



City of Gothenburg Annual Report 2023

Sustainable city - open to the world



City of
Gothenburg

City of Gothenburg Annual Report

The City of Gothenburg Annual Report is the City Executive Board's report to the City Council on the combined services and finances for the year. It is also aimed at residents and visitors, as well as external stakeholders such as lenders, suppliers and other authorities. The Annual Report is produced by the City of Gothenburg Executive Office for the City Executive Board.

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The Chairman of the City Executive Board sums up the past year

A strong city facing a challenging economic situation

2023 began with a new political leadership in Gothenburg made up of the Social Democratic Party, Left Party and Green Party. There have been changes of policy in several areas. Welfare, security, the climate and children are the top priorities for the new local government.

The economic crisis hit the entire public sector with full force in 2023. High prices for energy, food and other basic goods are exerting a strain on welfare in many different ways. In combination with inadequate state subsidies and the growing needs of the population, many residents of Gothenburg are facing harder times, and the services they use are under increasing pressure.

Our primary focus has been to try to protect welfare services from the consequences of spiralling costs. The main aim of the City Council's budget and three supplementary budgets is to compensate the affected operations for the difficult economic situation. Previously built-up reserves and the well-managed corporate sphere were used to offset the worst effects. We have prioritised welfare and taken strong measures to reduce administration.

Hard-pressed households

The economic crisis is also affecting households in Gothenburg. Housing costs for shared ownership and rented accommodation are climbing. The prices of food and energy have become frequent topics of conversation. Many residents have had to re-prioritise their purchases, which in turn affects parts of the business community and puts greater strain on the retail and visitor sectors.

Despite this, unemployment remains lower than expected.

A rapidly growing city requires more staff for welfare services

Gothenburg is the city where most young Swedes would like to live. This was clearly seen during the year. During the Covid pandemic it was predicted that cities like Gothenburg would find it difficult to win back residents and continue attracting newcomers to settle here. But this did not happen. At the end of the pandemic, the record-breaking population growth that we saw throughout the 2010s resumed. The city's population grew strongly in 2023 and had already reached 600,000 by early summer. More people were living in Gothenburg than ever before.

But more residents mean greater demand for welfare services – and that requires skilled staff. During the year we produced a skills provision plan for Municipal operations. This will be a vital tool for reducing the staff shortfall in welfare and ensuring the long-term provision of skills in the city. We are continuing our efforts to improve health and safety and working conditions, through low-wage initiatives and trials of shorter working hours. This is an ongoing task.

More housing and alternative urban development

5,500 homes were completed in 2023, of which half are rented properties and 200 are single-family homes. The planning and development policy was revised to enable more high-density development, stricter design requirements, less sprawl, a new garden city and the transformation of empty land areas into attractive urban environments and pleasant residential areas.

The development portfolio includes an additional 45,000 fully or partially planned homes. This is one of the strengths of Gothenburg. However, the construction sector was hit hard by the recession during the year, leading to a rapid downturn in housebuilding. This issue must be addressed.

During the year, the Municipal housing companies were tasked with significantly increasing housebuilding, while the entire urban development sector was reorganised to improve efficiency. All conversions of rental apartments have been halted and no further conversions may be carried out. The combined effect should be shorter housing queues and, in the longer term, an end to the housing shortage.

Segregation must end and Gothenburg must become more equal

In early 2023 the City presented its equality report. It confirmed that there are still distinct divides between people, neighbourhoods and social classes in Gothenburg. One of the main priorities for the City was to address this report. Special measures were taken to tackle acute homelessness.

We are continuing our efforts to counter the segregation that divides Gothenburg and are committed to reversing the trend in all vulnerable areas. New measures were introduced to reduce the concentration of recent immigrants in a few socio-economically vulnerable districts. More prosperous areas and municipalities began to take greater responsibility, while more opportunities for integration are being provided for new arrivals.

Everyone who lives in Gothenburg is a Gothenburger. During the year we presented new measures and increased funding to combat anti-Semitism and Islamophobia in Gothenburg. Racism and discrimination have no place in our city.

Safety through collaboration

The City continued to expand its crime prevention work during the year. A new law that came into effect in summer gave municipalities greater responsibility for this work. Collaboration with the Police Authority, particularly under the Safe in Gothenburg initiative, has resulted in a systematic approach to combating insecurity. Group Violence Intervention was stepped up during the year to further encourage gang members to drop out. But gangs are not the only cause of insecurity. The city needs to take new initiatives to counter honour-based abuse and domestic violence.

Addressing the climate crisis through a sustainable green transition

Gothenburg has long been a pioneer in tackling climate change – but now it is serious. In 2023 there were new alarms, new reports and new evidence that the climate crisis is acute. But the changes that have been made in the business community, at Göteborg Energi and in the Port of Gothenburg mean the future is looking brighter.

By replacing fossil fuels with zero-carbon fuels, attracting green investors, providing training for new roles in the green industry, continuing to create healthy living environments and setting very high standards, the entire city has been working to achieve its environmental and climate goals. For example, construction work began on a new biofuel-fired steam boiler in Rya – a climate investment worth SEK 2.5 billion.

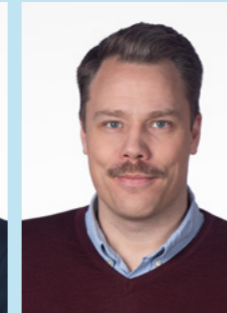
Gothenburg's 400-year anniversary and a party for residents

Despite the economic concerns there are still reasons for joy. In 2023, Gothenburg was finally able to celebrate its 400-year anniversary, which had to be the highlight of the year. Tens of thousands of people visited the various anniversary activities, reached out across divides and enjoyed all that Gothenburg has to offer even in normal times. The anniversary confirmed how much the people of Gothenburg appreciate their home town. We must continue to remind ourselves of this sense of community when the anniversary celebrations are over – we are each other's neighbours, siblings, friends, colleagues and acquaintances. After a difficult year this is what we should take with us: a sense of belonging.

City Executive Board members



Jonas Attenius
(Social Democrat)
City Councillor,
Chairman



Daniel Bernmar
(Left)
City Councillor,
1st Vice Chairman



Axel Josefson
(Moderate)
City Councillor,
2nd Vice Chairman



Hampus Magnusson
(Moderate)
City Councillor



Viktoria Tryggvadottir Rolka
(Social Democrat)
City Councillor



Ingrid Andreae
(Social Democrat)
City Councillor, Deputy



Martin Wannholt
(Democrat)
City Councillor



Jörgen Fogelklou
(Sweden Democrat)
City Councillor



Jenny Broman
(Left)
City Councillor



Ann Catrine Fogelgren
(Liberal)
City Councillor, Deputy



Marina Johansson
(Social Democrat)
City Councillor



Karin Pleijel
(Green)
City Councillor



Elisabet Lann
(Christian Democrat)
City Councillor



Johannes Hulter
(Social Democrat)
City Councillor



Nina Miskovsky
(Moderate)
City Councillor



Marie Brynolfsson
(Left)
City Councillor



Anneli Rhedin
(Moderate)
City Councillor



Emmyly Bönfors
(Centre)
City Councillor

Sustainable city - open to the world

Gothenburg is Sweden's second-largest city, with a population of more than 600,000. The city is strategically located between Oslo and Copenhagen, and is the heart and the growth engine of the Gothenburg Region and the whole of Västra Götaland. The region has strong industry and the largest port in Scandinavia.

The City of Gothenburg

Gothenburg has always been open to people and influences from around the world. This is reflected in the variety of trade and industry in the city, which combine sustainable development, innovation and creativity with a high level of expertise and technical skills. The Gothenburg Region is home to a wide range of industry, including multinational companies, small businesses and specialist clusters in around 50 different sectors. Gothenburg is also a student city with hundreds of vocational training courses, two universities and around 60,000 students.

Gothenburg is also known for hosting major events in sports, entertainment and culture. Together, Liseberg amusement park, the Swedish Exhibition & Congress Centre, Scandinavium arena, Ullevi stadium, Universeum science centre and the Museum of World Culture attract over six million visitors each year. There is also a wide range of museums, theatres, shopping, restaurants and hotels.

A changing city

Gothenburg is growing and preparing to create space for 700,000 residents by the year 2035. This is almost 100,000 more than at present. It means that Gothenburg is transforming from a large town into a close-knit green city. In the old shipbuilding districts, completely new districts have been created around the old shipyard and industrial buildings in areas such as Eriksberg,

Sannegårdshamnen and Lindholmen. New roads, bridges, cycle paths and extended public transport will make it easier to get around the city, for individuals and the business community.

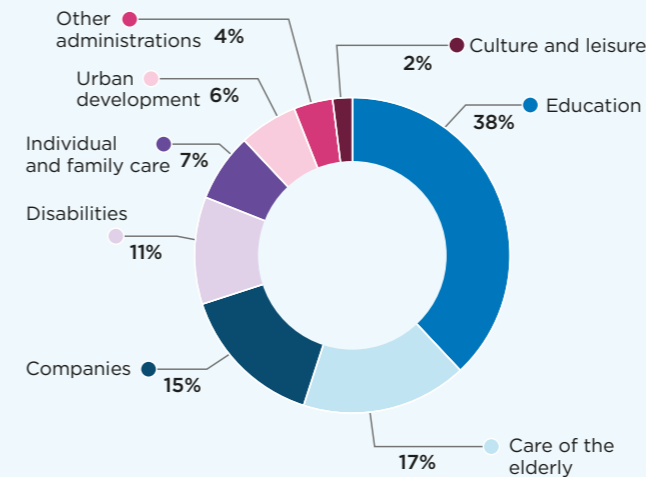
The Municipality's responsibilities

Sweden's municipalities are responsible in law for providing services that are vital to society. These include healthcare, schooling and social care. Mandatory responsibilities also include libraries, planning and building issues, health and environmental protection, waste management, water supply and emergency services. Voluntary services are also provided that are of value to society, such as cultural and recreational activities, public housing, park maintenance and other technical services.

Our employees

The City of Gothenburg is the largest employer in Gothenburg and employs 57,800 people in more than 100 roles in specialist administrations and municipal companies. Our shared mission is to create a good quality of life for residents, visitors and businesses, as well as developing Gothenburg to meet future needs. The average age of permanent employees is 46, and 71 per cent of employees are women. The gender distribution varies between administrations and companies. Women make up 76 per cent of employees in the City's administrations, while in the companies they make up 43 per cent.

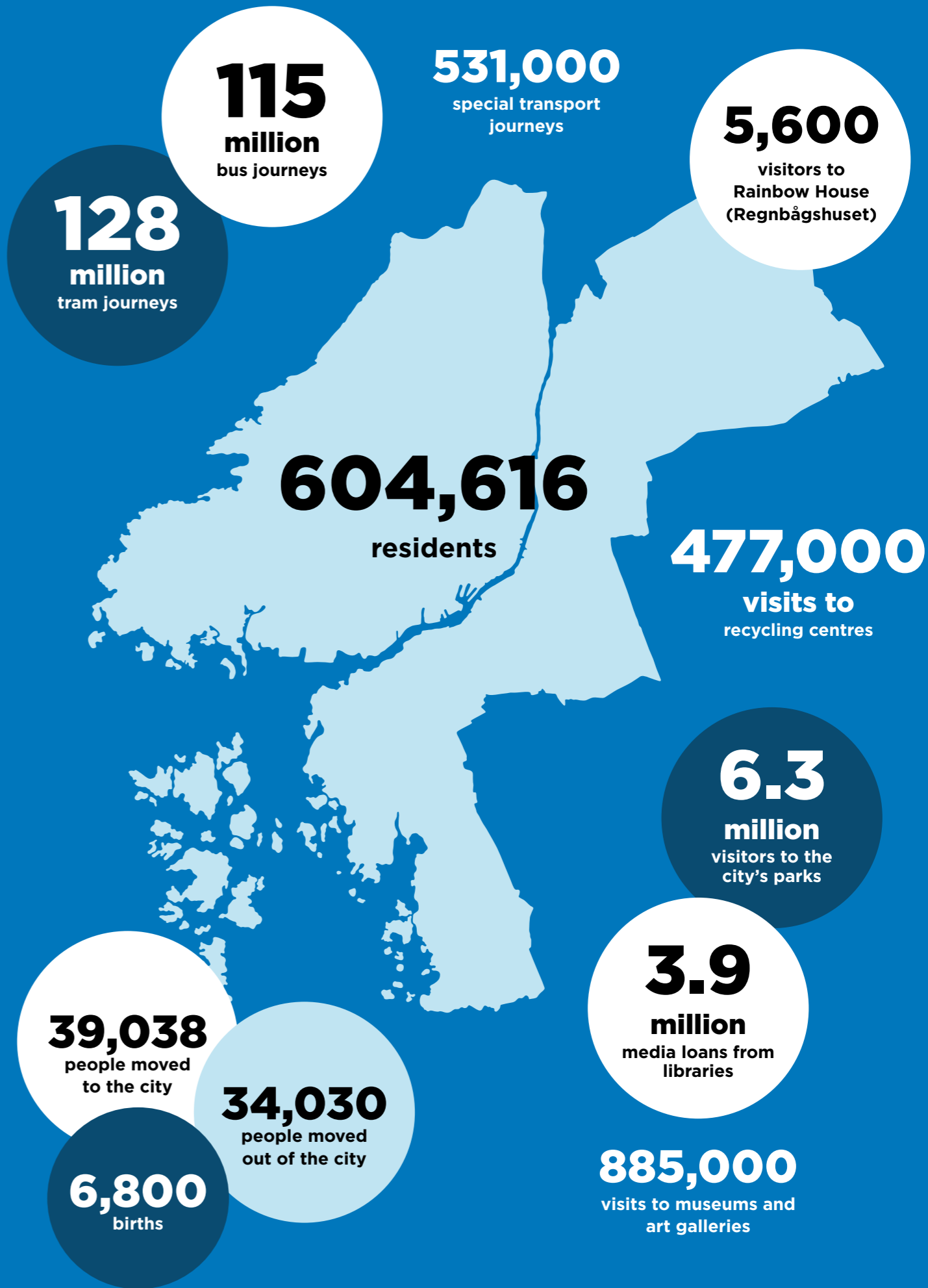
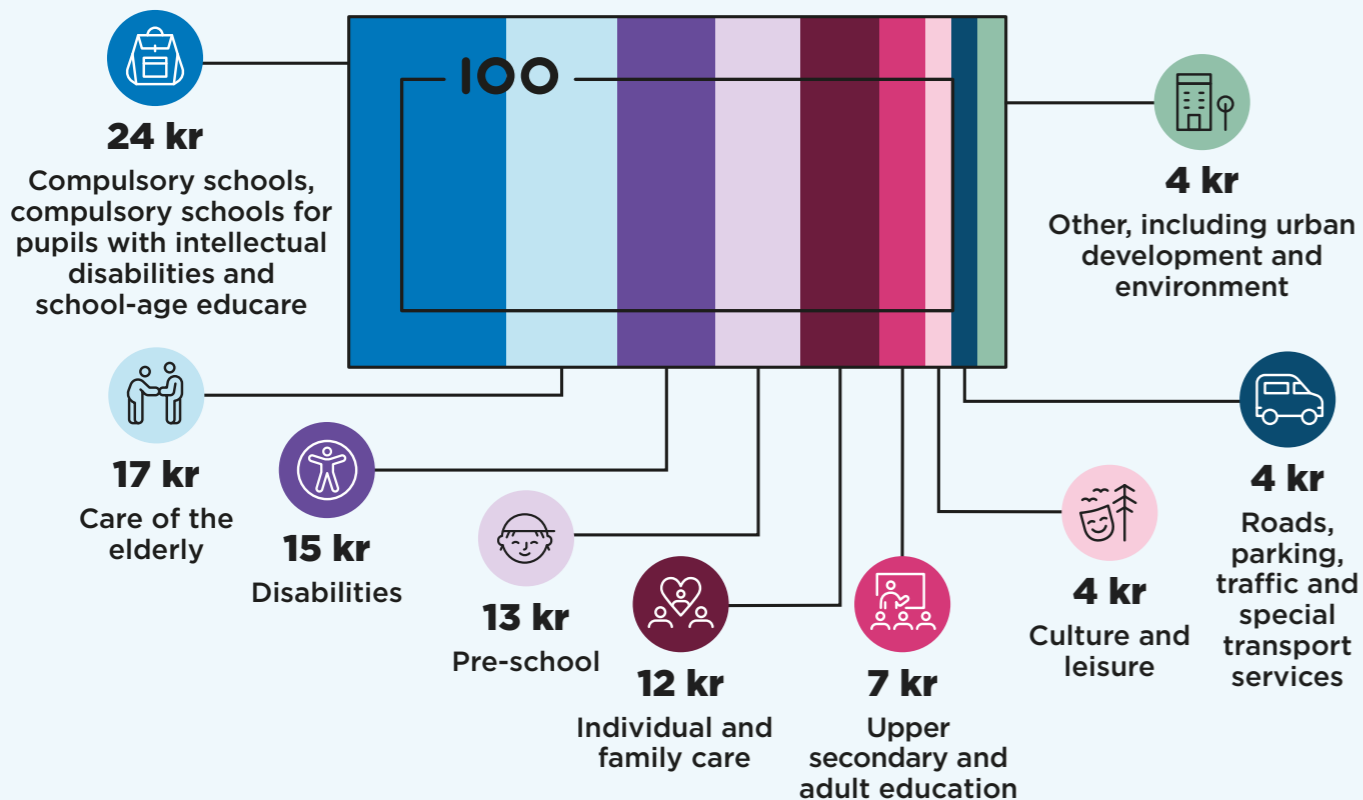
City of Gothenburg employees in 2023



The City of Gothenburg employs 57,800 people



How each SEK 100 of municipal tax is spent:





How to read the City of Gothenburg Annual Report

1

Administration Report

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The Administration Report provides information on the administration of the Municipality and the Municipal Group in accordance with *the Swedish Municipal Accounting Act (2018:597)*. The Administration Report is intended to provide a clear and comprehensive picture of the Municipality's services over the past year. The main focus is on the Municipal Group, which is made up of the municipal committees and companies.

2

Annual Accounts

64

The Annual Accounts present the accounts which according to the Municipal Accounting Act, include the income statement, balance sheet, cash flow statement and notes. The combined accounts of the Municipality and the Municipal Group are presented.

3

Economic and Financial Report

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The Economic and Financial Report includes the operational accounts, investment accounts and a report on the foundations administered by the City. The operational accounts and investment accounts must satisfy the City Council's requirement to report on progress and demonstrate the accountability of the boards and committees. The accounts must also satisfy the requirements of external stakeholders for information about how resources are allocated and used by the services.

4

City Council's goals

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The section on the City Council's goals contains an assessment of the potential to achieve the goals in the City's budget. These assessments are closely linked to the work on short-term goals in the City's overall programmes and plans, and monitoring of progress towards these goals. The aim is to thereby make the governance and monitoring of the City's work more consistent and fit for purpose. The budget states that the goals have a time frame that covers the entire mandate period unless otherwise stated and they are assessed on this basis.

1

Administration Report

The Administration Report provides information on the administration of the Municipality and the Municipal Group in accordance with *the Swedish Municipal Accounting Act (2018:597)*. The Administration Report is intended to provide a clear and comprehensive picture of the Municipality's services over the past year. The main focus is on the Municipal Group, which is made up of the Municipality's committees, companies and joint statutory authorities. The Administration Report is based on the recommendations of Swedish Council for Municipal Accounting regarding obligatory headings.

Administration Report

16 The Municipal Group

An overview of the committees and companies that make up the Municipal Group is presented here, along with the changes that took place during the year.

18 Overview of trends in operations

This section presents a number of measures and key figures that describe the trends in operations compared with the four immediately preceding years. An overview of trends is also presented here.

22 Key conditions for earnings and financial position

A summary financial analysis for the Municipality and Municipal Group which highlights financial developments and trends. Financial monitoring, risk disclosures and an overview of pension obligations are also presented in this section.

32 Significant events

This section describes a number of significant events that occurred in 2023. The section also includes events that occurred at the beginning of 2024.

36 Governance and monitoring of municipal operations

A presentation of information and important facts regarding governance, monitoring and internal control for the Municipality and Municipal Group.

39 Good financial management and financial position

This section analyses the Municipality's financial development in relation to good financial management practice and the guidelines set by the City Council.

51 Balanced budget requirement

It presents a description and analysis of the balanced budget requirement, followed by a report on the Municipality's earnings equalisation reserve (EER).

53 Significant personnel-related conditions

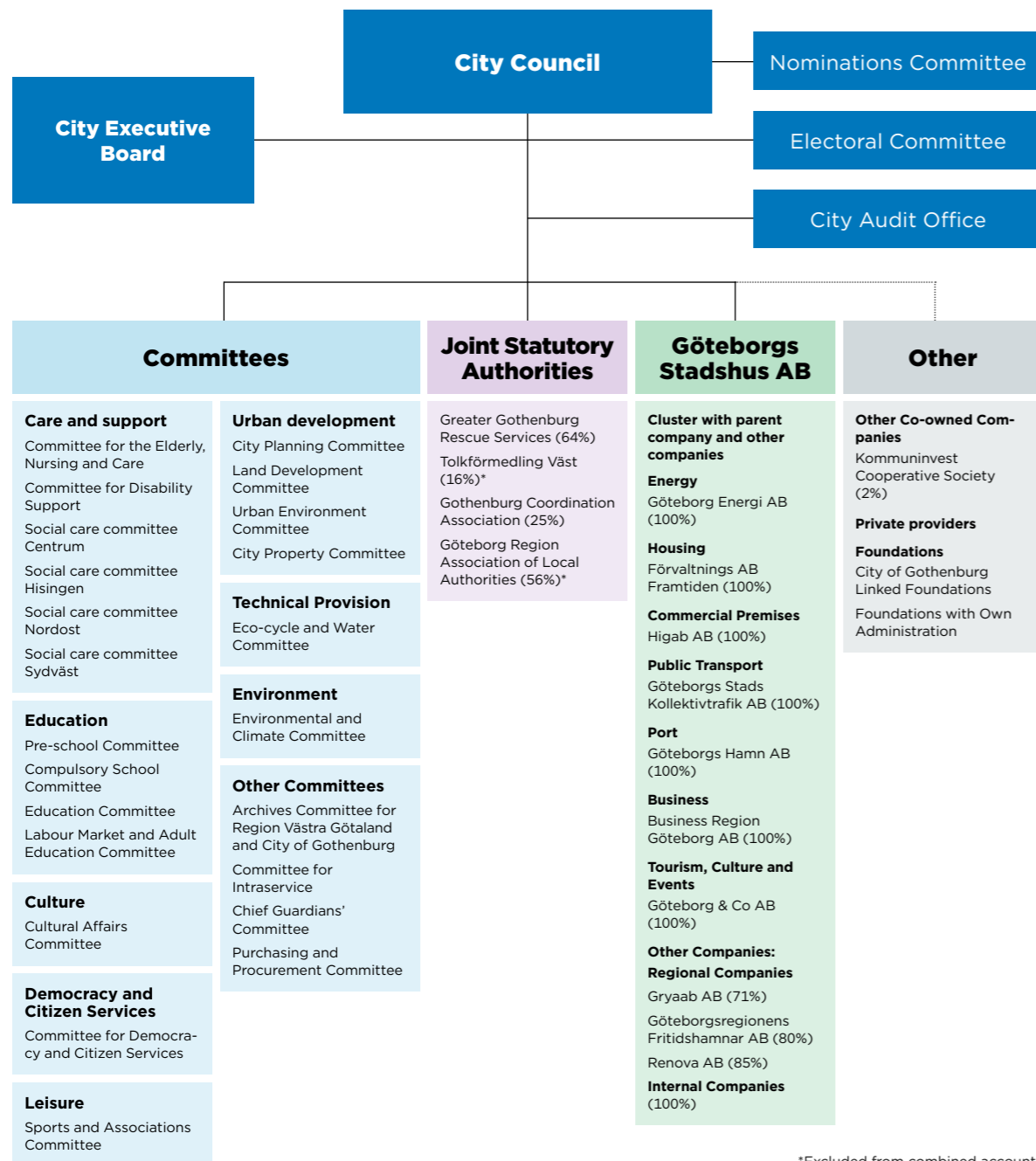
The Administration Report provides a description of significant personnel-related conditions.

59 Expected development

A summary of market trends describing expectations for the future. This analysis is based on known, real-world conditions that affect the Municipal Group and Municipality directly or indirectly. It also includes comments on risks and uncertainties related to these conditions.

The Municipal Group

Operations in the City of Gothenburg are conducted in a variety of formats. This section describes the overall operations of the Municipal Group and the Municipality. The section also provides information about the changes that occurred during the year with respect to both the organisation and ownership.



*Excluded from combined accounts

The Municipal Group comprises:

- » the organisation of committees in the municipal sector
- » municipal and coordination associations mainly consisting of Greater Gothenburg Rescue Services
- » the company sector under the parent company Göteborgs Stadshus AB. The Stadshus Group includes 90 wholly or partly owned companies, including 36 companies that employ staff.

The Municipal Group is usually presented in the combined accounts.

The summary shows the overall operations of the Municipality, which is a broader concept than the Municipal Group. The overall operations also include significant private providers, organisations in which the Municipality has ownership interests but that are not classified as Municipal Group companies and the Municipality's linked foundations and foundations with their own administration. The City of Gothenburg's ownership interests are specified in notes 11 and 30. In addition, note 1 describes what is included in the combined accounts.

On 2 January 2023, the reorganised administrative structure for urban development in the City of Gothenburg took effect. Five committees were discontinued – the Planning and Building Committee, Property Management Committee, Commercial Premises Committee, Parks and Landscape Committee, and Road Traffic Committee – and were replaced by four new committees:

- » City Planning Committee
- » Land Development Committee
- » Urban Environment Committee
- » City Property Committee

Changes in ownership

The following material changes in ownership of joint statutory authorities and company organisation have taken place during the financial year:

- » Göteborg Arendal 764:385 AB, 559394-9323, new company in Göteborgs Hamn AB.
- » Göteborgs Hamn Arendal Fastighets AB, 559324-3164, fusion with Göteborgs Hamn AB.
- » Westwind Offshore AB, 559318-3907, 5% acquisition by Göteborgs Hamn AB.
- » Greater Gothenburg Rescue Services, 222000-0752, change in ownership share from 70.6 per cent to 64.35 per cent following the addition of three new municipal members: Lilla Edet, Stenungsund and Tjörn.

Private providers

The City of Gothenburg outsources some of its services to private providers through procurement.

In services for people with disabilities, the cost for private providers was SEK 1.4 billion, which corresponds to 24 per cent of net costs for this operational area. The largest provider was Föreningen Betaniahemmet at SEK 144 million.

In individual and family care services, the cost for private providers was SEK 1.0 billion, which corresponds to 22 per cent of net costs for this operational area. In social services, in some cases all accommodation is managed by private providers. Individual places for social services healthcare and accommodation are largely procured and the largest provider was Gryning Vård AB* at SEK 74 million.

In health and social care for the elderly, the cost for private providers was SEK 1.0 billion, which corresponds to 15 per cent of net costs for this operational area. The largest private provider was Attendo Sverige AB at SEK 226 million.

For operations and maintenance of streets and parks, the cost of private providers was approximately SEK 0.5 billion, and the largest provider was LPE Sverige AB at SEK 147 million.

Other operational areas with relatively low costs for private providers, but where they accounted for a relatively large proportion of the operation's gross costs, were special transport, SEK 0.4 billion; adult education, SEK 0.2 billion; and other education, SEK 0.1 billion. The largest provider of special transport was Majvillan Transport AB at SEK 127 million.

Since 2018, users have been able to choose their own home-help service providers under the Act on System of Choice in the Public Sector (LOV). Since 2019, this freedom of choice is also extended to daily activities under the Act concerning Support and Service for Persons with Certain Disabilities (LSS). The costs for these services were SEK 110 million and SEK 32 million respectively, and are included in the above amounts.

Many children and pupils attend private pre-schools and independent schools. These schools are run on the basis of the right of establishment and are not regarded as private providers, but the Municipality does make a contribution towards them. The cost of external providers totalled SEK 3.9 billion, which accounted for 23 per cent of total net costs in the operational area. External providers for pre-schools and school-age educare accounted for 16 per cent, compulsory schooling 20 per cent, and upper secondary school 50 per cent of net costs for the respective operational area.

*Gryning Vård AB is a Municipal Group company, but is treated here as a procured private provider.

Overview of trends in operations

This section presents a number of measures and key figures that describe the trends in operations compared with the four immediately preceding years. An overview of trends in the City is presented here, linked to the measures and key figures described in this section.

Developments in services

	2019	2020	2021	2022	2023
General					
Number of residents	579,281	583,056	587,549	596,841	604,616
Change in number of residents	7,413	3,775	4,493	9,292	7,775
Municipal tax rate (%)	21.12	21.12	21.12	21.12	21.12
The Municipal Group					
Operating income (MSEK)	26,907	24,820	31,183	32,761	30,221
Operating expenses (MSEK)	-56,259	-54,830	-60,430	-65,842	-67,809
Net earnings (MSEK)	2,406	3,323	5,497	3,653	631
Equity/assets ratio (%)	31	31	34	36	34
Equity/assets ratio incl. total pension obligations (%)	21	22	26	28	27
Net investments (MSEK)	11,349	11,503	10,678	11,443	12,681
Investments/resident (SEK)	19,592	19,730	18,174	19,173	20,974
Borrowing (MSEK)	46,280	50,019	50,929	51,404	57,653
Number of employees*	56,142	53,552	59,750	62,937	57,776
The Municipality					
Operating income (MSEK)	11,583	9,992	10,829	11,153	11,637
Operating expenses (MSEK)	-42,779	-41,578	-43,730	-46,001	-49,928
Tax revenue and state subsidies (MSEK)	32,467	33,996	35,555	37,484	39,524
Net earnings (MSEK)	1,690	2,408	2,652	2,554	1,070
Net investments (MSEK)	4,264	4,259	3,877	3,788	4,635
Net borrowing (MSEK)	-5,809	-6,307	-7,352	-9,329	-10,631
Number of employees	48,114	46,993	48,073	49,523	48,569

	2019	2020	2021	2022	2023
Children and education					
Net costs children and education (MSEK)**	14,633	14,761	15,714	16,265	17,266
Number of children in pre-school (average March and October)	29,961	30,024	29,675	29,314	29,459
Number of pupils in compulsory schools and compulsory schools for pupils with intellectual disabilities (average March and October)	60,717	61,582	62,009	62,461	62,833
Percentage of pupils who achieved the goals in all subjects in year 9, registered locally (%)	72.5	74.9	73.2	72.4	70.3
Number of pupils in upper secondary and upper secondary schools for pupils with intellectual disabilities (average March and October)	17,965	18,153	18,438	18,626	18,907
Upper secondary students who gained diploma within 3 years, registered locally, percentage (%)	60.8	63.2	66.2	67.6	70.5
Number of full-year places in adult education	12,949	12,890	14,142	13,211	13,027
Social care and social sphere					
Net costs social care and social sphere (MSEK)***	-	13,779	14,290	14,709	16,104
Number of people with measure according to LSS	4,302	4,405	4,487	4,490	4,460
Number of people in permanent special housing (average/month)	4,109	3,948	3,652	3,874	3,924
User assessment of special housing in care of the elderly overall, percentage (%)	77	80	-	77	78
Number of people receiving home-help services (average/month)	7,714	7,179	7,271	7,351	7,350
User assessment of home-help service in care of the elderly overall, percentage (%)	81	80	-	80	81
Number of people registered for municipal healthcare and medical care (average/month) ****	-	-	-	7,939	8,135
Number of households receiving financial assistance (average/month)	8,655	8,786	8,564	7,452	6,666
Amount paid out (SEK thousand) per household receiving financial assistance (average/month)	8.7	8.6	8.8	9.3	10.2
Culture and leisure					
Net costs culture and leisure (MSEK)	1,306	1,412	1,449	1,496	1,654
Number of library visits*****	-	-	2,257,050	3,185,299	3,080,461
Number of visits to museums and art galleries	537,130	256,397	279,886	531,467	885,103
Number of visits to pools, exercise facilities, gyms, ice rinks, etc.	1,096,716	657,787	355,133	805,120	814,220
Housing and housebuilding					
Number of homes in ongoing local plans	22,990	25,364	22,376	18,611	24,700
Number of homes for which construction has started	5,446	5,927	5,844	5,051	2,886
Number of completed homes	4,357	4,494	5,365	5,930	5,502
Traffic and environment					
Number of journeys per weekday by public transport	466,000	322,000	338,000	427,000	457,000
Number of journeys by Service Travel	1,500,000	1,050,000	1,010,000	1,179,000	1,225,000
Number of cyclists per weekday	106,000	115,000	100,000	112,000	107,000
Amount of household waste sent for incineration (tonnes)	124,849	123,721	123,166	120,617	116,680
Increase in handling capacity for torrential rainfall (m ³)	0	0	0	0	3,835

* The City's share of Greater Gothenburg Rescue Services (RSG) is presented from 2020.

** Applies to Pre-school Committee, Compulsory School Committee, upper secondary schools within the Education Committee and adult education within the Labour Market and Adult Education Committee.

*** Applies to Committee for Disability Support, Committee for the Elderly, Nursing and Care and regional social care committees.

**** Information on the number registered for municipal healthcare and medical care is not available prior to 2022.

***** Information on the number of visits to libraries prior to 2021 is not comparable with subsequent years.

Children and education

In compulsory schools, there has been a relatively large increase in the number of pupils in compulsory schools for pupils with intellectual disabilities. This has been a steady trend for a few years in Gothenburg, as in the rest of Sweden. The proportion of pupils who have chosen to attend independent schools is relatively stable, but has risen slightly. The proportion of pupils in year 9 who have achieved educational requirements in all subjects has fallen. This decline has affected pupils in municipal schools and those in independent schools. The decline is however greater in municipal schools. The same trend is seen in the final grades achieved in school-leaving certificates in year 9.

In the city's upper secondary schools, the number of pupils who live in Gothenburg has increased during the year. The proportion of pupils attending municipal upper secondary schools has increased slightly as a result of an increase in places at Polhemsgymnasiet (Polhem upper secondary school). The proportion of pupils in year 3 (municipal upper secondary schools) who gained an upper secondary school diploma increased slightly in 2023 compared with the previous year. Overall, the result is still lower than the national average.

Social care and social sphere

The number of people receiving ongoing Support and Service for Persons with Certain Disabilities (LSS) and under the Social Services Act (SoL) is relatively unchanged compared with 2022. The number of approved decisions for daily activities has increased since 2022. This may partly be due to the growing population, as well as the declining impact of the pandemic. The number of people who have been granted housing with special service (BmSS) has risen, partly due to the provision of new BmSS housing by the City and partly through new procurement from framework agreement suppliers. LSS initiatives including personal assistance, short-term stays away from home, contact staff, contact families and respite services have decreased. The number of people receiving short-term housing under the Social Services Act has increased slightly, while there has been a large increase in social housing with support.

Compared to 2022, more elderly people who have been granted supported accommodation chose housing from a private provider instead of Municipal accommodation. The assessment of supported accommodation for the elderly indicates that user satisfaction has improved, but has not yet reached the same level as in 2020.

The remuneration system for the home-help services was revised in autumn. Since October, providers who were previously paid for the actual time spent, have instead been paid for the time granted. In an effort to adjust the time granted to the actual time needed, a review was carried out and the time granted was reduced by 2.8 per cent on average compared with the previous year. The user assessment for home-help services in 2023 shows a slight improvement. The indicators that reflect influence, security and loneliness show a small positive trend.

The increase in the number of people registered for Municipal healthcare and medical care is in line with the growth in population. People who have completed treatment at hospital are discharged sooner and this affects the number of people registered for Municipal healthcare.

The net cost of income support and the number of households receiving income support have continued to fall during the year, partly as a reflection of the labour market. However, the amount paid out per household has increased sharply due to an increase in the national level in line with inflation.

The number of days spent in institutional care by children and young people has increased during the year, as have costs. The number of cases concerning children and young people remains high and often involves children and young people with complex needs.

Housing and housebuilding

Comparison of the number of homes covered by ongoing local plans each year is complicated by a change in the measurement method in 2023 to better reflect the expected outcome. A large number of homes are still covered by current local plans in 2023, which means there is potential for continued large-scale housebuilding. The number of completed homes also remains high, at over 5,000 homes per year for the last three years. The construction of these homes began before housebuilding was affected by higher costs and interest rates. In comparison with the previous four years, the number of housing starts has almost halved. This will affect the number of homes completed in the coming years.

Culture and leisure

In 2023, museums and art galleries attracted more visitors than before the pandemic. The number of visits has risen by 67 per cent compared with

the previous year. The Maritime Museum & Aquarium, which was closed due to renovation and extension, reopened during the year and contributed to the rise in visitor numbers. Initiatives by Gothenburg Museum of Art, including an exhibition on the Gothenburg Colourists, as well as various initiatives by Göteborgs Konsthall also helped to increase the influx of visitors.

The number of visits to the City's libraries fell in 2023 compared with 2022. In autumn 2023, Frölunda library closed, which may be one reason for the lower number of visits. Since 2021 the number of media loans from library services increased, which may also have contributed to the decrease in the number of physical visits.

The number of visitors to the City's swimming, bathing and exercise facilities increased in 2023 compared to recent years. But the total number of visitors has not yet recovered to the levels of 2019, except at Askims Simhall and Lundbybadet. The number of people attending exercise classes has also increased, but not yet returned to the levels of 2019. A number of renovation projects during the year may have had a negative effect on visitor numbers.

Traffic and environment

The number of journeys by public transport on weekdays has almost returned to the pre-pandemic level. In 2023, the number of journeys continued to rise and is now three per cent higher than in 2022 (Service Travel journeys are not included in the statistics). Journeys by public transport increased the most, by 7 per cent. Journeys on foot and by car are also increasing. Journeys by bike have decreased by four per cent compared to 2022. The calculated figures are based on bicycle movements past permanent measuring points during weekdays. The decrease is assumed to be due to wetter weather in 2023, compared to 2022, which was unusually dry. Seven per cent of all journeys are estimated to be by bike. The number of Service Travel journeys (special transport, school transport, and journeys for people with disabilities) continues to increase. Service Travel journeys provided by the City are 90 per cent fossil-free.

Household sorting of waste is increasing, enabling more recycling of food waste and less waste for incineration. Torrential rainfall management is an important climate adaptation measure for the city. In 2023, measures to deal with torrential rainfall neared completion and capacity has increased as a result.



Key conditions for earnings and financial position

This section contains information about conditions that are not recognised in the balance sheet or the income statement, but that are important for an assessment of the earnings or financial position of the Municipal Group and the Municipality. It includes a description of external factors and trends in the context of the base assignment of the operations. The section concludes with information on financial risks and pension obligations within the Municipal Group.

Key factors in external environment and operations

The economic trend has shown continued high inflation.

High inflation and tightening monetary policy continued to dominate the economic situation in Sweden and globally during the year. The Riksbank raised the base interest rate on four separate occasions during the year, by a total of 1.5 per cent. The series of interest rate rises that began in 2022 continued in 2023 and in December the Swedish base rate was 4.0 per cent. Price increases and interest rate rises affect every sector of the economy. In its autumn economic report, the Swedish Association of Local Authorities and Regions (SALAR) noted that housebuilding fell by almost 60 per cent in the first half of 2023 compared with the same period in the previous year. Investments in the business sector have also fallen and highly indebted and interest-sensitive households contributed to the economic downturn as their purchasing power decreased.

Growth, measured as GDP, slowed during the year and is forecast to reach zero by the National Institute of Economic Research, compared with 2022 when GDP rose by 2.8 per cent. The economic downturn is also evident in the Gothenburg region.

The latest economic report from Business Region Göteborg (BRG) indicates a recession in the retail, construction and service sectors. In the Gothenburg region, the manufacturing sector is considered to be in the best position of all, and its status is assessed as normal.

For the City of Gothenburg, inflation and the resulting increased costs in operations have meant that earnings are significantly lower than in 2022. The most tangible effect is the large increase in pension costs due to the rise in the price base amount. A higher price base amount affects pension costs in several ways, but it primarily raises obligations for the defined benefit share, which has had a major impact on costs. Overall, the Municipality's pension costs rose by SEK 1.5 billion in 2023, an increase of 75 per cent.

Housebuilding and property development

One industry that has been hit hard by high inflation and interest rates is construction. The number of completed homes has increased sharply in recent years, and construction or renovation work was completed on 5,900 homes

in 2022. 5,500 homes were also completed in 2023, and on average, over 5,000 homes per year have been completed over the past five years. The slump in construction led to a sharp slowdown in the number of housing starts in 2023. There were 2,700 new construction starts during the year. This is half the average for the past five years.

The sudden slowdown in the housing market due to falling demand and price sensitivity, combined with the rising inflation, has had a direct impact on the City's financial conditions. For companies in the City's housing and premises cluster, the situation has led to higher financial expenses. At the same time, write-downs of just over SEK 0.5 billion have been incurred as a result of the market's higher yield requirements, and thus reduced property values. This has a direct impact on Municipal Group earnings. The slowdown is also reflected in reduced capital gains from the Municipality's development activities, which have almost halved since the previous year and fallen by around SEK 0.3 billion.

Labour market

Despite a clear weakening of the Swedish economy, employment remained at a very high level for most of the year. However, the economic downturn began to affect the labour market towards the end of the year. According to the Public Employment Service, unemployment in Sweden stood at 6.7 per cent in December 2023 – the highest rate since July 2022. This is also an increase of 0.2 percentage points over the previous month.

