

FINANCIAL REPORT 2019



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Introduction

The Lyon Metropolitan Area (Métropole de Lyon) is a public authority with special status resulting from the merger on 1 January 2015 of the Urban Community of Lyon and the parts of the Département du Rhône 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 Metropolitan Area has all of the powers of an intercommunal body and a Département. In certain respects, it seemed sensible to distinguish between those elements from within the old Urban Community and Département boundaries, including, for example, the various components of the General Operating Grant (DGF¹). The Metropolitan Area is now a single authority, however, and so, without appropriate specific methodological precautions, cannot be compared to intercommunal bodies or Départements.

The following are the key features of the financial year 2019:

- substantial financial operating volumes: €2.4 billion in expenditure and €2.9 billion in revenues;
- operational investments amounting to €530 million gross;
- net savings of €262 million
- a debt-reduction capacity of 3.3 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 2014 to 2019 inclusive, based on the adjusted scope. It has, however, not proved possible to provide sufficiently consistent data for the entire period, particularly with regard to budget information. The figures presented in this version of the financial report therefore cover a period of five years, from 2015 to 2019.

¹ abbreviations can be found in the appendices, sub-section 7.4, page 67.

Revenues

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

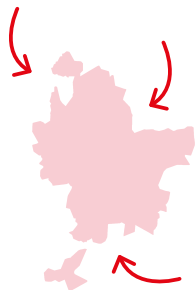
Most of the revenue of the Lyon metropolitan area is directly created by the territory.

1,5 M^{DS}€ FROM THE TERRITORY

392,3 M€

Revenues linked to the dynamism of the territory

- 370,6 M€ Fees for Transfers of Properties
- 10 M€ Tourist Tax
- 11,7 M€ Local consumption tax on electricity



401,5 M€

"Household" taxes

- 166,2 M€ Property Tax on Developed Land
- 158,1 M€ Residence Tax
- 77,2 M€ Household Waste Collection Tax



691,2 M€

Business Taxes

- 296 M€ Contribution on Business Value Added (CVAE)
- 234,6 M€ Business Premises Contribution (CFE)
- 16,2 M€ Tax on Commercial Premises
- 8,6 M€ Flat-Rate on Network Businesses
- 100,1 M€ Property Tax on Developed Land
- 35,7 M€ Household Waste Collection Tax



The Lyon Metropolitan area is also a beneficiary of tax repayments and State grants.

0,8 M^{DS}€ REVENUES FROM THE STATE

469 M€

Grants linked to the territory

- 244 M€ Intercommunal Grant
- 151,2 M€ Departemental Grant
- 73,8 M€ Compensations grants



283,9 M€

Tax-related grants

- 62,4 M€ Dedicated Tax on Insurance Policies
- 107,6 M€ Individual Revenue Guarantee
- 113,9 M€ Domestic Consumption Tax on Energy Products



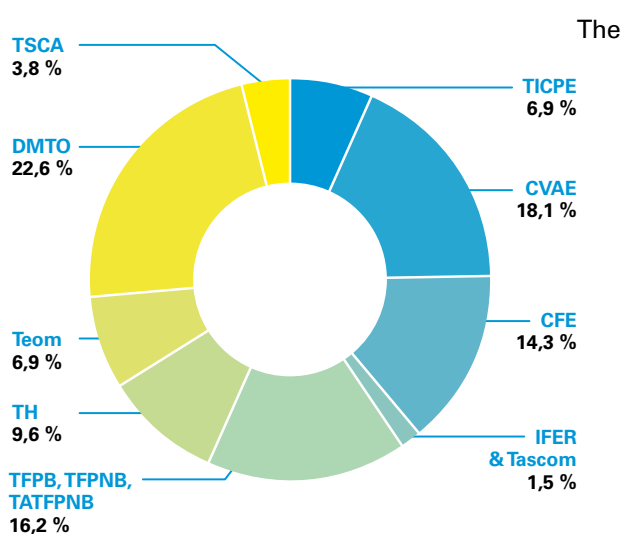
1. Principal revenues

Total income for the Lyon Metropolitan Area came to €3.4 billion in 2019. "Regular and permanent" income, which is shown in the operating section of the budget, represented €2.9 billion of revenues. This includes tax income and financial transfers from the government.

1.1 TAX

Tax revenues accruing to the Lyon Metropolitan Area came to a total of €1.9 billion, or two-thirds of operating income. €1.4 billion came from the territorial area and €0.5 billion were allocations from national income or financial flows between authorities.

Distribution of principal tax revenues



data below relating to taxes collected on the basis of tax rolls² come from general tax rolls³.

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 Business 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)

1.1.1.1.1 Revenues

The CVAE accruing to the authorities in the territory covered by the Lyon Metropolitan Area came to €592.0 million in 2019.

IN BRIEF

For a long time this was the Lyon Metropolitan Area'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). 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 1.5%, depending on turnover. The 1.5% rate applies to businesses with a turnover of more than €50 million. Local authorities (including the Lyon Metropolitan Area) receive a CVAE of 1.5% of the value added of all businesses with a turnover of more than €152,500.

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.

Up until 2014, the Urban Community of Lyon, as a Public Body for Cooperation between Local Communities (EPCI) with a Single Business Taxation System (FPU), received the entire share accruing to the communal unit, i.e. 26.5% of total revenues, while the Département du Rhône received 48.5% and the Rhône-Alpes Region 25.0%.

In 2015 and 2016, the Lyon Metropolitan Area received 75% of the revenues that accrued to the territorial area, i.e. the total of the intercommunal and départemental shares. Since 2017, slightly more than half of the départemental share of CVAE (25 revenue points out of 48.5, or around 52%) has been allocated to the Regions. As a result, the Lyon Metropolitan Area and the Auvergne-Rhône-Alpes Region both receive half of the revenue paid by businesses.

If the new Metropolitan Area boundary is taken into account for the entire period, the revenues accruing to the Metropolitan Area fell from €374.3 million in 2014 to €296.0 million in 2019, at the same time as the revenues from businesses rose from €499.0 million to €592.0 million, an average increase of 3.5% per year. The change from year to year was uneven, however, and was particularly large between 2016 and 2017, at +7.6%, and between 2018 and 2019, at +6.1%.

Although the revenues accruing to the Metropolitan Area from the CVAE fell between 2016 and 2017, there was an adjustment mechanism built into the legislation that created a specific compensation allocation (see sub-section 1.1.4.3, page 24).

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

	2014*	2015**	2016	2017	2018	2019
Distribution of revenue between communities	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %
... intercommunal share	26,5 %	26,5 %	26,5 %	26,5 %	26,5 %	26,5 %
... départemental share	48,5 %	48,5 %	48,5 %	23,5 %	23,5 %	23,5 %
... of which regional share	25,0 %	25,0 %	25,0 %	50,0 %	50,0 %	50,0 %
Revenues accruing to the territorial area (€ million)	499,0	511,1	519,0	558,7	558,2	592,0
<i>change n/n-1</i>	—	+ 2,4 %	+ 1,5 %	+ 7,6 %	- 0,1 %	+ 6,1 %
... of which intercommunal share	132,2	135,4	137,5	148,1	147,9	156,9
... of which départemental share	242,0	247,9	251,7	131,3	131,2	139,1
... of which regional share	124,8	127,8	129,8	279,4	279,1	296,0
Revenues accruing to the Lyon Metropolitan Area (€ million)	374,3	383,3	389,3	279,4	279,1	296,0
<i>change n/n-1</i>	—	+ 2,4 %	+ 1,5 %	- 28,2 %	- 0,1 %	+ 6,1 %

(*) amounts reconstructed for Metropolitan Area boundaries (intercommunal and départemental shares combined) / (**) extension of the Authority's territorial area

The Lyon Metropolitan Area contributes to a National Equalisation Fund under the CVAE with respect to the départemental share of revenues (see sub-section 2.2.5 below). Businesses do not usually pay all of the CVAE accruing to local

authorities: only those businesses whose turnover exceeds €50 million pay the full amount. Locally, four-fifths of the revenues come from businesses; the government pays the rest through a tax rebate mechanism.

Contribution on Business Value Added - revenue accruing to the Metropolitan Area

	2014*	2015**	2016	2017	2018	2019
Revenues accruing to the Lyon Metropolitan Area (€ million)	374,3	383,3	389,3	279,4	279,1	296,0
... of which portion paid by businesses (€ million)	295,1	301,9	305,4	220,5	217,8	225,8
... of which rebated portion (€ million)	79,2	81,5	83,8	58,8	61,3	70,2
Revenues accruing to the Lyon Metropolitan Area (€ million)	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %
... of which portion paid by businesses (%)	78,8 %	78,7 %	78,5 %	78,9 %	78,0 %	76,3 %
... of which rebated portion (%)	21,2 %	21,3 %	21,5 %	21,1 %	22,0 %	23,7 %

(*) amounts reconstructed for Metropolitan Area boundaries (intercommunal and départemental shares combined) / (**) extension of the Authority's territorial area

1.1.1.2 Taxpaying businesses

On average during the period, the number of taxpaying businesses increased along with revenues from businesses (+3.5%), but in a more even fashion.

Contribution on Business Value Added - number of businesses

	2014*	2015**	2016	2017	2018	2019
All businesses (u)	28 054	29 082	29 746	31 581	32 601	33 342
<i>change n/n-1</i>	—	+ 3,7 %	+ 2,3 %	+ 6,2 %	+ 3,2 %	+ 2,3 %
Corresponding CVAE revenues (€ million)	499,0	511,1	519,0	558,7	558,2	592,0
<i>change n/n-1</i>	—	+ 2,4 %	+ 1,5 %	+ 7,6 %	- 0,1 %	+ 6,1 %

(*) amounts reconstructed for Metropolitan Area boundaries (intercommunal and départemental shares combined) / (**) extension of the Authority's territorial area

Most businesses are "CVAE positive": they contribute to the Metropolitan Area's tax receipts. Overall, the steady growth of businesses located at single premises is striking: they increased from 89.4% of total businesses in 2014 to 91.4% in 2019, which suggests that the territorial area has a dynamic economic structure.

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 (to the tune of €1.4 million in 2019)..

Contribution on Business Value Added - CVAE positive businesses

	2014*	2015**	2016	2017	2018	2019
CVAE positive businesses (u)	27 734	28 771	29 479	31 304	32 317	33 127
<i>change n/n-1</i>	—	+ 3,7 %	+ 2,5 %	+ 6,2 %	+ 3,2 %	+ 2,5 %
Businesses on single premises (u)	24 796	25 855	26 680	28 551	29 479	30 285
... businesses on single premises, as a % of the total number	89,4 %	89,9 %	90,5 %	91,2 %	91,2 %	91,4 %
Businesses on multiple premises (u)	2 938	2 916	2 799	2 753	2 838	2 842
... corresponding premises (u)	11 596	11 686	11 395	11 117	11 368	11 269
... average number of premises (u)	3,9	4,0	4,1	4,0	4,0	4,0
CVAE revenues from CVAE positive businesses (€ million)	378,7	386,9	392,0	281,2	281,5	297,4
<i>change n/n-1</i>	—	+ 2,2 %	+ 1,3 %	- 28,3 %	+ 0,1 %	+ 5,6 %

(*) amounts reconstructed for Metropolitan Area boundaries (intercommunal and départemental shares combined) / (**) extension of the Authority's territorial area

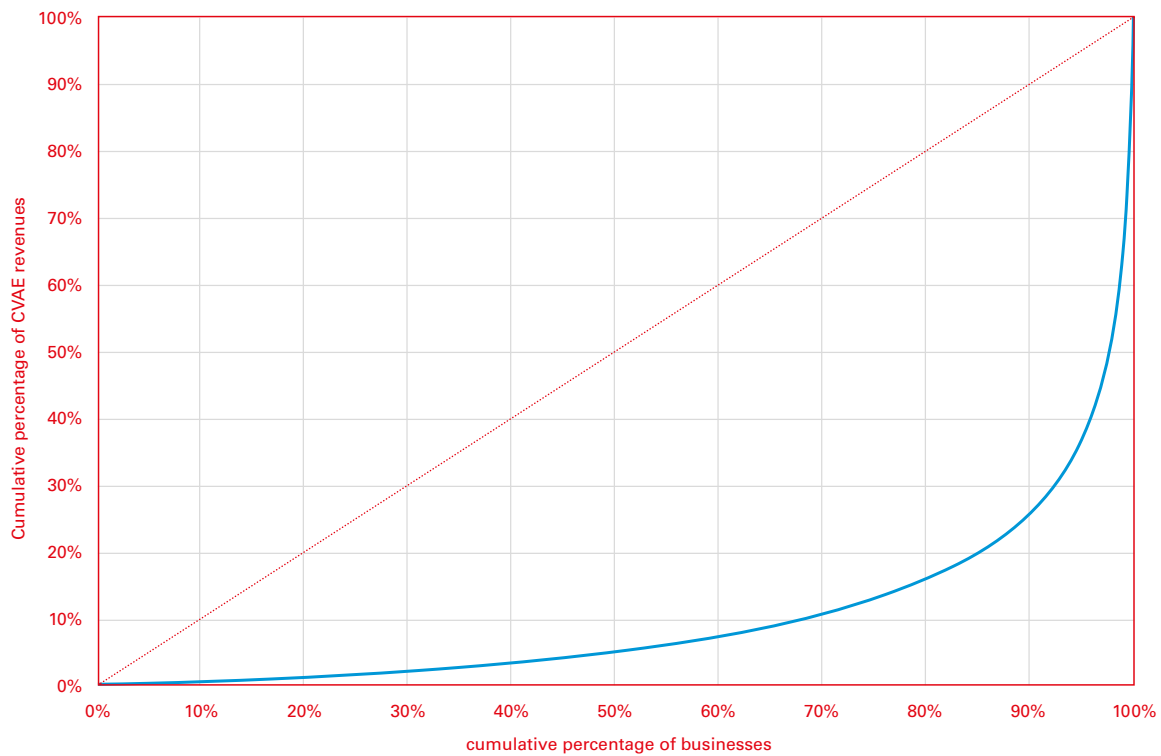
Contribution on Business Value Added - CVAE negative businesses

	2014*	2015**	2016	2017	2018	2019
CVAE negative businesses (u)	320	311	267	277	285	215
<i>change n/n-1</i>	—	n.s.	- 14,1 %	+ 3,7 %	+ 2,9 %	- 24,6 %
CVAE revenues from CVAE negative businesses (€ million)*	- 4,4	- 3,6	- 2,7	- 1,8	- 2,4	- 1,4
<i>change n/n-1</i>	—	n.s.	- 24,9 %	- 32,5 %	+ 32,3 %	- 41,9 %

(*) amounts reconstructed for Metropolitan Area boundaries (intercommunal and départemental shares combined) / (**) extension of the Authority's territorial area

1.1.1.13 Revenue concentration

Contribution on Business Value Added - revenue concentration



There is significant concentration of CVAE revenues: 70% of CVAE positive business contributed just 10% of revenues, and 89% of businesses just 25%. Half of CVAE revenues came from 710 businesses.

