

**CITY OF GOTHENBURG
ANNUAL REPORT 2010** >>



Some events during the year



Photo: Klas Eriksson

Financial earnings improved

The City's earnings for 2010 totalled 1,479 MSEK after excluding a non-recurrent item affecting responsibility. This means that earnings exclusive of non-recurrent items improved by over 1,200 MSEK compared with the previous year. Two important explanations for the improvement were greater tax revenue and the government's business cycle support, which was largely temporary during 2010.

Another explanation was a curb in the trend of costs in activities, in the form of among other things a reduction in the volume of personnel.

The strong earnings before non-recurrent items gave the City the opportunity to accommodate a large part of the financing of the Western Sweden package in 2010. This will release financial scope in the next few years.

Most of the City of Gothenburg Groups and companies also showed strong financial earnings for 2010. Earnings after financial items totalled 733 MSEK for the companies.

Action plan for stricter internal control and openness

Work was started in 2010 to reinforce internal control and openness in the City of Gothenburg. The background was suspicions of bribery and other irregularities in certain parts of the city. The suspicions are being investigated by the police and the public prosecutor.

The Chief Executive Officer has been instructed to look into what can be done to prevent irregularities occurring in the future and to prepare measures to strengthen openness. This led to an action plan that was decided by the City Council in February 2011.

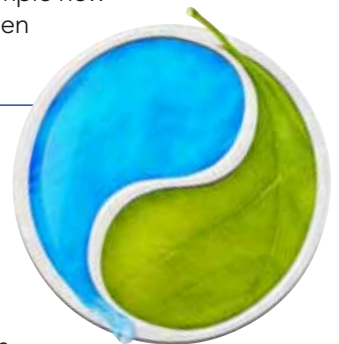
The action plan covers among other things measures to reinforce internal control, a joint construction process for the city, a whistleblower function, greater focus on training and a review of rules, guidelines and policies.

The District Committees were reorganised

At the beginning of 2010 the City Council decided to combine the 20 District Committees into 10 from 2011. Extensive work was done during the year to handle its implementation, for example new joint forms of organisation have been prepared.

Environmental efforts were made

A number of efforts were made during the year to improve the environment in Gothenburg. One such project was Gryn AB's extension project for better nitrogen and phosphorus purification that was made ready at the end of May 2010. The plant is significant in enabling national, regional and local environmental goals to be met.



Gothenburg model for home-help introduced

The Gothenburg model for home-help services was introduced in 2010. This means that the individual has the time decided on at his/her disposal. For all home-help, even if it is not service, work has been done on matters of influence, within the scope of work on salutogenic elderly care.

Photo: Klas Eriksson



Grades results in year 9 move in the right direction

In the spring of 2010, 72.5 per cent of the pupils attained at least a pass in all subjects and could therefore leave upper secondary school with complete grades. This was a rise of 1.5 percentage points compared with 2009. Both the national average and the results in Stockholm and Malmö show an opposite trend. On the other hand, the proportion of pupils that gain complete grades is still lower in Gothenburg, compared with the national average.

Financial assistance was stabilised

The gradually rising cost level for financial assistance in 2009 was stabilised in 2010 at a high level. The cost of financial assistance was 1,094 MSEK, which is a rise of almost 9 per cent compared with 2009.

Western Sweden package decided

Several decisions were taken during the year to create future infrastructure in the city. Negotiations with the government on a Western Sweden infrastructure package, where the greater part of the investments will occur in Gothenburg, proceeded. Planning for Västlänken (a train tunnel under the city) could thereby be started. Also included in the package is a congestion charge system, to be introduced in the city in 2013.



Planning for Central River City gathered speed

Work on planning to strengthen the regional core, Central River City (Älvstaden), continued during the year. A special project led by the City Executive Board to prepare a vision for this area has been initiated.

Work on expanding pre-school services continues

During the year the number of pre-school places rose by about 1,000 to meet the requirement for full cover. At the end of the year 26,000 children were enrolled in pre-school activities, which is a rise of four per cent compared with the end of 2009.

Structure of the Annual Report

The City of Gothenburg Annual Report is submitted by the City Executive Board to the City Council. It is also intended for external stakeholders in the form of lenders, suppliers and other public authorities. The Annual Report is produced by the City Office for the City Executive Board.

By way of introduction in the Annual Report, the Chairman of the City Executive Board, Anneli Hulthén, makes summarising comments on the past year. The City's organisation and the members of the City Executive Board are also shown. The City of Gothenburg Annual Report is then divided into four major blocks:

BLOCK 1

Administration Report

The first block contains the Administration Report, which according to the Municipal Accounting Act is to be included in the Annual Report. It comprises a summary of the Annual Report with a focus on essential parts of the City's economy and activities. The City of Gothenburg Administration Report opens with an analysis of the outside world and a summarised financial analysis of the City and the combined accounts. A follow-up of the City Council's prioritised goals is also presented. A personnel economy report is also made in the Administration Report. In conclusion, an assessment of the future is made, illustrating the opportunities and risks of the City of Gothenburg on the basis of known conditions.

BLOCK 3

Municipal City of Gothenburg Financial analysis and accounts

The block opens with an in-depth financial analysis of the City's accounts. By the municipal City of Gothenburg is meant the committees and the financial administration. Then in the "financial positions" section an analysis is made of the City of Gothenburg's major financial commitments in the form of borrowing, among other things. The section is followed by the City's financial statements, notes and accounting principles. Finally, the block gives a brief description of the financial results of the district committees and other committees, followed by the City's operational and investment accounts.

BLOCK 2

Activities of the City of Gothenburg

In this block parts of the activities conducted by the City of Gothenburg committees and companies in 2009 are shown. The block is divided into the following areas of activity: education, individual and family care, functional impairment, elderly care and home medical care, urban development, environmental work and climate adaptation, public health, culture and leisure, equal opportunity and diversity and finally, organisation development and exercise of public authority. In each area, important events and trends are described from different perspectives. Each area concludes with a brief assessment of the future.

BLOCK 4

Combined accounts Financial analysis and accounts

Group accounts are called combined accounts in the municipal sector. First in this block is shown a brief financial analysis of the combined accounts. This is followed financial statements, notes to the accounts and accounting principles. After this a short analysis is made of Göteborgs Kommunala Förvaltnings AB (GKF), which in turn is followed by a number of earnings and investment analyses of some of the larger Groups and companies in the City of Gothenburg. Finally, all the larger Groups and companies are shown in tabular form, where earnings, total assets and various key ratios are presented for each individual Group or company.

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The report of the auditors for 2010 is shown here.

The Chairman of the City Executive Board summarises 2010

Time for reflection is important. Summarising a working year and putting words to the developments that take place for citizens and business in Gothenburg is therefore a special task. The city of Gothenburg is an organisation that is important not only to our citizens, but to community development in the whole of western Sweden. By working purposefully for a sustainable society permeated by a child perspective, we generate conditions to continue to lead the development of the good society.

Finances

2010 has been a difficult year to assess from a financial perspective. When we started the budget work the forecast was for a crisis and the financial position in the world and in Sweden was shaky. This meant that we had to put on the brakes and propose some tough measures. During the year the city's finances proved to do better than what the early forecasts had shown. Global factors that we are dependent on did not have the impact that was feared, while at the same time committees and departments made great efforts to balance their finances. We have followed the financial trend carefully from the majority side and thereby been able to distribute more money to activities during the year. At the end of the year, when we could ascertain that there was a considerable financial surplus, we chose to use it for the infrastructure package, an investment that will be of benefit to many generations of people in Gothenburg, Västra Götaland and Halland. In addition we made available by this decision appropriated budgetary scope for the next 25 years that we can now use for the City's future activity needs.

The good Gothenburg community

The child perspective was firmly rooted in both the political goals and the activities carried out in 2010. Gothenburg will be a good community to grow up and work in and one of the ideas behind the child perspective is that a community that is good for the children is good for the rest of us too. In 2010 about 1,000 new places in pre-school were created. The school is more learning focused, as headteachers and teachers have attended leadership training courses – a factor that research shows is directly linked to the pupils' learning development. Work on the child perspective was further reinforced by the opening of the first accommodation for refugee children arriving alone and that Bruno activities were started in support of children that grow up with misuser parents. During the autumn we introduced freedom of choice in the service part of home-help, a flexible solution where you can influence what support you want. These are good, sustainable contributions to the good society, but there is more to be done. We must overcome the increase in child poverty.

We must find new ways of working with integration and social mobility and we must engage more players in this work. A good example of development work with many active participants is the work on Central River City (Älvstaden), which gathered speed in the autumn. The guiding light in this work is to create, together with industry and the people of Gothenburg, a new part of the city that is sustainable from a social, financial and ecological perspective. Important environmental decisions were also taken in 2010, we set up a new climate and environment committee with the task of coordinating environmental and climate work and we introduced a weight based waste tariff.

A new District Committee organisation for better citizen service.

The past year was a milestone in the work of creating prospects of similar conditions and the same service regardless of where in the city you live. Another important area that formed the basis of the decision to change the district organisation was the need to develop more supple forms of collaboration with community planning committees, so that the social dimension could be strengthened in the work for a sustainable society. Work for democracy also needs to be developed further.

City staff and labour market

The City of Gothenburg has as a goal to be an attractive workplace and our employees should reflect the population structure. In 2010 a pilot scheme was started on staffing in six districts, with the purpose of reducing both the proportion of those hourly employed and involuntarily part-time employed. 2010 was a year when severe unemployment was feared and the City activities took great responsibility in this situation, among other things by setting up more than 3,300 trainee jobs to afford the unemployed an opportunity of working life experience, vocational training and social relations.

Although the sharp decline in the world economy in 2008–2009 affected Gothenburg more severely than many other parts of the country because of the international nature of our industry, youth unemployment in the



Illustrating the past year. The Chairman of the City Executive Board, Anneli Hulthén, reflects on 2010. Photo: Daniel Stiller

city remained at a lower level than the national average for the whole of 2010. One explanation is that the purposeful allocation of resources to Gothenburg as an events city, with many job opportunities in the hotel and tourism business and retail, have led to the labour market for young people being a little stronger here. The situation has not become so serious as the forecasts suggested two years ago. Another contributory factor is that the City makes extensive efforts to equip unemployed youths to meet the requirements of the labour market better. This occurs through adult education in the districts and at UPP!, our activity centre for young people without jobs.

Reinforced internal control

In 2010 the city was shaken by irregularities. The revelations we have seen show the importance of the citizen's voice and the opportunity to "blow the whistle", the media's role, but also that matters of internal control must be discussed and well established, both in the management and out in the activities. Work on values and ethics are important discussions for both departments and companies.

Western Sweden package

The Western Sweden package contains major investments in public transport, railways and roads. Roads that

not least are needed for all the new public transport. The Western Sweden package is a regional cooperation that will help to generate a larger labour market, promote employment and growth and reduce the negative impact of traffic on the environment. Those cooperating in the Western Sweden package are – the City of Gothenburg, the Transport Administration, the Västra Götaland Region, the Gothenburg Region Association of Local Authorities, Region Halland and the government. It takes time to adjust a city or a region to having public transport as a basis for passenger transport after having lived for decades with another focus. For this reason, cooperation over party lines and geographical limits is of extra importance.

More has happened in the city! There is bound to be something I have missed in my account. The Annual Report gives readers more details on developments in the City of Gothenburg.

Anneli Hulthén,
Chairman of the City Executive Board

Organisation of the City of Gothenburg

CITY COUNCIL

**CITY EXECUTIVE
BOARD DELEGATIONS
CITY OFFICE**

COMMITTEES

DISTRICT COMMITTEES

Pre-school, compulsory school, social services, community care, local cultural affairs and leisure

PUBLIC WORKS

Eco-cycle Committee, Gothenburg Water

EDUCATION

Education Committee, Adult Education Committee

TRAFFIC

Special Transport Committee, Road Traffic Committee

CULTURE

Cultural Affairs Committee

ENVIRONMENT

Environmental Committee

LEISURE

Sports and Associations Committee, Parks and Landscape Committee, Keiller's Park Board

OTHER COMMITTEES

Archives Committee, Consumer Committee, Committee for Intraservice, Chief Guardians' Committee, Social Welfare Resource Committee

LAND AND HOUSING

Planning and Building Committee, Property Management Committee, Supply of Premises Committee, Premises Office, Committee for MedicHus

JOINT STATUTORY AUTHORITIES

Greater Gothenburg Rescue Services, Stretered



CITY COUNCIL

NOMINATIONS COMMITTEE

CITY AUDITORS' OFFICE

ELECTORAL COMMITTEE

COMPANIES

PROPERTIES AND HOUSING

Förvaltnings AB Framtiden,
Hantverks- och Industrihus
i Göteborg AB, HIGAB,
Älvstranden Utveckling AB,
Boplatz Göteborg AB

LEISURE

Liseberg AB,
Got Event AB,
Göteborgsregionens
Fritidshamnar AB, GREFAB

PUBLIC WORKS

Göteborg Energi AB,
Renova AB,
Gryaab AB

INDUSTRY AND COMMERCE

Port of Gothenburg AB,
Gothenburg & Co,
Kommunintressent AB,
BRG, Business Region
Gothenburg AB

CULTURE

Göteborgs Stadsteater AB

OTHER COMPANIES

Göteborgs Kommunala
Förvaltnings AB,
Försäkrings AB
Göta Lejon,
Kommunleasing
i Göteborg AB,
Göteborgs Stads
Upphandlings AB

TRAFFIC

Göteborgs Gatu AB,
Göteborgs Spårvägar AB



City Executive Board 2010*



Anneli Hulthén
(Soc.Dem.)
City Councillor,
Chairman



Jan Hallberg
(Mod.)
City Councillor,
Vice-Chairman



Owe Nilsson
(Soc. Dem.)
City Councillor



Jonas Ransgård
(Mod.)
City Councillor



Helena Nyhus
(Soc. Dem.)
City Councillor



Helene Odenjung
(Lib.)
City Councillor



Dario Espiga
(Soc. Dem.)
City Councillor



Kia Andreasson
(Green)
City Councillor



Kristina Tharing
(Mod.)
City Councillor



Marie Lindén
(Left)
City Councillor



Maria Rydén
(Mod.)
City Councillor



Marina Johansson
(Soc. Dem.)
City Councillor



Carina Liljesand
(Chr. Dem.)
City Councillor



Ann Lundgren
(Soc. Dem.)
Deputy



Martin Wannholt
(Mod.)
Deputy



Mats Arnsmar
(Soc. Dem.)
Deputy

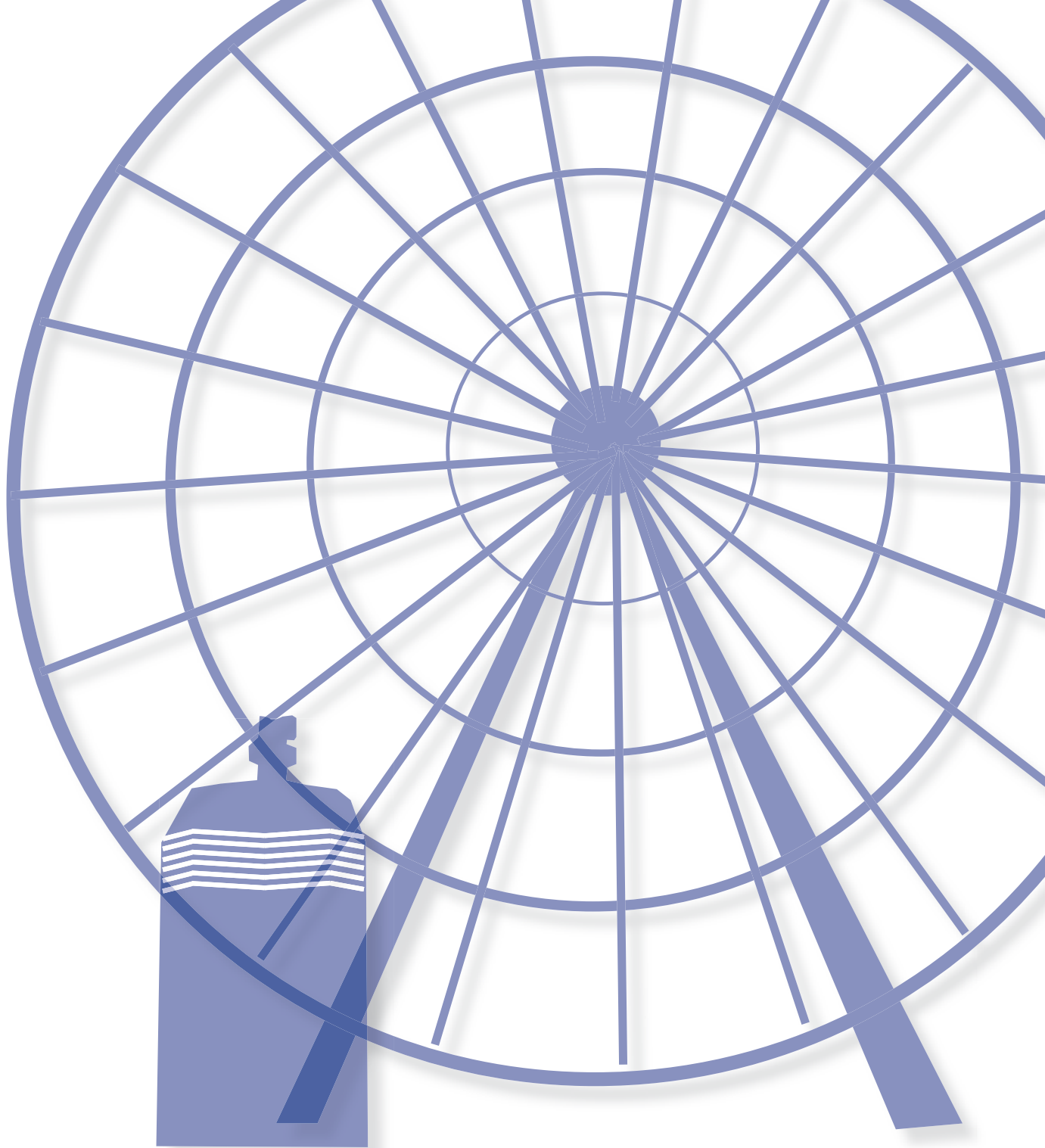


Ann Catrine Fogelgren
(Lib.)
Deputy



Anna Johansson
(Soc. Dem.)
Deputy

* December 2010



1

ADMINISTRATION REPORT



According to Chapter 4 of the Municipal Accounting Act, the City should prepare an Administration Report for the Annual Report. It should be a summary of the Annual Report, with a focus on essential parts of the City's economy and activities.



ADMINISTRATION REPORT

11 Development of the Gothenburg community

The purpose of this section is to describe community developments in Gothenburg and the region from the point of view of the outside world.

14 Brief financial analysis

The brief financial analysis emphasises the most important financial trends, in the City, some larger individual companies and the combined accounts (the Group).

16 Follow-up of prioritised goals 2010

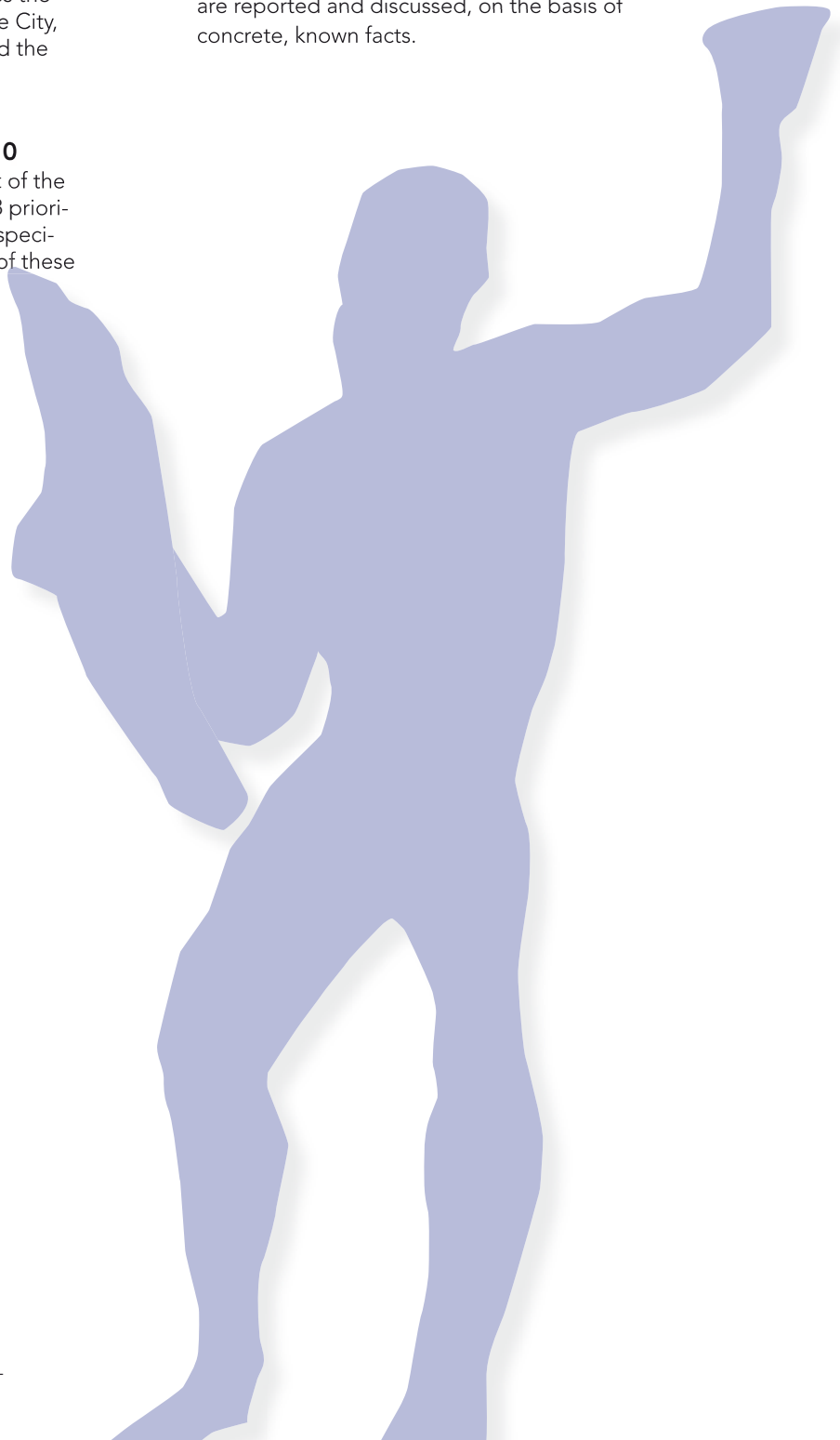
An important part of the government of the City of Gothenburg consists of the 18 prioritised goals that the City Council has specified in the budget. A brief follow-up of these goals is given here.

19 Personnel

The Administration Report should describe "essential personnel conditions". This section focuses on City staff from a number of aspects.

22 Assessment of the future

In this section expectations of the future are reported and discussed, on the basis of concrete, known facts.





Development of the Gothenburg community

The Gothenburg City Council sees the development of the Gothenburg community in three dimensions: the financial, the social and the ecological. Only by seeing developments from a holistic perspective is it possible to speak about long-term sustainable development.

Gothenburg shares the vision of sustainable development with both the UN and the EU, the Swedish national level, Västra Götaland's and the Gothenburg region's regional levels.

THE FINANCIAL DIMENSION

More faith in the economic trend

During 2010 we have been able to note that the market situation recovered just as quickly as it had fallen. The year was characterised by ever greater faith in the Swedish economic trend, among both households and companies, in the Gothenburg region as well as the rest of the country and in all lines of business.

Companies more positive about the future

The companies in the Gothenburg region are positive about the economic trend, they see that incoming orders are rising and there is belief in further improvements in the year to come. Many companies are indicating that they want to employ more personnel and there are already signs in certain sectors that it is difficult to recruit sufficient competence, for example among IT consultants and construction workers.

The Västra Götaland region's business index measures the current state of the market in the region and it varies between -100 (blackest recession) and +100 (overheated boom). Spring 2009 was the measurement when economic activity in the Gothenburg region was at its worst and since then things have improved steadily. Now all the sectors measured are positive and the vehicle sector, for example, has gone from blackest recession to some form of normality.

Business index

	Spring 09	Autumn 09	Spring 10	Autumn 10
Gothenburg region	-39	-27	+3	+19
Manufacturing industry	-49	-39	-8	+15
Vehicle industry	-98	-95	-46	+18
Building sector	-38	-43	-11	+15

Source: Västra Götaland region

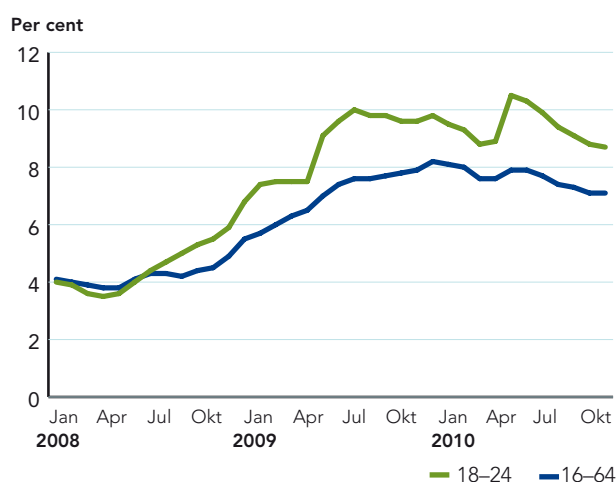
Unemployment declines again

From having been down at the lowest levels since the 1990s crisis in the spring of 2008, unemployment rose quickly during the recession to peak at 8.2 per cent in January 2010. This corresponded to more than 28,200 people in Gothenburg that were unemployed or in programmes. Since then the proportion of the population that is unemployed has fallen and unemployment declined particularly in the autumn.

It is clear that the recession mainly affected traditional male sectors such as construction and the manufacturing industry. This has meant that unemployment among men, particularly young men, is higher than among women.

Young people are generally sensitive to the business cycle and are affected quickly in recession, but are also employed early when the economy recovers. It has looked this way in recent years too, which has led to high youth unemployment that, however, fell rapidly during the autumn.

Unemployment in Gothenburg Jan 2008–Dec 2010



Comment: Included in the diagram are people that are unemployed and participants in labour market policy programmes

Source: Employment Exchange



Gothenburg students get jobs and stay

Over half the students that have studied at least three terms at Gothenburg University stay in the Gothenburg region after their degree. This also applies to a large group that grew up outside the region. This is of particular interest as a large part of those moving into Gothenburg are people that move to study. The former students have also found it easy to get jobs after their studies, more than 75 per cent had a job within three months of completing basic studies and almost 70 per cent got jobs in areas relevant to their education.

A further large rise in population

In 2010 the population of Gothenburg rose by almost 6,400 people. This is not quite as much as in the two record years of 2008 and 2009, but considerably more than the average rise of about 4,700 people since 2000.

One of the explanations for the rise is that many children are born in Gothenburg. At the end of 2010 over 7,600 had been born during the year in Gothenburg, which gives reason to talk about a baby boom on a level with the years around 1990.

THE SOCIAL DIMENSION

New housing mostly in blocks of flats

In 2010 over 1,800 dwellings were made ready in Gothenburg, of which 1,600 were newly built, the remainder rebuilding. Of the newly built dwellings, 15 per cent were houses and 85 per cent blocks of flats.

Almost 40 per cent of the flats were tenant-owner and

the remainder rentals. In all, more housing was completed in 2010 than the year before and more rentals were ready in 2010 than in any of the years 2006–2009.

In 2010 over 1,900 newly built dwellings were started. This is a sharp increase compared with 2008 and 2009, above all the number of tenant-owner dwellings rose.

The ill-health ratio continues to decline

The connection between good health and sustainable community development is increasingly emphasised. Ill health and sick leave affect not only the individual, but also the person's family and workplace.

Since 2005 the ill-health ratio, which is a measure of the number of days of absence where the population on average receives compensation from national health insurance, has declined greatly and the reduction continued in the past year too. At the end of the year, the ill-health ratio in Gothenburg was 29 days, compared with over 41 days 5 years previously. It has fallen most for women, although they have a higher level than the men.

Child poverty rising, but from low levels

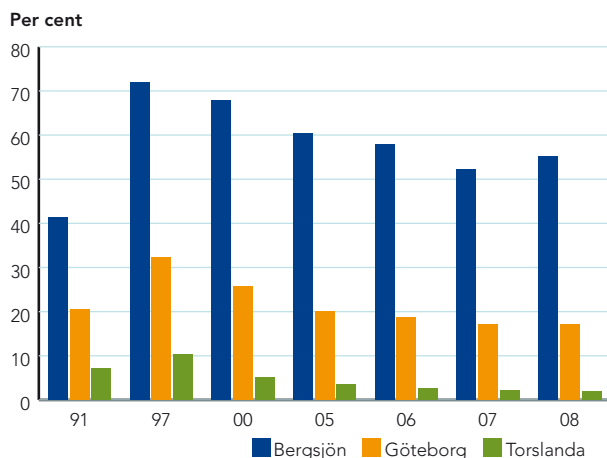
The proportion of children that live in poor households rose slightly in 2008, though this was a rise from the low-level at the beginning of the 1990s. Poverty probably rose in 2009 as well, as a result of the recession.

Newly built. 1,800 new dwellings were completed in 2010.





Children living in financially precarious households



Source: Save the Children

There are great differences in Gothenburg with regard to the proportion of children living in financially precarious households. In Bergsjön more than half the children live in financially precarious households, though this is a considerably lower proportion than in 1997. In Torslanda the same figure is hardly 2 per cent, which is the lowest level for the whole period.

THE ECOLOGICAL DIMENSION

The state of the environment is affected to a great degree by people's lifestyles; how we live, how we travel and what we eat. In the past 50 years things have steadily improved. But our rising standard of living also has a reverse side. We use more energy, we cause more emissions, more noise, more waste and we do not economize on Nature's resources.

Moreover, many of our environmentally impacting actions are governed by the economic situation. When the economy changes, behaviour also tends to fluctuate with many people. Now that the economy has improved, people tend once again to go by car, though there is no sign as yet of a rise in the amount of waste, unlike in previous economic recoveries. It remains to be seen whether this is a coincidence or a break in the trend.

Large cities are good from an environmental point of view

Gothenburg's population is rising and more housing is being built. From an environmental point of view, the prospects are unusually good in a large city. Dense living makes it easier to make your way on foot or by bike and many people provide a better basis for good public transport. Density is also good for generating environmentally adjusted solutions, such as for heating.

But dense construction also means that the risk of disturbances rises. A city that is well planned has

quiet, beautiful places that provide the inhabitants with greenery and water. The risk is otherwise that the city is stressful and hazardous to health. Traffic, industry and waste risk resulting in a city with bad air, noise and other environmental impact.

In the next few years Gothenburg will grow even in the most central parts. On both sides of the river, where port and industrial areas lay previously, there are plans to expand central Gothenburg. For this to succeed from an environmental perspective it is important that the buildings conserve energy, but also that it is a mixed area where you can live, work and shop without being dependent on a car.

One of the greatest challenges is to reduce climate impact and to use energy economically. It is therefore important for new housing to be more environmentally adapted and to conserve energy.

Still many journeys by car

The total number of journeys is rising. In Gothenburg about 50 per cent of the journeys are by car, 25 per cent by public transport and ten per cent by bike. For travel by public transport, Gothenburg lies behind Stockholm and Oslo, for example, where about 40 per cent go by public transport.

Goods travel even more and further as well. Gothenburg has Scandinavia's largest port, which means a lot of shipping and extensive land transport. From a climate point of view, shipping combined with railways is the best transport alternative, since both methods of travel can carry large volumes in an energy efficient way. Since 2009 more than 50 per cent of the port's goods are transported by rail. Now more and more ships also have electrical connections in the port, which reduces the local noise level and emissions.

Waste not rising despite favourable economy

A clear measure of our consumption is the amount of waste thrown away. Since 1960 the annual amount of waste per person has more than doubled in Gothenburg. Waste has traditionally reflected the economic trend, but now there is no sign of a rise despite the favourable trend of the economy. The future will tell whether this is a break in the trend or a coincidence.

Although waste has risen over time, there is now more sorting. The people of Gothenburg sort about 20 per cent of the refuse such as recycled paper or packages and about five per cent is left as biological waste for composting. Even more could be sorted, analyses show that about a third of what goes in the usual refuse bag could be composted and as much material recycled.