In Gothenburg, unemployment in December was 7.2 per cent, 0.2 percentage points higher than in November. Compared with a year ago, unemployment in December is unchanged.

In recent years, economic reports from BRG have highlighted strong job growth in the Gothenburg region. Regional job growth was positive in 2023, but as in the rest of the country, it weakened during the latter part of the year. But on the whole, job growth is stronger than in either the Stockholm or Malmö regions.

Tax base

The strong trend in the labour market at the start of the year meant that the tax base developed better than forecast. According to SALAR's assessment in December, the tax base grew by 5.1 per cent in 2023. This is well above the average growth rate of 4.4 per cent over the past 10 years. However, steeply

rising costs reduced the value of tax revenue, and in real terms the tax base actually fell for the first time since 2003.

Political decisions

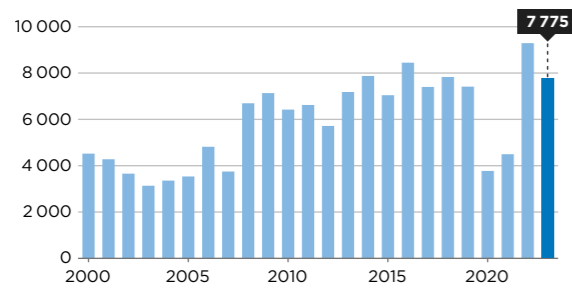
The Riksdag's budget decision in December 2022 included a supplement of SEK 4,200 million in general state subsidies for the local government sector in 2023. For Gothenburg, this supplement meant an unconditional contribution of around SEK 240 million in addition to the amount specified in the City Council's budget.

On 12 October 2023, the City Council decided to suspend implementation of the existing local plan for Skeppsbron and instruct the City Planning Committee to investigate the possibilities and consequences of an entirely new local plan for the area. The decision meant that wasteful expenditure of approximately SEK 110 million was incurred for items including disposals within the municipality as well as additional write-down costs of approximately SEK 220 million in the corporate sector.

Population trend

Sweden's historically high population growth has slowed down. In 2023, population growth reached its lowest level in almost two decades. In Gothenburg, however, the rapid population growth continued and picked up again after the pandemic. In spring 2023, the population passed the 600,000 mark and for the third year in a row Gothenburg's population grew faster than any other municipality. At the turn of the year 2023/2024, the city's population totalled 604,616, an increase of 7,775 residents over 2022. This is despite the fact that the Swedish Tax Agency carried out additional checks and removed 1,200 people who had left the city in previous years but were still registered as living in the city. The growing population has a big influence on the city's economic conditions. Tax revenues are boosted, but the demand on services and need for investment grow at the same time.

Population changes in Gothenburg 2000–2023



More people moving to the city and fewer leaving

The most apparent reason for the strong population growth in Gothenburg is that the number of people moving to the city from other municipalities has continued to rise, while those moving to other parts of Sweden has fallen sharply over the past two years. The same pattern is seen in movements between Gothenburg’s local housing market and the rest of Sweden. The decrease in people leaving the city is clearest among families with children, while those moving to the city are mainly students and younger people of working age.

The large volume of housebuilding in recent years and Gothenburg’s strong labour market have contributed to the influx to Gothenburg.

One reason why fewer people are leaving the city is likely to be concern about the housing market, due to higher interest rates and inflation.

Immigration continues to make a strong contribution to population growth, as more people move here for work or to join their families, while refugee immigration has declined. Emigration also increased in 2023, even discounting the removal of people from the population register by the Swedish Tax Agency.

Childbirths continue to fall

Births, measured as the average number of children per woman based on current fertility patterns, has declined since 2010 and is now at the lowest levels recorded in Gothenburg and Sweden as a whole. This decline was not previously visible as it was compensated for by an increase in the number of women of childbearing age. But in 2022 the pattern of stable birth rates was broken when the number of births fell by ten per cent compared with the previous year, and in 2023 the decline continued. Fewer children being born affects the short-term demand for childcare and, in a few years, for schools, especially if the low birth rate continues to fall.

Financial monitoring and risk management

This section describes the City of Gothenburg’s financing activities, which are based on the financial guidelines agreed by the City Council. The financial risks that the Municipal Group is exposed to are also presented.

The City of Gothenburg Group is exposed to financial risks of varying scope and nature as a result of its diverse operations. Financial risk refers to the changes in the Group’s cash flow that arise from changes in exchange rates, interest rates, commodity prices and credit, liquidity and financing risks.

It is vital for the Group’s operations in the short and long term that it has control over these financial risks. It is therefore important to identify and assess the Group’s risks.

The financial infrastructure

Financing activities are conducted based on the financial guidelines, which are decided by the City Council and include risk mandates and limits for financial activities within the Municipality and Municipal Group. Financial administration for the Municipality and the Municipal Group is coordinated through the Group Bank at the City of Gothenburg Executive Office. The purpose of coordination is to achieve lower total borrowing costs through efficient management and to take advantage of the Municipality’s good credit rating. In addition, financial risks can be managed by taking a collective perspective and ensuring good internal control. Monthly reports of compliance with financing activity guidelines are submitted to the City Executive Board.

Borrowing

All external borrowing in the Group is coordinated through the Group Bank. This means that the Municipality is responsible for all credit to the Group companies. The Group’s total external net borrowing was SEK 57.7 billion at the end of the year, an increase of SEK 6.3 billion over the previous year.

Borrowing takes place through several different financing sources:

Capital market

Most of the loan financing, 69 per cent, takes place in the open capital market through bond issues and certificates. There are established

capital market programmes for this purpose. The Municipality has a bond programme (Euro Medium Term Note, EMTN), a certificate programme denominated in SEK (municipal certificate programme, KCP), and a certificate programme denominated in foreign currency (Euro Commercial Paper, ECP). During the year, seven bonds totalling SEK 7.9 billion were issued under the City’s bond programme.

Kommuninvest

Kommuninvest i Sverige AB is a Swedish credit market company that offers loans to the Swedish municipalities and regions that own and are members of Kommuninvest Cooperative Society.

Institutional borrowing

Borrowing can also take place through international financial institutions. These institutions often operate on a not-for-profit basis with the task of granting project-related loans to promote investments in areas such as energy, the environment and infrastructure. The Municipality currently has loans from the European Investment Bank (EIB), the Nordic Investment Bank (NIB), and the Council of Europe Development Bank (CEB).

The table below shows the breakdown between different sources of financing and the level of agreed loan limits on 31 December 2023.

Funding sources

Programme	Loan limit	Degree of utilisation
EMTN, bond loans	EUR 6 bn	SEK 33.9 bn NOK 2.0 bn
<i>of which green bonds</i>		<i>SEK 25.0 bn</i>
KCP, short loans <1 year	SEK 6 bn	SEK 1.2 bn
ECP, short loans <1 year	USD 0.5 bn	USD 0.3 bn
Kommuninvest		SEK 9.8 bn
European Investment Bank		SEK 5.9 bn
Council of Europe Development Bank		SEK 0.9 bn
Nordic Investment Bank		SEK 1.0 bn



The City has SEK 1,200 million in agreed overdraft facilities, of which SEK 1,200 million was unutilised as of 31 December 2023. The City also has loan commitments totalling SEK 13 billion that have not been utilised.

Continued high credit rating

In order to have full access to the capital market, the Municipality has a credit rating. The credit rating agency Standard & Poor's confirmed the Municipality's strong credit rating in 2023. The Municipality's credit rating is the second highest, AA+ with a stable outlook. For investors, the Municipality's high rating means that lending capital to the City of Gothenburg is associated with very low risk.

City of Gothenburg's risk management

The Municipality and Municipal Group are primarily exposed to the following financial risks: interest risk, financing risk, counterparty risk, currency risk, commodity price risk, profile risk, insurance risk and operational risk. Risk limits have been set in the City Council guidelines at levels that will ensure the ability to pay, secure access to capital and create predictability in future interest expenses.

Financing risk

Financing risk refers to the risk at any given time of not having access, or having access only at a higher cost, to funds for payments.

Counterparty risk

Counterparty risk refers to the risk that the counterparty will not be able to fulfil its contractual obligations.

Currency and interest risk

Interest risk refers to the risk of incurring increased costs due to fluctuations in interest rates. The Group Bank is responsible for both interest and financing risk and derivative instruments are used to hedge interest and currency risks. Currency risk refers to the risk of incurring increased costs due to fluctuations in exchange rates. Currency risk arises when buying, selling, borrowing, or investing in foreign currency. The risk of transactions denominated in a foreign currency can be limited by using currency derivatives.

Until 31 December 2019, parts of the companies' debt was hedged through derivatives at the

companies themselves, and the existing interest rate derivatives held by the companies are matured. As of 2020, the companies will not enter into any new interest rate derivative agreements of their own. The companies' derivative agreements mature in 2029.

The nominal value of the derivative portfolio in the Group amounted to SEK 18.4 billion for interest rate hedging and SEK 5.1 billion for currency and interest rate hedging for loans denominated in a foreign currency. As of 31 December 2023 the derivatives had a negative market value of SEK 15 million. Other currency derivatives amounted to SEK 2.0 billion and have a negative market value of SEK 80 million.

A negative market value can be described as the interest that would have been paid if the interest rate derivatives had been redeemed prematurely on the balance sheet day. Similarly, a positive market value represents the interest that would have been received. In 2023, interest rate hedging through interest rate derivatives reduced the Municipality's borrowing costs by SEK 150 million.

Effectiveness of hedging instruments

The instruments used to hedge liabilities in foreign currencies correspond regarding amounts, terms and day count conventions. Concerning interest risk, for the interest rate hedging through the Group Bank, the liabilities and hedges do not correspond entirely regarding amounts and terms. However, adherence between the hedged debt portfolio and hedging instruments is good, and since maturing loans are very likely to be replaced with new borrowing, the hedging can be considered effective.

The requirements for hedge accounting were therefore met on 31 December 2023.

Operational risk

Operational risk refers to the risk of losses from inadequate internal procedures, errors caused by the human factor, or failed systems.

Operational risks must be limited through internal control systems and procedures for continuous identification, assessment and management of operational risks in financing activities.

Type of risk	Policy (year and %, respectively)	Outcome (year and %, respectively)
Interest risk		
Average fixed interest period	2-6	3.1 - no deviation
Interest due within 1 year	<35	32.9 - no deviation
Financing risk		
Binding loan commitments shall cover loans maturing over the next 12 months	>100	116 - no deviation
Binding loan commitments and liquidity reserve shall cover loans maturing over the next 12 months plus forecasted net outflow for the next 12 months	>100	105 - no deviation
Average capital commitment period	2-6	3.2 - no deviation
Loan due within 1 year	<35	22.2 - no deviation
Financing to be facilitated by credit ratings from rating agencies	There should be a rating	There is a rating. The Municipality's has the second highest credit rating from Standard & Poor's - AA+, indicating a stable outlook. The rating was confirmed in September 2023. No deviation.
Counterparty risk		
For new credit agreements, loan commitments and derivatives, the counterparty must have a high credit rating	Lowest A3 at Moody's or A- at Standard & Poor's	No deviation
Individual counterparty's share in derivative agreements	<35	27.8 - no deviation
Individual counterparty's share of credit commitments	<35	27 - no deviation
Derivative instruments		
Use of derivative instruments	Solely for the purpose of hedging the debt portfolio	No deviation
Currency risk		
Currency risk from financial assets and liabilities	Immediate hedging	No deviation

Other risks

Commodity price risk

Commodity price risk refers to the risk that changes in commodity prices could have a negative impact on the Group's income statement and balance sheet. Commodity price derivatives are used to limit this risk.

Within the Group, Göteborg Energi AB is responsible for managing this risk by using commodity price derivatives for electricity and gas. The notional value of the commodity price derivatives amounts to SEK 0.4 billion and they have a negative market value of SEK 22 million.

Profile risk

The City has had a new electricity contract since 1 January 2023. The previous contract was a fixed-price contract, whereas the new one has a variable component. The Group is thus exposed to a new risk, known as a profile risk. Profile risk refers to the risk of consumption variation over time. The hedged consumption is evenly spread over the hours of the day, which means that it is independent of variations in consumption that occur at different times of the day. This does not correspond to actual consumption, which tends to fluctuate throughout the day. In the financial market, there are no electricity derivatives for managing hourly and daily variations. Any consumption below or

above the hedged consumption must be acquired on the spot market at a different price to the original hedged price.

Insurance risk

The Group is exposed to insurance risk. Through the insurance policy approved by the City Council, Försäkrings AB Göta Lejon is responsible for the insurance coverage of all of the City's companies and committees.

Insurance risk consists of underwriting risk, reserving risk, concentration risk and reinsurance risk. Underwriting risk exists if there is a risk that the estimated premium will not cover the expected amount of the claim. The company limits this risk by purchasing reinsurance. Reserving risk exists if there is a risk that the reserve set aside for losses incurred is insufficient. Once again, reinsurance provides protection. Risk is managed by purchasing reinsurance. To minimise reinsurance risk, reinsurers with a Standard & Poor's rating lower than A- are not accepted. For 2023, the operations were reinsured.

Surety risk

Higher interest costs for associations entail greater risk of defaulting in the longer term. For 2024, there is a risk of defaulting on the SEK 19 million-guarantee.

Green bonds

Green bonds are also issued as part of the bond programme. These are used to finance projects that meet the requirements set in the City's green framework. All bonds issued during the year have been green bonds, totalling SEK 7.9 billion. The City has a total of SEK 24.95 billion in outstanding green bonds, which is 69 per cent of the City's total bond volume and 44 per cent of total borrowing. The breakdown of projects can be seen in the table below. As of 31 December 2023 the project portfolio amounted to SEK 2.3 billion.

Project breakdown – Green bonds

Project (amount in MSEK)	Committee/Company	Project category	2013-19	2020	2021	2022	2023
Ultrafilter	Eco-cycle and Water Committee	Water management	597	27	58	25	134
Electric vehicles	Göteborgs Stads Leasing AB	Sustainable transport	123	34	39	81	79
Denitrification	Gryaab AB	Water management	356	-	-	-	-
Tree planting	Urban Environment Committee	Biodiversity	40	8	7	14	9
Celsius - district heating	Göteborg Energi AB	Energy efficiency	5	-	-	-	-
Pedestrian and cycle traffic	Urban Environment Committee	Sustainable transport	391	88	67	72	37
Energy efficiency in traffic	Urban Environment Committee	Energy efficiency	188	46	41	25	54
Sustainable construction	City Property Committee	Green and energy-efficient buildings	3,394	70	750	-290	726
Future	Förvaltnings AB Framtiden	Green and energy-efficient buildings	4,275	1,420	1,416	843	428
Trams	Göteborgs Stads Leasing AB	Sustainable transport	311	-311	-	-	-
Kodammarna pumping station	Eco-cycle and Water Committee	Water management	180	117	98	47	70
Solar cell park	Göteborg Energi AB	Renewable energy	44	31	14	-	-
Water and sewage lines	Eco-cycle and Water Committee	Water management	69	15	78	28	104
Stormwater management	Eco-cycle and Water Committee	Water management	6	22	24	1	11
Brudaremossen landfill	Eco-cycle and Water Committee	Water management	28	18	-	-	8
Hotels*	Liseberg AB	Green and energy-efficient buildings	65	277	435	1,069	-623
Electric buses	GS Buss AB	Sustainable transport	92	40	-	-132	-
Commercial Premises	HIGAB	Green and energy-efficient buildings	144	-	106	-	-
500 new public charging sites for electric cars	Göteborg Energi AB	Sustainable transport	-	-	19	-	-
Replacement of furnaces Rya HVC	Göteborg Energi AB	Renewable energy	-	-	364	72	48
Björlanda Pump Chain	Eco-cycle and Water Committee	Water management	-	-	59	101	60
Vadhavet wetland	Göteborgs Hamn AB	Biodiversity	-	-	47	-	-
Solar cells LF	City Property Committee	Renewable energy	-	-	22	26	39
Renewal of water pipeline (Reinvestment: water and sewage)	Eco-cycle and Water Committee	Water management	-	-	-	145	230
District cooling	Göteborg Energi AB	Energy efficiency	-	-	-	66	31
Accumulator tank	Göteborg Energi AB	Renewable energy	-	-	-	145	2
Zinc recycling	Renova AB	Waste management and circular economy	-	-	-	63	104
Flue gas purification	Renova AB	Water management	-	-	-	111	255
Möndal river link	Gryaab AB	Water management	-	-	-	16	35
District heating distribution	Göteborg Energi AB	Energy efficiency	-	-	-	-	419
Total per year			10,308	1,902	3,644	2,528	2,260
Total accumulated				12,210	15,854	18,382	20,641

* An incorrectly reported amount for project volume in 2022 was discovered in 2023. Correction of this amount resulted in a negative outcome for 2023. The corrected amount was SEK 777 million.



Disclosure about pension obligations

This section provides disclosures about total pension obligations for the Municipality and the Municipal Group regarding the part reported in the balance sheet and the part reported outside as a contingent liability.

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Pension obligations				
1. Total pension obligation on balance sheet and contingent liability	14,140	15,389	15,547	16,859
<i>a. of which provision incl. special employer's contribution</i>	4,265	5,392	5,559	6,760
<i>b. of which contingent liability incl. special employer's contribution</i>	9,875	9,997	9,988	10,099
2. Pension obligations secured in pension insurance	392	385	1,628	1,603
3. Pension obligations secured in pension foundation	0	0	0	0
4. Total pension obligation (incl. insurance and foundation)	14,532	15,774	17,175	18,462
Managed pension funds - market value				
5. Total pension insurance capital	652	637	2,031	2,023
<i>a. of which surplus funds</i>	122	114	170	125
6. Total assets, pension foundation	0	0	0	0
7. Financial investments (own managed pension funds)	0	0	0	0
8. Total managed pension funds	652	637	2,031	2,023
Financing				
9. Funds re-invested	13,880	15,137	15,144	16,439
10. Consolidation rate	4%	4%	12%	11%

Disclosure about own managed pension funds:

The City of Gothenburg has no pension funds under its own management.

Disclosure regarding what obligations have been secured through pension insurance and/or pension foundation:

The obligations secured through pension insurance are entirely attributable to pensions earned before 1998.

The table above presents the total pension obligations of the Municipality and the Municipal Group in the balance sheet and as a contingent liability. The largest portion relates to obligations for pensions and special employer's contribution prior to 1998. These obligations are not recognised as a provision in the balance sheet, but as a contingent liability pursuant to the Municipal Accounting Act. As of 31 December 2023, there was also an accrued defined-contribution pension in the Municipality of SEK 838 million including special employer's contribution.

In 2023 a new pension agreement came into effect, AKAP-KR, with the result that more employees only have defined-contribution pensions. This means that the obligation that is reported as a provision in the balance sheet will increase at a slower rate. The new agreement entails a higher pension contribution and hence higher pension costs for the Municipality during the year. The high inflation rate has also affected pension costs. This is because the defined-benefit pensions are linked to the price base amount, which is based on the inflation rate in June.

The City of Gothenburg's guidelines for financing activities state that funds set aside for pension obligations that are managed by the City of Gothenburg should primarily be re-invested as a loan, which means that the funds are used in the City's own operations. The background is that the Municipality is a net borrower; in other words, its financial liabilities are greater than its financial assets. An investment of pension funds would then require an increase in borrowing. The Municipality therefore works according to the principle that pension funds should not be invested externally as long as the Municipality is a net borrower. The Municipality has no invested pension funds of its own. Pensions earned before 1998 are managed entirely as loans, with the exception of the insurance redemption of SEK 700 million that was made according to separate procurement. Pensions earned from 1998 are paid as occupational pension insurance to procured pension insurance companies, and the employee selects a pension or unit-linked insurance to which the pension contribution is to be paid.



Significant events

This section contains information about conditions that are not recognised in the balance sheet or the income statement, but are important in assessing the earnings and financial position of the Municipal Group and the Municipality and have had a significant effect on operations.

2023 was a tough year for the economy, with high inflation and higher interest rates, which meant higher costs for all Municipal operations. In particular, pension costs rose sharply by SEK 1.5 billion for the Municipality. Overall, the companies' earnings were negative, mainly due to write-downs in new construction projects and wasteful expenditure on the Skeppsbron project.

However, the labour market has been resilient during the year, which led to stronger growth in the tax base than previously estimated. This meant that the number of hours worked rose more than forecast and the City's tax revenue was around SEK 1.4 billion higher than budgeted.

The security situation in Sweden has gradually deteriorated over the past year, partly as a result of a disinformation campaign targeting social services, burnings of the Koran, and events in the Middle East. The Russian invasion of Ukraine also affected and continues to affect Sweden's security. The decision by the Swedish Security Service to raise the terrorism threat level from three to four on a five-point scale was not prompted by any individual event, but by the need to raise awareness of the serious situation we find ourselves in.

Measures being taken in the city include enhanced collaboration to enable more resources to be allocated to business intelligence, coordination in the city and with other authorities. Administrations and companies are security conscious and are working on various specific measures linked to the security situation. Steps have also been taken during the year to improve the city's ability to resist and manage social disruptions across the threat scale, giving the city a good foundation for the continuing work of municipalities on civil preparedness. In 2023 the City Council also approved specially targeted resources for coor-

dinating and supporting activities in the city to counter disinformation.

Celebrations for Gothenburg's 400-year anniversary were held throughout the summer. The programme included a royal procession and speeches to the people of Gothenburg at Gustaf Adolfs Torg, the official opening of Centenary Park and the Harbour Bath in Frihamnen, and a party and gala concert with the Gothenburg Opera. The final weekend ended on 3 September and included Gothenburg Culture Festival, democracy days in Frihamnen harbour, and the Göteborgsvarvet marathon.

The following are some of the important decisions taken by the City Executive Board and the City Council during the year, along with other key events.

The following decision were taken by the City Council:

A roadmap decision in planning for a new arena and urban development in the events area (KF 8 June 2023 §15). As a result of this decision the City Executive Board will continue to work with a number of other committees and boards to draw up plans for a new arena on the Valhallabadet site as well as urban development in the events area.

Orientation decision on the renovation of canal walls along Fattighusån and Stora Hamnkanalen (KF 27 April 2023 §25). The canal walls along Fattighusån and Stora Hamnkanalen will require renovation in the near future as there is a risk of collapse that would have very serious consequences. The purpose of the decision is to establish consensus on the approach, scope and preliminary time and cost estimates for planning and renovation of the canal walls and supplementary climate adaptation measures, improved accessibility for



walking and cycling, and a more attractive urban space along the canal wall route.

The City Executive Board has been assigned to develop a skills provision plan that will apply from 1 January 2024 (KF 27 April 2023 §11). The action plan will be developed to meet the demographic challenges in the City of Gothenburg, in which skills provision is an important element. The developed plan was approved in KF 1 February 2024.

Approval of orientation decision for increasing capacity at Ryaverket sewage treatment plant (KF 23 February 2023 §17). The capacity will be increased by building further treatment facilities for Ryaverket on adjacent land and by adapting the processes at the current plant. The increase in capacity will be completed in 2036 by utilising a new environmental permit.

Revised assignment and role for Älvstranden Utveckling AB (KF 23 February 2023 §20). Confirmation of a new urban development organisation means that Älvstranden will operate within a new

context, due to clarification of the assignment of the new committees which Älvstranden needs to take into account.

Decision to wind down Johanneberg Science Park and transfer parts of the operations to Lindholmen Science Park (KF 27 April 2023 §22). For Lindholmen Science Park AB, the decision means that BRG is tasked with investigating opportunities to set up one or more new programme areas in energy and community development. For Johanneberg Science Park AB, the decision means that an orderly winding down of the company will be initiated and implemented.

Investment in bio-cogeneration in Rya (KF 25 May 2023 §18). This decision supports the request from Göteborg Energi for an investment framework of SEK 2.65 billion to construct a renewable cogeneration plant at the Rya site and integrate this plant with the existing Rya cogeneration plant. The investment is an important element in the conversion of the district heating system to renewable fuels.

The City Council has also approved the following policies, programmes and plans:

- » *City of Gothenburg stormwater policy*
- » *City of Gothenburg Premises Provision Plan 2023*
- » *City of Gothenburg culture programme plan 2023–2026*
- » *The City of Gothenburg action plan for countering new gang recruitment, gang crime and the development of parallel societies 2023–2026*
- » *The City of Gothenburg destination development programme 2023–2030*
- » *The City of Gothenburg business strategy programme 2023–2035*
- » *The City of Gothenburg action plan for countering cultures of silence 2023–2025*
- » *The City of Gothenburg action plan for ensuring that no areas are particularly vulnerable 2025*
- » *The City of Gothenburg sports programme 2023–2030*

The City Council also approved a number of local plans during the year, including:

- » Local plan for housing, businesses, and entrances for the West Link (Västlänken) north of Nordstan in the districts of Nordstaden and Gullbergsvass in Gothenburg
- » Local plan for housing and businesses at Sankt Jörgens Väg in the district of Backa
- » Local plan for a swimming pool at Gärdesvägen in the district of Askim in Gothenburg
- » Local plan for a railway site etc. in Lärje in the district of Gamlestaden in Gothenburg
- » Local plan for housing and premises at the former Holtermanska hospital in the district of Landala
- » Local plan for commerce on Brännö in the district of Styrso
- » Local plan for a shooting range on part of Kallebäck 752:23 in the district of Kallebäck in Gothenburg
- » Local plan for businesses and age-specific housing at Smålandsgatan in the district of Heden
- » Local plan for a biofuel cogeneration plant in Rya in the districts of Rödjan and Sannegården
- » Local plan for building over Götaleden motorway in the district of Gullbergsvass in Gothenburg
- » Local plan for businesses at Norra Stenebyvägen in the district of Tuve

Other important events:

- » Liseberg's new Hotel Grand Curiosa opened its doors in April.
- » Storm Hans struck Sweden and over the course of two days it rained more than an average month of August. The Gothenburg area was one of the worst affected by the storm in Sweden. The E6 was flooded and had to be closed, train services were cancelled and the entire fishing port was under water.
- » The Swedish Transport Administration announced that the completion of the West Link would be postponed.
- » The Labour Market and Adult Education Committee has decided to give Gothenburg Technical College (GTC) responsibility for running the battery technology training centre, as part of an initiative to attract new enterprise. The agreement takes effect on 1 January 2024.
- » The European Commission has given the go-ahead to deepen the fairway in the port of Gothenburg and states that co-financing of the project by the state does not involve state aid.
- » During 2023, several facilities were completed, including Kviberg Park ice rink and sports hall, Ruddalen ice rink was reopened following renovation and four ball pitches at Heden were relaid and given better lighting. Other new facilities include Björlandavallen athletics centre, Slottsskogen ice rink and sports halls at Lundbyskolan.

Significant events after the end of the year:

On 22 January 2024, the Framtiden Group completed an acquisition of building rights. The transaction applies to blocks 3 and 4 in Karlstaden, which were acquired in full. The Group also acquired 74 per cent of the building rights for blocks 2, 5, 6 and 7, and the vendors have an option to repurchase by September 2027 at the latest. The total area amounts to approximately 151,000 GFA and the purchase price is approximately SEK 1 billion.

A major fire broke out at Liseberg's Oceana water park on 12 February 2024. The water park was scheduled to open in the summer of 2024 and was to be one of northern Europe's largest water parks. The damage is extensive and the effects are difficult to assess, but they will affect both Liseberg AB and the tourism industry as a whole.



Governance and monitoring of municipal operations

The broad scope and diverse assignments of the City's organisation mean that management processes must be continuously monitored to ensure they remain efficient and effective. This section describes important factors relating to the governance, monitoring and internal control of the operations conducted by the Municipal Group and the Municipality.

Governance frameworks

The City of Gothenburg's governance system integrates planning and monitoring, risk management, internal management and control, as well as quality management. The governance, monitoring and control of committees and company boards must be systematic, preventive and development-oriented. The City's guidelines for governance, follow-up and control are therefore based on the PDSA model (plan, do, study, act) in order to clarify what is expected of committees and company boards in the various phases of governance. Generally this requires that committees and company boards have an effective system for governance, monitoring and control that is documented in areas where this is deemed effective. The term system refers here to the framework of systematic methods, structure and culture that the committee and administration or the board and the company use to guide them towards achieving goals and fulfilling assignments.

The scope of governance, monitoring and control must always be based on an assessment of the costs and benefits of control.

Evaluation of governance, monitoring and control

Committees and boards must annually assess their management systems for operations to ensure they comply with the general requirements set by City Council. This assessment must be

carried out every year because the management system is affected by changes within and outside the organisations. Criteria developed to support the assessment include frameworks, systematic methods and organisational culture. An effective management system must provide management with relevant information so that decision-makers at different levels can make informed decisions and thus take responsibility for the operations. This applies regardless of whether it involves planning of operations, risk assessments, results from internal control and deviation management, analysis and conclusions of outcomes or decisions on improvement initiatives. The management system should also support a communicative and open climate and action that is in line with the requirements of public administration, as well as contributing to the best interests of the operations.

In the new urban development committees, forms of governance and management processes have been gradually developed during the year. Other committees and boards are in the administrative phase. Their overall assessment for the year is that the management systems are sufficiently effective, but require ongoing attention and action in areas where improvement is needed.

At the same time, the picture of governance, monitoring and control provided by reports from the operations should be supplemented by

information from oversight and data from audits. Investigations carried out by the City's whistleblower service (see below) show deficiencies in some parts of the organisation, which underline the fact that an effective system of governance, monitoring and control depends entirely on the attitude of the organisation, and in particular top management, towards it.

Governing documents

The City of Gothenburg should have no more governing documents than are needed to guide its operations. Excessive documentation could reduce transparency, for the public and for City operations.

In spring, the City of Gothenburg Executive Office reported the findings of a study on reducing administration to the City Executive Board and the City Council. One of the findings was that the number of governing documents should be reduced to free up more time for the base assignment and operations that benefit users. This can, for example, be achieved by reducing the number of plans and programmes, reducing the number of goals to avoid goal congestion and parallel management, and avoiding new measures and initiatives that are already part of the base assignment of committees and boards, or are already regulated in legislation. It also requires that programmes and plans are primarily implemented by the committees/administrations and boards/companies that have control over the matter in

question and whose efforts are most effective and beneficial for citizens, users and customers.

Several assignments and measures have been started or completed in 2023 with the common aim of achieving more effective governance. The City of Gothenburg's guideline for governing documents has been reviewed and revised with the aim of achieving clearer control over governing documents and reducing the burden of governance and pressure on monitoring. A proposal has been presented for a new programme to replace the City of Gothenburg's *public health programme* and its *programme for an equal city 2018–2026*. The City of Gothenburg Executive Office has also worked on an assignment in 2023 to put forward proposals for long-term governance in the area of human rights, with the aim that governance should create better opportunities for achieving results. In the field of urban development, the City Council has decided on a new framework for governing documents. The new framework requires a review of designated governing documents to adapt the governance approach to the new organisation.

New organisation for urban development

In November 2021, the City Council decided to go ahead with changes in the City's organisation for urban development. The purpose of the changes is to provide a more integrated urban development process – for planning, implementation and administration of the City. The changes





Good financial management and financial position

This section assesses whether the operations are developing in line with good financial management. The assessment includes a financial perspective and an operational perspective, based on the guidelines adopted by the City Council.

The City Council has adopted guidelines for sound financial management in accordance with the Local Government Act. The guidelines set a long-term strategic perspective for operations and finances that extends beyond the budget perspective of one or three years. Good financial management includes a financial and an operational perspective. The principle underlying the financial perspective is that each generation must bear the costs of the services it uses. This means that no generation should have to pay for the services a previous generation has used. The principle underlying the operational perspective is that the Municipality must conduct its operations in a cost-effective manner that is fit for purpose. The Annual Report assesses whether the Municipality and the Municipal Group are developing in line with good financial management. This assessment also identifies any need to adjust the targets in future budgets to maintain the long-term goals of the guidelines.

The outcomes for 2023 and over a ten-year average exceed the targets set by the City Council.

Good financial management is therefore deemed to be in place from a financial perspective.

The goals formulated by the City Council in its annual budget decision also provide operational goals for good financial management according to the City's guidelines for good financial management. The annual report gives an overall analysis of these based on the set targets. Because the City Council has not identified any specific goals for good financial management, all 27 goals in the budget can be considered operational targets from this perspective. The majority of the goals, 23 out of 27, are considered possible to achieve or likely to be achieved. However, challenges remain, particularly in the area of the environment and the goals relating to this area.

The overall assessment from a financial perspective and an operational perspective is that the City's finances have been managed well based on the target values for 2023 set by the City Council.

will contribute to increased efficiency and transparency in urban development, for residents, visitors and the business community. The new organisation for urban development came into effect in January 2023, when five former committees were replaced by four new committees: the Land Development Committee, the City Planning Committee, the City Property Committee and the Urban Environment Committee.

The new organisation is divided into functions and will work in a process-oriented manner to achieve the goal of efficient and cohesive urban development. The new committees are working to coordinate and integrate their operations, and several initiatives were launched during the year to develop common working methods and processes. The new organisation and governance environment for urban development is still being set up, and it will be some time before the effects of reorganisation can be assessed.

Whistleblower service

The goal of the whistleblower service is to contribute to a healthy organisational culture in the City's administrations and companies by preventing, detecting and countering misconduct and irregularities. In 2023, the whistleblower service closed 107 received reports of misconduct.

Among other things, the investigations concerned deficiencies in service assignments, bias in the hiring of consultants, data breaches, unauthorised procurement, improper use of the City's resources and serious deficiencies in health and safety. In 2023, the external provider of the service sent 94 reports directly to the administration or company concerned. This was because the reports were of a nature that falls outside the mandate of the whistleblower service to investigate, or were not considered to be of public interest. The number of reports received by the whistleblower service continues to rise, indicating that the City's employees are aware of the reporting channel and use it to report misconduct and irregularities. The increase in the number of reports is mainly considered to be a result of improved anonymity for whistleblowers and the fact that a wider range of misconduct is covered, since the Swedish Whistleblowing Act was introduced two years ago.

In addition to handling reports received, the service has continued to develop its procedures. The whistleblower service continued to visit committees and companies in 2023 to improve awareness of how the City handles reports and inform others about how the service tackles corruption and irregularities.

The City Council's overall goals

In the 2023 budget, the City Council agreed on 27 goals that are allocated to the personnel responsible and the relevant committees and companies. The assessments of these 27 goals are closely linked with work towards short-term goals in the City's overall programmes and plans, and the monitoring of progress towards these goals. The aim is thus to ensure that the City's governance and monitoring

is more consistent and fit for purpose. The budget states that the goals have a time frame that covers the entire mandate period unless otherwise stated, and they are assessed on this basis. The assessments are based on three levels: the goal is deemed likely to be achieved, possible to achieve or unlikely to be achieved. The table below gives a summary assessment of the likelihood of meeting each budget goal.

Goal	Assessment of City of Gothenburg Executive Office
The proportion of qualified staff in preschools will increase and be more evenly distributed across Gothenburg.	The goal is deemed likely to be achieved.
All preschools will meet high standards and provide children with a safe and stimulating environment.	The goal is deemed likely to be achieved.
More compulsory school pupils will qualify for upper secondary school and more students will complete upper secondary school with satisfactory grades.	The goal is deemed possible to achieve.
Living conditions for Gothenburg's residents will be more equal.	The goal is deemed unlikely to be achieved.
Segregation in Gothenburg will be reduced.	The goal is deemed likely to be achieved.
Homelessness will be eliminated by 2028.	The goal is deemed possible to achieve.
Self-determination opportunities for the elderly will be improved and health disparities will be equalised.	The goal is deemed possible to achieve.
Living conditions for people with disabilities will be improved.	The goal is deemed possible to achieve.
Gothenburg will be an accessible city for everyone regardless of ability.	The goal is deemed possible to achieve.
Gothenburg will be an equal city where everyone is treated equally, has their human rights met and has equal opportunities regardless of gender.	The goal is deemed unlikely to be achieved.
Gothenburg will be a safe and secure city.	The goal is deemed possible to achieve.
Participation in sports and association activities will increase among groups that are not usually active.	The goal is deemed likely to be achieved.
Gothenburg's climate impact will be greatly reduced and reach close to zero by 2030, in line with the City of Gothenburg's Environment and Climate Programme.	The goal is deemed unlikely to be achieved.
Gothenburg's biodiversity will increase.	The goal is deemed unlikely to be achieved.
All Gothenburg residents will have a healthy living environment.	The goal is deemed unlikely to be achieved.
Accessibility will be good and the proportion of Gothenburg residents who use sustainable modes of transport will grow as car traffic decreases, in line with the City of Gothenburg's traffic strategy.	The goal is deemed possible to achieve.
Noise, air pollution, particulates and greenhouse gas emissions from traffic will decrease.	The goal is deemed unlikely to be achieved.
Gothenburg's public spaces will be attractive, well-maintained, safe and accessible, and favour biodiversity.	The goal is deemed possible to achieve.
Gothenburg will become a more mixed city, the housing shortage will be eliminated and the need for premises for Municipal services will be met.	The goal is deemed possible to achieve.
All Gothenburg residents will have good access to culture regardless of the district in which they live.	The goal is deemed likely to be achieved.
The business climate will improve.	The goal is deemed likely to be achieved.
Skills provision will be secured and the level of employment for groups that have been excluded from the labour market will rise.	The goal is deemed possible to achieve.

Goal	Assessment of City of Gothenburg Executive Office
Adult education will be provided to a larger extent by the Municipality and by folk high schools and study associations.	The goal is deemed likely to be achieved.
Health and safety and working conditions for the City of Gothenburg's employees will be improved.	The goal is deemed possible to achieve.
Sick leave due to work-related ill health will be reduced.	The goal is deemed likely to be achieved.
The City of Gothenburg's purchasing and procurement processes will be more efficient and contribute to the achievement of all sustainability goals.	The goal is deemed likely to be achieved.
The City of Gothenburg will be managed transparently and use resources efficiently.	The goal is deemed likely to be achieved.

Financial targets for the City

The interpretation of good financial management in the City is based on four focus areas with long-term targets. In addition to a focus area for the annual minimum level of the Municipal Group's aggregate equity/assets ratio, the focus areas relate to the Municipality. These are set as ten-year average values for earnings, level of self-financing of investments and balance in land development activities. The long-term focus areas are considered when preparing the City's budget, which sets annual target values. At the same time, the ten-year perspective permits target values for individual years to be set at a higher

or lower level than indicated in the guidelines, where this is justified by the economic situation, for instance. The tables below show the outcomes for the year in relation to the targets set in the budgets for 2023. The upper table contains the outcomes and target values for the individual year 2023. The lower table shows the outcomes and target values for the ten-year average value. The outcomes for 2023 and over a ten-year average exceed the targets set by the City Council. Good financial management is therefore deemed to be in place from a financial perspective.

Target values according to budget proposal for good financial management.

Focus areas	Target 2023	Outcome 2023
The equity/assets ratio for the Municipal Group should be 15%, including the contingent liability for pension obligations	15%	27%
Earnings as a proportion of tax revenue, general state subsidies and equalisation	-0.8%	1.5%
Level of self-financing of investments	32%	103%
Land development activities should be in balance over a rolling ten-year period	112%	113%

Budget proposal outcome of focus areas for good financial management

Focus areas	Target 2023 rolling ten-year basis	Outcome 2023 rolling ten-year basis
The equity/assets ratio for the Municipal Group should be 15%, including the contingent liability for pension obligations	15%	27%
Over a rolling ten-year period, earnings should be at least 2% of taxes, general state subsidies and equalisation	4.3%	4.7%
The level of self-financing of investments should be at least 50% over a rolling ten-year period	100%	109%
Land development activities should be in balance over a rolling ten-year period	112%	113%

Financial analysis of the Municipal Group

This section presents a financial analysis of the Municipal Group, which includes the Municipality and Municipal Group companies.

Outcome for 2023 in relation to budget

Net earnings, MSEK	Annual accounts	Budget*	Forecast August	Annual accounts prev. yr.
The Municipality	1,070	-315	910	2,554
Companies	-93	859	279	1,230
Group adjustments**	-346	-315	-354	-131
Group total	631	229	835	3,653

*The City Council does not take any budget decisions for the companies or the Group as a whole. The budget for the Group stated in this table is a summary of the City Council's approved budget for the Municipality and the companies' own approved budgets. Budgeted Group adjustment refers to the Municipality's budgeted dividend from Stadshus AB.

** Includes municipal associations

Group earnings of SEK 631 million represent a positive deviation from the combined budget for the Municipality and the companies of approximately SEK 400 million. The companies report a negative deviation from the budget of SEK 952 million, while the Municipality reports a positive deviation from the budget of SEK 1,385 million. Municipal earnings include a dividend from Stadshus AB of SEK 315 million, which is eliminated from Group earnings. For the Municipality, the positive deviation is primarily due to income from taxes and general state subsidies being SEK 1,400 million higher than budgeted. There are several reasons behind the negative deviation for the Municipal Group, but it is primarily a result of write-downs in the property portfolio of just over SEK 500 million.

In comparison with the forecast submitted in the interim accounts in August, earnings are approximately SEK 200 million lower. One of the main reasons for the reduction in earnings compared to the forecast in August is the City Council's decision to pause implementation of the existing local plan for Skeppsbron. This decision resulted in write-down costs of around SEK 200 million for the company sector and just over SEK 100 million for the Municipality. However, the increased costs for the Municipality are compensated for by higher tax revenues than forecast in the interim report.