1.1.1.14 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 taxpaying businesses 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					
		2014	2015	2016	2017	2018	2019
Agriculture, forestry and fishing	A	0,0 %	0,0 %	0,0 %	0,1 %	0,1 %	0,1 %
Mining and quarrying	B	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %
Primary sector		0,1 %	0,1 %	0,1 %	0,1 %	0,1 %	0,1 %
Manufacturing	C	7,8 %	7,5 %	7,2 %	7,1 %	6,8 %	6,6 %
Electricity, gas, steam and air conditioning supply	D	0,8 %	0,8 %	0,8 %	0,8 %	0,8 %	0,8 %
Water supply; sewerage, waste management and remediation activities	E	0,7 %	0,7 %	0,7 %	0,8 %	0,7 %	0,8 %
Construction	F	8,8 %	8,8 %	8,6 %	8,7 %	8,6 %	8,6 %
Secondary sector		18,0 %	17,7 %	17,3 %	17,4 %	16,9 %	16,7 %
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	24,6 %	24,1 %	23,5 %	22,1 %	21,9 %	21,4 %
Transportation and storage	H	2,4 %	2,4 %	2,4 %	2,4 %	2,4 %	2,4 %
Accommodation and food service activities	I	5,6 %	5,6 %	5,6 %	5,5 %	6,0 %	5,9 %
Information and communication	J	4,5 %	4,3 %	4,1 %	4,0 %	4,2 %	4,2 %
Financial and insurance activities	K	5,4 %	5,7 %	5,9 %	6,3 %	6,6 %	6,7 %
Real estate activities	L	4,8 %	5,3 %	5,6 %	6,0 %	6,2 %	6,3 %
Professional, scientific and technical activities	M	15,1 %	15,3 %	15,4 %	16,6 %	16,2 %	16,4 %
Administrative and support service activities	N	8,8 %	8,5 %	8,7 %	8,2 %	8,3 %	8,4 %
Public administration	O	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %
Education	P	1,4 %	1,3 %	1,4 %	1,4 %	1,4 %	1,5 %
Human health and social work activities	Q	5,8 %	6,4 %	6,9 %	6,9 %	7,0 %	6,8 %
Arts, entertainment and recreation	R	0,6 %	0,6 %	0,7 %	0,7 %	0,7 %	0,8 %
Other service activities	S	2,2 %	2,1 %	2,2 %	2,2 %	2,1 %	2,0 %
Activities of households as employers	T	—	—	—	—	—	—
Third sector		81,1 %	81,8 %	82,6 %	82,5 %	83,0 %	82,9 %
Not broken down		0,8 %	0,4 %	—	—	—	0,3 %
Total		100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %

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					
		2014	2015	2016	2017	2018	2019
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 %
Primary sector		0,1 %	0,1 %	0,0 %	0,0 %	0,0 %	0,1 %
Manufacturing	C	16,4 %	17,0 %	16,6 %	16,1 %	14,8 %	15,2 %
Electricity, gas, steam and air conditioning supply	D	2,0 %	2,1 %	1,7 %	1,9 %	2,0 %	1,6 %
Water supply; sewerage, waste management and remediation activities	E	0,7 %	0,7 %	0,9 %	0,9 %	0,8 %	0,7 %
Construction	F	6,8 %	6,3 %	6,0 %	5,4 %	5,7 %	5,9 %
Secondary sector		25,9 %	26,1 %	25,2 %	24,1 %	23,3 %	23,4 %
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	17,2 %	16,7 %	16,4 %	15,3 %	17,2 %	16,9 %
Transportation and storage	H	6,7 %	6,8 %	6,3 %	5,9 %	5,8 %	5,6 %
Accommodation and food service activities	I	2,9 %	2,6 %	2,7 %	2,4 %	2,7 %	2,7 %
Information and communication	J	7,7 %	8,0 %	8,5 %	8,7 %	8,5 %	8,6 %
Financial and insurance activities	K	7,9 %	9,6 %	9,8 %	10,6 %	9,0 %	9,1 %
Real estate activities	L	1,9 %	2,1 %	2,1 %	2,4 %	3,1 %	3,1 %
Professional, scientific and technical activities	M	16,1 %	14,6 %	15,2 %	16,1 %	16,1 %	16,4 %
Administrative and support service activities	N	7,7 %	7,3 %	7,6 %	7,9 %	7,6 %	7,6 %
Public administration	O	0,0 %	0,2 %	0,2 %	0,4 %	0,3 %	0,3 %
Education	P	0,7 %	0,6 %	0,7 %	0,6 %	0,7 %	0,9 %
Human health and social work activities	Q	3,6 %	3,8 %	4,0 %	3,8 %	4,2 %	3,9 %
Arts, entertainment and recreation	R	0,6 %	0,6 %	0,5 %	0,6 %	0,4 %	0,5 %
Other service activities	S	0,8 %	0,9 %	0,8 %	1,1 %	0,9 %	0,8 %
Activities of households as employers	T	—	—	—	—	—	—
Third sector		73,8 %	73,8 %	74,7 %	75,9 %	76,7 %	76,4 %
Not broken down		0,3 %	0,1 %	—	—	—	0,2 %
Total		100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %

1.1.1.2 Business Premises Contribution

IN BRIEF

At €234.6 million in 2019, this was the Lyon Metropolitan Area's fourth highest contribution to tax receipts.

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 taxpaying businesses in the conurbation full exemption from the CFE.

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

2017 was the first year during the period that the revised values of business premises were applied, the aim being to create greater fairness between taxpaying businesses: 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 of the revised tax rates for businesses, and applied to all businesses, whether their contributions increased or decreased with respect to previous situation. These cushioning mechanisms have had no impact on the authorities' tax receipts.

1.1.1.2.1 Bases, rates and revenues

Business Premises Contribution - bases, rates and revenues

	2014	2015*	2016	2017	2018	2019
Tax bases (€ million)	727,8	748,4	766,4	790,3	820,8	817,9
<i>change n/n-1</i>	—	+ 2,8 %	+ 2,4 %	+ 3,1 %	+ 3,9 %	- 0,4 %
Rate (%)	27,26 %	28,62 %	28,62 %	28,62 %	28,62 %	28,62 %
<i>change n/n-1</i>		+ 5,0 %	—	—	—	—
Revenue from the general rolls (€ million)	198,4	214,2	219,4	226,5	235,4	234,6
<i>change n/n-1</i>	—	+ 7,9 %	+ 2,4 %	+ 3,3 %	+ 3,9 %	- 0,3 %

(*) Extension of Authority's territorial area

Revenues from the CFE decreased by 0.3% between 2018 and 2019. This change can be entirely explained by the fact that, for the first time in 2019, businesses with a turnover of less than €5,000 were completely exempt from paying contributions. Almost 31,000 businesses benefited from the exemption; the

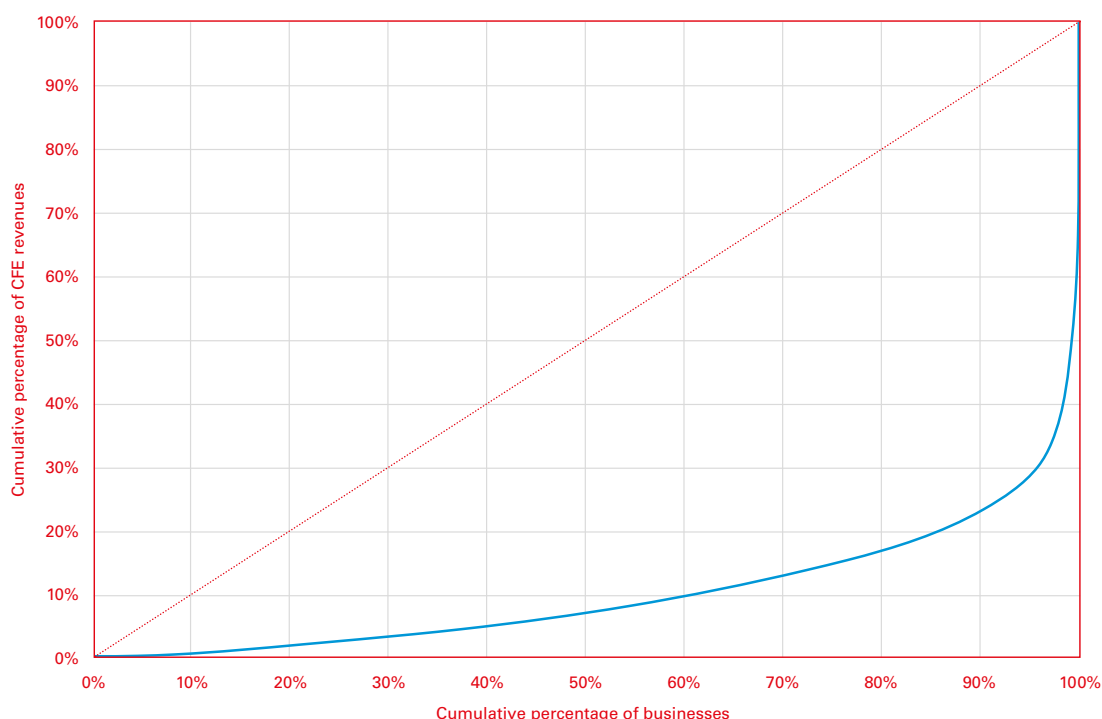
government pays authorities full compensation for the lost revenues. On a like-for-like basis, and taking into account the compensatory allowance (see sub-section 1.2.3 below), revenues from the CFE rose from €235.4 million in 2018 to €239.2 million in 2019, up 1.6%.

1.1.1.2.2 Tax base concentration

Almost 84,000 businesses in the territorial area, based at slightly more than 90,000 locations, paid a CFE contribution. There was significant concentration of revenues, though this was

lower than in previous years: 61% of businesses contributed 10% of revenues, and 86% of businesses contributed 20%. Half of CFE revenues came from 522 businesses.

Business Premises Contribution - revenue concentration by business



1.1.1.2.3 Taxpaying businesses

Twenty-nine percent 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

	2014	2015*	2016	2017	2018	2019
All businesses (u)	87 272	93 316	96 913	107 084	116 584	83 922
<i>change n/n-1</i>		+ 6,9 %	+ 3,9 %	+ 10,5 %	+ 8,9 %	- 28,0 %
Corresponding CFE revenues (€ million)	198,4	214,2	219,4	226,5	235,4	234,6
<i>change n/n-1</i>		+ 8,0 %	+ 2,4 %	+ 3,3 %	+ 3,9 %	- 0,3 %
Premises not paying the minimum contribution (u)**	24 874	24 773	24 386	25 191	25 117	24 519
... as a % of the total number	28,5 %	26,5 %	25,2 %	23,5 %	21,5 %	29,2 %
Corresponding CFE revenues (€ million)	170,3	182,4	186,0	189,9	195,4	196,4
... as a % of the total number	85,8 %	85,1 %	84,8 %	83,8 %	83,0 %	83,7 %
Premises paying the minimum contribution (u)***	63 714	69 799	73 778	83 152	92 719	60 626
... as a % of the total number	73,0 %	74,8 %	76,1 %	77,7 %	79,5 %	72,2 %
Corresponding CFE revenues (€ million)	28,1	31,8	33,4	36,6	39,9	37,7
... as a % of the total number	14,2 %	14,9 %	15,2 %	16,2 %	17,0 %	16,1 %

(*) Extension of the Authority's territorial area / (**) Businesses with at least one premises paying the minimum contribution; some potential duplication (see next note) / (***) Businesses with at least one premises not paying the minimum contribution; some potential duplication (see next note)

In 72% 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 large increase in the number of businesses paying the minimum contribution between 2014 and 2018 (29,000 additional businesses) can be explained both by the level of dynamism in businesses being set up within the territorial area of the Metropolitan Area, and by changes in the mechanism that applies locally. The sharp decline in the number of taxpaying businesses 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.

1.1.1.2.4 Minimum CFE contributions

Until 2013, businesses paying the CFE had to pay a minimum contribution, and the amount 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.

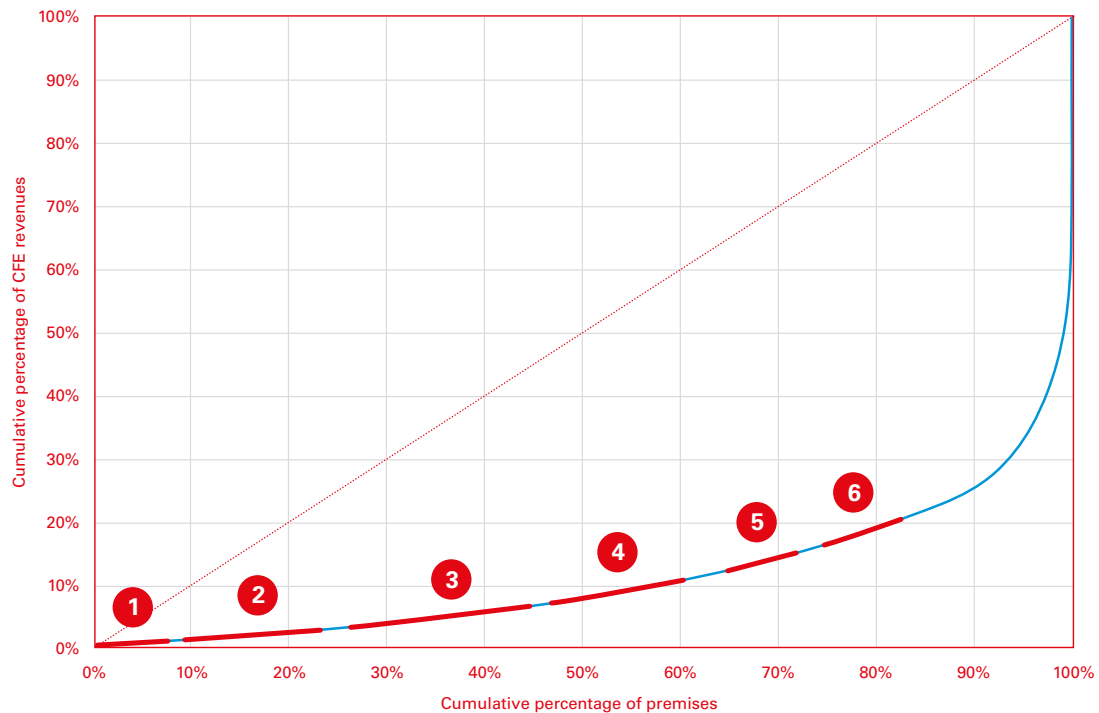
Business Premises Contribution - history of minimum contributions

	2014	2015	2016	2017	2018	2019
CA ≤ €10,000	136	145	146	147	149	151
€10,000 < CA ≤ €32,600	273	289	292	294	297	301
€32,600 < CA ≤ €100,000	491	520	525	529	534	541
€100,000 < CA ≤ €250,000	627	664	671	676	683	692
€250,000 < CA ≤ €500,000	927	982	992	1 000	1 010	1 023
CA ≤ €500,000	1 199	1 271	1 283	1 294	1 307	1 323

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 taxpaying businesses that pay the minimum contribution. The premises that pay the

minimum contribution are only found in the first 20 percent of cumulative revenues from the CFE. They represented 80% of the revenues in this area (i.e. 16.1% of total revenues from CFE revenues) and 82% of businesses (on 60,740 premises).

Business Premises Contribution - revenue concentration by premises



Premises paying the minimum contribution:

- Group 1** 6,249 premises paying a contribution of €151
- Group 2** 12,365 premises paying a contribution of €301
- Group 3** 16,482 premises paying a contribution of €541

- Group 4** 12,056 premises paying a contribution of €692
- Group 5** 6,168 premises paying a contribution of €1023
- Group 6** 7,014 premises paying a contribution of €1323.