Brief financial analysis

The City of Gothenburg reported positive earnings of 229 MSEK in 2010. Included in the earnings, however, is a non-recurrent cost of 1,250 MSEK for infrastructure investments in the Western Sweden package. Earnings exclusive of this non-recurrent cost were 1,479 MSEK. By the same measure, earnings in the previous year were 279 MSEK. This means that current operating earnings for the City improved by 1,200 MSEK between 2009 and 2010. The most important explanations for the improvement were greater tax revenue and the government's business cycle support, mostly temporary in 2010.

The year's investments came to 1,360 MSEK, a decline of 80 MSEK compared with 2009. The degree of self-financing of the investments was 73 per cent. This means that most of the investments during the year could be financed by tax revenue. The remaining 27 per cent was financed to a large extent by sales income from developments.

The City of Gothenburg Group reported earnings of 638 MSEK. The equity-assets ratio rose by 1 percentage point to 26 per cent.

The financial analysis shown on the following two pages should be seen as a summary of the financial development and position of the City and the City of Gothenburg Group (combined accounts). More in-depth analyses are found in block three and four further on in the Annual Report.

five years of 2.4 per cent. If items affecting comparability are excluded, the figure is 4.4 per cent. This means that the City may be considered to have met the requirements made by the Local Government Act for good financial management.

THE CITY OF GOTHENBURG

Solid earnings for the City

The City's earnings for 2010 totalled 229 MSEK, which compared with 2009 was a weakening of 323 MSEK. Included in the earnings, however, was a non-recurrent cost affecting comparability of 1,250 MSEK for co-financing of infrastructure costs in the Western Sweden package.

Earnings excluding the above-mentioned cost affecting comparability totalled 1,479 MSEK. By the same measure, earnings in 2009 were 279 MSEK. This means that current operating earnings for the City, excluding items affecting comparability, improved by 1,200 MSEK between 2009 and 2010. The most important explanations for this were greater tax revenue and the government's business cycle support, mostly temporary in 2010.

If the year's earnings are related to tax revenue, the City showed a result of 1.0 per cent in 2010. Excluding the non-recurrent cost affecting comparability of 1,250 MSEK, the same key ratio was 6.4 per cent.

In general, a result between 2 and 3 per cent is usually regarded as good financial management, since such a result gives scope for financing the greater part of a normal municipal investment volume by taxes over a longer period. Gothenburg has shown an average for the past

City of Gothenburg in figures

MSEK	2008	2009	2010
Gross costs	27,651 *	28,224 *	29,848 *
Total assets	35,225	38,350	38,984
Net earnings for the year	281	552	229
Net earnings for the year, not inc. items affecting comparability	423	279	1,479
Volume of investments	1,827	1,444	1,360

* This includes all costs except financial expenses

A more detailed study of the City's earnings shows that the District Committees had earnings of 148 MSEK in 2010 and the departmental committees 66 MSEK, a total of 214 MSEK for the committees. One important explanation for the positive earnings was an adjustment to the harsher economic situation expected in 2010.

The central municipal items (centrally budgeted items such as tax revenue, interest expenses, interest income etc) reported stronger earnings in 2010 than in 2009, excluding items affecting comparability. In 2010 they totalled 1,265 MSEK, compared with 343 MSEK in 2009. The explanation for the improvement was mainly that tax revenue including business cycle support rose by 1,325 MSEK.



Investments totalled 1.4 billion

The total volume of investments by the City of Gothenburg in 2010 was 1,360 MSEK, which was about the same volume as in 2009. In relation to the City's gross costs, the City invested 5 per cent in 2010, which is an average volume in relation to the country as a whole.

The degree of self-financing weakened in 2010 to 73 per cent. This means that of an investment volume of 1,360 MSEK, about 1,000 MSEK could be financed by tax revenue. The remaining 360 MSEK was largely financed by sales receipts from developments, among other things. This means that the City's long-term manoeuvrability remained unchanged in 2010.

City of Gothenburg / key financial ratios

	2008	2009	2010
Earnings and capacity			
Net earnings for the year / tax revenue	1.3 %	2.5 %	1.0 %
Net earnings for the year excl. items affecting comparability / tax revenue	2.0 %	1.3 %	6.4 %
Degree of self-financing of investments	50 %	88 %	73 %
Equity-assets ratio	19 %	19 %	19 %
Risk and control			
Acid-test ratio	72 %	93 %	109 %
Net financial assets (MSEK)	-4,655	-4,658	-3,533
Balance requirement result (MSEK)	165	211	94
Municipal tax rate (SEK)	21.30	21.30	21.55

Unchanged equity-assets ratio

The City's equity-assets ratio remained unchanged between 2009 and 2010, at 19 per cent for both years. For the third year running the City's equity-assets ratio did not improve. The City of Gothenburg's equity-assets ratio is, however, affected to some extent by the City's re-lending to cover the companies' borrowing needs. If re-lending is excluded from the Balance Sheet, the equity-assets ratio was 41 per cent in 2010, an improvement of two percentage points compared with 2009. It is this equity-assets ratio that should be used when comparing with most other municipalities in Sweden. The average here in Sweden is about 50–55%.

Balance requirement met

The City of Gothenburg has met the statutory balance requirement since the start in 2000. So also in 2010, when annual earnings of 94 MSEK were reported, not including capital gains receipts.

There is a more in-depth financial analysis of the City in block 3 on pages 53–77.

CITY OF GOTHENBURG GROUPS AND COMPANIES

The City of Gothenburg Groups and companies reported differing trends in earnings for 2010. The larger Groups reported the following earnings after financial items:

- **Förvaltnings AB Framtiden** reported earnings of 118 MSEK for 2010 compared with 220 MSEK for 2009.
- **Göteborg Energi AB** reported earnings of 819 MSEK for 2010 compared with 616 MSEK for 2009.
- **Gothenburg Port Holding AB** reported earnings for 2010 of 118 MSEK.
- **Liseberg AB** reported an outcome of 65 MSEK for 2010 compared with 72 MSEK for 2009.

Earnings after financial items

MSEK	2008	2009	2010
Förvaltnings AB Framtiden	91	220	118
Göteborg Energi AB	419	616	819
Gothenburg Port Holding AB 2010 (previously Port of Gothenburg AB)	62	37	118
Liseberg AB	28	72	65

COMBINED ACCOUNTS – THE GROUP

The City of Gothenburg Group reported annual earnings of 638 MSEK for 2010. This was a weakening of 167 MSEK compared with 2009. This was attributable only to the City.

The Group invested over 5.6 billion SEK in 2010. This was a reduction of 200 MSEK compared with 2009, attributable to both the city and the company sector.

The equity-assets ratio again improved by 1 percentage point to 26 per cent. One important explanation for this was that a larger part of the investments were financed by internally provided funds.


Combined accounts in figures

MSEK	2008	2009	2010
Receipts	42,480	46,139	47,757
Total assets	69,507	72,224	73,452
Earnings after financial items	667	1,069	929
Net earnings for the year	682	805	638
Volume of investments	6,592	5,757	5,623
Equity-assets ratio	25%	25%	26%

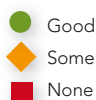
A more detailed description of the economy of the Group / combined accounts is given in block 4 on pages 79–98.

Follow-up of prioritised goals 2010

In the budget for 2010, the City Council has stipulated 18 prioritised goals within the framework of the City's control model. In this section a brief summarised follow-up of the goals in respect of goal achievement is made. The follow-up of each goal in more detail can then be found in different parts of the Annual Report, where each goal is placed in contexts that are relevant, linked to the strategic areas stated in the City Council's budget for 2010.








DIMENSION	PRIORITISED GOALS 2010	GOAL ACHIEVEMENT AND ANALYSIS
for the needs of the people of Gothenburg		
The ecological dimension	The environment in Gothenburg will be improved by increasing travel by public transport and bicycle in relation to car traffic.	Public transport rose more than car traffic during the year. However, car traffic has risen since the economy improved. On the other hand, it can be confirmed that cycling declined.  Some
The financial dimension	Many people are looking for housing, so 1,500 new dwellings will be built in 2010.	In 2010, 1,843 dwellings were made ready, of which 825 were rentals and 534 tenant-owner. Rebuilt housing totalled 220. This is a rise over the previous year of 28 per cent in the number of completed dwellings. The goal of 1,500 completed dwellings has therefore been attained.  Good
The social dimension	Children need social training in an educational environment, so there will be full needs coverage in pre-school.	In 2010 about 1,000 pre-school places were made ready in the City of Gothenburg to meet the requirement for full needs coverage. At the end of the year 26,000 children were enrolled in pre-school activities, a rise of 4 per cent compared with the end of 2009. During the autumn, only a few children did not get places within four months. On the other hand, several districts may have problems with full needs coverage in the spring of 2011 owing to a rise in demand, as there are more children than forecast, as well as difficulties in building new pre-schools, primarily in the central districts.  Some
	Young people need a good foundation of knowledge, so the proportion of pupils with pass grades will rise.	Results for 2010 show that in comparison with previous years the proportion of pupils with complete grades from the City of Gothenburg's municipal compulsory schools has risen slightly and the proportion of pupils that leave municipal upper secondary school with final grades has declined slightly.  Some

Goal achievement Causal relationship










Development in the right direction / Strong trend/if there are measures – clear increase
 Development in the right direction / Weak trend/if there are measures – increase
 Development in the wrong direction / No or weak trend/if there are measures – no increase or decrease



DIMENSION	PRIORITISED GOALS 2010	GOAL ACHIEVEMENT AND ANALYSIS
The social dimension cont.	Children and young people need security and a good work environment in school, so mobbing will decline.	<p>Committee reports show that the great majority of children and pupils get on well and feel secure in their pre-school or school, but also that the contrary occurs. There are both places and situations in the surroundings that are regarded as insecure and it happens that children and pupils have been subjected to offensive treatment.</p> <p>Greater adult presence where the risks are great, efforts for children and pupils to get to know each other across age limits and teaching time allocated to matters of values are common preventive and counteracting measures.</p>  Some
	Elderly people in Gothenburg with greater needs for care and attention need security and influence over their life situation, so the elderly will have more options with regard to work done within the scope of home help granted.	<p>The Gothenburg model for home-help services was introduced in 2010. This means that the individual has the time decided at his/her disposal. For all home help, even when it is not service, work has been done on matters of influence, within the scope of work on salutogenic elderly care.</p>  Good
	Elderly people in Gothenburg have a need of human company, so opportunities for elderly people to be out and about and take part in social activities will increase.	<p>Several committees outside the district sector have worked actively on this goal. In the district sector there are examples of both improvement and the contrary. Cutbacks have in some cases led to a reduction in the range of social activities.</p>  Some
	Many people with mental impairment lack work and housing today, so the number of fully adapted dwellings and the opportunity of meaningful employment will increase.	<p>The number of fully satisfactory dwellings rose during the year, both in housing with special service and ordinary housing through the F100 project. A rise has also occurred in opportunities to offer employment in community centres/meeting points as well as through housing support and collaboration with the employment exchange and the national insurance office. Despite this there is still not sufficient housing and employment opportunities to meet the needs.</p>  Good
	The proportion of young people in Gothenburg that are involved in club activities and become leaders will rise.	<p>The proportion of young people involved in clubs fell by about 2 %. The information is based on the clubs' own reported membership figures. The proportion of children in the most active club age of 9–13 years is low and may explain the setback. The proportion of young leaders is rising slightly. Three of ten club leaders are 15–26 years of age.</p>  None
	Children need cultural stimulation and opportunities for their own creations, so all children in compulsory school, apart from ordinary teaching, will be offered a place in the activities of the arts and music school.	<p>In the autumn measurement of demand, which concerns pupils that applied for a place not later than 2010-04-30, it was found that demand from 101 pupils (53 girls and 48 boys) could not be met on the date of the current measurement. During the year some District Committees extended the target group to also apply to year F-2, which has contributed to more demand not being met.</p>  Some
	The people of Gothenburg want a clean, secure city, so there will be less litter in Gothenburg.	<p>Many events in the city lead to more litter, which has been met with more cleaning and greater coordination. Our growing consumption society generates increasing amounts of rubbish. The year's measurement shows that the amount of rubbish per sq m has declined, the city has become cleaner!</p> <p>During the year Gothenburg was given the "Municipality of the Year" award by the Keep Sweden Clean Foundation. A new record for school cleaning and over 100,000 people in Gothenburg have taken part in cleaning activities, which is equivalent to 23 % of the inhabitants.</p>  Some



DIMENSION	PRIORITISED GOALS 2010	GOAL ACHIEVEMENT AND ANALYSIS
City of Gothenburg activities		
Equal opportunity work	In order to convert knowledge into action, the knowledge of gender issues among departmental and company executives and other managers and key persons will rise.	<p>More and more espouse the goal and the trend is positive. All districts and half the departments and companies have run genus training courses during the year. Most of these can show that the courses have led to action and greater awareness. Most usual is that the knowledge in the first stage leads to action in personnel policy and is then extended to the user perspective.</p>  <p>Some</p>
Environmental work and climate adaptation	Electrical efficiency will improve.	<p>Developments are going in the right direction and the goal is considered to be partly reached. There is to a large extent a lack of measurements that strengthen goal achievement at an aggregate level, but several units themselves assess that the goal has been attained in their activities. Göteborg Energi AB is the process owner for the goal and in collaboration with selected players in the city, the goal has been broken down and indicators prepared.</p> <p>A more united view of suitable system limits and of how the evaluation of electricity and district heating should be made in different situations and joint guidelines for financial reporting would contribute to greater consensus in the city.</p>  <p>Some</p>
	Consumption of fossil fuels will decline.	<p>There is a lack of unified and comprehensive reporting, but the assessment is that the consumption of fossil fuel has fallen during the follow-up period in the property sector and to some extent in the transport sector. Emissions from facilities vary depending on gas and electricity prices and on waste amounts collected and increased during the period.</p> <p>The Road Traffic Committee has, as an element of its climate compensation assignment, worked out a model to survey via its suppliers the use of different kinds of fuel in the City departments. The great value of the survey lies in the opportunity provided from now on to follow the trend in the use of fuel.</p>  <p>Some</p>
	The proportion of environmental meals served by the City will rise.	<p>The goal for the period has been reached, on the basis of the indicator for the proportion of organic food, which counted in SEK has risen in the districts and in the activities of the Education Committee from 13.2 % in 2008 to 14.5 % in 2009 and to 16.0 % in 2010. Milk accounts for about half of this. The proportion of organic milk in the City now amounts to about 82 %.</p> <p>Important to greater goal achievement has been cooperation with Meal Gothenburg and continued work on the "wastage project". Measurements show that about one SEK per portion could be saved if food served on the plates was not thrown away.</p>  <p>Good</p>
for personnel		
	The normal form of employment in Gothenburg is full-time and permanent employment, so there will be no involuntary part-time employment.	<p>The introduction of a joint staffing process with IT support has raised the prospects of reaching the goal. Results from pilot activities in elderly care and functional impairment are an important input in further work for change.</p>  <p>Some</p>
	The proportion of hours worked done by hourly paid staff will decline.	<p>The proportion of hourly paid staff varies greatly between activities and workplaces, depending on how far they have progressed in the work for change. One major success factor is when both goals are given priority by top management, with clear guidance out in the organisation.</p>  <p>Some</p>
	Recruitment to the City's activities at all levels will contribute to a better reflection of the population structure in Gothenburg.	<p>The proportion born abroad among the employees reflects the population, while there is a long way to go to a more even gender distribution and age structure. The relationship among City managers is the reverse, i.e. an even distribution between women and men, while the proportion of managers born abroad is very low. In order to raise the proportion of managers born broad, it is important to raise the proportion of those born abroad with a university education.</p>  <p>Some</p>



Personnel

The trend of a declining number of members of staff changed in 2010 and recruitment gathered real speed during the latter part of the year. Internal mobility in the City rose as well.

During the year an employer's offer was prepared to strengthen the image of the City as an attractive employer and two major organisational changes were prepared.

The year was characterised by preparations for the organisational changes in the District Committees. They have among other things been restrictive in recruitment to avoid any redundancy. During the second half of the year the management and support functions in the new District Committees were staffed. There was great interest in the new manager and specialist assignments and over 1,600 people applied for 230 posts. There was also recruitment to the administrative management of the new local committees.

Many of the City's managers, about 12 per cent, were given new assignments on 1 January 2011.

A major employer with many members of staff

The number of employees in December was about 40,000 (48,600 inc. companies). The committees had 440 more members of staff and the companies over 1,000 fewer than in December 2009. The normal form of employment in the City of Gothenburg is full-time and permanent employment. In the committees these have risen from 81 to 82 per cent compared with December 2009.

Employees in the committees dec 2010

	Women	Men	Total	Change compared with year before
No. of employees, total	31,822	8,174	39,996	441
Permanent employees	24,895	5,964	30,859	-255
Of which proportion full-time	81 %	88 %	82 %	
Time limited employees	2,206	779	2,985	522
Hourly paid	4,721	1,431	6,152	174

Permanent, full-time employment is more common for men (88 per cent) than for women (81 per cent). On the other hand, the proportion of men with time limited employment, including hourly paid, is higher than for women.

Trend of reduced personnel volume has turned

The volume of personnel in the City of Gothenburg's committees and companies totalled 41,800 full-time equivalents for the whole of 2010. In the committees the volume was reduced by 286 full-time equivalents, mainly due to adjustments in upper secondary and compulsory

school and elderly care. The volume of personnel in the City's wholly and partly owned companies fell by about 600, largely due to changes in Göteborgs Spårvägar AB and Göteborgs Gatu AB.

The trend of reduced personnel volume turned at the end of the year, when the number of hours worked again began to rise. Our assessment is that the volume of personnel will continue to rise in 2011, with the exception of the municipal companies, where reorganisation is in progress.

Attractive employer

The great strategic challenge in the personnel field concerns the supply of competency and being an attractive employer. With this in mind the City has during the year agreed on a joint description of what it is like to work for us:

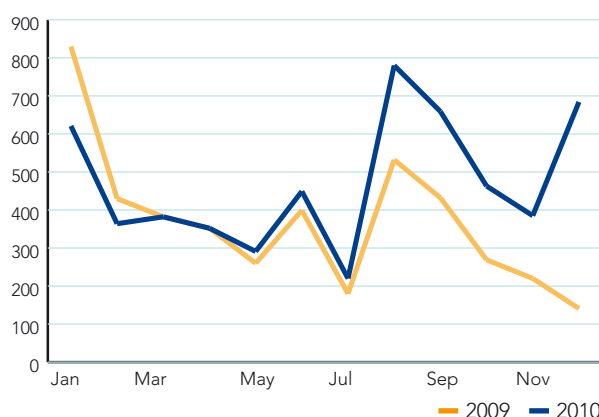
- *Meaningful jobs with an opportunity to make a difference.*
- *Part of a larger context.*
- *Opportunities for challenge and development.*

Work on communicating this now continues through internal and external channels.

Recruitment increased during the autumn

Recruitment fell steadily during the first half of the year. In the summer the trend turned sharply upwards and in the second half of the year recruitment rose more than in any other comparable period. A total of 5,167 members of staff were recruited, which is almost 800 more than in 2009.

Amount of external recruitment in the committees



Mobility has increased internally and externally

The City of Gothenburg is an employer with a large internal labour market that gives members of staff good opportunities for development through new assignments or duties. It is therefore positive that internal mobility has risen compared with 2009.

In line with the improved labour market in the region, more choose to change jobs. The supply of applicants then rises, while at the same time competition stiffens. The proportion leaving their employment in the City has risen, partly due to more retirements.

Recruitment to reflect the people of Gothenburg

The prioritised goal means that personnel structure, on the basis of the Discrimination Act, should better reflect the population. The grounds for discrimination that can be followed up via key ratios are gender, age and those born abroad.

Population structure

recruitment and personnel structure in the committees



It appears from the diagram above that the recruitment made has furthered developments towards greater diversity among the employees. The proportion of members of staff born abroad reflects the population, while still being unevenly distributed in gender and age.

Manager structure the committees

	Head of Department	Head of Activities	Head of Unit/head-teacher	All managerial levels
Number*	43	280	1,144	1,467
Proportion of women	46.0 %	57.5 %	73.5 %	69.5 %
Proportion of men	54.0 %	42.5 %	26.5 %	30.5 %
Proportion born abroad	0.0 %	4.0 %	5.8 %	5.4 %
Proportion over 60	31.0 %	27.5 %	20.2 %	22.0 %
Proportion 50-59	56.0 %	45.0 %	40.6 %	41.7 %
Proportion under 40	0.0 %	6.0 %	13.7 %	12.0 %

*The number is based on manual reporting from the departments.

Among managers there is a more even distribution between women and men, while much remains before the proportion of managers born abroad reflects the population. One important factor in raising the proportion of managers born abroad is that the proportion with a university education rises.

Long-term supply of managers

The City of Gothenburg's programme for identification, validation and development of leaders is of great importance to the long-term supply of managers, as one fifth (300) of the City's managers are over 60 years of age. The leader supply programmes create career paths for the members of staff, which is also positive for the City as an attractive employer. Of the managers, 62 per cent were recruited internally, compared with 57 per cent in 2009. The trend also benefits opportunities to raise the proportion of managers born abroad, as most of these are recruited internally.

In round four of the briefing programme "Tomorrow's Head of Unit", 16 men and 52 women from 31 committees and companies took part.

The project of validation/competence inventory of the City's managers will in 2011 be a permanent part of the City's development work. So far over 800 managers have been validated and planning is in progress for the remaining managers.

A manager bank, also available to external interested parties, has been opened on the City's home page. The purpose is to facilitate the recruitment of managers.

Trainee and substitute jobs – opportunities for the young

150 young people under 25 have been permanently employed and over 750 have got time-limited employment. Most of the recruitment was in the 25-29 year age group, where 369 got permanent employment and 870 time-limited employment.

Demands for professional training have been tightened up in all the City's activities and it will be harder to get a job without adequate training. The City of Gothenburg has therefore for several years conducted active marketing work and cooperates with various organisers, in order to get young people to apply for training that can lead to work for the City.

The City of Gothenburg has invested heavily in various forms of trainee jobs that make it easier for young people to gain a footing on the labour market. Committees and companies have made almost 1,300 places available in a number of different areas. About 850 of these have been used so far. A joint trainee process with IT support has been introduced in support. The annual allocation of holiday jobs for young people is also an important measure.

More work after 65 – and more retire.

The average age among the City's employees is high and the numbers retiring are rising, while at the same time more and more work after reaching 65 years of age. Compared with 2008 the proportion working after 65 has risen by 6 percentage points, while the proportion retiring before 65 is relatively constant.



Photo: Cim Ek



Popular. Personnel from the youth project Upp!

Salary formation important to competence supply

Salary formation is an important area for long-term competence supply in the City's activities. In 2010 salaries in the City of Gothenburg rose by 2.3 per cent as an effect of the salary review. The majority of the City's major professional groups reached the salary policy goal levels for the year. However, this entailed no change in the relationship between men's and women's salaries; women's average salaries are 91 per cent of men's. Some efforts have been made by the committees to even out the structural differences further. Market effects influenced salary levels for some male dominated groups.

Full-time and permanent employment in Gothenburg

The norm for employment is full-time and permanent. The prioritised goal that involuntary part-time may not occur has to some extent been achieved. In order to reach the goal to a greater extent, the wishes of part-time employees for more working hours are surveyed continually. The follow-up in the autumn showed 384 involuntary

part-time employees. They are offered full-time employment as and when staffing in the activity is reviewed or new full-time jobs are appointed.

The goal that the proportion of time worked done by hourly paid people will fall has to some extent been achieved. In functional impairment services, 22 per cent of the time worked was by hourly paid in 2010. This is still a high proportion, but the tendency is steadily falling. In elderly care about 18 per cent of the time worked was by hourly paid, the same as in 2009.

In order to support the work for change, a joint staffing process has been prepared with IT support for scheduling, staffing planning etc.

A pilot scheme is in progress in 2011, covering five district administrations and 50 work units in elderly care and functional impairment. In the pilot schemes everyone is offered full-time and they all do shifts both at their own and at other workplaces, based on the needs of the activity.

Sick leave continues to decline

Sick leave was 6.3 per cent in the departments. The trend of reduced sick leave continues, but at a somewhat lower rate. It is above all sickness for more than a year that is declining. Sickness pensions have not risen to the same extent, which means that more have returned to work. Short-term sick leave (1–14 days) continues to rise in pre-school, home-help and among habilitation personnel. Greater short-term sick leave is usual in the case of major organisational changes and adjustments of activity. A deeper study of the rise and its causes will be made in 2011.

Sick leave as a percentage gender and age

	Women	Men	Total	Change compared with year before
–29	5.2	3.6	4.9	–0.3
30–49	6.6	4.0	6.1	–0.6
50–	7.3	4.7	6.8	–0.6
Total	6.8	4.3	6.3	–0.5
of which 1–14 days	2.3	1.6	2.1	0.1

As additional support for work on the working environment, IT support for the reporting of occupational injury and incidents has been launched.

Development work moves on

In 2010 the staff questionnaires were reviewed, so no survey was made during the year. The next staff questionnaire will be sent out in 2011.

The work of preparing joint HR processes and tools progresses and in 2011 a joint competence supply process will be launched and JÄMIX introduced to follow up how the City handles equal opportunity in its employer role.

Assessment of the future

2010 was the year of recovery with regard to our external conditions in the form of national economic and business cycle development. The speed and force of both recession and recovery in the past two years have been of a nature rarely seen and have surprised most people.

The Swedish economy is at the time of writing steaming along at good speed, while at the same time there are several considerable uncertainty factors and imbalances everywhere in the global economy.

Assessments of the economic prospects, both in the long and the short term, have therefore continued to involve considerable difficulties in foreseeing developments ahead and thereby also guiding municipal activities in the right direction. This reality will probably have to be faced in the near future too.

Forecasts of the market trend around the world are now considerably more positive than a year ago. There are, however, great differences between different parts of the world and the structural imbalances in the global economy before the financial crisis by and large remain. Sweden's economic development and recovery after the deep crisis has been extremely favourable and the forecasts ahead indicate continued good development, though at a somewhat more moderate rate. Readiness for hasty changes in external conditions must, however, be maintained.

Since municipal financing is directly influenced by the general economic situation, the sharp fluctuations in the changing conditions also have an impact on the City of Gothenburg's economic situation.

The commission of inquiry with the task of shedding light on and proposing methods to create more stable planning prospects for the municipal sector will present its conclusions in 2011. The challenge lies in handling both the short-term external conditions and the long-term issues concerning the extent and financing of welfare services, on account of changes in the national economic and demographic trend in the time ahead. What we do today paves the way for the future.

2011 will involve further challenges, though of a different nature.

The City's economic prospects for 2011 and 2012 have further improved, according to the latest forecasts for the trend in tax revenue. The financing trend appears to be at a more even level for the next few years and the prospects of also having a more stable trend in the cost of activities are thereby greater. The easing of the trend in costs that started in 2008 turned in 2010 and we enter 2011 with a rising trend in costs. The rise is in line with the improved financing trend, but must also be fended off so that it is

sustainable in the long term, in a perspective of several years.

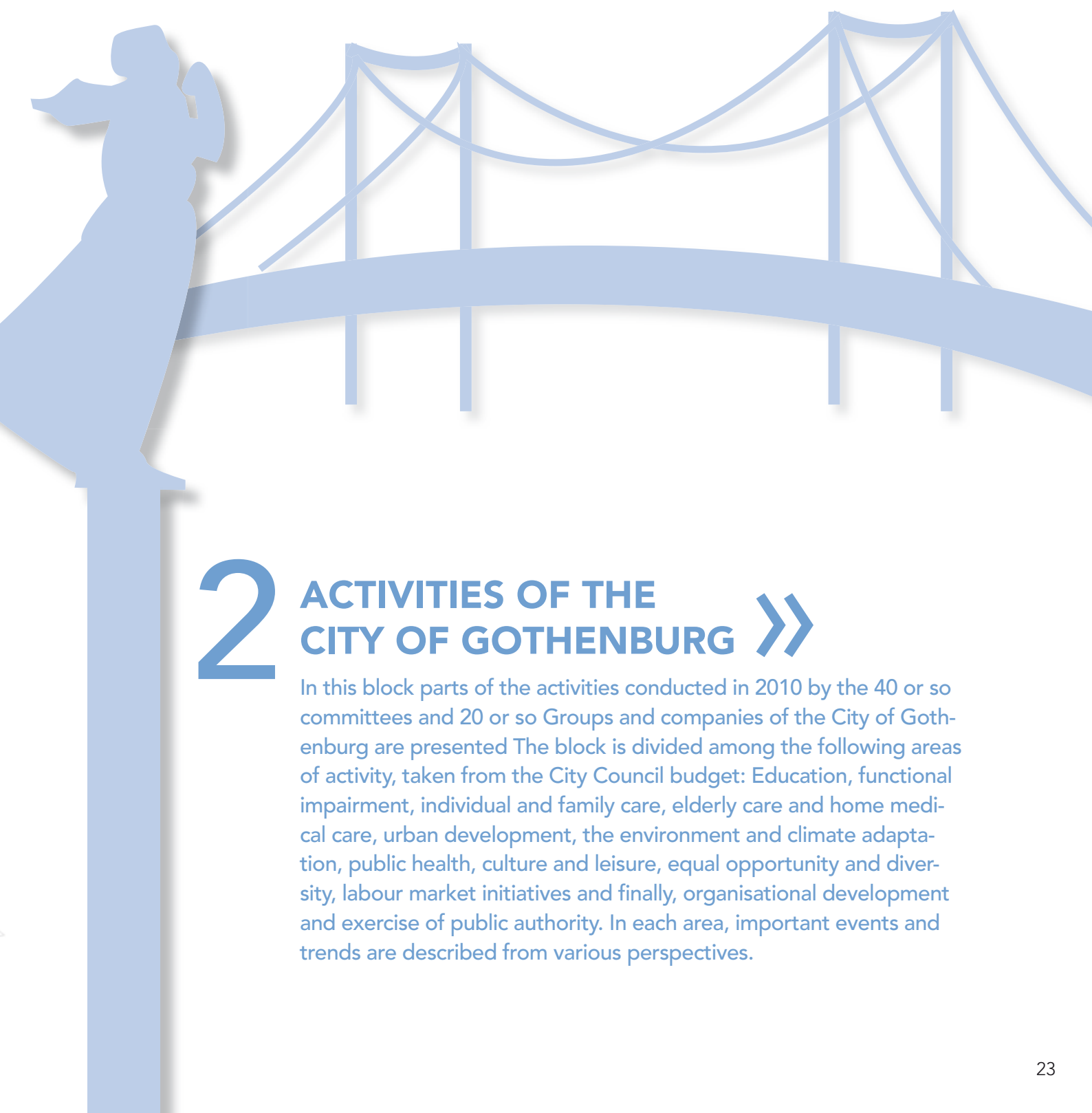
The City's various activities are undergoing, or will undergo, relatively extensive organisational changes. There are many challenges in connection with these organisational changes.

The long-term issue of the financing of future welfare becomes all the more immediate

As and when the situation with acute crisis management on account of the extremely deep recession dies down, attention may hopefully be directed towards the more long-term issues. Future challenges concerning such things as the demographic trend and the financing of future welfare creep gradually closer. Within ten years the municipalities will meet demographically related needs that grow at a considerably faster rate than what the factual financing prospects can cope with. It is becoming more and more important to find solutions to these issues.

Imponderable. The future economic situation looks positive, but there must be readiness for sudden changes.





2 ACTIVITIES OF THE CITY OF GOTHENBURG »

In this block parts of the activities conducted in 2010 by the 40 or so committees and 20 or so Groups and companies of the City of Gothenburg are presented. The block is divided among the following areas of activity, taken from the City Council budget: Education, functional impairment, individual and family care, elderly care and home medical care, urban development, the environment and climate adaptation, public health, culture and leisure, equal opportunity and diversity, labour market initiatives and finally, organisational development and exercise of public authority. In each area, important events and trends are described from various perspectives.



ACTIVITIES OF THE CITY OF GOTHENBURG

25 Education

The education sector covers all school forms; pre-school, compulsory school, compulsory special needs school, upper secondary school, upper secondary special needs school and adult education.

30 Functional impairment

The functional impairment area covers initiatives for people with functional impairment, such as housing with special service, personal assistance, housing support, occupational/daily activities and escort services.

32 Individual and family care

Individual and family care includes financial assistance, care and support for adults, children and families and preventive and supportive work.

34 Elderly care and home medical care

Elderly care and home medical care cover home-help services, preventive efforts, day activities, elderly accommodation and municipal health and medical care in ordinary and special accommodation.

36 Urban development

The concept of urban development is wide and covers many areas; matters of industry and commerce, physical planning, house building and integration work, infrastructure and public transport.

