parts: the first linked to the former Urban Community and the second to the former Rhône department on the territory of the Metropole. This increased to €151 million in 2022.

The contribution to SDMIS is also made up of two parts: the first, which has been frozen, has amounted to €29 million since 2014. The second, which is linked to a three-year agreement, amounted to €90.9 million.

## Contingencies and mandatory contributions (€ million)

	2017	2018	2019	2020	2021	2022
SYTRAL	139,8	135,6	131,5	127,6	133,0	151,0
SDMIS - ex-EPCI share	113,1	114,2	115,3	117,4	118,7	119,9
SDMIS - ex-DEPT share						
Others	129,6	65,5	68,4	70,3	63,6	44,4
CNFPT, centres de gestion (CDG)	-	-	-	-	-	-
<b>Total</b>	<b>382,4</b>	<b>315,3</b>	<b>315,3</b>	<b>315,3</b>	<b>315,3</b>	<b>315,3</b>
consolidated change yoy (%)	+ 49,6 %	- 17,6 %	-	-	-	-
Ratio of mandatory contributions/operating expenditure	16,0 %	13,5 %	13,3 %	12,9 %	12,7 %	12,0 %

### 3.5 Services awarded to external businesses and services

#### In brief:

External services can be seen as external expenditure other than purchases. This involves expenditure invoiced by a business for carrying out a public service, or for managing movable and immovable assets.

Services awarded to businesses are presented in accordance with the scope of expenditure account 61 “external services” in accounting classifications “M57” and “M4”. This expenditure item represented 10.3% of actual operating expenditure restated in 2022. It amounted to €272 million, an increase of 6.7% compared to 2021. Among the main areas in which the company provides services are waste management (€83.5 million) (collection, sorting, enhancement and treatment), construction, development and maintenance of roads and highways (€56.6 million) and the general operation of the organisation (IT services, rents and rental expenses, etc.).

## Services awarded to external businesses and services (€ million)

	2017	2018	2019	2020	2021	2022
<b>Main Budget</b>	203.6	205.3	209.5	131.6	136.8	151.3
Ancillary Water Budget	0.2	0.6	1.1	1.1	2.5	1.5
Ancillary Water Treatment Budget	24.5	24.9	27.5	26.4	30.7	33.7
Ancillary Heating Network Budget	0.2	0.2	0.1	0.9	1.5	1.8
Ancillary Budget for Direct Management of Town Planning Operations	-	0.1	0.1	-	-	-
Ancillary Budget for the Administration Canteen	0.1	0.1	0.1	0.1	0.1	0.1
Ancillary Budget for Management of Household and Similar Waste Management	-	-	-	74.3	83.3	83.5
<b>Total</b>	<b>228.5</b>	<b>231.1</b>	<b>238.5</b>	<b>234.5</b>	<b>254.9</b>	<b>272.0</b>
change yoy (%)	+4.1%	+1.1%	+3.2%	-1.7%	+8.7%	+6.7%

# 4. Savings

## Savings

		2017	2018	2019	2020	2021	2022
(1)	<b>Current expenditure</b>	2,285.1	2,295.6	2,327.7	2,393.2	2,458.6	2,602.2
	... of which general expenditure	332.4	341.9	342.0	340.3	365.4	403.2
	... of which staff and associated costs (a)	418.1	418.6	434.7	443.2	453.0	492.9
	... of which mitigation of revenues	304.3	307.2	330.2	338.0	337.2	330.6
	... of which social expenditure	350.1	356.7	365.2	400.0	404.3	401.6
	... of which other current management expenditure	880.2	871.2	854.7	870.8	897.7	972.9
	... of which operating costs for elected groups	0.7	0.7	0.8	0.8	0.9	0.9
(2)	<b>Current revenues</b>	2,724.3	2,852.2	2,853.7	2,874.4	2,996.4	3,168.9
	... of which revenues from services and adjusted miscellaneous sales	202.3	238.1	213.5	213.8	228.4	292.9
	... of which taxes and duties	1,756.6	1,842.8	1,844.4	1,876.5	1,916.3	2,034.9
	... of which grants and contributions	526.4	527.6	548.3	530.7	586.4	569.6
	... of which social responsibilities	156.6	156.4	157.4	161.5	168.3	171.6
	... other current management revenues	75.1	80.6	83.8	85.3	89.0	94.9
	... of which mitigation of expenses	7.3	6.7	6.4	6.6	8.1	4.9
(3) = (2)-(1)	<b>Current gross surplus</b>	439.2	556.6	526.1	481.2	537.8	566.7
(4)	<b>Adjusted extraordinary expenditure</b>	41.4	2.9	4.7	13.5	1.4	2.0
	Extraordinary expenditure	41.4	2.9	4.7	13.5	1.4	2.0
	... of which contributions to ZACs	36.8	9.6	-	-	-	-
	... of which other extraordinary expenditure	4.5	-6.8	4.7	13.5	1.4	2.0
(5)	<b>Provisions</b>	0.2	0.5	-	0.5	-	1.8
(6)	<b>Extraordinary income</b>	107.0	22.5	40.1	51.4	38.1	45.1
(7)	<b>Withdrawals from provisions</b>	0.7	-	2.1	0.6	15.7	4.3
(8) = (6)+(7)-(4)-(5)	<b>Adjusted extraordinary profit</b>	66.1	19.2	37.5	38.0	52.5	45.5
(9) = (3)+(8)	<b>Adjusted management savings</b>	505.3	575.8	563.6	519.2	590.3	612.2
(10)	<b>Financial costs incurred during the year</b>	63.5	42.0	33.4	32.1	31.2	29.9
	... of which financial costs owing for the financial year	38.7	32.6	28.7	28.0	27.4	26.6
	... of which accrued interest not due	-0.7	-1.8	-1.1	-0.5	-0.7	-0.8
	... of which Early Repayment Indemnities and renegotiation costs	21.4	9.3	3.9	1.8	1.8	1.4
	... of which repayment to CG69	2.7	2.7	2.7	2.7	2.7	2.7
(11)	<b>Financial performance</b>	15.4	16.4	16.9	17.5	26.8	20.4
	... of which payment from the support fund	7.8	7.8	7.8	7.8	7.8	7.8
	... of which repayment to CG69	6.3	6.3	6.3	6.3	6.3	6.3
(12) = (11)-(10)	<b>Financial performance</b>	-48.1	-25.6	-16.5	-14.5	-4.4	-9.6
(13) = (9)+(12)	<b>Adjusted gross savings</b>	457.1	550.2	547.1	504.6	585.9	602.7
(14)	<b>Loans and liabilities (expenditure)</b>	338.2	522.5	508.9	234.5	255.5	216.1
(15)	<b>Movements needing to be cancelled out</b>	96.2	169.2	224.2	75.2	82.5	0.1
	... of which refinancing	96.2	-	-	-	-	-
	... of which drawdown option on line of credit	-	169.1	224.1	75.1	82.4	-
	... of which deposits and guarantees	0.0	0.1	0.1	0.1	0.1	0.1
(16) = (14)-(15)	<b>Debt amortisation</b>	241.9	353.3	284.7	159.3	173.0	216.0
(17) = (13)-(16)	<b>Adjusted net savings</b>	215.2	196.9	262.4	345.3	412.8	386.7