1.1.1.2.5 Distribution by business sector

1.1.1.2.5.1 Numbers of businesses

Business Premises Contribution - numbers of businesses by NAF sectors

section	section code	as a % of the number of premises					
		2014	2015	2016	2017	2018	2019
Agriculture, forestry and fishing	A	0,0 %	0,0 %	0,1 %	0,1 %	0,0 %	0,0 %
Mining and quarrying	B	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %
Primary sector		0,1 %	0,1 %	0,1 %	0,1 %	0,1 %	0,1 %
Manufacturing	C	4,8 %	4,8 %	4,4 %	3,9 %	3,6 %	4,0 %
Electricity, gas, steam and air conditioning supply	D	0,4 %	0,5 %	0,4 %	0,4 %	0,4 %	0,5 %
Water supply; sewerage, waste management and remediation activities	E	0,5 %	0,4 %	0,4 %	0,4 %	0,4 %	0,4 %
Construction	F	9,0 %	8,6 %	7,5 %	7,0 %	6,7 %	6,3 %
Secondary sector		14,7 %	14,3 %	12,7 %	11,7 %	11,2 %	11,1 %
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	19,3 %	18,9 %	19,1 %	18,1 %	17,5 %	16,7 %
Transportation and storage	H	2,3 %	2,3 %	1,8 %	2,9 %	4,0 %	2,3 %
Accommodation and food service activities	I	4,5 %	4,7 %	4,7 %	4,1 %	3,9 %	4,3 %
Information and communication	J	3,7 %	3,8 %	3,6 %	3,7 %	3,7 %	3,7 %
Financial and insurance activities	K	4,2 %	4,7 %	4,9 %	4,6 %	4,5 %	4,4 %
Real estate activities	L	5,0 %	5,9 %	6,7 %	7,2 %	7,8 %	9,1 %
Professional, scientific and technical activities	M	17,0 %	17,2 %	17,5 %	19,1 %	19,1 %	20,6 %
Administrative and support service activities	N	5,6 %	5,4 %	5,2 %	4,9 %	4,7 %	4,7 %
Public administration	O	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %
Education	P	2,5 %	2,3 %	2,4 %	2,4 %	2,3 %	2,1 %
Human health and social work activities	Q	10,1 %	10,8 %	11,1 %	10,9 %	10,4 %	12,5 %
Arts, entertainment and recreation	R	1,6 %	1,5 %	1,6 %	1,6 %	1,6 %	1,1 %
Other service activities	S	9,2 %	8,1 %	3,6 %	8,8 %	9,3 %	6,9 %
Activities of households as employers	T	—	—	—	0,0 %	0,0 %	—
Third sector		85,1 %	85,5 %	82,4 %	88,3 %	88,8 %	88,5 %
Not broken down		0,1 %	0,1 %	4,8 %	—	—	0,3 %
Total		100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %

1.1.1.2.5.2 Revenues

Business Premises Contribution - tax bases by NAF sectors

section	section code	as a % of the total CFE base					
		2014	2015	2016	2017	2018	2019
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 %
Primary sector		0,1 %	0,1 %	0,1 %	0,1 %	0,1 %	0,1 %
Manufacturing	C	26,0 %	26,0 %	22,9 %	21,7 %	20,3 %	21,1 %
Electricity, gas, steam and air conditioning supply	D	2,8 %	3,0 %	2,7 %	2,2 %	2,3 %	2,4 %
Water supply; sewerage, waste management and remediation activities	E	1,5 %	1,4 %	1,4 %	1,3 %	1,4 %	1,4 %
Construction	F	3,3 %	3,2 %	4,0 %	4,0 %	4,0 %	3,8 %
Secondary sector		33,6 %	33,6 %	31,0 %	29,2 %	28,0 %	28,8 %
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	21,8 %	21,6 %	20,9 %	21,1 %	19,6 %	20,5 %
Transportation and storage	H	9,6 %	9,8 %	8,7 %	9,8 %	9,7 %	9,6 %
Accommodation and food service activities	I	4,7 %	4,6 %	4,4 %	4,4 %	4,3 %	4,2 %
Information and communication	J	3,8 %	3,8 %	3,7 %	3,4 %	3,5 %	3,5 %
Financial and insurance activities	K	5,0 %	5,0 %	5,2 %	4,5 %	4,5 %	4,6 %
Real estate activities	L	1,1 %	1,1 %	2,1 %	2,3 %	2,4 %	2,6 %
Professional, scientific and technical activities	M	10,1 %	10,2 %	11,6 %	12,5 %	14,6 %	13,2 %
Administrative and support service activities	N	3,5 %	3,5 %	3,8 %	3,8 %	3,5 %	4,1 %
Public administration	O	0,2 %	0,2 %	0,2 %	0,2 %	0,2 %	0,2 %
Education	P	0,8 %	0,8 %	1,0 %	1,0 %	1,1 %	1,1 %
Human health and social work activities	Q	3,4 %	3,5 %	4,5 %	4,8 %	4,8 %	4,7 %
Arts, entertainment and recreation	R	0,9 %	0,9 %	0,9 %	1,1 %	1,4 %	1,1 %
Other service activities	S	1,2 %	1,3 %	1,2 %	1,8 %	2,2 %	1,7 %
Activities of households as employers	T	—	—	—	0,0 %	0,0 %	—
Third sector		66,2 %	66,2 %	68,2 %	70,7 %	71,9 %	70,8 %
Not broken down		0,1 %	0,1 %	0,7 %	—	—	0,3 %
Total		100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %

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 €8.6 million in 2019. Although the IFER has a dozen components, the one that benefits the Lyon Metropolitan Area comes mainly from taxation of radio stations (65% of the total amount in 2019) and electrical transformers that belong to public transport and electricity distribution networks (28% of the total).

The IFER is shared between the EPCIs with a Single Business Taxation System and the Départements. As the Lyon Metropolitan Area 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 départemental share, while the “electrical transformers” component is allocated in full as an intercommunal share.

Flat-rate Tax on Network Businesses - revenue breakdown

	2014*	2015**	2016	2017	2018	2019
Revenues (€ million)	6,6	6,9	7,2	7,9	8,2	8,6
... of which intercommunal share	5,1	5,3	5,5	6,0	6,2	6,4
... of which départemental share	1,5	1,6	1,7	2,0	2,0	2,2
<i>change n/n-1</i>	—	+ 4,7 %	+ 4,4 %	+ 10,7 %	+ 3,7 %	+ 4,3 %

(*) amounts reconstructed for Metropolitan Area boundaries (intercommunal and départemental shares combined) / (**) extension of the Authority's territorial area

1.1.1.4 Tax on Commercial Premises

The Tascom represented €16.2 million in 2019. It is payable by businesses that operate retail shops, regardless of their legal form. It involves shops:

- with a minimum sales area of 400 m² (or less, if they belong to a network of shops with a minimum combined area of 4,000 m²);
- 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 m², and varies from €5.74/m² to €34.12/m².

The law allows the Metropolitan Area Council to use a multiplication coefficient between 0.80

and 1.20 on the amount calculated. Following a decision by the Metropolitan Area 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 m²) 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.

Tax on Commercial Premises - revenues

	2014	2015*	2016	2017	2018	2019
Revenues (€ million)	13,7	14,6	15,6	19,2	15,7	16,2
<i>change n/n-1</i>	—	+ 6,0 %	+ 7,0 %	+ 23,5 %	- 18,3 %	+ 2,9 %
Multiplier Coefficient	1,05	1,05	1,10	1,10	1,10	1,10

(*) change to the authority's boundary

1.1.2 "Household" taxes

IN BRIEF

"Household" taxes get their name because they involve residential premises. Depending on the situation, they can also relate to commercial premises, offices, factories, etc. In 2019, Residence Tax was again paid by a large proportion of housing occupants,

including both homeowners and tenants. Property Tax on Developed Land is paid by the owner of the property in question. A significant proportion of the revenue from this tax comes from business premises.

1.1.2.1 Residence Tax

Residence Tax (the fifth highest contribution to tax receipts) represented €158.1 million in 2019. Revenues from the tax have grown slightly more significantly this year.

1.1.2.1.1 Bases, rates and revenues

Residence Tax - bases, rates and revenues

	2014	2015*	2016	2017	2018	2019
Tax bases (€ million)	1 874,2	1 958,4	1 949,5	1 977,4	2 007,0	2 077,3
<i>change n/n-1</i>	—	+ 4,5 %	- 0,5 %	+ 1,4 %	+ 1,5 %	+ 3,5 %
Rate (%)	7,25 %	7,61 %	7,61 %	7,61 %	7,61 %	7,61 %
<i>change n/n-1</i>	—	+ 5,0 %	—	—	—	—
Revenue from the general rolls (€ million)	135,9	149,0	148,4	150,5	152,7	158,1
<i>change n/n-1</i>	—	+ 9,7 %	- 0,5 %	+ 1,4 %	+ 1,5 %	+ 3,5 %

extension of the Authority's territorial area

1.1.2.1.2 Taxed items

Most of the residential premises that are taxed are Primary Residences. The number goes up by several thousand each year, with 2019 seeing a fairly significant rise of more than 7,700 new items. Other premises that are taxed are second homes or detached outbuildings.

Residence Tax - number of items as primary residences

	2014	2015*	2016	2017	2018	2019
Items corresponding to Primary Residences (u)	609 715	620 053	625 873	632 939	636 253	643 969
<i>change n/n-1, including correction for boundary change</i>	—	+ 1,7 %	+ 0,9 %	+ 1,1 %	+ 0,5 %	+ 1,2 %

(*) extension of the Authority's territorial area

1.1.2.2 Property Tax on Developed Land

Property Tax on Developed Land represented €266.3 million in 2019. It came from nearly 649,000 items, including both residential and business premises. Business premises represented about a third of the total tax revenues.

1.1.2.2.1 Bases, rates and revenues

Property Tax on Developed Land - bases, rates, revenues

	2014*	2015**	2016	2017	2018	2019
Tax bases (€ million)	2 049,9	2 109,0	2 154,9	2 191,4	2 245,5	2 297,6
<i>change n/n-1</i>	—	+ 2,9 %	+ 2,2 %	+ 1,7 %	+ 2,5 %	+ 2,3 %
Rate (%)	11,03 %	11,58 %	11,58 %	11,58 %	11,58 %	11,58 %
<i>change n/n-1</i>	—	+ 5,0 %	—	—	—	—
Revenue from the general rolls (€ million)	226,1	244,2	249,5	253,8	260,2	266,3
<i>change n/n-1</i>	—	+ 8,0 %	+ 2,2 %	+ 1,7 %	+ 2,5 %	+ 2,4 %

(*) amounts reconstructed for Metropolitan Area boundaries in 2014 / (**) extension of the Authority's territorial area

Property Tax on Developed Land - taxed items

	2014*	2015**	2016	2017	2018	2019
Taxed items (u)	594 312	608 770	618 108	628 905	638 252	648 960
<i>change n/n-1, including correction for boundary change</i>	—	+ 2,4 %	+ 1,5 %	+ 1,7 %	+ 1,5 %	+ 1,7 %

(*) amounts reconstructed for Metropolitan Area boundaries in 2014 / (**) extension of the Authority's territorial area

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 €112 thousand in 2019. 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: €817 thousand in 2019. 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

	2014	2015*	2016	2017	2018	2019
Tax bases (€ million)	5,3	5,4	5,5	5,4	5,4	5,9
<i>change n/n-1</i>	—	+ 1,1 %	+ 1,5 %	- 0,9 %	- 0,5 %	+ 8,7 %
Rate (%)	1,82 %	1,91 %	1,91 %	1,91 %	1,91 %	1,91 %
<i>change n/n-1</i>	—	+ 5,0 %	—	—	—	—
Revenue from the general rolls (€ million)	0,097	0,103	0,105	0,103	0,105	0,112
<i>change n/n-1</i>	—	+ 6,1 %	+ 1,5 %	- 1,5 %	+ 1,8 %	+ 7,0 %

(*) extension of the Authority's territorial area

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. The amount charged does not depend on the service that is actually provided.

The Lyon Metropolitan Area collects the Household Waste Removal Tax (Teom) as part of its responsibility for "management of household and similar waste".

1.1.2.4.1 Bases, rates and revenues

The Metropolitan Area Council votes on the rates for the Teom. There are four different rates associated with collections at premises in sectors determined by the Metropolitan Area Council.

The Teom rates remained the same for the whole of the period under review, 2014-2018. There were, however, significant changes in 2019:

→ a reduction in the average rate, from 6.10 % in 2018 to 5.01 % in 2019 (18 %);

→ removal of the different rate for services that involve guaranteed door-to-door collection six times a week.

The decisions made by the Metropolitan Area 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.

Household Waste Collection Tax - rates

Rate applied depending on type of door-to-door collection	2014	2015	2016	2017	2018	2019
6 collections/week "full service"	6,79 %	6,79 %	6,79 %	6,79 %	6,79 %	5,35 %
6 collections/week "normal service"	6,32 %	6,32 %	6,32 %	6,32 %	6,32 %	5,35 %
5 collections/week "normal service"	s.o.	s.o.	s.o.	5,05 %	5,05 %	4,43 %
4 collections/week "normal service"	s.o.	s.o.	s.o.	5,05 %	5,05 %	4,43 %
3 collections/week "normal service"	5,05 %	5,05 %	5,05 %	5,05 %	5,05 %	4,43 %
2.5 collections/week "normal service"	4,12 %	4,12 %	4,12 %	4,12 %	4,12 %	3,71 %
2 collections/week "normal service"	4,12 %	4,12 %	4,12 %	4,12 %	4,12 %	3,71 %
1.5 collections/week "normal service"	2,97 %	2,97 %	2,97 %	2,97 %	2,97 %	2,97 %
1 collections/week "normal service"	s.o.	s.o.	s.o.	s.o.	s.o.	s.o.
Average rate, all types of service	6,14 %	6,14 %	6,13 %	6,09 %	6,10 %	5,01 %

Following the reduction in the average rate of the tax, the revenue from the Teom fell to €112.9 million in 2019 (15.6% compared to the amount collected in 2018).

Household Waste Collection Tax - bases, rates and revenues

	2014	2015*	2016	2017	2018	2019
Tax bases (€ million)	1 990,3	2 047,3	2 103,1	2 140,6	2 194,7	2 254,3
<i>change n/n-1</i>	—	+ 2,9 %	+ 2,7 %	+ 1,8 %	+ 2,5 %	+ 2,7 %
Rate (%)	6,14 %	6,14 %	6,13 %	6,09 %	6,10 %	5,01 %
<i>change n/n-1</i>	—	- 0,1 %	- 0,2 %	- 0,6 %	+ 0,1 %	- 1,78 %
Revenue from the general rolls (€ million)	122,2	125,6	128,8	130,4	133,8	112,9
<i>change n/n-1</i>	—	+ 2,8 %	+ 2,6 %	+ 1,2 %	+ 2,6 %	- 15,6 %

(*) extension of the Authority's territorial area

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 départemental fee) came to €370.6 million in 2019, an increase of 5.9% compared

to 2018. DMTOs are the Metropolitan Area's primary source of tax receipts; they have exceeded revenues from the CVAE since 2017 because of changes to the law involving the CVAE (see sub-section 1.1.1.1 above).

Fees for Transfers of Properties - revenues

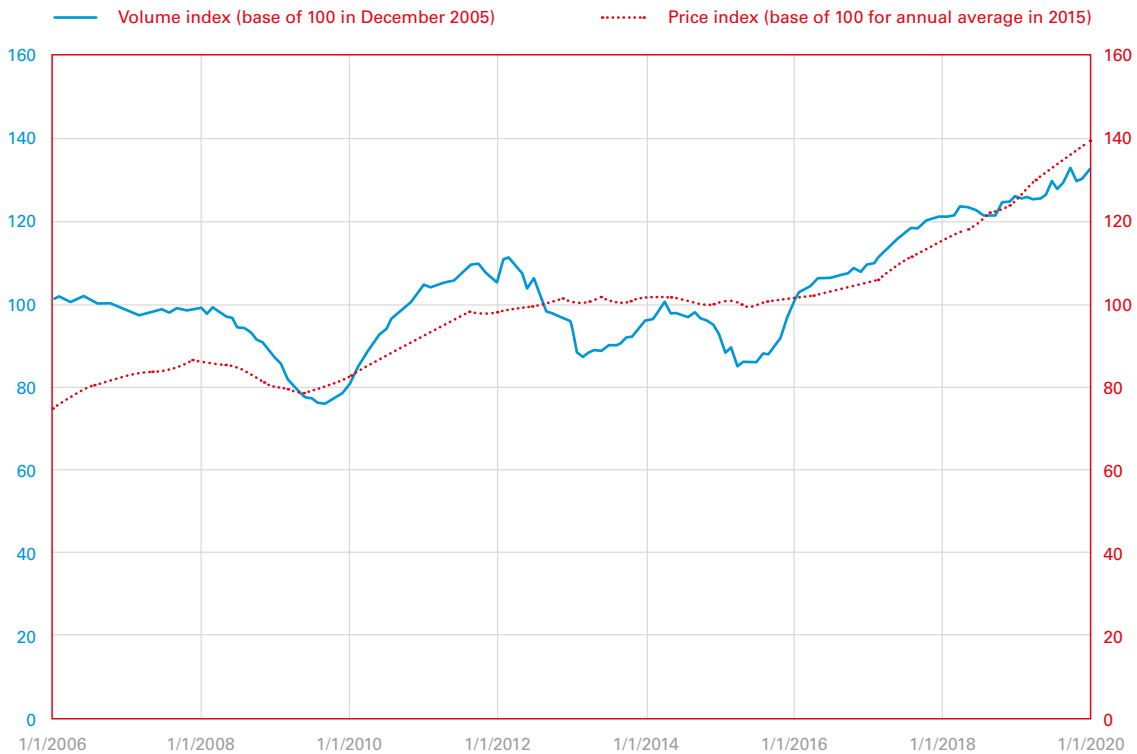
	2014*	2015**	2016	2017	2018	2019
Revenues (€ million)	225,2	248,1	274,4	308,3	350,1	370,6
<i>change n/n-1</i>	—	+ 10,2 %	+ 10,6 %	+ 12,4 %	+ 13,5 %	+ 5,9 %

(*) estimated amount for 2014 based on work by CLERCT / (**) extension of the Authority's territorial area

After the rate increase passed in 2014 by the General Council of the Département du Rhône, revenues are currently changing mainly in line with the market for older properties. The best way to understand this increase is on the basis of elements relating to the number of transactions (in this case, the cumulative

total for the number of property sales taxed at the common law rate over 12 months, placed at a base of 100 in December 2015) and the price level (in this case, the prices of old apartments in the Lyon conurbation, corrected for seasonal variations, with the average for 2015 placed at a base of 100):