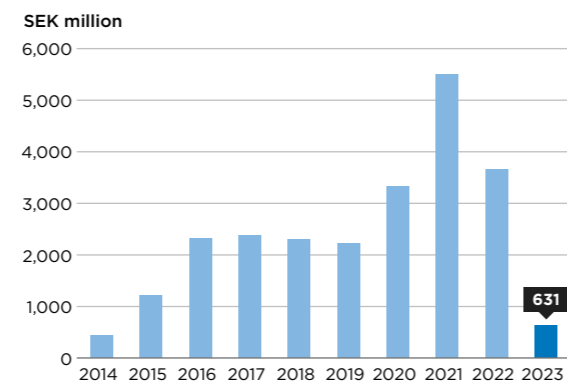
Net earnings for the year and earnings trend

The Municipal Group's net earnings for the year are the weakest since 2014. In comparison with

2022, net earnings fell by around SEK 3 billion. This is primarily an effect of the worsening economic conditions. For the Municipality, inflation led to a significant rise in costs. Pensions costs in particular have risen sharply compared with previous years. For the Municipal Group, trends in the national economy had an impact in several ways. Framtidskoncernen and the premises group were negatively affected by the higher interest rates. For Liseberg, the slowdown in the economy was reflected in fewer visitors, while the Renova Group was negatively affected by lower electricity prices, among other things.

Capital gains for the Municipality and companies also fell sharply compared with the previous year. Total capital gains in 2023 amounted to SEK 0.5 billion. This can be compared with figures of SEK 1.4 billion in 2022, and SEK 3.0 billion in 2021.

Group earnings

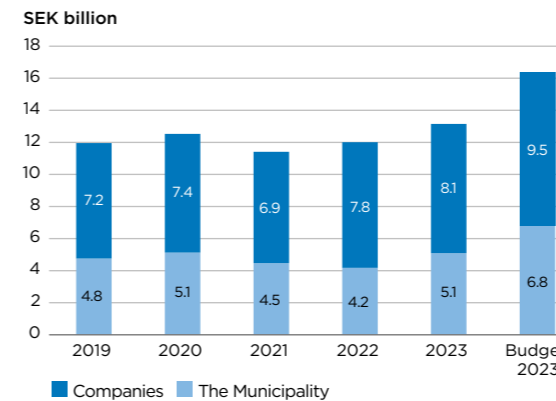


Investments and financing

The committees and companies make major investments each year, partly in response to population growth. Another reason is that ageing facilities require refurbishment. Over time, there will probably be extensive further urban development and expansion of operations. In the long term, the need for climate change investments will also increase.

Gross investments rose by 11 per cent in 2023 compared with the previous year, totalling just over SEK 13 billion. The total volume of investment, however, was a full 23 per cent, or just over SEK 3 billion, under budget. The City's ambitions and needs for urban development, as indicated by the budgeted levels, have been difficult to fully realise during the year. The main reason was that some projects had to be postponed for various reasons, for example where time frames are affected by appeals and enquiries.

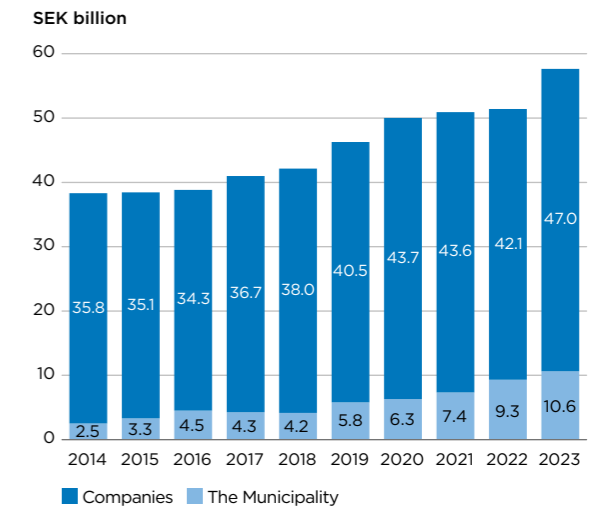
Gross investments



Group borrowing is reported as SEK 58 billion in the annual accounts. Borrowing increased by approximately SEK 6.3 billion in 2023, which is the highest annual increase over the last ten-year period. The rise in borrowing over previous years is partly due to increased investment, but primarily to lower Group earnings than previously. This meant that a larger proportion of investments had to be financed through borrowing.

Borrowing by the companies totalled SEK 47.0 billion at the end of the year, of which SEK 24.5 billion is attributed to the Framtiden Group. The Municipality's net borrowing was SEK 10.6 billion. Seen over the past ten-year period, Group borrowing has increased by approximately SEK 20 billion. This trend is mainly due to the growing investment needs described above.

Group borrowing

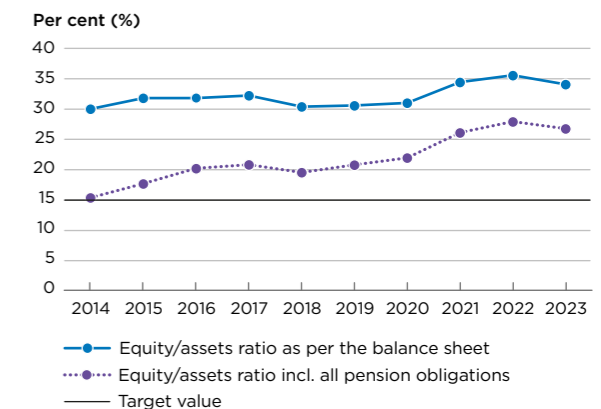


Equity/assets ratio

The total book value of the Group's assets increased by SEK 7.6 billion and was reported as SEK 137 billion in the annual accounts. The relatively weak earnings mean that the Group's equity did not rise in line with its assets. The equity/assets ratio, which indicates the proportion of assets that are financed with equity, thus fell slightly and was reported as 34 per cent in the annual accounts. The equity/assets ratio according to the fully funded model, which includes all pension obligations, also decreased slightly and amounted to 27 per cent in the annual accounts.

According to the Municipality's financial guidelines, the Group's equity/assets ratio, including contingent liabilities, should be at least 15 per cent. Despite the fact that the equity/assets ratio decreased during the year, it is still above the long-term target value.

Equity/assets ratio



Income statement for the committees, joint statutory authorities and companies

Amounts in MSEK	Committees	Joint Statutory Authorities	Companies	Group eliminations	The Municipal Group
Operating income	11,637	610	22,979	-5,005	30,221
Operating expenses	-47,601	-565	-18,004	4,440	-61,730
Depreciation/amortisation	-2,327	-27	-4,222	503	-6,073
Net operating expenses	-38,291	18	753	-62	-37,582
Tax revenue	34,996	0	0	0	34,996
General state subsidies and equalisation	4,528	0	0	0	4,528
Operating earnings	1,233	18	753	-62	1,942
Financial receipts	1,561	5	82	-1,515	133
Financial expenses	-1,724	-31	-928	1,239	-1,444
Earnings after financial items	1,070	-8	-93	-338	631
Extraordinary items	0	0	0	0	0
Net earnings for the year	1,070	-8	-93	-338	631

Balance sheet for the committees, joint statutory authorities and companies

Amounts in MSEK	Committees	Joint Statutory Authorities	Companies	Group eliminations	The Municipal Group
Non-current assets	104,104	403	76,528	-58,647	122,388
Infrastructure subsidies	24	0	0	0	24
Current assets	9,489	240	8,154	-3,334	14,549
Total assets	113,617	643	84,682	-61,981	136,961
Equity	36,131	70	24,749	-14,007	46,943
Provisions	5,781	459	6,220	-61	12,399
Non-current liabilities	50,131	0	39,973	-38,929	51,175
Current liabilities	21,574	114	13,740	-8,984	26,444
Total liabilities and equity	113,617	643	84,682	-61,981	136,961

Financial analysis of the Municipality

This section presents a financial analysis of the Municipality, excluding the municipal group companies.

Budget performance

Amounts in MSEK	Annual accounts	Budget	Forecast August	Annual accounts prev. yr.
Earnings, committees	-199	-1	5	652
Earnings, central municipal items	27	-1,229	-330	589
Earnings before items affecting comparability	-172	-1,230	-325	1,241
Capital gains	454	600	490	873
Dividend	315	315	315	-
Developer contributions	473	-	430	440
Earnings	1,070	-315	910	2,554
Earnings according to balanced budget requirement	616	-915	420	1,681
Utilisation of equalisation reserve	-	915	-	-

The Municipality's earnings of SEK 1,070 million in 2023 represent a positive deviation from the budgeted outcome of SEK 1,385 million. The positive deviation means that the budgeted use of the earnings equalisation reserve was not required. The surplus in relation to the budget is mainly due to the fact that income from taxes and general state subsidies was approximately SEK 1,400 million higher than budgeted, which resulted in a large surplus in central municipal items. However, there has been considerable uncertainty about the development of the tax base and SALAR has given a range of different forecasts during the year. The assessment that forms the basis for the reported tax revenue in the financial statements was published by SALAR in December and showed a substantial upward revision compared to previous forecasts. This means that the earnings reported in the annual accounts were better than the forecast of Municipal earnings given in the interim accounts in August.

The committees had budgeted for overall earnings of SEK -1 million, but ultimately reported earnings of SEK -199 million. Earnings varied widely between the committees, however. While several committees report large shortfalls, a number of them report relatively large positive deviations. The committees' earnings were just over SEK 200 million lower than forecast in the August interim report. This shortfall is mainly due to unnecessary costs incurred by the Land Development Committee as a result of the decision to wind down the Skeppsbron project. The

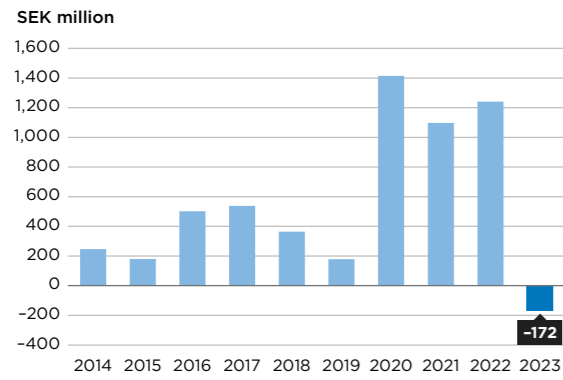
Urban Environment Committee also had to repay Municipal subsidies of SEK 92 million following an administrative court decision in November. The operational accounts present the outcomes for all committees relative to the budget.

In addition to deviations for the committees and for the central municipal items, earnings were also affected by a number of items affecting comparability. Capital gains amounted to SEK 450 million, which is SEK 150 million lower than budgeted. The dividend from Stadshus AB was SEK 315 million, in line with the budget. In addition, income from developer contributions amounted to SEK 473 million. The outcome for items affecting comparability is in line with the assessment in the interim report.

Net earnings for the year and earnings trend

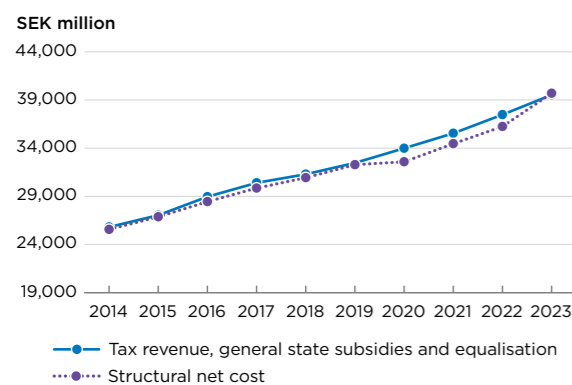
In order to analyse underlying operating earnings against a longer perspective, earnings are reported excluding various items affecting comparability, i.e. structural earnings. The structural earnings for the year amounted to minus SEK 172 million and represent a significant weakening in relation to the large surpluses of recent years. This reversal is mainly due to the high rate of inflation which has rapidly changed economic conditions and created a strained financial situation for the entire municipal sector. In addition to higher costs for municipal operations due to rising wages and prices, the entire sector has been affected by sharply increased pension costs.

Structural earnings



The diagram below shows the difference between the trend for tax revenue, including general state subsidies and equalisation, and the development of net operating expenses excluding items affecting comparability for the past ten years. Revenue was 5.4 per cent higher in 2023 than in 2022, compared with an average increase of 4.7 per cent over the past ten-year period. While the increase in revenue was thus relatively good, seen from a historical perspective, net costs rose at a significantly higher rate than before. Overall, net costs increased by 9.5 per cent in 2023, compared with an average annual increase of 5.0 per cent over the past ten years. The sharp rise in costs mean that the City reports a structural deficit for 2023.

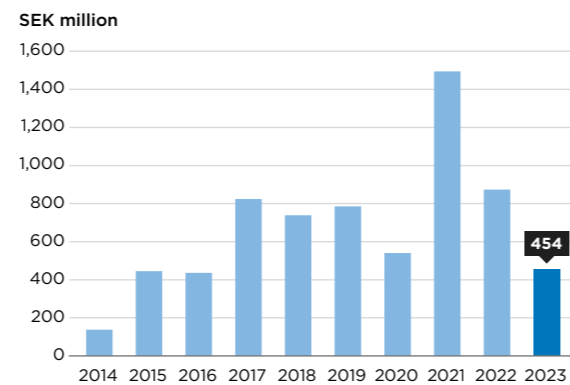
Development of tax revenue and net costs



Items affecting comparability

Among the items reported outside structural earnings, capital gains in particular have had a significant influence on the City's earnings over the past ten-year period. These mainly comprise capital gains from development activities, as well as sales of non-current assets. Because the scope of development activities has expanded in recent years, capital gains have also increased. Since 2015, annual capital gains have ranged from SEK 500 million up to a maximum of SEK 1,500 million in 2021. In 2023, they amounted to SEK 454 million – the lowest outcome since 2016.

Capital gains

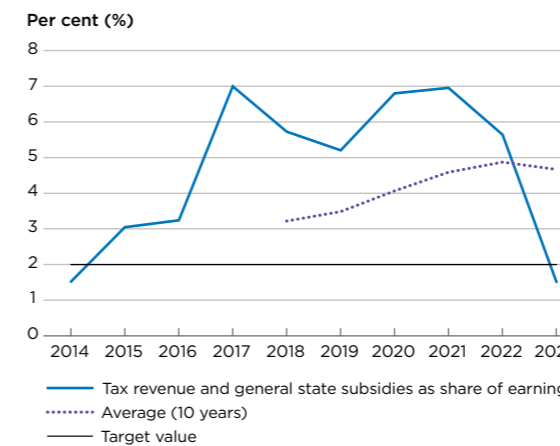


Earnings in relation to tax revenue and general state subsidies

The City of Gothenburg's long-term earnings goal requires that earnings should be at least 2 per cent of taxes, general state subsidies and financial equalisation over a rolling ten-year period. The 2 per cent earnings goal is primarily intended to create scope for reasonable self-financing of investments each year. If this goal is not achieved it increases the need for external financing.

The City's goal requires that the 2 per cent target is achieved without including income from developer contributions. Earnings in 2023, excluding developer contributions, were just under SEK 600 million, which is equivalent to 1.5 per cent of tax revenue, general state subsidies and financial equalisation. Earnings for the year are thus below the long-term earnings goal for the City. However, earnings were considerably stronger than budgeted and over a rolling ten-year period average earnings are above the goal.

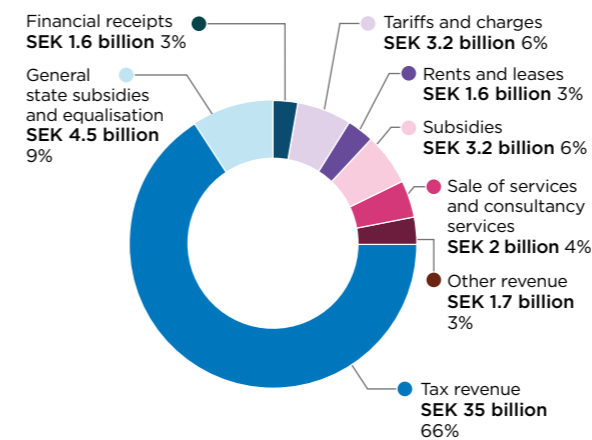
Tax revenue and general state subsidies as share of earnings



Revenue and expenses for the year

Total revenue for the year amounted to SEK 52.7 billion for the Municipality. Tax revenue combined with general state subsidies and financial equalisation accounted for 75 per cent of total revenue. Together, they totalled SEK 39.5 billion, an increase of SEK 2.0 billion on 2022. Other revenue of significance for the Municipality mainly includes tariffs and charges, as well as subsidies which together accounted for about 12 per cent of the Municipality's income. The subsidies mainly include targeted subsidies from the government aimed at financing a specific purpose or project.

Revenue



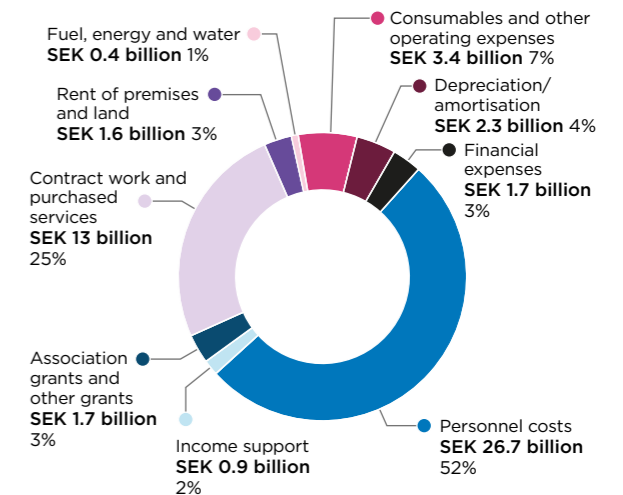
Total costs for the year amounted to SEK 51.7 billion, an increase of SEK 5.7 billion compared with 2022. Personnel costs totalled SEK 26.7 billion and accounted for 52 per cent of total costs. Compared with 2022, personnel costs increased by just over SEK 2.3 billion, or 9.6 per cent. The increase is partly an effect of a larger workforce and salary increases during the year, but is mainly due to a sharp rise in pension costs.

Contract work and purchased activities are the other major cost item. These costs totalled SEK 13.0 billion in 2023, accounting for 25 per cent of total costs. Compared with 2022, costs rose by around 9 per cent.

Financial costs also increased considerably in 2023, as a result of higher interest rates. Overall, financial costs rose from SEK 0.6 billion in 2022 to SEK 1.7 billion in 2023. Because Group borrowing is managed collectively by the Group Bank, some of the increase in financial costs arises as a result of lending to the Municipal companies.

Depreciation increased by just over SEK 100 million compared with 2022 and amounted to approximately SEK 2.3 billion. The increase in depreciation is a long-term consequence of increased investment. Depreciation, amortisation and other investment-related operating costs will continue to rise in the coming years as the city is in a phase of extensive investment.

Costs

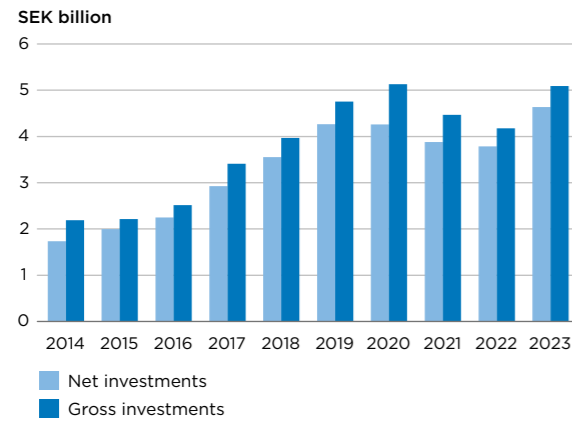


Investment and financing

The committees' investment expenditure totalled SEK 5.1 billion in 2023. State investment subsidies and other investment income amounted to just under SEK 0.5 billion during the year. This gives a net investment of approximately SEK 4.6 billion, of which investments in infrastructure and premises for Municipal operations account for 66 per cent of the Municipality's total net investment expenses. The committees' net budget for 2023 was about SEK 6.3 billion. The budgeted investment pace was therefore not carried out as planned. The deviations can mainly be attributed to delays in planning and implementation. An increasing proportion of investments consist of large and complex projects that entail a greater

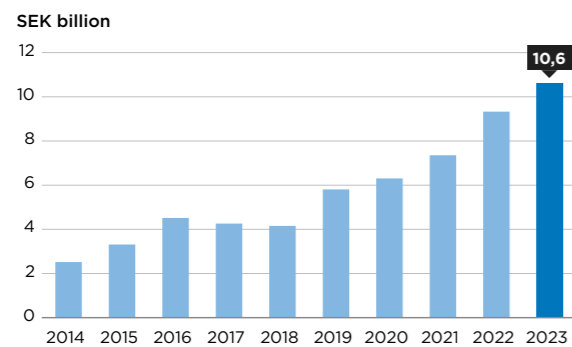
risk of problems, which has a greater impact on overall investment volumes. Staff shortages and the cancellation of projects are further factors that affect the net outcome.

Investments



The diagram below illustrates the development of Municipal net borrowing over the past ten years. Over the entire ten-year period, net borrowing went from about SEK 2.5 billion to SEK 10.6 billion. In 2023, net borrowing increased by about SEK 1.3 billion. The development of the net borrowing is mainly the result of the extent to which the City is able to fund investments on its own. The increase in net borrowing over time can thus largely be attributed to the relatively substantial increase in investment volumes during the corresponding period. Despite high earnings levels for many years, the Municipality has not been able to fully finance the rising volume of investment from its own funds. The increase in debt in 2023 was lower than budgeted because the Municipality's earnings exceeded expectations and investment volumes fell short of the rate expected in the budget.

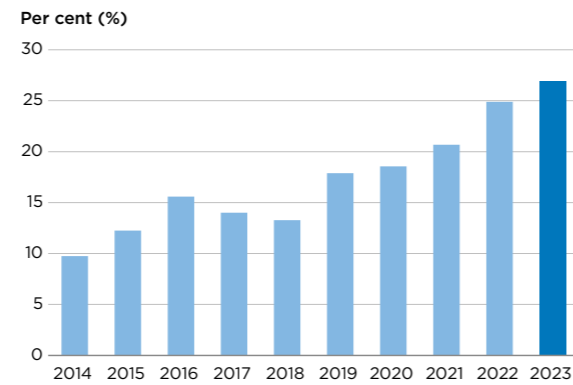
Development of net borrowing



One way of analysing net borrowing is to measure it in relation to taxes, general state

subsidies and equalisation. In Gothenburg, net borrowing has risen from around 10 per cent of tax revenue, general state subsidies and equalisation in 2014 to 27 per cent in 2023. The growth of net borrowing in relation to revenue means that in the long term, financial costs will take up a larger share of taxes and state subsidies, and the financial risks will increase.

Net borrowing as a proportion of taxes, general state subsidies and equalisation



Development activities

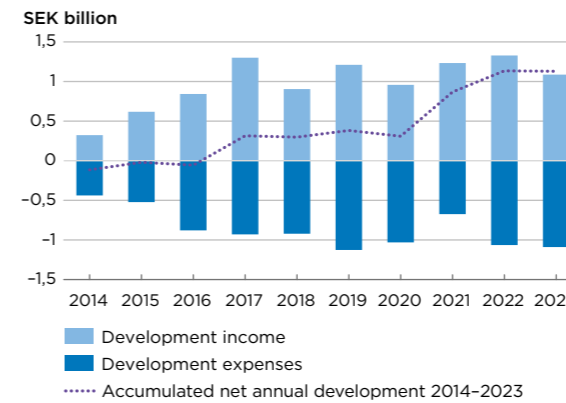
The graph below shows the trend in development investment over the past ten-year period for projects linked to the development of neighbourhood sites and public spaces. Expansion of the public water and sewage system and associated connection fees are excluded from the reported development investments as they are within the scope of overall economic development for fee-sharing.

The Municipality's total development income amounts to approximately SEK 1.1 billion, and development expenses are at a similar level, resulting in a net outcome for the year of approximately SEK -5 million. The outcomes for the year are significantly lower than forecast or budgeted and income deviates more from the budget than expenses. This means weaker than budgeted net development of around SEK 120 million.

However, the pace of development remains on a par with expenditure levels in recent years and to some extent reflects the annual implementation capacity of the City. The number of ongoing projects, their complexity and the direct link to economic and market conditions mean that there are still significant deviations in development volumes. These are due to unplanned delays, changes in scope and rising costs for individual projects as well the overall budget for the development portfolio.

As a result of the more or less balanced net development for the year, the long-term self-financing rate for the rolling ten-year period has been maintained at just over 113 per cent. The accumulated surplus and level of self-financing should, however, be seen in the perspective of the current economic situation of rising costs and a sharp slowdown in demand for housing and business premises, and willingness to pay for building rights and land. This means that there are significant risks associated with the financial trend in development activities over the coming years that depend on how the market recovers and the potential for developing the city in parallel with continued population growth.

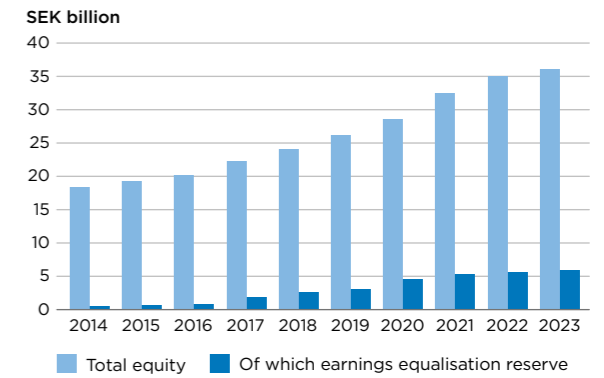
Development investments 2014-2023



Equity and earnings equalisation reserve

Municipal equity was boosted by earnings of SEK 1.1 billion during the year and is reported as SEK 36.1 billion in the annual accounts. SEK 5.8 billion of this equity is what is known as the earnings equalisation reserve. The reserve has been built up from previous surpluses and, according to legislation, may be used to equalise earnings over a business cycle.

Equity and earnings equalisation reserve



The total book value of the Municipality's assets increased by SEK 10.2 billion and amounted to SEK 113.6 billion in the annual accounts. The growth in assets over time is partly a consequence of the City's investment volume, but is also due to the fact that borrowing for the entire Group is managed collectively by the Municipality's Group Bank. The Municipality's total assets are thus also affected by the Municipal companies' borrowing, so lending to the companies represents both a liability and a receivable (financial asset).

The equity/assets ratio indicates the proportion of assets that are financed with equity. The equity/assets ratio for the Municipality is reported in the annual accounts as 31.8 per cent, a decrease over the previous year, when the ratio was 33.9 per cent. However, the use of the Group Bank means that the Municipality's equity/assets ratio is significantly affected by company borrowing. The equity/assets ratio for the Municipality is therefore misleading. Such internal transactions are largely absent from the Municipal Group, so the equity/assets ratio is more relevant.

Conclusions regarding earnings and financial position

The effects of inflation on pension costs, interest costs and other costs meant that the City of Gothenburg, like the rest of the municipal sector, had to operate in a difficult financial situation in 2023. Earnings are considerably lower than in recent years and, excluding items affecting comparability due to capital gains, dividends and developer contributions, the City has reported a structural deficit for the first time in many years. One financial bright spot has been the relatively strong growth in tax revenues, which means that, despite everything else, earnings are higher than budgeted and funds have been added to the earnings equalisation reserve.

The Municipal companies, like the Municipality, had major financial challenges to deal with in 2023. Among other things, the Framtiden Group and the premises cluster were affected by

the higher interest rates, and for Liseberg visitor numbers have fallen, partly as a result of poor summer weather and the economic downturn.

The lower earnings for the Municipality and its companies meant that a higher level of borrowing was required to finance investments than in previous years. Borrowing has risen and the equity/assets ratio has fallen slightly. Overall, the Group's financial position has thus weakened somewhat in 2023. At the same time, it should be noted that the Group's long-term financial position remains good. Seen over a ten-year period, earnings have remained at levels that allowed the equity/assets ratio to improve, and despite the slight weakening of the equity/assets ratio in 2023, they are above the target value set by the City Council.

Balanced budget requirement

The balanced budget requirement means that municipalities and regions cannot adopt a budget where costs exceed income. If earnings turn out to be negative at year-end, the position must be restored to a surplus within three years. A balanced budget requirement analysis is conducted annually to establish whether the requirement has been met.

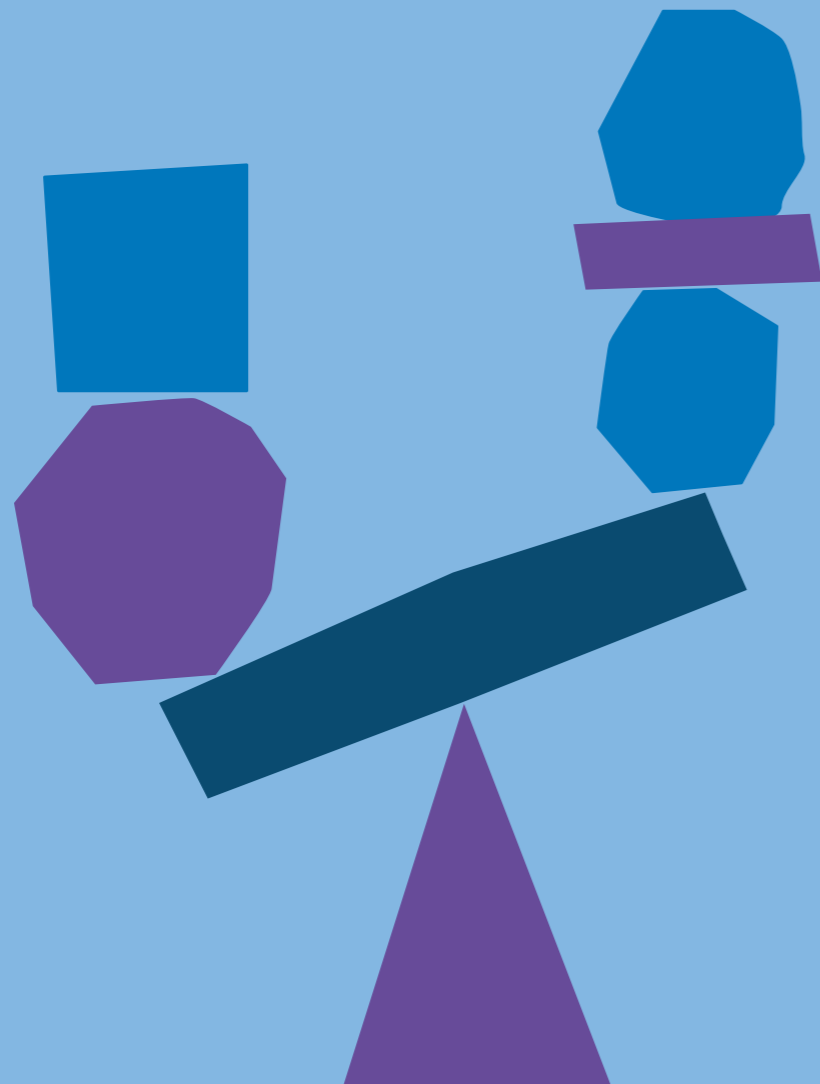
Balanced budget requirement analysis

Amounts in MSEK	2023
Net earnings for the year according to the income statement	1,070
- All capital gains	-454
+ Capital gains applying exception option	-
+ Capital losses applying exception option	-
-/+ Unrealised gains and losses on securities	-
+/- Reversal of unrealised gains and losses on securities	-
Net earnings for the year after adjustments to meet balanced budget requirement	616
- Provision of funds for earnings equalisation reserve	-221
+ Use of funds from earnings equalisation reserve	-
Balanced budget requirement	395

According to the analysis, the Municipality fulfilled the statutory balanced budget requirement in 2023 with earnings excluding capital gains of SEK 616 million. With the aim of leveling income over a cyclical downturn and creating greater stability for the activities, a provision can be made to the earnings equalisation reserve. The Municipality's guidelines allow for a provision for the portion of earnings, excluding capital gains, that exceeds 1 per cent of tax revenue, general

state subsidies and equalisation. For 2023, this means that SEK 221 million can be set aside.

The opening value of the earnings equalisation reserve was SEK 5,623 million. The earnings equalisation reserve may not exceed 15% of the total of tax revenue, general state subsidies and equalisation. For 2023, this amounts to SEK 5,929 million. A provision of SEK 221 million was accordingly made for the year. Following this provision the earnings equalisation reserve is SEK 5,844 million.





Significant personnel-related conditions

This section describes significant personnel-related conditions in the Municipal Group and the Municipality. This includes information on the number of employees, their ages, gender distribution and the trend in the number of hours worked. The section also reports on employees' sick leave and factors relating to staff availability, skills provision, leadership and salaries.

Staff turnover has decreased, but the ability to provide the City with the right mix of skills remains the biggest challenge. The difficult financial situation has affected several committees and boards and may have consequences for skills provision in the future. The effects of the Covid pandemic on sick leave are now considered to have abated and sick leave is almost back to the same level as before the pandemic.

Hours worked

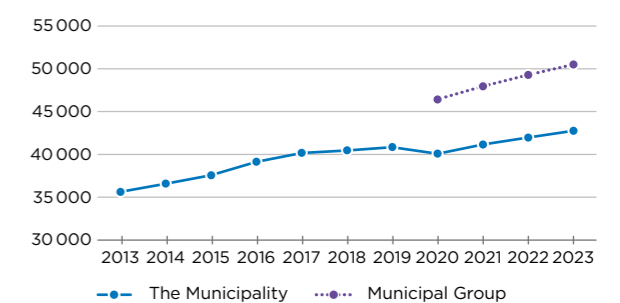
Staff volume is a measure of the total time worked during a year and is expressed as the number of full-time equivalents. The Municipal Group had 50,500 full-time equivalents in December 2023 – an increase of 2.5 per cent over the previous year. The staff volume has continued to rise since 2022, but the rate of increase decreased in the latter part of 2023 in response to the economic situation.

For the Municipality, the number of full-time equivalents was 42,800 – an increase of 1.9 per cent over the previous year. The largest increase has taken place in welfare. The Committee for the Elderly, Nursing and Care reports that the hours worked by administrators have increased since the previous year. The largest increase is found in home-help services, followed by healthcare and medical care. Steps are being taken in home-help services to reduce the administrative burden for care staff so that they can spend more time at home with users. This work has not yet had the

desired effect. The Committee for Disability Support reports that the increase in staff volume is partly due to additional responsibility for Buildings with Special Service (BmSS). The four regional social care committees report a deliberate increase in staff volume to raise competence and reduce the number of vacancies. In compulsory schools and pre-schools, work has been undertaken during the year to adapt the volume of staff to the budget. This work has not had adequate effect during the year.

Among the Municipal companies, Liseberg has reported the largest increases, due to the expansion of operations, including a new hotel.

Number of full-time equivalents



Number of employees

The number of employees varies over the course of a year and is therefore always measured for a single month, December. The total number of employees includes permanent employees, fixed-term employees and hourly paid employees.

In December, the Municipal Group employed 57,800 people in total. Of these, 48,600 were employed by the Municipality and 9,200 by companies and rescue services. Compared with the previous year, the number of employees in the Group fell by 5,200. This is due to a decrease in fixed-term employees and hourly paid employees, mainly in the Municipal companies. Liseberg reported the largest decrease.

Seen over a longer period of time, the proportion of permanent employees in the Municipality has been rising for several years and is now 82 per cent. This trend is well in line with the City's goal to offer permanent employment in order to be an attractive employer. More than 96 per cent of permanent employees in the Municipality – women and men – have full-time employment. The proportion of permanent employees in the Municipality who were not born in Sweden has increased from 37 to 38 per cent.

Skills provision

Staff turnover in the Municipal Group was 9.7 per cent in 2023, a reduction of 1.5 percentage points. Staff turnover is measured as the proportion of recruitments or departures, whichever is lowest, in relation to the number of employees in the previous year. The overall picture reflects most administrations and companies. The number of advertised permanent positions fell in comparison with the previous year, while the number of applicants per position increased. Despite declining staff turnover, the long-term provision of skills

remains a big challenge. The challenge concerns both a shortage of people of working age in the labour market and the need to improve and develop the skills of the City's existing employees.

Several committees and boards report that there is stiff competition in the labour market for occupational groups such as managers, nurses, principals, engineers and technicians. Other occupational groups that are difficult to recruit are drivers and tram drivers.

The City Planning Committee reports that staff turnover was low in 2023, which is seen as a consequence of the market situation and the recession, which have had a major impact on the construction industry in particular. The committee considers that the economic situation in the market could have a continued favourable effect and make it easier to attract skilled staff to the public sector.

Staff turnover in the regional social care committees decreased compared with the previous year. The committees report that it is still difficult to recruit and retain experienced social workers into services for children and young people and public authorities. An aggravating factor is the disinformation campaign that the social services have been exposed to.

The Compulsory School Committee in particular reports that there is a lack of qualified staff to meet the future needs of compulsory schools for pupils with intellectual disabilities. The committee states that this could mean it may be unable to fulfil its base assignment for this group

of pupils. Despite the administration supporting employees who undertake further training for assignments in schools and that the number of students is rising, this is still considered inadequate to ensure skills provision.

Liseberg, unlike most administrations and companies, experienced an increase in staff turnover. One reason is that labour market competition is still strong in the occupational groups employed by Liseberg's newly opened hotel. Other reasons cited are the pandemic, which led to many employees leaving the hospitality industry. In addition, new legislation on the maintenance requirements for work permits for third-country nationals has had major consequences for the company, especially in cleaning.

The City of Gothenburg's attractive employer programme has been implemented in the City's committees and boards and was completed during the year. As part of this programme and the City of Gothenburg's policy for health and safety, employeeship and leadership, efforts to meet the challenges in the city have continued. This work will continue and will be developed with the support of the recently adopted skills provision plan.

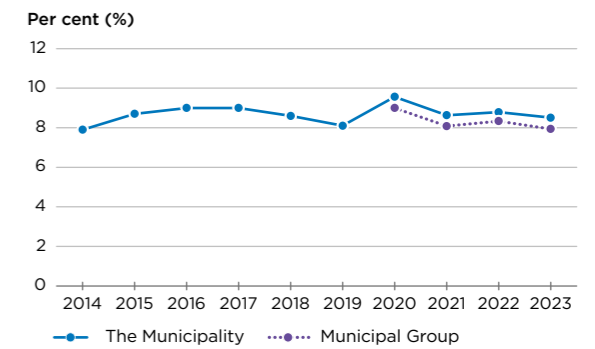
Health and safety

Several committees and boards stress that a sustainable working environment is an important factor in skills provision for the City's operations. Challenging working conditions make it more difficult to attract and retain the necessary skills. Many initiatives are being taken to improve the working environment in the administrations and companies to reduce staff turnover and workloads.

Sick leave in the Municipal Group was 7.9 per cent in 2023, of which women accounted for 8.9 per cent and men for 5.6 per cent. Overall sick leave has decreased by 0.4 percentage points compared with 2022. For the Municipality, sick leave was 8.5 per cent – a reduction of 0.3 percentage points. The decrease is mainly due to a reduction in short-term sick leave (1–14 days). Long-term sick leave (15+ days) has increased marginally. Sick leave is starting to approach the level prior to the pandemic. Childcare workers, student assistants, recreation teachers, pre-school teachers, support assistants, assistant nurses and care assistants all work closely with users and have high levels of sick leave, around 11–14 per cent, but absence is also falling slightly in these occupational groups. Most administrations state that one successful approach to reducing sick leave is to provide close

support and systematic rehabilitation measures, both preventive and remedial.