### In brief:

For an authority, savings are the share of operating income available after various operating and debt costs have been deducted. Several levels of savings can be distinguished, depending on the extent of retained expenditure.

Operating savings were €612.2 million in 2022, up from 2021. With an extraordinary result and an improved financial result, gross savings also increased to €602.7 million. After factoring in debt amortisation and the neutralisation of related flows, net savings fell to €386.7 million.

Note: In order to ensure the analysis is consistent, and with the specific features of accounting rules M41, M49 and M57 taken into account, the following have been grouped together:

- 1) subsidies from account 6743 for the ancillary budgets in M41 and M49 have been transferred to "Other current management expenditure" at the same level as the subsidies from account 657 in M57
- 2) subsidies from the Main Budget account 018 have been absorbed into "Infrastructure subsidies" from account 204 in M57.

# 5. Debt

## 5.1 Main features of the debt

As of 31 December 2022, the Lyon Metropole's outstanding debt amounted to €1,660.8 million. The change in outstanding debt between 2021 and 2022, which is down (-12.3%), is mainly due to less borrowing as a result of an increase in tax revenues, a reduction in certain compulsory social expenditure and an increase in interest rates.

### Main features of the consolidated debt

	2017	2018	2019	2020	2021	2022
Outstanding amount (€ million)	2,188.5	1,961.2	1,780.4	2,085.4	1,893.5	1,660.8
change yoy (%)		-10.4%	-9.2%	+17.1%	-9.2%	-12.3%
Average remaining lifetime (years and months)	10 years and 8 months	9 years and 11 months	11 years	12 years and 4 months	11 years and 11 months	8 years and 2 months
Average rate	1.54%	1.51%	1.69%	1.41%	1.39%	1.98%

In 2022, borrowing amounted to €70 million, of which €30 million was a bank loan and €40 million a bond issue. With the increase in interest rates, the average debt rate has risen to 1.98% (compared with 1.39% in 2021).

## 5.2 Structure of the debt

### 5.2.1 "GISSLER" CLASSIFICATION

The code of conduct agreed between banking establishments and local authorities, known as the "Gissler Charter", enables better understanding of the products offered to authorities by ensuring they are ranked according to a double entry matrix: the number (from 1 to 5) reflects the complexity of the index used to calculate the interest on the loan and the letter (from A to E) expresses the degree of complexity of the formula for calculating interest.

A "non-Charter" category (F6) groups together all of products that the Charter advises against. Since 2016, the Metropole's outstanding debt no longer includes any toxic loans due to desensitisation operations. The authority's outstanding debt is 100% secured with a risk that is restrained and discussed each year by the Metropole Council.

### Distribution of the outstanding amounts in accordance with the "Gissler" charter

	2017	2018	2019	2020	2021	2022
A1 (as a % of total)	97.72%	98.14%	98.21%	98.69%	98.80%	98.94%
A2 (as a % of total)	1.53%	1.55%	1.53%	1.16%	1.11%	1.09%
B1 (as a % of total)	0.34%	0.31%	0.26%	0.15%	0.08%	-
C1 (as a % of total)	0.41%	-	-	-	-	-
F6 (as a % of total)	-	-	-	-	-	-

As of 31 December 2022, the debt outstanding can be broken down as follows:

- 67.7% at a fixed rate;
- 29% at a variable rate;
- 3.3% based on Livret A and inflation.

## 5.2.2 LENDERS

The outstanding debt is made up of 124 loans from some twenty banking groups. The principal lender, SFIL, accounts for almost a quarter of the volume of funding, at 29.7%.

Bond issues with various banks such as HSBC, CACIB, Helaba and Deutsche Bank represented an outstanding amount of €315 million.

Lender	Outstanding capital	% of outstanding capital
SFIL CAFFIL	€493,908,322	29.7%
BOND ISSUE	€315,000,000	19.0%
EUROPEAN INVESTMENT BANK	€233,648,130	14.1%
SOCIETE GENERALE	€131,647,544	7.9%
AGENCE FRANCE LOCALE	€117,545,987	7.1%
DEUTSCHE PFANDBRIEFBANK AG	€91,127,894	5.5%
CAISSE DES DEPOTS ET CONSIGNATIONS	€90,490,613	5.4%
CREDIT AGRICOLE CIB	€42,143,672	2.5%
OTHER LENDERS	€145,316,665	8.7%
All lenders	€1,660,828,826	100.0%

## 5.3 Debt-reduction capacity

Debt-reduction capacity is a ratio used in financial analysis to measure the ratio between outstanding debt and savings (or the self-funding capacity). It expresses the debt burden

in the number of years of savings and, by linking the debt stock to gross savings, enables the authority's level of debt to be measured and its creditworthiness to be highlighted.