Fees for Transfers of Properties - factors underlying the change



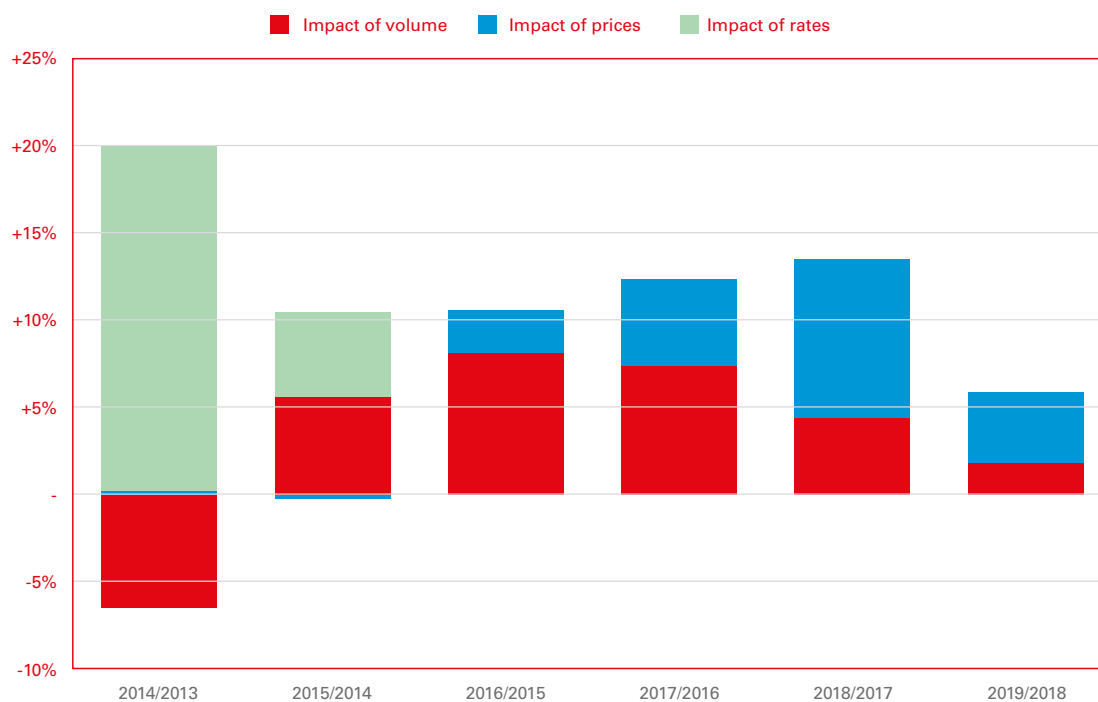
There are different explanations for the change, depending on the period:

- in 2006 and 2007, the number of transfers was stable, and so revenues increased as a result of prices increasing;
- in 2008 and 2009, the number of transactions and prices both fell;
- after the upturn between 2010 and 2011, 2012 and 2013 were mainly characterised by a decline in the number of transactions, and a stable price level;
- in 2014, the revenues increased in line with the rates: the General Council of the Département du Rhône raised the general rate to 4.5% from its previous level of 3.8%, with the new rate applying from 1 June 2014;

- the increase in revenues in 2015 can be explained by the impact of the volume of transactions and the impact of the rate increase (the 2014 increase applies to the whole year), while prices remained stable;
- the increase in revenues in 2016 can be explained by a combination of the greater impact from the volume of transactions and the impact of price increases;
- since 2017, the impact of the volume of transactions has remained positive, but the key factor in explaining the increase in revenues lies with prices.

Over the last year, a third of the change in revenues from the DMTO can be attributed to transaction volume and two thirds to prices.

factors behind changes in revenues from the DMTO during the 2013-2019 period



1.1.3.2 Property Improvement Tax

Property Improvement Tax is made up of two parts: an intercommunal part and a départemental 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 Metropolitan Area.

Allocations from the départemental share go

towards funding the policy to protect fragile natural areas on the one hand and the expenditure of the Council for Architecture, Town Planning and the Local Environment on the other.

The specific characteristics of the Metropolitan Area mean that distribution of the two parts of the Property Improvement Tax need to be altered, but this does not affect the funding for the policies in question.

Revenues increased to €37.2 million in 2019, compared to €36.7 million in 2018.

Property Improvement Tax - revenues

	2014*	2015**	2016	2017	2018	2019
Total revenues (€ million)	20,3	28,7	42,0	33,6	36,7	37,2
<i>change n/n-1</i>	—	+ 41,5 %	+ 46,4 %	- 20,0 %	+ 9,3 %	+ 1,2 %
... of which intercommunal share (€ million)	13,9	16,9	22,8	18,1	27,8	35,6
... of which départemental share (€ million)	6,4	11,9	19,2	15,5	9,0	1,6

(*) Estimated amounts based on work by CLERCT / (**) extension of the Authority's territorial area

1.1.3.3 Local Consumption Tax on Electricity

Local Consumption Tax on Electricity applies to electricity supplied by a provider and consumed at a delivery point located on the territory of the Metropolitan Area.

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.

The départemental share of the tax is returned to the Metropolitan Area; this stood at €11.7 million in 2019, a slightly decrease in comparison with the previous year.

TDCFE - revenues

	2014*	2015**	2016	2017	2018	2019
Revenues (€ million)	12,1	11,9	12,3	13,5	11,9	11,7
change n/n-1	—	- 1,2 %	+ 3,0 %	+ 9,8 %	- 11,5 %	- 1,9 %

(*) Estimated amounts based on work by CLERCT / (**) extension of the Authority's territorial area

1.1.3.4 Tourist tax

Tourist tax, which came to an amount of €10.0 million, is paid by people who stay in tourist establishments and guesthouses. Because of its dual nature, the Metropolitan Area collects both the tourist tax (revenue for the Authorities in the

communal unit) and the additional tourist tax (revenue for the Départements).

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

Tourist tax - revenues

	2014*	2015**	2016	2017	2018	2019
Revenues (including additional tax, € million)	5,7	5,5	6,0	6,8	8,6	10,0
change n/n-1	—	- 4,0 %	+ 8,6 %	+ 13,4 %	+ 26,4 %	+ 17,0 %

(*) Estimated amounts based on work by CLERCT / (**) extension of the Authority's territorial area

1.1.4 Tax transfers

IN BRIEF

Each year, the government transfers national taxes to Départements to offset the costs it has transferred to them. It also organises transfers to the Authorities that have not received the full amount they used to receive from Business Tax from the tax that replaced it.

Within the intercommunal body in Lyon, there are significant financial flows between the Communes and the Metropolitan Area, notably the compensation allocations that guarantee the impartiality of tax specialisation since it began to apply in 2003.

1.1.4.1 Individual Revenue Guarantee

Following the withdrawal of Business 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 Business Tax (see sub-section 1.2.3 above).

The Lyon Metropolitan Area 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 Département.

Individual Revenue Guarantee

	2014*	2015**	2016	2017	2018	2019
Intercommunal share	95,5	96,2	96,2	96,2	96,1	96,2
Départementale share	11,4	11,4	11,4	11,4	11,4	11,4
FNGIR, overall	106,9	107,6	107,6	107,6	107,5	107,6
change n/n-1	—	+ 0,7 %	—	—	- 0,1 %	+ 0,1 %

(*) Estimated amounts based on work by CLERCT / (**) extension of the Authority's territorial area

1.1.4.2 “FPU” compensation allocations

Compensation allocations make up the major part of the taxes the Metropolitan Area redistributes to the communes in the territorial 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 Metropolitan Area;

→ to guarantee the financial impartiality of the transfer of responsibilities, on behalf of both the Communes and the Metropolitan Area.

Compensation allocations amounted to €202.2 million in 2018. 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.

The factors contributing to the variation in the number of compensation allocations paid during the period are:

→ the correction to the compensation allocations paid to the Communes of Givors and Grigny, which joined the Urban Community of Lyon in 2007, explains the decrease in compensation

allocations paid from 2013 onwards (-€0.2 million);

→ the inclusion, in 2015, of Quincieux when it joined the community's boundaries (on 1 June 2014), explains the growth in compensation allocations paid from that year onwards (+€1.5 million).

Compensation allocations

	2014	2015*	2016	2017	2018	2019
Compensation allocations paid (Metropolitan Area à Communes)	212,2	213,7	213,7	213,7	213,0	213,0
Compensation allocations received (Communes à Metropolitan Area)	10,7	10,7	10,7	10,7	10,8	10,8

(*) change to the authority's boundary

1.1.4.3 "CVAE" compensation allocations

The transfer of 25 points of CVAE from the Départements to the Regions has reduced the tax revenues that the Lyon Metropolitan Area receives (see sub-section 1.1.1.1.1, page 5). In 2019, the Auvergne-Rhône-Alpes Region paid the Lyon Metropolitan Area €129.8 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 land reserves for the construction of social housing and has a local housing plan, Lyon Metropolitan Area is allocated this levy. The amount collected in 2018 amounted to €2.6 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 Metropolitan Area, particularly from the Parilly racecourse, a figure that was 47% lower than 2018 (€771 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 Départements, as stated in the LRL (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 LRL Act.

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

In 2019, this represented income of €62.4 million for the Lyon Metropolitan Area.

TSCA - revenues

	2014*	2015**	2016	2017	2018	2019
TSCA "article 52" (various responsibilities)	34,5	35,0	32,5	39,1	41,0	39,5
TSCA "article 53" (SDIS/SDMIS)	19,6	19,8	18,2	22,8	23,7	22,9
TSCA, all	54,1	54,8	50,7	61,9	64,7	62,4
change n/n-1	—	+ 1,3 %	- 7,5 %	+ 22,1 %	+ 4,6 %	- 3,6 %

(*) Estimated amounts based on work by CLERCT / (**) extension of the Authority's territorial area

1.1.4.7 Domestic Consumption Tax on Energy Products

Départements receive two shares of the revenues from the Domestic Consumption Tax on Petroleum Products (Tipp), which has become the Domestic Consumption Tax on Energy Products (TICPE).

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 Metropolitan Area.

Because of the increase in compensation owed to Départements, 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 Départements.

In 2019, this represented income of €9.2 million for the Lyon Metropolitan Area.

TICPE - revenues

	2014*	2015**	2016	2017	2018	2019
TICPE "article 59" (RMI/RSA)	104,7	104,7	104,7	104,7	104,7	104,7
TICPE "article 52" (various responsibilities)	9,1	9,2	9,3	9,4	9,2	9,2
TICPE, overall	113,7	113,8	113,9	114,0	113,9	113,9
change n/n-1	—	+ 0,1 %	+ 0,1 %	+ 0,1 %	- 0,1 %	- 0,0 %

(*) estimated amounts for 2012 to 2014 based on work by CLERCT / w(**) change to the authority's boundary

1.2 FINANCIAL SUPPORT FROM THE GOVERNMENT

Financial transfers from the government to local authorities amounted to €111.8 billion in 2019, 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.

Contribution to Improving the Public Finances - France overall

	2014	2015	2016	2017	2018	2019
All of the communities 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 Départements (€ 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 communities (€ million)	1 500,0	5 170,0	8 840,0	11 474,5	11 474,5	11 474,5
<i>change n/n-1 (%)</i>	—	+ 245,1 %	+ 71,0 %	+ 41,5 %	—	—

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 Départements in accordance with their

population sizes, the incomes of their inhabitants and the Property Tax on Developed Land. In this instance again, the Lyon Metropolitan Area belongs both to an EPCI and a Département. It therefore paid the contribution twice:

Contribution to Improving the Public Finances - Lyon Metropolitan Area

	2014*	2015**	2016	2017	2018	2019
Metropolitan area linked to an EPCI (€ million)	10,5	36,2	61,7	73,8	73,8	73,8
Metropolitan area linked to a Département (€ million)	10,7	36,6	62,2	88,4	88,4	88,4
Total contribution from the Metropolitan Area (€ million)	21,1	72,8	123,9	162,1	162,1	162,1
<i>change n/n-1 (%)</i>	—	+ 244,3 %	+ 70,3 %	+ 30,9 %	- 0,0 %	—

(*) Amount from the départemental share reconstructed for Metropolitan Area boundaries / (**) extension of the Metropolitan Area's territorial area

So, in 2017 and subsequent years, the Lyon Metropolitan Area'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 Départements, the Lyon Metropolitan Area, 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 Metropolitan Area receives the allocations for both EPCIs and Départements. 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 Metropolitan Area is that there are two "DGF populations"; one intercommunal and the other départemental:

The Metropolitan Area's DGF populations

	2014	2015*	2016	2017	2018	2019
Total population (1)	1 331 267	1 346 720	1 358 625	1 374 964	1 390 240	1 400 134
... of which municipal populations (2)	1 310 082	1 324 637	1 336 994	1 354 476	1 370 678	1 381 249
... of which population counted separately (3)	21 185	22 083	21 631	20 488	19 562	18 885
Secondary residences (4)	10 565	10 939	11 624	13 020	14 608	17 034
Non-weighted caravan places (5)	356	356	356	356	356	376
Weighted caravan places (6)	562	562	562	562	478	534
Populations for intercommunal grant = (1)+(4)+(6)	1 342 394	1 358 221	1 370 811	1 388 546	1 405 326	1 417 702
Populations for departemental grant = (2)+(4)	1 320 647	1 335 576	1 348 618	1 367 496	1 385 286	1 398 283

(*) extension of the Authority's territorial area

1.2.2.1 "Intercommunal" DGF

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

1.2.2.1.1 Intercommunal Grant

Up until 2018, the Intercommunal Grant was a per capita grant for each category of EPCI that changed every year, depending on decisions made by the Local Finance Committee (CFL).

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 2014 and 2018, the amount of the grant given to the Lyon Metropolitan Area

(€75.04 per capita before CRFP) corresponded to the basic grant to urban communities and metropolitan areas, i.e. €60.00, plus a guarantee for EPCIs established before 2008, €15.04 in this instance.

Since 2014, the Intercommunal Grant has been the government's preferred "vector" for applying the CRFP to EPCIs. Consequently, the Lyon Metropolitan Area has seen an increasingly significant reduction in its Intercommunal Grant. In 2018, the deduction was €73.8 million.

Intercommunal Grant

	2014	2015*	2016	2017	2018	2019
DGF population (in the sense of the EPCsI, with current boundaries)	1 339 199	1 358 221	1 370 811	1 388 546	1 405 326	1 417 702
Intercommunal Grant n-1 before CRFP (€ million, up to 2018)	99,6	100,7	101,9	102,9	104,2	105,4
... of which basic grant n-1	79,7	80,5	81,5	82,2	83,3	84,3
... of which guaranteed grant n-1	20,0	20,2	20,4	20,6	20,9	21,1
active part of the population	+ 1,1	+ 1,2	+ 0,9	+ 1,3	+ 1,3	
... of which on the basic grant	+ 0,9	+ 0,9	+ 0,8	+ 1,1	+ 1,0	
... of which on the guaranteed grant	+ 0,2	+ 0,2	+ 0,2	+ 0,3	+ 0,3	
Intercommunal Grant n before CRFP (€ million, up to 2018)	100,7	101,9	102,9	104,2	105,4	
Total CRFP for the year (EPCI share)	10,5	36,2	61,7	73,8	73,8	
... of which 2014 CRFP	10,5	10,5	10,6	10,5	10,5	
... of which surplus from 2015 CRFP	—	25,7	25,8	25,7	25,7	
... of which surplus from 2016 CRFP	—	—	25,4	25,3	25,2	
... of which surplus from 2017 CRFP	—	—	—	12,4	12,4	
Intercommunal Grant n after CRFP (€ million, up to 2018)	90,3	65,8	41,1	30,4	31,7	
Intercommunal Grant (€ million, from 2019)						33,7-
... of which basic grant						11,9-
... of which equalisation grant						21,8-
... of which guarantee or cap						—
Intercommunal Grant across the whole period (€ million)	90,3	65,8	41,1	30,4	31,7	33,7
<i>change n/n-1</i>	- 9,4 %	- 27,1 %	- 37,4 %	- 26,1 %	+ 4,2 %	+ 6,4 %

(*) extension of the Authority's territorial area

The Intercommunal Grant was reformed in 2019. 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 Metropolitan Area.

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 Metropolitan Area in the centre of all the country's EPCIs.

1.2.2.1.2 Compensation Grant

This portion of the DGF is linked to the numerous reforms of the Business Tax. The CFL sets an indexation rate each year. In 2019, this portion (€210.3 million) represented 86% of the DGF from the old Urban Community within the Metropolitan Area.

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 Business Tax between 1999 and 2003, which was adjusted in 2011 when Business Tax was removed in full;
 → the second portion corresponds to allocations from the National Business Tax Equalisation Fund to compensate for reductions in the Compensation Grant for Business 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 2.30% for the first portion in 2019.