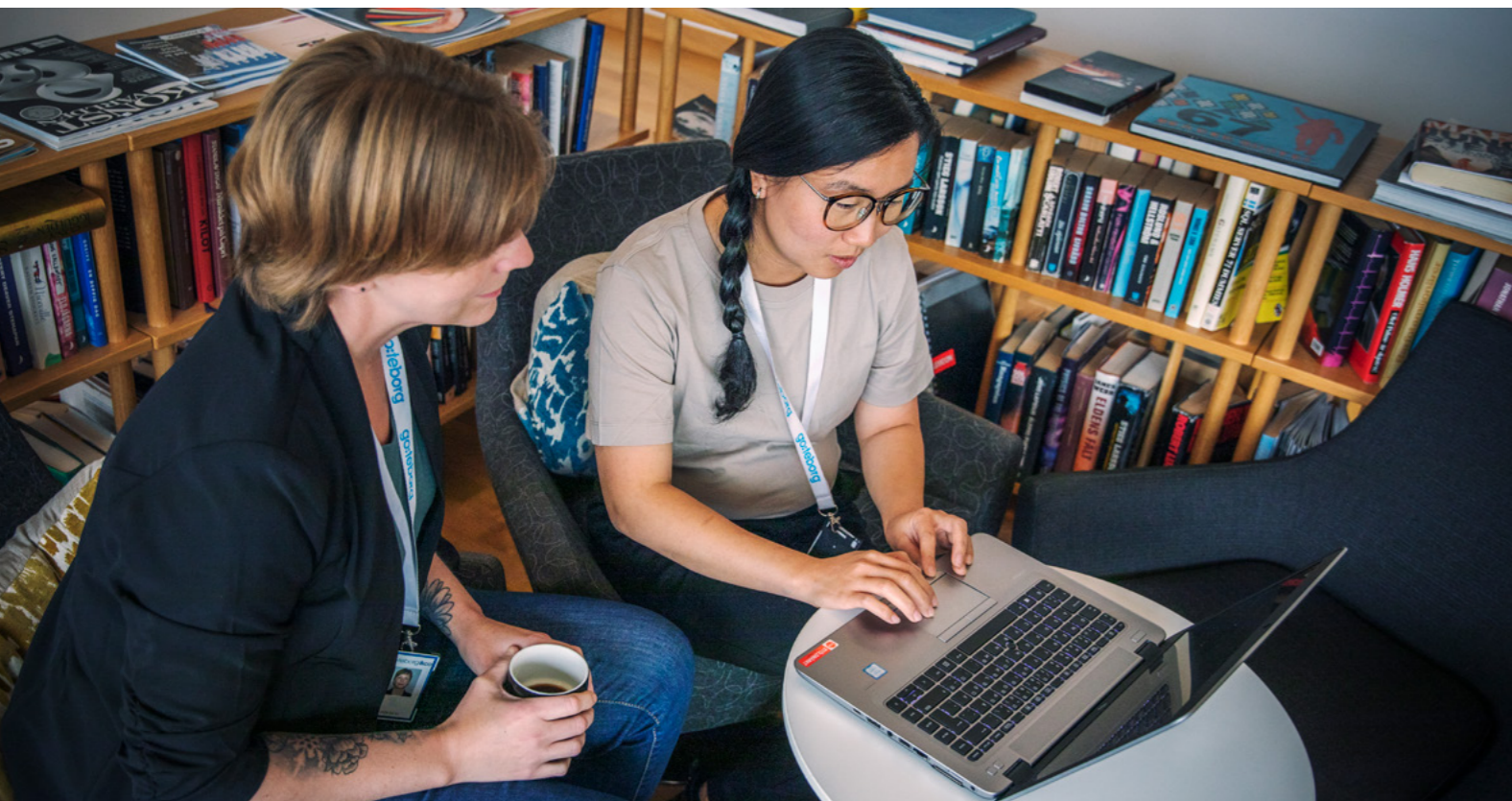
Sick leave



One indicator that can be used to indicate the effect of health promotion initiatives in the workplace is healthy attendance. The healthy attendance indicator shows the proportion of monthly paid employees who have no more than four sick days in a calendar year. Over the past five years, healthy attendance has ranged from a high of 40.7 per cent in 2019 to a low of 30.6 per cent during the pandemic in 2020. In 2023, healthy attendance rose again to 39.2 per cent. Due to the prevailing crisis during the pandemic, opportunities for health and safety work were limited.

On 1 October, changes to the General Conditions of Contract collective agreement came into effect regarding working hours and daily rest. The changes mean that the rules on working hours have been tightened and the requirement for 11 hours of daily rest as a norm has been clarified. Operations that employ staff around the clock or use on-call and standby personnel need to assign their working hours differently. The committees that are mainly affected are the Committee for Disability Support and the Committee for the Elderly, Nursing and Care.

The results of this year's employee survey show that the Sustainable Employee Engagement index (HME) has fallen from 79 to 78 compared with the previous year. HME is an index that weighs up employees' perceptions of leadership, motivation and governance, and does not vary much between years. It is primarily the sub-index for motivation that has decreased. Several administrations and companies report ongoing work on training and information initiatives to counter victimisation and harassment. The results of the survey also show that the proportion who feel they have been subjected to victimisation, sexual harassment or discrimination has decreased slightly compared with the previous year.



The proportion who reported that they have been subjected to threats, violence or threats of violence has fallen since the previous year. However, several operations highlight the risks of threats, violence and threats of violence. Social Care Committee Nordost has reported that the risk of exposure to unauthorised influence and threats may be one reason why employees are choosing to leave the administration and why it has been more difficult to recruit new staff. The Sports and Associations Committee reports that employees continue to experience threats and violence from visitors to the facilities. The committee also reports an increase in unauthorised influence. The Cultural Affairs Committee highlights recurring incidents linked to safety and security that have a negative impact on public premises.

Work will continue on drawing up and implementing an action plan to counter unauthorised influence and a culture of silence. A number of committees and boards report on development initiatives and training courses to increase managers' and employees' resistance to unauthorised influence, in line with the City of Gothenburg's action plan to counter a culture of silence.

Leadership

Measures to improve organisational conditions for managers, i.e. the frameworks, requirements and resources that managers have at their disposal, have continued during the year. In 2023, the City Council approved an action plan to counter cultures of silence. Among other things, this means that all administrations and companies will use Chefoskopet, a tool that provides an overall picture of organisational conditions for managers', and support for improving conditions.

The Sustainable Employee Engagement index (HME) from the manager's survey is 82, the same level as the previous year. The sub-index that received the lowest score is Influence, but this sub-index also showed the largest improvement. The index reflects managers' perceptions of whether their workload is manageable and they have opportunities for recovery, and is linked to their organisational conditions. The results vary between managerial levels, but the increase indicates that ongoing work in the City is beginning to produce results.

Improvements to the City's leadership forum in 2023 have led heads of administration and companies to set out the direction for the City's collective leadership, to improve innovation, boldness and endurance. This year's Managers'

Meeting saw the launch of a knowledge base that will be used to give all City managers better opportunities to tackle difficult societal challenges.

Pay and conditions

The City focuses on offering equal and competitive salaries in order to attract suitably qualified staff to the organisation in the short term and long term. For the City's administrations, this means an ongoing need for changes in salary differentials to bring salaries for occupational groups in the nursing, care and education sectors in line with the administrative and technical sectors. The 2023 salary review for the administrations was spread over several payment months, from May to November, based on the central agreement status and local conditions. The outcome of the salary review for the administrations in 2023 was an average rise of 3.44 per cent. An analysis after completion of the salary review shows that the salary differences between sectors in the administrations still exist.

In the City's administrations, the average salary for women is now 97.7 per cent of the salary for men. The gap has closed by 5.7 percentage points over a ten-year period. The reasons for this positive trend are prioritisation by administrations during salary reviews, market influence on female-dominated occupational groups, government initiatives for employees in schools, as well as a larger proportion of women in traditionally male-dominated occupational groups that require higher educational qualifications. The Swedish National Mediation Office (MI) reports that the Swedish labour market is largely divided in such a way that women and men work in different occupations that have different wage levels, which is also reflected in the City's survey.

The City's general focus on pay and conditions also extends to the Municipal companies. Although the Municipality (administrations) as an employer is a member of SALAR, each company, as an individual employer and legal entity, is an independent member of the relevant employers' organisation. The City of Gothenburg currently has 30 companies that employ staff, and depending on their sector they are affiliated with five different employers' organisations (Sobona, Fastigo, the Swedish Confederation of Transport Enterprises, Visita and the Swedish Performing Arts Association). This means that the companies have different central and local collective agreements, wage agreement frameworks and content, contractual periods and trade union partners.

Contract terms differ between the Municipal companies and in relation to the Municipality.

In 2023, many of the City's companies had wage agreements that were governed by collective bargaining. The new industrial agreements and "benchmark" that were reached in spring of 2023 were therefore very significant for most of the City's companies. An overall summary of the outcomes of company wage reviews in 2023 shows that wage rises ranged from 2.46 to 5.70 per cent. The relatively large range and some of the higher wage rises are partly due to differing wage

agreements and partly due to special initiatives for hard-to-recruit groups where competition is strong, such as tram drivers.

The new AKAP-KR occupational pension agreement took effect on 1 January 2023. The agreement means a higher allocation to occupational pensions for the City's employees. Approximately 90 per cent of the City's employees are covered by this agreement. AKAP-KR is a fully defined contribution, which means more predictable pension costs for the City that do not increase the pension liability.

Significant personnel-related conditions, City of Gothenburg

	2022						2023					
	The Municipality			Municipal Group			The Municipality			Municipal Group		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of employees	37,739	11,784	49,523	44,454	18,483	62,937	36,992	11,577	48,569	40,919	16,857	57,776
Permanent employees	30,246	9,044	39,290	32,439	12,950	45,389	30,687	9,335	40,022	33,044	13,327	46,371
Fixed-term employees	2,792	1,154	3,946	4,952	2,401	7,353	2,050	804	2,854	2,173	972	3,145
Hourly employees	4,701	1,586	6,287	7,063	3,132	10,195	4,255	1,438	5,693	5,702	2,558	8,260
Permanent managers	1,526	495	2,021	1,781	925	2,706	1,581	495	2,076	1,848	893	2,741
Average age of permanent employees	45.6	44.7	45.4	45.6	45.1	45.5	45.8	45.0	45.6	45.7	45.3	45.6
Sick leave, total	9.5	6.5	8.8	9.3	6.1	8.3	9.2	6.2	8.5	8.9	5.6	7.9
Sick leave, 1-14 days	3.8	3.4	3.7	3.7	3.2	3.6	3.2	2.8	3.1	3.2	2.6	3.0
Sick leave, >14 days	5.7	3.2	5.1	5.5	2.9	4.8	6.0	3.3	5.4	5.7	2.9	4.9
External recruits	10,176	3,484	13,660	12,012	5,211	17,223	8,745	3,049	11,794	9,647	4,194	13,841
<i>for permanent employment</i>	3,957	1,250	5,207	4,283	1,738	6,021	3,287	1,202	4,489	3,688	1,698	5,386
<i>for fixed-term employment</i>	6,219	2,234	8,453	7,729	3,473	11,202	5,458	1,847	7,305	5,959	2,496	8,455
External departures, permanent employees	3,180	950	4,130	3,463	1,531	4,994	2,786	879	3,665	3,044	1,353	4,397
<i>of whom with a pension</i>	617	152	769	642	237	880	454	101	555	478	155	633
<i>of whom of own volition</i>	2,343	697	3,040	2,532	991	3,523	2,132	685	2,817	2,307	969	3,276
External staff turnover (%)	10.7	10.9	10.7	10.9	12.1	11.2	9.2	9.8	9.4	9.4	10.5	9.7

Significant personnel-related conditions, administrations only

	Municipality 2021			Municipality 2022			
	Women	Men	Total	Women	Men	Total	
Mobility between administrations, %		2.0	1.6	1.9	1.7	1.4	1.7
Sick leave, %							
Total		9.5	6.5	8.8	9.2	6.2	8.5
60 days or more (percentage)		50.8	39.2	48.8	55.6	45.0	53.8
29 years or younger		7.9	6.8	7.6	7.8	6.4	7.4
30-49 years		8.8	6.2	8.2	8.6	5.7	7.9
50 years or older		10.8	6.9	10.0	10.5	6.7	9.6



Expected development

This section describes known conditions and factors expected to impact the City of Gothenburg in the near future and in the longer term, along with the associated risks and uncertainties.

Sustained economic challenges in 2024

SALAR's latest economic assessment shows that the economic challenges that the local government sector had to face in 2023 are likely to worsen further in 2024. Although inflation is falling, this is not reflected in lower prices but rather in stabilisation at already higher prices. The increased price base amount for 2024 will also have a large impact on local government pension costs. For Gothenburg, the higher price base amount is expected to raise pension costs by SEK 800 million – just over 20 per cent – next year. Overall, SALAR estimates that the price index for municipal operations (PKV) will amount to 4.9 per cent in 2024. This means that despite falling inflation, costs will continue to rise relatively steeply for the entire municipal sector.

While costs are expected to continue rising, SALAR expects that continued slowdown in the labour market will lead to a weakening of growth in the tax base. Overall, the underlying tax base growth is expected to be 2.9 per cent in 2024. This is a very weak rise in a historical perspective, and in relation to the expected rise in costs it means a substantial real erosion of the tax base.

In common with more than a third of Swedish municipalities, the City of Gothenburg is using its earnings equalisation reserve to balance the budget in 2024. Our strong starting position, built on previous years' surpluses, is thus helping to offset the financial challenges in the short term. However, a lower earnings level combined with a continued high pace of investment will put a strain on liquidity. According to the budget, Municipal borrowing is expected to grow by just over SEK 2 billion in 2024.

Right now, the prospects for 2025 look considerably brighter. SALAR expects costs to be restored

to lower levels, mainly due to falling costs for occupational pensions. In addition, SALAR expects an economic recovery to begin in 2025 as a result of increased labour demand. This in turn will lead to stronger tax base growth and hence higher tax revenue. However, there are several external factors that add uncertainty to assessments for the coming years.

Economic conditions for Municipal companies

For the Stadshus Group, earnings are expected to remain lower than pre-pandemic levels, at least for the next few years. This means weaker cash flows for the Group. The outlook for the Group's current operations looks somewhat better in 2024, but there are still uncertainties in areas such as energy prices, visitor numbers, interest rates and national economic trends, which may benefit or hinder the companies. In 2024, investment will increase in several infrastructure-heavy operations, including Energy, Housing and the Port. A significant proportion will involve reinvestments, capacity upgrades or climate change investments. In the slightly longer term, a number of larger investments have also reached various stages in the decision-making process: in wastewater treatment, stadiums and further investments in climate change adaptation.

Demographic challenges

At the end of the year Gothenburg's population had grown by 7,775 compared with the previous year. The rapid pace of population growth has resumed since the pandemic and is largely due to more people moving here from other parts of Sweden and fewer leaving the city.

Childbirth has continued to fall. In 2023, the number of births in Gothenburg and in Sweden



rights, which has led to land allocations, land sales and expansion projects in the City's development operations being postponed or put on hold. This leads to greater uncertainty in the short and slightly longer term regarding the City's ability to maintain the same level of capital gains and self-financing of urban development as in recent years. There is currently no downward revision for 2024, but future years may be affected.

The labour market situation is deteriorating

The December 2023 report from the Swedish Public Employment Service assesses how the labour market will develop in 2023–2025 and the challenges this presents.

In autumn 2023, the number of people affected by redundancy notices has risen at the same time as there are fewer job vacancies. Unemployment is expected to continue rising in 2024 and then begin to fall again in 2025. However there is still a shortage of labour with skills that are in demand. Unemployment is expected to increase most in southern Sweden, especially in metropolitan regions, which have a large private service sector that is dependent on consumption. In the three northernmost counties, on the other hand, unemployment is expected to be lower in 2025 than it is today.

Västra Götaland is the only metropolitan county where the number of registered unemployed has fallen over the past year. The strong performance is partly due to the parts of the county that are furthest from the region's population centre. In the Borås and Gothenburg area, unemployment has risen over the past year, in contrast to other parts of the county which have seen relatively large reductions in the number of registered unemployed. Metropolitan areas generally have higher housing prices and the population in these areas therefore have larger mortgages on average than in other parts of the country and are consequently harder hit by changes in interest rates. The high level of household indebtedness, together with a large private service sector, means that metropolitan areas are particularly affected by higher unemployment and the economic downturn.

Continuing need for skills provision

Although unemployment is expected to rise, the shortage of skilled labour is expected to persist, as many job seekers lack the skills that employers

want. Despite the economic situation, the demand for skilled labour will remain high, not least in healthcare and social care, mainly due to the growing elderly population. At the same time, ongoing structural changes will contribute to strong demand for skills in technology, information and IT. It will not be possible to meet continued expectations of high quality and greater demand for welfare simply by increasing the size of the workforce.

Digitalisation creates opportunities but requires new ways of working

Digitalisation, AI and new technologies are among the most significant forces for social change in our time and will be used to meet the challenge of skills provision, streamline operations and administrative processes, and improve the City's services and performance.

The ongoing changes will lead to new behaviours, skills and knowledge, and will require measures to improve competence, motivation and crisis prevention at all levels of the organisation. As digitalisation plays a growing part in our future it is vital to develop skills in parallel with this transition. The City's organisations needs to adapt to the new requirements and opportunities that arise from the transition.

Environmental and climate challenges

The Green Deal is the EU's roadmap for climate and environmental challenges. By 2050, the EU should be climate neutral – it should not emit more greenhouse gases than it absorbs. But by 2030, greenhouse gas emissions also need to be reduced by at least 55 per cent (compared to 1990). These goals are set out in a climate act that makes them legally binding for all member states and EU institutions.

As part of its efforts to achieve climate neutrality, the City has been instructed by the City Council to apply for the EU Mission Label 2024. The label is confirmation from the EU that the City's plans for the local transition journey are ambitious and on the right track.

Work is continuing within the framework of the City of Gothenburg's Environment and Climate programme, which is a roadmap and common platform for the City's long-term environmental strategy.

At the turn of the year 2022/2023, a new EU directive for corporate sustainability reporting (CSRD) came into effect. Due to its size, the

as a whole was the lowest in two decades. It is still too early to assess whether this is due to a temporary postponement in births. Since 2010, Statistics Sweden has lowered its forecasts of future fertility each year and there is considerable uncertainty in this area. This trend will affect pre-schools in the short term, and will affect schools in a few years' time. Less demand for childcare will have an impact on local planning. Long planning time frames mean difficulties matching actual needs, which could lead to a general surplus of pre-school and education facilities. In the longer term there is a risk that low birth rates lead to a skewed population structure with fewer people in the labour force.

The population in older age groups is growing significantly faster than other age groups. Overall, the over-65 group is expected to grow by almost 20 per cent in the next 10 years and by 50 per cent by 2050. In the longer term, a falling birth rate and forecasts of reduced immigration could add to demographic challenges.

The rapid population growth of the last 20 years is mainly due to high birth rates and immigration. With less migration and lower birth rates among those of childbearing age,

population growth could be lower than over the last two decades. In the coming years there are also uncertainties in housebuilding and the labour market that could affect population growth.

Declining housebuilding

Over the past five years, more than 5,000 homes have been completed each year on average. Homes have not been built on such a scale since the 1970s.

In the construction sector, which is particularly sensitive to rising interest rates, construction has fallen sharply as a result of higher costs and lower demand.

The slump in construction has led to a sharp slowdown in the number of housing starts in 2023. During the year, building work began on 2,700 new homes. This is half the average for the past five years. The assessment for next year is that the number of housing starts may decrease further. An expected fall in the number of housing starts is also reported by the Swedish National Board of Housing, Building and Planning in its national construction forecast.

The slowdown has also reduced demand for and willingness to pay for land and building

Stadshus Group (and hence all its subsidiaries) falls under the reporting obligation. Under the directive, the parent company must include a sustainability report in its annual report from financial year 2025, and Stadshus AB must therefore report on behalf of the Group. The directive also means that the Stadshus Group must report in line with the EU taxonomy for sustainable investments, starting in the same year as CSRD.

The Municipality's role as waste manager is changing as revisions to the EU Waste Directive are implemented. From 2024, it will be mandatory to sort food waste, and kerbside collection of packaging will be introduced in stages by 2027. Other upcoming changes in municipal responsibilities will apply to textiles and plastic fishing gear. This will affect the Municipality's need to develop common collection points and recycling centres.

Two major investments are planned to enable the sustainable transition and hence reduce gas dependency and greenhouse gas emissions: a bio-cogeneration plant in Rya and a pellet boiler in Riskulla in Mölndal.

Climate adaptation needs in the city

Gothenburg's main priorities for climate adaptation are to manage the risks of floods, heatwaves and landslides. Managing flood risks in the city requires extensive investment and there is ongoing dialogue at national level to secure funding and changes in legislation. Committees and boards have started work on analysing the impact of climate effects on operations, focusing on torrential rain and heatwaves. The data is used to prepare the City's climate adaptation plan, which is expected to be completed and reported back to the City Executive Board and City Council in spring 2024. The city is also awaiting the planned update of the national climate adaptation strategy, which is due in March 2024.

Continued work on crisis preparedness and civil defence

A large number of national investigations, government assignments and other development work is in progress to improve civil contingency plans, which may entail new duties and rapid changes that require adaptation and reprioritisation within the City.

Committees and boards are expected to maintain basic preparedness to handle disruptions in their operations, but changes in the external threat level require special measures in certain

areas, including the organisation of the city's civil defences. Some parts of the city can also be expected to receive clearer guidance from the national level in the coming years. According to the principle of responsibility, committees and boards need to individually assess how national planning guidance applies to operations within their area of responsibility.

External threats to Sweden are complex and include sabotage and terrorism, organised crime and threats to critical infrastructure such as energy, water and food supplies. Growing digitalisation and interlinking of information systems and infrastructure also increase the risks of cyber-attacks, undue influence on information, disinformation and influence campaigns.

EU legislation on cyber-security (NIS2 Directive)

The EU cyber-security rules introduced in 2016 were updated by the NIS2 Directive, which entered into force in 2023. The Directive updated the existing legal framework to keep pace with increased digitalisation and an evolving cyber-security threat. By extending the scope of the cyber-security rules to new sectors and entities, it further improves the resilience and incident management capabilities of public and private entities, relevant authorities and the EU as a whole.

The revision means that more sectors are considered as essential services and the entire public administration may be affected. New security requirements will apply throughout the supply chain and to management involvement in cyber-security.

New legislation on crime prevention and enhancing security

On 1 July 2023, a new law came into force in the area of crime prevention and enhancing security. The new law means that municipalities must analyse crime in their geographical area and produce an overview of the situation. Based on this overview, they must then consider the need for measures and decide on an action plan. Municipalities must also take some responsibility for coordinating local crime prevention work and establish a coordination function.

To comply with this legislation, the City of Gothenburg Executive Office, together with the committees and boards, will continue to work on improving competence in the area of crime prevention and security enhancement in 2024.



2

Annual Accounts

This section presents the City of Gothenburg's performance and financial position through the combined accounts, which according to the *Municipal Accounting Act* include the income statement, balance sheet, cash flow statement and notes. The accounting is presented for the Municipality and the Municipal Group. The term 'Municipal Group' refers to the Municipality, as well as the joint statutory authorities comprising rescue services and coordination associations, along with the company sector under the parent company Göteborgs Stadshus AB.

Annual accounts

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This section defines a number of financial concepts

Income statement

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2022	2023	2022	2023
Operating income	2, 8	11,153	11,637	32,761	30,221
Operating expenses	3, 8	-43,793	-47,601	-60,706	-61,730
Depreciation/amortisation	4	-2,208	-2,327	-5,334	-6,073
Net operating expenses		-34,848	-38,291	-33,279	-37,582
Tax revenue	5	32,931	34,996	32,931	34,996
General state subsidies and equalisation	6	4,553	4,528	4,553	4,528
Operating earnings		2,636	1,233	4,205	1,942
Financial receipts	7, 8	540	1,561	88	133
Financial expenses	7	-622	-1,724	-640	-1,444
Earnings after financial items		2,554	1,070	3,653	631
Extraordinary items		-	-	-	-
Net earnings for the year		2,554	1,070	3,653	631

Balance sheet

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2022	2023	2022	2023
ASSETS					
Non-current assets					
Intangible fixed assets	9	0	0	303	325
Property, plant and equipment	10	46,173	50,300	113,748	120,862
<i>land, plant and buildings</i>		<i>41,402</i>	<i>45,004</i>	<i>104,190</i>	<i>108,991</i>
<i>machinery and equipment</i>		<i>4,681</i>	<i>5,190</i>	<i>9,345</i>	<i>11,609</i>
<i>other property, plant and equipment</i>		<i>90</i>	<i>106</i>	<i>213</i>	<i>262</i>
Financial assets	11	43,827	53,804	1,148	1,201
Total non-current assets		90,000	104,104	115,199	122,388
Infrastructure subsidies	12	23	24	23	24
Current assets					
Supplies	13	1,340	1,390	2,415	2,525
Receivables	14	10,954	6,191	9,729	9,157
Investments in securities etc.		-	-	-	-
Cash and bank		1,131	1,908	1,995	2,867
Total current assets		13,425	9,489	14,139	14,549
Total assets		103,448	113,617	129,361	136,961
EQUITY, PROVISIONS AND LIABILITIES					
Equity					
Net earnings for the year		2,554	1,070	3,653	631
Earnings equalisation reserve		5,623	5,844	5,623	5,844
Other equity		26,884	29,217	37,023	40,468
Total equity	15	35,061	36,131	46,299	46,943
Provisions					
Provisions for pensions and similar obligations	16	4,265	5,392	5,559	6,760
Other provisions	17	359	389	6,013	5,639
Total provisions		4,624	5,781	11,572	12,399
Liabilities					
Non-current liabilities	18	44,733	50,131	47,081	51,175
Current liabilities	19	19,030	21,574	24,409	26,444
Total liabilities		63,763	71,705	71,490	77,619
Total equity, provisions and liabilities		103,448	113,617	129,361	136,961
PLEDGES AND CONTINGENT LIABILITIES					
Pledges and equivalent collateral	20	-	-	368	525
Contingent liabilities					
<i>Pension obligations not recognised as liabilities or provisions</i>	<i>21</i>	<i>9,875</i>	<i>9,997</i>	<i>9,988</i>	<i>10,099</i>
<i>Other contingent liabilities</i>	<i>22</i>	<i>5,696</i>	<i>4,622</i>	<i>2,033</i>	<i>1,463</i>

Cash flow statement

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2022	2023	2022	2023
OPERATING ACTIVITIES					
Net earnings for the year	BR	2,554	1,070	3,653	631
Items not affecting liquidity	25	2,049	3,570	5,317	8,086
Items affecting liquidity	26	-78	-2	-564	-676
Cash flow from activities before change in working capital		4,525	4,638	8,406	8,041
Increase (-) / decrease (+) in current receivables	14	422	4,762	854	572
Increase (-) / decrease (+) supplies and inventories	13	-446	-50	-343	-110
Increase (+) / decrease (-) in current liabilities	19	53	785	1,913	-535
Cash flow from operating activities		4,554	10,135	10,830	7,968
INVESTING ACTIVITIES					
Acquisition of intangible fixed assets	9	-	-	-125	-50
Sale of intangible fixed assets	9	-	-	-	-
Acquisition of property, plant and equipment	10	-5,116	-6,698	-11,727	-14,040
Sale of property, plant and equipment	10	255	122	826	211
Investment income	18	595	388	698	692
Acquisition of Municipal Group companies	11	-	-	-7	-
Sale of Municipal Group companies	11	-	-	-	-
Acquisition of financial assets	11	-38	-38	-47	-49
Sale of financial assets	11	0	-	27	-
Increase (-) / decrease (+) in non-current receivables	11	60	-9,939	-133	-4
Cash flow from investing activities		-4,244	-16,165	-10,488	-13,240
FINANCING ACTIVITIES					
Newly raised loans	18	8,125	11,900	8,825	11,923
Repayment of non-current liabilities	18	-5,807	-6,943	-6,549	-8,282
Newly raised loans, leases	18	526	659	-	-
Repayment of non-current liabilities, leases	18	-461	-502	-	-
Increase (+) / decrease (-) in interest-bearing current liabilities	18, 19	-1,726	1,759	-1,714	2,569
Cash flow from financing activities		657	6,873	562	6,210
DISBURSEMENT OF STATE INFRASTRUCTURE SUBSIDIES	12, 17, 25	-514	-66	-514	-66
Cash flow for the year		453	777	390	872
Liquid funds at beginning of year	BR	678	1,131	1,605	1,995
Liquid funds at year-end	BR	1,131	1,908	1,995	2,867

Notes including accounting policies

1. Accounting principles and other disclosures

One of the most important tasks of accounting is to provide relevant information about the financial performance and position of an entity to facilitate management and follow-up of its activities. To accomplish this, the various accounting principles must be described in an open and informative manner. This section describes the accounting principles, estimates and judgments used by the City of Gothenburg.

Introduction

The Municipal financial reporting is regulated by chapter eleven of the Swedish Local Government Act (Kommunallagen) and the Swedish Municipal Accounting Act (2018:597) (*Lagen om kommunal bokföring och redovisning, LKBR*). In addition, the Swedish Council for Municipal Accounting (Rådet för kommunal redovisning, RKR) issues recommendations for accounting in the municipal sector. The municipal companies prepare their accounts in accordance with the *Swedish Annual Accounts Act* (ÅRL 1995:1554) and *the general recommendations of the Accounting Standards Board (BFNAR 2012:1)*.

The municipal rules take precedence when preparing the Municipal Group's annual accounts. This means that the annual accounts are prepared in accordance with these rules. The combined accounts are prepared in accordance with RKR R16 *Combined accounts*. Any deviations from the recommendations and the reasons for these deviations are reported under the appropriate header below.

Assets and liabilities are recognised at cost unless stated otherwise. Gifts are measured at fair value to the extent that they are recognised as assets. Revenue is recognised to the extent that it is probable that the financial assets will be credited to the Municipality and the revenue can be calculated reliably and otherwise meets the criteria for being classified as revenue.

The comparative year has been restated based on the new accounting principles in the annual report. For longer time series in tables and diagrams, etc., only the previous year is restated. To do so for longer time series back in time requires

more effort than is deemed reasonable in relation to the benefits.

Revised accounting recommendations

RKR R19 *Stocks, inventories, etc.* is a new recommendation from 2023 and states, among other things, that materials and supplies intended for use in current operations and having a significant value are classified as current assets.

For the City of Gothenburg, supplies and inventories mainly consist of materials intended for their own operations, for construction of their own facilities and for repairs and maintenance. Inventory shall be valued based on the lower of cost and net realisable value at the balance sheet date. The applied threshold for significant value where the value must be recognised is SEK 5 million per administration/company, but it is voluntary to disclose even at lower values.

Handling of opinion from RKR

From 2023, the new AKAP-KR pension agreement will apply. RKR assesses that the one-off effect arising from changes in the discount rate for employees opting to switch agreements should be recognised as a personnel cost under the heading Operating expenses. Where the effect is significant, the cost may be recognised as an item affecting comparability in accordance with RKR R11 *Extraordinary items and items affecting comparability*.

The effect is not considered material and is therefore not recognised as an item affecting comparability.

Other disclosures

Gifts of art are not recognised as assets in the accounts. From 2024 onwards, new gifts will be recognised in accordance with regulatory requirements.

An investigation is underway to determine whether leases should be classified as financial leases. This is prompted by the recommendation of the City Audit Office and is expected to be completed in 2024. It is conceivable that some items currently recognised as operating leases may be reclassified as financial leases.

Combined accounts

The City of Gothenburg's total financial position and performance can be seen in the combined accounts, which aim to provide a comprehensive, true and fair picture of the Municipal Group.

According to the Swedish Municipal Accounting Act, the annual report must include all operations run by the Municipality, regardless of organisational structure. The Municipal Group consists of the Municipality's committees along with the municipal group companies. The latter comprise companies, joint statutory authorities and coordination associations in which the Municipality has a lasting significant influence, which is primarily applied as ownership greater than 20 per cent. A list is provided in note 30 and material changes in the composition of the Group are described in the section of the Administration Report dedicated to the Municipal Group.

The Municipal Group includes joint statutory authorities, Greater Gothenburg Rescue Services and Gothenburg Coordination Association. The Göteborg Region Association of Local Authorities (GR), with its partly and wholly owned companies, and Tolkförmedling Väst are also Municipal Group companies by definition. However, they have been excluded from the combined accounts, since their activities fall within the limit for what can be considered to be insignificant in scope in accordance with RKR R16 *Combined accounts*.

Neither the linked foundations managed by the City Executive Board, nor the foundations with their own administration where the City Council appoints one or more Board members, are considered to be municipal group companies. The reason is that the Municipality is not considered to have a controlling influence over the performance and financial position of the foundations. The foundations are completely separate from the Municipality's finances, are subject to the respective foundation ordinance, are under the supervision of the County Administrative Board and any changes in

purpose must be approved by the Legal, Financial and Administrative Services Agency.

Consolidation principles

The combined accounts are prepared using proportionate consolidation, also known as the proportionate method. This means that consolidation takes place in proportion to the Municipality's share of a Municipal Group company's revenues, costs, assets and liabilities. The annual accounts of each sub-group are used as the basis for consolidation. Internal transactions and internal profit of significant value within the Municipal Group have been eliminated.

Cash flow statement

The cash flow statement is carried out according to the indirect model and essentially follows the layout in RKR R13 *Cash flow statement*. The cash flow statement is based completely on changes in the balance sheet. See notes 25 and 26.

Extraordinary items and items affecting comparability

Events of a significant scope that are not expected to occur often and have no link with the ongoing operations are viewed and recognised as extraordinary items. The item must amount to a considerable sum and be of such a nature that it is not expected to occur often or regularly. Items affecting comparability are the result of events that are not extraordinary, but are important to consider when comparing with other periods. They consist of those items that are excluded in order to arrive at what is called the Municipality's structural earnings.

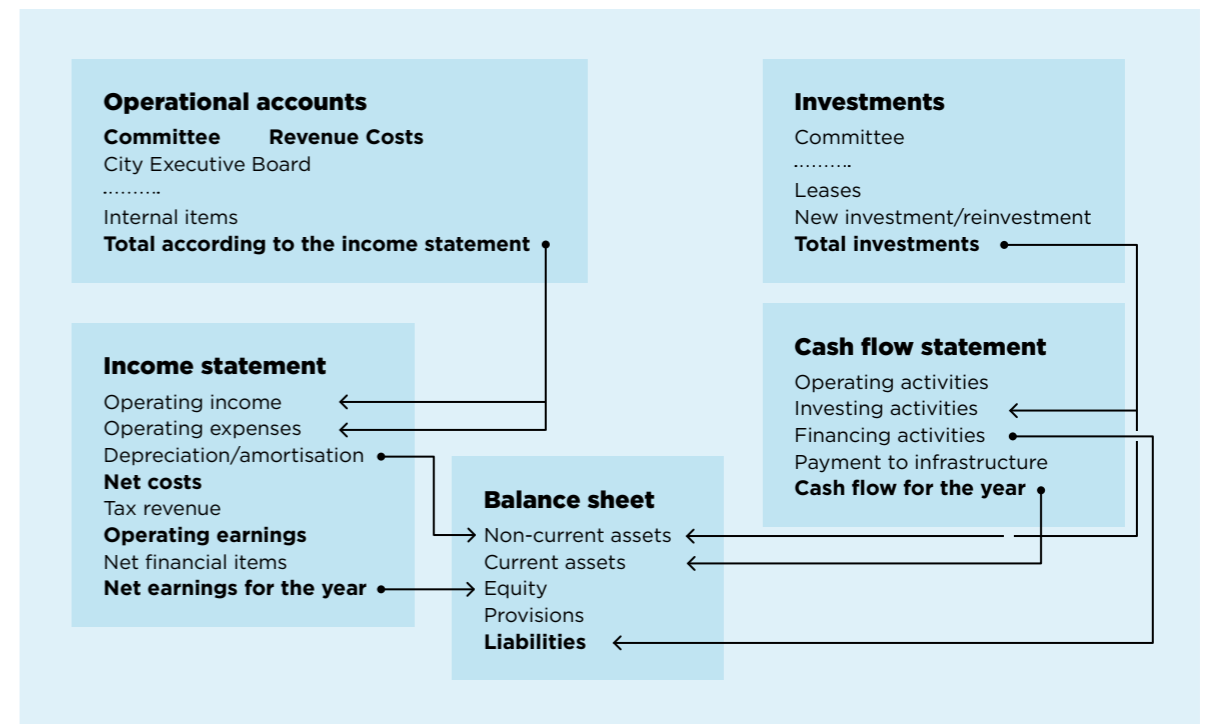
Extraordinary items are reported separately on their own lines and items affecting comparability as a note to the income statement, see note 8.

Operations and Investment

According to RKR R14, *Operations and Investment*, information is provided about the structure of the Municipality's operations and investment budget, as well as the most significant financial control principles for reporting of operations and investment.

Operational accounts

The City Council allocates municipal subsidies (net grants) to the committees to carry out the activities for which they are responsible. The municipal subsidy must cover the costs that remain when income from tariffs, charges and subsidies does not fully cover operating expenses. The



Description of the relationship of the operations and investment accounts to the other financial statements in the annual report.

municipal subsidies are allocated per committee. In their own committee budgets, the committees allocate the City Council's municipal subsidies among the various activities and organisational entities for which the committees are responsible. Under the City's regulations, the committees have the right, based on certain circumstances, to accumulate and use equity. The committees therefore have the opportunity, within certain limits, to budget for both a surplus and a deficit.

Internal management accounting policies

Income and expenses in the operational accounts must reflect the financial relations of each committee with the outside world, of which the other committees are a part. This means that compared with income and expenses in the income statement, which contains only non-municipal items, the operational accounts also include intra-municipal items, such as purchases and sales between committees. There are also items in the income statement that have been allocated on an accrual basis in the operational accounts. Examples are personnel costs (44.63 per cent) comprising employer's contributions, contractual insurance and collectively agreed pensions. Another example is internal interest (1.00 per cent) which are charged to the committees based on the residual book value of capitalised non-current assets.

Investment accounts

As part of the budget, the City Council establishes annual investment frameworks for a five-year period for each committee. The City Council allows the committees, within the framework for the established five-year budget, to reallocate the funds between the years, as long as the approved total investment framework is not exceeded for the period. Just as for operations, the investment framework is allocated per committee. The investments are divided into re-investment and new investment in the City Council's budget framework, and are then distributed based on this division within each committee. For the Eco-cycle and Water Committee, however, the City Council establishes separate investment frameworks for water and sewage services and waste management services, as well as for the Heavy rainfall and Technical water investment areas.

In their own approved budgets, the committees allocate the City Council's investment frameworks among the various investment areas and projects for which the committees are responsible. Some committees have investment income through sources such as state investment subsidies and developer contributions.

In addition, the City Council decides separately regarding project budgets for individual projects of a fundamental nature. These

designated projects will be managed within the committees' allocated investment frameworks and monitored on an ongoing basis in interim and full-year reporting.

Revenue

Tax revenue

The Municipality's reported tax revenue consists of preliminary tax payments credited to the Municipality during the year, a forecast for the final settlement and the difference between the final assessment and the reported tax revenue for the previous year. The preliminary final settlement for tax revenue is based on the Swedish Association of Local Authorities and Regions' (SALAR) December forecast, in accordance with recommendation RKR R2 *Revenue*. See note 5.

Other revenue

Göteborgs Energi AB recognises its connection charges for electricity, gas and district heating in their entirety as revenue in accordance with BFNAR 2012:1 when delivery of the connection begins. In the combined accounts, the item has been adjusted to deferred income in accordance with RKR R2 *Revenue*. All income is accrued on a straight-line basis. See notes 2 and 18.

Costs

Depreciation/amortisation

Depreciation of intangible assets and property, plant and equipment is normally made for the estimated useful life, with linear depreciation based on the cost excluding any residual value.

Depreciation periods (years)

Plant	Municipality up to and incl. 2016	Municipality 2023	Companies
Capitalised expenditure for development and similar	5	3-5	3-7
Goodwill	5-10	5-10	5-10
Land improvements	20-50	7-100	10-50
Buildings	20-50	15-80	10-100
Leasehold improvements	-	2-33	10-20
Kiosks, pavilions, barracks	10	10	10
Plant, machinery and equipment	5-10	5-30	3-25
Personal computers and IT equipment	3	3-4	3
Pipe/cable rights	-	-	100
Tenancy rights	-	-	20

Depreciation begins from the time the asset is put into use. No depreciation is made of assets in the form of land, art and work in progress. The useful life undergoes a review if there are circumstances that make this necessary, such as operational changes and changes to technology.

Component depreciation has been applied as of 2017 to new acquisitions of buildings and facilities in line with RKR R4 *Property, plant and equipment*. The table below shows the intervals for the depreciation periods currently applied, as well as the Municipality's recommended depreciation periods for existing assets acquired up to and including 2016. The table also shows the depreciation periods applied by the companies. See notes 4, 9 and 10.

Chapter 9, section 9 of the Swedish Municipal Accounting Act states that information must be provided on the estimated average useful life for each item recognised as property, plant and equipment. Recommendation RKR R4 *Property, plant and equipment* states that the cost (adjusted for how much of the year the accounting unit held the asset) of each item is to be summed up for the assets that are subject to depreciation and then divided by depreciation costs attributable to these assets. Their estimated average useful life is presented in note 10.

Chapter 9, section 10 of the Swedish Municipal Accounting Act requires disclosure of reasons for applying a useful life longer than five years for intangible fixed assets. Goodwill investments are considered to be strategic in all cases, for which reason a longer depreciation period is reasonable. Rights based on agreements are amortised over the term of the agreement.

Write-downs

Recommendation RKR R6 *Write-downs* is to be applied for write-downs of the value of a non-current asset used in such municipal services that are regulated by the cost-price principle. In accordance with RKR R6 *Write-downs*, a valuation must be carried out if there is still service potential for the write-downs made in the municipal companies. The valuation refers to non-current assets that are wholly or partially financed through tax and/or regulated by the cost-price principle. Write-downs exceeding SEK 5 million have been reviewed. If a write-down based on a different principle is made by a municipally owned company, it must be reversed in the consolidated accounts.

For Group companies, write-downs and any reversal of write-downs are based on market valuations according to the rules in BFNAR 2012:1 and mainly relate to buildings where write-downs were used to adapt the value to actual rental levels. For assets that are written down for operations conducted in accordance with the cost-price principle, the recoverable amount is normally calculated at the adjusted value in use. See notes 4 and 10.

Interest expenses in connection with investments

According to RKR R4 *Property, plant and equipment*, interest expenses in connection with investments can be reported according to the main rule or the alternative rule. The City of Gothenburg has applied the main rule since 2014, which means that the loan expenses directly affect earnings. The company sector follows the alternative rule which means that the loan expenses, under certain conditions, may be charged to the cost of the asset. In the company sector, loan expenses are capitalised primarily for property companies that have a yield requirement and therefore follow the alternative rule. When calculating loan expenses to be capitalised, the average financing cost of loans for investment purposes was used. See note 10.