### Debt-reduction capacity

	2017	2018	2019	2020	2021	2022
Outstanding amount (€ million)	2,188.5	1,961.2	1,780.4	2,085.4	1,895.1	1,660.8
Gross savings (€ million)	456.4	550.0	547.1	504.6	585.9	602.7
Debt-reduction capacity (years)	4.8	3.6	3.3	4.1	3.2	2.8

The outstanding debt declined, thus increasing the self-funding capacity and improving the debt-reduction capacity.

The debt-reduction capacity in terms of number of years fell in 2022, confirming the sound financial health of the Lyon Metropole.



## 5.4 Active debt management and optimisation of financial costs

The purpose of active debt management is to secure debt and optimise financial costs. Depending on market conditions, the Metropole may decide to repay certain loans early, or to take out new loans, in line with budgetary requirements.

In addition, arbitrage between fixed and variable rates is carried out according to market conditions, while retaining the possibility of taking out interest rate hedging products to minimise the impact of market reversals.

## 5.5 Liquidity

The Metropole is maintaining its Negotiable European Commercial Paper programme. The ceiling for funding its cash position on the money markets was set at €2 billion

for 2022, allowing it to maintain flexibility in its management. The NEU CPs are supervised by the Banque de France.

# 6. Investment

## In brief:

The investment section presents non-recurring expenses which, by their nature, are intended to alter the authority's estate. This expenditure is funded by the authority's own revenues, by grants, subsidies from partners and, if required, by loans.

## 6.1 Structure of investment resources

The distribution of operational investment funding gives an insight into the Lyon Metropole's own endeavours (net savings, taxation on

investment) and its links, with its partners on the one hand (subsidies, transfers), and with the financial markets on the other (loans).

### Structure of operational investment funding

		2017	2018	2019	2020	2021	2022
(1)	<b>Adjusted net savings</b>	215.2	196.9	262.4	345.3	412.8	386.7
	<i>i.e.</i>	39.6%	43.2%	35.9%	33.6%	63.6%	61.0%
(2)	<b>Own investment resources</b>	74.8	94.3	105.5	112.9	131.1	110.9
	<i>i.e.</i>	13.8%	20.7%	14.5%	11.0%	20.2%	17.5%
	... of which FCTVA	30.9	33.9	39.3	56.7	59.6	43.5
	... of which TA and TLE balance	18.1	27.8	35.6	28.7	30.5	20.8
	... of which other investment resources	25.7	32.7	30.6	27.5	41.0	46.6
(3)	<b>Subsidies</b>	62.7	49.8	68.3	61.6	52.2	65.8
	<i>i.e.</i>	11.5%	10.9%	9.4%	6.0%	8.0%	10.4%
(4)	<b>Loans and liabilities (revenues)</b>	286.8	284.3	317.6	526.1	53.1	70.1
(5)	<b>Movements needing to be cancelled out</b>	96.3	169.7	23.8	19.6	0.1	0.1
	... of which refinancing	—	—	—	—	—	—
	... of which drawdown option on line of credit	96.2	169.7	23.6	19.4	—	—
	... of which deposits and guarantees	0.1	—	0.1	0.2	0.1	0.1
(6) = (5)-(4)	<b>Adjusted financing loans</b>	190.5	114.6	293.8	506.5	53.0	70.0
	<i>i.e.</i>	35.1%	25.2%	40.2%	49.4%	8.2%	11.1%
(7) = (1)+(2) +(3)+(6)	<b>Investment funding</b>	543.2	455.6	730.1	1026.3	649.1	633.4

In 2022, the volume of investment financing fell slightly compared with 2021, to €633.4 million, with a reduction in net savings and an increase in borrowing, although the latter remained very limited.

## 6.2 Partnership contracts

Partnership contracts are an important source of income for the Lyon Metropole. Contracts have been concluded between the European Union, the government, the Region and the Metropole, their purpose being to fund joint projects, mainly as an investment.

### 6.2.1 INCOME AT NATIONAL LEVEL

At a national level, revenue includes the CPER (State-Region Plan Contract), the DSIL and DSID (Local-departmental Investment Support Grant), financial aid from the Agence de l'Eau (Water Agency), subsidies from the Agence Nationale pour la Rénovation Urbaine (ANRU)

(National Agency for Urban Renewal) as well as those linked to the Government Stimulus Plan. The Lyon Metropole is regularly involved in the various measures put in place by the government to revitalise its region in 3 areas: ecological transition, competitiveness and regional cohesion.

#### 6.2.1.1 THE STATE-REGION PLAN CONTRACT (CPER)

The CPER is an agreement under which the Government, the Auvergne-Rhône-Alpes Region and the Metropole commit to planning and funding, on a multi-year basis, investment projects that reinforce land development policy in order to achieve equality between territorial areas. The regional section and the higher education, research and innovation (ESRI) section of the 2021-2027 CPER were approved by the Metropole Council on 27 March 2023. To meet the challenges faced by the metropolitan area, the State, the AuRA Region and the Metropole have identified a number of priority projects, which are being managed by the Metropole.

The total value of the plan is €678.63 million, including the ESRI component.

The State has committed €277.43 million, the Auvergne Rhône Alpes Region €228.98 million and the Metropole €172.22 million.

This CPER will be supplemented at a later date (2023) by infrastructure projects, particularly rail and road projects, once the mobility section has been formalised.

For the record, under the 2015-2020 CPER, the State committed €254.73 million, the Auvergne Rhône Alpes Region €283.70 million and the Metropole's contribution was €310.79 million. The completion rate for this contract is high (>80%).

#### 6.2.1.2 INVESTMENT SUPPORT GRANTS

##### 6.2.1.2.1 Local Public Investment Support Grant

Local public investment has been a government priority since 2016, resulting in deployment of the Support Fund for Local Public Investment (DSIL), for projects run by communes and the groups to which they belong.

Since 2016, the total DSIL amount for the Metropole has been €30.13 million, distributed as follows:

YEARS	Total amount of subsidy awarded
DSIL 2017	€10,210,000
DSIL 2018	€1,999,567
DSIL 2019	€2,999,966
DSIL 2020	€3,287,916 €
DSIL 2021	€4,330,892
DSIL 2022	€4,704,353
<b>Total</b>	<b>€30,133,571</b>

In 2022, the amount allocated will be €7,119,881, compared with €662,094 in 2021.