Compensation Grant - trend factors

	2014	2015*	2016	2017	2018	2019
Compensation Grant (€ million)	233,4	229,6	225,2	219,0	215,1	210,3
... of which SPPS share (€ million)	230,5	226,7	222,3	216,1	212,2	207,3
... of which DCTP share (€ million)	2,9	2,9	2,9	2,9	2,9	2,9
indexation of SPPS share						
... coefficient for the year	0,989 139	0,978 175	0,980 649	0,972 213	0,979 118	0,977 039
... 2011 to 2017 combined coefficient	0,956 904	0,936 020	0,917 907	0,892 401	0,873 766	0,853 703

(*) extension of the Authority's territorial area

1.2.2.1 "Départementale" DGF

1.2.2.1.1 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

Départements' DGFs.

In addition, it was the preferred "vector" for Départements' Contribution to Improving the Public Finances.

Départementale Block DGF

	2014*	2015**	2016	2017	2018	2019
DGF population (in the sense of Départements, with current boundaries)	1 320 647	1 335 576	1 348 618	1 367 496	1 385 286	1 398 283
Block Grant n-1 before CRFP (€ million, up to 2017)	n.d.	178,0	177,7	177,3		
active part of the population	n.d.	+ 1,1	+ 1,0	+ 1,4		
cap	n.d.	- 1,4	- 1,4	- 1,6		
Block Grant n before CRFP (€ million, up to 2017)	178,0	177,7	177,3	177,1		
Total CRFP for the year	10,7	36,6	62,2	88,4		
... dont CRFP 2014	10,7	10,7	10,7	10,7		
... dont surplus de CRFP 2015	—	25,9	25,9	25,9		
... of which surplus from 2016 CRFP	—	—	25,6	25,6		
... of which surplus from 2017 CRFP	—	—	—	26,2		
Block Grant n after CRFP (€ million, up to 2017)	167,4	141,1	115,1	88,8		
Block Grant n-1 (€ million, from 2018)					88,8	88,8
active part of the population					+ 1,3	+ 1,0
cap					- 1,2	- 1,0
Block Grant n (€ million, from 2018)					88,8	88,8
Block Grant across the whole period (€ million)	167,4	141,1	115,1	88,8	88,8	88,8
change n/n-1	n.d.	- 15,7 %	- 18,4 %	- 22,9 %	+ 0,1 %	- 0,1 %

(*) Amount from the départementale share reconstructed for Metropolitan Area boundaries / (**) extension of the Authority's territorial area

1.2.2.2 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 départemental fire and rescue services and the new loyalty and recognition bonus system for volunteer firefighters.

1.2.2.3 Urban Equalisation Grant

The Urban Equalisation Grant applies to "urban" Départements, i.e. Départements with population density greater than 100 people per km² and with an urbanisation rate (the number of communes included in an urban unit as defined by Insee) greater than 65%.

In addition, the Département'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" Départements.

1.2.2.4 Overall DGF total for the territorial area of the Metropolitan Area

DGF for the Metropolitan Area, all components

	2014*	2015**	2016	2017	2018	2019
Intercommunal share (€ million)	323,7	295,3	266,3	249,4	246,8	244,0
... of which Intercommunal Grant (€ million)	90,3	65,8	41,1	30,4	31,7	33,7
... of which Compensation Grant (€ million)	233,4	229,6	225,2	219,0	215,1	210,3
Part départementale	226,9	201,2	176,5	150,3	150,9	151,3
... of which Compensation Grant (€ million)	40,4	40,4	40,4	40,2	40,2	40,2
... of which Block Grant (€ million)	167,4	141,1	115,1	88,8	88,8	88,8
... of which Urban Equalisation Grant (€ million)	19,1	19,8	20,9	21,3	22,0	22,2
Total	550,6	496,6	442,8	399,7	397,7	395,2
<i>change n/n-1</i>	<i>n.d.</i>	<i>- 9,8 %</i>	<i>- 10,8 %</i>	<i>- 9,7 %</i>	<i>- 22,7 %</i>	<i>- 0,8 %</i>

(*) Amounts reconstructed for Metropolitan Area boundaries for the départemental share / (**) Extension of the Authority's territorial area

1.2.3 Compensation Grant for Reform of Business Tax

The authorities that had previously been in receipt of Business Tax have been receiving alternative revenues since 2011. Where the amounts collected from Residence Tax (which was previously a départemental 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 Business Tax (DCRTP),

financial assistance from the government, and repayment of tax (an allocation from the FNGIR, see sub-section 1.1.4.1 above).

After a few years where they were stable, the two shares of the DCRTP that accrued to the Lyon Metropolitan Area were gradually reduced, with a consolidated decrease of just over 11% between 2016 and 2019.

Compensation Grant for Reform of Business Tax - revenues

	2014*	2015**	2016	2017	2018	2019
Total DCRTP (€ million)	65,0	65,1	65,1	29 746	58,9	57,7
<i>change n/n-1</i>	—	+ 0,2 %	—	- 9,5 %	- 0,0 %	- 2,1 %
... of which Intercommunal share (€ million)	50,3	50,4	50,4	50,4	50,4	49,8
<i>change n/n-1</i>	—	+ 0,2 %	—	—	—	- 2,1 %
... of which départemental share (€ million)	14,7	14,7	14,7	8,5	8,5	7,9
<i>change n/n-1</i>	—	—	—	- 41,8 %	- 0,3 %	- 7,2 %

(*) Estimated amount based on work by CLERCT / (**) Extension of the Authority's territorial area

1.2.4 Tax compensation

The elements that supplement tax revenues are mainly compensation for removal of the earnings share of the Business Tax (over the whole period) and new elements that appeared in 2011: the Compensation Grant for Reform of Business Tax and the Individual Revenue Guarantee.

But these tax compensations also include compensatory allowances, paid by the State to compensate for exemptions that it has itself decided on relating to the revenues of local authorities.

In 2019, they included:

- compensation for Residence Tax exemptions, to an amount of €6.8 million, calculated from the bases exempted in 2011 and a historic rate of Residence Tax (3.64%);
- compensation for the Business Premises Contribution, to an amount of €4,9 million, which groups together exemptions for setting up an establishment and exemptions for microenterprises with a turnover of less than 5,000;
- the grant for transferring compensation for exemption from local direct taxation, which only involves the départemental part of the Metropolitan Area and represents €3.0 million. It is also steadily decreasing;
- the property tax compensation allowance, for €1.4 million, which mainly concerns housing in the Urban Free Zone and Priority Neighbourhoods and Urban Policy.

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 usage: 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

Metropolitan Area 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 cost of the water treatment charge in the water bill is in proportion to consumption; it was €1.0254/m³ excluding tax in 2019 (compared to €1.0150/m³ excluding tax in 2018).

The water treatment charge is allocated solely to the Ancillary Water Treatment Budget. It was €75.9 million in 2019 and represented 2.61% of

restituted consolidated operating revenues. This amount appears to be lower than in 2018, but that year's exceptional amount was linked to the change in repayment terms in accordance with the Département of Public Water Treatment's contract with Eau du Grand Lyon (Greater Lyon Water Département).

Water treatment charge

	2014	2015*	2016	2017	2018	2019
Revenues (€ million)	62,7	64,7	68,5	70,8	97,6	75,9
<i>change n/n-1</i>	–	+ 3,3 %	+ 5,9 %	+ 3,3 %	+ 37,9 %	- 22,3 %

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 Metropolitan Area;
- 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 meter is equal to the needs of a typical household consuming 60 m³ of water every six months (reference: Insee). The standing charge was set at €20.6106 excluding tax, compared to €20.5264 excluding tax in 2018. The price of water was set at €1.3662 in 2019. Since 1 January 2014, the VAT rate applicable on all water treatment facilities is 10%, compared to 5.5% for drinking water.

(*) Extension of the Authority's territorial area

The price of water

	2015	2016	2017	2018	2019
Drinking water (€ HT/m³)	1,3754	1,3853	1,3756	1,3819	1,3662
Water (raw material)	1,0300	1,0299	1,0202	1,0264	1,0305
... of which delegated body	–	0,8134	0,8028	0,8077	0,8093
... of which Urban Community/Metropolitan Area	–	0,2165	0,2174	0,2187	0,2212
National Fund for Water Supply tax	0	0	0	0	0
"Water Agency levy, "Drinking Water and Solidarity with Rural Communes" share"	0,0599	0,0599	0,0599	0,0599	0,0599
"RMC Water Agency levy "Domestic Pollution" share"	0,2900	0,2900	0,2900	0,2900	0,2700
Navigable Waterways of France	0,0055	0,0055	0,0055	0,0056	0,0058
Water treatment (€ HT/m³)	1,1388	1,1604	1,1749	1,1946	1,2027
Water treatment levy	0,9624	0,9790	0,9985	1,0150	1,0254
"Water Agency levies, "Network Renovation" share"	0,1550	0,1600	0,1550	0,1550	0,1500
Navigable Waterways of France	0,0214	0,0214	0,0214	0,0246	0,0273
Standing charge for a 15 mm meter ⁽¹⁾ (€ HT/half-year period)	24,9000	20,5975	20,4028	20,5264	20,6106
... of which delegated body	–	16,2674	16,0555	16,1533	16,1859
... of which Urban Community/Metropolitan Area	–	4,3301	4,3473	4,3731	4,4247
VAT ⁽²⁾					
on consumption (€/m ³)	0,189527	0,1922	0,1931	0,1955	0,1954
on standing charge (€/half-year period)	1,3695	1,1329	1,1222	1,1290	1,1336
Price of water (€TTC/m³) on the basis of consumption of 60 m³/half-year period	3,1416	3,0946	3,1024	3,1329	3,1267

(1) standing charge for a half-year period, to be divided by 60 m³ pour to get the price of water in HT/m³

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

1.3.1.1 Income relating to the social sector

The Lyon Metropolitan Area receives income from a number of sources to fund social expenditure that falls within départemental responsibilities:

- under the Apa (Personal Independence Allowance), the Metropolitan Area receives income from the National Funding Agency for Independent Living (CNSA), which amounted to €36.3 million in 2019;
- under the RSA (Active Solidarity Income), in addition to the TICPE, which are tax

receipts transferred by the government to the Metropolitan Area (see above), the Metropolitan Area received income from the Départemental Mobilisation Fund for Integration (FMDI) to an amount of €11.5 million;

- under the PCH (Disability Compensation Benefit), the Metropolitan Area receives revenues from the CNSA to an amount of €14.3 million.

Income relating to the social sector

	2015	2016	2017	2018	2019
CNSA Apa (€ million)	25,5	33,0	34,2	35,6	36,3
CNSA MDMPH (€ million)	1,2	1,3	1,3	1,3	1,5
CNSA PCH (€ million)	10,4	12,0	10,4	13,3	14,3
FMDI (€ million)	9,5	9,0	12,2	11,3	11,5

1.3.1.2 Other income

The Metropolitan Area 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.

The 2014 figures are presented without the standard repayments to the Département du Rhône, which co-funded the works, as these repayments disappeared when the Metropolitan Area was created.

Tolls from the Lyon Northern Ring Road

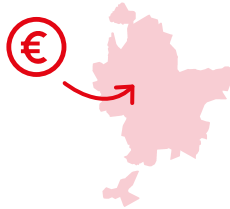
	2015	2016	2017	2018	2019
BNPL tolls (€ million)	37,6	33,5	31,7	36,9	44,9
change n/n-1	+ 1,5 %	- 11,0 %	- 5,2 %	+ 16,3 %	+ 21,6 %

Redistributions

Equalization aims to reduce wealth differences between territorial areas.

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

THE LYON METROPOLITAN AREA IS PERCEIVING 16 M€



16 M€

from the State (Equalised Compensation Mechanism)

THE LYON METROPOLITAN AREA PAYS 170,7 M€



AMONG



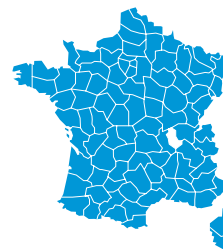
19,8 M€

to others intercommunal groups with the Equalisation Fund for Intercommunal and Communal Assets. The communes in the territorial area have to pay a lavy of **14,1 M€**; so the global levy is **33,9 M€** high



27 M€

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



123,8 M€

to the other Départements, among:

- **72,3 M€** to the Département du Rhône with the Metropolitan Area Compensation grant
- **48,9 M€** for the 3 Equalisations Fund for fees for transfers of properties
- **2,6 M€** for the National Equalisation Fund for the contribution on business value added

2. Equalisation

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 Metropolitan Area is predominantly a contributor to these mechanisms with regard to horizontal equalisation, whether at the level of the communal unit, at départemental level or when it involves a mechanism that deals specifically with the territorial area that used to belong to the Département du Rhône.

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 Metropolitan Area was subject to a levy of €19.8 million in 2019. In the same year, the communes in the territorial area had to pay a levy of €14.0 million. The Lyon intercommunal group is not eligible for transfers.

FPIC

	2014	2015*	2016	2017	2018	2019
national allocation (€ million)	570,0	780,0	1 000,0	1 000,0	1 000,0	1 000,0
<i>change n/n-1 (%)</i>	—	+ 36,8 %	+ 28,2 %	—	—	—
contribution from the Lyon intercommunal group (€ million)	14,0	18,9	28,5	35,4	34,5	33,9
<i>change n/n-1 (%)</i>	—	+ 35,3 %	+ 51,1 %	+ 24,0 %	- 2,5 %	- 1,9 %
contribution from the Lyon Metropolitan Area (€ million)	7,4	10,0	16,6	20,6	20,2	19,8
... Of which basic contribution	6,4	8,6	14,8	18,3	18,0	17,6
... Of which assumption of the contributions of certain municipalities	1,0	1,4	1,8	2,3	2,2	2,1
<i>change n/n-1 in the contribution from the Metropolitan Area (%)</i>	—	+ 35,5 %	+ 66,1 %	+ 23,8 %	- 2,0 %	- 1,8 %

(*) Change to the authority's boundary

2.1.2 Community Support Grant

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

In 2019, it had eight portions for different purposes:

→ four equalising portions, which are distributed with account taken of the communes' assets and expenditure indicators;

→ two non-equalising portions, which are distributed in accordance with the changes to the

bases of the old Business Tax, and population size; → two adjustment portions, which enable the year-to-year variation in the grant to be regulated for every commune.

The Metropolitan Area Council voted to increase the 2019 package, taking it to €27 million, after it had been frozen between 2014 and 2018. This budget increase was distributed between the communes in proportion to changes in their populations since 2014.

Community Support Grant

	2014	2015*	2016	2017	2018	2019
Community Support Grant (€ million)	20,5	20,5	20,5	20,5	20,5	27,0
<i>change n/n-1</i>	—	+ 0,0 %	—	—	—	+ 31,9 %

(*) Change to the authority's boundary

2.2 EQUALISATION FOR DÉPARTEMENTS

2.2.1 Metropolitan Area Compensation Grant

When the Département du Rhône 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 Metropolitan Area is

required to pay the new Département du Rhône a Metropolitan Area Compensation Grant annually in order to guarantee the financial equilibrium from before the Département 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

The purpose behind this fund, which was set up in 2011, is to rebalance income between Départements in accordance with the strength and level of revenues they receive from the DMTO. It is meant for Départements whose per capita financial potential is lower than the national average.

As contributions come from a levy on every Département's DMTO revenues, it is possible for a Département to be both a contributor and a recipient, in the same way as with the FPIC.

The Département du Rhône was a contributor in 2014. The Lyon Metropolitan Area became a contributor too in 2015, to an amount of €18.4 million (calculation based on the 2014 DMTO income allocated to the two authorities in accordance with the CLERCT distribution formula).

In 2019, the levy on the Metropolitan Area's income amounted to €35.0 million. It has been increasing sharply, in line with revenues collected.

2.2.3 Départemental Solidarity Fund

This fund was set up in 2014 and then made permanent by the 2015 Finance Act after a number of Départements experienced serious financial challenges. Contributions come from a levy of 0.35% on every Département's DMTO revenues. The money is then divided between the Départements that are eligible in accordance with

wealth criteria and the requirement to pay from the Individual Solidarity Allowances.

The Lyon Metropolitan Area has been simultaneously a contributor and a recipient, as in 2018. This was not the case in 2019, when the Metropolitan Area was required to pay a net contribution of €7.0 million.