Assets

Drawing a boundary between cost and investment

Within the City of Gothenburg, assets for continuous use or holdings with a useful life of at least three years are viewed as non-current assets if the amount is greater than half a price base amount. The boundary is the same for property, plant and

equipment as it is for intangible assets, as well as for financial lease agreements. When reinvesting, Municipality guidelines for component accounting specify rules for classifying component replacement as operations or investments. Art deviates from the boundary and two price base amounts are applied, with the exception of cases that fall under artistic decoration/design according to the "one per cent rule". The boundary for art is a deviation from RKR R4 *Property, plant and equipment*. The reason for this deviation is that the purpose of such purchases is primarily to promote local culture; in addition, the amounts are insignificant in relation to the City's investment volumes. See notes 10 and 23.

Intangible fixed assets

Intangible fixed assets are shown at acquisition cost less depreciation according to plan and any write-downs. In the combined accounts, intangible fixed assets consist among other things of goodwill. Goodwill is the difference between the cost and the fair value of the Group's share of net assets acquired. See note 9.

Property, plant and equipment

Property, plant and equipment are valued at cost with additions for value-raising investments and deductions for planned depreciation and any write-downs.

Component accounting according to RKR R4 *Property, plant and equipment* has been applied since 2017 to new acquisitions of property, plant and equipment. This means that the components that make up an asset are assigned different depreciation periods based on an assessment of the actual useful life. This model is also used when replacing existing assets or acquiring new components. As a result of the change, items that were previously classified as running costs for ongoing maintenance will from now on, to a larger extent, be treated as reinvestment.

The companies have applied component depreciation for all property, plant and equipment since 2014. See note 10.

Leases

A decision by the City Council stipulates that as of 2007 the Municipality's investments in movable property must be financed through leases, with the municipal company Göteborgs Stads Leasing AB (GSL) as lessor. According to RKR R5 *Leases*, lease agreements will be classified

as financial if the economic benefits and risks associated with ownership of the object are in all essentials transferred to the lessee. Assets in agreements that are classified as financial leases must be recognised as non-current assets and the obligation to pay lease fees in the future recognised as a liability in the balance sheet. The value of the assets is depreciated using the same model and depreciation period as if they had been purchased. Paid lease fees are recognised as depreciation and interest.

The City of Gothenburg mainly has two major lessors. Agreements with GSL relating to machinery and equipment are classified as financial leases. The agreements entail an economic risk for the lessee which means that the lease can be compared to purchasing the assets. The vehicle lease agreements with GSL are still classified as operating leases because the economic risk in these agreements remains with the lessor. The agreements with Region Västra Götaland about managing assistive devices are classified as operating leases owing to the nature of the agreements. See notes 10 and 23.

Financial assets

See the section *Financial liabilities*.

State infrastructure subsidies

The Swedish Municipal Accounting Act requires disclosure regarding state infrastructure subsidies. The dissolution period is set to 25 years for existing projects. See note 12.

Equity

Earnings for the Eco-cycle and Water Committee within operations financed by tariffs does not affect equity. Instead, the result is recorded as a surplus/deficit withdrawal and thus as a liability/receivable to the subscriber.

Liabilities and provisions

Financial liabilities

Financial assets and liabilities are recognised as non-current or current items depending on their character. Reclassification to current occurs when the item matures within twelve months or for the part that is amortised within twelve months, unless an extension agreement exists at the balance sheet date. Financial assets and liabilities are recognised at cost.

Lending to Group companies is not reclassified as current if the company expects the debt to be settled on a non-current basis. Lending to companies that is expected to be repaid within twelve months is classified as current.

For premiums, discounts and charges, straight-line accrual is used over the life of the loan.

Assets and liabilities denominated in foreign currencies are measured at the hedged exchange rate when available; otherwise they are translated at the exchange rate on the balance sheet date as provided by the Riksbank.

Derivative and hedge accounting

Hedge accounting in accordance with RKR R8 *Derivative and hedge accounting* is applied. Documentation of the hedging relationship is prepared, including the purpose of the hedge, description of the nature of the hedged risk, identification of hedging instruments and assessment of the effectiveness of the hedge.

The City of Gothenburg hedges part of the debt through interest rate derivatives. The aim is to eliminate variability in future cash flows relating to the payment of variable interest and to fix interest expenses. The Municipality also hedges its foreign exchange exposure through currency derivatives. The effectiveness of the hedging relationship is assessed at each balance sheet date by comparing the principal terms of the hedging instruments with the principal terms of the hedged item. The hedging relationship is considered to be effective as long as there is no material change in the principal terms of either the hedging instrument or the hedged item.

Swap interest is recognised in profit and loss on an ongoing basis as part of the City's interest expenses, taking into account the accrual of interest on the swap. The effect of termination of a derivative contract due to termination of the hedging relationship is recognised directly in profit and loss. See notes 18 and 19.

Pensions

The Municipality's pension liability is recognised in accordance with the statutory mixed model. This means that all pensions earned before 1998 under earlier pension schemes are entered as a contingent liability as a memorandum item, and not entered as a provision in the balance sheet. Expected future special employer's contributions are also reported as a memorandum item. Payments concerning pension benefits earned

before 1998 are recognised as a cost in the income statement. See note 21.

Pension benefits earned in pension schemes from 1998 onwards are shown as a cost in the income statement and a provision in the balance sheet. A special employer's contribution of 24.26 per cent of pension provisions made is also reserved under provisions. See note 16.

Defined-contribution pension including employer's contribution is included in the item other accrued personnel costs under current liabilities. See note 19.

The City of Gothenburg calculates the current pension liability for employees in the Municipality as in the specified guidelines, RIPS. Pension obligations for employees of the municipal companies are reported in accordance with the Swedish Accounting Standards Board's BFNAR 2012:1.

Provisions

A provision is a liability that is uncertain with regard to the time of maturity or the amount and, for the Municipality, refers only to formal obligations. RKR R9 *Provisions and contingent liabilities* states that information shall be provided regarding the expected date for and uncertainty regarding outflows of resources for each provision. This is not done because it would be too complicated to specify this information for each item, since they are grouped.

Provisions for restoration of landfill sites have been entered for the Municipality at amounts assessed to be necessary to settle the obligation on the balance sheet day. Provisions relate to restoration of the City's closed landfills. Provisions for landfills are discounted where the discounted value is significant.

In the case of landfill restoration provisions for the Municipal Group, provisions are made progressively, taking into account the remaining life of the landfill. The remaining life depends on the inflow of waste. The size of the provisions may vary between years if new permits are provided. As owner and permit holder, Renova has a responsibility to close the landfill and have a follow-up inspection for at least 25 years after the permit has expired, or when the landfill is full. To ensure that demand can meet actual costs as they arise, Renova allocates funds annually. Renova AB's provisions for the restoration of landfills are discounted according to the regulations in K3 and

comply with RKR R9 *Provisions and contingent liabilities*.

Deferred tax is calculated using the balance sheet method on all temporary differences arising between recognised and taxable values of assets and liabilities. The temporary differences have mainly arisen through differences between accounting and taxable depreciation on non-current assets, provisions and tax deficits.

Agreements entered into regarding subsidies from the government or other legal entities for investments in non-current assets that the City of Gothenburg is not going to own or have use of are recognised as a cost in the income statement and a provision in the balance sheet when the agreement is signed.

According to RKR R9 *Provisions and contingent liabilities*, informal obligations reported as provisions in municipal companies are reclassified as contingent liabilities in the combined accounts. Provisions exceeding SEK 5 million have been reviewed. See note 17.

Memorandum items

The term 'memorandum items' refers to an accounting concept according to which pledged assets and contingent liabilities are not included as liabilities or provisions in the balance sheet, but are disclosed as a note immediately below. Contingent liabilities consists of possible commitments where there is uncertainty as to the size of the sum and/or degree of realisation. These include the Municipality's guarantee commitments and pension obligations dating back further than 1998. See notes 20, 21 and 22. The pension obligation is described in its entirety in the Administration Report under the section Disclosures on pension obligations.

2. Operating income

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Sales income	449	499	11,960	9,235
Tariffs and charges	2,886	3,230	2,604	3,085
Rents and leases*	1,477	1,562	9,072	9,316
State subsidies and reimbursements	2,573	2,412	2,584	2,421
Public subsidies (investments)	111	113	111	113
Grants and gifts from private participants	36	29	36	29
EU grants	19	8	21	8
Other subsidies	611	615	689	681
Sale of services and consulting services	1,533	2,001	1,914	3,341
Revenue from development activities	1,214	1,050	1,231	1,050
Capital gains on non-current assets	244	118	432	196
Other operating income	-	-	2,107	746
Total operating income	11,153	11,637	32,761	30,221

* Itemisation: leasehold fees

Category	Number		Area (m ²)		Tax assessment value (MSEK)		Revenue (MSEK)	
	2022	2023	2022	2023	2022	2023	2022	2023
Single-family homes	8,682	8,676	3,028,606	3,024,607	15,242	15,225	114	117
Multi-family housing	795	795	4,553,457	4,553,411	25,887	26,177	194	206
Industry	341	333	2,268,887	2,238,647	1,369	1,304	61	68
Other	362	356	3,289,144	3,260,096	446	396	54	57
Total	10,180	10,160	13,140,094	13,076,761	42,944	43,102	423	448

The buyout of small residential land plots, where the tenure has been less than ten years, occurs at market price. If the tenure has lasted for more than ten years, the buyout is made at 65 per cent of the current land tax assessment value.

Buyout of other categories is subject to special arrangements.

3. Operating expenses

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Personnel costs excluding social security contributions and pension costs	-17,127	-17,913	-20,547	-21,641
Social security contributions including employer's contribution	-5,661	-6,269	-6,786	-7,607
Pension costs	-1,573	-2,510	-1,960	-2,904
Subsidies paid	-2,641	-2,623	-2,643	-2,623
Purchase of main activity	-8,692	-9,635	-8,318	-9,642
Rent for premises and land	-1,391	-1,567	-1,168	-1,230
Fuel, energy, water, etc.	-376	-411	-7,935	-6,511
Materials, services and other operating expenses	-6,158	-6,331	-10,728	-9,208
Capital losses and disposals	-40	-119	-289	-146
Cost of sold development properties	-134	-223	-134	-223
Current and deferred corporate tax	-	-	-198	5
Total operating expenses	-43,793	-47,601	-60,706	-61,730

4. Depreciation/amortisation and write-downs

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Amortisation, intangible assets	-1	0	-30	-28
Depreciation, buildings and plant	-1,552	-1,643	-4,045	-4,315
Depreciation, machinery and equipment	-647	-694	-1,187	-1,153
Write-down/reversal of write-down	-8	10	-72	-577
Total depreciation/amortisation and write-downs	-2,208	-2,327	-5,334	-6,073

5. Tax revenue

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Preliminary municipal tax	32,058	34,374	32,058	34,374
Preliminary final settlement, current year	687	469	687	469
Final settlement difference, previous year	186	153	186	153
Total tax revenue	32,931	34,996	32,931	34,996

6. General state subsidies and equalisation

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Income equalisation	2,772	3,097	2,772	3,097
Cost equalisation	-1,177	-1,391	-1,177	-1,391
Settlement subsidy/charge	1,619	1,391	1,619	1,391
Municipal property charge	915	948	915	948
Subsidy/charge for LSS equalisation	297	413	297	413
Other subsidies in equalisation system	-	-	-	-
Other general state subsidies	127	70	127	70
Total general state subsidies and equalisation	4,553	4,528	4,553	4,528

General state subsidies received but not recognised as income amount to SEK 28 million.

General state subsidies	Not recognised as income	Original amount
Increased staffing SEK 101 million	SEK 28 million (relates to January 2024 through December 2024)	

7. Financial income and expenses

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Dividends on shares and participations	5	-	-1	-28
Dividends on shares and participations Group companies	-	315	-	-
Revenue from financial assets	10	9	10	9
Interest income	53	67	63	99
Interest income Group companies	462	1,109	-	-
Guarantee fees	8	9	0	0
Other financial income	2	52	16	53
Total financial income	540	1,561	88	133
Interest expenses	-481	-1,281	-506	-1,046
Interest expenses Group companies	-27	-70	-	-
Financial expense change in pension provision	-81	-334	-101	-372
Other financial expenses	-33	-39	-33	-26
Total financial expenses	-622	-1,724	-640	-1,444

8. Items affecting comparability

Amounts in MSEK	Included in note	The Municipality		The Municipal Group	
		2022	2023	2022	2023
Gains/loss on sale of fixed asset		253	127	-	-
Gains/loss on sale of development property		620	327	-	-
Gains/loss other development activities		440	473	-	-
Dividend from Group companies	7	-	315	-	-
Total items affecting comparability		1,313	1,242	-	-
Itemisation:					
Capital gains on sale of property, plant and equipment	2	244	118	-	-
Gains on sale of financial asset	7	10	9	-	-
Other sales-related expenses	3, 7	-1	0	-	-
Gains/loss on sale of fixed asset		253	127	-	-
Sales price development property	2	754	551	-	-
Cost of sold development property	3	-124	-216	-	-
Change in future obligations	3	-10	-8	-	-
Gains/loss on sale of development property		620	327	-	-
Developer contributions*	2	451	487	-	-
Co-financing from developer	2	19	14	-	-
Other development-related revenue	2	3	0	-	-
Co-financing to state and region	3	-33	-21	-	-
Other development-related expenses	3	0	-7	-	-
Gains/loss other development activities		440	473	-	-

* Includes value of public space transferred from developer.
The assessment only covers items affecting comparability for the Municipality.

9. Intangible fixed assets

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Internally developed intangible fixed assets				
Opening cost	-	-	735	836
Cost	-	-	113	50
Sales/disposals	-	-	0	-1
Reclassifications/transfers	-	-	-12	-3
Closing cost	0	0	836	882
Opening accumulated depreciation/amortisation	-	-	-624	-651
Sales/disposals	-	-	0	-
Reclassifications/transfers	-	-	0	1
Depreciation/amortisation for the year	-	-	-27	-28
Closing accumulated depreciation/amortisation	0	0	-651	-678
Opening accumulated write-downs	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
Closing accumulated write-downs	0	0	0	0
Closing carrying amount	0	0	185	204
Acquired intangible fixed assets				
Opening cost	23	23	471	496
Cost	-	-	0	-
Sales/disposals	-	-	1	-
Reclassifications/transfers	-	-	24	5
Closing cost	23	23	496	501
Opening accumulated depreciation/amortisation	-22	-23	-307	-311
Sales/disposals	-	-	-1	-
Reclassifications/transfers	-	-	0	-
Depreciation/amortisation for the year	-1	-	-3	-2
Closing accumulated depreciation/amortisation	-23	-23	-311	-313
Opening accumulated write-downs	-	-	-67	-67
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
Closing accumulated write-downs	0	0	-67	-67
Closing carrying amount	0	0	118	121
Total intangible fixed assets	0	0	303	325
Intangible fixed assets				
Carrying amount at beginning of year	1	0	208	303
Cost	-	-	113	50
Sales/disposals	-	-	0	-1
Write-downs	-	-	-	-
Depreciation/amortisation	-1	-	-30	-30
Other changes	-	-	12	3
Carrying amount at year-end	0	0	303	325

10. Property, plant and equipment

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Land, plant and buildings				
Opening cost	55,669	59,547	158,166	167,957
Cost	4,443	5,605	9,971	10,445
Sales/disposals	-255	-315	-620	-981
Reclassifications/transfers	-310	-247	440	-444
Closing cost	59,547	64,590	167,957	176,977
Opening accumulated depreciation/amortisation	-16,790	-18,133	-57,926	-61,403
Sales/disposals	208	193	471	477
Reclassifications/transfers	1	-1	82	-84
Depreciation/amortisation for the year	-1,552	-1,643	-4,030	-4,220
Closing accumulated depreciation/amortisation	-18,133	-19,584	-61,403	-65,230
Opening accumulated write-downs	-4	-12	-2,293	-2,364
Sales/disposals	-	-	1	7
Reclassifications/transfers	-	-	0	178
Write-downs/reversals for the year	-8	10	-72	-577
Closing accumulated write-downs	-12	-2	-2,364	-2,756
Closing carrying amount	41,402	45,004	104,190	108,991
Average useful life (years)*	29.9	30.6	34.0	34.4
Machinery and equipment				
Opening cost	7,261	8,228	17,509	17,900
Cost	701	1,080	2,220	3,580
Sales/disposals	-27	-7	-712	-373
Reclassifications/transfers	293	-60	-1,117	-107
Closing cost	8,228	9,241	17,900	21,000
Opening accumulated depreciation/amortisation	-2,906	-3,547	-7,911	-8,443
Sales/disposals	22	6	564	313
Reclassifications/transfers	-18	179	76	32
Depreciation/amortisation for the year	-645	-689	-1,172	-1,219
Closing accumulated depreciation/amortisation	-3,547	-4,051	-8,443	-9,317
Opening accumulated write-downs	0	0	-112	-112
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	38
Write-downs/reversals for the year	0	0	0	0
Closing accumulated write-downs	0	0	-112	-74
Closing carrying amount	4,681	5,190	9,345	11,609
Average useful life (years)*	12.0	12.7	13.7	14.3
Other property, plant and equipment				
Opening cost	120	125	283	323
Cost	3	13	27	16
Sales/disposals	0	-	0	0
Reclassifications/transfers	2	7	13	61
Closing cost	125	145	323	400

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Opening accumulated depreciation/amortisation	-34	-35	-95	-110
Sales/disposals	0	-	0	0
Reclassifications/transfers	2	-	0	-8
Depreciation/amortisation for the year	-3	-4	-15	-20
Closing accumulated depreciation/amortisation	-35	-39	-110	-138
Opening accumulated write-downs	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
Closing accumulated write-downs	0	0	0	0
Closing carrying amount	90	106	213	262
Average useful life (years)*	26.7	20.0	15.8	14.8
Total property, plant and equipment	46,173	50,300	113,748	120,862
Property, plant and equipment				
Carrying amount at beginning of year	43,316	46,173	107,621	113,748
Cost	5,147	6,698	12,218	14,040
Sales/disposals	-52	-123	-296	-557
Write-downs	-8	10	-72	-577
Depreciation/amortisation	-2,199	-2,337	-5,217	-5,459
Other changes	-31	-121	-506	-333
Carrying amount at year-end	46,173	50,300	113,748	120,862
Itemisation: Of which leases				
Machinery and equipment				
Cost	3,835	4,260	-	-
Accumulated depreciation/amortisation	-2,532	-2,800	-	-
Write-downs	-	-	-	-
Closing carrying amount	1,303	1,460	0	0
Average useful life (years)	8.4	9.1	-	-
Itemisation: Of which ongoing				
Opening cost	9,223	9,086	17,372	17,557
Cost	5,147	6,698	12,218	14,040
Transfers	-5,284	-5,361	-12,193	-11,635
Sales/disposals	-	-	-25	-287
Write-downs	-	-	-52	-212
Other	-	-	237	178
Closing carrying amount	9,086	10,423	17,557	19,642

* Average useful life values should be calculated including fully depreciated assets. Values for 2022 have been adjusted.

The Municipality's reversed write-downs relate partly to the previous year's write-down of the Isdala ice rink by SEK 8 million and partly to SEK 2 million attributable to a previous write-down of buildings on Ringön.

For the Group as a whole, there are additional impairment charges of SEK 710 million and reversed impairment charges of SEK 133 million. Items written down by companies and reversed in the Municipal Group have not changed during the year.

For the Group, the value of capitalized borrowing costs of SEK 686 million is included. Of this amount, SEK 50 million was added during the year (previous year SEK 19 million) calculated on an interest rate of 1.9 per cent.

11. Financial assets

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Shares and participations in:*				
Göteborgs Stadshus AB	9,451	9,451	-	-
Kommuninvest Cooperative Society	412	451	412	451
Other companies, tenant-owner dwellings and basic fund capital trusts	19	17	73	83
Non-current lending to Group companies	33,893	43,864	-	-
Other non-current receivables	52	21	663	667
Total financial assets	43,827	53,804	1,148	1,201

* A list of the City of Gothenburg's shareholdings can be found in note 30.

12. Infrastructure subsidies

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Swedish Transport Administration subsidies				
Total subsidy	31	33	31	33
Accumulated dissolution	-8	-9	-8	-9
<i>of which dissolution for the year</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>
Total infrastructure subsidies	23	24	23	24

The original total grant was SEK 30 million. Closing value refers to eight projects for a pedestrian and bicycle path, roundabout and commuter parking. The largest project corresponds to an original amount of SEK 15 million. Time for dissolution is 25 years for all projects. Dissolution for the year is SEK -1 million (previous year SEK -1 million) and accumulated dissolution is SEK 9 million.

13. Stocks, stores and development properties

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Supplies and inventories	66	85	784	802
Development properties	1,274	1,305	1,631	1,723
Total supplies	1,340	1,390	2,415	2,525
Itemisation: Development properties				
Value brought forward	857	1,274	1,644	1,631
Expenses for the year	556	189	835	379
Withdrawal of book value	-137	-222	-868	-355
Reclassification/revaluation	-2	64	20	68
Total development properties	1,274	1,305	1,631	1,723

14. Receivables

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Accounts receivable	571	653	1,748	2,108
Accounts receivable, Group companies	173	240	-	-
VAT receivables	407	374	442	416
State subsidies and reimbursements*	573	684	608	684
Municipal tax receivables	1,540	1,308	1,540	1,308
Other current receivables	587	727	1,982	1,798
Other current receivables, Group companies	5,701	372	-	-
Prepayments and accrued income	1,402	1,833	3,409	2,843
Total current receivables	10,954	6,191	9,729	9,157

* Of this amount, SEK 109 million relates to accrued targeted state subsidies.

15. Equity

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Equity brought forward	32,507	35,061	42,651	46,299
Other adjustments	-	-	-5	13
Net earnings for the year	2,554	1,070	3,653	631
Closing equity	35,061	36,131	46,299	46,943
Itemisation: Equity				
Net earnings for the year	2,554	1,070	3,653	631
Earnings equalisation reserve	5,623	5,844	5,623	5,844
Other equity	26,884	29,217	37,023	40,468
Total equity	35,061	36,131	46,299	46,943
Itemisation: Earnings equalisation reserve				
Opening earnings equalisation reserve	5,258	5,623	5,258	5,623
Change in earnings equalisation reserve for the year	365	221	365	221
Total closing earnings equalisation reserve	5,623	5,844	5,623	5,844

16. Provisions for pensions and similar obligations

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Defined-benefit pension scheme	3,425	4,330	4,619	5,609
Collective agreement occupational pension, fixed-term pension, etc.	7	9	7	9
Total pensions	3,432	4,339	4,626	5,618
Employer's contribution	833	1,053	933	1,142
Total provisions for pensions and similar obligations	4,265	5,392	5,559	6,760
Itemisation: Change in provision over the year				
Provision brought forward	4,055	4,265	5,278	5,559
New commitments during the year	282	1,036	408	1,159
<i>of which newly earned pension</i>	197	697	253	752
<i>of which interest and base amount indexation</i>	81	334	120	437
<i>of which change in actuarial bases</i>	0	0	38	-7
<i>of which pension to survivors</i>	4	8	4	2
<i>of which miscellaneous</i>	0	-3	-7	-25
Payouts for the year	-113	-129	-178	-191
Change in special employer's contribution for the year	41	220	51	233
Total provisions for pensions and similar obligations	4,265	5,392	5,559	6,760

Degree of updating 100 per cent (previous year 100 per cent). Number of elected representatives with fixed-term pension 9 (previous year 11).

17. Other provisions

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
A. Provision for restoration of landfill				
Carrying amount at beginning of year	20	19	82	88
Provisions for the period	-	-	7	8
Provisions utilised	-1	0	-1	-11
Unused amounts reversed	-	-	-	-
Reclassification	-	-	-	-
Closing provision	19	19	88	85
B. Provision for infrastructure measures				
Carrying amount at beginning of year	688	224	688	224
Provisions for the period	30	22	30	22
Provisions utilised	-494	-4	-494	-4
Unused amounts reversed	-	-	-	-
Reclassification	-	-	-	-

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Closing provision	224	242	224	242
C. Provision for measures in the construction sector				
Carrying amount at beginning of year	77	83	1,638	1,569
Provisions for the period	31	24	364	153
Provisions utilised	-12	-17	-387	-523
Unused amounts reversed	-13	-1	-47	-28
Reclassification	-	-	1	-
Closing provision	83	89	1,569	1,171
D. Provision for environmental measures				
Carrying amount at beginning of year	13	25	53	67
Provisions for the period	13	-	15	-
Provisions utilised	-1	0	-1	-12
Unused amounts reversed	-	0	0	0
Reclassification	-	-	-	-
Closing provision	25	25	67	55
E. Other provisions				
Carrying amount at beginning of year	9	8	226	228
Provisions for the period	1	8	11	60
Provisions utilised	-1	-1	-8	-13
Unused amounts reversed	-1	-1	-1	-1
Reclassification	-	-	-	-
Closing provision	8	14	228	274
F. Deferred taxes				
Carrying amount at beginning of year	-	-	3,708	3,837
Provisions for the period	-	-	278	82
Provisions utilised	-	-	-39	-71
Unused amounts reversed	-	-	-18	-7
Reclassification	-	-	-92	-29
Closing provision	-	-	3,837	3,812
Total opening balance	807	359	6,395	6,013
Total provisions for the period	75	54	705	325
Total utilised	-509	-22	-930	-634
Total unused amounts reversed	-14	-2	-66	-36
Reclassification	-	-	-91	-29
Total closing balance	359	389	6,013	5,639

The Municipality

A. Landfill

The Municipality's provision refers to the restoration of the City's 17 closed landfill sites. The environmental protection measures relating to this are the responsibility of the Eco-cycle and Water Committee. Brudaremassen is the biggest of the landfill sites and accounts for the largest proportion of the restoration costs. The amount of the provision is difficult to calculate as restoration needs change. Changes in the environment may occur and new technological solutions may also be involved. Ongoing improvement measures are in progress at all landfill sites. The Municipality's provision for landfill restoration is not discounted as the effect is of minor value.

B. Infrastructure

In 2010, the Municipality signed an agreement on the co-financing of infrastructure measures as part of the West Sweden Package in which SEK 400 million related to co-financing linked to land use. This was entered into the Municipality's income statement and balance sheet in 2011. In 2014, the Municipality entered into a co-financing agreement for the extension of the E20 motorway and the work to take a stretch of the E45 motorway underground. The agreement for the extension of the E20 is a sub-agreement between the Göteborg Region Association of Local Authorities (GR) and the City of Gothenburg. In the main agreement, the City of Gothenburg is represented by GR. Gator Backaplan comprises SEK 212 million and the implementation timeframe is uncertain as the project has been revisited. The E20 motorway expansion project involves SEK 30 million, with uncertainties in the payment schedule due to project schedule delays.

C. Measures in the construction sector

This provision refers to the Municipality's future obligations to the developer on the sale date, such as relocating pipes/cables, decommissioning and surveys.

D. Environmental measures

This provision refers to the Municipality's future obligations to the developer on the sale date, such as land decontamination.

E. Other provisions

Other provisions relate to expected damages, penalties, outstanding claims, etc.

The Municipal Group

No provisions have been deemed to be informal obligations that should be reclassified to contingent liabilities.

A. Landfill

The provision for restoration of landfill, aside from the Municipality's provision of SEK 19 million, refers to the restoration of landfill sites within the Renova Group. These relate to the landfills in Tagene, Torsviken and Fläskebo. The OB of SEK 69 million has decreased to SEK 66 million, with Tagene accounting for SEK 41 million. The provisions in Renova are discounted at a rate of 1.34 per cent, where the calculation has reduced the provision by SEK 1.2 million.

B. Infrastructure

See the Municipality.

C. Measures in the construction sector

The provision for measures in the construction sector refers, aside from the Municipality's provisions, which in total increased from SEK 83 million to SEK 89 million, largely to future obligations in construction projects within the Älvstranden Group. These provisions have decreased overall by SEK 402 million, from SEK 1,447 million to SEK 1,045 million and mainly comprise:

- Masthuggskajen, the year's opening provision of SEK 1,202 million has decreased by SEK 408 to SEK 794 million, mainly due to utilised funds linked to work in progress. The provision is expected to have an ongoing outflow through 2031. In addition, there is a new provision for the year of SEK 71 million related to contracting activities on Halvön. The project is projected to run until 2025, but there is uncertainty regarding both the occurrence and timing of any potential outflows.
- Lindholmshamnen, OB SEK 89 million; SEK 22 million was utilised, giving a CB of SEK 69 million. The provision is expected to have an outflow through 2025.
- Frihamnen, OB SEK 44 million is unchanged.
- Sannegården, OB 49 million with a reversal of SEK 14 million during the year. The CB totals SEK 33 million and the provision has an expected ongoing outflow until 2030.
- Celsiusgatan, OB 35 million and CB 32 million,
- Västra Eriksberg, OB SEK 11 million; almost the entire amount has been utilised and completion is expected in 2024.
- Skeppsbron, OB SEK 13 million was reversed in its entirety as a result of decision regarding Skeppsbron.

Higab AB recognizes ongoing provisions for various construction projects totalling an OB of SEK 36 million and CB of SEK 30 million, including a new provision of SEK 12 million related to Per Dubbsgatan. Förvaltnings AB Framtiden also has an ongoing provision with an OB of SEK 4 million and CB of SEK 7 million.

D. Environmental measures

Funds earmarked for environmental measures refer, aside from the Municipality's provision of SEK 24 million, to the provision within the Göteborg Energi Group linked to ongoing confirmed future environmental measures, such as the restoration of land. The CB for the year of SEK 22 million decreased by SEK 12 million compared with the OB as a result of amounts utilised during the year.

The remaining amounts are unchanged and encompass both a provision for decontamination of the Färjenäs training area used by Greater Gothenburg Rescue Services and a provision to Gryaab for land decontamination of Färjestaden of SEK 4 million each.

E. Other provisions

Aside from the Municipality's provision of SEK 15 million, other provisions largely comprise a provision for outstanding claims within Försäkrings AB Göta Lejon, SEK 222 million. During the year, new provisions have been added as follows:

- Renova Miljö AB, SEK 21 million for a dispute arising from the construction of a new workshop,
- Spärvägen AB, SEK 12 million related to the replacement of wheel axles, where the work is projected to span a five-year period.

18. Non-current liabilities

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Liabilities to banks and credit institutions	38,477	43,462	42,200	45,869
Non-current lease liability	1,303	1,460	-	-
Liabilities to Group companies	421	418	-	-
Other non-current liabilities	17	16	106	102
Deferred income construction/connection charges	749	812	1,009	1,127
Deferred income public investment subsidies	3,766	3,963	3,766	4,077
Total non-current liabilities	44,733	50,131	47,081	51,175
Non-current liabilities change over the year				
Opening non-current liability	42,064	44,733	44,568	47,081
Newly raised loans	8,125	11,900	8,825	11,923
Repayment of interest-bearing liability	-5,710	-6,939	-6,548	-8,278
Accrual premiums and discounts	-50	24	-50	24
Change in lease liability	65	157	-	-
Change in other non-current liabilities	-	-4	-1	-4
Change in deferred income	239	260	287	429
Total closing non-current liabilities	44,733	50,131	47,081	51,175
Construction/connection charges remaining number of years (weighted average)	55.9	57.3	42.3	43.1
Public investment subsidies remaining years (weighted average)	48.8	48.5	48.8	48.5
Information on non-current and current borrowing				
Average interest rate (%)	0.99	2.50	1.01	2.00
Average interest excluding derivatives (%)	0.97	2.90	0.94	2.80
Average fixed interest period (years)	2.9	2.9	3.3	3.1
Average fixed interest period excluding derivatives (years)	2.1	1.9	2.1	1.9
Average capital commitment period (years)	3.4	3.3	3.3	3.2
Loans maturing within 0-1 years (%)	19	21	19	22
Loans maturing within 1-2 years (%)	16	16	17	17
Loans maturing within 2-5 years (%)	48	46	48	44
Loans maturing within 5+ years (%)	17	17	16	17
Hedging instruments				
Nominal amount of interest rate swaps	7,800	11,000	18,220	18,400
Market value of interest rate swaps	481	-9	1,011	257
Hedged debt in foreign currency	2,816	2,048	2,816	2,048
Market value cross currency swaps	106	-66	106	-66

Regarding deferred income, public investment subsidies are accrued in the interval 10 to 80 years, depending on useful life of the component/asset to which the subsidy relates. For older revenue (before the introduction of component accounting in 2017), dissolution is applied for essentially 33 years. Beginning in 2021, connection charges are accrued at the Eco-cycle and Water Committee over 80 years (previously 50 years).

For the Group, there is an additional adjustment for Göteborg Energi AB's connection charges, which total SEK 315 million. Of this amount, SEK 190 million was added during the year (previous year SEK 157 million) and is accrued over five years according to a simplified model to meet the costs incurred. A public investment subsidy of SEK 113 million for Göteborgs Hamn AB has been adjusted to a non-current liability. However, no accruals have been made for 2023.

19. Current liabilities

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Liabilities to banks and credit institutions	9,162	11,442	10,060	12,630
Liabilities to Group companies	2,259	1,738	-	-
Accounts payable	2,552	2,925	3,955	4,361
VAT and excise taxes	0	0	57	62
Employee taxes, charges and deductions	361	363	426	502
Retroactive pay and compensation for inconvenient working hours*	693	718	693	718
Holiday and overtime liability*	1,413	1,476	1,808	1,614
Other accrued personnel costs	934	1,003	1,084	1,044
Municipal tax liabilities	-	-	-	-
Other current liabilities**	338	284	1,096	847
Other accruals and deferred income	1,318	1,625	5,230	4,666
Total current liabilities	19,030	21,574	24,409	26,444
Market value of swaps				
Hedged debt in foreign currency	2,029	3,084	2,029	3,084
Currency swaps	-32	-206	-32	-206

* Includes accrued social security contributions.

** Of this amount, SEK 28 million relates to prepaid general state subsidies and SEK 107 million to prepaid targeted state subsidies.

20. Pledges and equivalent collateral

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Property mortgages	-	-	28	28
Other pledged assets*	-	-	340	497
Total pledges and equivalent collateral	0	0	368	525

* The item for 2023 consists of:

- SEK 380 million (previous year SEK 340 million) related to assets registered for coverage of liabilities by the actuarial provisions at Göta Lejon AB. In the event of insolvency, policyholders have a preferential right to the registered assets,
- SEK 117 million attributable to Göteborg Energi Din El AB's pledged cash as collateral for its trading on Nasdaq.

21. Pension obligations not recognised as liabilities or provisions

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
PA-KL pension obligations, active	2,383	2,198	2,391	2,206
PA-KL pension obligations, retired	5,288	5,579	5,368	5,649
Pension obligations, annuity	272	263	272	263
Total PA-KL pension obligations	7,943	8,040	8,031	8,118
Pension obligations, managers' agreements	-	-	-	-
Other pension obligations	4	5	4	5
Guarantee commitments, FPG/PRI	-	-	7	7
Total pension obligations	7,947	8,045	8,042	8,130
Special employer's contribution	1,928	1,952	1,946	1,969
Total pension obligations and special employer's contribution	9,875	9,997	9,988	10,099
Itemisation: Change in contingent liabilities over the year				
Opening contingent liability for pension obligation	10,229	9,875	10,350	9,988
New commitments during the year	194	609	198	606
<i>of which interest and base amount indexation</i>	<i>243</i>	<i>649</i>	<i>246</i>	<i>655</i>
<i>of which change in actuarial bases</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>-</i>
<i>of which pension to survivors</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>of which miscellaneous</i>	<i>-49</i>	<i>-40</i>	<i>-48</i>	<i>-49</i>
Payouts for the year	-479	-511	-488	-518
Change in special employer's contribution for the year	-69	24	-72	23
Total contingent liability for pension obligation	9,875	9,997	9,988	10,099

The Municipality has redeemed pension obligations in contingent liabilities amounting to SEK 420 million in 2001, SEK 260 million in 2002 and SEK 20 million in 2016, a total of SEK 700 million.

22. Other contingent liabilities

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Guarantees for loans and pension obligations of own companies				
Göteborgs Hamn AB	418	442	-	-
Göteborg Energi AB	235	10	-	-
Higab AB	584	584	-	-
Göteborgs Stadshus AB	3,230	2,396	-	-
Förvaltnings AB Framtiden	412	412	-	-
Other companies	253	229	-	-
Total guarantees City companies	5,132	4,073	-	-
Other external guarantees				
Private houses – government home loans	-	-	-	-
Foundations	406	401	406	401
Associations	158	148	158	148
Other	0	0	0	0
Total external guarantees	564	549	564	549
Other obligations				
Parent company guarantee*	-	-	1,330	771
Other contingent liabilities	-	-	139	143
Total other obligations	0	0	1,469	914
Total other contingent liabilities	5,696	4,622	2,033	1,463

* A parent company guarantee was provided by Göteborg Energi AB in favour of the clearing counterparty as security for Göteborg Energi Din EI AB's financial electricity trade of EUR 50 million, corresponding to SEK 555 million. A parent company guarantee was also provided in favour of the balance responsible party as security for Göteborg Energi Din EI AB's physical electricity trade of EUR 20 million, corresponding to SEK 216 million (these items totalled SEK 1,330 million in the previous year).

In November 2012, the City of Gothenburg stood surety jointly and severally, as for a debt of its own, for all of Kommuninvest i Sverige AB's present and future obligations. All 295 municipalities and regions that were members of the Kommuninvest Cooperative Society on 31 December 2023 have entered into identical guarantee commitments. Kommuninvest's total obligation amounted to SEK 552 billion and its total assets to SEK 562 billion on 31 December 2023. The City of Gothenburg's share of the guarantee liability is 2.1 per cent, SEK 12 billion.

A recourse agreement has been concluded between all members of Kommuninvest Cooperative Society that regulates the division of responsibility between the member municipalities in the event of the above-mentioned guarantee commitment being utilised. Under the agreement, responsibility will be divided partly in relation to the size of the funds that each member municipality has borrowed from Kommuninvest

i Sverige AB and partly in relation to the size of each member municipality's invested capital in Kommuninvest Cooperative Society.

The Municipality's guarantee for pension obligations in certain municipal companies, joint statutory authorities and foundations amounted to SEK 746 million at the end of the year. The City of Gothenburg did not need to redeem any guarantee commitments during the year.

23. Leases

Amounts in MSEK	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Financial leases				
Lessee				
Carrying amount on the balance sheet date for machinery and equipment	1,303	1,460	-	-
Present value minimum lease fees	1,365	1,586	-	-
<i>of which maturing within 1 year</i>	422	461	-	-
<i>of which maturing within 1–5 years</i>	764	860	-	-
<i>of which maturing in more than 5 years</i>	179	265	-	-
Variable charges included in net earnings for the period	-	-	-	-
Estimated implicit interest rate (%)	1.83	2.57	-	-
Lessor				
External receivables	-	-	539	513
Future minimum lease fees relating to non-cancellable lease agreements	-	-	537	830
<i>of which maturing within 1 year</i>	-	-	55	60
<i>of which maturing within 1–5 years</i>	-	-	212	231
<i>of which maturing in more than 5 years</i>	-	-	270	539
Operating leases				
Lessee				
Lease fees paid for the financial year	2,172	2,392	1,019	1,162
Future minimum lease fees relating to non-cancellable lease agreements	1,819	6,430	1,531	4,170
<i>of which maturing within 1 year</i>	545	607	326	322
<i>of which maturing within 1–5 years</i>	822	2,700	709	1,573
<i>of which maturing in more than 5 years</i>	452	3,123	496	2,275
Lessor				
Future minimum lease fees relating to non-cancellable lease agreements	921	1,162	10,253	10,942
<i>of which maturing within 1 year</i>	319	266	1,894	1,979
<i>of which maturing within 1–5 years</i>	294	495	4,404	5,069
<i>of which maturing in more than 5 years</i>	308	401	3,955	3,894

24. Effects on comparative year 2022

No adjustments were made in either the income statement or balance sheet that would require changes in the comparative year of 2022.

25. Cash flow, items not affecting liquidity

Amounts in MSEK	Included in note	The Municipality		The Municipal Group	
		2022	2023	2022	2023
Capital gains from intangible assets and property, plant and equipment	9, 10	-203	123	-530	677
Depreciation/amortisation	9, 10	2,200	2,337	5,262	5,489
Write-downs	9, 10	8	-10	72	577
Capital gains from Municipal Group companies	11	-	-	0	-
Provisions made for pensions	16	323	1,256	459	1,392
Other provisions made	17	75	53	705	325
Reversal other provisions	17	-13	-2	-156	-65
Increase/decrease accrued connection charges and investment subsidies	18	-261	-128	-412	-262
Accrual premiums and discounts on loans for the year	18	-100	-102	-100	-102
Subsidies infrastructure, reported in a different sector	RR	20	43	20	43
Adjustment, equity	24	-	-	-3	12
Total items not affecting liquidity		2,049	3,570	5,317	8,086

26. Cash flow, items affecting liquidity

Amounts in MSEK	Included in note	The Municipality		The Municipal Group	
		2022	2023	2022	2023
Payment of pension provision	16	-113	-129	-178	-191
Payment other provisions	17	-15	1	-436	-611
Receipt and payment of premiums and discounts, loans	18	50	126	50	126
Total items affecting liquidity		-78	-2	-564	-676

Interest payments of SEK 1,150 million are included (previous year SEK 494 million) for the Municipality.