### 6.2.1.2.2 Departmental Investment Support Grant

The government announced, via the circular dated 11 March 2019, that it wanted to modernise the support it provides to departmental councils' investments, and that it would do so by transforming the old General Infrastructure Grant (DGE) into a departmental Investment Support Grant (DSID). 2019 was therefore the

first year the DSID was implemented (the Lyon Metropole did not receive anything under the DGE in 2018).

For this reason, the Metropole was awarded a subsidy of €366,153 in 2022, €1,072,450 in 2021, €366,000 in 2020 and €133,465 in 2019.

### 6.2.1.2.3 Other subsidies

The Metropole also applied for financial assistance from the Water Agency, the National Housing Agency (ANAH) and the National Agency for Urban Renewal (ANRU).

In 2022, this financial aid represented €16.41 million in revenue, including €13.56 million in subsidies for housing and €2.85 million from the Water Agency.

In March 2022, an agglomeration contract was signed between the Metropole and the Water Agency for a period of 3 years.

The contract focuses on preserving and improving the quality of aquatic environments in order to eliminate sources of pollution and restore these environments. It also involves

managing the extraction of water from natural resources and preserving and/or restoring the quality of raw water from water catchments. Actions supported by the Metropole amounted to €65 million. The Water Agency provided a subsidy of €16.9 million.

In addition, in 2022, the "Urban logistics in dense neighbourhoods" project in the Gratte-Ciel urban development zone won the "Sustainable city demonstrator" project competition of the France 2030 programme.

The aim is to implement an innovative work site model to limit the nuisance and impact of the many concurrent work sites in the urban development zone.

## 6.2.2 INCOME AT EUROPEAN LEVEL

European aid to the Metropole consists of:

- European funding from the European Commission's direct access programmes;
- European Structural Investment Funds (ESIFs), divided between the European Social Fund (ESF) and the European Regional Development Fund (ERDF), from the Cohesion Policy piloted mainly by the French State and the AuRA Region.

In 2022, the transition between 2 European programmes was still ongoing, with the end of the 2014-2020 programme on the one hand and the implementation of the new 2021-2027 programme on the other, with a significant delay in the adoption of the cohesion policy programmes, which will not be adopted until the end of 2022. The funds made available under the European REACT EU stimulus package have helped to bridge the gap between these two periods.

### 6.2.2.1 EUROPEAN SOCIAL FUND (ESF)

As part of its integration responsibility, the Metropole manages an ESF credit budget for a multi-annual Global Subsidy agreement, delegated to it by the government.

- End of the 2017-2021 global subsidy (€27 million).

Expenditure reports submitted in March and November 2022 made it possible to request ESF instalments totalling €4.7 million for projects co-financed in the region.

- ESF credits from the REACT EU European recovery plan:
  - Allocation of €3 million in ESF funding to the Lyon Metropole as part of the European recovery plan and the deployment of REACT-EU credits. These funds will be used to finance 2 internal projects of the Lyon Metropole (Information and Orientation Meetings set up as part of the

overall support for RSA recipients and the Employment Skills Pathway - support for subsidised contracts) and the extension of part of the integration and employment action plan to 2022.

For this purpose, the Metropole received an advance of €0.9 million in July 2022.

- Negotiations and the framework for the new €34 million ESF+ global subsidy delegated by the State for the 21-27 programme:
  - The budget delegated to the Metropole was officially announced by the Prefect amounting to a total of €34 million and voted on at the Metropole Council in September.
  - The application for an ESF global subsidy was submitted at the beginning of July, enabling the first calls for ESF+ projects for 2022 to be drawn up and distributed.

### 6.2.2.2 EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)

- ERDF Subsidies: In 2022, the following projects received €1.6 million in funding: Innomob; Self data; Givors entrepreneurial cluster; Vallée de la Chimie.
- REACT EU stimulus package (ERDF/ESF): The Metropole has been awarded €4.48 million for the purchase of personal protective equipment.

In addition, the Lyon Metropole's new integration and digital agenda projects; a project to accelerate the digitisation of tools for the sustainable inclusion of people who are far from employment, as well as the INSERTIS - DIE tool, have received €0.88 million from the ERDF.

### 6.2.2.3 APPLYING FOR AND MONITORING EUROPEAN FUNDING IN 2022

In 2022, the Metropole won the following calls for projects:

- HORIZON EUROPE Programme - AP HORIZON-MISS-2021-CIT-02-04 - ASCEND project - Development of positive energy neighbourhoods. Lyon Metropole (€0.38 million).  
The Lyon Metropole is a stakeholder in the new ASCEND project, which will be selected in 2022 under the Horizon Europe programme. The project, supported by 39 partners and coordinated by SPL Confluence, will run for 5 years and aims to accelerate the creation

of clean, positive energy neighbourhoods (PCED) to help cities in Europe make the transition to climate neutrality and social justice;

- HORIZON EUROPE Programme - AP HORIZON - "Designing inclusive, safe, affordable and sustainable urban mobility" project - Project to transform public spaces around schools and car parks - Lyon Metropole (€0.39 million). This call for projects is part of the "100 Climate Neutral and Intelligent Cities" mission. Its aim is to test new urban mobility practices in living labs.

The City of Lyon and the Lyon Metropole responded to this call for projects jointly. They have joined forces with a consortium of 9 other cities coordinated by The University College Dublin.

As part of the CERV “Citizens, Equality, Rights and Values” programme:

- CERV-2021-CITIZENS-TON-NT - “NECTO” project - Exchange project on collective housing.

The Lyon Metropole has joined a consortium of 16 partners to take part in the NECTO - Network Cities for Collaborative Housing - project, which aims to promote mutual learning and the exchange of good practice between local authorities and associations active in the field of collaborative housing. The Housing Department will receive a €5,000 subsidy to take part in two webinars and 4 site visits to Berlin, Barcelona, Bologna and Brussels between now and mid-2024.