2.2.4 Interdépartemental Support Fund (FSID)

The FSID was established by article 261 of the 2019 Finance Act. It is expected to last for two years (2019 and 2020). It represents €250 million, which is levied and transferred between Départements to help those Départements that face particular

socio-demographic difficulties, especially rural departments that do not get significant impetus from their DMTO income.

In 2019, the Lyon Metropolitan Area contributed €6.9 million.

2.2.5 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 Départements' 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 Départements 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.

When the transfer of a share of the CVAE from the Départements to the Regions in 2018 is taken into account, contributions to the FPCVAE decreased in 2019. The Metropolitan Area contributed €2.6 million, compared to €5.2 million in 2018.

2.2.6 Equalised Compensation Mechanism

This vertical equalisation mechanism releases government income to the Départements and aims to offset part of the Départements' 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.

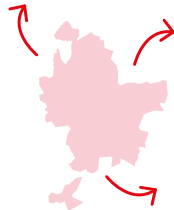
Départemental equalisation

	2014	2015	2016	2017	2018	2019
The Metropolitan Area as a contributor						
Total (€ million)	n.d.	106,9	109,5	110,6	114,5	123,9
of which Metropolitan Area Compensation Grant (€ million)	n.d.	75,0	74,7	72,3	72,3	72,3
of which Equalisation Fund for DMTO (€ million)	n.d.	18,4	24,8	27,4	30,7	35,0
of which Départemental Solidarity Fund (€ million)	n.d.	8,6	5,0	5,5	6,3	7,0
of which Interdépartemental Support Fund (€ million)	s.o.	s.o.	s.o.	s.o.	s.o.	6,9
of which Equalisation Fund under the CVAE (€ million)	n.d.	4,9	5,0	5,3	5,2	2,6
The Metropolitan Area as a recipient						
Total (€ million)	n.d.	14,8	18,0	15,1	23,2	16,0
of which Equalised Compensation Mechanism (€ million)	n.d.	12,1	13,6	15,1	15,3	16,0
of which Départemental Solidarity Fund (€ million)	n.d.	2,7	4,4	0,0	8,0	0,0

Expenditures

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

1,7 M^{DS}€



722 M€

for social assistance

- 239,3 M€ for the active solidarity income
- 105 M€ for the personal independence allowance
- 58 M€ for the disability compensation benefit
- 319,7 M€ for the living expenses for elderly, disabled people and children



440,9 M€

for staff costs



328,1 M€

for the operating subsidies

- 246,9 M€ for mandatory contributions to the Public transport authority for the departement du rhône and the Lyon conurbation (SYTRAL) and the departemental and metropolitan area fire and emergency service (SDMIS)
- 81,2 M€ others



238,5 M€

for the services awarded to external businesses and services

The main areas of intervention are the management of rubbish, cleaning, road m maintenance, and the general functioning of the institution.



Once these operating expenses have been met and thanks to the region's revenue, the Lyon metropolis generates:

547,4 M€ OF GROSS SAVINGS



This saving is dedicated to:

284,7 M€

of debt reduction.

262,7 M€

of investments.

3. Operating expenditure

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

They mainly include:

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

Since 2015, and in order to adjust to the decrease in government funding, the Metropolitan Area has undertaken significant work with regard to its operating expenditure and means for reducing it, which it has named "Project Flexibility" (CMM).

This has led to a reduction in operating expenditure in terms of the authority's general expenditure and with regard to external subsidies and service provision.

3.1 STAFF COSTS

IN BRIEF

Staff costs consist of the gross salaries of the officials working for the Metropolitan Area, the employer costs linked to the salaries, and related costs (costs linked to accidents at work, unemployment, temporary work; the Metropolitan Area'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 Metropolitan Area officials recruited on subsidised contracts and the officials managing RSA policy).

Staff costs

	2015	2016	2017	2018	2019
Adjusted Main Budget		381,5	384,0	391,2	390,8
Main Budget	382,5	384,0	391,2	390,8	406,4
Adjustment for staff costs for the Northern Ring Road public service company	- 1,1	—	—	—	—
Adjustment for staff costs following inclusion of Givors and Grigny	—	—	—	—	—
Ancillary Water Budget	1,6	2,1	2,4	2,5	2,7
Ancillary Water Treatment Budget	27,5	27,9	28,7	29,4	29,9
Ancillary Budget for the Administration Canteen	1,7	1,8	1,9	1,8	1,8
Ancillary Heating Network Budget	—	—	—	0,03	0,04
Total	412,3	415,8	424,1	424,5	440,9
<i>change n/n-1 (%)</i>	—	+ 0,8 %	+ 2,0 %	+ 0,1 %	+ 3,9 %

In 2019, staff costs came to €440.9 million for all budgets, i.e. 18.6% of actual restated operating expenditure.

The main factors that changed in 2019 were:

→ a strong human resources policy seen through the salary component on the one hand, and achieved by setting up a collective incentive scheme (€2.6 million) and upgrading the system of allowances (€2.2 million), and the health component on the other, achieved by doubling the employer's contribution (€0.8 million);

→ an increase in the number of staff on both permanent and non-permanent contracts (€5 million);

→ career development that translates into movement up the pay spine each year for part of the workforce (€4.1 million) ;

→ implementation of legislation that applies to the authority (next stage of the PPCR, i.e. €1.3 million, upgrading the system of allowances for doctors, i.e. €0.4 million, and transition of some staff in the social division from category B to category A, i.e. €0.2 million€).

Workforce structure as at 31 December

	2015	2016	2017	2018	2019
Permanent posts by category					
catégory A	1 440	1 472	1 486	1 506	2 188
catégory B	1 864	1 909	1 899	1 873	1 269
catégory C	5 012	5 026	4 964	4 952	4 983
total	8 316	8 407	8 349	8 331	8 440
<i>change n/n-1 as a %</i>	—	+ 1,1 %	- 0,7 %	- 0,2 %	+ 1,3 %
Carers	311	310	292	276	254
Subsidised contracts	137	136	158	143	138
Vacancy rate for permanent posts in offices (annual average)	9,05%	8,11%	8,40%	9,61%	9,97%

→ As of 31 December 2019, the workforce on permanent contracts, paid by the Lyon Metropolitan Area, with all budgets combined, was 8,440 officials. On the same date, 254 family assistants and 138 officials on subsidised contracts also worked in the Metropolitan Area.

→ The vacancy rate for posts is 9.97%.

3.2 INDIVIDUAL SOLIDARITY ALLOWANCES

IN BRIEF

Social assistance is a solidarity payment provided by the Metropolitan Area 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 Metropolitan Area 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 €239.3 million in 2019. There were

more than 41,000 RSA recipients in 2019, an increase of 1.5% compared to 2018, since our processes went online. Other expenditure, which was linked to subsidised contracts and inclusion actions, amounted to €21 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 €105 million in 2019, of which €58 million was spent on 17,760 Apa recipients living in their own homes, and €47.0 million on behalf of 10,309 residents of care homes.

3.2.3 Disability Compensation Benefit

The Metropolitan Area 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, the Metropolitan Area paid €52.7 million of Disability Compensation Benefit.

Individual Solidarity Allowances

	2015	2016	2017	2018	2019
Active Solidarity Income					
Total (€ million)	234,0	242,8	247,5	254,1	260,3
... of which allowances (€ million)	213,3	222,4	226,9	235,2	239,3
... of which inclusion (€ million)	18,4	17,2	17,1	15,4	17,5
... of which others (€ million)	2,3	3,2	3,5	3,6	3,5
Personal Independence Allowance					
Total (€ million)	97,2	99,0	102,7	102,6	105,0
... of which at home (€ million)	54,1	54,6	56,8	55,5	58,0
... of which paid to care homes (€ million)	34,3	35,5	36,8	38,4	38,2
... of which paid to residents of care homes (€ million)	8,9	8,8	9,1	8,7	8,8
Disability Compensation Benefit					
Total (€ million)	46,2	46,2	47,6	47,1	52,7

In addition to the Individual Solidarity Allowances in the strictest sense of the term, the Metropolitan Area pays Third-party Compensatory Allowance (ACTP) to 1,232 recipients under a mechanism for disabled people; the allowance is closed to new claimants.

Third-party Compensatory Allowance

	2015	2016	2017	2018	2019
Third-party Compensatory Allowance	10,0	9,7	9,3	8,9	8,6
<i>change n/n-1 (%)</i>	—	—	—	- 3,9 %	- 3,0 %

3.2.4 Living expenses

In addition to these social benefits, the Metropolitan Area 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.

Expenditure for living expenses amounted to €152.3 million for people with disabilities in 135 homes, plus €132.1 million for social assistance for children and €35.3 million for the older residents.

living expenses

	2015	2016	2017	2018	2019
Living expenses					
Total (€ million)	288,0	291,7	309,4	317,6	319,7
... of which people with reduced mobility (€ million)	141,1	145,9	158,0	149,8	152,3
... of which family and childhood (€ million)	108,0	112,2	117,0	131,1	132,1
... of which elderly people (€ million)	38,9	33,6	34,4	36,7	35,3

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 3.4% of actual operating expenditure restated in 2019, i.e. €81.2 million. Expenditure related particularly to contributions to the Musée des Confluences (€13.8 million), the housing sector (€9.6 million), economic development (€3.5 million), the environment (€3.5 million) and a subsidy to the town planning agency (€3.48 million). Contributions to the deficits of the Mixed Development Zone (Zac) amounted to €8.1 million.

Operating subsidies (€ million)

	2015	2016	2017	2018	2019
Main Budget	133,3	134,3	119,8	113,8	80,4
... of which subsidies	92,7	89,1	82,9	113,8	80,4
... of which extraordinary subsidies	40,6	45,1	36,9	—	—
Ancillary Water Budget	0,5	0,6	0,5	0,5	0,6
Ancillary Water Treatment Budget	0,6	0,5	0,7	0,1	0,1
Ancillary Budget for Town Direct Management Planning Operations	—	—	—	—	—
Ancillary Budget for the Administration Canteen	0,0	0,2	0,3	—	—
Ancillary Heating Network Budget	—	—	31,8	—	—
Total	134,4	135,4	153,0	114,4	81,2
<i>consolidated change n/n-1 (%)</i>	<i>n.s.</i>	<i>+ 0,8 %</i>	<i>+ 13,0 %</i>	<i>- 25,3 %</i>	<i>- 29,0 %</i>
Ratio of operating subsidies/expenditure	5,9 %	5,6 %	6,4 %	4,9 %	3,4 %

3.4 CONTINGENCIES AND MANDATORY CONTRIBUTIONS

IN BRIEF

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

Mandatory contributions are presented in accordance with the scope of “M57” account 655. In 2019, they amounted to €246.9 million or 10.4% of the restated consolidated real operating expenditure. This item includes the statutory contribution paid to the Public Transport Authority for the Département du Rhône and the Lyon Conurbation (Sytral) and the contribution to the Départemental and Metropolitan Area 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 Département du Rhône on the territory of the Metropolitan Area. It fell from €135.6 million to €131.5 million, as a result of the fall in the part that comes under the remit of the former Urban Community as part of its “Flexibility” project. 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 €86.3 million.

Contingencies and mandatory contributions (€ million)

	2015	2016	2017	2018	2019
Sytral	148,6	144,1	139,8	135,6	131,5
SDMIS - ex-EPCI share	29,0	29,0	113,1	114,2	115,3
SDMIS - ex-DEPT share	80,8	82,4			
Total	258,4	255,6	252,9	249,8	246,9
<i>consolidated change n/n-1 (%)</i>	<i>n.s.</i>	<i>- 1,1 %</i>	<i>- 1,1 %</i>	<i>- 1,2 %</i>	<i>- 1,2 %</i>
Ratio of mandatory contributions/operating expenditure	11,3 %	10,6 %	10,6 %	10,7 %	10,4 %

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 10.1% of actual operating expenditure restated in 2019. It amounted to €238.5 million, an increase of 3.2 % compared to 2018.

Among the main areas of focus for services awarded to businesses are waste management, to an amount of €78.3 million (collecting, sorting, recovering and treating), building, improving and maintaining roads, to an amount of €49.9 million, and the general operation of the organisation (rents and rental expenditure, IT services, etc.).

Services awarded to external businesses and services (€ million)

	2015	2016	2017	2018	2019
Main Budget	210,1	194,1	203,6	205,3	209,5
Ancillary Water Budget	0,5	0,2	0,2	0,6	1,1
Ancillary Water Treatment Budget	24,0	24,9	24,5	24,9	27,5
Ancillary Heating Network Budget	0,2	0,2	0,2	0,2	0,1
Ancillary Budget for Town Direct Management Planning Operations	—	0,0	—	0,1	0,1
Ancillary Budget for the Administration Canteen	0,1	0,1	0,1	0,1	0,1
Total	234,9	219,4	228,5	231,1	238,5
<i>change n/n-1 (%)</i>	<i>n.s.</i>	<i>- 6,6 %</i>	<i>+ 4,1 %</i>	<i>+ 1,1 %</i>	<i>+ 3,2 %</i>

4. Savings

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.

Management savings stood at €563.9 million in 2019, a slight decrease compared to 2018.

With extraordinary profits of €37.5 million and financial profits decreasing to – €16.5 million, gross savings amounted to €547.4 million, which is stable in comparison with 2018.

2019 was again characterised by high expenditure linked to loans (€508.9 million), which was a result of the authority's desire to actively manage its debt stock. Consequently, €224.1 million was the result of expenditure and income flows cancelling each other out in lines of credit.

Once this effect is taken into account, net savings amounted to €262.7 million.

Savings

		2015	2016	2017	2018	2019
(1)	Current expenditure	2 175,2	2 193,5	2 285,1	2 295,6	2 327,8
	... of which general expenditure	350,1	320,2	332,4	341,9	342,1
	... of which staff and associated costs ^(a)	402,7	410,3	418,1	418,6	434,7
	... of which mitigation of revenues	286,0	297,0	304,3	307,2	330,2
	... of which social expenditure	329,7	341,8	350,1	356,7	365,2
	... of which other current management expenditure	806,8	824,2	880,2	871,2	854,7
	... of which operating costs for elected groups	0,7	0,7	0,7	0,7	0,8
(2)	Current revenues	2 678,5	2 690,7	2 724,3	2 852,2	2 854,2
	... of which revenues from services and adjusted miscellaneous sales	202,6	193,9	202,3	238,1	213,9
	... of which taxes and duties	1 629,6	1 687,6	1 756,6	1 842,8	1 844,4
	... of which grants and contributions	630,9	581,5	526,4	527,6	548,3
	... of which social responsibilities	142,5	151,1	156,6	156,4	157,4
	... other current management revenues	67,3	69,5	75,1	80,6	83,8
	... of which mitigation of expenses	5,7	7,2	7,3	6,7	6,4
(3) = (2)-(1)	... of which compensation for loss or damage	503,4	497,1	439,2	556,6	526,4
(4)	Adjusted extraordinary expenditure	51,6	59,8	41,4	2,9	4,7
	Extraordinary expenditure	51,6	59,8	41,4	2,9	4,7
	... of which contributions to the Zacs	40,6	49,7	36,8	9,6	-
	... of which other extraordinary expenditure	8,1	7,7	4,5	- 6,8	4,7
(5)	Provisions	1,0	0,3	0,2	0,5	-
(6)	Extraordinary income	39,5	39,1	107,0	22,5	40,1
(7)	Withdrawals from provisions	9,5	1,8	0,7	-	2,1
(8) = (6)+(7)-(4)-(5)	Adjusted extraordinary profit	- 3,7	- 19,2	66,1	19,2	37,5
(9) = (3)+(8)	Adjusted management savings	499,7	477,9	505,3	575,8	563,9
(10)	Financial costs incurred during the year	67,3	145,6	63,5	42,0	33,4
	... of which financial costs owing for the financial year	61,5	45,0	38,7	32,6	28,7
	... of which accrued interest not due	- 1,1	- 2,4	- 0,7	- 1,8	- 1,1
	... of which Early Repayment Indemnities and renegotiation costs	-	97,8	21,4	9,3	3,9
	... of which repayment to CG69	6,8	5,2	2,7	2,7	2,7
(11)	Financial income	8,6	17,2	15,4	16,4	16,9
	... of which payment from the support fund	-	14,1	7,8	7,8	7,8
	... of which repayment to CG69	7,8	2,5	6,3	6,3	6,3
(12) = (11)-(10)	Financial performance	- 58,6	- 128,4	- 48,1	- 25,6	- 16,5
(13) = (9)+(12)	Adjusted net savings	441,1	349,5	457,1	550,2	547,4
(14)	Loans and liabilities (expenditure)	189,9	261,9	338,2	522,5	508,9
(15)	Movements needing to be cancelled out	5,0	72,2	96,2	169,2	224,2
	... of which refinancing	-	72,0	96,2	-	-
	... of which drawdown option on line of credit	-	-	-	169,1	224,1
	... of which deposits and guarantees	0,0	0,2	0,0	0,1	0,1
(16) = (14)-(15)	Debt amortisation	184,9	189,8	241,9	353,3	284,7
(17) = (13)-(16)	Adjusted net savings (€ million)	256,2	159,8	215,2	196,9	262,7

(a): including staff costs for the Northern Ring Road public service company, to the amount of € 1 million in 2015.