Interest payments of SEK 1,185 million are included (previous year SEK 417 million) for the Municipality.

No dividend was paid and therefore this is not included in the Municipality (previous year SEK 6 million).

27. Disclosure of prepared separate reporting

Special reports, prepared in accordance with the *Swedish Public Water Services Act (2006:412)*, and special reports for waste management services, are available at the Eco-cycle and Water Committee's website: goteborg.se/kretsloppochvatten.

Special reports prepared in accordance with the *Swedish Electricity Act (1997:857)*, *Swedish District Heating Act (2008:263)* and *Swedish Natural Gas Act (2005:403)* relating to the electricity grid, gas network and district heating will be published on the Göteborg Energi AB website: goteborgenergi.se.

Under the *Act on Insight into Certain Financial Links and Related Matters (2005:590)* (Transparency Directive), special reports are prepared by Göteborgs Hamn AB and Göteborgs Spårvägar AB. The relevant companies within the Göteborgs Stadshus AB Group prepare a separate report in accordance with the legislation. All documents are available at the respective companies.

28. Disclosure about costs for auditing of accounts

Amounts in SEK thousand	The Municipality		The Municipal Group	
	2022	2023	2022	2023
Expert assistant	4,839	4,164	13,387	14,895
Elected auditors	34	34	4,659	4,745
Total cost for auditing of accounts	4,873	4,198	18,046	19,640

The amounts relate to the total cost for the auditors to review the accounting, interim report and annual report.

29. Disclosure on intra-group conditions

Internal transactions

Amounts in MSEK	Sales		Loans		Interest and guarantee fee		Surety	
	Income	Cost	Lender	Recipient	Income	Cost	Lender	Recipient
Companies	2,853	1,751	1,535	44,227	61	1,126	-	3,985
Municipality	1,766	3,171	44,227	1,895	1,126	66	4,073	-
Joint Statutory Authorities	330	27	360	-	5	-	-	88
Total	4,949	4,949	46,122	46,122	1,192	1,192	4,073	4,073

Group and shareholders' contributions

Amounts in MSEK	Shareholder contribution		Group contribution		Dividend	
	Given	Received	Given	Received	Given	Received
Göteborgs Stadshus AB	59	5	567	269	315	2,336
Göteborg Energi AB	-	-	-	-	752	-
Göteborgs Hamn AB	-	9	193	-	49	-
Higab AB	-	2	-	139	1,503	-
Förvaltnings AB Framtiden	-	12	16	-	-	-
Göteborg & Co AB	-	13	38	368	32	-
Göteborgs Stads Kollektivtrafik AB	-	11	14	-	-	-
Business Region Göteborg AB	-	5	-	45	-	-
Göteborgs Stads Leasing AB	-	-	-	16	-	-
Boplats Göteborg AB	-	7	9	-	-	-
Municipality	5	-	-	-	-	315
Total	64	64	837	837	2,651	2,651

30. List of companies, etc., in which the City of Gothenburg has ownership interests

Company / Organisation	Company reg. no.	Ownership stake (%)
GÖTEBORGS STADSHUS AB	556537-0888	100
INTERNAL COMPANIES (internal operations)		
Försäkrings AB Göta Lejon	516401-8185	100
Göteborgs Stads Leasing AB	556442-1716	100
BOPLATS GÖTEBORG AB	556467-7390	100
REGIONAL COMPANIES		
Gryaab AB	556137-2177	70.6
Göteborgsregionens Fritidshamnar AB (Grefab)	556185-4109	80
Renova AB	556108-3337	85
Renova Miljö AB	556946-0321	100
Fastighets AB Rödingen	556051-2096	100
GÖTEBORG ENERGI AB	556362-6794	100
Göteborg Energi Nät AB	556379-2729	100
Göteborg Energi GothNet AB	556406-4748	100
Netwest Sweden AB*	559028-5656	2.4
Göteborg Energi Gasnät AB	556029-2202	100
Göteborg Energi Din El AB	556572-4696	100
Göteborg Energi Backa AB	556550-2043	100
FÖRVALTNINGS AB FRAMTIDEN	556012-6012	100
Bostads AB Poseidon	556120-3398	100
Ellesbokomplementären AB	556432-9810	33
KB Ellesbo 2	916844-6442	33
Familjebostäder i Göteborg AB	556114-3941	100
Gärdsås Utvecklings AB	556599-9694	49
Gärdsås Torgbolag KB	969673-5233	56
Gårdstensbostäder AB	556536-0277	100
Göteborgs Stads Bostads AB	556046-8562	100
Fastighetsbolaget Bredfjäll AB	556662-9035	100
Fastighetsbolaget Bredfjäll KB	969676-6923	100
Fastighetsbolaget Gropens Gård KB	969676-6881	100
Fastighetsbolaget Friskvåderstorget KB	969667-0562	100
Göteborgs Egnahems AB	556095-3829	100
Bygga Hem i Göteborg AB	556643-7934	100
Fastighets AB Sannegården 26:1	559360-7657	100
Framtiden Byggutveckling AB	556731-5170	100
Störningsjouren i Göteborg AB	556657-1443	100
Förvaltnings AB GöteborgsLokaler	556082-4897	100

Company / Organisation	Company reg. no.	Ownership stake (%)
HANTVERKS- & INDUSTRIHUS i GBG AB (HIGAB)	556104-8587	100
Hotell Heden AB	556050-2501	100
Myntholmen AB	559011-5563	100
Myntholmen 2 AB	559328-3145	100
Älvstranden Utveckling AB	556659-7117	100
Södra Älvstranden Utveckling AB	556658-6805	100
Älvstranden Gullbergsvass AB	556023-2646	100
Norra Älvstranden Utveckling AB	556001-3574	100
Fastighets AB Fribordet	556248-5747	100
Norra Älvstranden Bostäder AB	556260-3281	100
GVA Fastigheter KB	916836-2888	100
GVA Fastigheter AB	556291-8390	100
Ferux Fastighet i Göteborg AB	556615-0123	100
Norra Älvstranden Bostäder AB	556558-0619	100
Fastighets AB Navet	556609-4354	100
Eriksbergs Förvaltnings AB	556079-4306	100
Lindholmspiren Beta AB	556625-8074	100
Torphuset Fastighets AB	556690-7571	100
Menlin Fastighets AB	556602-4922	100
Fastighets AB Radny	556992-7790	100
Fastighets AB Vinstra	556992-7808	100
Fastighets AB Esterel	556992-7832	100
Fastighets AB Raila	559057-5923	100
Fripoint AB	556024-1456	100
Göteborgs Frihamns AB	556246-9519	100
S Tingsvassen 739:137 Fastighets AB	556606-2641	100
Göteborgs Stads Parkerings AB	556119-4878	100
BUSINESS REGION GÖTEBORG AB	556439-5878	100
Almi Företagspartner Väst AB*	556488-1307	12.3
Lindholmen Science Park AB	556568-6366	24
Johanneberg Science Park AB	556790-3108	38.8
Sahlgrenska Science Park AB	556547-7832	22.9
Göteborgs Tekniska College AB	556570-6768	49
GÖTEBORG & CO AB	556428-0369	100
Svensk Turism AB*	556452-7157	2
Got Event AB	556015-9823	100
Liseberg AB	556023-6811	99.9
Lisebergs Gäst AB	556422-0845	100
AB Liseberg Skår 40:17	556909-9731	100
Göteborgs Stadsteater AB	556016-7875	99.9

Company / Organisation	Company reg. no.	Ownership stake (%)
GÖTEBORGS HAMN AB	556008-2553	100
Göteborgs Stuveri AB	556284-3614	100
Scandinavian Distripoint AB	556206-1654	100
Arendal Holding AB	556711-0365	100
Göteborgs Hamn Holding AB	559338-6799	100
Göteborg Arendal 764:385 AB	559394-9323	100
Halvorsäng Holding AB	559338-6807	100
Halvorsäng Fastighets AB	559338-6781	100
Halvorsäng Fastighetsbolag Syd AB	559338-6823	100
Halvorsäng Fastighetsbolag Nord AB	559338-6815	100
Halvorsäng Fastighetsbolag Öst AB	559338-6831	100
Westwind Offshore AB*	559318-3907	5
GÖTEBORGS STADS KOLLEKTIVTRAFIK AB	559161-0190	100
Göteborgs Spårvägar AB	556353-3412	85
GS Buss AB	556771-4380	100
GS Trafikantservice AB	556771-2251	100
OTHER		
Kommuninvest Cooperative Society*	716453-2074	2.1
Greater Gothenburg Rescue Services	222000-0752	70.6
Gothenburg Coordination Association	222000-3285	25
Göteborg Region Association of Local Authorities**	222000-0265	55.6
Göteborgsregionens Internationella Skola AB (ISGR)**	556527-5657	100
Gryning Vård AB**	556605-8201	54
Tolkförmedling Väst**	222000-2972	16.4

* Is not a Municipal Group company (<20%), not included in combined accounts.

** Is a Municipal Group company, but excluded from combined accounts because it does not have material significance (<2%).

The following changes have taken place during the year:

- » 100 per cent of Göteborg Energi Backa AB (556550-2043) was merged into Göteborg Energi AB (556362-6794).
- » 100 per cent of Göteborgs Hamn Arendal Fastighets AB (559324-3164) was merged into Göteborgs Hamn AB (556008-2553).
- » 100 per cent of Göteborg Arendal 764:385 AB (559394-9323) was acquired.
- » 5 per cent of Westwind Offshore AB (559318-3907) was acquired.
- » The ownership stake in Greater Gothenburg Rescue Services (222000-0752) changed from 70.6 to 64.4 per cent as a result of new member municipalities.

Definitions

Degree of updating | Percentage of current and previous employees updated with regard to former pensionable employment.

Non-current assets | Assets that are intended for continuous use in the operation, such as buildings. They could also be intangible, such as goodwill, or financial, such as shares.

Depreciation according to plan | A non-current asset's total expenditure is distributed as costs over the number of years that the asset is expected to be used in the operation.

Balanced budget requirement | The municipal sector's balanced budget requirement means that municipalities and regions must prepare the budget for the next calendar year so that income exceeds costs.

Balance sheet | A summary of the assets, equity, provisions and liabilities on the balance sheet date, i.e. the last day of the reporting period.

Derivative instrument | A financial instrument whose value is derived from the value of an underlying asset. Used to manage currency and interest risks. Common derivative instruments are options, futures and swaps.

Equity | Equity is the difference between assets and liabilities, and shows what proportion of the assets has not been financed through loans.

Elimination | A process of removing internal items so that information about income, costs, receivables and liabilities only contains items that are external to the organisation.

Issue | When new bonds or certificates are issued for sale.

Level of self-financing of investments | Cash flow from activities before change in working capital and sales of property, plant and equipment in relation to net investments.

Net financial items | The difference between the financial income and financial expenses in the income statement.

Average useful life | Cost of assets subject to depreciation in relation to depreciation costs for the year.

Cash flow statement | Shows inward and outward cash flows. The sum of the inward and outward cash flows is the total cash flow for the year.

The Municipal Group | The Municipality along with the municipal group companies.

Municipal Group company | A legal entity for which a municipality has a lasting significant influence over the operations, goals and strategies.

Consolidation | Entails the merging of financial reports from a parent company and at least one owned company into a combined report for the Group.

Borrowing | The Municipal Group's total external borrowing.

Net investment | Investment expenditure less investment income.

Net borrowing | The Municipality's external borrowing less lending to the companies and the liquidity that the Municipality invested in the market.

Current assets | Assets that are not intended for continuous use or holding, such as inventories, liquid funds and current receivables.

Income statement | A summary of the income and expenditure accounts in the bookkeeping system, i.e. the income and expenses of the operation which produce the profit, surplus or deficit for the period.

Interest rate swap | An agreement between two parties to exchange or swap interest payments for a set period of time.

Combined accounts | Compilation of the income statements, balance sheets, cash flow statements and notes of the Municipality and the Municipal Group companies.

Equity/assets ratio | Equity in relation to total assets.

Structural net cost | Consists of net costs and financial income and expenses excluding items affecting comparability.

Structural earnings | Consists of net earnings excluding items affecting comparability.

3

Economic and Financial Report

This section includes the operational accounts, investment accounts and a report on the foundations administered by the City. The operational accounts and investment accounts must satisfy the City Council's requirement to report on progress and demonstrate the accountability of the boards and committees. The accounts must also satisfy the requirements of external stakeholders for information about how resources are allocated and used by the services. Comments are given on negative deviations from the budget, as well as major positive deviations.

Economic and Financial Report

100 Operational accounts

The operational accounts contain an account of how the outcome relates to the budget established for operating activities. The accounts must also satisfy the requirements of external stakeholders for information about how resources are allocated and used by the services.

108 Investment accounts

The investment account provides a comprehensive account of investing activities.

117 Foundations

The City of Gothenburg manages linked foundations and gifts for various purposes. Management only applies to grant-making foundations, responsibility for the foundations' capital and for ensuring that the yield is allocated for purposes that are in line with the instructions of the donors.

Operational accounts

Municipality's operational accounts

The operational accounts for the Municipality are set out to allow comparison of the outcomes of the committees with the City Council's budget. The column municipal subsidies states the limits that the City Council allocated to the committees. For some of the committees, the City Council took decisions during the year that changed the municipal subsidies in relation to the original budget decision. In such cases the table shows the updated framework. Separate tables later in this section present the dates and amounts of adjustments to the committees' limits. The 'budget' column presents the result that the committees themselves had budgeted for the year. Under the City's regulations, the committees have

the right, based on certain circumstances and limits, to accumulate and use equity. The committees therefore have the opportunity to budget for both a surplus and a deficit. In 2023, however, the challenging economic situation limited the possibility for a committee to budget for a negative financial result and required approval from the City Executive Board. The 'budget' column also shows the result that the City Council budgeted for the central municipal items and for the City as a whole. The internal management accounting and financial control policies that are most significant for the operational accounts can be found in the 'Notes including accounting policies' section.

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Income previous year	Costs previous year
COMMITTEES WITH A SPECIAL FOCUS AREA							
Land Development Committee	1,120	-1,331	127	-85	0	-	-
Pre-school Committee	587	-5,412	4,777	-48	0	565	-5,107
Compulsory School Committee	1,155	-10,571	9,412	-4	0	1,182	-10,086
Sports and Associations Committee	169	-813	666	22	0	167	-732
Municipality Management	202	-574	386	14	0	174	-543
Cultural Affairs Committee	151	-830	683	4	0	154	-778
Environmental and Climate Committee	92	-201	112	3	0	93	-189
Labour Market and Adult Education Committee	291	-1,037	753	7	0	288	-975
Committee for Democracy and Citizen Services	113	-209	101	5	0	74	-161
Committee for Disability Support	538	-5,786	5,100	-148	0	597	-5,366
Purchasing and Procurement Committee	141	-138	8	11	0	90	-84
Committee for Intraservice	1,287	-1,320	37	4	0	1,268	-1,290
Social care committee Centrum	168	-1,421	1,277	24	0	166	-1,362
Social care committee Hisingen	122	-1,327	1,222	16	0	135	-1,224
Social care committee Nordost	220	-1,897	1,721	44	0	197	-1,708
Social care committee Sydväst	563	-1,351	787	0	0	485	-1,198
City Planning Committee	218	-472	256	2	0	-	-
City Property Committee	3,880	-3,850	0	30	0	-	-
Urban Environment Committee	1,661	-3,538	1,763	-114	0	-	-
Education Committee	1,066	-3,527	2,471	10	0	1,053	-3,308
Electoral Committee	0	-10	12	2	0	21	-42
Committee for the Elderly, Nursing and Care	1,466	-7,709	6,240	-4	0	1,458	-7,161

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Income previous year	Costs previous year
DEPARTMENTAL COMMITTEES WITH ACTIVITIES FINANCED BY TARIFFS							
Eco-cycle and Water Committee	1,933	-2,017	0	-84	-47	1,789	-1,773
Change of liability/receivable to subscriber Eco-cycle and Water Committee	84			84	47	-16	-
Financial framework for special budget items							
Archives Committee	39	-62	24	2	0	40	-59
Auditors' Office	5	-44	40	1	-1	5	-44
Social care committee Centrum: Adult education associations	0	-29	29	0	0	0	-29
City Planning Committee: Transfers	0	-66	68	2	0	0	-54
Chief Guardians' Committee: Fees	3	-35	34	2	0	2	-33
The following committees were discontinued in 2023:							
Planning and Building Committee	-	-	-	-	-	201	-366
Property Management Committee	-	-	-	-	-	765	-801
Commercial Premises Committee	-	-	-	-	-	3,429	-3,453
Parks and Landscape Committee	-	-	-	-	-	450	-784
Road Traffic Committee	-	-	-	-	-	1,419	-2,718
Total for committees	17,273	-55,579	38,107	-199	-1	16,251	-51,427
Central municipal items	41,847	-3,713	-38,107	27	-1,229	38,920	-2,503
Earnings before items affecting comparability	59,120	-59,292	0	-172	-1,230	55,171	-53,930
Dividend	315	0	0	315	315	-	-
Capital gains	454	0	0	454	600	873	-
Developer contributions	473	0	0	473	-	440	-
Earnings Municipality	60,362	-59,292	0	1,070	-315	56,484	-53,930
<i>Adjustment for items that are not attributable to operating expenses and income according to the income statement</i>	<i>-41,085</i>	<i>1,724</i>	<i>-</i>	<i>-39,361</i>	<i>-38,380</i>	<i>-38,024</i>	<i>622</i>
<i>Adjustment for internal items</i>	<i>-7,640</i>	<i>7,640</i>	<i>-</i>	<i>0</i>	<i>-</i>	<i>-7,307</i>	<i>7,307</i>
Operating income and expenses according to the income statement	11,637	-49,928	-	-38,291	-38,695	11,153	-46,001
Tax revenue	34,996	-	-	34,996	34,260	32,931	-
General state subsidies and equalisation	4,528	-	-	4,528	3,858	4,553	-
Financial items	1,561	-1,724	-	-163	262	540	-622
Net earnings for the year	52,722	-51,652	-	1,070	-315	49,177	-46,623

The committees

Overall, the committees report a deficit for the year and a deviation from the budget of approximately SEK 200 million, which is about SEK 850 million worse than last year. In addition, the differences between the respective financial results of the committees are larger. The high rate of inflation has resulted in a much higher cost situation than previously. The negative trend was also affected by some large non-recurring items, as well as by the reduction in scope of some temporary state subsidies in 2023.

Below is a brief description of the committees that report a negative deviation, and of those committees that report a larger positive deviation compared to the budgeted result.

The Committee for Disability Support reports a negative deviation of SEK 148 million, for which the Board was granted the use of equity of SEK 35 million. The deficit can mainly be attributed to higher costs for purchased services and housing, as well as higher personnel costs within Buildings with Special Service and daily activities and support. The deviation can also be attributed to increased costs for the committee due to users with complex problems who do not obviously belong in a specific administration, as well as a new charging method for home-help services. Higher costs for municipal services and higher utilisation of expansion funds for new places in Buildings with Special Service due to rising prices and more extensive needs among users also contribute to the deficit.

The Urban Environment Committee reports a deficit of SEK 114 million. The deficit is primarily due to the committee having to restate an increased municipal subsidy of SEK 92 million following an appeal to the administrative court against the City Executive Board's decision on the supplementary budget. The committee also cites extensive snow and ice control operations, especially in November and December, as a reason for the deficit.

The Pre-school Committee's full-year result is a negative deviation of SEK 48 million. The deficit is due partly to higher personnel costs, mainly because the education areas have not fully adapted their staff organisation to the number of children, and partly to higher costs for premises and municipal services. The proportion of children enrolled in the programme has increased and the number of children is slightly higher than expected. The committee received a supplementary budget totalling SEK 75 million during the year.

The Compulsory School Committee reports a deficit of SEK 4 million. The deviation is due to higher personnel costs because staffing in the school districts has not been adapted to the adopted budget and reduced state subsidies. The deficit is offset by some vacant positions, prudence, reduced costs for cleaning, meals and janitorial services, in line with the committee's decision on measures. The committee received a supplementary budget totalling SEK 68 million during the year.

The Committee for the Elderly, Nursing and Care reports a negative deviation of SEK 4 million. The deficit is mainly attributable to higher personnel costs that were budgeted within home-help services provided by the committee. In October, the home-help services reimbursement model was changed from actual to allocated time. This change has gradually reduced the deficit for home-help services during the autumn. In the public authority area, however, the result has deteriorated to a similar extent. In addition, more external places in care and nursing homes, an increased need for short-term places and costs for vacant premises contributed to the committee's deficit. The deficit is offset by the committee receiving significantly higher than budgeted state subsidies. One of the state subsidies came in the form of a supplementary budget of SEK 31 million during the year. The committee has been authorised to use up to SEK 20 million in equity.

The Land Development Committee's result is a negative deviation of SEK 85 million. The deficit can be attributed to the scrapping of abandoned project and contractor costs of SEK 110 million following the City Council decision on the Skeppsbron project, when the City Council instructed the City Planning Committee to draw up a new local plan for Skeppsbron and to suspend planning for the Skeppsbro garage. The costs relate to the scrapping of abandoned project and contractor costs. The wasteful expenditure also includes a loss recognised as a precautionary measure due to a dispute with one of the stakeholders in the project. The committee reports that the result excluding wasteful expenditures is a surplus of approximately SEK 25 million.

The Eco-cycle and Water Committee's full-year result for its tax-financed activities is a negative deviation from the budget of approximately SEK 37 million. The deficit for water and sewage services for the full year amounts to approximately SEK 50 million, which is SEK 13 million worse than the adopted budget. The deficit can mainly be

attributed to increased interest and chemical costs. The result for waste management services is SEK -34 million, a negative deviation from the budget of almost SEK 24 million. The main reasons are lower tariff income than budgeted and higher costs for waste and packaging collection. The deviations for the committees' other activities are marginal. The deficit in the tax-financed activities of the Eco-cycle and Water Committee is recognised as a receivable from the tariff collective and does not affect the City's total earnings.

The Social care committee Nordost reports a surplus of SEK 44 million that is mainly attributable to lower personnel costs due to difficulties in recruiting staff to fill vacancies caused by high staff turnover, lower costs for income support, partly due to favourable labour market developments, and lower than budgeted fee increases for foster homes. The committee also received a supplementary budget of SEK 18 million during the year. At the same time, the costs for purchasing care and housing have increased, as have the costs for contractors, thereby reducing the committee's surplus.

The full-year result for Social care committee Centrum is SEK 24 million. The surplus is mainly due to lower costs for income support and a supplementary budget of SEK 22 million. At the

same time, costs for children and young people have increased and exceeded the budget, thereby reducing the committee's surplus.

The Social care committee Hisingen reports a positive deviation of SEK 16 million. The surplus is mainly due to lower costs for income support and a supplementary budget of SEK 14 million. At the same time, costs for children and young people have increased and exceeded the budget, thereby reducing the committee's surplus.

The City Property Committee reports a positive deviation of SEK 30 million, after rent for the activity committees was reduced by SEK 25 million. The budget surplus can be attributed to significantly lower than estimated electricity prices, which have been recognised for most of the year. The committee has therefore increased its planned maintenance during the year.

The Sports and Associations Committee reports a surplus compared with the budget totalling just under SEK 22 million. The committee reports both higher income and lower costs. Income from parking fees is higher and overnight stays and facility bookings have increased. The committee is now seeing a positive trend in visitor numbers compared to the decline during the pandemic. Costs for staff, electricity and accommodation are lower, and activities have not started



as planned during the year. During the latter part of the year, the committee has actively worked to pay out more association grants than initially planned.

Central municipal items

The central municipal items mainly consist of revenue from taxes, general state subsidies and equalisation, as well as costs for the municipal subsidy that is distributed to the City's committees. In addition, items such as pension costs as well as costs and income linked to the City's handling of financial items are reported at the central municipal level. Compared to the previous year, central municipal costs have increased by almost 50 per cent. The increase can mainly be attributed to the strong impact of inflation on the City's pension costs. Compared with 2022, pension costs increased by just under SEK 1,500 million.

Taken together, a surplus of SEK 27 million is reported for items at the central municipal level. This result deviates positively from the budget by SEK 1,250 million. The main reason for this outcome is that revenue from taxes, general state subsidies and equalisation was approximately SEK 1,400 million higher than budgeted. Specifically,

the trend for tax revenue was significantly better than expected, but the general state subsidies are also higher than budgeted because of the general additions to the municipal sector included in the 2023 state budget.

During the year, the City Council decided to allocate part of the surplus from the higher tax revenue to the committees through expanded municipal subsidies and central municipal call-off funds, which slightly reduced the central municipal surplus.

Items affecting comparability

In addition to the result for committees and for the central municipal items, the result is also affected by a number of items affecting comparability that are presented outside the 'structural earnings'. These consist of capital gains, dividends and developer contributions.

Capital gains amounted to SEK 454 million, which is SEK 146 million lower than in the budget. Developer contributions totalled SEK 473 million. Since the developer contributions are subject to great uncertainty, they have not been budgeted and thus represent a deviation from the budget in their entirety.

Municipal subsidies and supplementary budget committees

Amounts in MSEK	City Council budget 2023	City Executive Board 22 March	City Council 23 March	City Executive Board 7 June	City Council 8 June	City Council 23 Nov.	Total municipal subsidy 2023
Archives Committee	24.1	0.0	0.0	0.0	0.0	0.0	24.1
Land Development Committee	124.5	7.0	0.0	-5.0	0.0	0.0	126.5
Pre-school Committee	4,702.2	2.7	60.0	0.0	2.0	10.0	4,776.9
Compulsory School Committee	9,344.1	18.2	0.0	0.0	0.0	50.0	9,412.3
Sports and Associations Committee	661.8	0.0	0.0	0.0	0.0	4.0	665.8
Municipality Management	385.1	0.6	0.8	0.0	0.0	0.0	386.5
Cultural Affairs Committee	667.7	0.0	15.0	0.0	0.0	0.0	682.7
Environmental and Climate Committee	104.7	0.0	7.5	0.0	0.0	0.0	112.2
Labour Market and Adult Education Committee	746.5	3.4	3.5	0.0	0.0	0.0	753.4
Committee for Democracy and Citizen Services	98.0	0.0	0.0	0.0	3.1	0.0	101.1
Committee for Disability Support	5,086.7	0.0	8.0	0.0	5.0	0.0	5,099.7
Purchasing and Procurement Committee	8.0	0.0	0.0	0.0	0.0	0.0	8.0
Committee for Intraservice	37.1	0.0	0.0	0.0	0.0	0.0	37.1
Auditors' Office	39.9	0.0	0.0	0.0	0.0	0.0	39.9
Social care committee Centrum	1,255.2	1.7	7.0	0.0	11.3	1.5	1,276.6
Social care committee Hisingen	1,209.0	2.4	1.4	0.0	6.9	2.1	1,221.7
Social care committee Nordost	1,703.7	3.3	1.7	0.0	9.5	3.1	1,721.3
Social care committee Sydväst	772.6	1.4	1.0	0.0	9.3	3.0	787.3
Social care committee Centrum: Adult education associations	29.2	0.0	0.0	0.0	0.0	0.0	29.2
City Planning Committee	246.3	0.9	4.0	5.0	0.0	0.0	256.2
City Planning Committee transfers	68.0	0.0	0.0	0.0	0.0	0.0	68.0
Urban Environment Committee	1,766.2	0.5	-4.0	0.0	0.0	0.0	1,762.7
Education Committee	2,402.2	11.0	23.0	0.0	35.0	0.0	2,471.2
Electoral Committee	12.1	0.0	0.0	0.0	0.0	0.0	12.1
Committee for the Elderly, Nursing and Care	6,208.7	0.0	0.0	0.0	31.0	0.0	6,239.7
Chief Guardians' Committee Fees	34.2	0.0	0.0	0.0	0.0	0.0	34.2
Total	37,738.0	53.1	128.8	0.0	113.1	73.7	38,106.7



Joint statutory authorities' operational accounts

Amounts in MSEK	Revenue	Costs	Net costs	Municipal subsidy	Net earnings for the year	Closing equity
Greater Gothenburg Rescue Services	597.3	-603.5	-6.2	-	-6.2	67.8
Gothenburg Coordination Association	17.2	-18.5	-1.3	-	-1.3	1.8
Total	614.5	-622.0	-7.5	-	-7.5	69.6

The values correspond with the City's ownership stakes.

The City of Gothenburg is the largest owner of Greater Gothenburg Rescue Services (RSG). The joint statutory authority was expanded from 1 January 2023 to include the three municipalities of Tjörn, Stenungssund and Lilla Edet. As a result, Gothenburg holds a 64.35 per cent ownership stake.

RSG reported a deficit of SEK -9.7 million for 2023, which is a negative deviation of SEK -8.0 million compared with the budgeted deficit of SEK -1.7 million. The deviation consists of

several items mainly in revenue, contract work and consultancy, as well as personnel.

In 2023, RSG focused on integration of the three new member municipalities Tjörn, Stenungssund and Lilla Edet. Economically, the year was affected by external factors such as inflation, wage negotiations, and an increased focus on heightened preparedness and civil defence. A new pension agreement was signed for rescue services and an ongoing issue is the management of daily rest under current EU directives.

Companies – financial performance

Amounts in MSEK	Operating income	Earnings after financial items	Budget	Earnings 2022	Total assets	Equity/assets ratio (%)
Energy	7,901	372	391	433	16,371	44
Housing	7,060	-110	424	247	40,444	31
Commercial Premises	2,003	-214	181	471	11,665	30
Business	213	-54	-49	-49	162	42
Public Transport	1,234	84	5	20	689	58
Port	1,002	269	234	248	4,454	51
Tourism, Culture & Events	2,024	-401	-292	-66	4,836	33
Försäkrings AB Göta Lejon	232	43	14	31	499	48
Göteborgs Stads Leasing AB	900	46	27	41	2,992	34
Gryaab AB	264	-17	-17	31	935	10
Renova AB	1,489	0	65	51	2,271	28
Grefab AB	57	-1	0	3	97	18
Parent company (Göteborgs Stadshus AB)	30	1,790	-488	-113	21,717	78
Boplats	41	8	-2	5	70	47
Eliminations	-1,472	-1,906	413	92	-22,518	
Total	22,979	-92	906	1,447	84,683	29

The table shows amounts corresponding to the stake the City owns in each company (unlike the annual accounts of the Stadshus Group, which are prepared based on K3 regulations). This table shows earnings after financial items, but before tax and appropriations.

The Stadshus AB Group posted net earnings after financial items of SEK -92 million, which is almost SEK 1 billion lower than the budget and can be compared with net earnings of just over SEK 1.4 billion in 2022.

The deficit can mainly be attributed to write-downs due to higher yield requirements in the property market, mainly in new construction. These write-downs amount to SEK 552 million, of which the Framtiden Group accounts for SEK 317 million and the Higab Group for SEK 235 million. As an effect of the City Council decision to task the City Planning Committee with formulating a new local plan for Skeppsbron and suspend all work on the Skeppsbro garage, the Higab Group has written down costs in the project by SEK 227 million. Items affecting comparability for the year totalled SEK -746 million, compared with SEK 549 million last year. These items largely consist of reversals of previous write-downs and write-downs for the year, wasteful expenditure, as well as capital gains and losses. The Stadshus Group's result, adjusted for total items affecting comparability, shows an outcome of SEK 647 million, which is SEK 274 million lower than the previous year and SEK 230 million lower than the budget.

In addition to items affecting comparability, the Framtiden Group, the Tourism, Culture and Events cluster, the Energi Group and the Industry cluster report deficits for operating activities compared with the budget.

The Tourism, Culture and Events cluster reports a deficit that is SEK 109 million lower than the budget, where Liseberg's deficit was mainly impacted by a summer season that fell short of expectations. For Got Event, however, a good event summer resulted in a surplus compared with the budget.

The Framtiden Group's outcome from operating activities, adjusted for items affecting comparability, is approximately SEK 200 million lower than the budget. The main reasons are lower net financial items compared to the budget and higher operating and maintenance costs.

The Göteborg Energi Group's earnings improved during the autumn and they report a result that is SEK 18 million lower than the budget.

The Industry cluster reports a deficit of SEK -5 million compared with the budget. The main reasons for the negative deviation are transactions related to partly owned companies, direct costs

and write-downs of capital contributions and shares.

The companies that contribute positive outcomes from operating activities compared with what was budgeted are the Higab Group with a surplus, adjusted for items affecting comparability, of SEK 69 million, of which SEK 40 million relates to capital gains. The operating result for Göteborgs Hamn is slightly higher than budgeted.

The internal companies, Försäkrings Göta Lejon and Göteborgs Stads Leasing AB, together report a surplus compared with the budget.

Compared with 2022, total assets increased by just over 2.4 percentage points, to around SEK 84.7 billion. The equity/assets ratio decreased by one percentage point to 29 per cent. This is an effect of higher total assets, caused by increased investments, with the decrease in equity exceeding the increase in the volume of loans. At the end of the year, the Group's total loan volume was SEK 47.4 billion. Equity as a share of earnings amounts to -0.4 per cent, down from 5.4 per cent the previous year, which can be attributed to much lower earnings in 2023. The dividend paid amounts to SEK 315 million.

Investment accounts

The Municipality's investment accounts

The investment accounts must meet the City Council's requirements to monitor progress and allow easy comparison with the City Council's budget and other investment-related City Council decisions.

As part of the 2023 budget, the City Council established investment frameworks for each committee. For the Eco-cycle and Water Committee, however, the City Council established one framework for water and sewage services, one for waste management services and frameworks for the Heavy rainfall and Technical water investment areas. The City Council's budget decisions refer to

net investment frameworks per committee for the period 2021–2025, showing reinvestment as part of the net investment budget. The budget presented for 2023 refers to the budgets approved by the committees themselves.

The investment accounts present the adjustments summarised in the cash flow statement items Investment in property, plant and equipment.

Amounts in MSEK	Outcome 2023	Budget 2023	Deviation	Budget 2021–2025
Land Development Committee				
Income	284	431	-147	
Expenses	-549	-895	346	
<i>of which new investment</i>	-549	-895	346	
<i>of which reinvestment</i>				
Net investments	-265	-464	199	-3,069
Sports and Associations Committee				
Income	4		4	
Expenses	-251	-621	370	
<i>of which new investment</i>	-169	-532	363	
<i>of which reinvestment</i>	-82	-89	7	-880
Net investments	-247	-621	374	-3,522
Eco-cycle and Water Committee				
Water and sewage				
Income	76*		76	
Expenses	-928	-991	63	
<i>of which new investment</i>	-683	-755	72	
<i>of which reinvestment</i>	-245	-236	-9	-1,062
Net investments	-852	-991	139	-5,231
Waste				
Income				
Expenses	-5	-14	9	
<i>of which new investment</i>	-5	-13	8	
<i>of which reinvestment</i>		-1	1	-5
Net investments	-5	-14	9	-275
Heavy rainfall				
Expenses	-11	-12	1	
<i>of which new investment</i>	-11	-12	1	
Net investments	-11	-12	1	-100

Amounts in MSEK	Outcome 2023	Budget 2023	Deviation	Budget 2021–2025
Technical water				
Expenses	-235	-250	15	
<i>of which new investment</i>	-235	-250	15	
Net investments	-235	-250	15	-500
Net investment Eco-cycle and Water Committee	-1,103	-1,267	164	-6,106
City Property Committee				
Income				
Expenses	-2,200	-2,655	455	
<i>of which new investment</i>	-1,280	-1,730	450	
<i>of which reinvestment</i>	-919	-925	6	-4,616
Net investments	-2,199	-2,655	456	-13,659
Urban Environment Committee				
Income	90	100	-10	
Expenses	-911	-1,350	439	
<i>of which new investment</i>	-526	-740	214	
<i>of which reinvestment</i>	-385	-610	225	-2,634
Net investments	-821	-1,250	429	-5,603
Total investments committees				
Income	454	531	-77	
Expenses	-5,090	-6,788	1,698	
<i>of which new investment</i>	-3,458	-4,927	1,469	
<i>of which reinvestment</i>	-1,631	-1,861	230	-9,197
Net investments	-4,635	-6,257	1,622	-31,959
Central municipal level				
Leases	-659	0	-659	
Crisis preparedness				-250
Total net investments Municipality	-5,294	-6,257	963	-32,208
Development				
Development income	1,085	1,925	-840	
Development expenses	-1,090	-1,810	777	
<i>of which land development</i>	-243	-770	527	
<i>of which development-financed public place</i>	-675	-850	175	
<i>of which tax-financed public place</i>	-115	-190	75	
<i>of which unallocated construction in progress</i>	-57			
Net development	-5	115	-63	3,247
Water and sewage connection charges	*	62	-62	
Expansion water and sewage	-159	-120	-39	
Net expansion water and sewerage	-159	-58	-101	-596
Total Municipality including Development				
Income	1,539	2,518	-979	
Expenses	-6,998	-8,718	1,720	
Net investments	-5,459	-6,200	741	-29,557
Adjustment property, plant and equipment				
plus gifts	-1			
less change in current assets	189			
less change in liability	-390			
less income recognised in the income statement	-1,039			
Rounding off	2			
Investment property, plant and equipment	-6,698			

* The Eco-cycle and Water Committee's reported investment income includes approximately SEK 34 million related to connection charges attributable to the committee's investments in development.



Investment monitoring

The committees' investment expenditure was approximately SEK 5.1 billion in 2023, which is SEK 1.7 billion lower than what had been budgeted for the year. Investment expenditure for 2022 was SEK 4.2 billion. The committees' investment volume therefore increased by SEK 0.9 billion compared with the previous year. State investment subsidies and other investment income totalled just under SEK 0.5 billion during the year, for a net investment of approximately SEK 5.3 billion, including the Municipality's lease costs. The committees have the opportunity to allocate and reallocate investment funds between the years during the period 2021–2025 and the plan is that the unused investment funds in 2023 will instead be utilised in the next year within the investment period. However, the forecast in August for the entire period showed that investment volumes are not expected to be used on a level with the budget that the City Council approved.

The committees with the highest budgeted net investment volume, City Property, Urban Environment, and Eco-cycle and Water, have used 83 per cent, 66 per cent and 87 per cent, respectively, of the investment budget for the year, which can be compared with last year's net expenses used of 67 per cent, 57 per cent and 67 per

cent of the budget, respectively. The increase can be attributed in part to rising market prices, but also to greater progress due to improved planning and work processes as well as increased staffing in investment projects.

The Land Development Committee's deviation for net investment volume amounts to SEK 199 million for the full year. The main reasons, according to the Committee, are delays in projects and that land acquisitions that were not carried out as planned will instead take place in early 2024. In addition, the Skeppsbron project was cancelled during the year and the forecast for Haga station was postponed due to the Swedish Transport Administration's delays in the West Link (Västlänken) project.

The Sports and Associations Committee reports a deviation in net investment volume amounting to SEK 374 million. The Committee states that the reasons primarily relate to delays in projects in progress, mainly the indoor swimming pools in Kortedala and Askim, where procurement is planned for 2024.

The deviation for the Eco-cycle and Water Committee's water and sewage operations compared to the net investment budget, SEK 139 million, is significantly lower this year than last year. The Committee attributes the deviation

to new investments in the areas of master plan, ponds and water and sewage expansion were not carried out as planned. The deviations are deemed to have a minor impact on operations and target fulfilment for the year. In waste management services, the deviation is SEK 9 million, which is mainly attributable to the postponement of the Bulycke and Tagene recycling centres. For the Committee's operational areas Heavy rainfall and Technical water, the deviations for the year are SEK 16 million.

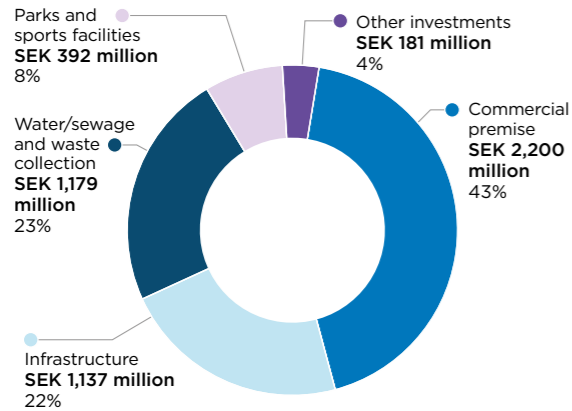
The City Property Committee, which owns and manages the city's commercial premises, reports an accumulated net investment volume of approximately SEK 450 million lower than budgeted for the year. The Committee states that the prevailing market situation affects the progress of the projects, and that postponed schedules and resource shortages with respect to certain staff skills have affected the outcome for the year.

The Urban Environment Committee's net investment volume compared with the budget deviates positively by just over SEK 400 million. The deviation is mainly due to schedule delays for new investment projects, but also because the Hisingsbron bridge reported a reduced total

cost in the spring. The Committee notes that problems with land access, as well as more stakeholders and measures in nearby spaces affect the progress of investment activities. Complex needs, broader objectives and longer processing times for necessary authority decisions are also cited as contributing to delayed schedules.