In 2022, the Metropole applied for:

- The Asylum Migration Integration Fund - Call for projects from the Ministry of the Interior, “To strengthen and develop legal migration to Member States according to their economic and social needs, and to promote and contribute to the effective

integration and social inclusion of third-country nationals”.

- Prevention and Child Protection Department: Roll-out of a resource platform for professionals working with unaccompanied minors and young adults, with a view to their successful integration into the local community (request €0.56 million).

- Housing Department: Roll-out of the Lyon Metropole’s hospitality programme with a view to the successful social and economic integration of third-country nationals from the European Union (request €1.7 million).

- HORIZON EUROPE - Call Bauhaus “PLAY!” Lyon Metropole (Action and Transition Department) and City of Lyon Council (Green Spaces): €5,000 Metropole and €5,000 City of LYON.

The “PLAY!” project aims to co-create and test a service for the shared use of leisure and cultural facilities in public spaces, reaching out to at least 300 citizens. The aim of the project is to raise public awareness of sustainable consumption behaviour and to empower citizens by co-creating a new experience for public space in a spirit of sustainability, inclusion, accessibility and playfulness.

### 6.2.3 INVESTMENT EXPENDITURE

#### In brief:

Lyon Metropole is putting its investment projects into effect from a list of projects to be carried out during the current Metropole Council’s term in office. This list constitutes its Multi-annual Investment Scheduling. It was passed in 2021 for the period 2021-2026 by a vote in the Metropole Council.

The Metropole manages its operational investments using Programme Authorities (APs) and Payment Appropriations (CPs) for each of its public policies. Article L. 2311-3 of the General Code for Local Authorities (CGCT) states that “*Programme Authorities represent the upper limit for expenditure that may be incurred in funding investments [...]. Payment Appropriations represent the upper limit of expenditure that can be mandated during the year to cover the commitments made under the corresponding Programme Authorities*”.

### 6.2.3.1 MULTI-ANNUAL INVESTMENT SCHEDULING

The projects to be carried out are set out in a structured discussion that describes the Multi-annual Investment Scheduling. 25 themes were selected under the 2021-2026 PPI and grouped into 9 priority areas representing the responsibilities and actions of the Metropole (in Payment Appropriations 2021-2026):

- travel and active mobility, intermodal transport, roads and highways: €579.9 million;
- economic development, employment, integration, universities and research, tourism, information systems: €392.2 million;

- environment, energy, agriculture, water and waste: €517 million;
- housing: €518.1 million;
- health, social welfare, education and living environment: €335 million;
- city planning: €944.6 million;
- estate and resources: €98.5 million;
- localised budgets: €200 million;
- external investments: €15 million.

The Metropole Council's discussion, no. 2021-0397, dated 25 January 2021, provides the details of the scheduling in each of these priority areas.

### 6.2.3.2 INVESTMENTS COMPLETED IN 2022

#### Breakdown of actual non-restated investment expenditure

	2017	2018	2019	2020	2021	2022
Development of the territorial area	105.4	140.9	188.2	250.7	155.0	152.9
Economy, education, culture, sport	83.0	88.2	99.8	219.9	123.6	101.0
Environment	51.5	71.6	90.2	88.3	86.6	90.5
Mobility	106.1	183.1	172.9	154.3	121.2	95.9
Solidarity and housing:	75.5	75.8	94.1	84.2	104.2	109.5
Sub-total, excluding "Resources" macro-policy	421.6	559.6	645.3	797.3	590.6	549.8
change yoy (%)		+32.7%	+15.3%	+23.6%	-25.9%	-6.9%
Resources	360.7	471.0	539.7	259.7	283.0	239.1
Total, including "Resources" macro-policy	782.3	1030.7	1185.0	1057.1	873.6	789.0

The amount realised from all budgets in 2022 with regard to the scope of multi-year scheduling amounted to expenditure of €789 million.

It should be noted that some operations have been reclassified, leading to changes in the orders of magnitude between public macro-policies.

### 6.2.3.3 INFRASTRUCTURE SUBSIDIES SPENT

Consolidated capital subsidies, totalling €97.6 million, stabilised after a period marked by the health crisis and the exceptional aid plans put in place for local businesses.

These subsidies mainly relate to housing (€50.3 million), regional development (€16.2 million) and the environment (€6.2 million).

## Infrastructure subsidies (€ million)

	2017	2018	2019	2020	2021	2022
<b>Main Budget</b>	78.4	81.9	99	264.9	97.3	96.2
<b>Ancillary Water Budget</b>	1.0	0.7	0.7	0.6	0.9	1.0
<b>Ancillary Water Treatment Budget</b>	0.2	0.3	0.4	0.6	0.4	0.4
<b>Ancillary Budget for Direct Management of Town Planning Operations</b>	—	—	—	—	—	—
<b>Ancillary Budget for the Administration Canteen</b>	—	—	—	—	—	—
<b>Ancillary Heating Network Budget</b>	—	—	—	—	—	—
<b>Total</b>	79.6	82.9	100.1	266.2	98.6	97.6
<i>consolidated change yoy (%)</i>	-25.7%	+4.1%	+20.6%	+165.9%	-62.9%	-1.1%



# 7. Appendices

## 7.1 External management

### 7.1.1 GUARANTEED DEBT

At the end of 2022, outstanding guaranteed debt totalled €4,253 million, up €144 million from the previous year.

94.7% of this outstanding amount is made up of guarantees provided in respect of social housing:

- the share of the three public housing offices in the Metropole (Grand Lyon Habitat, Est Métropole Habitat and Lyon Métropole Habitat, the latter taking over the share of OPAC du Rhône's outstanding loans in the Metropole area) represents €1,932 million, or 48% of the outstanding social housing loans, an increase of 2.4%;
- the remainder of the social housing portfolio is accounted for by social housing enterprises and other lessors, amounting to €2,089 million, or 52% of the social housing portfolio, an increase of 4.4%.