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 accounts 657 in M57; / 2) subsidies from the Main Budget account 018 have been absorbed into "Infrastructure subsidies" from the accounts in 204 * in M57.

5. Debt

5.1 MAIN FEATURES OF THE DEBT

As of 31 December 2019, the Lyon Metropolitan Area's outstanding debt amounted to €1,780.4 million. The change in the amount outstanding

between 2018 and 2019 (-9.2%) is the result of an active management policy which saw the Metropolitan Area make some early repayments.

Main features of the consolidated debt

	2015	2016	2017	2018	2019
Outstanding amount (€ million)	2 131,8	2 103,4	2 188,5	1 961,2	1 780,4
<i>change n/n-1 (%)</i>	—	—	—	- 10,4 %	- 9,2 %
Average remaining lifetime (years and months)	11 a / 8 m	12 a / 9 m	10 a / 8 m	9 a / 11 m	11 a
Average rate	3,25 %	1,93 %	1,54 %	1,51 %	1,69 %

The remaining length of the Metropolitan Area's loans has increased slightly, if early repayments and the loan taken out to balance the budget are taken into account. The average rate is stable at 1.69%.

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 the products that the Charter advises against.

The Metropolitan Area's outstanding debt has not included an "F6" category loan since 2016, after the withdrawal activities carried out that year (these activities are described in detail in the 2016 edition of the Metropolitan Area's financial report).

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

	2015	2016	2017	2018	2019
A1 (as a % of total)	90,47 %	99,58 %	97,72 %	98,14 %	98,21 %
A2 (as a % of total)	—	—	1,53 %	1,55 %	1,53 %
B1 (as a % of total)	0,67 %	0,42 %	0,34 %	0,31 %	0,26 %
C1 (as a % of total)	—	—	0,41 %	—	—
F6 (as a % of total)	8,86 %	—	—	—	—

5.2.2 Types of rates

As of 31 December 2019, the debt outstanding can be broken down as follows:

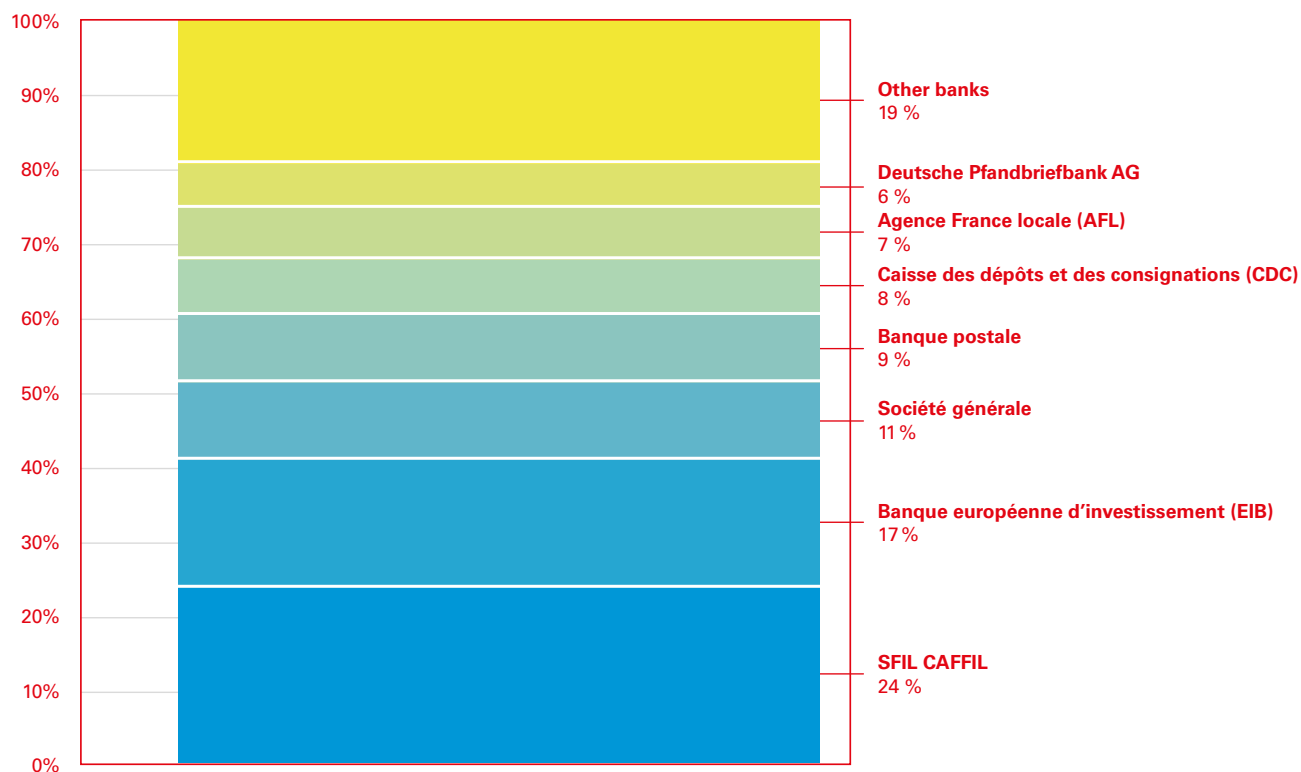
- 62.4% at a fixed rate;
- 35.1% at a variable rate;
- 2.5% based on Livret A and inflation.

5.2.3 Lenders

The outstanding debt is made up of 120 loans from 18 banking groups. The principal lender, SFIL, accounts for almost a quarter of the level of funding. The second highest lender is the

European Investment Bank, with more than 17% of funding. Société Générale, with 11% of lending, and Banque Postale, with around 9%, are also significant lenders.

Capital restant dû par banque



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

	2015	2016	2017	2018	2019
Outstanding amount (€ million)	2 131,8	2 103,4	2 188,5	1 961,2	1 780,4
Gross savings (€ million)	440,3	348,8	456,4	550,0	547,1
Debt reduction capacity (years)	4,8	6,0	4,8	3,6	3,3

The stability of gross savings linked to the decrease in the outstanding debt translate into an improvement in debt-reduction capacity, which is just over 3 years (3 years and 3 months).

5.4 ACTIVE DEBT MANAGEMENT AND OPTIMISATION OF FINANCIAL COSTS

The purpose of active debt management is to secure debt and optimise financial costs. This year, the Metropolitan Area continued in its ambition to simplify the outstanding debt it incurred in 2018. Early repayments amounted to €103.8 million.

5.5 LIQUIDITY

The main change in liquidity relates to implementation of the NEU CP (Negotiable European Commercial Paper) instrument. This instrument enabled the Metropolitan Area to fund its liquidity requirements on the money markets, up to a sum of €500 million. The NEU CPs are supervised by the Banque de France.

In the current market context, this short-term funding allows for better optimisation of financial costs compared to using lines of bank credit.

In order to limit the liquidity risk on the financial markets, the Metropolitan Area has a €150 million cash drawdown option with Société Générale.

6. Investment

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 borrowing.

6.1 STRUCTURE OF INVESTMENT RESOURCES

The distribution of operational investment funding gives an insight into the Lyon Metropolitan Area'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 funding and investment

		2015	2016	2017	2019	2019
(1)	Adjusted net savings (€ million)	255,5	159,8	215,2	196,9	262,7
	<i>i.e.</i>	48,3 %	39,7 %	39,6 %	43,2 %	36,0 %
(2)	Own investment resources	97,1	98,2	74,8	94,3	105,5
	<i>i.e.</i>	18,4 %	24,4 %	13,8 %	20,7 %	14,4 %
	... of which FCTVA	48,0	41,1	30,9	33,9	39,3
	... of which TA and TLE remainder	16,9	22,8	18,1	27,8	35,6
	... of which own investment resources	32,3	34,2	25,7	32,7	30,6
(3)	Subsidies	69,0	68,8	62,7	49,8	68,3
	<i>i.e.</i>	13,0 %	17,1 %	11,5 %	10,9 %	9,4 %
(4)	Loans and liabilities (revenues)	107,3	147,9	286,8	284,3	317,6
(5)	Movements needing to be cancelled out	0,1	72,1	96,3	169,7	23,8
	... of which refinancing	—	—	—	—	—
	... of which drawdown option on line of credit	—	72,0	96,2	2,7	23,6
	... of which deposits and guarantees	0,1	0,1	0,1	167,1	0,1
(6) = (5)-(4)	Adjusted financing loans	107,2	75,8	190,5	114,6	293,8
	<i>i.e.</i>	20,3 %	18,8 %	35,1 %	25,2 %	40,2 %
(7) = (1)+(2) +(3)+(6)	Financing the investment	528,8	402,6	543,2	455,6	730,4

In 2019, the volume of investment funding increased sharply compared to 2018, amounting to €730.4 million. This is due in part to the rise in net savings, but also to significant borrowing, which accounts for 40.2% of income.

6.2 PARTNERSHIP CONTRACTS

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

6.2.1 Income at national level

Income at national level include the CPER (Government-Region Planning Agreement), the DSIL and the DSID (Local and Départemental Investment Support Grants), financial support from the Water Agency, subsidies from the Environment and Energy Management Agency (Ademe) and from the National Agency for Urban Regeneration (ANRU).

6.2.1.1 CPER

The CPER is an agreement under which the Government, the Auvergne-Rhône-Alpes Region and the Metropolitan Area 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 current CPER covers the period 2015-2020 and includes the following components: mobility, the territorial area, higher education and research, city policy and urban regeneration.

Under the 2015-2020 CPER, the Government

has committed €254.73 million, the Auvergne-Rhône-Alpes Region €283.70 million, while the Metropolitan Area's contribution amounts to €310.79 million.

The CPER 2015-2020 is currently in its final year of implementation, except for the mobility component, which has been extended for two years.

As of 30 December 2019, the statement of the Metropolitan Area's financial commitment under the Agreement was as follows:

Areas	Métropole	Voted	%	Invested	% mandaté voté
Mobility component	118,85	87,74	73,82	74,15	84,51
Higher education and research component	63,90	60,74	95,05	24,93	41,04
Territorial area component	78,04	47,93	61,42	31,26	65,22
City policy and urban regeneration component	50,00	50,27	100,54	12,48	24,83
Totals	310,79	246,68	79,37	142,82	57,90

6.2.1.2 Investment support grants

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 Metropolitan Area has been €17.1 million, distributed as follows:

Years	Total amount of subsidy awarded
DSIL 2016	€ 1,894,505
DSIL 2017	€ 10,210,000
DSIL 2018	€ 1,999,567
DSIL 2019	€ 2,999,966
Total	€ 17,104,038

In 2019, the total amount allocated was €1,580,658. The main areas covered by these various funding agreements are transport and mobility, higher education and research, urban renewal and energy transition.

Départemental Investment Support Grant

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

Grant (DSID). 2019 was therefore the first year the DSID was implemented (the Lyon Metropolitan Area did not receive anything under the DGE in 2018). For this reason, the Metropolitan Area was awarded a subsidy of €133,465 in 2019.

6.2.1.3 Other subsidies

The Metropolitan Area also applies for financial assistance from the Water Agency, the National Housing Agency (ANAH), the Environment and Energy Management Agency (ADEME) and the National Agency for Urban Regeneration (ANRU). In 2019, this financial assistance represented €4.087 million of income collected, including €3.36 million from the Water Agency.

6.2.2 Income at European level

European aid to the Metropolitan Area consists of the European Social Fund (ESF), the European Regional Development Fund (ERDF) and calls for project proposals from European Commission direct access programmes.

6.2.2.1 European Social Fund (ESF)

The Lyon Metropolitan Area is a delegated manager of European ESF credits. The overall ESF grant (2014-2020) is €25 million for expansion of the Metropolitan Area Employment Integration Programme (PMI'e), an average of 90% of which is redistributed to project leaders. It was possible to apply for ESF subsidies of around €0.7 million in 2019, as the process was internal.

Lastly, as part of developing a common culture of equality between women and men within the Lyon Metropolitan Area (2019-2020), €285,586 of the ESF was allocated to co-funding the Equality objective, the task of expanding coordination of remote working, and the Metropolitan Area's caretaker service (making achieving a better work-life balance easier).

6.2.2.2 European Regional Development Fund (ERDF)

The Lyon Metropolitan Area is also a delegated manager of European ERDF credits. Consequently, for the period 2014-2020, it has at its disposal €8 million as part of Integrated Territorial Investment

(ITI) for actions established in parts of the city that are priorities in city policy. For example, in 2019, ERDF funding enabled the following projects to be completed:

Projects	Project objective	ERDF Amount
Innomob Project/ Lane (2017-2019)	To experiment with a dynamic carpooling solution on the Bourgoin-Lyon route in partnership with CAPI and the start-ups INSTANT SYSTEM and ECOV'.	€105,000
Digital ticketing for the Lyon metro system (2016-2019)	To create a digital interface that simplifies the relationship between the Lyon Metropolitan Area user, the administration and its partners.	€380,000
Construction of Givors Entrepreneurial Centre (2016-2019)	To develop a business property programme to support the creation and sustainability of businesses in Givors and its catchment area.	€1.4 M
Urb-Inclusion (2017-2019) Urbact	To exchange experiences with other European cities (Barcelona, Turin, Kraków, etc.) in order to create an action plan to tackle urban poverty.	€50,000

6.2.2.3 Calls for project proposals

The Metropolitan Area participates in calls for proposals for projects on various European themes.

At the end of December 2019, an application was made to the AVOID Plastics project (around €4.9 million) as part of the UIA call for proposals for projects relating to the circular economy. The application involved identifying innovative solutions for reducing plastics and other pollutants in urban waste and wastewater flows.

Horizon 2020 (H2020) is the European Union's research and innovation funding programme for the period 2014-2020.

As part of Horizon 2020, the Metropolitan Area is participating in the Smarter Together project - funded to the tune of €2.4 million - the objective of which is to identify and develop intelligent, inclusive and replicable solutions in a number of fields, including energy, transport and information technology.

6.3 INVESTMENT EXPENDITURE

IN BRIEF

The Lyon Metropolitan Area is putting its investment projects into effect from a list of projects to be carried out during the current Metropolitan Area Council's term in office.

This list constitutes its Multi-annual Investment Scheduling. It was passed in 2015 for the period 2015-2020 by a vote in the Metropolitan Area Council.

The Metropolitan Area 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".

6.3.1 Multi-annual Investment Scheduling

The projects to be carried out are set out in a structured discussion that describes the Multi-annual Investment Scheduling.

Six areas that represent the Metropolitan Area's areas of responsibility have been identified and provided with a total gross amount of €3.5 billion:

- economic growth/employment/culture-sport-education: €623.7 million;
- solidarity and housing: €580.5 million;
- amenities and hubs: €513.5 million;
- roads/travel/mobility/alternative modes of transport: €1,000.5 million;
- environment: €534.8 million;
- estate and resources: €266.9 million.

The Metropolitan Area Council's discussion, no. 2015-0475, dated 6 July 2015, provides the details of the scheduling in each of these priority areas.

6.3.2 Investments completed in 2019

Breakdown of actual non-restated investment expenditure

	2015	2016	2017	2018	2019
Development of the territorial area	93,8	103,8	105,4	140,9	188,2
Economy, education, culture, sport	53,1	59,2	83,0	88,2	99,8
Environment	63,5	48,3	51,5	71,6	90,2
Mobility	133,6	84,8	106,1	183,1	172,9
Solidarity and housing:	89,4	72,5	75,5	75,8	94,1
Sub-total, excluding "Resources" macro-policy	433,5	368,5	421,6	559,6	645,3
<i>change n/n-1 (%)</i>	—	- 15,0 %	+ 14,4 %	+ 32,7 %	+ 15,3 %
Ressources	222,2	294,7	360,7	471,0	539,7
Total, including "Resources" macro-policy	655,6	663,2	782,3	1 030,7	1 185,0

The amount realised from all budgets in 2019 with regard to the scope of multi-year scheduling amounted to expenditure of €1.18 billion.