Investment expenditure



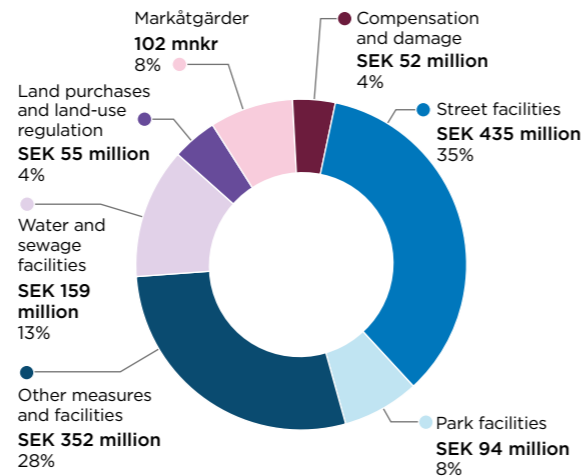
The diagram shows how the investment outcome is allocated among the different investment areas. Although the City Property Committee did not reach the budgeted investment volume at all, almost half of the Municipality's investments were in commercial premises, with compulsory school premises accounting for the largest share. Other major investment areas include investments in infrastructure, water and sewage, and waste management.

The Municipality's development activities, excluding the expansion of water and sewage facilities, report net development for the year of about SEK -5 million for the year, which is approximately SEK 120 million lower than budgeted. Both the volume of development activities and the rate of implementation are lower than the year's budgeted volumes and are largely explained by the economic and market situation in the construction industry, which leads to delays in both land transactions and the rate of development in individual projects. Postponements for a number of major budgeted neighbourhood land measures related to land acquisition, archaeology and remediation work also contribute to the lower outcome of development expenses in relation to the budget. Development expenses are in line with the previous year's outcome but only reach approximately 60 per cent of the budgeted volumes in terms of accrual. Development income is approximately SEK 240 million lower than the previous year's outcome, reaching approximately 56 per cent of budgeted income.

Regarding the expansion of public water and sewage in the City's development projects, progress has increased significantly compared to the previous year and almost doubled from around SEK 85 million to around SEK 159 million in 2023. At this rate of investment, expenses

exceed the committee's budgeted levels by around SEK 40 million. The deviation can be attributed to higher progress in most projects than forecast and higher expenses than planned in individual major projects. Connection charges related to the development projects correspond to just over half of the budgeted volume for the year and amount to approximately SEK 34 million. These deviations are also attributable to the economic conditions, with postponements in planned exploitation projects and a lower influx of received water and sewage applications.

Development expenses



The diagram shows the distribution of total development expenses in 2023. As in previous years, a large part of the development expenses involve street facilities and land-related measures for acquiring, regulating and preparing saleable land. The majority of Other measures and facilities consist of expenses related to the substructure of the peninsula at Masthuggskajen for the parts to be developed with public space. In addition to direct expenses for damages, compensation and damages include government fees and co-financing of state and regional infrastructure that is regulated in individual development projects.

The companies' investment accounts

Amounts in MSEK	Outcome 2023	Budget 2023	Deviation
Energy	1,734	2,100	-366
Housing	2,109	2,659	-550
Commercial Premises	1,286	1,363	-77
Business	1	0	1
Public Transport	34	76	-42
Port	481	1,177	-696
Tourism, Culture & Events	1,004	1,015	-11
Försäkrings AB Göta Lejon	2	2	0
Göteborgs Stads Leasing AB	960	705	255
Gryaab AB	41	93	-52
Renova AB	402	345	57
Grefab AB	7	12	-5
Parent company (Göteborgs Stadshus AB)	0	0	0
Boplats	0	0	0
Eliminations	0	0	0
Total	8,061	9,547	-1,486

The Stadshus Group's investments for 2023 amounted to approximately SEK 8.1 billion, which is higher than in the same period the previous year, but SEK 1.5 billion lower than the budget for the year.

The Göteborg Energi Group primarily invests in district heating, electricity networks, urban fibre and district cooling. Investments during the year amounted to approximately SEK 1.7 billion, which is slightly higher than the corresponding period the previous year, but SEK 366 million lower than the budget. During the year, the company continued to replace electricity meters and started the expansion of a new district heating pipeline linking the Gothenburg and Mölndal district heating networks. Investments were also made in the electricity grid, in preparation for new businesses and services on Hisingen. During the year, construction of the Rya biofuel cogeneration plant began, with completion expected in 2027.

Göteborgs Hamn AB reported investments of SEK 481 million for the year, which is lower than the budget but higher than the previous year. Most of the total volume of investment relates to the future ferry location in Arendal, with spaces and quays and a new terminal. The negative deviation from the budget is largely due to delays in the Skandiaporten project. All EU approvals have now been received, and the construction

setup and the start of the implementation phase are scheduled for 2024.

The Commercial Premises cluster made investments of approximately SEK 1.3 billion during the year, which is somewhat lower than the budget, but higher than the previous year. In Higab AB, investments in projects such as the Slottsskogsrinken skating rink were completed during the year. The company continued working on a new warehouse for several of the city's museums, renovation and extension of the Museum of Art and development of the Feskekôrka indoor fish market, Dicksonska Palatset and Sahlgrenska Huset. The feasibility study for the stadium block was completed in 2023.

Göteborgs Stads Parkering AB continued to work with Higab AB on developing the Masthuggskajen Väst parking facility; construction is expected to begin in 2024. A car park with about 1,500 spaces was built to meet the parking needs of Liseberg AB's activities and Volvo's experience centre. The majority of the facility was commissioned in 2023.

Älvstranden Utveckling AB continued to invest in several urban development projects in progress in both North and South Älvstranden. Implementation of the Halvön peninsula project at Masthuggskajen continued during the year.

The Housing cluster (Framtiden Group) reports investments of SEK 2.1 billion for the year, which is lower than last year and lower than budgeted. The deviations can largely be attributed to explained schedule delays. In 2023, the Group completed 369 new homes for occupancy; approximately 970 homes are in production. Investments from the Tourism, Culture and Events cluster mainly involve Liseberg's Anniversary Project with hotel and water park and amount to SEK 1 billion. The hotel opened in spring 2023. The water park, initially scheduled for completion in 2024, was devastated by a fire in February 2024.

Göteborgs Stads Leasing AB invests in financial and operating lease assets. Investments for the year amount to SEK 960 million, which is higher than the budget and the previous year. The operating leases mainly relate to vehicles and machinery within the City's services. The financial leases largely relate to the City's IT and other equipment, as well as the M31 and M32 trams and audits on them.

The Renova Group continued construction of its new workshop during the year, which is expected to be completed in 2024. The Group also completed a project to modernise flue gas purification at Sävenäs in 2023.



Selected investment and development projects

A number of selected investment and development projects from the project portfolios of the committees and the boards of municipal companies are presented below. The selection is based on projects and initiatives that have received an investment decision or equivalent at the City Council level and have entered an implementation phase. The presentation changes as individual

decisions are handled at City Council level and as projects are completed during the current year. The figures in brackets are the project costs on which the investment decision is based. For projects with a fixed price level, both the outcome and the forecast are presented at the same level as the approved project budget.

Selected investment and development projects

Amounts in MSEK	Council approval	Accumulated outcome		Total project forecast		Project budget		Ending year
		I	E	I	E	I	E	
I=Income E=Expenses								
Investments								
Investment Committees								
Hisingsbron bridge (2009)	X	1,589	-3,000	1,589	-3,000	1,566	-3,500	2021
Kvilleleden and streets around Backaplan (2016)	X	69	-138	318	-768	318	-768	2029
Korsvägen junction (2017)	X	45	-53	746	-860	746	-860	2029
Haga station urban development (2017)	X	1	-77	40	-660	0	-660	2032
Engelbrektslänken Link (2019)	X	14	-30	138	-260	138	-260	2026
City bus Backastråket line (2016)	X	49	-54	300	-400	300	-400	2029
Tram and city bus Frihamnen-Lindholmen (2020)	X	91	-143	525	-700	525	-700	2025
Tram and city bus Brunnsbo-Hjalmar Brantingsplatsen (2019)	X	20	-18	332	-442	332	-442	2029
Torslanda cross-link (2022)	X	0	-17	0	-234	0	-234	2028
New barrier (Ultrafilter) Alelyckan water treatment plant (2022)	X	0	-247	0	-720	0	-900	2026
Björlanda Pump Chain (2022)	X	0	-191	0	-250	0	-350	2025
Technical water (2022)	X	0	-212	0	-450	0	-500	2025
Centenary Park phase 1, part of development of Frihamnen harbour (2018)	X	0	-216	0	-220	0	-347	2024
Investments Stadshus								
Rya biofuel cogeneration plant (2022)	X	0	-241	0	-2,530	0	-2,650	2027
Warehouse for Cultural Affairs Committee (ongoing)	X	0	-20	0	-540	0	-540	2026
Museum of Art renovation and extension (ongoing)	X	0	-6	0	-800	0	-800	2030
Liseberg: Anniversary Project Hotel (ongoing)	X	0	-1,198	0	-1,233	0	-1,274	2023
Liseberg: Anniversary Project Water park (ongoing)	X	0	-1,061	0	-1,290	0	-1,245	2024
Göteborgs hamn: Terminal relocation and development Arendal 2 (ongoing)	X	0	-1,111	0	-2,932	0	-2,976	2027

Amounts in MSEK	Council approval	Accumulated outcome		Total project forecast		Project budget		Ending year
		I	E	I	E	I	E	
I=Income E=Expenses								
Developments								
Järnvägsgatan/Masthuggskajen (2017)	X	1,333	-700	1,880	-2,340	1,860	-2,130	2031
Per Dubbsgatan (ongoing)	X	200	-115	248	-302	248	-302	2037

Below is a discussion of material changes from previous reporting or projects that were added in 2023 in the central municipal project follow-up. From 2022 onwards, only those projects that have implementation decisions or similar positions at City Council level and where an implementation phase has started are reported. Additional projects and more detailed comments are presented in the annual reports of the committees and the boards of municipal companies.

Because of the uncertainties in the external environment, review processes and other changed circumstances, a number of infrastructure projects have postponed completion dates in relation to previous follow-ups. These projects include development of the West Link (Västlänken) stations sites in Haga and Korsvägen that are affected by the progress of the West Link project and therefore further postponed. Completion times for the Engelbrektslänken and Torslanda cross-link projects have also been somewhat delayed compared with previous reporting.

The Technical water transmission line project for the supply of process water to NOVO's future battery factory in Torslanda also reports some delay in implementation, as well as a higher expenditure forecast compared with previous reporting. Based on this forecast, the risk reserve will probably have to be used to some extent, though the project will still remain within the approved budget.

In 2023, the City Council supported Göteborg Energi's initiative to build a renewable CHP plant integrated with the existing facility at the Rya CHP plant. The measures involve investments totalling SEK 2.65 billion and are planned to be commissioned in 2027.

In 2022, the City Council took decisions to support investments for the relocation of the Port of Gothenburg terminal and the continued development of Arendal 2. In 2023, the City Council authorised additional measures of approximately SEK 350 million as a result of the agreement between the parties that the company will be responsible for investments in the terminal

building, which will subsequently be leased out. The project report covers all measures that served as the basis of the City Council's position, as well as minor measures implemented in connection with the development of Arendal.

The Centenary Park is currently being managed as an investment project while waiting for the development of the Frihamnen area to restart. This means that the scope of the project has been reduced in relation to the City Council decision, which is reflected in the significantly lower forecast.

The forecast for urban development at Järnvägsgatan/Masthuggskajen has been raised, partly because the costs are expected to increase for the development of public space, utility diversions and temporary measures during the implementation period. To meet the increased forecast costs and to provide additional benefits to achieve the objectives of making the water in the area accessible, the Land Development Committee has submitted a proposal for a revised investment decision to the City Council. The project remains subject to several uncertainties, particularly concerning the expansion of the peninsula in the water and the coordination of ongoing monitoring and forecasting, given that the project involves commitments both within the Municipality and within the municipal company Älvstranden Utveckling AB.

Delays are also reported regarding the planning and implementation of public space measures at Per Dubbsgatan. The main reason for these delays is that the developers need more time to build the new healthcare and research facilities. The reported final year for the project has been extended compared with previous reports as the completion time now refers not only to the expansion of public space, but has also been increased to include completion of the entire project.

From a City Council perspective, there is still a need to develop the project reporting of the committees and the boards to monitor future developments and to create clear and uniform reporting over time and in relation to the City Council's positions and decisions.

Foundations

The City of Gothenburg manages linked grant-making foundations and gifts for various purposes. The responsibility for management includes capital management of the foundations' assets, as well as day-to-day management of the foundations and the distribution of funds based on the purposes stipulated by the donors.

The foundations' capital is kept in a jointly managed fund, in which each foundation has a share. The capital is completely separate from the City of Gothenburg's finances. Capital management is based on the Council's investment guidelines, and the ongoing management follows guidelines approved by the City Executive Board. The total

yield, after deductions for a certain degree of capitalisation and management costs, can be used as a dividend in the foundations. This will be supplemented by the non-restricted equity that is already available in the gifts and some of the foundations.

Amounts in MSEK	2021	2022	2023
Number of foundations	74	74	72
Number of gifts	2	2	2
Net earnings for the year	89.9	3.4	93.0
Approved grants	18.0	32.3	36.9
Management costs	2.6	2.6	3.1
Equity and liabilities	1,180	1,153	1,212
Market value, wealth	1,409	1,153	1,267

The education foundations have contributed grants and travel subsidies to students and teachers, primarily in the municipal compulsory schooling and upper secondary schools. Individual students also received bonuses for school achievements and other progress and schools have been awarded financial support for various class activities. In all, these foundations awarded a total of SEK 12.2 million.

Foundations with a social focus have granted funds to people who are in financial need according to three categories: families with children, the elderly and adults, as well as children with special needs and their families. In all, these foundations awarded a total of SEK 10.0 million.

Foundations with a cultural focus awarded grants to the Museum of Art, the Röhsska Museum of Fashion, Design and Decorative Arts,

the Museum of Gothenburg and the Maritime Museum. The museums used the grants to buy works of art in the form of paintings, sculptures and other objects. The grants were also used for conservation work, exhibitions, research and other purposes. In all, these foundations awarded a total of SEK 7.2 million.

During the year foundations awarded money to associations and other voluntary organisations for various projects and activities. Activities were organised for children in Gothenburg and for public interest, cultural and charitable causes that benefit the Gothenburg community. In all, these foundations awarded a total of SEK 7.5 million.

4

City Council's goals

This section assesses the prospects for achieving the goals of the City Council's budget. The assessments are largely linked to the work on, and follow-up of, related goals in City-wide programmes and plans. The aim is for the City to achieve more consistent and appropriate governance and monitoring. The budget states that the time horizon for the goals spans the entire mandate period, unless otherwise specified, and they are assessed on this basis.

City Council's goals

- 120** The proportion of qualified staff in preschools will increase and be more evenly distributed across Gothenburg.
- 121** All preschools will meet high standards and provide children with a safe and stimulating environment.
- 122** More compulsory school pupils will qualify for upper secondary school and more students will complete upper secondary school with satisfactory grades.
- 123** Living conditions for Gothenburg's residents will be more equal.
- 124** Segregation in Gothenburg will be reduced.
- 126** Homelessness will be eliminated by 2028.
- 127** Self-determination opportunities for the elderly will be improved and health disparities will be equalised.
- 128** Living conditions for people with disabilities will be improved.
- 129** Gothenburg will be an accessible city for everyone regardless of ability.
- 130** Gothenburg will be an equal city where everyone is treated equally, has their human rights met and has equal opportunities regardless of gender.
- 131** Gothenburg will be a safe and secure city.
- 132** Participation in sports and association activities will increase among groups that are not usually active.
- 133** Gothenburg's climate impact will be greatly reduced and reach close to zero by 2030, in line with the City of Gothenburg's Environment and Climate Programme.
- 134** Gothenburg's biodiversity will increase.
- 135** All Gothenburg residents will have a healthy living environment.
- 136** Accessibility will be good and the proportion of Gothenburg residents who use sustainable modes of transport will grow as car traffic decreases, in line with the City of Gothenburg's traffic strategy.
- 137** Noise, air pollution, particulates and greenhouse gas emissions from traffic will decrease.
- 138** Gothenburg's public spaces will be attractive, well-maintained, safe and accessible, and favour biodiversity.
- 139** Gothenburg will become a more mixed city, the housing shortage will be eliminated and the need for premises for Municipal services will be met.
- 140** All Gothenburg residents will have good access to culture regardless of the district in which they live.
- 141** The business climate will improve.
- 142** Skills provision will be secured and the level of employment for groups that have been excluded from the labour market will rise.
- 143** Adult education will be provided to a larger extent by the Municipality and by folk high schools and study associations.
- 144** Health and safety and working conditions for the City of Gothenburg's employees will be improved.
- 145** Sick leave due to work-related ill health will be reduced.
- 146** The City of Gothenburg's purchasing and procurement processes will be more efficient and contribute to the achievement of all sustainability goals.
- 147** The City of Gothenburg will be managed transparently and use resources efficiently.

City Council's goals

The assessments are based on three different levels and are defined as follows:

- » **Likely to be achieved.** The goal has already been achieved or is expected to be achieved if current trends continue and planned initiatives are implemented.
- » **Possible to achieve.** The goal is deemed achievable, despite current trends, if planned measures have the intended effect and if the global environment remains favourable.
- » **Unlikely to be achieved.** The goal is not deemed to be achievable with the current trajectory. It requires changes in the global environment and/or major adjustments in how the City of Gothenburg operates.

The City Council has identified the principal committees and boards responsible for the goals. As part of the follow-up on all of the City Council's goals, they were asked to describe how they have undertaken their principal responsibilities. A summary is provided under each goal assessment.

The proportion of qualified staff in preschools will increase and be more evenly distributed across Gothenburg

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee

- » Pre-school Committee

Responsible committees

- » City Executive Board
- » Labour Market and Adult Education Committee

In 2023, the proportion of trained staff in pre-schools increased – the share of pre-school teachers increased by 0.4 per cent and the share of childcare workers by 4.7 per cent compared to 2022.

In a recently conducted current state assessment based on quality and equivalency, the Pre-School Administration observed a positive

trend at pre-schools in socio-economically disadvantaged areas concerning the ratio of qualified staff. While the number of pre-school teachers responsible for education is slightly lower, these educators guide significantly more childcare workers in teaching roles compared to the rest of the city.

Several training programmes have been carried out during the year; for example, 60 pre-school assistants were trained as childcare workers.

Given the progress made and current projects focused on further education and language development, the goal is considered likely to be achieved.

The Pre-school Committee has primary responsibility for the goal. Their efforts to achieve the goal include increased opportunities for further education and assessing staff language skills, alongside greater collaboration with the Labour Market and Adult Education Administration to improve employees' proficiency in Swedish.

All preschools will meet high standards and provide children with a safe and stimulating environment

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee

- » Pre-school Committee

Responsible committees

- » City Property Committee
- » Urban Environment Committee

Every year, the Gothenburg Region conducts a region-wide survey aimed at guardians with children in pre-school/educational care. For the last two consecutive years, the results have shown consistent improvement in the overall evaluation of the child's pre-school, with respect to questions regarding *Care, Development and Learning*, and *Norms and Values* (including safety and security concerns) over the previous year. The results are strong – over 4.25 on a five-point scale in all three areas. On average, user satisfaction with Gothenburg's pre-schools is rising.

As part of systematic quality management efforts, all pre-school head teachers assess the quality of their pre-schools based on the learning environment. In 2023, the number of pre-schools with high or very high quality increased according to the head teachers.

During the year, several activities were carried out to ensure appropriate premises, and further work is in progress in close cooperation with the City Property office. The Pre-school Committee assesses that these activities will have the intended effect, but in this long-term endeavour, it will take time before actual effects can be noted.

With a systematic approach and positive developments, the goal is considered likely to be achieved.

The Pre-school Committee has primary responsibility for the goal. Their efforts to achieve the goal include activities to ensure appropriate premises internally and in collaboration with others. A common model for quality dialogues with site visits has been designed and will be implemented in the pre-schools in 2024.



More compulsory school pupils will qualify for upper secondary school and more students will complete upper secondary school with satisfactory grades

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

- » Compulsory School Committee
- » Education Committee

Responsible committees and boards

No committee/board was appointed other than the one with principal responsibility.

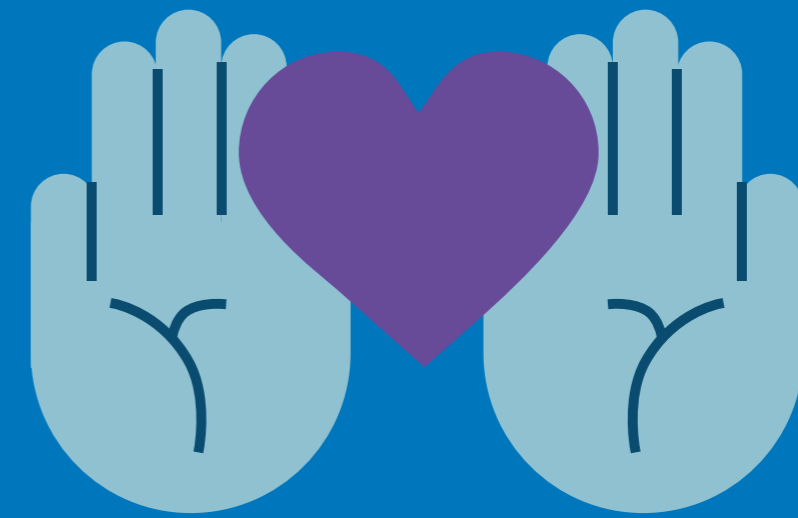
independent schools. In municipal upper secondary schools, 85 per cent of pupils in year 3 of a national programme received their upper secondary school diploma in the 2022/2023 academic year, an increase of 0.4 percentage points over the previous academic year. Both vocational and university preparatory programmes have made progress towards achievement of the goal. The proportion achieving basic eligibility for higher education is also increasing compared to previous years, in both municipal and independent schools.

Based on the current trend, the goal is considered to be possible to achieve.

The Compulsory School Committee and Education Committee have principle responsibility for the goal. Their joint efforts to achieve the goal include continued collaboration in the education chain. In spring 2023, plans for the transition from compulsory school and compulsory school for pupils with intellectual disabilities to upper secondary school and upper secondary school for pupils with intellectual disabilities were finalised and adopted to help pupils succeed in the transition and further schooling.

Eligibility for upper secondary vocational programmes dropped slightly in 2023, whether viewed from a production or population perspective. In all, 81.6 per cent of pupils in Gothenburg schools were eligible for upper secondary school. A slightly larger share of girls than boys reach eligibility, but the gap has narrowed compared to previous years.

The proportion of pupils completing upper secondary school with passing grades has risen steadily in recent years, both in municipal and



Living conditions for Gothenburg's residents will be more equal

Assessment of City of Gothenburg Executive Office

The goal is deemed **unlikely** to be achieved.

Principal committee

- » City Executive Board

Responsible committees and boards

All committees and boards.

activities were deemed to have been achieved to some extent and the co-operation activities to a greater extent. No assessment was made of the impact of the activities on equality in general. The follow-up highlights a continued need to develop working methods to ensure that efforts from services reach those who need it most. Administrations and companies within the organisation carry out the concrete initiatives and here the City of Gothenburg Executive Office and contributing services need to join forces.

During the year, the City of Gothenburg Executive Office began work at the behest of the City Council to produce a new programme to replace the *City of Gothenburg's public health and equal city programmes*. The proposal has been sent to the relevant committees and boards for comments and work will continue in 2024.

Ambitious and long-term work is under way in the City, which could potentially lead to good results, but the assessment is that it will not be able to reverse the trend in the next few years and that the goal probably will not be achieved within the mandate period.

The City Executive Board has principal responsibility for the goal. The efforts of the City of Gothenburg Executive Office to achieve the goal have fallen within the framework of their responsibility for coordination under the Equal city programme. Effects and results rely on the involvement of all related committees and boards in the field.

A third equality report was produced as part of the City of Gothenburg's Equal city programme in 2023 to show how equality and health in Gothenburg have evolved over time. This report confirms that the disparities identified in the initial report in 2014 still largely remain and that in several areas the disparities have widened rather than narrowed. It also warns that the current economic downturn with high inflation and rising prices, interest rates and rents could have a major impact on equality in living conditions and health in both the short and long term.

The City of Gothenburg's plan for an equal city, which is based on the programme, was followed up and concluded in 2023. The aim of the plan was to develop and strengthen the structures of the equal city programme and to identify activities to facilitate its implementation. These activities included governance, coordination and monitoring, as well as co-operation. The goals of the governance, coordination and monitoring



Segregation in Gothenburg will be reduced

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee

» City Executive Board

Responsible committees and boards

- » Social care committees
- » Pre-school Committee
- » Compulsory School Committee
- » Education Committee
- » Sports and Associations Committee
- » Cultural Affairs Committee
- » City Planning Committee
- » Land Development Committee
- » Labour Market and Adult Education Committee
- » Förvaltnings AB Framtiden
- » Göteborg & Co

One of four target areas in the *City of Gothenburg's Equal city programme, Create equal and sustainable living environments*, addresses segregation. Reducing housing segregation is one of the strategies associated with the target area. Through the *City of Gothenburg's programme for housing provision 2021–2026*, the City is working with market

players to provide a varied spectrum of housing choices in terms of tenure options, housing sizes and types, as well as price points and rents, to satisfy diverse needs and differentiated demand.

The *2023 Equality Report* uses two different measures that were developed by the Swedish National Board of Housing, Building and Planning (Boverket) and Statistics Sweden (SCB) to measure and analyse segregation. The inequality index is a measure of differences in housing patterns between different socio-economic groups and measures the degree of segregation. Based on this measure, segregation in Gothenburg decreased slightly from the baseline in 2012 until 2018, at which point it began to increase slightly again and has now remained constant for the past three years. Another approach to analysing segregation is by examining areas with diverse socio-economic profiles. The proportion living in an area with major socio-economic challenges has also decreased over time, but has increased slightly in recent years.

Public housing is an important force in areas with major socio-economic challenges. The Framtiden Group's strategy for development areas 2020–2030 describes what the group will do to help ensure that no part of the city is on the police's list of vulnerable areas. As part of the "super administration" strategy, efforts are being

made to improve security, increase presence, keep areas clean and tidy, and work towards zero tolerance of criminal influences. Also included is the urban development strategy, where the Group invests in maintenance and renovation, as well as new construction in these areas. Several other companies and administrations are participating in this endeavour. In the spring 2023 follow-up, about half of the super-administration initiatives are deemed to be completed, while the remainder are mainly proceeding according to plan.

The 2023 status report for the Framtiden Group's strategy for development areas states that all areas have moved in the right direction in 2023.

The Group's tenant survey was conducted in the autumn. The responses show that initiatives in the Group's six development areas are producing results. All parameters are developing in the right direction and in the question of perceived safety, the figures for residents in these areas are now on a par with the average for Gothenburg for the first time ever.

The City of Gothenburg's action plan to ensure that no areas are particularly vulnerable by 2025 was adopted by the City Council in October 2023. In light of research and the Swedish government's reform programme to reduce segregation, the action plan identifies four focal areas that need to be strengthened and developed to

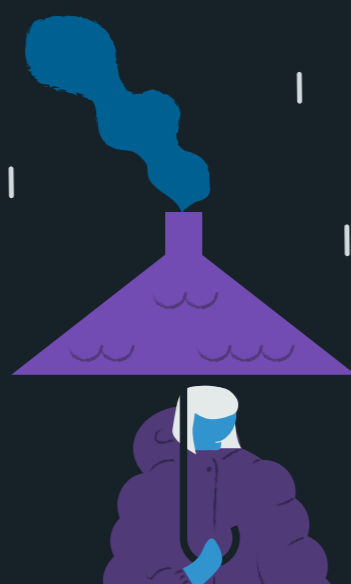
counteract vulnerability and crime in residential areas: *Conditions in which children and young people to grow up, Urban development, Basic safety and security and Influence, participation and trust.*

The police presented a new status report regarding criminal influence in 2023. In the latest status report, the assessment for Biskopsgården has changed as it is no longer identified as a particularly vulnerable area, but has dropped to a lower category, risk area. Hjällbo also shows a positive trend in terms of vulnerability to criminal influence, although it remained in the same category.

Segregation is complex to measure, but considerable evidence indicates that it is moving in the right direction, especially in the most vulnerable areas. With the new action plan to ensure that no areas are particularly vulnerable by 2025 and the efforts it will require, the target is considered likely to be achieved.

The City Executive Board has principal responsibility for the goal. The City of Gothenburg Executive Office's efforts to achieve the goal mainly fall under their coordination responsibility within the Equal city project and their leadership responsibility to support the overall implementation, execution and coordination of the action plan to ensure that no areas will be particularly vulnerable by 2025 and other related governing documents.





Homelessness will be eliminated by 2028

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

» Land Development Committee

Responsible committees and boards

» Social care committees
» Förvaltnings AB Framtiden

The Land Development Committee submitted a final report on the *City of Gothenburg's Plan against Homelessness 2020–2022* during the year. The overall goal of the plan was to reduce the number of people experiencing homelessness by at least 20 per cent during the plan period. Homelessness is a broad concept that encompasses a wide range of different target groups, from people living outdoors or in public spaces to households living in apartments with municipal contracts that can be transferred to their own lease. The goal was exceeded by a wide margin – the reduction in the number of homeless people from 2019 to 2022 was 36 per cent, from 5,000 to 3,200.

The National Board of Health and Welfare conducted a nationwide survey of homelessness in 2023 that confirms the positive trend. The two surveys cannot be compared at the numerical level; for example, the National Board of Health and Welfare only reports on adults. The survey shows a reduction of homelessness in Gothenburg by 25 per cent compared to 2017.

The main reduction in the number of homeless people in Gothenburg occurred among households without social problems (structurally

homeless). It is likely that the measures implemented by the City with apartments with their own contracts, housing coaching combined with emergency assistance and transitional housing for new arrivals through the Swedish Settlement Act, as well as increased housing construction, have led to a reduction in the number of structurally homeless people in Gothenburg. Homelessness due to substance abuse and/or mental health problems requires other types of interventions, such as Housing First, a home and extensive support to be able to stay in the home and address other problems.

In October, the City Council decided that a new homelessness plan will be developed in 2024, based on the Swedish government's national strategy to combat homelessness 2022–2026 and with the goal of ending homelessness.

Based on the positive trend, the efforts and collaboration in place, and with a new plan underway, the goal is considered likely to be achieved for the structurally homeless, but an expected increase in unemployment and lower housing construction in the coming years will make it more difficult. Homelessness due to substance abuse and/or mental health problems is not showing the same decline and will require more work. Overall, the goal is considered possible to achieve.

The Land Development Committee has principal responsibility for the goal. Their efforts to achieve the goal within the framework of their regular work include submitting a final report on the *City of Gothenburg's Plan against Homelessness 2020–2022* and starting to formulate a new plan to combat homelessness.

Self-determination opportunities for the elderly will be improved and health disparities will be equalised

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

» Committee for the Elderly, Nursing and Care

Responsible committees and boards

No committee/board was appointed other than the one with principal responsibility.

The results of the National Board of Health and Welfare's annual user survey *What do older people think about elderly care* showed a negative trend between 2020 and 2022. The results for 2023 show a break in the trend in both home-help services and special housing for the elderly. The respondents perceive an improvement on issues related to treatment, influence and security. A higher proportion of respondents perceive their health as good and fewer people are affected by loneliness compared with the 2022 survey. Although the trend is positive, the differences are minor and the results still fall short of the 2020 level.

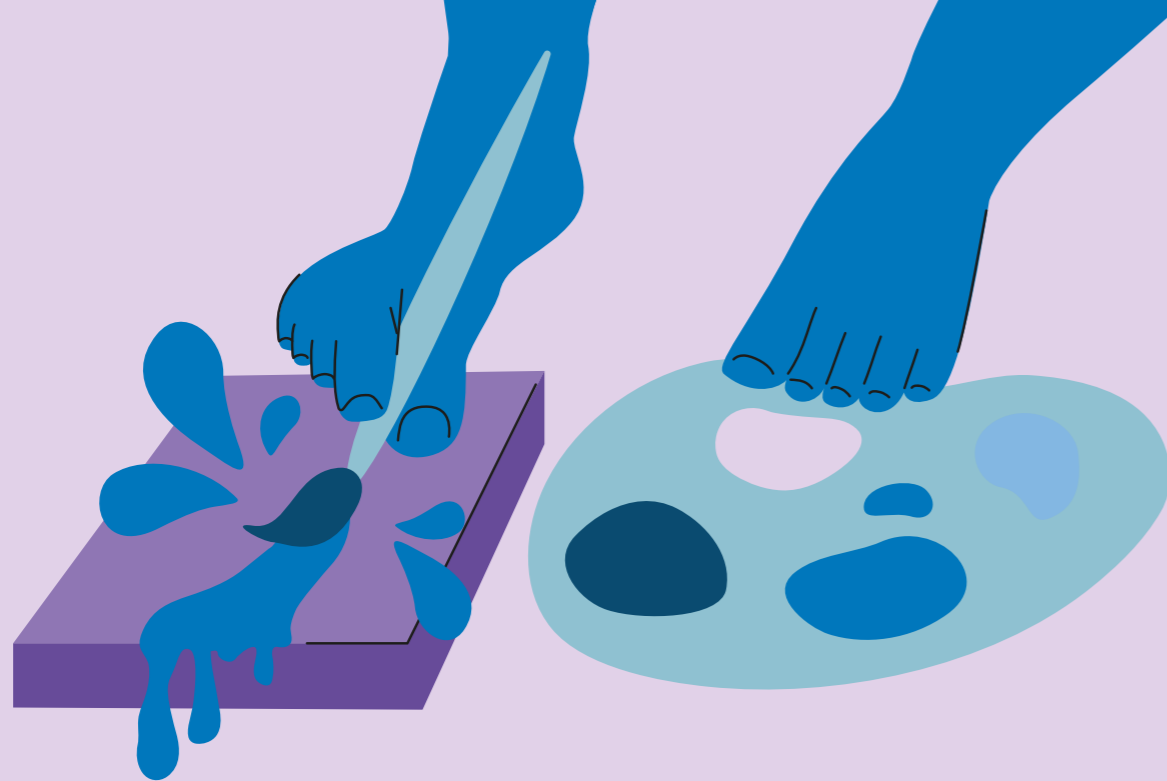
During the year, the Committee for the Elderly, Nursing and Care focused its health promotion and prevention efforts on reducing involuntary loneliness. As loneliness is a health risk, the initiative is expected to contribute to reducing health inequalities.

Based on the trend and with long-term planning and collaboration involving multiple parties to support the elderly perspective in community planning, the goal is considered possible to achieve.

The Committee for the Elderly, Nursing and Care has principal responsibility for the goal. Their efforts to achieve the goal within the framework of their base assignment include health promotion and prevention initiatives, as well as cooperation with civil society.

The City of Gothenburg's Age-friendly Gothenburg plan, which aims to make the city a better place to grow old in, is an important aspect of the work to achieve this goal. An interim follow-up of the plan reported in May 2023 showed that the administrations and companies with principal responsibility are primarily working on the activities in the action plan. Activities that were scheduled for the period covered by the interim follow-up have been implemented and a significant portion of the activities for the entire 2021–2024 plan period are reported to be ongoing. All companies and a majority of administrations state that collaboration has been established with the administrations and companies responsible for collaboration.





Living conditions for people with disabilities will be improved

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

- » Committee for Disability Support

Responsible committees

- » Labour Market and Adult Education Committee

The City of Gothenburg's programme for full involvement of people with disabilities aims to improve the living conditions of people with disabilities and their families, and addresses ten areas of rights. Several indicators are being used to monitor the programme at the societal and operational level. A preliminary review of the programme's indicators was presented in the autumn of 2023. According to this assessment, no conclusion can be drawn about the overall trend in the city based on the reported data from the first two years. Some indicators show minor changes, while others do not. The structural inequalities described in previous reports and the need to improve the living conditions of people with disabilities still persist.

The majority of administrations and companies are active in the areas of responsibility assigned to them, but the effect at an overarching level cannot yet be determined based on the user surveys that have been conducted.

The most recent annual report from the Disability Ombudsman focuses on ensuring that all boards and committees implement a disability perspective in four of the ten areas of rights. Specifically, they must focus on translating the programme's strategies into their own activities. The overall impression is that the programme is applied in companies and administrations in such a way that the stated activities incorporate goals, target groups and strategies.

Although the trajectory to date is difficult to assess, because most boards and committees have implemented the programme, the target is deemed possible to achieve.

The Committee for Disability Support has principal responsibility for the goal. Their efforts to achieve the goal include using the full participation programme and its follow-up as a guide to improve the living conditions of people with disabilities. The areas of rights in the programme guide the development of the base assignment and contribute to achievement of the goal.

Gothenburg will be an accessible city for everyone regardless of ability

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

- » Committee for Disability Support

Responsible committees and boards

- » Pre-school Committee
- » Compulsory School Committee
- » Education Committee
- » Sports and Associations Committee
- » Urban Environment Committee
- » City Property Committee
- » Higab

The City of Gothenburg programme for full involvement of people with disabilities includes the right to access and use Gothenburg's indoor and outdoor spaces. To address this right, the city plans and develops buildings, parks, transport and pedestrian routes so they are accessible to all residents. The strategies focus on the City implementing universal design as a principle, addressing simple barriers and ensuring accessible transport.

A preliminary review of the programme's indicators was presented in the autumn of 2023. Three indicators are used to monitor this right: the percentage of facilities with easily remedied obstructions that have been eliminated, the percentage of bus stops adapted for people with disabilities and the satisfaction level with special

transport journeys. The level of these three indicators remained largely unchanged during the measurement period 2020–2022. It is noted that the majority of administrations and companies are active in the areas of responsibility assigned to them, but the effect at an overarching level cannot yet be determined based on the user surveys that have been conducted.

The City ensures that new buildings are accessibility-adapted, and addresses any accessibility-related gaps during maintenance procedures. To ensure that accessibility is integrated into all reinvestment and maintenance projects, the City Property administration is working to clarify concepts and requirements when ordering projects. A new approach linked to *Easily remedied obstructions* for minor investments and ongoing measures is being implemented.

It is difficult to assess the trajectory to date based on the specified indicators, but work is underway and the programme relevant committees and boards are implementing the programme. The goal is deemed possible to achieve.

The Committee for Disability Support has principal responsibility for the goal. Their efforts to achieve the goal include using the full participation programme and its follow-up to guide initiatives aimed at making Gothenburg an accessible city for everyone regardless of ability. The areas of rights in the programme guide the development of the base assignment and contribute to achievement of the goal.



Gothenburg will be an equal city where everyone is treated equally, has their human rights met and has equal opportunities regardless of gender

Assessment of City of Gothenburg Executive Office

The goal is deemed **unlikely** to be achieved.

Principal committee

» Committee for Democracy and Citizen Services

Responsible committees and boards

All committees and boards.

The City of Gothenburg's regulations state that its mission must be underpinned by democratic values, principles of human rights and anti-discrimination efforts, and that people must be treated with dignity and receive fair and quality service. The City's articles of association state that all members of the municipality should be treated equally.

In the autumn of 2022, the Committee for Democracy and Citizen Services explored how residents can participate in democracy as well as opportunities for everyone – residents, visitors and businesses – to have access to fair and quality services. Each administration and company was asked to report on how they are serving their target groups in these areas as part of the mapping exercises. The results show that several administrations find the City's governance signals to be challenging, making it hard to grasp the overall picture and set priorities in areas concerning service and democratic influence, which might affect the equity of the City's services. The survey incorporates data from the SOM Institute and Statistics Sweden regarding how residents of Gothenburg feel about their local democracy. The findings reveal that a growing number of Gothenburg residents express satisfaction with local democratic processes and regard their ability to influence political decisions as favourable. Younger age groups are on average more satisfied than older age groups.

In autumn 2023, the City of Gothenburg Executive Office presented an in-depth follow-up of six plans in the field of human rights. The

follow-up concluded that the plans did not have the intended effect. The plans did contribute to some extent to movements regarding the respective rights and a relatively large number of initiatives were fully or partially implemented, albeit in a different way than indicated in the plans in some cases. However, some measures have yet to be initiated. Overall, the approach to these plans is characterised by fragmentation, a lack of systematic methodology, and limited and inconsistent access to practical skills and support. The design of the plans themselves has complicated implementation in some cases. Another obstacle encountered is the ability to monitor groups associated with different grounds for discrimination, as there is a lack of qualitative and quantitative data. The City of Gothenburg Executive Office notes that the services state that they prioritise their base assignment over working on specific plans, as plans are perceived as not falling fully within the scope of the base assignment. As the plans aim to ensure that the different groups are included in the base assignment, such prioritisation suggests that the purpose of the plans has not been achieved.

In October 2022, the City Council tasked the City Executive Board with aligning programmes and plans in the area of human rights into a consistent structure and to return with recommendations for the future direction of long-term governance in this area. The insights gained from the comprehensive review of the six plans will serve as a crucial foundation for the work that is to be reported back in 2024.

The in-depth evaluation of six plans in the area of human rights demonstrates a considerable gap between current realities and goals, and the goal is therefore considered unlikely to be achieved during the mandate period.

The Committee for Democracy and Citizen Services has principal responsibility for the goal. Their efforts to achieve the goal have fallen within the framework of their proactive democracy mission. The Committee is actively collaborating with administrations and companies, elected representatives, civil society and the academic world.



Gothenburg will be a safe and secure city

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

» City Executive Board

Responsible committees and boards

- » Social care committees
- » Urban Environment Committee
- » Förvaltnings AB Framtiden
- » Förvaltnings AB Göteborgslokaler

The City of Gothenburg's Security Improvement and Crime Prevention programme is designed to establish the groundwork for structured short- and long-term initiatives that respond to societal trends. These coordinated initiatives are evidence-based and address current issues and challenges. An annual report detailing the progress of the programme in meeting its goals, using specific indicators and a central situational review, is submitted to the City Council.

