



## PRESS RELEASE

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### PUBLIC ENTITIES AND POLICIES

## MEDIUM-SIZED CITIES IN OCCITANIA

### Crises and adaptations

The Cour des comptes and the regional chambers of accounts of Occitania conducted a survey of 26 medium-sized cities in Occitania and their intermunicipal authority for cooperation between local authorities (EPCI). These regions, which are home to 1.8 million people, i.e. 31% of the region's population and 18% of its jobs, are an essential link in its regional organisation and the subject of important public policies. Within these regions, medium-sized cities face specific economic, social and financial difficulties, meaning the weaknesses and shortcomings of their intermunicipal structures are accentuated.

The findings of this survey, which reflect the diversity of national urban dynamics, lead the financial courts to make 10 audit recommendations aimed at improving the attractiveness of these medium-sized cities, through comprehensive strategy involving the central government and other key players in the region. The findings and audit recommendations, made before the health crisis, remain relevant in the current context.

### Financial room for manoeuvre to be consolidated

Medium-sized cities in Occitania are experiencing a much less dynamic demographic development than the region and the EPCIs to which they belong. Between 1968 and 2016, the 26 cities studied gained nearly 68,000 inhabitants, while their EPCIs were home to more than 400,000 as a result of urban sprawl. This phenomenon, a source of ageing and impoverishment in city centres, is also accompanied by difficulties in terms of day-to-day mobility, land development and land consumption. In addition, medium-sized cities only partially benefit from the particularly strong economic dynamism of Occitania. While over the last 25 years the number of jobs has increased by more than 30% at the regional level, it has grown by only 17% in medium-sized cities.

Although the financial performance of local authorities has improved, their balance sheets are still showing signs of fragility. Although the amount of taxation levied on households in these city centres is higher than that levied at a national level, they remain more indebted than French cities as a whole. The revival of their capital expenditure, observed since 2017, risks worsening the financial position of several of these cities.

What is more, financial and fiscal pacts, which are supposed to reduce disparities in resources and expenditure within the EPCIs, do not provide for the harmonisation of fiscal policy between the central cities and the other member cities.

### An intermunicipal dynamic that has become less favourable



## to medium-sized cities

With regard to the municipal block, the institutional framework resulting from the NOTRé law still has much room for improvement. There is an inadequate correspondence between the scope of the EPCIs and that of the catchment areas. The addition of many sparsely populated cities to existing intermunicipal bodies has led to the emergence of so-called "rural-urban" EPCIs with a range of problems. Moreover, this enlargement has often led to a weakening of the administrative capacity of the central city, whose weighting on the municipal council has diminished. Finally, despite the improvements made by the NOTRé law, the definition of municipal jurisdictions is still too restrictive and makes it difficult to roll out coherent policies.

## Support policies with a better footing in the regions

The medium-sized cities examined receive significant support from central government, which is in no way linked to regional policy.

The "Cœur de ville" programme is based on a contractual approach mobilising the central government and financial partners in a multi-year framework, around a local plan supported by the city and its EPCI. In the region, the agreements signed have suffered from shorter preparation times and remain, at this stage, limited to inventories and commitments in principle, accompanied by a list of projects. To remedy this situation, central government should propose, in conjunction with the region, support in defining regional strategies.

Other local players could more effectively support the development of medium-sized cities: local public entities could facilitate cooperation between cities and rural areas; the Montpellier and Toulouse urban areas should develop policies going beyond their territories; the EPCIs should better organise interventions in economic matters. These support mechanisms would benefit from being coordinated by steering committees within the EPCIs.

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