41 The environment and climate adaptation

Activities in energy, waste and sewage collaborate locally, regionally and internationally in order to mould important community functions into long-term sustainable development.

45 Public health

All municipal activities in Gothenburg should be permeated by a public health perspective and salutogenic thinking. In order to improve the health situation effectively for the people of Gothenburg, public health work is based on local involvement.

46 Culture and leisure

Gothenburg has strengthened its profile as a major events city with cultural initiatives. The objective is also, via substantial club activities, to promote equal opportunity, integration and public health.

48 Equal opportunity and diversity

City employees meet the inhabitants in all phases of life and have a duty to practise human rights in their daily work. The organisations should generate conditions for this.

49 Labour market initiatives

Labour market initiatives cover employment measures for the unemployed that the City carries out itself or in collaboration with the employment exchange or other players.

50 Organisational development and exercise of public authority

A brief description is given here of the two areas, described in the budget, of organisation development and the exercise of public authority.



Education

In 2010 a broad initiative was taken for the validation and education of personnel in order to improve goal achievement, based on a common mission statement. At the same time the City has continued to adapt premises and staffing to both a declining pupil base and greater competition from other organisers.

The education sector covers all school forms from pre-school to adult education, under both municipal and private/independent management. This means that the activities directly concern 110,000 of the people of Gothenburg, from children to adults.

SCHOOL DEVELOPMENT

Focus on improved goal achievement

The mission statement is a management and control philosophy, which among other things entails task orientation, constant improvement and everyone taking their responsibility. All work should be permeated by the concepts of inner motivation, desire to learn, participation and co-creation and be based on a holistic view of learning. An extensive validation project based on the mission statement has been carried out among all the City's school leaders and tailor-made courses have been started. Teachers and pre-school teachers have been offered leadership training.

Development support from the Centre for School Development (CfS)

During 2010 work focused on supporting, stimulating and initiating school development with the aim of furthering greater goal achievement and equivalence. The efforts have been directed towards school leaders, working parties and teachers. Networks as a working method for the development of subjects and activities have increased in extent and importance. Collegial learning groups, Learning study, action research, research circles and action research courses are examples of support forms where the professional skills of teachers are strengthened. CfS has also worked to support digital competence enhancement. There are great local differences in pupils' opportunities of using digital tools in the learning process.

The proportion of independent schools participating in CfS activities rose in 2010.

The Brain Forum as a meeting place

A new educational IT support, the Brain Forum (Hjärntorget) was procured in 2009. All municipal pre-schools, day recreation centres, compulsory schools, special needs schools and upper secondary schools now have the opportunity of using the Brain Forum. More and more began to make use of IT support in their daily work in 2010 and the number of unique users has risen from over 12,000 in January 2010 to over 27,000 in January 2011. In the Brain Forum there are among other things functions for timetables, attendance,

individual development plans and written reports and for the planning and implementation of school-work.

Pupil health assignment clarified

Goals and guidelines for collective pupil health services in the City of Gothenburg were prepared during the year. The guidelines are intended to contribute to securing the right of all pupils to an education of equal value. It is emphasised in the document how important it is for pupil health services to promote health and to work for prevention, as well as being a support process in the work on pupils' progress towards the educational goals. The document is being applied from 2011.

Pupil health services also have a new document handling system, PMO, where the various professional groups in pupil health services can document their work.

New e-services

From 1 April 2010 guardians in Gothenburg can apply for pre-school and art school places via the Internet. There are several advantages to the e-service, such as that information on how and where you can apply has been improved and the number of incorrectly filled in applications has fallen. The opportunity of applying for a place via the City's e-services has been utilised to a very great extent.

Multilingualism – support for and in home language

The committees have been allocated extra funds to develop work on home language support in the pre-schools. A number of District Committees have surveyed the language competence of their staff to enable everyday work on home language support. In some District Committees the personnel have had competence enhancement so that they can encourage the multilingualism found in the children's groups. There are, however, few orders for the language centre.

Demand by compulsory schools for the services of the language centre fell by some percentage points in relation to previous years. In the autumn of 2010, 57 per cent of all pupils entitled took part in home language instruction in municipal compulsory school. In several committees work is in progress to prepare new strategies for the work. In compulsory special needs schools, 29 per cent of the pupils entitled take part in home language instruction.

Pupils in independent schools that are entitled to home language instruction take part to a greater extent than pupils in municipal schools.

Demand for study guidance in home language has risen from the previous year. In 2010 extra funds were allocated, which have been of great importance to the result.

PRE-SCHOOL – COMPULSORY SCHOOL

Work on expanding pre-school continues

In 2010 the number of pre-school places rose by about 1,000 to meet the requirement for full needs coverage. At the end of the year, 26,000 children were enrolled in pre-school activities, which is a rise of four per cent compared with the end of 2009. Pre-school expansion has above all occurred in municipal activities. The number of children in educational care was 589, which is a rise of two per cent.

About 16 per cent of the children were enrolled in independent activities.

Pre-school some key figures

	2008	2009	2010
Net cost (MSEK)	-2,371	-2,479	-2,629
Trend in net costs (%)	10.0	4.6	6.0
No. of children in pre-school	23,774 *	24,861 *	25,887 *
Demand as a percentage of the population aged 1-5 years	84.6	84.5	84.4

*Average March/October

Efforts to raise quality in pre-school

The funds for measures to raise quality that were allocated to pre-school during the second half of 2010 have been utilised in different ways. Some District Committees have focused on competence enhancement and several have focused on increasing personnel density. Lärjedalen is one of few districts that have used the resources to reduce where necessary the number of children in the children's groups. Other ways of raising quality have been to develop work on language development among children with a home language other than Swedish, special educational support, measures to improve the environment and investments in IT.

Educational care

In 2010 an initiative was taken to increase the number of home daycare nurseries. The prioritised goal for full needs coverage in pre-school was reformulated to mean that all districts should offer a place in a home daycare nursery if so wanted. A new network for managers with responsibility for educational care has been started. The goal is to support and develop educational care activities and to increase the options so that the goal of full needs coverage can be ensured.

Schoolchildren's care some key figures

	2008	2009	2010
Net cost (MSEK)	-450	-475	-498
Trend in net costs (%)	2.0	5.6	4.7
No. of children in schoolchildren's care	15,532 *	15,884 *	16,519 *
Demand for schoolchildren's care as a percentage of the population aged 6-9 years	79.7	79.1	80.0

*Average March/October

Despite reductions in the number of pupils in compulsory school, the numbers in schoolchildren's care are rising, since the proportion of children in the younger school ages is rising.

Compulsory and special needs school some key figures

	2008	2009	2010
Net cost (MSEK)	-3,830	-3,889	-3,839
Trend in net costs (%)	3.2	1.5	-1.3
No. of pupils in compulsory school	46,666 *	46,483 *	46,470 *
No. of pupils in compulsory school - graded	653 *	625 *	597 *
	188	154	129

*Average March/October

The number of Gothenburg pupils in municipal schools fell during the year by over 200, while Gothenburg pupils in the independent schools rose by a corresponding amount, which means that the proportion of pupils in independent schools has risen by 0.6 percentage points to 18.4 per cent.

Focus on the three Rs

The government grant for reading-writing-arithmetic in 2010 included major initiatives in mathematics and reading/writing development for all pupils, teachers and remedial

Rewarding. Teachers' evaluations show that the special focus on the development of reading and writing has been good.





teachers in years 1–3. The teachers have been offered refresher courses and collegial guidance. The systematic focus on collegial guidance is special, because teachers work with an emphasis on developing work in the classroom so that more pupils reach the goals. The initiative also contains two networks where subject developers meet and their competence is developed so that they generate implements to spur developments in their home districts.

In the ongoing evaluation, the majority of the teachers state that the initiatives have been rewarding.

The evaluation indicates that the pedagogical discussion has been intensified and that new strategies for reading and speech perception have been developed in the schools. The teachers state that their teaching has become more varied, the pupils have more desire to read and their discussions and work on mathematics have progressed.

Grades in year 9

The year's results show that in comparison with the previous year the proportion of pupils with complete grades from any of the City of Gothenburg's municipal compulsory schools rose by 1.5 percentage points. In the spring of 2010, 72.5 per cent of the pupils achieved at least a Pass in all subjects and could therefore leave compulsory school with complete grades. Both the national average and the results in Stockholm and Malmö show a converse development. On the other hand, the proportion of pupils with complete grades is still lower in Gothenburg compared with the national average.

Proportion of pupils (%) with complete grades

		2007/08	2008/09	2009/10
Nationwide, all governors	All	76.6	77.0	76.6
	girls	80	80	80
	boys	74	74	74
Nationwide, all municipal governors	Alla	76.1	76.2	75.8
	girls	79	79	79
	boys	73	73	73
Gothenburg's municipal schools	All	69.6	71.5	72.5
	girls	73	74	74
	boys	66	69	71
All Gothenburg governors	All	72.5	73.9	73.7
	girls	76	77	75
	boys	69	71	72

Portion of pupils (%) in year 9.

With the year's results the downward trend of the proportion of pupils eligible to apply for upper secondary school was also broken, i.e. with the lowest grade of Pass in English, mathematics and Swedish or Swedish as a second language. Of compulsory school pupils living in Gothenburg, 88 per cent of the girls and 87 per cent of

the boys were eligible to apply for a national programme in 2010. The boys account for the largest rise.

All in all the average merit rating is by and large unchanged compared with the previous year. If the results for girls and boys are shown separately, however, changes appear. The girls' merit rating has fallen from 221.3 to 218.5 while the boys have improved their merit rating from 200.7 to 202.4 in the past year.

Future challenges

In the next few years too, there has to be great focus on creating new places in pre-school and on educational care. Coordination between the districts, other departments and companies that can contribute to improving this process, can be further developed. The availability of pre-school places benefits the city's development. The quality of pre-schools and day recreation centres also needs attention, with regard to both staff competence and the number of children in the groups and the condition of the premises.

The educational field faces great challenges, where several new guidance documents clarify responsibilities and assignments at different levels. Headteachers have more distinct responsibility, which places greater demands on both the headteachers and the support the headteachers need to be able to carry out their task.

Improved goal achievement is a prioritised goal for compulsory school and upper secondary school. New guidance documents with clearer knowledge requirements for pupils and greater requirements for eligibility to apply for national programmes in upper secondary school place demands on competence enhancement of personnel in both school forms.

Stiffer qualification requirements for teachers in the future need attention and an inventory of the teachers' competence needs to be started at once to enable the City to give priority to the right personnel policy measures. The City also needs to develop its forms of supervision of individual activities and insight into independent schools.



Leading. The City of Gothenburg is still one of the largest organisers of higher vocational education in the country.

UPPER SECONDARY AND ADULT EDUCATION

Reorganisation in upper secondary school

The trend continues of more independent schools and a wider choice of education. For applications to upper secondary school in 2010 there were 78 upper secondary schools in the Gothenburg region and there were almost 500 possible education alternatives. At the same time the number of young people in the age group is falling.

Adjustment to lower volumes of pupils at City of Gothenburg upper secondary schools occurred during the year by disposing of premises, reducing personnel volumes and moving courses to other schools. For the autumn term 2010 the City's upper secondary schools were well filled and 97 per cent of the places in year 1 were taken.

How did the upper secondary pupils fare?

The average grade for Gothenburg pupils, regardless of organiser, is unchanged at 14.5 grade credits.

At the City of Gothenburg's own upper secondary schools the average grade was 14.0 credits, which is by and large unchanged compared with the past three school years. Women have on average one grade stage higher than men, 14.5 and 13.5 grade credits respectively. The proportion of pupils with final grades fell by two percentage points during the year to 81 per cent, while the proportion of pupils with higher education qualifications, i.e. a pass in at least 90 per cent of the programme courses, rose by 2 percentage points to 86 per cent.

There are many initiatives in progress to improve goal

achievement for pupils in the City of Gothenburg's upper secondary schools. In the preparatory course initiative, attention and resources have been directed to pupils with low merit ratings and the goal is for everyone to complete their education. The initiative has resulted in more pupils than the primary target group improving their results.

Introduction programmes already here

In the new upper secondary reform, Gy2011, the individual programme is discontinued and replaced by five introduction programmes. As early as the autumn of 2010 the Education Committee chose to adjust the courses to the new introduction programmes and to the new, stiffer upper secondary eligibility requirements. In line with the introduction programmes, the Education Committee also offers eight newly started vocational introductions for about 130 pupils. The vocational introduction is a path to the labour market and vocational training for pupils that need further time to gain eligibility to the upper secondary school's national programmes.

Greater equality of opportunity

In the field of activities of the Education Committee the school leaders have during the year improved their knowledge of gender and equal opportunity matters. In addition, ten or so work groups have been trained and made a start on improvement work in the field of equal opportunity. The long-term goal of this initiative is to integrate



Upper secondary education some key figures

	2008	2009	2010
Net cost (MSEK)	-1,442	-1,441	-1,433
Trend in net costs (%)	3.0	-0.1	-0.5
Gothenburg pupils at upper secondary school	17,454	17,527	17,431
Gothenburg pupils at upper secondary special needs school	393	406	404

Net costs are falling, which among other things is explained by the measures taken to adapt the organisation.

The number of pupils at upper secondary and upper secondary special needs schools is falling. In 2010, 51 per cent of the pupils went to municipal upper secondary schools, 39 per cent to independent schools and 10 per cent to upper secondary schools in other municipalities. It is worth noting that in the City of Gothenburg's own upper secondary schools there were 3,500 pupils from other municipalities during the year, corresponding to 29 per cent of the total number of pupils.

Successful focus on SFI in combination with job experience

In 2010 the proportion of SFI students rose by 10 per cent, mainly explained by increased labour force and so-called love immigration. The adult education focus on combining SFI studies with job experience in working life has been successful. While the results in the form of grades and drop-out frequency improved, over 360 people got some form of job supplementary to their studies. The expansion of the integration place scheme thus contributed to both increased employment and better opportunities for rapid integration. Planning for greater collaboration in GR with regard to SFI courses was also carried out in the autumn.

Continued focus on vocational training for adults

Interest in vocationally oriented training for adults grew during the year. Demand has partly been met by courses within the scope of the regionally coordinated Vocational Adult (Yrkesvux) and EU support that was allocated to the activities. The EU funds financed vocational training for those given notice by Volvo Cars and their suppliers in 80 or so municipalities.

The City of Gothenburg is still one of the largest organisers of higher vocational education in the country. During the autumn all the higher vocational courses run under municipal management were gathered under the heading "Higher Vocational Education Gothenburg". The courses show good results, as almost 9 of 10 students have jobs in the area covered by the courses. During the year, representatives of higher vocational education were given the right to take part in Student Forum.

Global Salesman – a new course of study

A new project, called Global Salesman, with financing from the European Social Fund, was started in 2010

and will proceed for some years ahead. 120 people with foreign backgrounds and knowledge and experience of sales or trade from their home countries are given an opportunity to develop competence that can be used in trade contacts between Sweden and other countries. The project is carried out in close collaboration with the north-eastern districts, the Employment Exchange, the Police and the Marketing Association in Gothenburg.

Adult education some key figures

	2008	2009	2010
Net cost (MSEK)	-399	-373	-370
Trend in net costs (%)	12.2	-6.5	-0.6
No. of whole year places purchased	10,335	10,571	10,751
– of which basic adult education	1,404	1,406	1,676
– of which upper secondary adult education*	3,872	3,816	3,742
– of which Swedish for Immigrants (sfi)	4,869	5,164	5,240
Higher Vocational Education (YH)	1,342	1,336	1,352
Qualified vocational training (KY)			

* For upper secondary adult education in 2010 there are 1,400 additional adult vocational places for people in Gothenburg under the GR agreement and about 250 places for those given notice in the vehicle industry, financed via the EU.

2010 was a very expansive year for adult education in Gothenburg. The number of course places in the Adult Education Committee's ordinary activities has risen, which is shown in the table above. At the same time a large number of course places have been offered via the regionally coordinated focus on Vocational Adult and directed training initiatives for those given notice in the vehicle industry. Altogether this means that the number of students in adult education rose by 14 per cent during the year.

Future challenges for upper secondary and adult education

Upper secondary schools face several challenges in the next few years. The number of young people of upper secondary age will fall until 2015, while at the same time the number of places in independent schools is expected to increase. A new upper secondary reform comes into force in the autumn of 2011, with a new programme structure and stiffer knowledge requirements to be eligible for admission to national programmes. Upper secondary schools therefore need to continue the work of adjusting both the choice of education and the organisation to the changed conditions.

In adult education the work on directed initiatives in such things as Vocational Adult will continue in 2011. In a longer perspective the greatest challenge in adult education is to continue the development of individualised courses so as best to meet the learning needs of adults. Adult education should also provide growth promoting vocational training that improves the employability of the citizens. The vocationally oriented training is planned and organised increasingly from a regional labour market perspective.

Functional impairment

"Creating opportunities for people with functional impairment to lead a good, independent life with influence, participation and an opportunity to have an effect on the support you get". This is a goal for the social services in the City of Gothenburg that presumes listening and learning, presence and sensitivity. It is a challenge to change working methods and attitudes while facing demands for adjustment to limited financial scope.



Free interpretation. A portrait of the Chairman of the City Executive Board, Anneli Hulthén, by Avin Hamawandi, a pupil at Slottsberg Upper Secondary School/Landala.

The District Committees are responsible for people with functional impairment receiving support and service in everyday life. This is part of the task of the social services. Assistance is given under the Social Services Act (SoL) and the Support and Service Act (LSS). Housing with special service, personal assistance or housing support in an ordinary flat, escort services and occupation/daily activities are examples of support and service for people with functional impairment.

A changing area of activity

Participation, influence, a holistic view and opportunities for work or meaningful occupation and obtaining own accommodation are some areas that are particularly emphasised in the budget for 2010. The activities have met new, changed requirements from people with functional impairment, which in turn leads to a need for competence enhancement and changes in basic training for personnel in the area. Support for relatives of all ages, such as parental support and support for children that have relatives with functional impairment, are also important areas.

Competence

During 2010 members of staff that meet people with intellectual impairment in housing, employment, home medical care etc have had training within the scope of the West Competence project. This is a project financed by government grants that is common to the municipalities and medical care in the LGS field. LGS is a management team for collaboration between the municipalities and health and medical care services in Sahlgrenska University Hospital's geographical catchment area. In all the courses, personnel from both the municipalities and medical care services take part.

Home medical care in ordinary housing is responsible for people of all ages. In the budget for 2010 it is particularly emphasised that assistance to severely ill children should receive attention and that competence and assistance to people with intellectual impairment should improve. In 2010 the home medical care services continued the work of reinforcing the competence of these groups, partly by focusing on psychiatric nurses and occupational therapists. In western districts particular work was done in 2010 on the child perspective, both for severely ill children and children whose parents have severe illnesses.

Housing and meaningful occupation

One of the City Council's prioritised goals concerns housing and occupation for people with intellectual impairment. In 2010, 71 new flats in housing with special service (BmSS) were made ready, of which 21 concern housing for people with intellectual impairment. During the year 187 people were offered housing, of which 123 have accepted.

By means of a special undertaking (F100) from the municipal housing companies, 29 people got a flat in regular housing during 2010. The purpose of F100 is to



offer an alternative to BmSS for people that despite extensive needs can cope with living in an ordinary flat with access to housing support. F100 is from 2011 a permanent working method within the scope of the Property Management Committee's social housing task. An evaluation has shown that more people can cope with their own housing and to generate conditions for this, further development of housing support is in progress.

There are greater opportunities for meaningful occupation and work. In the district administrations developments are in progress to generate meaningful occupation, relocated daily activities, work placements and opportunities for employment in close cooperation with the employment exchange, national insurance office, coordination associations and local companies. Collaboration with labour market initiatives/IFO is also being developed internally to better satisfy the needs of the people with functional impairment that have income support.

No rise in costs in 2010

The net cost of activities was 2.5 billion SEK in the population frame. The net rise in costs of 2.2 per cent is equivalent to a rise of 52.5 MSEK. Thirteen committees reported net rises in costs, four of which reported rises of 6 per cent. Six committees reported reduced net costs.

From 2005 to 2008 a net rise in costs of 7–12 per cent annually was reported. In 2009 the rise was 4.3 per cent. The reported rises in costs of the districts in 2010 can be attributed to the expansion of new housing, financed by special expansion allocations, and increased salary costs. Taking this into consideration there is instead a real reduction in costs in the area. This is considered to be an effect of staff reductions, concentration of activities and primarily offering assistance under the district's own management. The assessment of assistance has been subject to review in several districts, which has led to stricter assessments based on the legislation.

Functional impairment some key figures

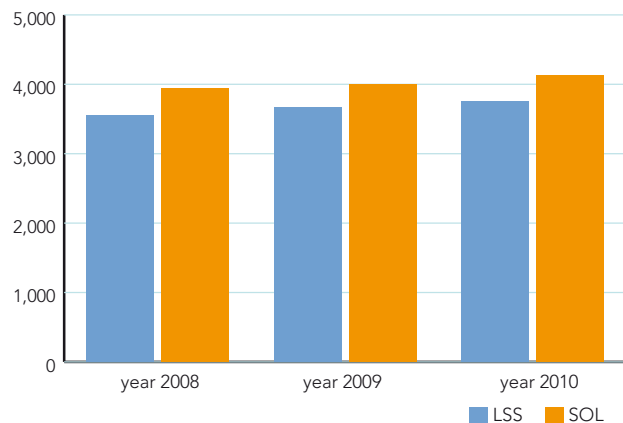
	2008	2009	2010
Net cost (MSEK)	-2,314 *	-2,414 *	-2,466 *
Trend in net costs (%)	12.1	4.3	2.2
Change in personnel volume (%)	2.3	4.6	0.2

*Inc. home medical care for people under 65 years of age

People with assistance under LSS and SoL

The number of people with assistance under LSS rose by 2.2 per cent, a rise of 81 people. The number of people with assistance under SoL rose by 3.0 per cent, corresponding to 122 people. Despite the rise in the number of people with assistance under SoL, the cost of this assistance fell by 4.1 per cent.

Number of people with assistance under LSS and SoL



Shortage of housing resolved by 2013?

There has been an expansion of 500 flats in housing with service during the years 2004–2010. There is now a total of about 1,100, but despite this the need for housing has not been satisfied. In plans for the functional impairment area it is assessed that 250 flats will be needed within three years, which is less than in earlier assessments. A further 180 flats are needed for people who do not at present live in appropriate circumstances. Planning for 2011–2013 covers 340 flats. In addition, some people are also expected to be offered an "ordinary" flat with access to housing support through F100. The assessment is that the availability of housing with special service will be in balance with the need by 2013. This presupposes that the planned expansion can be secured.

Cost reductions – what effects do these have on the users?

The trend in costs in 2010 indicates actual cost reductions in the field of functional impairment activities. It is important to follow this up in 2011 with special focus on the effects for the people the activities are there for and what effect they have on quality, availability and influence.

Individual and family care

The cost of financial assistance (income support) remains at a high level. The number of long-term dependent people rose for the second year running, which will make it more difficult for people to be self-supporting. Welfare initiatives must be based on as good knowledge as possible of effective methods. Joint development work is necessary to improve quality.

The task of the social services is to promote people's financial and social security, equality in living conditions and active participation in community life. Individual and family care is a part of social services and is characterised by the exercise of public authority in the areas of financial assistance and care/support for adults, children and families. In addition to the exercise of public authority, extensive preventive and supportive work is done in cooperation with other care players.

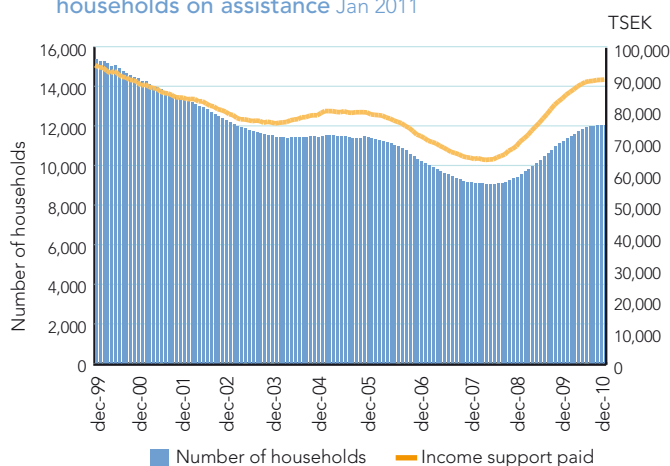
Financial assistance remained at a high cost level in 2010

The gradually rising level of costs for financial assistance in 2009 stabilised in 2010 at a high level. The net cost was 1,094 MSEK, which is a rise of almost 9 per cent.

The number of households on average per month rose for the second year running by a further 1,000 or by 9 per cent, to 12,000 households.

The proportion of younger households (< 25 years of age) fell gradually during the year, which indicated that the employment exchange scheme "Job Guarantee" managed to embrace several young people who would otherwise have been dependent on income support. Some easing of the labour market was noticed during the autumn of 2010 for the younger age group.

Trend in financial assistance paid and number of households on assistance Jan 2011



The number of people that became long-term dependent on income support continued to rise in 2010. About a further 1,000 people were registered as social assistance recipients for at least 10 of the year's 12 months. In total the group comprised 9,400 individuals at the end of the year.

Compulsory care increasing

The number of care days for adults fell by over ten per cent compared with 2009. The cost of institutional care in total is, however, unchanged. The reason is that the more expensive compulsory care for adults continues to rise. Developments show that voluntary institutional placements and the districts' own outpatient services are replaced by housing placements, externally procured outpatient care and compulsory care. Compulsory care for young people has risen too. There is a marked rise in the cost of institutional care, but also for young people placed in foster-homes. At the same time, the District Committees' costs for outpatient services and housing schemes for young people are falling.

Individual and family care some key figures

Population frame	2008	2009	2010
Net cost (MSEK)	-2,508	-2,720	-2,849
Trend in net costs (%)	4.9	8.4	4.8
Of which net cost:			
- children and young people	-901	-899	-918
- adults	-553	-569	-582
- income support	-815 *	-1,004 *	-1,094 *

*Not inc. introduction payments to refugees

Continued collaboration against disturbances through preventive measures

After the disturbances and the widespread vandalism in certain districts during the autumn of 2009, the District Committees report a greater degree of activity to improve the local dialogue with the young people and coordinated efforts by the districts. Work in the so-called SSPF groups (collaboration between social services, school,



police and leisure services) is described as valuable and forms the basis of the local readiness for action.

Through so-called "concern talks" with identified youth and their parents, an effective instrument has been found in several affected districts to curb further disturbances. The opportunity to offer holiday jobs to many young people in compulsory school as well has been much appreciated.

Continued attention paid to children placed in foster-homes

The much noted research of recent years on the life situation of children placed in foster-homes has had a clear impact in the districts.

The research shows that children who grow up in foster-homes find it much more difficult to cope with life as adults. They have poorer schooling in relation to their prospects and have poorer health, both physically and mentally, than comparable groups. The differences are manifest and mean that the City will have to take measures to ensure that these children are protected by community care from harm.

Through cooperation in Västbus focus on these problems was maintained during the year. Several districts have introduced special child welfare officers with the task of being the child's protective representative in the social services.

New organisation introduced for the City's refugee reception

Last year almost 800 refugees came to Gothenburg. This is somewhat fewer than the previous year, when about 1,000 refugees were welcomed. Most of the refugees come from Somalia, Iraq and Iran. About a third of the total numbers received were children and young people. More refugees, 20 per cent compared with 13 per cent in 2009, have after completing the introduction and courses in Swedish, gone on to work or further studies. The City's initiatives in the form of on site Swedish courses in combination with job experience have contributed to the positive result. The recovery of the labour market and active labour market measures from both the City and the employment exchange have also had a favourable effect.

At the end of 2010 a new reform for refugee reception was introduced which meant that the employment exchange took over coordination from the City for finding work for adult refugees. However, the City still has an important role and will continue to offer courses in Swedish and community briefing, as well as social and rehabilitating initiatives.

The City has decided to introduce an integrated unit with the Social Welfare Resource Committee to facilitate refugees' contacts with the City and to create good conditions for collaboration with the employment exchange and other important players such as the health and medical services.

Special accommodation opened for refugee children arriving alone

The City of Gothenburg has for several years received refugee children and young people arriving alone. Most of these have on their own initiative settled in with some relative or other kindred person living in Gothenburg. On average about 40–50 asylum seeking children and young people have been received in this way each year. During the year the City increased reception capacity by setting up special accommodation for these children. The scheme is run by the Social Welfare Resource administration.

Knowledge based work

Efforts towards a more secure, joint knowledge base of effective measures is one of the corner-stones in evidence-based practice (daily work supported by research). The basic idea is that, for the resources allocated, activities should extract as much value as possible in the form of good results for the users. Methods supported by research have been introduced in both adult care and the care of children and young people.

A project with a coordinated programme for the competence enhancement of operative managers was started in 2010. One important section in the training of managers is "To lead evidence-based practice". 39 managers are attending the courses and the purpose is to strengthen the managers' competence to develop evidence-based practice in their own activities.

Challenges for the future

At the end of the year there were 9,400 long-term dependent social welfare recipients. It is important that the District Committees are able to work actively to relieve these people from continued dependence, which requires clear assignments and priorities for the administrations.

For new knowledge to gain ground in the everyday work, the activities have to follow up the result of the work and continually search for current knowledge. This places great demands on the managers and employees in the social services, as well as on how the activities are organised.

Elderly care and home medical care

“Väskan (The Bag) – a film not to be afraid of–” had its first performance at the Draken cinema in October. The film was nominated for a European prize for best community initiative for elderly immigrants. It did not win, but was given an honourable mention. The film is one of the results of long-lasting cooperation between the City, the Västra Götaland region and club activities.

The District Committees are responsible for elderly care and home medical care, each for its own population. Home medical care covers all ages. About one fifth of home medical care patients are under 65 years of age.

Many work for the elderly to be outdoors

The City Council’s prioritised goal concerning opportunities for the elderly to be outdoors and take part in activities engages more and more committees and boards, even outside the district sector. The silent film *Väskan* was a special form of cooperation on this theme. Several municipal activities, together with the region and among others the senior citizen organisations, prepared the film and its guidance material. The theme of the film is security for the elderly and it emphasises concrete, practical matters such as support for victims of crime and opportunities to prevent crime, fires and fall injuries.



First-nighters. Ann-Britt Hertzberg, Nasrin Pakkho and Rosa Corsichi at the first performance of the film “Väskan”.

Salutogenic elderly care

Elderly care in the city works to become, as far as possible, salutogenic (health promoting). The lead words are comprehensibility, manageability and meaningfulness. A citywide project manager, partly financed by government stimulation funds, has as in the previous year been the “motor” in the development work and offered guidance and support to the districts in their development work.

Freedom of choice, a topical issue

Matters of influence and freedom of choice have been of

great immediate interest, both nationally and in Gothenburg. In home-help services, Gothenburg has chosen to focus on content in what is still mainly a public service product. The Gothenburg model, as the City’s freedom of choice reform in home-help is called, means that the user him/herself decides what is to be done in the home-help time granted. The new working method moves power from the contractor to the user and from the management to community care personnel.

Choosing elderly accommodation

In the case of elderly accommodation, the individual has the opportunity to choose to move to any district whatever in Gothenburg, when a decision has been taken in the home district. In order to further improve the broad outlook and the practical prospects, the administrations have commenced joint work to develop cooperation and the administrative support systems.

Competence model and competence survey

Work based on the City’s competence model in community care and care of the elderly continued during the year. Competence needs for the activities have been identified and staff have been given clearer tasks. The first competence network has been started in the dementia area. During the year the network took the initiative to a competence inventory for all personnel working in the area. The inventory will underlie the formulation of continued support and of competence enhancement.

The leaders have been developed

An extensive leader development programme started in the education sector some years ago. During the year it progressed to elderly care leaders, among others. The elderly care mission statement, which adopts City Council declarations in the budget and the salutogenic view, has been the starting point for the validation and assessment of strengths and development needs for each leader. After this, competence enhancement has been offered.

Improved support to relatives

In December the City Council decided on new guidelines for support to relatives. The District Committees will get financial compensation to develop their support in accordance with the new guidelines.



Elderly people too now have a right to escort free of charge

The City Council has also decided that elderly people may have escort free of charge after a decision on assistance. This has previously only applied to people disabled earlier in life. The service is free of charge for up to 10 hours per month.

Key free – as yet too expensive

An experiment with "mobile keys" was discontinued after the trial period. During the experiment home-help personnel could open the door at the home-help recipient's with their mobile phone if the person could not come to the door. In the evaluation it was found that many lessons had been learnt, but that the cost as yet exceeded the gain.