The programme was followed up for the first time in 2023. The follow-up focused on the implementation of the programme, as it is difficult to see effects after such a short time. It is noted that most of the City's administrations

and companies have adopted the programme. In general, however, skills development is needed in all target areas covered by the programme. The follow-up report describes the current status of the programme's indicators, but it is too early to identify any trends.

During the year, two plans related to the goal were adopted: the *City of Gothenburg's plan to combat cultures of silence 2023–2025* and the *City of Gothenburg's action plan to stop recruitment, gang crime and the development of parallel societies 2023–2026*. Both action plans are linked to the goals and strategies of the security improvement and crime prevention programme and contribute to a stronger focus on these issues.

The trajectory is difficult to assess, but with the ongoing work, further strengthened by the new action plans, the goal is considered possible to achieve.

The City Executive Board has principal responsibility for the goal. Their efforts to achieve the goal have fallen within the framework of the security improvement and crime prevention programme and the recently adopted action plans aimed at combating gang criminality and countering the culture of silence. The City of Gothenburg Executive Office is leading the effort to support the administrations and companies and increase the skills and expertise of the City's organisations.

Participation in sports and association activities will increase among groups that are not usually active

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee

» Sports and Associations Committee

Responsible committees and boards

- » Compulsory School Committee
- » Social care committees
- » Förvaltnings AB Framtiden

In December 2023, the City Council approved the *City of Gothenburg's sports programme 2023–2030*. The programme goals and strategies will contribute to increased physical activity, strengthened engagement in sport associations and equal participation in sport. To meet the programme goals, the strategies mainly target children and young people up to the age of 25 and girls in particular, people aged 65 or older, people with disabilities and people with lower socio-economic status.

The programme describes the need to develop follow-up methods during the programme period. Currently, there are no time series describing developments in this area.

The Sports and Associations Committee's 2022 report on fair grants and subsidies notes major differences in how aid and subsidies are distributed between girls and boys, geographical areas of the City, different sports and different age groups. The report also states that monitoring systems and data need to be improved to ensure a more equitable distribution.

Given that the new sports programme contains strategies in line with the goal and the planned changes related to follow-up, the goal is considered likely to be achieved.

The Sports and Associations Committee has principal responsibility for the goal. Their efforts to achieve the goal have fallen within the framework of the base assignment by launching new initiatives in vulnerable city districts and addressing the under-representation of women and girls in sport, as well as by developing a new sports programme.



Gothenburg's climate impact will be greatly reduced and reach close to zero by 2030, in line with the City of Gothenburg's Environment and Climate Programme

Assessment of City of Gothenburg Executive Office

The goal is deemed **unlikely** to be achieved.

Principal committee

» Environmental and Climate Committee

Responsible committees and boards

All committees and boards.

change is needed with new ways of prioritising, interacting and solving needs in the public sector, business community and households. The City of Gothenburg needs to continue to develop governance, allocation of responsibilities and collaboration models to drive the necessary systemic change. The City of Gothenburg has limited control over consumption-based and geographical emissions.

The assessment is that the budget goal will probably not be achieved without major changes in the design of the energy system, developments in industry and consumption patterns among residents. The ability of the City to drive and encourage the transition in areas with more indirect control needs to be further developed and strengthened.

The Environmental and Climate Committee has principal responsibility for the goal. Their efforts to achieve the goal have fallen within their leadership responsibility for the City's Environment and Climate Programme, environmental management system and the city's climate transition function. The programme strategies *Lead by example* and *Funding for transition* support and strengthen the ability to develop governance and communication, build expertise in the city and increase collaboration with industry, academia, residents, civil society and the rest of the public sector.

The *City of Gothenburg's Environment and Climate Programme* includes the goal *Gothenburg's carbon footprint is close to zero*, which requires an annual reduction in emissions of at least 10.3 per cent in Gothenburg's geographical area, with an annual reduction in consumption-based emissions of at least 7.6 per cent by 2030. The City of Gothenburg must reduce its own emissions at a higher rate and use all available tools and instruments to drive the societal transition.

The programme was followed up for the first time in 2023 and the trend for the goal is deemed to be positive, albeit not at a pace that will result in achievement of the goal. Although efforts to reduce climate impact are being made in various areas, the overall progress is too slow. Systemic

Gothenburg's biodiversity will increase

Assessment of City of Gothenburg Executive Office

The goal is deemed **unlikely** to be achieved.

Principal committee

- » Environmental and Climate Committee

Responsible committees and boards

- » Urban Environment Committee
- » City Planning Committee
- » City Property Committee
- » Land Development Committee
- » Sports and Associations Committee
- » Purchasing and Procurement Committee
- » Eco-cycle and Water Committee
- » Förvaltnings AB Framtiden
- » Higab
- » Älvstranden Utveckling AB
- » Förvaltnings AB Göteborgslokaler
- » Göteborg Leasing AB

The *City of Gothenburg's Environment and Climate Programme* includes the goal *Gothenburg has high biodiversity*, which mandates that by 2030, Gothenburg will have ample expanses of natural and properly managed habitats to preserve the

species found in the Municipality and facilitate development of ecosystem services.

The programme was followed up for the first time in 2023 and the trend for the goal is deemed to be generally negative. Initiatives are underway to promote biodiversity in green spaces and aquatic environments, both within and outside the urban environment, but current approaches and priorities within the City of Gothenburg are not considered compatible with what is needed to achieve the goal. Development of green spaces is seen as an obstacle to achievement of the goal. Improved work practices and greater prioritisation of biodiversity and aquatic issues are essential in planning and development, nature protection and management, and procurement processes.

The assessment is that the budget goal will probably not be achieved without relatively major changes in the City of Gothenburg's approach.

The Environmental and Climate Committee has principal responsibility for the goal. Their efforts to achieve the goal have fallen within their leadership responsibility for the city's Environment and Climate Programme, environmental management system and the City's action plan for good water quality. The Committee also carries out ecological environmental monitoring in marine, limnic (freshwater) and terrestrial (land) environments.



All Gothenburg residents will have a healthy living environment

Assessment of City of Gothenburg Executive Office

The goal is deemed **unlikely** to be achieved.

Principal committee

- » Environmental and Climate Committee

Responsible committees and boards

- » Pre-school Committee
- » Compulsory School Committee
- » Committee for Democracy and Citizen Services
- » Urban Environment Committee
- » City Planning Committee
- » City Property Committee
- » Land Development Committee
- » Sports and Associations Committee
- » Purchasing and Procurement Committee
- » Eco-cycle and Water Committee
- » Förvaltnings AB Framtiden
- » Förvaltnings AB Göteborgslokaler
- » Göteborgs Hamn AB
- » Göteborg Energi AB
- » Göteborg Leasing AB
- » Renova AB

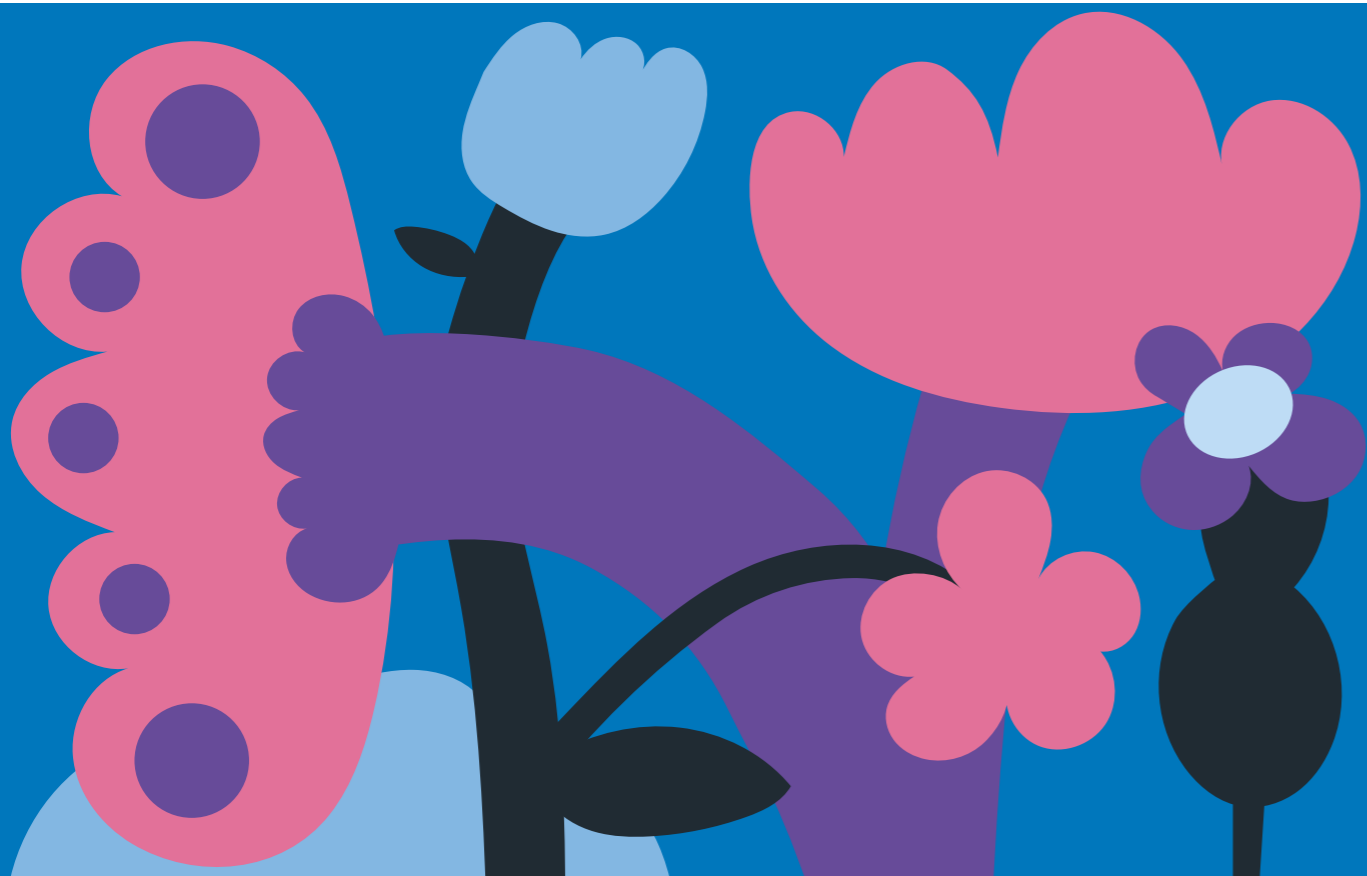
The *City of Gothenburg's Environment and Climate Programme* includes the goal *Gothenburg residents have a healthy living environment* which aims to promote the health and well-being of Gothenburg residents by improving air quality and noise levels and reducing the use of harmful substances. Gothenburg will be a green and resilient city

where ecosystem services are used to meet people's needs, now and in the future.

The programme was followed up for the first time in 2023 and the trend for the goal is deemed to be positive, albeit not at a pace that will result in achievement of the goal. Efforts are being made to reduce air and noise pollution from road traffic and to limit the presence of harmful substances in society. Efforts are also being made to promote green and blue infrastructure and ecosystem services in Gothenburg. Overall, current efforts are not considered sufficient to achieve the goal. Significant changes are needed in urban development and land use, both in terms of road traffic and green-blue infrastructure, with improved working methods and prioritisation models. Behavioural changes related to household consumption and mobility are also required.

The assessment is that the budget goal will probably not be achieved without changes both in how the City of Gothenburg acts and where the City of Gothenburg has no direct control, such as the consumption patterns and transport choices of Gothenburg residents.

The Environmental and Climate Committee has principal responsibility for the goal. Their efforts to achieve the goal have fallen within their leadership responsibility for the city's Environment and Climate Programme, environmental management system and the City's action plan for noise. They also conduct environmental monitoring. The work is also supported by the programme strategies *Sustainable transport*, *Green and resilient city*, *Sustainable construction* and *Circular economy*.



Accessibility will be good and the proportion of Gothenburg residents who use sustainable modes of transport will grow as car traffic decreases, in line with the City of Gothenburg's traffic strategy

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

- » City Planning Committee
- » Urban Environment Committee

Responsible committees and boards

- » Land Development Committee
- » Göteborg Leasing AB

The traffic strategy for a close-knit city has three impact targets in the area of travel: that at least 35 per cent of trips are made on foot or by bicycle by 2035, that at least 55 per cent of motorised trips are made by public transport by 2035, and that the travel time between two arbitrary centres of gravity or destinations is a maximum of 30 minutes for cars and public transport.

The recovery in travel continued in 2023, though the total number of trips was still slightly lower than before the pandemic. This trend indicates changes in work patterns that are here to stay, with lower travel per person.

Cycling decreased by 4 per cent compared to 2022, likely due to significantly higher precipitation in 2023. Travel on foot is estimated to have increased by 3 per cent. Overall, 29 per cent of all trips were made on foot or by bike. While the estimates are somewhat uncertain, a significant

increase in cycling is clearly needed if the transport strategy goal is to be achieved.

In the pre-pandemic years, the performance of public transport was very good, above the annual performance required to achieve the goal. The post-pandemic recovery has been strong and it is deemed possible to achieve the goal despite the dip in the curve. In 2023, public transport trips increased by 7 per cent and 41 per cent of motorised trips were made by public transport.

Accessibility is assessed as good: the travel time target is met for car traffic and partially met for public transport. Future traffic trends are difficult to assess, especially since there is great uncertainty about the long-term effects that the pandemic and external factors such as electricity and fuel prices will have on travel. The budget goal is deemed possible to achieve, but will require continued work and a rapid reduction in car traffic.

The City Planning Committee and the Urban Environment Committee have principal responsibility for the goal. Their efforts to achieve the goal have fallen within the framework for a cross-administrative cooperation forum, *Sustainable Travel*, to jointly promote the development of sustainable modes of transport and travel, including guidelines for speed limits and parking issues. A cross-administration assignment has been launched to address means of transport, traffic analysis scenarios and an action plan aimed at achieving the goal of reduced climate impact from transport.

Noise, air pollution, particulates and greenhouse gas emissions from traffic will decrease

Assessment of City of Gothenburg Executive Office

The goal is deemed **unlikely** to be achieved.

Principal committee

- » City Planning Committee
- » Urban Environment Committee

Responsible committees and boards

- » Land Development Committee
- » Göteborgs Spårvägar AB
- » Göteborgs Hamn AB
- » Göteborg Leasing AB
- » Renova AB

The *City of Gothenburg's Environment and Climate Programme* includes the three targets *City of Gothenburg ensures good noise levels for Gothenburg residents*, *the City of Gothenburg ensures good air quality for Gothenburg residents* and *the City of Gothenburg reduces climate impact from transport*. The program was followed up for the first time in 2023 and the results suggest that extensive measures will be needed to achieve the three targets. Noise levels are constant to slowly rising and fewer new preschool yards achieve the guideline value of a noise level below 50 dBA in the parts of the yard intended for play, rest and educational activities. Nitrogen dioxide (NO₂) levels continue to drop in Gothenburg, but levels of respirable particles, PM₁₀, are actually rising at some monitoring stations after having fallen in the 2000s.

Greenhouse gas emissions from transport decreased slightly between 2010 and 2019. During the pandemic, there was a sharp decrease due to reduced traffic. Traffic has now rebounded, but increased electrification and integration of biofuels has reduced climate emissions despite the return. The reduction was not of the magnitude required to reach the target value, either before or after the pandemic.

Road traffic is the single largest source of both noise and air pollution, and it is assessed that

none of the three targets can be achieved solely by improving the energy efficiency of vehicles and swiftly moving to electric or fossil-free fuels. To achieve the climate target, road traffic (the distance travelled by motor vehicles) must also be reduced by 25 per cent by 2030 compared to today. Such a development depends on both municipal decisions and developments in national transport policy, as well as on individuals changing their travel habits and transport choices. In 2023, car traffic in Gothenburg increased by 3 per cent compared to 2022.

The goal is deemed unlikely to be achieved with the current trajectory and working methods.

City Planning Committee and the Urban Environment Committee have principal responsibility for the goal. Their efforts to achieve the goal have fall within the framework of the collaborative project to implement the cycling programme and to redesign existing infrastructure to promote cycling and reduce parking, thereby reducing traffic emissions. The cross-administration sustainable travel management forum coordinates initiatives related to this goal. The Property Management Administration and the Urban Environment Administration also co-operate in the investment planning process related to measures and priorities.



Gothenburg's public spaces will be attractive, well-maintained, safe and accessible, and favour biodiversity

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

» Urban Environment Committee

Responsible committees and boards

- » City Property Committee
- » Higab
- » Förvaltnings AB Göteborgslokaler
- » Förvaltnings AB Framtiden
- » Älvstranden Utveckling AB

The urban development committees are working together to implement Sweden's national architecture policy, *Policy for Designed Living Environment*, which states that our living environments should be carefully designed and that everyone should be provided with ample opportunities to influence the development of the shared environment.

The Eco-cycle and Water Committee's 2022 follow-up report on the waste management plan includes two targets that can be linked to a well-managed city: *The Municipality must ensure that the coastline is regularly cleaned and Litter on the ground to be reduced by 50 per cent*. In the follow-up, the Eco-cycle and Water Committee states that the planned measures are probably sufficient to achieve the 2030 target for regular cleaning of the coastline. For the second target, litter on the ground, the Board indicates that planned improvements may be sufficient to achieve the target by 2030.

The City of Gothenburg's security improvement and crime prevention programme 2022–2026 was followed up for the first time in 2023. The follow-up focused on the implementation of the programme, as it is difficult to see effects after such a short time. The report notes that work is ongoing in the programme's action areas, but further development is needed. The current status of the programme indicators is also presented, but no clear picture emerges. This was to be expected, given that the programme was so recently adopted.

The right to access and use Gothenburg's indoor and outdoor spaces is one of the areas in the *City of Gothenburg's programme for full involvement of people with disabilities*. The programme's indicators were followed up for the first time in 2023. Three indicators are used to monitor this right: the percentage of facilities with easily remedied obstructions that have been eliminated, the percentage of bus stops adapted for people with disabilities and the degree of satisfaction with special transport journeys. The level of these three indicators remained unchanged during the measurement period 2020–2022.

The City of Gothenburg's Environment and Climate Programme states that Gothenburg must be an ecologically sustainable city by 2030, and *Gothenburg's green plan* shows public spaces need to be managed and developed to help achieve the goal of an ecologically sustainable city by 2030. The first follow-up of the Environment and Climate Programme indicates that the target *the City of Gothenburg will increase biodiversity in the urban environment* will require additional initiatives to be achieved. Urban development of green spaces in the urban environment is viewed as complicating efforts to meet the goal, and the City of Gothenburg needs to give higher priority to biodiversity in urban development and in the care and management of urban land.

This goal is broad and the trend is neither clearly positive nor negative. With several programmes and plans with a variety of ongoing activities in the focus area, the goal is considered achievable.

The Urban Environment Committee has principal responsibility for the goal. Under Gothenburg's new organisation, the Committee has overall responsibility for public spaces.

Gothenburg will become a more mixed city, the housing shortage will be eliminated and the need for premises for Municipal services will be met

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

» City Planning Committee

Responsible committees and boards

- » Land Development Committee
- » City Property Committee
- » Sports and Associations Committee
- » Förvaltnings AB Framtiden
- » Higab

One of four target areas in the *City of Gothenburg's Equal city programme, Create equal and sustainable living environments*, includes achieving a greater mix of tenure, housing types, and cost levels at the neighbourhood level. Through the *City of Gothenburg's programme for housing provision 2021–2026*, the City is working with market players to provide a varied spectrum of housing choices in terms of tenure options, housing sizes and types, as well as price points and rents, to satisfy diverse needs and differentiated demand. The *2023 Equality Report* notes that tenure types in Gothenburg are more mixed, but mainly in areas that were already relatively mixed, while the uneven distribution has increased in some areas.

The *City of Gothenburg's housing supply programme* estimates that by 2030, between 4,000 and 5,000 homes will need to be built annually to meet future needs and reduce the current housing shortage. Construction in recent years has been very high and exceeded those levels – 5,400 homes were completed in 2021, 5,900 in 2022 and 5,500 in 2023. The economic situation has now changed, resulting in delays in projects that are already underway and a sharp slowdown of housing starts in the market. In 2023, construction began on 2,700 housing units, a 50 per cent decrease compared to the last five years. The City Planning Committee estimates that the number

of housing starts will decrease further in 2024, which will affect the number of homes completed in the coming years.

In the *City of Gothenburg's 2024 plan for the provision of premises*, the assessment is that the need for premises is balanced in terms of volume with respect to compulsory schools, upper secondary schools and elderly care, while pre-schools would prefer to have a surplus. However, for both pre-schools and compulsory schools, there are areas with local shortages and capacity is insufficient at compulsory schools for pupils with intellectual disabilities. Buildings with Special Service (BmSS) and daily activities have an extensive need for premises. A simultaneous surplus of pre-school premises and shortage of premises for daily activities presents an opportunity, as the activities need similar premises. The new governance model for the provision of premises is expected to lead to development in the provision of facilities to the City's Committees, aiming to more adequately meet their needs.

Based on these developments and the current situation, the goal is considered possible to achieve, but the decline in housing construction must not be too great or too long.

The City Planning Committee has principal responsibility for the goal. Their efforts to achieve the goal have fallen within the framework of the *City of Gothenburg Programme for Housing Provision*. The City's development is being coordinated through its *Overall Focus on Coordinated Urban Development*. This work suggests priorities between different urban development and investment initiatives.

All Gothenburg residents will have good access to culture regardless of the district in which they live

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee

» Cultural Affairs Committee

Responsible committees and boards

» Compulsory School Committee
» Göteborg & Co

The *culture programme* is the most important policy document in this area. Work in this programme is being defined in the *Plan for the culture programme 2023–2026*. The Cultural Affairs Committee notes that the activities in the plan are progressing as planned and will help to ensure that the goal is achieved moving forward.

During the autumn, the Cultural Affairs Committee followed up on the *City of Gothenburg's Culture plan for children and young people* and noted that the plan's goals have not been met and that several of the plan's initiatives were prematurely discontinued. The reorganisation of the City and the pandemic were complicating factors. One finding of this evaluation showed that the impact of the plan on the City was minimal and that several administrations do not feel that the plan had the intended effect.

Work is underway to develop a new library plan for the period 2024 to 2028. The plan includes several initiatives linked to the goal, including prioritising initiatives to encourage reading in areas with socio-economic challenges, and working to ensure that young people and adults with reading resistance are offered reading opportunities.

No data are currently available to compare access to culture within the city. During the year, the Cultural Affairs Administration analysed the availability of relevant data. With better knowledge support, interventions can be more accurate, thereby improving the likelihood of meeting the goal.

In 2023, Gothenburg's museums and art galleries attracted more visitors than before the pandemic and the number of visits increased significantly compared to the previous year. A survey conducted on Museum Day showed that half of

the visitors had never visited a museum before and even more would consider visiting again.

Cultural experiences through schools include performing arts, lectures at museums and cinema during school hours. The Compulsory School Committee notes that activities differ within the City; the area that booked the lowest number of cultural activities in relation to the number of pupils is Hisingen, while Centrum booked the most activities. Differences can also be large between different schools within a single educational area and between classes within a school. Initiatives targeting schools with low cultural participation have been carried out and funds have been allocated for specific initiatives in socio-economically disadvantaged areas. Efforts are also being made within the Kulturskolan initiative to expand participation and offerings. There is currently no comprehensive picture of which children and young people take part in Kulturskolan activities, as only participation in the long courses is registered. The highest number of participants for this type of activity can be found in Centrum and the lowest in Nordost. As of January 2024, all participation will be registered regardless of type of activity, which will facilitate follow up.

With ongoing activities expected to yield results and better access to data and knowledge support to implement the right initiatives in the right place, the goal is considered likely to be achieved.

The Cultural Affairs Committee has principal responsibility for the goal. The administration's collaboration with other administrations and companies has mainly been based on the plan for the culture programme, the culture plan for children and young people and the programme to bring culture to children and young people.



The business climate will improve

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal board

» Business Region Göteborg AB

Responsible committees and boards

» Environmental and Climate Committee
» City Planning Committee
» Purchasing and Procurement Committee
» Labour Market and Adult Education Committee
» Higab
» Förvaltnings AB Göteborgslokaler
» Göteborg & Co

entrepreneurship, along with simplification of the City's procedures from a business perspective.

The programme uses two indicators to measure progress related to the business climate. The overall rating in the Confederation of Swedish Enterprise's survey of entrepreneurs has remained at the same level for the past four years, 2020–2023. The results of the Swedish Association of Local Authorities and Regions' (SALAR) survey *Insight* also remained stable in recent years and preliminary figures for 2023 indicate that this will continue this year. There have been some changes within the aggregate index and Business Region Göteborg AB makes the assessment that the sub-indexes that have increased (building permits, land leases) are probably due to systematic efforts that have produced results, while a decrease (serving permits) may be due to longer processing times during the first half of the year as a result of high staff turnover. The staffing situation has now stabilised and the prospects for higher scores in 2024 are good.

Based on developments and ongoing work, the goal is considered likely to be achieved.

Business Region Göteborg AB is the principal board for the goal. Their efforts to achieve the goal have fallen within the framework of the *City of Gothenburg's Business Strategy Programme*, where the business climate is one of six areas in the programme.

One of the three goals in the *City of Gothenburg's Business Strategy Programme 2023–2035* addresses the business climate and innovation capacity: *Gothenburg is one of the metropolitan regions in Europe with the best climate for business and innovation..* Within the strategy *It's easy to run a business in Gothenburg* work is underway to shape attitudes and understanding of business and



Skills provision will be secured and the level of employment for groups that have been excluded from the labour market will rise

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

» Labour Market and Adult Education Committee

Responsible committees and boards

- » City Executive Board
- » Social care committees
- » Committee for Disability Support
- » Business Region Göteborg AB

The *City of Gothenburg's programme for an equal city 2018–2026* includes the target area *Create opportunities for work* with several strategies to facilitate entry into the labour market. The City of Gothenburg's 2023 Equality Report notes that the labour market trend in Gothenburg has generally been positive over the past fifteen years. Employment has increased and unemployment has decreased, in line with the rest of Sweden. But the circumstances vary for different residents and the differences persist over time. In particular, the trend for certain groups who have been unemployed for a longer period of time does not follow the same positive trajectory. Young people without school leaving certificates from compul-

sory school and upper secondary school, people born abroad, people over the age of 55 and people with disabilities are groups that are more likely to be long-term unemployed. In fact, in some of these groups, the trend is the opposite of the overall labour market trend.

In February 2024, the City Council adopted the plan for skills provision 2024–2026. The aim is to develop a common direction for the City in order to secure, in particular, the future supply of personnel for welfare services. The background is the demographic trend where the proportion of older people is increasing, while the proportion of the workforce is decreasing. Some of the plan's focus areas will address harnessing labour market skills and broadening the recruitment base for the city's activities.

The assessment is that the goal is possible to achieve, but the City of Gothenburg is also dependent on developments in the labour market in general and grounds set by the national labour market policy.

The Labour Market and Adult Education Committee has principal responsibility for the goal. Their efforts to achieve the goal have fallen within the framework of their base assignment. Collaborations can involve, for example, employers, industry councils, Business Region Göteborg, the Public Employment Service, the social care administrations and Finsam.

Adult education will be provided to a larger extent by the Municipality and by folk high schools and study associations

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee

» Labour Market and Adult Education Committee

Responsible committees

» Education Committee

On 6 Feb. 2024, the Labour Market and Adult Education Committee decided in § 10 how the goal and related assignment in the City Council's 2023 budget should be interpreted. According to the decision, public education will be responsible for providing a minimum of 25 per cent of Swed-

ish for Immigrants (SFI) and Swedish language instruction, with a valve left for the private sector and popular education (folkbildning) providers. The decision also removed the previously applicable 25 per cent rule for Komvux and terminated the current SFI/GRUND framework agreement.

In light of this decision, the goal is considered likely to be achieved.

The Labour Market and Adult Education Committee has principal responsibility for the goal. The efforts of the administration to achieve the goal involve an implementation plan with associated investigation, which was presented to the committee at the meeting in September. The investigation highlights three main areas: the split principal responsibility, the economic aspect, and flexibility and accessibility for citizens. The above decision was taken based on this investigation.



Health and safety and working conditions for the City of Gothenburg's employees will be improved

Assessment of City of Gothenburg Executive Office

The goal is deemed **possible** to achieve.

Principal committee

» City Executive Board

Responsible committees and boards

All committees and boards.

In autumn 2023, a simplified follow-up of the Attractive Employer Programme was carried out.

Within the programme's target area *We offer attractive employment conditions and benefits* the work was mainly conducted within regular activities. The initiative focused on achieving equal and competitive wages and was carried out at both the central municipal and local government levels. During the programme, period analyses were carried out to compare wages, clarify external factors and identify the need for interventions and economic conditions.

The follow-up found that the programme's indicators were perceived as blunt and difficult to link to the programme's initiatives. Nevertheless, improvements have been achieved in several of the indicators since the start. Sustainable Employee Engagement, which is measured annually in the city's employee survey, has improved for both employees and managers. In 2023, the sick leave rate in the Group was 7.9 per cent and is now almost at the same level as before the pandemic. Healthy attendance has also improved

since the start of the programme and in 2023 the healthy attendance rate was 39.2. Regarding the proportion of employees experiencing harassment or discrimination, the results show little difference between the years, while the target of zero is far from being achieved.

In February 2024, the City Council adopted the *City of Gothenburg's plan for skills provision 2024–2026*. The aim is to develop a common direction for the City in order to secure, in particular, the future supply of personnel for welfare services. The background is the demographic trend where the proportion of older people is increasing, while the proportion of the workforce is decreasing. The plan replaces the Attractive Employer Programme and sustainable working life is one of the elements mandated to be included in the plan.

Through continued development of working conditions within the framework of the skills provision plan, the target is deemed possible to achieve.

The City Executive Board has principal responsibility for the goal. Within the Attractive Employer Programme, for which a final report was presented at the end of the year, various initiatives were undertaken to improve the prospects for a sustainable work life aimed at advancing both the organisation and health. Many activities are underway within the administration, including the development of the annual review of occupational health and safety efforts and proactive measures, signing of agreements for remote work, and a new local collaboration agreement with all trade union organisations.

Sick leave due to work-related ill health will be reduced

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee

» City Executive Board

Responsible committees and boards

All committees and boards.

In autumn 2023, a simplified follow-up of the Attractive Employer Programme was carried out.

Within the programme's target area *We have a sustainable work life aimed at advancing both the organisation and health*, the focus has been on providing employees and managers with the right conditions and tools to take advantage of skills, work efforts and commitment. Within this target area, work has been underway within change management and the work environment. The follow-up found that the programme's indicators were perceived as blunt and difficult to link to the programme's initiatives.

Although the programme's targets were not met, improvements have been achieved in several of the indicators since the start. Sustainable Employee Engagement, which is measured annually in the city's employee survey, has improved for both employees and managers. The sick leave rate in the administrations decreased between 2016 and 2019. After that, the pandemic had a major impact on sick leave, but it is now almost at the same level as before the pandemic. Aggregate data for the Municipal Group began to be compiled in 2020. In 2023, the sick leave rate in the Group was 7.9 per cent. It should be noted that no distinction is made between the work-related and non-work-related sick leave rate. Healthy attendance measures the proportion of employees in the City's administrations who have a maximum of four sick days per year; such data are not available for the companies. Healthy attendance for the City's administrations dropped sharply during the pandemic years from 40.7 per cent in 2019 to a low of 31.4 per cent in 2022, as the effects of omicron were still being felt. Since

then, the recovery has been rapid, and by the end of 2023, healthy attendance was 39.2 per cent. Regarding the proportion of employees experiencing harassment or discrimination, the results show little difference between the years, while the target of zero was not achieved.

Several factors affect the trend for the sick leave rate that are beyond the City's control, among which the structure of the health insurance system plays a significant role. The shift towards a more digital approach to work, a result of the pandemic, has also modified sick leave behaviours, where especially employees with more administrative jobs have been able to work remotely when suffering from mild symptoms.

In February 2024, the City Council adopted the *City of Gothenburg's plan for skills provision 2024–2026*. The plan replaces the Attractive Employer Programme and 'competitive working conditions' is one of the elements included in the plan.

In light of the sick leave rate trend and given the decision taken on the skills provision plan, the assessment is that the target is likely to be achieved.

The City Executive Board has principal responsibility for the goal. Their efforts to achieve the goal include reviewing and clarifying the rehabilitation process with the aim of improving and enhancing understanding within occupational rehabilitation. During the year, five administrations also carried out an initiative to identify and respond to early signs of ill health. Efforts are also underway to review the organisational conditions for managers.



The City of Gothenburg's purchasing and procurement processes will be more efficient and contribute to the achievement of all sustainability goals

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee

» Purchasing and Procurement Committee

Responsible committees and boards

All committees and boards.

The City of Gothenburg has a common purchasing process to develop and streamline purchasing and procurement activities. To support the common process, the City has common digital services, where shared processes and services ensure that the City works consistently with high quality and high efficiency.

The policy document in this area is the *City of Gothenburg's Guidelines for Purchasing and Procurement*. The aim is to ensure that goods, services and contracts are purchased with the right quality and at the right cost. The aim is also that requirements for social and ecological sustainability, as well as for function, should be integral to the City's purchasing and procurement activities. With a category-driven approach, the City's procurement activities work systematically towards overarching objectives. Procurement strategies are developed in collaboration with the administrations and companies that have the largest volume in each category. This approach ensures that the needs and requirements in the core area of each organisation are met. The category plan includes goals, as well as a current situation analysis, needs analysis, sustainability analysis, business strategy analysis, action plan and risk analysis. City-wide category plans were developed in 2023 for IT workplaces and Foods, and the plans are being implemented in the City's services.

The City of Gothenburg's action plan for improving purchasing and procurement skills within all of the City's committees and boards

can be improved, with the aim of strengthening conditions for increased efficiency, development and structure in the city's purchasing activities. The follow-up conducted in the fall of 2023 shows that a majority of the city's administrations and companies responded that they have implemented the activities in full or in part. However, as several of the activities are not yet fully implemented, there is reason to continue to focus on the issues in the City's administrations and companies. This includes, for example, ensuring that an appropriate organisation is in place to address the issues, and ensuring follow-up of suppliers and contracts. Compared to the 2022 follow-up, the results indicate that knowledge and purchasing maturity in the City's operations are increasing.

With common processes in place and ongoing development work, the target is considered likely to be achieved.

The Purchasing and Procurement Committee has principal responsibility for the goal. Their efforts to achieve the goal have fallen within the framework of the base assignment and the guidelines for purchasing and procurement, as well as the City of Gothenburg's action plan for improving purchasing and procurement skills within all of the City's committees and boards.

Govern the City of Gothenburg transparently and resource-efficiently

Assessment of City of Gothenburg Executive Office

The goal is deemed **likely** to be achieved.

Principal committee and board

» City Executive Board
» Göteborgs Stadshus AB

Responsible committees and boards

All committees and boards.

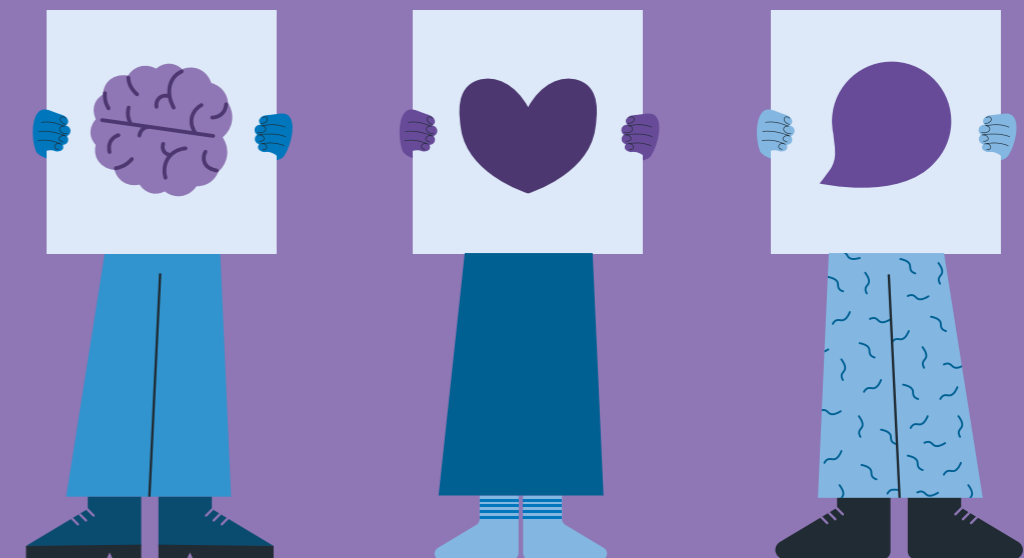
The City has a common planning and monitoring structure, and measures are being taken to systematise monitoring of projects, programmes and plans in relation to the budget, both through monitoring systems and monitoring portals. Anyone can access the governance and monitoring model.

Efforts are underway to review existing programmes and plans with the aim of reducing their number and achieving more efficient management, while also minimising redundant oversight. Efforts to consolidate administrative work are also underway in the City to ensure services are provided as resource-efficiently as possible. One example is the update of the *City of Gothenburg's guidelines for governing documents* adopted by the City Council in October, incorporating several changes aimed at reducing both the

governance burden and oversight pressures within the organisation and, by extension, also reducing administrative workload.

The adopted model for systematic management of the capital structure in the Stadshus Group is designed to improve the City Council's insight into and understanding of the capital structure of each company, thereby facilitating a more proactive approach to governance. The proposed guideline for direct yield is intended to serve as support and guidance in the preparation of the City Council's budget. The guideline establishes fundamental principles, definitions and thresholds that collectively form a guiding, transparent regulatory framework for calculating direct yield (dividends and capital injections) from the Stadshus Group.

The City Executive Board and Göteborgs Stadshus AB are the principal committee and board responsible for the goal. Their efforts to achieve the goal include close collaboration in the planning and monitoring process. Monitoring of budgets, programmes and plans, as well as project management are undergoing further systematisation and consolidation. Governance, including work related to programmes and plans, is being reviewed and expanded. Training programmes offered by the City of Gothenburg Executive Office for politicians and by Stadshus AB for board members are aimed at fostering understanding and a culture that promotes the City Council's goal of transparent and effective governance.



Auditor's Report

Auditor's Report for 2023 for the Board, Committees and the combined annual accounts of the City of Gothenburg.
City of Gothenburg, reg. no. 212000-1355

We, the auditors appointed by the City Council of the City of Gothenburg, have examined the activities of the Executive Board and Committees of the City of Gothenburg. The activities of the City of Gothenburg's companies have also been examined by appointed lay auditors. The examination has been performed by expert advisors who assist the auditors.

The City Executive Board and Committees are responsible for activities being conducted in an appropriate and financially satisfactory manner, for the accounts and the reporting being true and fair and for the adequacy of the internal control systems.

Our responsibility is to express an opinion on the accounts, the activities and the internal control systems on the basis of our audit. We also assess whether the annual accounts are consistent with the financial and operational goals decided by the City Council.

The examination has been performed in accordance with the Local Government Act and generally accepted auditing standards in municipal activities as well as the City of Gothenburg's audit regulations. The examination has been carried out with the focus and to the extent required to provide reasonable grounds for assessment and examination of liability.

The results of the examination of the City Executive Board and Committees are shown in the audit memoranda and audit reports submitted to the Board and the Committees. The results of the examination of the companies are shown in a corresponding way in the audit reports and audit accounts submitted to each company. The examination of the City of Gothenburg's annual report, including the combined accounts, can be found in a separate report which has been submitted to

the City Executive Board. The year's examination is summarised in our annual statement, which has been submitted to the City Council.

It is our opinion that the Board and Committees of the City of Gothenburg have conducted their business in an appropriate and financially satisfactory manner, and that the internal control has been adequate.

In our opinion, the presentation of the accounts in the financial statements is true and fair in all material respects, with the exception of the accounting treatment of financial leases. To ensure that good accounting practices are followed, further investigation is needed.

In our opinion, the results presented in the financial statements are essentially consistent with the targets set by the Council regarding the financial goals for good financial management. In our opinion, it is not possible to determine whether the operational goals have been achieved. The assessment of the operational goals needs to be further developed. The City Executive Board has not assessed whether the goals have been achieved for the year.

The auditors shall report their examination of liability of the Board and Committees to the City Council. The assignment of the lay auditors in the companies does not include a standpoint in the matter of liability.

We recommend that the City Council grant the members of the Board and the Committees discharge from liability for the financial year 2023.

We recommend that the 2023 Annual Report for the City of Gothenburg be adopted. We recommend that the City Council grant the members of the Board and the Committees discharge from liability for the financial year 2023.

We recommend that the 2023 Annual Report for the City of Gothenburg be adopted.

Gothenburg 9 April 2024

Jonas Ransgård

Torbjörn Rigemar

Bengt Bivall

Sven Andersson

Birgitta Adler

Jens-Henrik Madsen

Susanne Zetterberg Jensen

Jan Fridén

Gun Cederborg

Bernt Helin Aili

Ann-Christine Alexandersson

Anna Sibinska

Alf Landervik

Jonas Bergsten Paija

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