Guarantees granted as part of the public solidarity policy amounted to €166 million, or 3.8% of the total, up 5.7%.

Guarantees granted as part of public education policy amounted to €27 million, or 0.6% of the total, up 12.5%.

Lastly, guarantees granted under the so-called "Galland Act" represent €39 million, or 0.9% of the total, down €1 million compared to 2021. The guaranteed loans relate to development activities that support activities relating to projects involving local economic or commercial activity, or are linked to urban development. The financial characteristics of the outstanding guaranteed loans are marked by the high proportion of social housing, with rates based on Livret A passbook savings accounts predominating. The rise in rates in 2022 contributed to an increase in the average rate on guaranteed loans, rising to 1.93% at 31 December 2022 (vs. 1.24% the previous year). The average rate is still relatively low, but the increase is set to continue in 2023. Finally, the average residual life remains long at 30 years and 7 months (1 month less than in 2021).

The guaranteed debt is subject to monitoring at two levels: when they are set up, and then throughout the lifetime of the loans, with particular attention paid to organisations that are deemed to be the most financially sensitive.

### 7.1.2 MAIN ORGANISATIONS BEING MONITORED

The Metropole is associated by statute or agreement with external organisations as part of carrying out a public interest service or delegating part of its responsibilities. Two Metropole Council departments (the Assistant Management Control Department and the Public Procurement Department) monitor these bodies.

Among the organisations are 45 so-called "strategic" organisations, which come under enhanced monitoring carried out in tandem with the Metropole's operational departments. In-depth analyses, or audits, have been carried out on a case-by-case basis, particularly for organisations that come under public Solidarity policies.

## Organisations under enhanced monitoring

Name of organisation	Activity	Legal status	Greater Lyon's relationship with the organisation
Tourist office	Developing and promoting tourism	Association	Member (subsidy)
ADERLY	Agency for Development of the Lyon Region	Association	Member (subsidy)
Agence d'Urbanisme de la Région Lyonnaise (AURL)	Carrying out city planning studies	Association	Member (subsidy and membership fee)
Comité de la Foire international de Lyon	Owner of the Lyon Parc des expositions (Exhibition Centre)	Association	Member
Comité des œuvres sociales	Organising social, cultural and sporting activities for the staff of the Metropole and other member authorities.	Association	Member (subsidy)
Lyon Sport Métropole	Organising sporting activities for the staff of the Metropole and other partner authorities.	Association	Member (subsidy)
Gourguillonnaise	Organising cultural activities for the staff of the Metropole and other partner authorities.	Association	Member (subsidy)
Organisme de foncier solidaire de la Métropole de Lyon (OFS)	Acquiring and managing land, developed or otherwise, with a view to building housing and public facilities.	Association	Founding member
Établissement Public des Autoroutes Rhodaniennes de l'Information (EPARI)	Operating an electronic communications broadcasting network	Joint association	Member (contribution)
Syndicat mixte pour l'amélioration et la gestion du parc de loisirs et du lac Miribel Jonage (SYMALIM)	Developing and operating the Miribel Jonage Leisure Park	Joint association	Member (contribution)
Syndicat Mixte du Parc Industriel de la Plaine de l'Ain (SMPIPA)	Developing the Plaine de l'Ain industrial estate	Joint association	Member (contribution)
Syndicat mixte Plaines Monts d'or	Preserving, restoring and presenting the Monts d'or	Joint association	Member (contribution)
SYTRAL	Funding, organising and operating public transport	Joint association	Member (contribution)
Musée des Confluences	Managing the Musée des Confluences	EPCC	Member (contribution)
Grand Lyon Habitat (OPH)	Developing social housing provision	EPIC	Connected to EPCI
Est Métropole Habitat (EMH)	Developing social housing provision	EPIC	Connected to EPCI
Lyon Métropole Habitat (LMH)	Developing social housing provision	EPIC	Connected to EPCI
SDMIS	Departmental and Metropolitan Fire and Emergency Service	EPA	Member (contribution)
SERL	Urban Infrastructure and Development Company for the Rhône department and Lyon	SEM	Shareholder
SEM Patrimoniaire	Managing the estate	SEM	Shareholder
SA Immobilière d'Économie Mixte (SAIEM) de Vaulx-en-Velin	Property conveyancing and managing a commercial building	SEM	Shareholder
SPL Lyon Part Dieu	Developing and operating Lyon Part-Dieu	SPL	Shareholder
SPL Lyon Confluence	Developing and operating Lyon Confluence	SPL	Shareholder
SPL Rhône Amont (SEGAPAL)	Managing public spaces	SPL	Shareholder
Société des Aéroports de Lyon	Operating airport sites	SA	Member of the Supervisory Board and company shareholder
Société Euronews	Operating a European television channel	SA	Company shareholder

## 7.1.3 OTHER ORGANISATIONS BEING MONITORED

Name of organisation	Activity	Legal status	Greater Lyon's relationship with the organisation
Lyon Parc Auto (LPA)	Managing car parks	SEM	Member (contribution) and delegating authority
Veolia Eau, Nantaise des eaux	Producing and distributing drinking water and operating water treatment networks	Companies	Delegating authorities
Énergie Lyon Villeurbanne Avenir (ELVYA), ELYDE, Engie, Dalkia	Producing and operating an urban heating and cooling distribution network	Companies	Delegating authorities
Valorly	Waste incineration	SAS	Delegating authority
GL Events Cité Centre des Congrès de Lyon	Operating the Convention Centre	SA	Delegating authority
Blue Green - Golf Grand Lyon/Chassieu	Designing, funding, delivering and managing a golf course	SA	Delegating authority
LEONORD	Operating the Lyon Northern Ring Road	SAS	Delegating authority
Effia, Vinci and Q-Park	Managing car parks	Companies	Delegating authorities
OGF Atrium	Managing and operating graveyards	SA	Delegating authority
COVAGE	Rolling out High Speed Broadband	SA	Delegating authority
ENEDIS, EDF and GRDF	Operating gas and electricity networks	Companies	Delegating authority
Elior, Scolarest, Coralys, Mille et un repas, SHCB	Managing school meals in upper secondary schools	Companies	Delegating authorities