Live well your whole life

A government inquiry proposed investments in elderly accommodation. After instructions from the City Executive Board, the City Office and others concerned prepared proposals for strategies for accessibility and for "halfway accommodation". After the decision in the spring, work on implementation has started, for which the Property Management Committee is responsible.

Elderly accommodation

In recent years the number of people in special housing forms that require individual assistance decisions has fallen. Apart from changes in the outside world, partly in the form of a greater supply of halfway accommodation, this can be explained by a fall in the number of the very oldest in the central parts of the city. During the autumn, however, the supply of places was less than the need, which led to longer than normal waiting times for a while.

A couple of larger elderly accommodation units were rebuilt during the year, with evacuation of the residents.

Government stimulation for better collaboration

Government stimulation funds have been paid out for several years for the development of community care for the elderly. The government is now directing the money to more specially indicated areas and also requires municipalities and county councils to prepare joint plans.

Gothenburg and the neighbouring municipalities collaborate with primary care and SU in LGS, the management group for collaboration. In 2009 joint IT support for the care chain was put into use. In 2010 further care chain work, Admission/ Discharge, was selected as one of seven national three-year pilot projects.

Technical matters have had government support too

The Swedish Institute of Assistive Technology, SIAT, gives grants for development and pilot schemes in the area of "Technology for the elderly". As one of three municipalities in the country, Gothenburg has received

support for a larger project concerning both accessibility matters in housing and technical support for relatives and viewing environments.

Unlock or not?

An item on TV from special needs housing in another municipality and the decision by the National Board of Health and Welfare to withdraw its general advice on such things as locking up, directed attention during the year to housing for people with dementia. There is no legal support for locking up or other measures that the individual does not agree. The difficult legal and ethical issues have led to extensive discussion. Pending clear national guidance, a working group has been instructed to prepare support for the City's activities.

As in recent years, home-help and home medical care continue to increase, while elderly accommodation and short-term places decline. The net cost of elderly care rose less than the trend in salaries and the general trend in costs. There are several reasons for this, both greater efficiency and a transfer to more cost-effective measures. In most districts "come-home-teams" have been set up to improve the care process and at the same time reduce the need for short-term places.

New IT support was introduced in parts of the city during the year, which has entailed poorer quality of certain information and incomplete comparability over the years.

Elderly care some key figures

Population frame	2008	2009	2010
Net cost elderly care, (MSEK)	-3,622 *	-3,620 *	-3,649 *
Trend in net costs, elderly care (%)	6.2	-0.1	0.8
Net cost home medical care (MSEK)	-251 **	-269 **	-268 **
Trend in net costs, home medical care (%)	3.1	7.2	-0.4
People with home-help (average/month)	8,331	8,431	8,699
People in elderly care inc. short-term (average/month)	5,083***	5,041***	4,910***
People in home medical care (average/month)	3,818	3,933	4,055
Liability for discharges, year places	12.7	10.3	11.7

*Inc. home medical care for people over 65

**Home medical care all ages

***About 80 additional places in Social Welfare Resource Committee activities for people over 65

Elderly matters on the European agenda

2012 is the EU year for active ageing. The reason is among other things the rising proportion of elderly people. When those born in the 1940s come to need elderly care, the groups of working age will at the same time be smaller. This makes great demands on the planning of community care, support and accommodation for tomorrow's elderly. Important development areas are housing matters, technical matters and personnel supply.

Urban development

The incipient boom began to be noticed in 2010. House building increased again, though at all too low a pace. In the Port of Gothenburg container traffic grew again. Car traffic in the city also rose somewhat, as also public transport, while cycling declined. Extensive measures are taken to attain a greater degree of social balance and more integration in the long term. Segregation measured in socioeconomic variables appears, however, to have been intensified during the recession.

Gothenburg has had a vigorous trend in recent years of large numbers moving in and more commuting, which makes demands on both the housing sector and the infrastructure. With so many moving in there has been a general shortage of housing and pressure on the housing market, which in turn contributes to sharper effects of segregating mechanisms. Altogether it entails a great challenge to cope with this within the scope of the sustainable development concept.

Optimism again in industry and commerce

In 2010 the economic situation in the Gothenburg region turned dramatically upwards. Optimism in the companies rose sharply from the recession of 2009. In the autumn we also saw the level of employment in the region rise and unemployment began to fall from a high level.

The Gothenburg region has for the ninth year running been ranked as Sweden's best region for setting up logistics. The western Sweden infrastructure package decided on during the year is expected to further improve the region's position as a logistics centre. Landvetter Airport has growing volumes of passengers and goods and new lines and connections have been added. In addition, the importance of infrastructure investment in the Oslo-Gothenburg-Copenhagen railway is emphasised in Gothenburg-Oslo cooperation.

Opportunities to start new development projects within the scope of commercial environmental development are now assessed as good. Sustainable transport and energy systems are particularly interesting areas for the Gothenburg region. In an emerging knowledge economy it also becomes increasingly important to create attractive regional clusters and innovation environments where new products and services can be developed through cross-border collaboration. Lindholmen Science Park, Sahlgrenska Science Park and Brewhouse Incubator are examples of such physical meeting places.

Challenges remain in improving the business climate and increasing new enterprise. The new start offices Mind Your Own Business at Kungstorget and at Angereds torg have conducted about 900 guidance talks, a third of which have started firms. It is a matter of strengthening the Gothenburg region as an attractive region to work in, to obtain more investments and new business, meet the demand for competence and keep



Photo: Peter Svenson

Upwards. Port of Gothenburg AB gains market shares and container volumes have recovered after the recession.

a high level of innovations and new enterprise.

The port transformed

In the autumn of 2009 the Gothenburg City Council made a strategic decision for the Port of Gothenburg. The decision means that the port has been divided up into a municipal port company – Port of Gothenburg AB – and three terminal companies that will be run by external operators. The four companies started operations on 1 February 2010. In October 2010 agreements were made with DFDS and C.Ports as the new operator for Älvsborg



Ro/ro AB, which is one of the terminal companies. One condition for the transfer is approval from the competition authorities. The process of transferring the other company, Gothenburg Car Terminal AB, to an external operator is running on schedule and is expected to be completed within a few months. The transfer process for the third company, Skandia Container Terminal AB, has been initiated by the preparation of documentation and analyses.

In conjunction with the transfer of terminal operations, concession agreements were drawn up between Port of Gothenburg AB and the respective terminal company. The companies are thereby given the right to conduct operations in the various terminals for a long time. Through the concession agreements with the terminal companies, the City ensures that terminal operations will be run under forms that give Port of Gothenburg AB the opportunity to control the development of port operations on a strategic and overall level.

Volumes rose in the Port of Gothenburg

Container volumes have now recovered after the recession and the Port of Gothenburg is gaining market shares. The number of containers, expressed as 20-foot units, has risen by 8 per cent to 880 000 TEUs (previous year -5 per cent). Half of the units are transported by rail. Ro/ro volumes have risen by 10 per cent (previous year -19 per cent) and totalled 564,000 units. Volumes are still not up at the same level as 2008 volumes. It is mainly the vehicle industry that has contributed to the improvement. Car volumes have risen by 48 per cent to 233,000 cars but, despite the large rise, are not entirely on a level with the volumes in 2009. Oil volumes have also risen by 8 per cent to 22,681 ktons, which is on a level with the record volume in 2008. Here it was mainly crude oil and petrol that increased. In 2010, 41 cruise liners called at Gothenburg, compared with 35 in 2009. The year's number is double that of five years ago.

Tourism to Gothenburg continues to grow

Tourism to Gothenburg, measured as the number of guest nights, rose for the 19th year running, mainly due to a year with many congresses and meetings. The year ended with Christmas City (Jilstaden), which was well attended. The growing tourist business is now estimated to employ about 15,400 full-year equivalents in the Gothenburg region.

The visitors come mainly from Sweden and the other Scandinavian countries and also from Germany and Great Britain. During the year several flights were started between Gothenburg and London, Manchester and Berlin; it is also possible to go by train to Berlin at favourable prices.

In the time ahead Gothenburg will focus on continued growth as a tourist and major events city. In order to compete with other cities, Gothenburg will be a world leading major events and meetings destination.

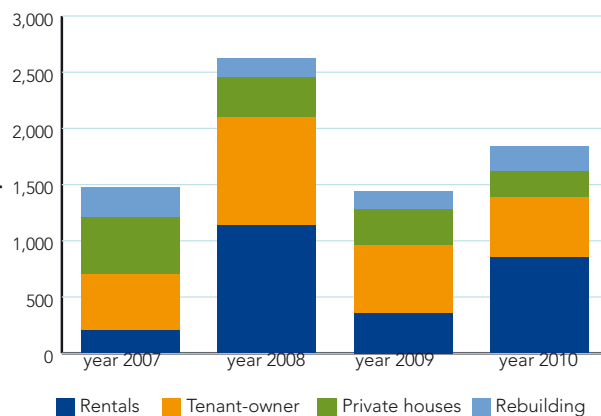
Completed housing slightly over target

The recession will affect the number of completed dwellings for several years. Since building start-ups were low

some years ago, it affects the number of completed dwellings this year, but despite this the number of dwellings made ready for occupation rose compared with 2009. During the year 1,843 dwellings were made ready. About half of these are rented flats.

The construction market became more inclined to start new projects during the year, which meant that the number of dwellings under production has risen, so at the end of the year 2,250 dwellings were under construction.

Number of new dwellings 2007-2010



There are now about 6,600 possible dwellings in adopted plans, but about 1,300 of these were appealed against. The appeal process often takes a long time – the oldest plan under appeal was adopted in 2008. This means that the plan reserve declined during the year, despite a high rate of planning activities.

Physical planning some key figures

	2008	2009	2010
No. of dwellings in adopted local development plans	2,150	3,300	1,130
No. of '000 sq m usable floor space in adopted local development plans	130	170	265
No. of decisions on planning permission	3,746	3,706	*
No. of land surveys conducted	375	364	343

* Data not available owing to change of system

More difficult to plan

Adopted plans for 2010 contain 1,130 dwellings and 265,000 sq m of usable floor space. This is less than the targets set up. Systematic work between committees and companies involved is in progress to find forms for increased plan production. The early stages have been identified as very important if the projects' schedules are to be kept to. Clear plan documents to allow better communication with and greater participation by those concerned living nearby is also an essential part.

In order to achieve environmental and other advantages by more being able to use existing public transport and other infrastructure, the City Council budget specifies supplementary building as the main focus when the city grows. In the

current general plan it is stated among other things that the city should be concentrated to areas close to public transport. A number of centres such as Backaplan and Angered Centre, but also Frölunda torg and Gamlestaden, are pointed out as strategic hubs where house building should be concentrated.

Supplementing already built up areas means, however, that many people in Gothenburg feel concerned. There are more points of view to observe and thereby longer processing times in the planning work. The more complex environments also entail a greater need for supplementary analyses of such things as noise, air quality and risks.

Mixed forms of tenancy and supplementary building in different parts of the city are an important objective to achieve a higher degree of social balance and greater integration, so enquiries that support the objective are given priority in land allocations. A land allocation competition has been started for how the former Munkeback Upper Secondary School site should be built on, where the competition data has placed great importance on describing the social qualities achieved.

In support of the work of planning the areas of activity, a comprehensive report has been prepared. Local development planning for the areas in the northeast and for the logistics areas on Hisingen have been given priority.

Planning for Central River City gathered pace

Work on planning to strengthen the regional core, Central River City (Älvtaden), continued during the year. A special project under the management of the City Executive Board has been started to prepare a vision for this area. Among other things, a number of soup lunches were arranged in the River Room (Älvrummet). Älvrummet's centrally placed exhibition premises, together with the adjacent Gothenburg Wheel, attracted almost 400,000 visitors.

Building in Östra Kvillebäcken was started during the year. Here the City, in collaboration with private developers, has shown a high level of ambition to develop a sustainable district. This resulted in the government Delegation for Sustainable Cities giving the project support of 30 million SEK. The Central River City project has also had support from the delegation.

Building to supplement existing buildings is in progress in Frölunda, Högsbo and Tynnered, among other places. There is a tendency for the projects to start in stages, as a cautious test of market demand.

In order to strengthen the social perspective, great weight has been given to various plans to create a mixed city with a varied content and with attractive shopping streets and squares. From an ecological point of view, priority is given to sustainable transport and environment friendly building. This is in line with the adopted programme for environment friendly building that forms the basis of allocation of municipal land for development.

Greater accessibility in public transport

The KOLLA project – public transport for all, with the aim of improving accessibility in public transport, ended

in 2010. Much has happened since the start in 2005. Now 90 per cent of the tram stops have been rebuilt, including all the larger stops. There are flexiline buses in all districts and now everyone may use them, not only the elderly and functionally impaired. All new public transport vehicles have low floors and ramps. 64 per cent of all trams have low floors and new low floor trams have also been ordered.

This work has given results; special transport travel is declining and special transport passenger travel by flexiline is rising, this year by 15 per cent. Special transport passenger travel by ordinary public transport also rose.

Trend in travel by special transport

1'000s of journeys	2008	2009	2010
Special transport journeys	610	578	538
Flexiline journeys (special transport passengers)	132	137	158

Good accessibility in tram traffic will have to wait a few more years. The old high floor vehicles from the 1960s and 1970s are still needed, together with the trams to be delivered in 2011, to cope with the introduction of congestion charges in 2013, when a sharp rise in travel by public transport is expected.

Greater market shares for public transport

29 per cent of journeys are by public transport, which is a weak rise from 28 per cent in 2009. More people in Gothenburg choose to go by public transport, but car travel has started to rise since the economic recovery.

Each person now makes more journeys than a couple of decades ago, which means that the total number of trips by air, car, bus and rail bound traffic is rising. The trend in travel by bike or on foot is more difficult to estimate.

Travel by public transport has gathered pace again after the recession and the number of journeys by public transport rose by 3.2 per cent compared with the corresponding period the year before, by bus -0.6 per cent and tram +4.1 per cent. Tram travel is the highest ever.

Somewhat surprisingly, cycling declined by 9 per cent compared with corresponding periods in 2009, even though the expansion of the intracity cycle network has continued, as also work on safety, security and marketing. The reduction was general and cannot be explained by any specific events. There was, however, more cycling in the city centre. The bike loan system Styr & ställ was introduced during the year and a service net-work has been established.

There is a tendency for more car traffic on the approach roads and less traffic in central Gothenburg. Car traffic in the city centre is now only a third of what it was in 1970.

After two years of reduced car traffic across the municipal border, traffic has now risen by 2.4 per cent. The rise occurred mainly in the south, on the Kungsbacka motorway and Mölndalsvägen and from the north on the Kungälv motorway. Average car traffic over the River Göta rose by 2.8 per cent. Car travel for the whole of Gothenburg rose by 1.3 per cent.



Popular means of travel. Tram travel was at its highest ever in 2010.

Photo: Klas Eriksson

Travel figures

	2008	2009	2010
Change in public transport (%)	5.0	0.9	3.2
Change in cycle traffic (%)	3.0	4.0	-9.0
Change in car traffic (%)	-2.0	-1.7	1.3
Trams (millions of tram kilometres)	12.5	13.1	13.5
Buses (millions of journeys)	49	50	50

Western Sweden package wrapped up

Several decisions were taken during the year to create the infrastructure of the future in the city. Negotiations with the government continued on a western Sweden infrastructure package, where most of the investments occur in Gothenburg. Planning for Västlänken could therefore be started. A system of congestion charges to be introduced in the city is also included in the package. During the spring the City Council gave this its support and in the autumn a request was sent to the government for certain adjustments to the charge area borders and regulations.

In 2010 construction of the Partihall Connection continued. A new railway and a new motorway to Trollhättan has also been a major project. The Marieholm tunnel, a 3.5 billion SEK project, progressed further during the year.

A cleaner city

The people of Gothenburg want a clean, secure city, so there should be less litter in Gothenburg. A strategy to achieve this has been to improve coordination in the city. Insufficient coordination leads to adjacent areas being cleaned on different occasions. The City's departments and companies have therefore begun to standardise their

requirements for quality, environment and follow-up.

In 2010 Gothenburg received the "Municipality of the Year" award from the Keep Sweden Clean Foundation. This is given to the municipality whose inhabitants most clearly show their commitment against litter. Over 100,000 people in Gothenburg have taken part in some form of litter removal activity, equivalent to 23 per cent of the inhabitants.

The new Robin litter bins are being put in position in central places in the city. They can be seen better and people are thereby offered better opportunities to stub out their cigarettes, recycle their cans and throw away their rubbish. Recycling containers for disposable grills have worked well and have been set out in many places. 150 recycling tubes for cans/PET bottles by central litter bins have been installed. In the central city so-called "portable vacuum cleaners" are used to clean up cigarette stubs. The annual school cleaning involved 51,000 pupils, which is a new record. The project aims to encourage children and young people to take responsibility for our mutual out-door environment.

Litter measurements have been made at 1,200 points in 3 different measurement areas. The result showed a halving of the amount of litter found on the areas measured.

The number of "illicit tips" on property management office land has declined. Fewer reports from citizens and in-house supervision indicate a positive trend.

The urban environment questionnaire carried out in the autumn does not show any change of opinion on how the city is cleaned and cleared of snow. On the other hand, it appears that the feeling of security has grown somewhat and there is apparently less graffiti and damage.

A more secure city

The City of Gothenburg conducts long-term work to create security and prevent crime, in collaboration with state authorities, private and voluntary players. The work covers among other things the composition of knowledge based on research and methods development, measures against organised crime and efforts to prevent young people from being recruited to criminal gangs. Another area is security work in the public domain. The City of Gothenburg's work on security walks has attracted attention nationally. Together with the Housing Authority (Boverket) and the National Council for Crime Prevention (BRÅ) the City has prepared a manual that is intended to be used by municipalities all over the country. How the City can be better at helping victims of crime has also been given attention recently.

Feeling safe in everyday life is a human right, but for many perceived insecurity severely limits a full life. Insecurity has many reasons and collaboration between many instances is needed to get to grips with the problems. Clear results from the City's work can now be noticed, both by the people of Gothenburg feeling more secure and because the city has changed in a number of places by means of such things as better lighting, more open pedestrian areas, well considered location of entrances etc.

It appears from the urban environment questionnaire, where you can see how the inhabitants regard their district, that in the most insecure area the inhabitants' feeling of security in the area has risen noticeably, from an earlier index measure of 37 to the current 45. Apart from outdoor refurbishment in many places, the area police initiative may have had a positive effect on the result.

A reduced risk of fire can also be included in the concept of a more secure Gothenburg. The number of fires in and around educational premises continues to decline and has been halved in four years. Unfortunately however, domestic fires continue to increase slightly.

Traffic accidents are a further aspect of security. The vision is for nobody to be killed or injured in traffic. The more realistic goal is fewer than 75 injured and not more than three killed in Gothenburg traffic in ten years, despite there being more people moving around the city. In recent decades 10–15 people have died in Gothenburg traffic each year and about 300 have been injured. In 2010 there were 190 people killed or severely injured, which is 30 fewer than the year before.

Greater safety comes from creating good interaction between the street environment, the road user and the vehicle. There is a rapid development towards safer vehicles and talks are held with the vehicle industry to improve road safety further. Street environments are designed to ensure low speeds where vehicles and unprotected road users meet, for example with the aid of bumps or raised pedestrian passages.

Sustainable structures for growth and social development

Extensive development efforts are in progress with a focus

on social sustainability in community planning and with the aim of counteracting segregation and contributing to greater integration. The City is well on the way to introducing a systematic working method in these matters in the community planning process. In this work the "S2020 assignment" is both a support and a process for taking social issues seriously in municipal planning, in the same way as the economy and the environment. Training for key persons in City activities was held during the year. This has led to joint composition of knowledge and greater cooperation between the City's activities. Further work has also been done to develop the child perspective in the community planning process. Methods have been tested to make use of the views of children and young people in the planning, so as to improve the urban environment for children and young people.

The local development agreement between the City of Gothenburg and the state that aims to curb alienation is a further tool in the City's integration promoting work. The work is focused on greater growth in Gothenburg's north-eastern districts and western Hisingen and on raising employment for vulnerable groups such as the young and those born abroad. Work to create security and prevent crime was also strengthened during the year.

Through Eurocities, ICLEI and EU structure funds and the EU programme URBACT, the City has broad international cooperation and an exchange of knowledge and experience in matters concerning sustainable urban development.

Challenges and opportunities

Expanding a long-term sustainable city now is a great challenge for Gothenburg. The environmental profile wanted for new buildings will mean that new housing will be ecologically and energy-wise ever better. Planning is far advanced to handle climate challenges. The low-lying central areas, which at the same time are the most expansive parts of the region, need to be secured against future rises in sea level. The traffic system needs to be redesigned so that most of the future rise in traffic is in public transport. If Gothenburg is to be a growing hub in the region, it is of utmost importance that there are resources for the maintenance of both railways and trains and that track capacity is increased.

The initiatives taken on collaboration, well functioning industry and commerce and a distinguished university and higher education environment give good prospects of favourable development. The greatest challenge lies in the long-term creation of prospects for social sustainability, where integration and good community conditions prevail in the city. Mistra Urban Futures create new opportunities and challenges to develop new knowledge together with research, with international relevance and in support of sustainable urban development in Gothenburg.



Environmental work and climate adaptation

Gothenburg raises its ambitions in environmental and climate work by clarifying the assignment of the Environment Committee. The committee changes names to Environment and Climate Committee and is instructed to coordinate the City's strategic environmental work, work out a climate strategy and be a motivator and support for other departments and companies in the City.

The major challenges for Gothenburg in relation to ecologically sustainable development have for a longer time been to limit climate impact, have clean air, a good built up environment, a sea in balance and chemical flows that do not threaten people's health or biological diversity. Habits and behaviour leading to environmental pollution are still linked to the economic situation and we saw during the year that traffic was on the increase again after declining for the past two years. Cautious optimism can, however, be discerned in the area of waste.

All meat should be organic

By 2050 Gothenburg should have a fair, sustainable level of emission of carbon dioxide. To achieve this local environmental quality goal, efforts are required on a broad front, where even the emissions we cause by our consumption and lifestyle are included. In line with this the City of Gothenburg has decided that, from 2011, all meat purchased and served by the City will be organic.

The City of Gothenburg is now even better at serving environmental meals, despite stiff cut-backs. For 2010 the proportion of organic food in the districts was 16.0 per cent, compared with 14.5 per cent in 2009 and 13.2 in 2008.

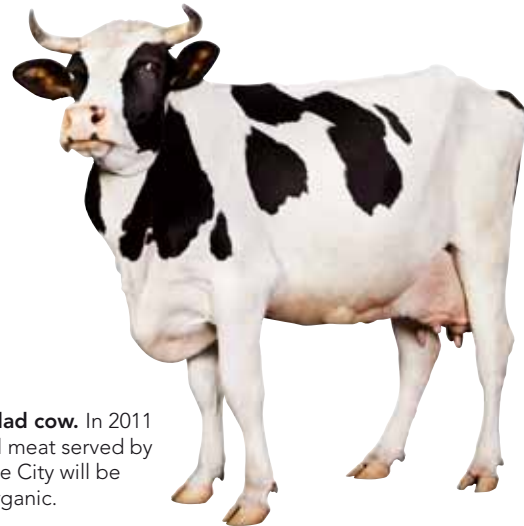
One way for school kitchens to economise is to reduce food waste. 0.10 SEK per portion was saved when 37 schools in Gothenburg districts took part in a project to reduce food waste, a result that may be of great importance in relation to the approximately 19 million meals served every year.

Gothenburg as a Fairtrade City

Several of the City's objectives in the environmental field are dependent on changes in consumption. Two activities that attracted much attention during the year are the City's work towards becoming a Fair Trade City and the Live Your Life (Leva Livet) project.

Fairtrade City is a certification by the Fairtrade organisation, which works for the fair marking of various products, mainly food. Certification means that the City's public and private sectors take joint responsibility for ethical procurement and assortment of Fairtrade goods. It is also a matter of information schemes and campaigns to make Fair-trade and ethical consumption better known.

Some quite ordinary families and a couple of well-known people in Gothenburg were coached during the year in sustainable lifestyle. Through the Leva Livet project they will be encouraged to eat, travel and quite



Glad cow. In 2011 all meat served by the City will be organic.

simply live better. Leva Livet's waste challenge has had such good results that the Environmental Protection Agency has chosen to report on the project to the EU Commission. On average the families reduced their waste by a quarter. Those that succeeded the very best reduced their waste by as much as 60 per cent.

Mayor's agreement for climate and energy

Gothenburg has undertaken vis-à-vis the European Commission to go beyond the EU's goals in the climate field. The Commission has approached the local level directly and Gothenburg is one of 2,000 cities that have signed the undertaking. Major investments in transport and housing are required to cope with the undertaking, as also implementing the transformation of public transport in the K2020 project. New facilities for the production of biogas and renewable electricity, some of which are already under way, are also necessary to achieve such large reductions.

The Port of Gothenburg has since the beginning of 2000 purposefully focused on extending the proportion of goods by rail. The number of rail shuttles has risen from 2 to 25 in seven years and the volumes by rail have tripled during this time, a rise that looks like continuing. On a yearly basis, about 50 per cent of container goods go by rail. By transporting the goods by rail instead of by lorry, carbon dioxide emissions last year were estimated to be 51,000 tons lower, equivalent to about 21 million litres of diesel.

In order to manifest the City's environment and climate work, Gothenburg took part in Earth Hour for the

second year running. For an hour one Saturday in March, lighting in Gustav Adolfs Torg and the Avenue will be turned off. All committees and companies are urged to participate in their own way. The purpose is to attract attention to the climate issue and invite reflection.

Ten million in climate compensation

The City of Gothenburg organisation works systematically with climate and energy matters through the two prioritised goals "Electrical efficiency will improve" and "Consumption of fossil fuels will decline". Internal municipal climate compensation was determined by the City Council in 2010 and introduced retroactively for 2009. The idea is that climate costs should make the departments and companies observe the environmental impact caused by business trips and in this way generate a force to reduce the emissions. Ten million SEK was what the City of Gothenburg departments and companies paid in climate compensation for their business trips by air and car in 2009. The intention is for the money to be used for emission reducing measures such as cycle stands, training in Ecodriving, car pools, cycle pools, cycle service for City employees etc.

Small-scale electricity plants – a trend

Guidelines are continually prepared by planning units in the City to facilitate for new buildings. In 2009 the Programme for Environment Friendly Building came and in June 2010 Advice and Guidelines for small-scale solar and wind energy. There was a break in the trend during the year when electricity started being produced by many players in small-scale plants close to existing properties.

One concrete example worth mentioning in the energy and climate area is intelligent control systems for street lighting that have been given prominence by the Environmental Protection Agency as successful and profitable environmental work. The smart street light fittings save energy by automatically adjusting the intensity of street lighting according to weather, wind and the flow of traffic.

Stora Saluhallen, the market hall at Kungstorget, will after rebuilding reduce its environmental impact with the aid of district cooling. The land-lord has signed an agreement with Gothenburg Energi AB on supplies of district cooling.

Biogas on the increase

In the Gothenburg City Council budget there are very clear ambitions to phase out fossil fuels in favour of solutions based on solar, wind and biofuels. The energy content of household waste will be utilised as biogas.

The biogas initiatives are taken in collaboration with waste, sewerage and energy companies, as well as the Västra Götaland region and there are many projects in progress. All biogas produced today and in the near future is refined into vehicle gas.

The Gothenburg Biomass Gasification Project, GoBiGas, is Gothenburg Energi AB's largest investment in the production of biogas, for the first time by gasifica-

tion of biofuel. The plant will produce biogas from forest waste such as branches, roots and tops. In December 2010 the European Commission (on the basis of EU rules on state support) approved support of 222 MSEK that Sweden intends to grant for the R&D project Go-BiGas. The Commission states that the project can entail positive side effects for the EU in the form of knowledge, better environmental protection and safer energy supplies.

Liquid natural gas as ship's fuel

The first public tank station for liquid vehicle gas in Sweden was opened in October 2010 by Fordons-Gas Sverige AB at Stigs Center in Gothenburg. At present it is liquid natural gas from Norway, but already in the spring it is planned for the tank station to be supplied with liquid biogas directly from Göteborg Energi AB's plant in Lidköping.

Liquid gas means that gas is cooled to a low temperature, when it becomes liquid and easier to transport. LNG/GOT is a joint scheme by Göteborg Energi AB and Gasnor A/S for liquid natural gas for ships. In the next ten years, considerably tougher environmental requirements are expected to apply to shipping; emissions have to fall substantially and new alternative fuels are required for shipping. The initiative is carried out in cooperation with Port of Gothenburg AB. The intention with LNG GOT is a terminal that can take in liquid natural gas and deliver it on to bunker ships, among others.



Photo: Peter Svensson

Attracted EU attention. The City's initiative to reduce the amount of waste has given good results.

Falling amounts of waste – a trend break?

Since the recession at the beginning of 2000, residual waste amounts rose until the new recession in 2008, when the rising trend was broken. Household consumption fell in 2008 and 2009, but rose again in 2010, in line with the economic recovery. It was expected that waste amounts



Favoured insect. The environment department's project has created interest and involvement in the butterfly.

Photo: Klas Eriksson

would follow household consumption and thereby rise in 2010, which was not the case in Gothenburg. Malmö has had a similar trend to Gothenburg, while Stockholm has experienced a rise in the amount in 2010 after falling in 2008 and 2009. Neighbouring municipalities in the region see mostly the same trend as Gothenburg. Even with regard to other waste than household refuse, the lower levels seem to have continued in 2010 as well. Another interesting observation is that the fall in waste amounts relative to household consumption was greater in the latest recession than it was in 2001. It is too early to draw any conclusions as to the reasons for the decline, but developments in the years to come will be of great interest.

There have been several initiatives to reduce waste amounts in Gothenburg recently, several of which have attracted attention nationally and in the EU.

Weight-based refuse tariff introduced in Gothenburg

In 2010 a weight-based tariff was introduced in Askim, where it can be seen that the total amount of refuse fell by about 14 per cent compared with the same period in 2009. Sorting of food waste rose by 32 per cent. The main message in the information to customers about weight-based refuse tariffs and the change to refuse collection every other week is to reduce their own refuse, partly by carefully sorting food waste, packaging and newspapers, partly by thinking through their consumption. The consequences of their own behaviour is clear in the communication to the

customers. Weight-based tariffs will be gradually introduced in the whole of Gothenburg by 2012.

Biological diversity in the urban landscape

2010 was the biological diversity year. Biological diversity and eco-system services were on the agenda at the UN summit meeting to follow up the work on millennium goals. One of the tasks is to prepare new goals for biological diversity up to 2020 and to adopt a strategic plan for how these may be achieved.

The great variation in biotopes and environments provides prospects for a great diversity of plants and animals in Gothenburg. Gothenburg has fairly rich plant and animal life compared with many other municipalities, but we assume that the general threat to biological diversity seen at a national level also includes the city of Gothenburg, even though no available data shows that such is the case. An important starting point for work on biological diversity in the city is the clear objective entailed by the structure of the environmental quality goals, which have led to more activities for greater knowledge.

In 2010 a butterfly project was in progress in Gothenburg, as there is an express objective in Gothenburg to foster the living environment of the butterflies. The environment department and the parks and landscape department have together worked to create interest and involvement in butterflies. The project tries to encourage and inspire schools, pre-schools and the public to learn about butterflies and the environments they live in.



Seas in balance

The Gothenburg coast and sea should by 2021 have good prospects of rich biological diversity and good accessibility for recreation. The overall goal for Gothenburg's marine environment has now been adopted by the City Council, which would like to see a sea in ecological balance and a living coast and archipelago. In the work on the water directive, the first steps towards a water council for Gothenburg's coastal waters have been taken by assembling all the stakeholders for an initial meeting in December.

Gothenburg is preparing for integrated marine environment work. One indication was the Gothenburg award for sustainable development that in 2010 was given to Ken Sherman and Randall Arauz, who work for sustainable management and the protection of endangered species.

Water

Gothenburg drinking water is of high quality, but is threatened by emissions to the River Göta raw water catchment. The Gothenburg City Council decided in June to support an investment matter nominated by the Committee for Gothenburg Water, concerning an investment of 700 MSEK in measures at the Lackarebäck waterworks. The risk of extensive interruptions in supply such as if a tunnel collapses and the risk of waterborne infection are reduced, while conditions are provided for a reduced use of chlorine. This is the largest investment project by the Gothenburg Water department since the end of the 60s, when the Lackarebäck waterworks were constructed and the raw water tunnel to the Delsjö lakes was completed.