6.3.3 Infrastructure subsidies spent

Consolidated development subsidies, to an amount of €100.0 million, relate mainly to the housing and accommodation sectors, at €54.3 million, followed by €23.9 million for territorial area cohesion (including city policy).

Infrastructure subsidies (€ million)

	2015	2016	2017	2018	2019
Main Budget	120,4	106,13	78,4	81,9	98,9
Ancillary Water Budget	0,7	0,8	1,0	0,7	0,7
Ancillary Water Treatment Budget	0,2	0,3	0,2	0,3	0,4
Ancillary Budget for Town Direct Management Planning Operations	-	-	-	-	-
Ancillary Budget for the Administration Canteen	-	-	-	-	-
Ancillary Heating Network Budget	-	-	-	-	-
Total	121,3	107,2	79,6	82,9	100,0
<i>consolidated change n/n-1 (%)</i>	<i>n.s.</i>	- 11,6 %	- 25,7 %	+ 4,1 %	+ 20,6 %

6.4 METROPOLITAN AREA AS URBAN DEVELOPMENT COORDINATOR

The Metropolitan Area provides project management for urban development projects.

It establishes procedures for project implementation with the various Metropolitan Area departments and with developers and private operations. These development projects stand out because of their nature, size, challenges and complexity. Among the flagship projects are Confluence (Lyon 2), Duchère (Lyon 9), Carré de Soie (Vaulx-en-Velin), Puisoz, Part-Dieu (Lyon 3) and Hôtel-Dieu (Lyon 2).

The Metropolitan Area thereby confirms its coordinating role in the urban and economic development of the territorial area and provides support for large-scale projects and private operations. Its role in the territorial areas identified is to devise a shared project between the towns involved and the Metropolitan Area using its mandate in the territorial area, stimulate project momentum and be the guarantor for implementation of the strategic choices that result from a shared political will.

7. Appendices

7.1 EXTERNAL MANAGEMENT

7.1.1 Loan guarantees

Since 2015, the Metropolitan Area's outstanding loan guarantees include the outstanding amounts from the old Lyon Urban Community and the old Département du Rhône that correspond to activities located on the territory of the Metropolitan Area.

At the end of 2019, the outstanding guaranteed debt reached €4,311 million, a rise of 3.67% compared to the previous year (€4,159 million).

94% of this outstanding amount is made up of guarantees provided in respect of social housing:
→ the share for the three public housing offices in the Metropolitan Area (Grand Lyon Habitat, Est Métropole Habitat and Lyon Métropole Habitat, the latter taking the share of the outstanding amount from the Département du Rhône's OPAC on the Metropolitan Area's territorial area) represented €2,010 million, or almost 50% of the outstanding amount relating to social housing, an increase of 2.4%;
→ the rest of the outstanding amount relating to social housing involves social enterprise-type organisations for housing, plus other lessors, to an amount of €2,056 million, with 50% of the outstanding amount relating to social housing also increasing by 2.4%.

The guarantees provided as part of the government solidarity policy represent an outstanding amount of €165 million, which is 3.8% of the total, a slight decrease of €5 million compared to 2018.

The guarantees provided as part of government education policy represent €27 million, i.e. 0.6% of the total. Lastly, the guarantees provided as part of so-called "Galland Act" activities represent €53 million, i.e. 1.2% of the total, an increase of €10 million (23%) compared to 2018. 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 most significant financial characteristics of the guaranteed outstanding amounts are the large share involving social housing, with rates predominantly based on Livret A, a low average rate of around 1.51% and a long average remaining lifetime: almost 90% of the outstanding amount is not due to mature in the next 15 years.

The loan guarantees are 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, particularly associations.

7.1.2 Main organisations being monitored

The Metropolitan Area is associated by statute or agreement with external organisations as part of carrying out a public interest service or delegating part of its responsibilities. One of the Metropolitan Area's dedicated departments (the Département of Evaluation and Performance) monitors these organisations.

Among the organisations are 45 so-called "strategic" organisations, which come under enhanced monitoring carried out in tandem with the Metropolitan Area'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 urban 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 Metropolitan Area and other member authorities.	Association	Member (subsidy)
Lyon Sport Métropole	Organising sporting activities for the staff of the Metropolitan Area and other partner authorities.	Association	Member (subsidy)
Gourguillonnaise	Organising cultural activities for the staff of the Metropolitan Area and other partner authorities.	Association	Member (subsidy)
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 des 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	Service Départemental et Métropolitain d'Incendie et de Secours	EPA	Member (contribution)
SERL	Société d'Équipement du Rhône et de Lyon	SEM	Shareholder
SEM Patrimoniale	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
SEM 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 Metropolitan Area. 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 Metropolitan Area, governed by separate accounting rules. The Metropolitan Area actually manages its responsibilities:

- in its Main Budget, in accordance with accounting rule "M57";
- in five ancillary budgets: the Water Budget and the Water Treatment Budget (both in accordance with accounting rule "M49"), the Ancillary Budget for Town Direct Management Planning Operations, the Ancillary Heating Network Budget (accounting rule "M41") and the Budget for the Administration Canteen (accounting rule "M14").

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	95,9 %	95,5 %	89,7 %	94,1 %	93,8 %	95,3 %
BAE	0,4 %	0,9 %	2,5 %	2,8 %	1,1 %	1,1 %
BAA	3,2 %	3,4 %	7,4 %	3,1 %	4,6 %	3,3 %
Barc	0,0 %	0,1 %	0,4 %	0,4 %	0,1 %	0,1 %
Baourd	0,5 %	0,1 %	0,0 %	2,3 %	0,3 %	0,4 %
Bara	0,1 %	0,0 %	0,0 %	0,0 %	0,1 %	0,0 %

BP: Main Budget; BAE: Ancillary Water Budget; BAA: Ancillary Water Treatment Budget; Barc: Ancillary Heating Network Budget / Baourd: Ancillary Budget for Town Direct Management Planning Operations; Bara: Ancillary Budget for the Administration Canteen

7.2.2 Consolidation procedure

The Metropolitan Area's accounts have been consolidated (Main Budget and ancillary budgets) by eliminating a number of movements between budgets that artificially inflate the budget. This involves:

- contributions to balancing ancillary budgets from the Main Budget;
- infrastructure subsidies from the Main Budget to some ancillary budgets.

Adjustments carried out for consolidation of the accounts

	disbursement/ expenditure from budget...	income/revenue from budget...	2019 (€k)
Balancing subsidy from the Main Budget to the Ancillary Budget for Direct Management Town Planning Operations	BP 65821	Baourd 75822	6 626,3
Operating balancing subsidy from the Main Budget to the Ancillary Budget for the Administration Canteen	BP 65821	Bara 75822	1 974,2
Contribution from the Main Budget to the Ancillary Water Treatment Budget for stormwater	BP 6558	BAA 7063	19 617,8
Infrastructure subsidy from the Main Budget to the Ancillary Water Treatment Budget for stormwater	BP 2041512	BAA 1318	4 813,0
Investment subsidy from the Main Budget to the Ancillary Budget for the Administration Canteen	BP 2041511	Bara 1328	199,0

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 Metropolitan Area 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 Metropolitan Area. The 2019 financial report is part of this process, so the figures used in the report are now downloadable from the site

www.data.grandlyon.com, as are the accounting balances from the Lyon Metropolitan Area's Main Budget and ancillary budgets.

Since 2018, the Lyon Metropolitan Area has made the management accounts of the communes in the territorial area and the Lyon Metropolitan Area available, as they are published each year on the data.gouv.fr website.

7.4 TABLE OF ABBREVIATIONS

ACTP :	Allocation compensatrice pour tierce personne (Third-party Compensatory Allowance)	CPS :	Compensation part salaires (Salary Share Compensation)
Aderly :	Agence pour le développement économique de la région lyonnaise (Agency for Development of the Lyon Region)	CRD :	Capital restant dû (Outstanding Capital)
AFL :	Agence France locale (Bank)	CRFP :	Contribution au redressement des finances publiques (Contribution to Improving the Public Finances)
AIS :	Allocations individuelles de solidarité (Individual Solidarity Allowances)	CU :	Communauté urbaine (Urban Community)
AP/CP :	Autorisations de programme / crédits de paiement (Programme Authorities/Payment Appropriations)	CVAE :	Cotisation sur la valeur ajoutée des entreprises (Contribution on Business Value Added)
Apa :	Allocation personnalisée d'autonomie (Personal Independence Allowance)	DCRTP :	Dotation de compensation de la réforme de la taxe professionnelle (Compensation Grant for Reform of Business Tax)
AURL :	Agence d'urbanisme de la région lyonnaise (Urban Planning Agency for the Lyon Region)	DGF :	Dotation globale de fonctionnement (General Operating Grant)
BAA :	Budget annexe de l'assainissement (Ancillary Water Treatment Budget)	DMTO :	Droits de mutation à titre onéreux (Fees for Transfers of Properties)
BAE :	Budget annexe des eaux (Ancillary Water Budget)	DSC :	Dotation de solidarité communautaire (Community Support Grant)
Baourd :	Budget annexe des opérations d'urbanisme en régie directe (Ancillary Budget for Direct Management Town Planning Operations)	DUCSTP :	Dotation unique des compensations spécifiques à la taxe professionnelle (Single Compensation Grant for Business Tax)
Bara :	Budget annexe du restaurant administratif (Ancillary Budget for the Administration Canteen)	EDF :	Électricité de France (Electricity company)
Barc :	Budget annexe du réseau de chaleur (Ancillary Heating Network Budget)	Elena :	European local ENergy assistance
EIB :	European Investment Bank	EMH :	Est métropole habitat (Eastern Metropolitan Area Housing)
BP :	Budget principal (Main Budget)	EPA :	Établissement public administratif (Public Administrative Body)
BPCE :	Banque populaire caisse d'épargne (Savings bank)	Epari :	Établissement public des autoroutes rhodaniennes de l'information (Public Information Body for the Rhone Motorways)
BPNL :	Boulevard périphérique nord de Lyon (Lyon Northern Ring Road)	EPCC :	Établissement public de coopération culturelle (Public Body for Cultural Cooperation)
CA :	Compte administratif (Administrative Account)	EPCI :	Établissement public de coopération intercommunale (Public Body for Intercommunal Cooperation)
CDC :	Caisse des dépôts et consignations (Deposits and Consignments Fund)	Epic :	Établissement public à caractère industriel et commercial (Public Industrial and Commercial Institution)
CE :	Caisse d'épargne (Savings Bank)	ESH :	Entreprise sociale pour l'habitat (Housing Social Enterprise)
CET :	Contribution économique territoriale (Local Economic Contribution)	FB :	Foncier bâti (Developed Property)
CFE :	Cotisation foncière des entreprises (Business Premises Contribution)	FCTVA :	Fonds de compensation pour la taxe sur la valeur ajoutée (National VAT Compensation Fund)
CFL :	Comité des finances locales (Local Finance Committee)	FMDI :	Fonds de mobilisation départemental pour l'insertion (Départementale Mobilisation Fund for Integration)
CG69 :	Conseil général du Rhône (General Council of the Département du Rhône)	FNB :	Foncier non bâti (Undeveloped Property)
CGCT :	Code général des collectivités territoriales (General Code for Local Authorities)	FNGIR :	Fonds national des garanties individuelles de ressources (National Fund for Individual Revenue Guarantees)
CLERCT :	Commission locale d'évaluation des ressources et des charges transférées (Local Committee for Assessment of Transferred Resources and Expenditure)	FPIC :	Fonds de péréquation des ressources intercommunales et communales (Equalisation Fund for Intercommunal and Communal Assets)
CMM :	Chantier marge de manœuvre (Flexibility Project)	FPU :	Fiscalité professionnelle unique (Single Business Taxation System)
CNSA :	Caisse nationale de solidarité pour l'autonomie (National Funding Agency for Independent Living)		
CPER :	Contrat de plan État-Région (Government-Region Planning Agreement)		

ESF :	European Social Fund	(Départemental and Metropolitan Area Fire and Emergency Service)
GLH :	Greater Lyon Housing	
GRDF :	Gaz réseau distribution France (Gas distribution company)	
HT :	Hors taxe (excluding tax)	
ICNE :	Intérêts courus non échus (accrued interest)	
IFER :	Imposition forfaitaire sur les entreprises de réseaux (Flat-rate Tax on Network Businesses)	
Insee :	Institut national de la statistique et des études économiques (National Institute for Statistics and Economic Studies)	
LBP :	La Banque postale (Postal bank)	
LMH :	Lyon métropole habitat (Lyon Metropolitan Area Housing)	
LPA :	Lyon parc auto (Lyon Car Parking)	
LRL :	Libertés et responsabilités locales (Local Freedoms and Responsibilities)	
MDMPH :	Maison départementale et métropolitaine des personnes handicapées (Départemental and Metropolitan Area Home for Disabled People)	
MS :	Masse salariale (Total Payroll)	
Naf :	Nomenclature d'activités française (Classification of French Businesses)	
Opac :	Office public d'aménagement et de construction (Public Office for Development and Construction)	
OPH :	Office public de l'habitat (Public Housing Office)	
PBB :	Deutsche Pfandbriefbank (German bank)	
PCH :	Prestation de compensation du handicap (Disability Compensation Benefit)	
PMU :	Pari mutuel urbain (Government betting organisation)	
PPI :	Programmation pluriannuelle des investissements (Multi-annual Investment Scheduling)	
RMA :	Revenu minimum d'activité (Minimum Earned Income)	
RMI :	Revenu minimum d'insertion (Minimum Income Benefit)	
RP :	Résidences principales (Primary Residences)	
RRF :	Recette réelle de fonctionnement (Actual Operating Income)	
RSA :	Revenu de solidarité active (Active Solidarity Income)	
SA :	Société anonyme (Public Limited Company)	
Saiem :	Société anonyme immobilière d'économie mixte (Semi-Public Limited Property Company)	
SAS :	Société par actions simplifiée (Simplified Joint-Stock Company)	
SCI :	Société civile immobilière (Private Property Company)	
SEM :	Société d'économie mixte (Semi-Public Company)	
SERL :	Société d'équipement et d'aménagement du Rhône et de Lyon (Urban Infrastructure and Development Company for the Département du Rhône and Lyon)	
SDMIS :	Service départemental et métropolitain d'incendie et secours	
Segapal :	Société publique locale de gestion des espaces publics du Rhône amont (Local Public Management Company for Public Spaces in Rhône Amont)	
SFIL :	anciennement « Société de financement local » (formerly a Local Funding Company)	
SMPIPA :	Syndicat mixte du parc industriel de la Plaine de l'Ain (Joint Association for the Plaine de l'Ain Business Park)	
SPL :	Société publique locale (Local Public Company)	
Symalim :	Syndicat mixte pour l'aménagement et la gestion de l'île de Miribel Jonage (Joint Association for the Development and Management of the île de Miribel Jonage)	
Sytral :	Syndicat mixte des transports pour le Rhône et l'agglomération lyonnaise (Public Transport Authority for the Département du Rhône and the Lyon Conurbation)	
T :	Taux (rate)	
TA :	Taxe d'aménagement (Property Improvement Tax)	
Tascom :	Taxe sur les surfaces commerciales (Tax on Commercial Premises)	
TDCAUE :	Taxe départementale des conseils d'architecture, d'urbanisme et d'environnement (Départemental Tax on Architecture, Urban Planning and Environment Councils)	
TDCFE :	Taxe départementale sur la consommation finale d'électricité (Départemental Consumption Tax on Electricity)	
TDENS :	Taxe départementale des espaces naturels sensibles (Départemental Tax on Fragile Natural Areas)	
Teom :	Taxe d'enlèvement des ordures ménagères (Household Waste Collection Tax)	
TFPB :	Taxe foncière sur les propriétés bâties (Property Tax on Developed Land)	
TFPNB :	Taxe foncière sur les propriétés non bâties (Property Tax on Undeveloped Land)	
TH :	Taxe d'habitation (Residence Tax)	
TICPE :	Taxe intérieure sur la consommation de produits énergétiques (Domestic Consumption Tax on Energy Products)	
Tipp :	Taxe intérieure de consommation sur les produits pétroliers (Domestic Consumption Tax on Petroleum Products)	
TLE :	Taxe locale d'équipement (Local Infrastructure Tax)	
TLCFE :	Taxe locale sur la consommation finale d'électricité (Local Consumption Tax on Electricity)	
TP :	Taxe professionnelle (Business Tax)	
TSCA :	Taxe spéciale sur les contrats d'assurance (Dedicated Tax on Insurance Policies)	
VAT :	Value Added Tax	
u :	Unité (unit)	
Zac :	Zone d'aménagement concertée (Mixed Development Zone)	