## 7.2 Accounting principles and consolidation of accounts

### 7.2.1 BASIS FOR CONSOLIDATION OF THE ACCOUNTS

The external organisations' accounts have not been included in this consolidation. A large number of them (except the SEMs) do not actually have any capital ties with the Lyon Metropole. Simply having contractual ties often means that the possibility of consolidation is not very explicit (licence holders and farmers). The very nature of the accounts kept (general accounting plan and various public accounting instructions) makes this even more difficult. A systematic financial risk analysis was carried out for all the organisations involved. The consolidated accounts are therefore the accounts of the Lyon Metropole, governed by separate accounting rules. The Metropole actually manages its responsibilities:

- in its Main Budget, in accordance with accounting rule "M57";
- in six associated budgets: the water budget and the wastewater treatment budget (both under accounting instruction M49), the heating network associated budget (accounting instruction M41), the administrative catering budget, the city planning operations associated budget and the household and similar waste prevention and management budget (all 3 under accounting instruction M57).

The table below shows the share for each of the budgets in the consolidated accounts presented below. This share does not change much from one year to the next.

## Share of the various budgets in the consolidated accounts

	Operating expenditure	Operating revenues	Investment expenditure	Investment revenues	Expenditure (total)	Revenues (total)
BP	90.0%	90.0%	87.6%	91.2%	89.5%	90.1%
BAE	0.4%	0.8%	3.0%	1.9%	1.0%	0.9%
BAA	3.3%	3.6%	5.3%	2.1%	3.5%	3.3%
BARC	0.1%	0.1%	0.2%	0.0%	0.1%	0.1%
BAOURD	0.3%	0.2%	0.0%	0.0%	0.2%	0.2%
BARA	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%
BAGDMA	5.2%	5.1%	2.6%	1.6%	4.5%	4.8%

BP: Main Budget / BAE: Ancillary Water Budget / BAA: Ancillary Water Treatment Budget / BARC: Ancillary Heating Network Budget / BAOURD: Ancillary Budget for Direct Management of Town Planning Operations / BARA: Ancillary Budget for Administration Canteen / BAGDMA: Ancillary Budget for Management of Household and Similar Waste

## 7.2.2 CONSOLIDATION PROCEDURE

## Restatement of inter-budgetary movements (reciprocal flows)

For an overall view of the Lyon Metropole's budget, it is proposed that inter-budgetary movements be restated to "neutralise" the reciprocal flows that artificially inflate actual expenditure and revenue. These movements are of three types:

- Subsidies paid by the main budget to ancillary budgets dedicated to public administrative services governed by accounting instruction M57, representing €6.9 million of expenditure from the main budget, broken down as follows:

Income from ancillary budgets (in € million)	How it works	Investment
Direct Management of City Planning Operations	4.8	0.0
Waste Prevention and Management	0.0	0.0
Administration Canteen	2.1	0.0
Total	6.9	0.0

- Contributions from the Main Budget to the Ancillary Water Treatment Budget for the network at 90% per unit so that users do not have to bear costs due to storm water. These contributions represent €22.1 million of expenditure.

Income from ancillary budgets (in € million)	How it works	Investment
Water Treatment	21.6	0.5

- Re-invoicing of services shared between the Main Budget and Ancillary Budgets in accordance with methods approved by Decision no. 2019-3884 of the Metropole Council of 4 November 2019. These operating expenses amounted to €29.6 million and were re-invoiced as follows:

Re-invoicing per budget (in € million)	Expenditure	Income
Main Budget	0.9	28.3
Ancillary Budget for Waste Prevention and Management	20.5	0.9
Ancillary Water Treatment Budget	6.7	0.3
Ancillary Water Budget	1.3	
Ancillary Network Heating Budget	0.2	
Total	29.6	29.6

### 7.2.3 ASSISTANCE SUBSIDIES AND FUNDS

In order to ensure that the analysis covered several years, the subsidies from the budgets under “M4” were dealt with as follows:

- account 6743 was absorbed into account 657 under “M57” with respect to operating subsidies;
- account 6742 was absorbed into account 204 with respect to infrastructure subsidies.

## 7.3 Open data

The Lyon Metropole is part of a global open data approach and encourages the use of data to improve the living environment, participate in changes to the territorial area, and develop services, research and employment. Data is the raw material for an intelligent and innovative Metropole.

The [www.data.grandlyon.com](http://www.data.grandlyon.com) website provides access to the balances of accounts for the main and Ancillary Budgets of the Lyon Metropole Authority.

Since 2018, the Metropole has made the management accounts of the communes in the territorial area and the Metropole available, as they are published each year on the [data.gouv.fr](http://data.gouv.fr) website.