Gryaab AB's expansion project for better nitrogen and phosphorus purification was completed at the end of May 2010. The filter builder, which is part of the expansion project, received the Kasper Sahlin award in November 2010. The award is bestowed annually on a building or a group of buildings of high architectural class. The new facility uses disc filters to clean the sewage water. It is the largest facility of its kind in the world. Gryaab AB now

have technical plants that meet the stiffer environmental requirements that come into force on 1 January 2011. The facility for better nitrogen and phosphorus purification is an important plant to enable national, regional and local environmental goals to be achieved. It also enables sewage water to be cleaned for a larger population in the Gothenburg region. The disc filter plant has, apart from the award for appearance, also gained an award for water purification.

The arrival of a cold winter caused a number of pipe fractures in the city's drinking water grid. At the end of the summer there was extreme local rainfall, which caused a large number of basements to be flooded. In summary, climate changes affect water supply and sewage for Gothenburg. Greater environmental requirements and the need for measures to raise quality and safety in the city's water and sewage activities will entail major investments in the years to come.

The energy efficient city

Energy efficiency and financing of climate measures continue to be in focus in both the EU's and Sweden's strategic long-term investments.

Through cooperation with industry and the university, Gothenburg has been able to develop new technology and new methods to reduce environmental impact. This has, for example, led to major investments in district heating systems and a number of biogas projects. Then whole housing sector has the objective of undergoing improved energy efficiency by old blocks of flats being reno-vated into low energy buildings and new buildings living up to strict requirements for energy use. Through conscious urban planning, information schemes and investments in public transport, several steps have been taken towards a sustainable transport system. The goal is a concentrated, mixed city that gives prospects of travelling sustainably.

Much work still remains where it is a matter of seeing the whole picture and getting all the players to go in the same direction and finding effective solutions from both an environmental and a financial perspective.

Commended. Gryaab AB's filter building won a prize in November for its high-class architecture.

Photo: Peter Svenson





Public health

In 2010 public health work for the population was conducted in Gothenburg. A good public health trend is the concern of several community players. Differences in education, income and employment affect people's chances of a long, healthy life. One major challenge is to reduce differences in health.



Important work. Good health is good form, both physically and mentally.

In Gothenburg good public health was given as a strategic part of the social dimension to achieve sustainable community development. Districts, municipal departments and companies made efforts in the area. The districts offered long-term health focused schemes for children, young people and their parents. Participation in parental support training, lifestyle programmes in school or health adventures are some examples. The erection of family centres is another. For the adult population there was access to health information, health promoting activities through healththeques, health desks or health pilots. The public health councils collaborated with many different community players in their choice of health schemes. The public health perspective became a strategic perspective in local city and community planning during the year.

Great variations in perceived health in the city

In the 2010 public health questionnaire, over two thirds of those in Älvsborg, Torslanda and Majorna stated that they were in good health, while less than half the adult population in the north-east and in Frölunda regarded their health as good. In the north-eastern districts, Biskopsgården and Frölunda reduced mental wellbeing was stated to a greater degree than those living in other districts. In these districts other health problems were also mentioned, such as high blood pressure, diabetes and severe aching.

Factors affecting the health of the population

Unemployment and long-term illness affect people's living conditions and chances of good health. The proportion of unemployed aged 16–64 fell again in the autumn of 2010 after a sharp rise in previous years. A higher level of education gives a greater probability of gainful employment and better finances. The ill health rate continued to fall in 2010, but ill health among women is still greater than among men. Child poverty in the form of children in households

Risk factors for ill health

	2008	2009	2010
Ill health rate	34.8 *	31.7 *	29.0
Unemployed aged 16-64 (October measurement)	14,823	26,335	25,369
Level of education women	47.5 **	48.5 **	
Level of education** men	42.8 **	43.5 **	

* The ill health rate is a quotient where the numerator is the number of days paid (of sickness benefit, rehabilitation benefit and sickness and activity allowance) per person between 16 and 64 years of age during a 12-month period. The denominator is the number of people in the age groups concerned.

**Tertiary education 20-64 years of age, proportion of population. No data for 2010.

Long-term challenge to even out differences in health

The slowdown of recent years in the national economy meant that in 2010 there were greater differences between districts with very good living standards and those with poor such, which gives rise to a greater challenge to achieve equal health in the city. Good, secure conditions for children and young people to grow up in is an important condition for good health. Access to education, work and self-support is another. A third is that strategic public health work is conducted in the city as a part of community planning, with the aim of sustainable development for the social dimension.

The differences between women and men with regard to tertiary education have increased during the whole of the 2000s. In 2001 the difference was 2.5 percentage points and in 2010 twice as much, 5 percentage points. One explanation is that more jobs where women dominate require higher education, for example nurses and pre-school teachers, while men are found to a greater extent in jobs in the construction and industrial sector, often with lower educational requirements.

Cultural affairs and leisure

The District Committees were responsible for local leisure and cultural activities, while the other committees and companies in the sector had the city as a target group. The activities played an important part for the city's inhabitants, not least with regard to promoting integration and equal opportunity, but were also a significant part in the city's activities for tourism and major events.



Royal lustre. The Crown Princess on a visit to El Sistema, Hammarkullen.

Photo: Per-Anders Hurtigh

Support for clubs and cultural life

Of compulsory school pupils, 57 per cent of the boys and 43 per cent of the girls were active in clubs. In upper secondary school, 55 per cent were active in clubs and 6 per cent were leaders. Despite selective measures, there was very great variation between the districts.

Of the clubs and associations entitled to grants, 90 per cent were sports clubs. The greatest support of all to clubs was the provision of facilities and premises. In 2010 over 77 MSEK was allocated in club grants, 48 MSEK as general grants and 29 MSEK as selective grants. A follow-up was made of the City's support to clubs and associations in the 2000s. About 700 MSEK was invested in facilities for sports for all. Somewhat more was invested in boys than in girls, since resources were mainly allocated to halls and artificial grass used by team sports that are dominated by boys.

During the year 47 MSEK was distributed in cultural support to about 210 associations, organisations and individuals. These organisations had attendances totalling 760,000 visitors. New for the year was a 1 MSEK scheme for artistic summer jobs for young people. 70 young people carried out

500 programme items and had attendances of about 30,000.

The leisure activities of young people changed rapidly. There was more of such things as computer related activities, reading books, music and arts, but also role-play and martial arts. Membership of sports clubs dominated, but membership of music societies rose too. Activities that were not so popular were reading daily newspapers and watching news programmes.

Easier and more efficient with new e-services

The introduction of e-services has been in progress since 2009, but has increased in extent. About half of the clubs administered bookings of hall times and reported data for grants via e-services. Special information and training sessions were held at the end of the year for senior citizen associations. It has been possible to make applications to the arts school via e-services since 2010.

Creative School – grant from the Arts Council

Creative School is a grant to assist in the long-term integration of cultural and artistic expression into years 4–9 in



compulsory school. The grant is also intended to increase professional cultural activities for and with the pupils, so that access to all forms of artistic expression improves and there are more opportunities for individual creativity. The grant received by the District Committees totalled 2.2 MSEK in 2008, 2.7 MSEK in 2009 and 4.6 MSEK in 2010. The grant for 2010 gave a rise of 68 per cent over the previous year. From 2011 the earlier years in compulsory school are also included, though not pre-school class.

Royal visit to El Sistema Hammarkullen

In cooperation with the Gothenburg Symphony Orchestra and its Music Director, Gustavo Dudamel, Angered Arts School started a new orchestra school in 2010, with Venezuela's music education as a model – El Sistema. The hitherto only Swedish orchestra school is to be found in Hammarkullen in pre-school (4–5 years of age), for about 80 children, and for about 100 children aged 6–9. El Sistema Hammarkullen is founded on continuity and offers tuition in orchestral playing and choir song three to five times a week. The idea is for the children to learn together and for their families to be involved from the start, so family meetings are arranged every week with music and food. There may be teaching, small concerts, or meetings with musicians from the Gothenburg Symphony Orchestra. In October, royal lustre was added to El Sistema Hammarkullen. Crown Princess Viktoria and Prince Daniel came to visit. Among other things there was a concert with 170 children on stage, their teachers and musicians from the Gothenburg Symphony Orchestra on the programme.

Great demand for places at arts school

During the autumn term a total of 6,803 pupils attended arts school, a rise of 7 per cent compared with the previous school year. The majority of the participants were girls – 61 per cent girls and 40 per cent boys, i.e. almost exactly the same as the year before. In measuring demand for the autumn of 2010 it could be seen that demand for 101 pupils could not be satisfied.

Museums and libraries are popular

There were 605,500 visits to the City's museums in 2010, a reduction of 7 per cent compared with the previous year though the long-term trend, seen over a 10-year period, is for the number of visits to rise. The number of visits has thus risen to the order of 150–200 thousand during the period. Changes during the period are to a large extent connected with the Art Gallery and whether or not major exhibitions are held. The museums are located in beautiful but, with current requirements, not always appropriate premises. Periodic closures for necessary rebuilding are also one explanation for the variations in the numbers of visitors.

The city's 24 public libraries were with their 4.1 million visits the city's most well attended activity. A visitor's questionnaire was held during the autumn and user satisfaction was continued high, 78 on a scale of 100.

Treatment and service/guidance were 88 and 85 respectively.

New process focused work forms at the theatre

The City Theatre stages at Götaplatsen and in Backa tested new, process focused working methods to reach new target groups, acquire new knowledge and intensify the dialogue with the public. A total of over 17,000 visitors took part. The children's and young people's stage in Backa carried out a writing project with young people aged 12–18 who wrote texts for the spring productions. The result was over 700 texts and enthusiastic young people.

Annual events mean more tourism.

Gothenburg has many annually occurring cultural and sports events. These are of great importance as meeting places in the city and for future tourism. The Culture Feast of 2010 with 925,000 visits and the Gothenburg Dance Festival were first and foremost for the inhabitants of Gothenburg and the neighbouring area, while the HBTQ festival had a national character. Several major, international youth sports tournaments were held; the Gothia Cup in football, the Partille Cup in handball and the Gothia Floorball Cup meant that the Gothenburg teams could meet young people from other countries.

Development and adaptation of cultural institutions

The Cultural Affairs Committee has noted that the city's 300-year anniversary generated several cultural centres round Götaplatsen, but also other identity creating institutions in the city. For the city's 400-year anniversary in 2021 the committee proposes infusing new life to these institutions and adapting them to the requirements of the 21st century and the needs of the people of Gothenburg. It is above all a matter of modernising and reinforcing the museums and the now decided rebuilding of the City Library, but also adding some new elements to strengthen the place of culture and art in the city.

Guests/visitors, 1'000s

	2008	2009	2010
Letting of sports facilities (pitches and halls, hours)	297	289	279
- of which sports halls	136	133	131
Guest nights at sports competitions	218	220	219
Swimming baths	877 *	1,076 **	913
Ullevi	617	503	200
Scandinavium	801	679	649
Liseberg Amusement Park	2,820	3,100	2,881
- of which Christmas at Liseberg	546	552	495
City Theatre	122	125	110
- of which children and young people	33	18	19
Pustervik Theatre	91	80	94
Art Gallery	49	38	35
City Library	1,149	1,217	1,201
District libraries	2,775	2,979	2,888
Museum visits	524	648	605
- of which children	132	140	127
No. of pleasure boat berths let	7,261	7,241	7,287

*From 2008 central baths and district baths.

**Central baths and district baths.

Equal opportunity and diversity

A city for everyone requires conscious, systematic work. By preparing gender-based statistics, men's and women's unequal conditions can, for example, be brought to light.

Progress, human rights in focus!

By the principle of people's equal value, services affording equal value and opportunity should be offered to the inhabitants of the city. Participation by the citizens should be reinforced and work against discrimination should be constantly developed. This was decided by the City Council in January 2010 when the new district regulations were laid down. The City's work on equal opportunity, diversity and human rights progressed further during the year. Several of the City's departments, companies and other areas of activity work systematically on equal treatment and the promotion of equal rights for the people of Gothenburg.

On the road to sustainable equal opportunity

Major development work on an integrated equal opportunity budget and follow-up process has been initiated in the City of Gothenburg. The purpose is to ensure service and treatment of equal value for both men/women and boys/girls.

Several players in the City's central organisation are taking part. As a first step, focus is on the field of education. By preparing such things as statistics broken down by gender, impact assessments can be made and initiatives planned from an equal opportunity perspective. In order to bring men's and women's unequal conditions to light, a report "Women and Men in Gothenburg – a statistical abstract" has been prepared. It treats among other things power and influence in politics, the public sector and business. What for example does (in)equality of opportunity look like in Gothenburg with regard to gainful employment, professional groups, income, family situation, ill health and education?

Education leads to change

Awareness of gender issues has grown, which makes an impression on daily activities. The educational initiatives of recent years have begun to be put into practice. Committed management groups with an overall strategy urge the work forward.

Several organisations have started surveys to bring to light gender differences in services to inhabitants. In Torslanda the surveys have in some cases led to changed routines and supportive measures, one of the upper level compulsory schools has for example introduced zero tolerance of pranks. In the plans for a new pre-school, there is a focus on equal opportunity in the design of the pre-school playground. In Majorna all activities have worked on action plans for equal service. One result of the work is that the inhabitants have been invited to lectures on the theme of equal opportunity and

health. At the City Theatre, concrete measures to facilitate gainful employment and parenthood have been employed. The education department has a very great ambition – to achieve the goal of creating "the world's most coequal upper secondary school". To achieve this long-term goal, many different areas have been studied, such as girls' and boys' visits to the pupil health service, spontaneous visits and length of conversation at the Guidance Centre and grade differences in Physical Education and Health.

Gothenburg gains attention

At the invitation of the Swedish Association of Local Authorities and Regions (SKL) the City of Gothenburg took part in the Human Rights Days in Örebro in two different seminars to talk about the work on human rights and the integration of equal opportunity issues into the City's activities.

Rainbow shines over Gothenburg

For the fourth year running the HBT festival was arranged in Gothenburg. More of the City's organisations took part in the festival's different activities than in previous years, among other things in the final parade. Efforts to improve the employees' knowledge of HBT matters have continued and more efforts are planned.

Inter-religious dialogue

The work of promoting the dialogue between different religious communities and the City has continued. Among other things, SFI organisers attended a course and gained experience of the work of the Inter-religious Council in Gothenburg and the English city of Leicester. In September Gothenburg was visited by inter-religious councils from Berlin and Leicester and apart from an exchange of experience with people from Gothenburg they also took part in a football tournament between the different cities.

A city for everyone – Human rights are the basis of our activity

Much has been done and more remains to be done. The principle of people's equal value, services affording equal value and opportunity, the goal of making Gothenburg a city for everyone and an example in equal opportunity, diversity and human rights requires a comprehensive grasp. Laws, conventions and visions must not remain as words, but be put to practical use. Here all the people of Gothenburg, together, can make a difference!



Labour market initiatives

Resources for labour market initiatives focused on young people and the functionally impaired were some of the City of Gothenburg's prioritised goals in 2010. As a result, 4,500 people were included in supportive efforts in further important work to approach job or studies.

The labour market in Gothenburg improved during the year and there were more vacancies. The trend was positive the number of redundancy notices fell. Unemployment was still high, however, about 7.1 per cent of the population. Despite initiatives for young people and the functionally impaired, unemployment among them was still relatively higher than the average.

Record for holiday jobs

There were as many as 1,346 holiday jobs during the year. This was a record. For four weeks, upper secondary pupils worked in a large number of varying municipal activities. In doing so they gained experience of the City's workplaces. Evaluation of the holiday jobs showed that many young people could apply for summer jobs on their own after having had a holiday job.

In 2010 ninth year compulsory school pupils could also get holiday jobs, with the aid of extra government money. Almost 1,000 pupils worked at various workplaces in the city.

This scheme for the young may be seen as particularly important in the current economic situation, as they gained meaningful employment during the summer and experience from working life.

Young green jobs gave new young employment

A hundred trainee places gave sixty of them employment during the year at the parks and landscape department. The aim was to employ as many girls as boys. The project continues until the summer of 2011.

Full speed for UPP!

During the autumn the UPP! project started at full steam. Focus was on young people voluntarily getting on with their lives, getting jobs, applying for education and feeling well. The young adults went to UPP!'s premises and used the web arena diligently. On the premises the young people could take part in workshops, seminars and courses. Guidance was also offered. The number of young people using this rose steadily as the activity gradually became more and more established. Further expansion of the activity is expected to continue in 2011 and 2012.

Public sheltered work a stable activity

Further important efforts were made in public sheltered work, which with its stable activity gave 380 people with functional



Photo: Josefín Lantz

Editorial meeting. Martina Davitkova, Sofia Esfandi and Patrick Holst Roghell are journalists on the magazine Upp! The whole editorial staff consists of experienced young people from Gothenburg.

impairment meaningful work and a context. Young people and newly arrived/refugees could also make use of resources that had not been entirely used up in the scheme.

Trainee activities for people with a need for special support continued and were developed in 2010. Several of the work placements led to jobs, which made the activities very meaningful and successful.

Further development of phase three

Measures under the job and development guarantee phase three occupied fewer during the year than the number planned for. The 2010 goal for the activity was revised to 150 places in cooperation with the Employment Exchange. The scheme will be developed further.

Competence enhancement and job placement – a Boost

620 Boost places were offered. These aimed at reducing the risk of unemployment. In addition, those already without work would have an opportunity to gain new knowledge and experience. These initiatives would lead to work or contact with working life. The scheme will end in the first half of 2011.



Organisation development and exercise of public authority

The ongoing organisational changes make an impression on reporting. The activities present great expectations in the form of more efficient activities and equal treatment of users.

Many activities have started reviews to make their activities more efficient, adjust them to the assignment or clarify roles and responsibility and improve collaboration.

District Committee review

At the beginning of 2010 the City Council decided to merge the then 20 District Committees into 10 from 1 January 2011. Extensive work was carried out during the year to handle the rapid implementation of the complex task.

Water and sewerage organisation

A review has been in progress of the purchaser-provider model for the City's water and sewerage organisation. The purpose is to improve the prospects of handling water and sewerage matters in the City of Gothenburg in the short and long term,.

Review of supply of premises activities

A review of supply of premises activities led to a decision by the City Council to combine the Committees for Medichus and Supply of Premises. To the new committee, the Premises Committee, is added construction work and property development. The Premises Office is given more strategic planning responsibility for the City's supply of premises and for following up the effectiveness of premises.

Göteborgs Gatubolag AB

The City Council decided in the spring of 2010 on a reorganisation of Göteborgs Gatubolag AB's street maintenance activities. The consultancy business has been sold to an external party. In January 2011 a transfer was made of contractor and parking business to the Parks and Landscape Committee. The City Executive Board has decided that Technical Service will remain in Gatubolag AB.

Port of Gothenburg AB

A new company structure was established in the port Group in 2010. Three newly formed terminal companies that will be transferred to external terminal operators have been set up. The transfer process has been started for Älvsborg Ro/Ro AB.

The transfer process for the car and container terminal is on schedule and is planned to be implemented in 2011.

Public transport

New public transport legislation comes into force on 1 January 2012, so preparations have been started to make the Västra Götaland region (VGR) the responsible authority for all public transport and a transfer of the tax levy is planned. The company is preparing a possible transfer of GS Spärvagn AB and GS Trafikantservice AB to VGR. The City Office has presented documentation to the City Executive Board and the City Council to illustrate the consequences of a change in the responsible authority for public transport in Västra Götaland.

Collaboration between committees

Work has been done to improve collaboration between the Planning and Building Committee, the Property Management Committee and the Road Traffic Committee. Focus has been on the efficiency of the planning process and the communication to various stakeholders and the citizens.

Exercise of public authority is an area of the City budget

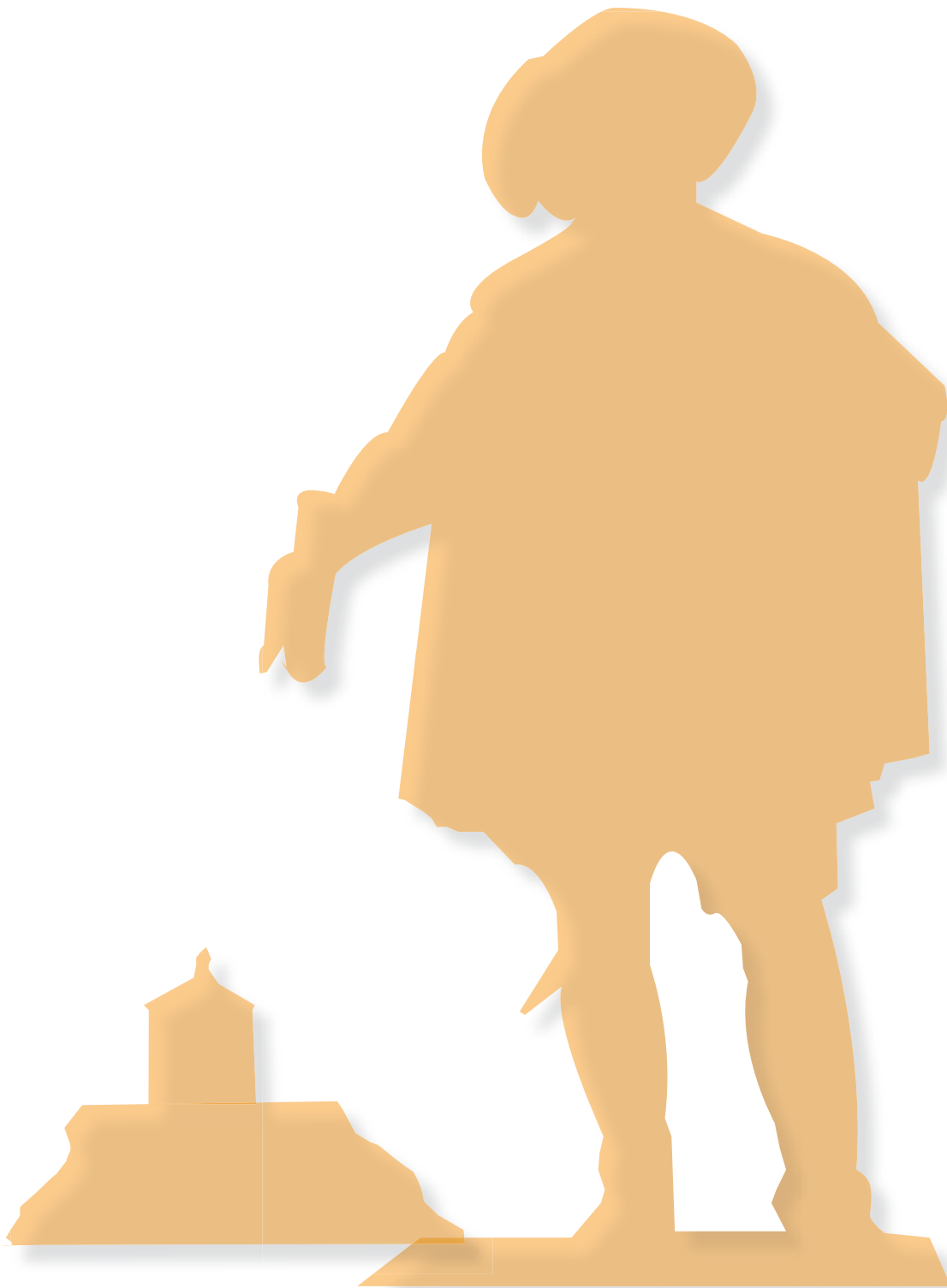
The exercise of public authority can mean a number of different things to the individual. Decisions can be both onerous and favourable. Even the City activities that do not make decisions in the traditional sense exercise public authority when, for example, they make decisions to release public documents.

Impartial, professional treatment

All exercise of public authority should be conducted in accordance with the so-called objectivity principle. The individual is treated fairly and impartially in a professional, competent and objective manner when in touch with the City's activities. Many joint routines have been introduced to ensure this. Training, both in each subject area and in service and treatment, becomes increasingly important.

The District Committee reform and the future

The District Committee reform, with a reduced number of districts, will in all probability affect the exercise of public authority in the city in the long run. Eventually the reform will probably lead to greater legal security and impartial treatment for the individual citizen.



3 CITY OF GOTHENBURG FINANCIAL ANALYSIS AND ACCOUNTS



By the municipal City of Gothenburg is meant the committees and the financial administration, in principle the tax financed activities. In this block the City's financial position and development are analysed from a number of perspectives. The statutory accounting statements with supplementary information are also found here.



CITY OF GOTHENBURG

FINANCIAL ANALYSIS AND ACCOUNTS

53 **Financial analysis of the City of Gothenburg**

A special financial analysis model is used to analyse the City of Gothenburg. Trends and overall perspectives are important elements of it. The analysis should make it possible to assess whether the organisation's control of the inflow and out-flow of cash in the short and long term is kept at a level that allows good business quality.

58 **Financial key ratios – the City**

A number of financial key ratios are shown here over a five-year period. The municipal tax rate is also found here.

59 **Financial profile of the City of Gothenburg**

On this page a brief analysis is made with the help of a financial profile of how the City of Gothenburg has developed financially in recent years in relation to other municipalities in Västra Götaland County.

60 **Financial positions**

The City of Gothenburg has major financial commitments because of substantial borrowing for the City's own needs, but also to cover the needs of the companies. In this section various risks concerning the City's commitments are shown, among other things.

62 **The City's Income Statement, Funds Statement and Balance Sheet**

The City's financial statements are shown here on three pages.

65 **Notes – the City**

Notes to the City's Income Statement, Funds Statement and Balance Sheet are shown in this section.

70 **Accounting principles applied**

An important part in living up to the task of accountancy, to comprise relevant assessment and decision data, is that different accounting principles are shown in an open, informative way.

72 **District Committees – financial results**

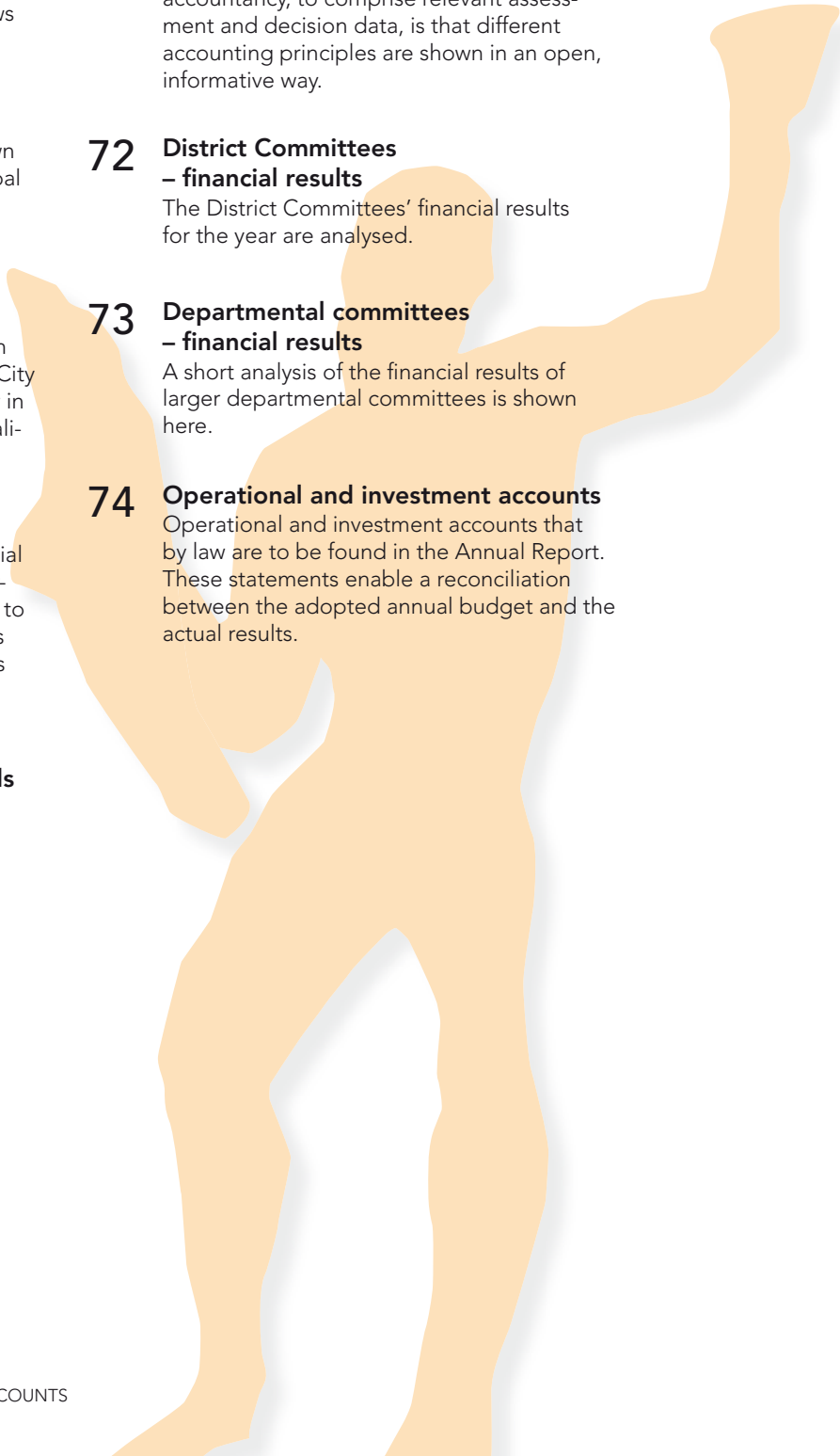
The District Committees' financial results for the year are analysed.

73 **Departmental committees – financial results**

A short analysis of the financial results of larger departmental committees is shown here.

74 **Operational and investment accounts**

Operational and investment accounts that by law are to be found in the Annual Report. These statements enable a reconciliation between the adopted annual budget and the actual results.





Financial analysis of the City of Gothenburg

The City of Gothenburg reported positive earnings of 229 MSEK for 2010. Included in the earnings, however, was a non-recurrent cost of 1,250 MSEK for infrastructure investments in the Western Sweden package. If this is excluded, earnings not including non-recurrent items were 1,479 MSEK. By the same measure, earnings for the previous year were 279 MSEK. This means that the current operating earnings of the City improved by 1,200 MSEK between 2009 and 2010. The most important explanations for the improvement were higher tax revenue and the government's business cycle support, which was largely temporary in 2010.

The year's investments totalled 1,360 MSEK, a reduction of 80 MSEK compared with 2009. The degree of self-financing of investments was 73 per cent. This means that most of the investments during the year could be financed by tax revenue. The remaining 27 per cent was mostly financed by income from sales of land for development.

In this section an in-depth financial analysis is made of the municipal City of Gothenburg, by which is meant the committees and central municipal items, i.e. the tax financed activities.

Model for financial analysis

In order to survey and analyse the earnings, trends and position of the City of Gothenburg, a special financial analysis model is used, based on four important financial aspects: financial results, trend in capacity, risk conditions and control of financial developments.

The objective is to identify any financial opportunities and problems on this basis and thereby try to clarify whether the City has good financial management, as prescribed in the Local Government Act.

The RK model: Four aspects of financial assessment

What balance has the City had between its receipts and costs during the year and over time?



Are there any risks that can affect the City's earnings and capacity?

What capacity does the City have to meet financial difficulties in the long term?

What control does the City have over financial developments?

EARNINGS AND CAPACITY

Trend in taxes and net costs

Change in per cent	2008	2009	2010
Trend in tax revenue	3.7	2.5	6.1
Trend in net costs	7.8	3.2	0.6

Tax revenue rose by 6.1 per cent in 2010. Compared with 2009 this was an improvement of 3.6 percentage points. The explanation was a tax rise of 0.25 SEK, the government's business cycle support and a gradually improved trend for the real underlying tax base.

The City's net cost of activities fell to an historically low 0.6 percentage points under 2010, which was a fall of 2.6 percentage points compared with 2009. Since 2008 the trend in net costs has slowed from 7.8 per cent to 0.6 per cent. The reduction was attributable to the economic situation, which meant that the City curbed the trend in cost of activities in the form of a reduced volume of personnel among other things.

**Net earnings for the year and items affecting comparability**

	2008	2009	2010
Net earnings for the year (MSEK)	281	552	229
Net earnings for the year in relation to tax revenue and municipal financial equalisation (per cent)	1.3	2.5	1.0
Net earnings for the year less items affecting comparability (MSEK)	423	279	1 479
Net earnings for the year less items affecting comparability in relation to tax revenue and municipal financial equalisation (per cent)	2.0	1.3	6.4

The City's earnings for 2010 totalled 229 MSEK, which was a weakening of 323 MSEK compared with 2009. Included in the earnings, however, was a non-recurrent cost affecting comparability of 1,250 MSEK for co-financing of infrastructure costs in the Western Sweden package.