## 7.4 Table of abbreviations

<b>ACTP</b> .....	Third-party Compensatory Allowance	<b>CPER</b> .....	Government-Region Planning Agreement
<b>ADERLY</b> .....	Agency for Development of the Lyon Region	<b>CPS</b> .....	Salary Share Compensation
<b>AFL</b> .....	Bank	<b>CRD</b> .....	Outstanding Capital
<b>AIS</b> .....	Individual Solidarity Allowances	<b>CRFP</b> .....	Contribution to Improving the Public Finances
<b>AP/CP</b> .....	Programme Authorities/Payment Appropriations	<b>CU</b> .....	Urban Community
<b>APA</b> .....	Personal Independence Allowance	<b>CVAE</b> .....	Contribution on Business Value Added
<b>AuRA</b> .....	Auvergne Rhône-Alpes	<b>DCRTP</b> .....	Compensation Grant for Reform of Trade Tax
<b>AURL</b> .....	City Planning Agency for the Lyon Region	<b>DGF</b> .....	General Operating Grant
<b>B</b> .....	Billion	<b>DMTO</b> .....	Fees for Transfers of Properties
<b>BAA</b> .....	Ancillary Water Treatment Budget	<b>DSC</b> .....	Community Support Grant
<b>BAE</b> .....	Ancillary Water Budget	<b>DUCSTP</b> .....	Single Compensation Grant for Trade Tax
<b>BAOURD</b> .....	Ancillary Budget for Direct Management City Planning Operations	<b>EDF</b> .....	Electricity company
<b>BARA</b> .....	Ancillary Budget for the Administration Canteen	<b>ELENA</b> .....	European Local ENergy Assistance
<b>BARC</b> .....	Ancillary Heating Network Budget	<b>EMH</b> .....	Eastern Metropole Housing
<b>BEI</b> .....	European Investment Bank	<b>EPA</b> .....	Public Administrative Body
<b>BP</b> .....	Main Budget	<b>EPARI</b> .....	Public Information Body for the Rhone Motorways
<b>BPCE</b> .....	Savings bank	<b>EPCC</b> .....	Public Body for Cultural Cooperation
<b>BPNL</b> .....	Lyon Northern Ring Road	<b>EPCI</b> .....	Public Body for Intercommunal Cooperation
<b>C/S</b> .....	Turnover per m <sup>2</sup>	<b>EPIC</b> .....	Public Industrial and Commercial Institution
<b>CA</b> .....	Administrative Account	<b>ESH</b> .....	Housing Social Enterprise
<b>CDC</b> .....	Deposits and Consignments Fund	<b>FB</b> .....	Developed Property
<b>CE</b> .....	Savings Bank	<b>FCTVA</b> .....	National VAT Compensation Fund
<b>CET</b> .....	Local Economic Contribution	<b>FMDI</b> .....	fonds de mobilisation départemental pour l'insertion (Départemental Mobilisation Fund for Integration)
<b>CFE</b> .....	Business Premises Contribution	<b>FNB</b> .....	Undeveloped Property
<b>CFL</b> .....	Local Finance Committee	<b>FNGIR</b> .....	National Fund for Individual Revenue Guarantees
<b>CG69</b> .....	General Council of the Department du Rhône	<b>FPIC</b> .....	Equalisation Fund for Intercommunal and Communal Assets
<b>CGCT</b> .....	General Code for Local Authorities	<b>FPU</b> .....	Single Business Taxation System
<b>CLERCT</b> .....	Local Committee for Assessment of Transferred Resources and Expenditure	<b>FSE</b> .....	European Social Fund
<b>CMM</b> .....	Flexibility Project	<b>GLH</b> .....	Greater Lyon Housing
<b>CNSA</b> .....	National Funding Agency for Independent Living		

<b>GRDF</b> .....	Gas distribution company		and Emergency Service
<b>HT</b> .....	Excluding tax	<b>SEGAPAL</b> .....	Local Public Management Company for Public Spaces in Rhône Amont
<b>ICNE</b> .....	Accrued interest	<b>SFIL</b> .....	Formerly a Local Funding Company
<b>IFER</b> .....	Flat-rate Tax on Network Businesses	<b>SMPIPA</b> .....	Joint Association for the Plaine de l'Ain Industrial Park
<b>INSEE</b> .....	National Institute for Statistics and Economic Studies	<b>SPL</b> .....	Local Public Company
<b>K</b> .....	Thousand	<b>SYMALIM</b> .....	Joint Association for the Development and Management of the île de Miribel Jonage.
<b>LBP</b> .....	Postal bank	<b>SYTRAL</b> .....	Public Transport Authority for the Rhône department and the Lyon metropolitan area.
<b>LMH</b> .....	Lyon Metropole Housing	<b>T</b> .....	rate
<b>LPA</b> .....	Lyon Car Parking	<b>TA</b> .....	Property Improvement Tax
<b>LRL</b> .....	Local Freedoms and Responsibilities	<b>TASCOM</b> .....	Tax on Commercial Premises
<b>MDMPH</b> .....	Départemental and Metropolitan Home for Disabled People	<b>TDCAUE</b> .....	Departmental Tax on Architecture, City Planning and Environment Councils
<b>M</b> .....	Million	<b>TDCFE</b> .....	Departmental Consumption Tax on Electricity
<b>MS</b> .....	Total Payroll	<b>TDENS</b> .....	Departmental Tax on Fragile Natural Areas
<b>NAF</b> .....	Classification of French Businesses	<b>TEOM</b> .....	Household Waste Collection Tax
<b>OPAC</b> .....	Public Office for Development and Construction	<b>TFPB</b> .....	Property Tax on Developed Land
<b>OPH</b> .....	Public Housing Office	<b>TFPNB</b> .....	Property Tax on Undeveloped Land
<b>PBB</b> .....	German bank	<b>TH</b> .....	Residence Tax
<b>PCH</b> .....	Disability Compensation Benefit	<b>TICPE</b> .....	Domestic Consumption Tax on Energy Products
<b>PMU</b> .....	Government betting organisation	<b>TIPP</b> .....	Domestic Consumption Tax on Petroleum Products
<b>PPI</b> .....	Multi-annual Investment Scheduling	<b>TLE</b> .....	Local Infrastructure Tax
<b>RMA</b> .....	Minimum Earned Income	<b>TLCFE</b> .....	Local Consumption Tax on Electricity
<b>RMI</b> .....	Minimum Income Benefit	<b>TP</b> .....	Trade Tax
<b>RP</b> .....	Primary Residences	<b>TSCA</b> .....	Dedicated Tax on Insurance Policies
<b>RRF</b> .....	Actual Operating Income	<b>TVA</b> .....	VAT - Value Added Tax
<b>RSA</b> .....	Active Solidarity Income	<b>u</b> .....	unit
<b>SA</b> .....	Public Limited Company	<b>ZAC</b> .....	Mixed Development Zone
<b>SAIEM</b> .....	Semi-Public Limited Property Company	<b>yoy</b> .....	Year-over-year
<b>SAS</b> .....	Simplified Joint-Stock Company		
<b>SCI</b> .....	Private Property Company		
<b>SEM</b> .....	Semi-Public Company		
<b>SERL</b> .....	Urban Infrastructure and Development Company for the Rhône department and Lyon		
<b>SDMIS</b> .....	Departmental and Metropolitan Fire		







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