If the above-mentioned cost affecting comparability is excluded, earnings totalled 1,479 MSEK. The same earnings measure gave 279 MSEK in 2009. This means that the current operating earnings of the City, not including items affecting comparability, improved by 1,200 MSEK between 2009 and 2010. The most important explanations for this were higher tax revenue and the government's business cycle support, which was mostly temporary in 2010.

If the year's earnings are related to tax revenue, the City reported earnings of 1.0 per cent in 2010. If the non-recurrent cost affecting comparability of 1,250 MSEK is excluded, the same key figure was 6.4 per cent.

Earnings of about 2 per cent are usually regarded as good financial management, since such a result gives scope for financing the greater part of a normal municipal investment volume by taxes over a longer period. Gothenburg has shown an average for the past five years of 2.4 per cent. If items affecting comparability are excluded, the figure is 4.4 per cent. This means that the City may be considered to have met the requirements made by the Local Government Act for good financial management.

The City also meets the statutory balance requirement in 2010 with earnings not including capital gains of 94 MSEK. Since the start in 2000, the City has met the balance requirement every year.

Net earnings for the year per sector

MSEK	2008	2009	2010
District Committees	-164	-90	148
Departmental committees	-38	26	66
Central municipal items	483	616	15
- of which items affecting comparability	-142	273	-1,250

A more detailed study of the City's earnings shows that the district committees had earnings of 148 MSEK in 2010 and the departmental committees 66 MSEK, a total of 214 MSEK for the committees. One important

explanation for the positive earnings was adjustment to the harsher economic climate expected in 2010.

The central municipal items (centrally budgeted items such as tax revenue, interest expenses, interest income etc) reported stronger earnings, not including items affecting comparability, in 2010 than in 2009. For 2010 they were 1,265 MSEK, compared with 343 MSEK for 2009. The explanation for the improvement was above all that tax revenue, including business cycle support, rose by 1,325 MSEK between the years.

Proportion of running costs

Percentage	2008	2009	2010
Receipts and costs of activities (net)	94.7	95.6	90.3
Depreciation	3.0	3.3	3.3
Proportion of running costs before items affecting comparability and net financial items	97.7	98.9	93.6
Net financial items	0.3	-0.2*	0.0
Proportion of running costs after net financial items	98.0	98.7	93.6
Items affecting comparability (net)	0.7	-1.3*	5.4
Proportion of running costs	98.7	97.4	99.0

*The minus sign means that the City gains financing through receipts affecting comparability.

A basic condition for achieving and maintaining good economic management is that the balance between current receipts and costs is good. An in-depth measure of this balance is the proportion of running costs, which means that all current costs including net financial items are related to tax revenue including municipal financial equalisation. If a proportion of running costs under 100 per cent is shown, the City has a positive balance between current costs and receipts. Generally speaking, a proportion of running costs of 97–98 per cent is usually regarded as good financial management, since most municipalities then manage to finance their reinvestments and necessary new investments over a longer period of time.

When the running costs of the City of Gothenburg are analysed, it appears that the net figure for the receipts and costs of activities in 2010 took 90.3 per cent of tax revenue, a reduction of as much as 5.3 percentage points compared with 2009. One explanation for the sharp reduction was that the City's activities commenced and adjustment in 2010 to an expected weaker economic situation 2010 and 2011.

In addition, depreciation took 3.3 per cent, which was the same as the previous year. Depreciation is the City's accrued costs for investments.

Net financial items were 0.0 per cent, which meant that financial receipts and financial costs were the same in 2010. This meant in turn that no tax revenue was needed to finance net financial items during the year.

In total this means that the City's net costs and net fi-



financial items, not including items affecting comparability, took 93.6 per cent of tax revenue. Compared with 2009 this was an improvement of 5.1 percentage points, which is explained by both a sharply reduced trend in costs and a strong trend in tax revenue.

The proportion of items affecting comparability to tax revenue was 5.4 per cent in 2010, compared with -1.3 per cent in 2009. The explanation for the change from -1.3 per cent to 5.4 per cent was that in 2009 the City had receipts affecting comparability of 273 MSEK, while in 2010 the City had costs affecting comparability of 1,250 MSEK. This meant that in 2009 the City had receipts affecting comparability that added 1.3 per cent to the City's financing, while in 2010 the City had to use 5.4 per cent of tax revenue to finance costs affecting comparability.

In total the City's costs took 99.0 per cent of tax revenue in 2010. This was a weakening of 1.5 percentage points compared with 2009, which is solely explained by the costs affecting comparability of 1,250 MSEK. Without these, the proportion of running costs would have improved sharply between 2009 and 2010.

The year's investments

	2008	2009	2010
Volume of investments (MSEK)	1,827	1,444	1,360
Volume of investments / gross costs (%)	7	5	5
Investments / depreciation (%)	286	202	177

The total volume of investments by the City of Gothenburg in 2010 was 1,360 MSEK, which was a slightly lower volume than in 2009. In relation to its gross costs the City invested 5 per cent in 2010, which is an average volume in relation to the country as a whole.

Degree of self-financing of investments

Per cent	2008	2009	2010
Degree of self-financing of investments	50	88	73

The degree of self-financing of investments measures how great a proportion of investments can be financed by the tax revenue that remains when current operations have been financed. 100 per cent means that the City can self-finance all the investments made during the year, which in turn means that the City does not need to borrow for investments and that the City's long-term financial manoeuvrability is strengthened.

The degree of self-financing weakened in 2010 to 73 per cent. This meant that of an investment volume of 1,360 MSEK, about 1,000 MSEK could be financed by tax revenue. The remaining 360 MSEK was largely financed by income from sales for land development. This in turn meant that the City's long-term manoeuvrability could be kept unchanged in 2010.

RISK – CONTROL

Liquidity from a risk perspective

Per cent	2008	2009	2010
Acid-test ratio	72	93	109

The City's acid-test ratio has in the 2000s lain at around 70–80 per cent. At the end of 2010, however, it was a robust 109 per cent, though this was not a fair value for the current average acid-test ratio during the year. It was on average somewhat lower during the year.

As with the equity-assets ratio, the City's liquidity is affected by further lending to the municipal companies. In principle, however, it can be stated that, from a risk perspective, the City has in recent years had an acid-test ratio level where the City, in a short and medium term financial perspective, does not need to take drastic measures to meet financial payment peaks.

Equity-assets ratio as per the Balance Sheet

Per cent	2008	2009	2010
Equity-assets ratio	19	19	19
– Change in assets	8	9	2
– Change in equity	4	9	3
Equity-assets ratio not including borrowing for company needs	38	40	41

The equity-assets ratio is a measure of the City's long-term financial manoeuvrability. It shows how large a part of the City's assets has been financed by tax revenue. The higher the equity-assets ratio, the stronger the City's long-term financial manoeuvrability.

The City's official equity-assets ratio remained unchanged between 2009 and 2010, at 19 per cent for both years. It was the third year running that the City's equity-assets ratio did not improve.

The equity-assets ratio of the City of Gothenburg is, however, to some extent affected by the City's re-lending to cover the companies' borrowing needs. If re-lending is excluded from the balance sheet, the equity-assets ratio was 41 per cent under 2010, an improvement of one percentage point compared with 2009. It is this equity-assets ratio that should be used when comparing with most other municipalities in Sweden. The average for Sweden is about 50–55 per cent.

Equity-assets ratio including all pension commitments

Per cent	2008	2009	2010
Equity-assets ratio inc. all pension commitments and employer's contribution	-12	-10	-8



Another measure of the equity-assets ratio increasingly used when municipalities are compared is the inclusion of the municipality's pension commitments older than 1998 and outside the Balance Sheet. If this were done for the City of Gothenburg, the equity-assets ratio would be -8 per cent, compared with -10 per cent in 2009. The improvement of 2 percentage points was solely attributable to a reduction between 2009 and 2010 of pension commitments older than 1998. The average for the above-mentioned measure of the equity-assets ratio among Swedish municipalities is about 2 per cent.

Debt-equity ratio

Per cent	2008	2009	2010
Total debt-equity ratio	81	81	81
- of which degree of provision	5	5	8
- of which short-term debt-equity ratio	27	30	27
- of which long-term debt-equity ratio	49	47	46

Of the City's total assets, 81 per cent have been financed by loan capital. This is usually called the debt-equity ratio and is the opposite of the equity-assets ratio. Of the 81 per cent, 46 per cent comprises long-term interest-bearing debts. In recent years, however, these have comprised a smaller and smaller part of the total indebtedness, which is positive for the City's net financial items.

Net financial assets and net borrowings

MSEK	2008	2009	2010
Net borrowings	-3,358	-2,112	-1,549
Liquid funds, short-term receivables and liabilities (net)	-2,587	-3,688	-3,140
Other long-term receivables and liabilities (net)	1,290	1,142	1,156
Net financial assets	-4,655	-4,658	-3,533

Included in the financial net assets measure are all financial assets and liabilities in the balance sheet that the City expects to convert in the next 10–20 years, namely financial fixed assets, current assets and current and long-term liabilities. The measure is important since it reflects financial manoeuvrability, which lies somewhere between the short-term liquidity measures and the long-term equity-assets measure.

Net financial assets improved in 2010 by 1,125 MSEK. They totalled -3,533 MSEK at the end of the year, which meant that the City's debts exceeded the City's liquid funds and receivables. Net financial assets can be divided up into three larger parts:

The first part is "net borrowings" by which is meant the interest-bearing loans that the City has raised to finance fixed assets. They improved between 2009 and 2010 by 563 MSEK to -1,549 MSEK. One important explana-

tion for the reduction was that the City made a provision in 2010 of 1,250 MSEK for the Western Sweden package. This provision is found in the accounts for 2010 as a cost, but payment will not be made until 2011, which means that it does not affect the City's net borrowings adversely until 2011. In consequence, the City's net borrowings will rise in 2011.

The second part is the City's other current receivables and liabilities, which for the most part are not interest bearing. Here there was an improvement during the year of -548 MSEK to -3,140 MSEK.

The third part is other long-term receivables and liabilities, which changed marginally between 2009 and 2010. They totalled 1,156 MSEK in 2010.

The result of the above-mentioned changes was that the City's total liabilities fell in 2010 compared with 2009. This means that the City's long-term financial manoeuvrability grew stronger in 2009 and 2010. Most of the improvement is, however, of a temporary nature, as the City's payments for the Western Sweden package in 2011 will weaken net financial assets.

If the cost of 1,250 MSEK for the Western Sweden package were simulated as paid out, all other factors constant, net financial assets would have been 4,783 MSEK in 2010, a rise of 125 MSEK compared with 2009.

Pension commitments

MSEK	2008	2009	2010
Charge part, invested by employees	402	428	452
Long-term pension provisions	1,084	1,146	1,169
Contingent liability earlier pension scheme (before 1998)	8,564	8,812	8,474
Pension commitments	10,050	10,386	10,095
Special employer's contribution	2,439	2,520	2,449
Pension commitments & special employer's contribution	12,489	12,906	12,544

The City's total pension commitments in 2010, including employer's contributions, were 12,544 MSEK, of which 10,529 MSEK concerns commitments older than 1998, the so-called pension obligation in the contingent liability. This part of the pension commitments is not shown in the balance sheet, under municipal accounting legislation.

Pension costs including employer's contribution totalled 1,067 MSEK in 2010, a decline of 33 MSEK compared with 2009. Included in the costs for 2010 were among other things were pension payments of 321 MSEK from the pension obligation in the contingent liability, fee determined pensions saving schemes of 453 MSEK and provisions of 51 MSEK for the benefit determined retirement pension scheme (FÅP). In addition there is an employer's contribution of 208 MSEK.

Redemption of pension obligations in the contingent liability has been made, totalling 680 MSEK (420 MSEK



in 2001 and 260 MSEK in 2002).

Local income tax

In 2010 local income tax in Gothenburg was in total 32.00 per cent of municipally taxable earned income. Primary municipal tax was 21.55 per cent, while the county council tax to the Västra Götaland Region was 10.45 per cent. The City raised its primary municipal tax rate in 2010 by 0.25 SEK.

In the thirteen municipalities in the Gothenburg Region (GR) the primary municipal tax rate varied in 2010 from 20.49 per cent in Partille to 22.80 per cent in Lilla Edet. With its 21.55 per cent, Gothenburg had the seventh lowest tax among the GR municipalities. Since 2008 the local tax rate in the GR municipalities has risen by about 0.4 SEK. In Gothenburg the local tax rate has risen by 0.25 SEK in the corresponding period.

Budget performance

Compared with budget the City reported a surplus of 229 MSEK, as the City had budgeted zero earnings for 2010. 135 MSEK of the surplus is due to capital gains in connection with sales, while the remaining part of the surplus, 94 MSEK, is attributable to current activities.

The deviation was itself small, but considering that earnings have been charged with an item affecting comparability of 1,250 MSEK attributable to the City's co-financing of infrastructure investments, the budget deviation in current activities is in reality considerably greater. The explanations for the deviation in activities do to be sure comprise both negative and positive deviations in relation to what was budgeted, but the definitely greatest explanation for the sharply positive deviation from budget in 2010 was the trend in tax revenue, including the government's temporary business cycle support to the municipal sector.

Assessments of the City's financing prospects in the budget were made at a time marked by a deep, serious recession, which then rapidly recovered to a considerably more favourable general economic situation in 2010, with greater tax revenue as a result. Together with the business cycle support, this meant considerably better financing prospects in 2010 than what was budgeted.

Forecast accuracy and budget compliance

Good forecast accuracy means that the City has good prospects of adjusting to changed conditions during the year. A forecast deviation of 1 per cent of total costs constitutes good forecast accuracy. Budget compliance is another measure of the City's financial control. Budget deviation should be as close to zero as possible.

On account of the sharp fluctuations in global economic prospects, assessments of the economic situation in 2010 were difficult. Despite this, the forecast deviation is not more than about 0.2 per cent, which means that

forecast accuracy for the City may as a whole be regarded as very good.

Combined committee earnings in the final accounts exceeded budget, but complied well with the forecast made in October. There were, however, relatively large forecast deviations for individual committees.

Summarising comments

Excluding non-recurrent items affecting comparability, the City of Gothenburg reported solid earnings for 2010. One important explanation for this was the rapid change in global conditions that gave rise to a more vigorous trend in financing than estimated, but also contributed to the rate of growth in the City's activities being lower than for many years.

However, the solid earnings before non-recurrent items gave the City the opportunity to accommodate a large part of the financing of the Western Sweden package in 2010. This will release scope for the years to come, as the City will not have to finance the package annually.

It is also important to point out that the solid earnings for 2010 give the City better prospects of meeting the currently somewhat harsher financial assumptions for 2011 and 2012, when among other things the government's temporary business cycle support will be reduced.

Finally, it can be stated that considering the dark clouds that were depicted for the municipal sector in 2008, the City has financially come surprisingly unscathed through the crisis, both in 2009 and 2010. The City has a stable financial position for the future.

Financial key ratios – the City

	Annual Accounts 2006	Annual Accounts 2007	Annual Accounts 2008	Annual Accounts 2009	Annual Accounts 2010
EARNINGS - CAPACITY					
Trend in tax revenue	5.8 %	6.3 %	3.7 %	2.5 %	6.1 %
Trend in net costs not inc. items affecting comparability	3.9 %	7.1 %	7.8 %	3.2 %	0.6 %
Proportion of running costs	97.8%	95.3%	98.7%	97.4%	99.0%
of which receipts and costs for activities (net)	89.9 %	91.0 %	94.7%	95.6%	90.3 %
of which planned depreciation	3.3 %	3.0 %	3.0 %	3.3 %	3.3 %
of which net financial items	0.5 %	0.3 %	0.3 %	–0.2 %	0.0 %
of which non-recurrent items affecting comparability	4.1 %	1.0 %	0.7 %	–1.3 %	5.4 %
Net earnings for the year / tax revenue and municipal financial equalisation	2.3 %	4.8 %	1.3 %	2.5 %	1.0 %
Net earnings for the year not inc. comp. items / tax revenue and municipal financial equalisation	6.4 %	5.8 %	2.0 %	1.3 %	6.4 %
Degree of self-financing of the year's investments	87 %	110 %	50 %	88 %	73 %
Investments / gross costs	5 %	6 %	7 %	5 %	5%
Investments / depreciation	198 %	236 %	286 %	202 %	177 %
Equity-assets ratio as per Balance Sheet	17 %	19 %	19 %	19 %	19 %
Equity-assets ratio inc. all pension commitments	–12 %	–13 %	–12 %	–10 %	–8 %
Total debt-equity ratio and degree of provision	84 %	81 %	81 %	81 %	81 %
of which degree of provision	5 %	5 %	5 %	5 %	8 %
of which short-term debt-equity ratio	23 %	24 %	27 %	30 %	27 %
of which long-term debt-equity ratio	56 %	52 %	49 %	46 %	46 %
Primary municipal rate of tax	21.55	21.55	21.30	21.30	21.55
RISK AND CONTROL					
Acid-test ratio	75%	76%	72%	93%	109 %
Working capital (MSEK)	–1,816	–1,844	–2,653	–762	947
Net financial assets (MSEK)	–4,631	–4,178	–4,655	–4,658	–3,533
Net borrowings (MSEK)	–3,068	–2,954	–3,358	–2,112	–1,549

DEFINITIONS

PROPORTION OF RUNNING COSTS

= Running costs as a % of tax revenue and municipal financial equalisation

DEGREE OF SELF-FINANCING OF INVESTMENTS = (Earnings before extraordinary items + depreciation) / net investments

ACID-TEST RATIO = (Current receivables + current investments + cash and bank) / current liabilities

NET FINANCIAL ASSETS = (Financial fixed assets + current assets) - (current + long-term liabilities)

EQUITY-ASSETS RATIO = equity / total assets

WORKING CAPITAL = current assets – current liabilities

NET BORROWINGS = the City's borrowings less relending to the companies and invested liquidity



Financial profile

One important dimension with regard to governing a municipality is to compare with other municipalities. One tool for financial comparison is the financial profile prepared by Municipal Research in West Sweden. In this section the profile is used to compare Gothenburg with other municipalities in Västra Götaland County. The period analysed is 2007–2009, since the profile for 2010 will not be available until after the summer.

What is the financial profile?

The financial profile is constructed as a polar diagram. Unlike the traditional financial analysis in the Annual Report, which mainly describes developments over time, the financial profile focuses on analysing where a municipality or a county council stands financially and how developments have turned out in relation to other municipalities/county councils in a defined sample. In the case of the City of Gothenburg the comparison is made in relation to the other municipalities in Västra Götaland County.

The profile contains eight key figures, shown on eight axes. They are prepared for all the individual municipalities included in the group studied. The key figures are then graded in accordance with the normal distribution graph on a scale of 1 to 5, where 5 is the highest grade and 1 the lowest grade. This means there is a concentration of values round 3 points.

The profile also contains four axes that provide a combined assessment of four important financial perspectives for a municipality or a county council. Each perspective/axis is the sum of the four key figures that lie closest to the axis. This means that each key figure in the financial profile is included in two perspectives. All four key figures have equal weight in the assessment.

Gothenburg's strong trend in earnings relative to the average in the county was broken during the period

Gothenburg's financial trend in earnings weakened between 2007 and 2009, both if a comparison is made over time and of the average for the county.

If the City's earnings are related to the cost of activities,

they weakened from 3.9 per cent to 2.0 per cent between 2007 and 2009. The corresponding average development for the county was a slight improvement from 1.7 to 1.8 per cent. This means, however, that in 2009 Gothenburg still reported somewhat stronger earnings than the average for the county, though the City had a weaker value for earnings before extraordinary items in the profile for the period, from a 5 to a 3.

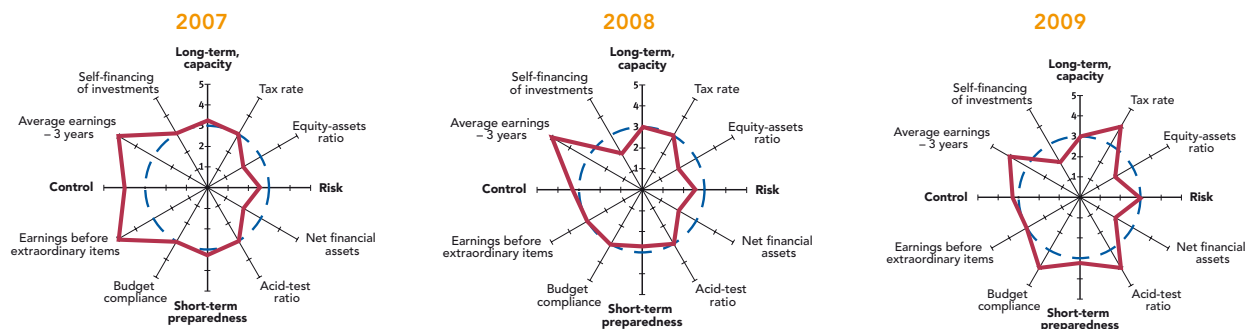
The poorer level of earnings in combination with a relatively high volume of investments also contributed to reducing the degree of self-financing of investments from a 3 to a 2 between 2007 and 2008. Gothenburg remained at a 2 in 2009 as well.

The City's long-term earnings, measured over the past three years, weakened during the period from a 5 to a 4. This means, however, that the City's long-term level of earnings was still higher in 2009 than the average for the county.

The risk relation improved

The points for the risk relation perspective improved during the period examined, from 2.5 to 3.0 points. This meant that the City reduced its risk slightly relative to the average for the county. The explanation for this was that the points for tax rate and liquidity were strengthened in the profile, from a 3 to a 4. The equity/assets ratio was also strengthened in comparison with the average for the county. This, however, had no impact on points in the profile, as Gothenburg has to improve its equity-assets ratio further in relation to the average in order to achieve an average of 3 in the profile.

... in relation to Västra Götaland County



Financial positions

External borrowing for the City and companies was 37 billion SEK at the end of 2010, a fall of 0.4 billion compared with 2009. The average remaining term of total borrowings was 2.90 years at the end of the year and the average fixed interest period was 2.64 years.

The City's net borrowings fell by 0.6 billion SEK to 1.5 billion as of 31 December.

Credit ratings have been maintained at a continued very high level. The credit rating from Moody's has since 2006 been the highest possible, Aaa, and from Standard & Poor's since 2007 the next highest, AA+. Both ratings have a stable outlook.

Borrowing

The task of the internal bank is to ensure the supply of liquidity for both the City and the companies, with the exception of the Framtiden Group. The cost of new capital for long terms has settled at an appreciably higher level than before the finance crisis. Interest expenses have fallen owing to lower net borrowings, despite rising interest rates.

The City's and the companies' external borrowings were 37.0 billion SEK at the end of the year, a fall of 0.4 billion compared with 2009.

The average remaining term of total borrowings was 2.90 years at the end of the year and the average fixed interest period was 2.64 years.

Total borrowings are divided among the City's internal bank (21.1 billion), the Framtiden Group (14.8 billion) and loans raised by the companies outside the internal bank (1.1 billion). The self-financed activities' part of the debt, net borrowings, totalled 1.5 billion SEK, about 4.1 per cent of total borrowings.

High credit rating

The credit rating institutes Moody's and Standard & Poor's confirmed the City's strong credit rating during the year. The City's credit rating from Moody's has since 2006 been the highest possible, Aaa, and from Standard & Poor's since 2007 the next highest, AA+. Both ratings have a stable out-look. Factors emphasised as positive in the analyses are a strong, diversified economic base, sound finances, low net borrowings and strict budget control. Risks indicated are limitations on raising receipts and further rises in costs owing to demographic trends. The ratings make it easier for the City to gain access to the Swedish and international capital market.

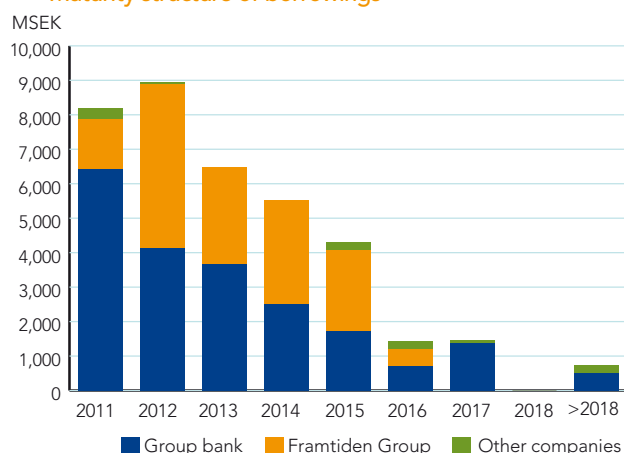
Net borrowings

Net borrowings are defined as the internal bank's borrowings less relending to the companies less liquidity temporarily invested on the market. At the end of 2010 net borrowings totalled 1.5 billion SEK, a reduction from 2009 of about 0.6 billion.

One important explanation for the reduction was that the City made a provision of 1,250 MSEK in 2010 for the Western Sweden package. This provision is found in the 2010 accounts as a cost, but payment will not be made until 2011, which means that it will not affect the City's net borrowings adversely until 2011. In consequence, the City's net borrowings will rise in 2011.

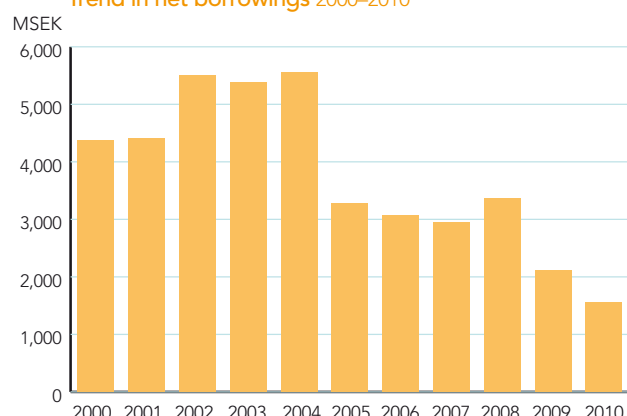
Interest expenses for the net borrowings totalled 32.9 MSEK and are charged to taxes. The average rate of interest on the borrowings during the year was 1.85 per cent, including the cost of an interest rate ceiling.

Maturity structure of borrowings





Trend in net borrowings 2000–2010



Net borrowings are protected against rises in interest rates by interest rate ceilings and interest swaps. The strike levels for the interest rate ceilings vary between 2.50 per cent and 4.00 per cent. The levels for fixed interest swaps are between 2.16 per cent and 2.90 per cent. No more than 25 per cent of net borrowings may be renewable within the nearest twelve-month period. The average fixed interest period should be in the interval of 2–4 years. The average fixed interest period at the end of the year was 3.40 years.

Counterpart risk

The City is exposed through derivative agreements to some risk that a counterpart cannot fulfil his obligations. Calculated on the volume of business, 60 per cent of the counterpart risk was with no lower than AA rated counterparts and 100 per cent of the risk was with no lower than A2 rated counterparts. The counterparts are both Swedish and international banks.

The City's guarantee commitments

In certain cases the City stands surety for loans to the municipally owned companies, but also for other external activities.

The City's total guarantee commitment for loans as of 2010-12-31 was 1,876 MSEK, which is a reduction of 67 MSEK in relation to 2009. The reduction can mainly be attributed to the City's own companies. Surety for clubs and associations rose by 16 MSEK during the year. The Sports and Associations Committee framework was extended from 200 MSEK to 250 MSEK.

The City's total guarantee commitment for loans

Purpose (MSEK)	2008	2009	2010
Other City companies	1,324	1,204	1,134
Private houses, tenant-owner associations	15	12	10
Foundations	583	586	576
Clubs and associations	131	138	154
Others	3	3	2
Total	2,056	1,943	1,876

In addition to guaranteeing loans, the City also stands surety for the pension commitments of certain municipal companies, joint authorities and foundations that are not safeguarded by other pension solutions. The total guarantee commitment for pensions at the end of the year was 736 MSEK, a reduction of 15 MSEK in relation to 2009.

The City of Gothenburg honoured guarantee commitments of 1 MSEK in 2010.

Income Statement – the City

Amounts in MSEK	2008	2009	2010
Operating income note 1	6,714	6,664	6,940
Operating expenses note 2	-26,871	-27,510	-27,828
Items affecting comparability note 3	-142	—	-1,250
Depreciation and write-downs note 4	-638	-714	-770
Net cost of activities	-20,937	-21,560	-22,908
Tax revenue note 5	19,005	19,437	19,888
Municipal financial equalisation etc note 5	2,268	2,366	3,239
Financial receipts note 6	1,576	980	833
Financial expenses note 6	-1,631	-944	-823
Financial items affecting comparability note 7	0	273	—
Earnings before extraordinary items	281	552	229
Extraordinary receipts	—	—	—
Extraordinary expenses	—	—	—
NET EARNINGS FOR THE YEAR	281	552	229

Balance requirement analysis*	2008	2009	2010
Reported net earnings for the year from the Income Statement	281	552	229
Earnings from sales of fixed assets	-116	-341	-135
Adjustment items special circumstances as per Local Government Act	—	—	—
Adjusted balance requirement earnings	165	211	94

* According to the requirements of the Local Government Act for financial balance (Local Government Act, Chapter 8) municipalities' receipts should be greater than their costs. If costs for a certain accounting year exceed receipts, the negative earnings should be settled during the following three years. Capital gains from sales of fixed assets may not be included in earnings when reconciling the balance requirement.



Balance Sheet – the City

Amounts in MSEK	2008	2009	2010
ASSETS			
FIXED ASSETS			
Intangible fixed assets	6	5	5
Tangible fixed assets note 4	12,914	13,515	13,851
Financial fixed assets note 9	15,377	14,112	13,475
Total fixed assets	28,297	27,632	27,331
CURRENT ASSETS			
Stores and stocks	16	16	17
Current receivables note 10	6,237	9,527	11,154
Cash and bank	675	1,175	482
Total current assets	6,928	10,718	11,653
TOTAL ASSETS	35,225	38,350	38,984
EQUITY, PROVISIONS AND LIABILITIES			
EQUITY note 11	6,562	7,114	7,343
of which net earnings for the year	281	552	229
PROVISIONS			
Provisions for pensions and similar obligations note 12	1,357	1,435	1,462
Other provisions note 13	346	313	1,518
Total provisions	1,703	1,748	2,980
LIABILITIES			
Long-term liabilities note 14	17,379	18,008	17,955
Current liabilities note 15	9,581	11,480	10,706
Total liabilities	26,960	29,488	28,661
TOTAL EQUITY, PROVISIONS AND LIABILITIES	35,225	38,350	38,984
PLEDGED ASSETS AND CONTINGENT LIABILITIES			
Sureties given note 16	2,780	2,694	2,612
Contingent pension commitments note 17	8,617	8,880	8,522
Special employer's contributions note 18	2,089	2,153	2,067
Future leasing expenses note 19	—	1,311	1,350
Capital cover guarantee note 20	400	400	400

Cash Flow Statement – the City

Amounts in MSEK	2008	2009	2010
CURRENT ACTIVITIES			
Earnings before extraordinary items	281	552	229
Reversal of depreciation and write-downs	638	714	770
Adjustment items current activities note 8	188	45	1,233
Total liquid funds from activities	1,107	1,311	2,232
NET INVESTMENTS inc. sales			
Intangible fixed assets	2	1	0
Tangible fixed assets	-1,586	-1,315	-1,107
Total net investments	-1,584	-1,314	-1,107
FINANCING			
Increase (-) / decrease (+) long-term receivables	-591	1,265	637
Increase (+) / decrease (-) long-term liabilities	259	629	-53
Total financing	-332	1,894	584
CHANGE IN TIED-UP CAPITAL			
Increase (-) / decrease (+) stores and stocks	0	0	-1
Increase (-) / decrease (+) current receivables and investments	-579	-3,290	-1,627
Increase (+) / decrease (-) current liabilities	1,774	1,899	-774
Total change in tied-up capital	1,195	-1,391	-2,402
CHANGE IN CASH AND BANK (LIQUID FUNDS)	386	500	-693



Notes – the city

What are notes?

Notes are additional data showing detailed information about various lines in the financial statements: Income Statement, Balance Sheet and Cash Flow Statement.

The City of Gothenburg's notes have been formulated to conform as far as possible with the information requirements stated in the recommendations of the Municipal Accounting Standards Council.

The notes on pages 65-69 should be used together with the "Accounting principles applied" section on pages 70-71. In this section the accounting principles applied by the City of Gothenburg are shown.

Note 4, found below on this page, is a combined note where acquisition value, depreciation, write-downs and discards are given for the City's tangible fixed assets in the Balance Sheet. This means that the note also applies to the "Depreciation and write-downs" line in the Income Statement.

1. Operating income

MSEK	2009	2010
Charges	1,932	1,959
Rentals and leases	1,082	1,103
Government grants	1,344	1,440
EU grants	28	38
Other grants	246	237
Sales activities and contract work	1,698	1,749
Other receipts	334	414
Total operating income	6,664	6,940

2. Operating expenses

MSEK	2009	2010
Personnel costs	-14,232	-14,328
Income support	-1,131	-1,218
Rent of premises and land, property service	-866	-866
Contract work and purchase of activities	-6,398	-6,389
Fuel energy water and sewerage costs	-430	-443
Expendable material and repairs	-730	-796
Leasing expenses	-342	-421
Other operating expenses	-3,381	-3,367
Total operating expenses	-27,510	-27,828

3. Operating items affecting comparability

MSEK	2009	2010
Costs		
Western Sweden package (see also note 13)	—	-1,250
Total costs affecting comparability	—	-1,250
Total operating items affecting comparability	—	-1,250

4. Tangible fixed assets

MSEK	Buildings, land, land improvements, land reserve	Properties for activities	Business properties	Public properties	Other properties	New facilities in progress	Machinery, inv tech fac, vehicles, art	Total
Acquisition value	275	11,321	2,646	4,630	1,772	733	1,825	23,202
Acc write-downs /depreciation	-3	-3,899	-1,549	-2,539	-306	-8	-1,382	-9,687
Book value b/f	272	7,422	1,096	2,091	1,465	724	443	13,515
Year's net acquisitions	8	95	70	99	110	893	83	1,358
Year's depreciation	-3	-389	-60	-145	-38	0	-88	-724
Year's write-downs	0	-1	0	0	0	-42	0	-43
Year's discards	-5	-9	0	-12	-82	0	-15	-124
Reclass.* / transfers	95	547	-1	56	-98	-696	-35	-131
Book value c/f	367	7,664	1,105	2,090	1,357	880	387	13,851

* Reclassifications concern assets moved between types of asset. Differences may arrive in the accounts above as not all types of asset are included in the table.

5. Tax revenue, municipal financial equalisation etc

MSEK	2009	2010
Municipal tax revenue		
Preliminary tax revenue	19,974	19,644
Final settlement (adjustment previous year)*	69	13
Preliminary final settlement*	-606	231
Total municipal tax revenue	19,437	19,888
Municipal financial equalisation etc**		
Income equalisation	2,037	2,097
Cost equalisation	-72	-172
Settlement grant/charge	-244	130
LSS equalisation***	-38	-4
Municipal property charge	683	694
General government grant	—	494
Total munic financial equalisation etc	2,366	3,239
Total tax and munic finan equal etc	21,803	23,127

* The final settlement for 2009 amounted to 26 SEK per inhabitant and the preliminary settlement for 2010 is forecast at 456 SEK per inhabitant.

** In income equalisation there is an equalisation of tax revenue between municipalities. Income equalisation is calculated from the difference between the local tax base per capita and a tax equalisation base equivalent to 115 per cent of the average tax base per capita in the country.

The City's own tax base per capita for the fiscal year 2009 was 102 per cent of the average tax base per capita for the country. In cost equalisation, costs that the City cannot itself affect are equalised. These factors are age structure, ethnicity, social economy and geography. A cost equalisation of a regional policy nature is made via the structure grant. Finally, by the settlement charge a settlement is made between the municipalities and the state of the funds the state contributes and those paid out in income equalisation.

*** Act concerning equalisation of costs for support and service to certain functionally impaired persons.

6. Financial receipts and expenses

MSEK	2009	2010
Financial receipts		
Dividends	35	16
Interest receipts from subsidiaries	661	530
External interest receipts	252	272
Other financial receipts	32	15
Total financial receipts	980	833
Financial expenses		
Interest expenses to subsidiaries	-94	-72
External interest expenses	-842	-742
Other financial expenses	-8	-9
Total financial expenses	-944	-823
Net financial items	36	10

7. Financial items affecting comparability

MSEK	2009	2010
Sale of Göteborgs Spårvägar AB	273	—
Total financial items affecting comparability	273	—

8. Cash flow statement

MSEK	2009	2010
Adjustment of current activities		
Change in pension provisions	77	28
Change in other provisions	-32	1 205
Total adjustment items current activities	45	1,233

9. Financial fixed assets

MSEK	2009	2010
Wholly owned subsidiaries (100%)		
Göteborgs Kommunala Förvaltnings AB	500	500
Förvaltnings AB Framtiden	1	1
Älvstranden Utveckling AB	500	500
Gothenburg Co Kommunintressent AB*	0	0
Total wholly owned subsidiaries	1,001	1,001
Partly owned companies		
Renova AB (83%)	96	96
Göteborgsregionens Fritidshamnar AB (80%)	1	1
Gryaab AB (71%)	6	6
Johanneberg Science Park AB (50%)	1	1
Lindholmen Science Park AB (14,9%)	0	0
Gothenburg Technical College AB (49%)	0	0
City Airport in Gothenburg AB (20%)	0	0
Boplat Göteborg AB (40%)**	0	0
Total partly owned companies	104	104
Joint statutory authorities		
Fastigheten Stretered (57%)	11	2
Rescue Services Greater Gothenburg (70%)	0	0
Total joint statutory authorities	11	2
Long-term receivables Group companies		
Long-term receivables Group companies**	12,946	12,319
Total long-term receivables Group companies	12,946	12,319
Other participation rights		
Basic fund capital and tenant-owner contracts	19	18
Total other participation rights	19	18
Other companies		
Kommentus	0	0
Västrafik AB (15%)	31	31
Total other companies	31	31
Total financial fixed assets	14,112	13,475

* The City of Gothenburg holds 55% and Göteborgs Kommunala Förvaltnings AB (GKF AB) holds 45%.

** The City of Gothenburg holds 40% and Förvaltnings AB Framtiden holds 30%.



Subsidiaries in sub-Groups:

Nedan redovisas "första nivån" i kommunens bolagskoncerner. Inom GKF och Älvstranden Utveckling AB finns i sin tur ytterligare underkoncerner. Dessa redovisas dock inte här.

Göteborgs Kommunala Förvaltnings AB

- Hantverks- och Industrihus i Gothenburg AB
- Liseberg AB
- Got Event AB
- Göteborgs Stads Upphandlings AB
- Göteborg Energi AB
- Kommunleasing i Göteborg AB
- Försäkrings AB Göta Lejon
- Göteborgs Gatu AB
- Göteborgs Stadsteater AB
- BRG, Business Region Gothenburg AB
- Utveckling Nordost AB
- Fastighets AB Göta Lejon
- Förvaltnings AB Bältespännaren
- Göteborgs Stads Data AB
- Gothenburg Port Holding AB
- Miljöfordon i Göteborg AB
- Göteborgs Spårvägar AB

Förvaltnings AB Framtiden

- Bostads AB Poseidon
- Göteborgs stads bostadsaktiebolag
- Familjebostäder i Gothenburg AB
- Gårdstensbostäder AB
- AB HjällboBostaden
- Göteborgs Egnahems AB
- Bygga Hem i Göteborg AB
- Göteborgs Stads Parkerings AB
- Förvaltnings AB Göteborgslokaler
- Idrotts- och Kulturcentrum Scandinavium i Göteborg AB
- AB Göteborgs Tomträttskassa
- Störningsjouren i Göteborg AB
- AB Göteborgshem
- Framtiden Public Housing Finance No 5 AB (publ)
- Framtiden Housing Finance No 6 AB (publ)
- Rysåsen Fastighets AB

Älvstranden Utveckling AB

- Norra Älvstranden Utveckling AB
- Södra Älvstranden Utveckling AB

Renova AB

- Kungälv's Transporttjänst AB

Göteborg Co Kommunintressent AB

- Göteborg Co Träffpunkt AB (50%)
- Turismens Utredningsinstitut i Sverige AB (35%)

10. Current receivables

MSEK	2009	2010
Current receivables Group companies	7,276	8,904
Accounts receivable	329	426
Prepaid expenses/accrued income	1,125	1,136
Receivables from the government	318	313
Other receivables	479	375
Total current receivables	9,527	11,154

11. Equity

MSEK	2009	2010
Equity b/f	6,562	7,114
Net earnings for the year	552	229
Equity c/f	7,114	7,343

12. Provisions for pensions and similar obligations

MSEK	2009	2010
Provisions for pensions		
Provision b/f	1,357	1,435
New obligations during the year	130	94
of which Newly earned pensions	68	71
of which Interest and base amount indexation	66	22
of which Change in actuarial bases	-3	-1
of which Pension to survivor	6	6
of which Miscellaneous	-7	-4
Payments for the year	-67	-72
Total provisions for pensions	1,420	1,457
Change in special employer's contributions for the year	15	5
Total provisions for pensions and special employer's contributions	1,435	1,462

The City's pension liability is accounted for under the statutory "mixed model", which means that all pensions earned before 1998 under earlier pension schemes are not entered as a provision, but shown as a contingent liability. Expected future special employer's contributions are also shown as a memorandum item. Payments concerning pension benefits earned before 1998 are shown as a cost in the Income Statement.

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.

From 2007 people with FÅP have the right to include employment time before 1998. In 2006 the City made a provision of 540 MSEK for the years 2007–2011 to meet this specific rise in debt. In 2008, this provision was assessed to be too low and the City therefore made a further provision of 40 MSEK for the period 2009–2011. In the 2010 final accounts, 81 MSEK remains of the total sum of 580 MSEK.

13. Other provisions

MSEK	2009	2010
Provision for restoration of landfill*		
Reported value at start of year	25	25
Provisions for the period	—	10
Provisions utilised	0	–1
Unused amounts reversed	—	—
Provisions b/f	25	34
Provision for Western Sweden package**		
Reported value at start of year	—	—
Provisions for the period	—	1,250
Provisions utilised	—	—
Unused amounts reversed	—	—
Provisions b/f	—	1,250
Provision for other infrastructure measures***		
Reported value at start of year	253	238
Provisions for the period	—	1
Provisions utilised	–15	–42
Unused amounts reversed	—	—
Provisions b/f	238	197
Other provisions****		
Reported value at start of year	68	50
Provisions for the period	—	6
Provisions utilised	–18	–19
Unused amounts reversed	—	—
Provisions b/f	50	37
Total balance b/f	346	313
Total provisions for the period	—	1,267
Total utilised	–33	–62
Total unused amounts reversed	—	—
Total balance c/f	313	1,518

* The Eco-cycle Committee is responsible for measures to protect the environment at closed landfills within the City of Gothenburg. The provision refers to a total of 17 closed landfills, of which the provision for Brudaremossen accounts for about 50 per cent. Brudaremossen lies in the Delsjö Lakes water protection area and some of the other closed landfills also lie in areas of great natural value. At some of the landfills there is a risk that private drinking water intakes may be affected. In 2010 measures have been taken at Brudaremossen totalling 1,233 (714) TSEK and at other landfills 1,046 (572) TSEK. A new calculation of the size of the provisions was made in November 2010. Uncertainty about the size of the provisions is considerable.

** In 2010 the City concluded an agreement on co-financing of infrastructure measures as part of the Western Sweden package, totalling 1,650 MSEK, of which 1,250 MSEK has been entered as a cost in the Income Statement and booked as a provision in the Balance Sheet. Payment for these measures is expected to start in the spring of 2011. The remaining 400 MSEK concerns land uses and there is a discussion on how these should be reported in the City's Income Statement and Balance Sheet. This will be checked out with other stakeholders in the Western Sweden package.

*** Refers to remaining costs for the Göta Tunnel and moving forward of certain investments to improve public transport in parts of the City of Gothenburg.

**** Other provisions refer to expected damages, unsettled investment grants to associations and foundations, remaining minor provisions for reorganisation and adjustment work in the IT area in the city of Gothenburg etc.

14. Long-term liabilities

MSEK	2009	2010
Debts to banks, credit institutes etc	17,919	17,869
Other long-term liabilities	89	86
Total long-term liabilities	18,008	17,955

15. Current liabilities

MSEK	2009	2010
Debts to banks, credit institutes etc	3,841	3,190
Accounts payable	1,416	1,518
Accrued expenses/ deferred income	3,273	2,535
Personnel taxes	201	210
Debts to the government	259	278
Other current liabilities	949	1,027
Other current liabilities Group companies	1,541	1,948
Total current liabilities	11,480	10,706

16. Guarantees

MSEK	2009	2010
<i>(Refers to loans and pension commitments)</i>		
Port of Gothenburg AB	1,409	1,404
Göteborg Energi AB	167	101
Other companies	351	333
Total guarantees Group companies	1,927	1,838
Other guarantees		
Private houses – government home loans	12	10
Foundations	587	576
Associations	138	154
Miscellaneous	30	34
Total guarantees external	767	774
Total guarantees	2,694	2,612

17. Pension obligations

MSEK	2009	2010
Pension obligations PA-KL active	5,875	4,837
Pension obligations PA-KL retired	2,506	3,218
Pension obligations annuity	431	419
Total pension obligations PA-KL	8,812	8,474
Pension obligations managers' agreements*	47	42
Guarantee commitments FPG/PRI	6	—
Other pension obligations**	15	6
Total pension obligations	8,880	8,522

* Pension obligations managers' agreements concern officials.

** Other pension obligations mainly concern elected politicians.

Redemption of pension obligations in contingent liabilities of 420 MSEK was made in 2001 and of 260 MSEK in 2002, a total of 680 MSEK. The City of Gothenburg's surplus funds in the insurance policy were 2 (3) MSEK as of 2010-12-31.

The degree of updating for the City of Gothenburg was 97 (93) per cent as of 2010-12-31.

**18. Special employer's contributions**

MSEK	2009	2010
Special employer's contributions	2,153	2,067
Total pension obligations and special employer's contributions	11,033	10,589

19. Future leasing expenses

MSEK	2009	2010
Operational leasing agreements		
Future minimum leasing fees (payments to leaser)*		
- within one year	233	257
- later than one year but within five years	544	645
- later than five years	534	448
Total leasing expenses	1,311	1,350

* The City of Gothenburg has changed the calculation model for future leasing expenses from 2009-12-31 so it is not possible to calculate correct comparative values for 2008-12-31.

20. Capital cover guarantee

MSEK	2009	2010
Capital cover guarantee*	400	400
Total capital cover guarantee	400	400

* Capital cover guarantee of no more than 400 MSEK concerning Göteborgs Kommunala Förvaltnings AB.

Accounting principles applied

One important part of fulfilling the task of accounting, to constitute a basis for relevant assessments and decisions, is that the various accounting principles are shown in an open and informative manner. In this section the accounting principles used by the City of Gothenburg are described.

Municipal accounting is regulated by the Local Authorities Act, Chapter 8 and the Municipal Accounting Act. In addition the Municipal Accounting Standards Council (RKR) gives recommendations for accounting in the municipal sector.

The City of Göteborg follows the recommendations issued by the Municipal Accounting Standards Council except for no. 13.1 Accounting of rent/leasing agreements and to some degree no. 10:1 "Provisions and contingent liabilities". Work is also in progress on how the City of Gothenburg should apply no. 18 "Receipts from charges, grants and sales". Any changes will probably be made in the 2012 budget.

Items affecting comparability

In the annual accounts of the City of Gothenburg there are a number of items affecting comparability. For an item to be regarded as affecting comparability, the item must amount to a considerable sum and be of such a kind that it is not expected to occur often or regularly.

In 2010 the City concluded agreements on co-financing of infrastructure measures as part of the Western Sweden package, totalling 1,650 MSEK, of which 1,250 MSEK has been entered as a cost affecting comparability in the Income Statement and booked as a provision in the Balance Sheet. Payment for these measures is expected to start in the spring of 2011. The remaining 400 MSEK concerns land uses and a study is in progress on how these should be reported in the City's Income Statement and Balance Sheet. This will be checked out with other stakeholders in the Western Sweden package.

Accounting of tax revenue

For 2009 and 2010 the City of Gothenburg follows the Municipal Accounting Standards Council's recommendation 4.2 "Accounting of tax revenue" and reports in accordance with the December forecast from Sweden's Municipalities and County Councils (SKL). In 2008 the City chose to record the 2008 settlement on the basis of SKL's February forecast.

Pensions

The City's pension liability is accounted for under the statutory "mixed model", which means that all pensions

earned before 1998 under earlier pension schemes are not entered as a provision, but shown as a contingent liability. Expected future special employer's contributions are also shown as a memorandum item. Payments concerning pension benefits earned before 1998 are shown as a cost in the Income Statement.

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.

The degree of updating for pensions was 97% in 2010.

From 2007 people with FÅP have the right to include employment time before 1998. In 2006 the City made a provision of 540 MSEK for the years 2007–2011 to meet this specific rise in debt. In 2008, this provision was assessed to be too low and the City therefore made a further provision of 40 MSEK for the period 2009–2011. In the 2010 final accounts, 81 MSEK remains of the total sum of 580 MSEK.

Redemption of pension obligations in contingent liabilities totalling 680 MSEK has been made (420 MSEK in 2001 and 260 MSEK in 2002).

Loan expenses in connection with investments

According to recommendation no. 15 from RKR, loan expenses in connection with investments can be reported by both the main rule and the alternative rule. The main rule means that the loan expenses are charged to earnings and the alternative rule means that the loan expenses, under certain conditions, may be charged to the acquisition cost. In line with the trend in general practice in Sweden in recent years, the City has gradually switched to accounting loan expenses for investments under the alternative rule. This means that the values for the past few years are not comparable, as two different methods have been applied. In 2010, the City's committees capitalised loan expenses of about 17 (17) MSEK.

Leasing

According to a decision by the City Council, the City's investments in movable property from 2007 are financed by leasing, with the municipal company Kommunleasing i Göteborg AB as the leasing company.



According to a decision of the City Council, the City's investments in movable property from 2007 are financed by leasing, with the municipal company Kommunleasing i Göteborg AB as the leasing company.

However, it is still so that the current value of financial leasing agreements comprises a smaller part in relation to the reported value of machinery and equipment in the Balance Sheet. The City of Gothenburg has therefore chosen to show all leasing agreements as rental agreements and not to follow recommendation 13.1 of the Municipal Accounting Standards Council (RKR), Accounting of Rental/Leasing Agreements, with regard to reporting of financial leasing objects (fixed assets and liabilities in the Balance Sheet).

Leasing agreements signed before 2003 and leasing agreements with a term of three years or less are regarded, in accordance with RKR 13.1, as operational agreements and shown as rental agreements.

Water and sewerage connection charges

Water and sewerage connection charges are shown as a receipt when supply of the connection is initiated. Charges for 2010 total 26 (17) MSEK.

Valuation of intangible and tangible fixed assets

An asset is regarded by the City of Gothenburg as a fixed asset if its life exceeds three years and the acquisition cost exceeds half a base amount, not including VAT. Fixed assets are valued at acquisition cost with an addition for value raising investments and deduction for planned depreciation and write-downs, if any. Investment grants received reduce the acquisition cost.

Development properties

Development properties are shown as tangible fixed assets. Work has been started to look over how the City should report and classify its development properties. The work is expected to be complete in 2011.

Investment grants made

Agreements entered into on grants made by the government or other legal person for investments in fixed assets that the City is not going to own or have recourse to, are shown as a cost in the Income Statement and a provision in the Balance Sheet when the agreement is concluded. The probability of the agreement being fulfilled forms the basis of the provision.

Financial assets and liabilities

Financial assets and liabilities are generally shown as long-term items. Reclassification to current items occurs when the City or the company desires repayment/non-extension of the financial item.

Depreciation

Depreciation of intangible and tangible assets is deter-

mined by the acquisition value of the assets less their residual value, if any, which constitutes the depreciable amount. Depreciation is spread over the asset's estimated period of use, which in all essentials corresponds to the depreciation periods given in the table. Depreciation is made from the time the investment is put to use.

Depreciation periods	Years
Expenses b/f for development work and similar work	5
Land improvements	20–50
Buildings	20–50
Kiosks, pavilions, barracks	10
Machinery, technical facilities and equipment	5–10
Staff computers and IT equipment	3

Provisions

Obligations that the City of Gothenburg has as of the balance sheet date where no consideration is expected to be received are shown as liabilities or provisions, depending on the time of payment and/or the size of the amount. See note 13 on page 68. They are recorded at acquisition cost and not as in RKR 10.1 i.e. at present value.

Contingent liabilities

Possible commitments where there is uncertainty as to the size of the amount and/or degree of discharge are recorded as contingent liabilities.

District Committees – financial performance

The recovery after the financial crisis and political decisions on better financing led the District Committees to report earnings of almost 150 million SEK, despite harsh prospects for the year.

In 2010 Gothenburg was divided into 20 districts. The committees' activities are almost entirely financed by City grants. City grants to the District Committees, which are based on the size and composition of the population in each district, finance the district's net costs for pre-school, compulsory school, elderly care, services for people with functional impairment, income support etc.

In addition, a special City grant is paid for a number of resource committee assignments, where the committee often has responsibility for meeting the needs of several districts or the whole city.

Financial performance

The difference between the City grants and the net costs is the committees' earnings. A committee can finance a deficit by using a surplus from previous years. From 2009 a limitation was introduced on the committees using their equity without approval from the City Executive Board.

Only one committee, Tuve-Säve District Committee, reported a negative deviation of any proportions from budgeted earnings for 2010.

Net earnings 2010

Committee (MSEK)	Net cost	City grants	Net earnings for the year
District Committees' population frame	-16,300	16,443	143
Resource committee assignments	-175	180	5
Total District Committees	-16,475	16,623	148

Historically low rise in costs

The net rise in costs for the population frame in 2010 was the lowest in the 2000s, despite a continued rise in the cost of income support. The most important explanations for this are that the volume of personnel fell during the spring and that salary rises in 2010 were comparatively low.

Trend in costs and personnel volume for the population frame

Change in per cent	2008	2009	2010
Net cost	7.3	3.8	2.1
Salary cost	8.5	3.2	1.9
Personnel volume, no. of hours worked	1.6	-0.8	-0.4

Further rise in numbers of children in pre-school

Apart from income support, the activity that had a somewhat higher rise in costs was pre-school. The explanation for this is that the number of children in pre-school and home daycare nurseries rose by about 1,000 children, equivalent to a rise of about four per cent.

Change in net costs per activity

Change in per cent	2008	2009	2010
Pre-school	10.0	4.6	6.0
Compulsory and special needs school and schoolchildren's care	3.1	2.0	-0.6
Elderly care	6.2	-0.1	0.8
Individual and family care, not inc. income support	5.6	1.3	2.3
Functional impairment	12.1	4.3	2.2

For the second year running the rise in costs in the field of functional impairment was appreciably lower than in previous years. This may be a sign that the area has been "normalised" and that the vigorous trend in volumes and costs that the LSS reform led to has now levelled out. School costs fell, although the number of pupils was about the same as in 2009. The most important reason was that in the autumn of 2009 the committees adjusted activities to the reduction in pupils the year before, which had an effect on the whole of 2010. Another reason was that in 2009 the committees had non-recurrent costs for retro-active compensation to independent schools for earlier years.

Assessment of the future

The committees are heading for an exciting time from 2011, with a new organisation where the number of committees has fallen to ten. The new organisation creates better prospects for more efficient activities and for the coordination of matters where this gives greater goal achievement. In the short term the reorganisation can also entail risks, as many take on new roles and different administrative cultures have to merge.



Departmental committees – financial performance

The City of Gothenburg has about 20 larger departmental committees. These reported costs of 12.6 billion SEK for 2010. The costs were chiefly financed by internal and external receipts of 8.1 billion SEK. The remaining 4.5 billion SEK was financed directly via City grants.

The departmental committees reported earnings of 66 MSEK for 2010, which was an improvement of 45 MSEK compared with 2009. Budget deviation for 2010 was 74 MSEK. This was slightly larger than in the previous year. The equity of the departmental committees at the end of the year totalled 514 MSEK.

The Eco-cycle Committee is the responsible body for and purchaser of municipal water and sewerage supplies and refuse handling. The activities get no City grants, but are financed by tariffs. The committee reported earnings of 16 MSEK (13) for 2010, which was over 22 MSEK greater than budget. The improvement is attributable to lower costs for refuse contracts and greater water and sewerage connection receipts. Included in net earnings for the year is a provision of 10 MSEK for restoration of the Brudaremossen landfill.

Eco-cycle Committee earnings and equity

MSEK	2008	2009	2010
Earnings			
Water supply	5	-4	5
Refuse handling	-11	17	10
Recycling	0	0	1
Total Eco-cycle Committee	-6	13	16
Equity, closing balance			
Water supply	13	9	15
Refuse handling	40	58	67
Recycling	1	1	2
Total Eco-cycle Committee	54	68	84

City of Gothenburg equity water and sewerage activities*

MSEK	2008	2009	2010
Equity	98	109	113

*Total equity for Gothenburg's water and sewerage tariffs is described in the table city of Gothenburg – equity water and sewerage activities. It shows the sum of equity for the Committee for Gothenburg Water and the Eco-cycle Committee's water and sewerage activities. Also included in the amount is 74 per cent of the equity portion of Gryaab AB's untaxed reserves. The City of Gothenburg owns about 71 per cent of Gryaab AB.

The Property Management Committee is the City's land and housing policy body. The committee reported earnings of 12 MSEK (6), which was 12 MSEK better than budget. The improvement for the current year is due to great restraint and caution in activities, a surplus in heat, electricity and water costs and unbudgeted compensation. Capital gains on fixed assets sold totalled 135 MSEK (68).

The main task of **the Road Traffic Committee** is to meet the transport needs of citizens and of in-dustry and commerce. The committee reported earnings of -10 MSEK (-4). Included in the earnings is a provision of about 8.5 MSEK that the committee made, owing to the Tax Authority's interpretation of VAT on parking receipts. Receipts for parking surveillance rose by 9 MSEK compared with 2009. Despite this rise, receipts were somewhat lower than budgeted, which has been offset by lower costs for maintenance. The committee reports investments of 112 MSEK on planned maintenance.

The Education Committee is responsible for the City's upper secondary schools, upper secondary special needs school and municipal adult education. The committee reports earnings of 12.6 MSEK. In October the committee forecast earnings of 35 MSEK for the whole year. Since making the forecast, measures have been taken to meet in a better way the needs of the department for the new upper secondary school, Gy2011. The volume of activities in adult education was greater than budgeted. The committee's adjustment costs, owing to fewer pupils in the City's upper secondary schools, have continued to be high.

The Supply of Premises Committee is responsible for the running and maintenance of municipal properties. The committee reported earnings of -19 MSEK (18). The deviation is due to higher costs for media, write-downs of Grevegård School and higher than budgeted costs for the winter.

Planned maintenance is an important cost item in the accounting of the departmental committees. Planned maintenance comprises investments made by the committees to ensure the long-term value of the facilities they are responsible for. In total, planned maintenance of 383 MSEK was carried out by the departmental committees in 2010, while the cost of repairs was 254 MSEK. A smaller amount of planned maintenance is planned for 2011.

Operational accounts – the City

MSEK	Receipts	Costs	Net costs	City grants	Net earnings for the year	Equity c/f
DISTRICT COMMITTEES						
Askim	113.4	-847.4	-734.0	729.8	-4.2	39.9
Backa	198.9	-1,003.5	-804.6	816.9	12.3	20.4
Bergsjön	118.9	-924.1	-805.2	833.8	28.7	66.7
Biskopsgården	245.0	-1,270.2	-1,025.2	1,028.9	3.8	39.4
Centrum	371.4	-1,547.6	-1,176.2	1,191.6	15.4	95.5
Frölunda/Högsbo	456.6	-1,626.9	-1,170.2	1,162.5	-7.7	23.2
Gunnared	203.1	-1,220.7	-1,017.6	1,024.2	6.7	25.4
Härlanda	219.9	-858.9	-639.0	639.3	0.2	53.9
Kortedala	170.9	-1,143.5	-972.6	974.1	1.5	48.2
Kärra-Rödbo	118.9	-487.0	-368.1	368.4	0.3	27.1
Linnéstaden	263.1	-1,012.3	-749.2	757.5	8.3	6.3
Lundby	332.0	-1,419.7	-1,087.6	1,107.2	19.5	60.1
Lärbjedalen	141.0	-1,337.9	-1,197.0	1,217.1	20.1	99.1
Majorna	273.5	-1,096.2	-822.7	825.3	2.6	59.2
Södra Skärgården	25.4	-187.9	-162.5	162.6	0.1	16.6
Torslanda	100.6	-843.4	-742.8	739.1	-3.8	10.3
Tuve-Säve	137.6	-521.2	-383.6	381.1	-2.5	2.2
Tynnered	309.5	-1,318.2	-1,008.7	1,022.3	13.6	56.1
Älvsborg	101.9	-638.4	-536.5	542.6	6.1	32.1
Örgryte	205.6	-1,103.1	-897.5	918.7	21.2	35.9
Resource committee assignments	49.2	-223.6	-174.4	180.5	6.1	28.7
TOTAL DISTRICT COMMITTEES	4,156.4	-20,631.6	-16,475.2	16,623.5	148.3	846.3
DEPARTMENTAL COMMITTEES WITH SPECIAL FOCUS						
Planning and Building Committee	123.6	-196.4	-72.9	86.8	13.9	41.0
Property Management Committee	369.4	-397.4	-28.0	40.0	12.0	62.0
Special Transport Committee	115.6	-304.2	-188.6	187.1	-1.5	29.7
Sports and Associations Committee	107.4	-385.8	-278.4	279.0	0.6	17.6
City Management	317.5	-704.3	-386.8	411.6	24.8	36.8
Consumer Committee	3.0	-14.3	-11.3	11.9	0.5	1.6
Cultural Affairs Committee	103.2	-337.4	-234.2	236.3	2.1	5.5
Supply of Premises Committee	1,455.2	-1,420.5	34.8	-53.6	-18.9	13.8
Environmental Committee	55.6	-93.3	-37.7	40.2	2.5	8.6
Committee for Intraservice	346.0	-346.0	0.0	0.0	0.0	0.0
Committee for Medichus	752.5	-685.1	67.3	-75.4	-8.1	16.4
Parks and Landscape Committee	243.2	-386.5	-143.4	140.4	-3.0	8.2
Social Welfare Resource Committee	383.4	-741.8	-358.4	379.2	20.8	49.8
Road Traffic Committee	1,252.6	-1,727.3	-474.6	464.8	-9.8	8.8
Education Committee	731.3	-2,156.9	-1,425.6	1,438.2	12.6	57.5
Electoral Committee	5.9	-13.7	-7.9	8.4	0.5	1.5
Adult Education Committee	101.5	-472.4	-371.0	392.0	21.1	53.9
Chief Guardians Committee	0.9	-14.8	-13.8	14.0	0.2	4.2



MSEK	Receipts	Costs	Net costs	City grants	Net earnings for the year	Equity c/f
Departmental committees						
Committee for Gothenburg Water	493.1	–492.4	0.7	0.0	0.7	33.3
Eco-cycle Committee	1,005.4	–989.4	16.0	0.0	16.0	84.0
OTHER DEPARTMENTAL COMMITTEES AND ALLOCATIONS						
Archives Committee	38.8	–53.9	–15.1	15.0	0.0	0.7
Business Region Gothenburg AB	0.0	–9.5	–9.5	9.5	0.0	0.0
Prop. Man. Com. transfer payments	0.0	–51.2	–51.2	52.5	1.3	1.3
Future public transport	17.8	–27.8	–10.0	10.0	0.0	0.0
GBG Co Träffpunkt AB	0.0	–80.9	–80.9	80.9	0.0	0.0
Sports and Associations Committee:						
Adult Education Associations	0.0	–31.2	–31.2	31.2	0.0	0.0
Keiller's Park	0.0	–0.5	–0.5	0.5	0.0	0.2
Premises Office	48.0	–92.3	–44.3	24.2	–20.1	–20.1
Auditors' Office	4.6	–28.9	–24.3	24.2	–0.1	1.5
Rescue Services Greater Gothenburg	0.0	–282.3	–282.3	282.3	0.0	0.0
Safe Beautiful City	1.7	–50.3	–48.5	48.5	0.0	0.0
Chief Guardians Committee Fees	0.0	–11.1	–11.1	9.2	–1.9	–3.5
TOTAL DEPARTMENTAL COMMITTEES	8,077.2	–12,599.7	–4,522.5	4,589.0	66.5	514.4
TOTAL COMMITTEES	12,233.7	–33,231.4	–20,997.7	21,212.6	214.9	1,360.8
Central municipal items	1,861.8	–1,992.9	21,081.5	0.0	–131.1	5,841.3
Property sales Capital gains/losses	135.5	0.0	135.5	0.0	135.5	0.0
Consolidations	0.0	9.8	9.8	0.0	9.8	141.0
TOTAL THE CITY	14,231.0	–35,214.5	229.1	21,212.6	229.1	7,343.1
JOINT STATUTORY AUTHORITIES						
Stretered Property	12.0	–14.9	–2.9	—	–2.8	3.9
Rescue Services Greater Gothenburg	557.8	–545.8	12.0	—	7.5	92.5
Acquisition company Göteborgs kommunalförbund	—	—	—	—	–2.0	—
Minority interest	—	—	—	—	–1.1	–26.2
TOTAL JOINT STATUTORY AUTHORITIES	569.8	–560.7	9.1	—	1.6	70.2

Investment accounts – the City

MSEK	Premises Office	Property Manage- ment Committee	Committee for Medichus and Supply of Premises Committee	Parks and Land-scape Committee	Sports and Ass. Committee	Road Traffic Committee	Committee for Gothenburg Water	Total
INVESTMENTS								
Invest b/f / purchases	710.8	147.7	183.4	23.0	64.9	175.2	136.7	1,441.6
Total investment expenses	710.8	147.7	183.4	23.0	64.9	175.2	136.7	1,441.6
Investment grants, government	0	0	0	0	0	-4.6	0	-4.6
Investment grants, other	-62.8	-0.1	-1.5	-0.8	-2.2	-9.9	0	-77.3
Total investment income	-62.8	-0.1	-1.5	-0.8	-2.2	-14.5	0	-81.9
Total investments net	648.1	147.6	181.9	22.1	62.7	160.7	136.7	1,359.8
DEVELOPMENT								
Invest b/f / purchases	0	172.5	0	0.6	0	139.0	17.1	329.3
Total development expenses	0	172.5	0	0.6	0	139.0	17.1	329.3
Investment grants, government	0	0	0	0	0	0	0	0
Investment grants, other	0	-258.6	0	0	0	-136.1	0	-394.7
Total development income	0	-258.6	0	0	0	-136.1	0	-394.7
Total development net	0	-86.1	0	0.6	0	2.9	17.1	-65.5
Total net investments inc development	648.1	61.5	181.9	22.7	62.7	163.7	153.8	1,294.3



4 COMBINED ACCOUNTS FINANCIAL ANALYSIS AND ACCOUNTS »

In the municipal sector, Group accounts are called combined accounts. In this block the financial position and development of the combined accounts are analysed from a number of perspectives. The statutory financial statements and additional information are also found here.



COMBINED ACCOUNTS FINANCIAL ANALYSIS AND ACCOUNTS

79 Financial analysis of the combined accounts

A financial analysis of the combined accounts is made here. Important elements of it are trends and an overall perspective. The analysis should allow an assessment of the organisation's control of how cash in and outflows in the short and long term are kept at a level that permits qualitatively good activities.

84 Income Statement, Funds Statement, Balance Sheet

The financial statements of the combined accounts are shown on three pages.

87 Notes – combined accounts

Notes to the financial statements are found here.

90 Accounting principles applied – combined accounts

An important part in living up to the task of accountancy, to comprise relevant assessment and decision data, is that different accounting principles are shown in an open, informative way.

92 Internal transactions

In the combined accounts there are a number of internal transactions between the various accounting units. A comprehensive report of these is shown in this section.

93 Analysis of Göteborgs Kommunala Förvaltnings AB

Göteborgs Kommunala Förvaltnings AB (GKF AB) has since 1996 been the parent company of a Group wholly owned by the City of Gothenburg, the GKF Group. There are 18 directly owned subsidiaries, of which 5 are dormant.

95 Earnings and investment analysis of some larger Groups and companies

On these three pages a brief earnings and investment analysis is given of a number of large Groups and companies. Among these are Göteborg Energi AB, Port of Gothenburg AB, Liseberg AB, Förvaltnings AB Framtiden and Göteborgs Spårvägar AB.

98 Groups and companies in figures

A number of financial key figures are shown in tabular form for each Group or company. They concern the operation's income, earnings after financial items, net earnings for the year, investments, total assets, equity and equity-assets ratio.



Financial analysis of the combined accounts

The combined accounts showed net earnings for the year of 638 MSEK, which was a weakening of 168 MSEK compared with 2009.

Included in the earnings was a cost affecting comparability of 1.2 billion SEK for infrastructure investments. Excluding this item, earnings were 1.9 billion, which was an improvement of 1.1 billion SEK compared with the previous year. Most of the improvement was attributable to the municipal sector.

The volume of investments in the combined accounts fell by over two per cent, from 5.8 billion SEK in 2009 to 5.6 billion SEK in 2010.

Long-term financial manoeuvrability in the form of the equity-assets ratio was strengthened and was 26 per cent at the end of 2010.

Description of the financial model

In order to survey and analyse the earnings, trends and position of the combined accounts, or Group accounts, as they are called in the private sector, a special financial analysis model is used, based on four important financial aspects: financial results, trend in capacity, risk conditions and control of financial developments. These four aspects, labelled earnings – capacity and risk – control, comprise the cornerstones of the model.

The objective is to identify any financial opportunities and problems on this basis and thereby try to clarify whether the City has good financial management, as prescribed in the Local Government Act.

Turnover rose by 1.6 billion

The City of Gothenburg Group reported receipts of almost 48 billion SEK in 2010, of which tax revenue was over 23 billion SEK. Receipts rose by 1.6 billion SEK compared with 2009.

Higher receipts for the City are explained by a tax rise of 0.25 SEK, the government's business cycle support and a gradually improved trend in the real underlying tax base.

In the company sector, operating income rose by 4% compared with the previous year, of which Göteborg Energi accounted for the largest rise, as a consequence of cold weather, among other things.

Net earnings weakened by over 100 MSEK

Net earnings for the year, after eliminations within the Group, totalled 638 MSEK, of which the City contributed with 229 MSEK and the municipal companies with 442 MSEK. Compared with the previous year, earnings fell by 167 MSEK, mainly attributable to the municipal sector.

Included in the earnings, however, is a non-recurrent cost affecting comparability of 1,250 MSEK for co-financing of infrastructure costs for the Western Sweden package. Excluding this cost affecting comparability, earnings totalled 1,888 MSEK. By the same measure, earnings in 2009 were 532 MSEK. This means that the year's earnings, not including items affecting comparability, improved by almost 1.4 billion SEK between 2009 and 2010. The most important explanations for this were, as mentioned earlier, higher tax revenue and the government's business cycle support, which was largely temporary in 2010.

If the Group's earnings are analysed, not including items affecting comparability of almost 1.9 billion, the City accounted for almost 80% of total earnings, while this is more than halved if earnings include items affecting comparability.

The companies' earnings totalled 442 MSEK, a decline of 174 MSEK compared with 2009, though the previous year's earnings were affected by a capital gain of 234 MSEK. Earnings for 2010 are also affected by non-recurrent items, in the form of write-downs of fixed assets in several companies.

Among the companies, it was mainly Göteborg Energi AB that contributed to the positive earnings of 442 MSEK. This was so the previous year too. Förvaltnings AB Framtiden, Gothenburg Port Holding AB and Liseberg AB may be mentioned as other contributors to the positive earnings. Förvaltnings AB Framtidens earnings fell, however, in 2010, largely as a result of greater heating costs. Gothenburg Port Holding's earnings rose as a result of greater volumes.

Net turnover and earnings per City and companies

MSEK	2008	2009	2010
Net turnover	42,480	46,139	47,757
of which the City	29,527	29,720	30,900
of which companies	17,167	19,113	19,822



Earnings per City and company

MSEK	2008	2009	2010
Earnings after financial items	667	1,069	929
of which the City	281	552	229
of which companies	405	808	733
Net earnings for the year	682	805	638
of which the City	281	552	229
of which companies	420	597	442
Net earnings for the year not inc. items affecting comparability	824	532	1,888

Investments per City and company respectively

MSEK	2008	2009	2010
Volume of investments	6,592	5,757	5,623
of which companies	4,958	4,709	4,291
of which the City	1,827	1,444	1,360
Volume of investments / gross costs	18%	14%	13%
of which the City	7%	5%	5%
of which companies	38%	31%	28%
Investments / depreciation	220%	189%	158%
of which the City	286%	202%	174%
of which companies	228%	207%	176%

Marginal reduction in investments

The volume of investments in the combined accounts fell marginally by just over two per cent during the year, from almost 5.8 billion SEK in 2009 to over 5.6 billion SEK in 2010. The reduction was attributable to both the City and the companies, though the largest reduction was in the company sector.

The largest part, 86%, of the company sector's investment volume of 4.3 billion was in new investments of various kinds. Förvaltnings AB Framtiden and Göteborg Energi AB accounted for 60% of the total volume of investments, totalling over 2.6 billion, comprising among other things new production and rebuilding of housing and investments in wind power plants. Other companies with a large volume of investments were Älvstranden Utveckling AB, Kommunleasing Göteborg AB and Renova AB, which together invested for over 1 billion SEK.

Degree of financing of investments

MSEK	2008	2009	2010
Degree of financing of investments	56%	71%	80%
of which the City	50%	88%	74%
of which companies	52%	65%	74%

Internal funds financed 80% of investments in 2010. This has risen in the past three years, which means that more and more investments are financed by internal funds and the Group does not therefore need to borrow as much to finance their investments. This strengthens the long-term financial manoeuvrability of the City and the companies.

Income Statement for the City, joint statutory authorities and companies

	Operating income inc. tax revenue	Operating expenses inc. depreciation	Net operating expenses	Net financial items inc. tax revenue	Earnings after net financial items	Taxes	Net earnings for the year
The City	6,940	-29,848	-22,908	23,137	229	—	229
Joint Statutory Authorities	570	-561	9	-6	3	-1	2
Companies	19,743	-18,023	1,720	-987	733	-291	442
of which							
Göteborg Energi AB	8,059	-7,156	903	-84	819	-253	566
Förvaltnings AB Framtiden	5,096	-4,498	598	-480	118	-33	85
Gothenburg Port Holding AB	1,662	-1,505	157	-39	118	-31	87
Renova AB	1,196	-1,143	53	-22	31	-8	23
Liseberg AB	904	-833	71	-6	65	-18	47
Hantverks- och Industrihus i Gbg AB	621	-599	22	-97	-75	19	-56
Älvstranden Utveckling AB	423	-258	165	-94	71	-50	21
Other companies	3,461	-3,749	-288	662	374	-238	136
Eliminations companies	-1,679	1,718	39	-827	-788	321	-467
Group eliminations	-2,956	2,910	-46	10	-36	1	-35
Total the Group 2010	24,297	-45,522	-21,225	22,154	929	-291	638
Total the Group 2009	23,950	-43,712	-19,762	20,831	1,069	-264	805



Balance Sheet for the City, joint statutory authorities and companies

MSEK	Fixed assets	Current assets	Total assets	Equity	Provisions	Long-term liabilities	Current liabilities	Total equity and liabilities
The City	27,331	11,653	38,984	7,343	2,980	17,955	10,706	38,984
Joint Statutory Authorities	201	335	536	100	316	0	120	536
Companies	54,135	6,655	60,790	13,697	5,085	24,281	17,727	60,790
Förvaltnings AB Framtiden	25,465	686	26,151	8,126	1,673	9,368	6,984	26,151
Göteborg Energi AB	11,100	2,583	13,683	4,606	1,702	4,231	3,144	13,683
Hantverks- och Industrihus i Göteborg AB	4,231	240	4,471	535	111	1,625	2,200	4,471
Älvstranden Utveckling AB	4,637	271	4,908	325	501	3,847	235	4,908
Göteborg Port Holding AB (Port of Gothenburg AB)	2,589	1,250	3,839	272	560	1,734	1,273	3,839
Renova AB	1,865	314	2,179	360	219	333	1,267	2,179
Liseberg AB	830	198	1,028	606	44	181	197	1,028
Other companies	4,062	2,492	6,554	-505	490	2,962	3,607	6,554
Eliminations companies	-644	-1,379	-2,023	-628	-215	—	-1,180	-2,023
Eliminations the Group	-15,031	-11,827	-26,858	-2,348	-154	-14,247	-10,109	-26,858
Total the Group 2010	66,636	6,816	73,452	18,792	8,227	27,989	18,444	73,452
Total the Group 2009	64,920	7,304	72,224	18,160	6,526	32,330	15,208	72,224

Total assets of 73.5 billion

Total assets are 73.5 billion SEK, of which the City accounts for 39 billion and the companies for 61 billion. In the company sector, the property Groups Framtiden and Higab, with Göteborg Energi account for the majority of the assets. The Groups in the property business account for almost 42 per cent of the company sector's total assets.

Return on equity and total capital are examples of profitability measures, describing earnings in relation to capital input. The size depends on the business and on risk taking. Comparisons can often be made over time and in each respective line of business. Both return on equity and total capital lie between 3–4 per cent for the Group in the past three-year period. Return on total capital has fallen in the past three years, mainly in the City. In this connection it is important to point out that these measures should only be seen as an indicator over time, as these key figures are not used in the control of combined accounts.

Some key figures from the Balance Sheet

MSEK	2008	2009	2010
Total assets	69,507	72,224	73,452
of which the City	35,225	38,350	38,984
of which companies	57,392	59,649	60,790
Return on equity	3.9%	4.4%	3.4%
of which the City	4.3%	7.8%	3.1%
of which companies	3.1%	4.3%	3.2%
Return on total capital	3.9%	3.4%	3.0%
of which the City	5.3%	3.9%	2.7%
of which companies	3.3%	3.2%	3.0%

Equity-assets ratio strengthened

The equity-assets ratio is a measure of long-term financial manoeuvrability. In the combined accounts it has developed favourably in recent years. In 2010 the equity-assets ratio improved by one percentage point to almost 26 per cent. In the past three years the equity-assets ratio has risen both by the mixed model and the fully funded model, which is a positive trend. The rise is due to positive earnings at the same time as assets have increased.

There is no general level for how high the equity-assets ratio should be for a Group of the size of the City of Gothenburg. A high equity-assets ratio means that there is greater manoeuvrability, as also an ability to handle fluctuations in the trend of earnings. So it is positive that the equity-assets ratio in the combined accounts is strengthened.

However, it is even more important that the various Groups and companies included in the combined accounts have a good equity-assets ratio. Otherwise there is a risk that the City as owner will have to contribute funds if the companies have financial difficulties. Most of the City of Gothenburg's companies report good equity-asset ratio levels and in many of the companies the equity-assets ratio has risen in recent years.

Equity-assets ratio

Per cent	2008	2009	2010
Equity-assets ratio (mixed model)	25	25	26
Equity-assets ratio (fully funded)	9	10	11
Change in assets	7	4	2
Change in equity	4	5	3



Reduced indebtedness

Total indebtedness was 74 per cent, a fall of one per cent compared with the previous year. This is positive for the Group's net financial items, while the reduced indebtedness means less financial risk to the Group.

The reduced degree of indebtedness in the Group is primarily due to reduced long-term liabilities. In the company sector, long-term liabilities have fallen to the same extent that current liabilities have risen, among other things as a result of certificate loans in the Framtiden Group.

The greater degree of provisions is primarily due to greater provisions in the City. In 2010 provisions rose by 1.2 billion SEK, which can be attributed to provisions for co-financing of infrastructure costs for the Western Sweden package.

Degree of indebtedness

Per cent	2008	2009	2010
Total degree of indebtedness	75%	75%	74%
of which degree of provision	9%	9%	11%
of which short-term degree of indebtedness	21%	21%	25%
of which long-term degree of indebtedness	45%	45%	38%
of which the City	81%	81%	81%
of which companies	77%	77%	78%

Liquidity weakened

Short-term manoeuvrability in the form of the acid-test ratio fell by 11 per cent compared with the previous year and now lies at 35 per cent. The fall is mainly due to a sharp rise in short-term borrowing in the company sector during the year.

The City functions as an internal bank for most of the City's companies. In recent years the City has kept its acid-test ratio at such a level that the City, in a short and medium term financial perspective, does not need to take drastic measures to meet financial payments.

Net financial assets strengthened

Included in the net financial assets measure are all the financial assets and liabilities in the Balance Sheet that the City expects to turn over in a period of 10–20 years, namely financial fixed assets, current assets and current and long-term liabilities. The measure is important, since it reflects the financial readiness to act, which lies somewhere between the short-term liquidity measures and the long-term equity-assets measure.

Net financial assets improved by 0.7 billion SEK between 2009 and 2010, from -39.6 billion to -38.9 billion. The greatest explanation for this was that some of the assets increase was financed by equity, while indebtedness was weakened.

One component of net financial assets is net borrow-

ings. This is the part the City has used to loan finance its fixed assets. The City's part of this has weakened. One important explanation for this was that the City made a provision in 2010 of 1,250 MSEK for the Western Sweden package. This provision is shown in the accounts as a cost, but payment will not be made until 2011, when it will affect net borrowings adversely.

Net financial assets

MSEK	2008	2009	2010
Other current receivables and liabilities (net)	-7,382	-7,903	-11,629
Other long-term receivables and liabilities (net)	-30,886	-31,771	-27,356
Net financial assets	-38,268	-39,674	-38,985
of which the City	-4,655	-4,658	-3,533
of which companies	-30,901	-32,246	-33,305

Pension commitments totalled 13 billion

The total pension commitments of the City of Gothenburg Group are 13,192 MSEK, a reduction of about 500 MSEK compared with the previous year. It is mainly in the City that pension commitments have fallen. Of the total pension commitments, 10,529 MSEK refer to commitments for pensions and special employer's contributions older than 1998. These commitments are not shown as a provision in the Balance Sheet, but as a contingent liability, in accordance with municipal accounting legislation.

Summarising comments

Bearing in mind the dark clouds that were depicted for the municipal and company sector in 2008, the City and the great majority of Groups and companies have financially come surprisingly unscathed through the crisis, both in 2009 and 2010. Both the City and most of the large Groups have a stable financial position for the future.

However, there are a number of challenges waiting round the corner for both the City and the individual companies. For the companies working in a competitive market, their own competitive ability is decisive to the future of the company. These include Förvaltnings AB Framtiden, Gothenburg Port Holding AB, Liseberg AB and to some extent even Göteborg Energi AB and Got Event AB. These will be affected to a varying degree by changes in legislation in several areas. There is, however, financial readiness in most of the Groups and companies to meet these changes.



The following units are included in the 2010 combined accounts

CITY OF GOTHENBURG Operating income 30,067 MSEK Assets 38,984 MSEK Earnings 229 MSEK 47 committees	FÖRVALTNINGS AB FRAMTIDEN Operating income 5,096 MSEK Assets 26,151 MSEK Earnings 85 MSEK 15 subsidiaries	GÖTEBORG ENERGI AB Operating income 8,059 MSEK Assets 13,683 MSEK Earnings 566 MSEK 13 subsidiaries
JOINT STATUTORY AUTHORITY RESCUE SERVICES GREATER GOTHENBURG Operating income 558 MSEK Assets 527 MSEK Earnings 8 MSEK	GOTHENBURG PORT HOLDING AB Operating income 1,662 MSEK Assets 3,389 MSEK Earnings 87 MSEK 2 subsidiaries	LISEBERG AB Operating income 904 MSEK Assets 1,028 MSEK Earnings 47 MSEK 3 subsidiaries
HIGAB Operating income 622 MSEK Assets 4,471 MSEK Earnings –56 MSEK 5 subsidiaries	ÄLVSTRANDEN UTVECKLING AB Operating income 423 MSEK Assets 4,907 MSEK Earnings 21 MSEK 2 subsidiaries	GÖTEBORGS SPÅRVÄGAR AB Operating income 1,629 MSEK Assets 784 MSEK Earnings –56 MSEK 3 subsidiaries
RENOVA AB Operating income 1,196 MSEK Assets 2,180 MSEK Earnings 23 MSEK 2 subsidiaries	KOMMUNLEASING I GÖTEBORG AB Operating income 374 MSEK Assets 2,270 MSEK Earnings –93 MSEK	GÖTEBORGS GATU AB Operating income 470 MSEK Assets 416 MSEK Earnings 16 MSEK
GRYAAB AB Operating income 269 MSEK Assets 1,492 MSEK Earnings 0 MSEK	GÖTEBORG & CO KOMMUNINTRESSENT AB Operating income 217 MSEK Assets 72 MSEK Earnings 1 MSEK 1 subsidiary	FÖRSÄKRINGS AB GÖTA LEJON Operating income 115 MSEK Assets 241 MSEK Earnings 2 MSEK 1 subsidiary
GOT EVENT AB Operating income 133 MSEK Assets 116 MSEK Earnings –75 MSEK	BUSINESS REGION GÖTEBORG AB Operating income 104 MSEK Assets 160 MSEK Earnings –35 MSEK	GÖTEBORGS STADS UPPHANDLINGS AB Operating income 35 MSEK Assets 29 MSEK Earnings 4 MSEK
GÖTEBORGSREGIONENS FRITIDSHAMNAR AB Operating income 45 MSEK Assets 99 MSEK Earnings 1 MSEK	GÖTEBORGS STADSTEATER AB Operating income 59 MSEK Assets 60 MSEK Earnings –67 MSEK	BOPLATS GÖTEBORG AB Operating income 9 MSEK Assets 8 MSEK Earnings 0 MSEK

Income Statement – combined accounts

Amounts in MSEK	2008	2009	2010
Operating income note 21	20,544	23,950	24,297
Operating expenses note 21, 33	–36,644	–40,671	–40,721
Items affecting comparability note 23	–142	0	–1,250
Depreciation and write-downs note 24	–3,000	–3,041	–3,550
Net cost of operations	–19,242	–19,762	–21,224
Tax revenue note 5	19,005	19,437	19,888
Municipal financial equalisation etc note 5	2,268	2,366	3,239
Financial receipts note 25	663	386	333
Financial expenses note 25	–2,027	–1,358	–1,307
Earnings after financial items	667	1,069	929
Current and deferred tax	21	–231	–273
Minority share	–6	–33	–18
Net earnings for the year	682	805	638



Balance Sheet – combined accounts

Amounts in MSEK	2008	2009	2010
ASSETS			
FIXED ASSETS			
Intangible fixed assets note 24	403	639	645
Tangible fixed assets note 24	61,501	63,722	65,358
Financial fixed assets note 26	662	560	633
Total fixed assets	62,566	64,921	66,636
CURRENT ASSETS			
Stores and stocks	399	346	381
Current receivables note 27	4,535	4,875	5,195
Short-term investments	202	205	198
Cash and bank	1,805	1,877	1,042
Total current assets	6,941	7,303	6,816
TOTAL ASSETS	69,507	72,224	73,452
EQUITY, PROVISIONS AND LIABILITIES			
EQUITY note 28	17,064	17,879	18,517
of which net earnings for the year	682	805	638
MINORITY INTEREST	271	282	275
PROVISIONS			
Provisions for pensions and similar obligations note 29	2,475	2,613	2,649
Deferred tax liability	2,976	3,160	3,295
Other provisions note 30	850	753	2,282
Total provisions	6,301	6,526	8,226
LIABILITIES			
Long-term liabilities note 31	31,548	32,330	27,989
Current liabilities note 32	14,323	15,207	18,445
Total liabilities	45,871	47,537	46,434
Total equity, provisions and liabilities	69,507	72,224	73,452
Pledged assets and contingent liabilities note 34	14,407	14,489	13,740

Cash Flow Analysis – combined accounts

Amounts in MSEK	2008	2009	2010
CURRENT OPERATIONS			
Earnings after financial items	667	1,069	929
Reversal of depreciation and write-downs	3,000	3,041	3,550
Current tax paid	-59	-53	-162
Adjustment items current operations, see note below	86	35	1,565
Total liquid funds from operations	3,694	4,092	5,882
NET INVESTMENTS inc sales			
Intangible fixed assets	-138	-300	-158
Tangible fixed assets	-6,128	-5,198	-5,035
Shares and participation rights	6	-182	10
Total net investments	-6,260	-5,680	-5,183
FINANCING			
Increase (-) / decrease (+) long-term receivables	113	285	-83
Increase (+) / decrease (-) long-term liabilities	1,796	782	-4,341 *
Total financing	1,909	1,067	-4,424
CHANGE IN TIED UP CAPITAL			
Increase (-) / decrease (+) stores and stocks	4	53	-35
Increase (-) / decrease (+) current receivables and short-term investments	94	-342	-313
Increase (+) / decrease (-) current liabilities	1,764	884	3,238 *
Total change in tied up capital	1,862	595	2,890
CHANGE IN CASH AND BANK (LIQUID FUNDS)	1,205	74	-835

* Framtiden Group: reclassification of long-term liabilities to current liabilities 4 MSEK (decrease long-term liabilities: 3.9 MSEK, increase current liabilities: 4.4 MSEK)

Items not affecting liquidity, MSEK	2008	2009	2010
Change in pension provisions etc	159	138	36
Change in other provisions	-57	-97	1,529
Other adjustments	-16	-6	1
Total items not affecting liquidity	86	35	1,565



Notes – combined accounts

Notes 1-20 are on pages 65-69.

21. Operating income

MSEK	2009	2010
Charges	2,668	2,430
Rents and leases	5,778	5,831
Grants	2,061	2,187
Other receipts	13,443	13,849
Total operating income	23,950	24,297

22. Operating expenses

MSEK	2009	2010
Income support	-1,146	-1,218
Personnel expenses	-19,087	-19,068
Cost of premises	-863	-1,049
Other operating expenses	-19,575	-19,386
Total operating expenses	-40,671	-40,721

23. Items affecting comparability

MSEK	2009	2010
Western Sweden package	—	-1,250
Total costs affecting comparability	—	-1,250
Total items affecting comparability	—	-1,250

25. Financial receipts and expenses

MSEK	2009	2010
Financial receipts		
Interest receipts	283	279
Earnings from shares and participation rights	—	26
Other financial receipts	103	28
Total financial receipts	386	333
Financial expenses		
Interest expenses	-1,326	-1,294
Earnings from shares and participation rights	-18	—
Other financial expenses	-14	-13
Total financial expenses	-1,358	-1,307
Net financial items	-972	-974

24. Intangible and tangible fixed assets

MSEK	Goodwill	Other intangible assets.	Buildings and land	New facilities in progress	Machinery and technical facilities	Other equipment	Total
Acc acquisition value	529	705	64,216	3,546	21,796	7,657	98,449
Acc write-ups		-1	3,998		9		4,006
Acc depreciation	-273	-316	-19,238	-9	-10,111	-4,176	-34,123
Acc write-downs	-5		-3,660	-8	-229	-69	-3,971
Book value b/f	251	388	45,316	3,529	11,465	3,412	64,361
Year's net acquisitions	9	155	707	3,158	282	1,544	5,855
Year's depreciation	-35	-64	-1,789	-2	-757	-662	-3,309
Year's reversed write-downs			169				169
Year's write-downs	-49	-4	-174	-33	-52	-99	-411
Year's discards	0	-9	-385	-22	-31	-164	-611
Reclassification /transfers*		3	3,514	-3,892	124	200	-51
Book value c/f	176	469	47,358	2,738	11,031	4,231	66,003

* Reclassification refers to assets moved between different types of asset. Included in reclassification is an adjustment in the year's balance b/f.

26. Financial fixed assets

MSEK	2009	2010
Shares and participation rights	167	177
Deferred tax claim	5	5
Other long-term receivables	388	451
Total financial fixed assets	560	633
Shares and participation rights		
Associated companies	Book value	Book value
Lerum Fjärrvärme AB	44	44
FordonsGas Sverige AB	36	40
Other companies	25	36
Total associated companies	105	120
Other companies		
Västtrafik AB	31	31
Lerum Energi AB	23	23
Other companies	8	3
Total other companies	62	57
Total shares and participation rights	167	177

27. Current receivables

MSEK	2009	2010
Accounts receivable	1,442	1,591
Prepaid expenses/accrued income	2,171	2,595
Receivables from the government	449	455
Other receivables	812	554
Total current receivables	4,875	5,195

28. Equity

MSEK	2009	2010
Equity b/f	17,064	17,879
Other adjustments *	10	0
Net earnings for the year	805	638
Equity c/f	17,879	18,517

* Change in equity in 2009, apart from net earnings for the year, is mainly due to an adjustment of 9 MSEK in the tax rate for the GKF Group for 2008.

29. Pensions

MSEK	2009	2010
a) The Group		
Benefit determined retirement pensions	2,542	2,571
Negotiated pensions, fixed-term pensions	71	78
Total	2,613	2,649
b) Change in provisions over the year		
At start of year	2,413	2,613
Additional provisions	297	145
Amounts utilised	-96	-96
Reversed unused amounts	-1	-2
Reclassification	0	-11
Total	2,613	2,649

30. Other provisions

MSEK	2009	2010
a) The Group		
Western Sweden package	—	1,250
Nat. Road Admin. public transport	146	104
Göta thoroughfare	92	93
Restoration of landfills (Eco-cycle)	25	34
Provision future commitments (Älvstranden utveckling AB)	—	157
Sale of Västra Eriksberg	106	93
Write-down of project (Higab)	—	100
Restoration of landfills (Renova)	66	59
Commitment in concession agreement (GHAB*)	—	60
New port approach to outer harbours (GHAB)	60	56
Actuarial provision (GHAB)	28	28
Restructuring of city gas grid in Gbg	52	25
Loss agreement (Göteborgs Spårvägar AB)	31	37
Provision for restructuring (Göteborgs Spårvägar AB)	35	24
Provision for restructuring (Göteborgs Gatu AB)	—	16
Guarantee commitments	5	60
Future environmental measures	22	17
Artificial grass fields (Kommunleasing)	3	5
Miscellaneous	82	64
Total other provisions	753	2,282

* Port of Gothenburg AB

b) Change in other provisions over the year

At start of year	850	753
Additional provisions	46	1,696
Amounts utilised	-150	-124
Reversed unused amounts	7	-4
Miscellaneous	—	-39
Total	753	2,282

31. Long-term liabilities

MSEK	2009	2010
Debts to banks, credit institutes etc	31,816	27,874
Overdraft	434	113
Other long-term liabilities	80	2
Total long-term liabilities	32,330	27,989

32. Current liabilities

MSEK	2009	2010
Debts to banks, credit institutes etc	4,805	8,717
Accounts payable	2,590	2,674
Personnel taxes	219	246
Debts to the government	1,441	380
Other current liabilities	1,302	1,337
Accrued expenses/deferred income	4,850	5,091
Total current liabilities	15,207	18,445

33. Leasing – operational leasing agreements

MSEK	2009	2010
Year's paid leasing fees	86	201
Agreed future leasing fees- operational leasing agreements		
Time of maturity within one year	70	148
Time of maturity two to five years	160	252
Time of maturity later than five years	58	72



34. Pledged assets and contingent liabilities

MSEK	2009	2010
Guarantees		
Private houses – government housing loans	12	10
Foundations	587	576
Associations	138	154
Miscellaneous	30	34
Total guarantees	767	774
Pension obligations		
Pension obligations PA-KL active	5,875	4,837
Pension obligations PA-KL retired	2,506	3,218
Pension obligations annuity	431	419
Total pension obligations PA-KL	8,812	8,474
Pension obligations managers' agreements	47	42
Other pension obligations	200	31
Guarantee commitments FPG/PRI	5	6
Total pension obligations	9,064	8,553
Special employer's contributions	2,155	2,069
Total pension obligations and special employer's contributions	11,219	10,622
Other contingent liabilities	33	55
Pledged assets	14,489	13,740

Renova AB has contingent liabilities amounting to considerable sums for the cost of restoration of landfills, in excess of the book liability as of 2010-12-31.

Accounting principles

– combined accounts

One important part of fulfilling the task of accounting, to constitute a basis for relevant assessments and decisions, is that the various accounting principles are shown in an open and informative manner. In this section the principles used for the combined accounts are described.

The combined accounts are prepared in accordance with recommendation 8.2 Combined Accounts of the Council for Municipal Accounting (RKR). This covers the municipal City of Gothenburg, the joint statutory authorities and the wholly or partly owned companies in which the City directly or indirectly has more than half the votes or in some other way has considerable influence.

The City of Gothenburg conducts extensive activities, primarily through wholly or partly owned share companies, but also through joint authorities.

For the company accounts, the Financial Accounting Standards Council (RR) and the Accounting Standards Board (BFN) provide recommendations, instructions and statements. The Municipal Accounting Act, with appended recommendations, applies to the joint authorities. This means that different rules apply for the City and the companies. In the combined accounts, some parts of the companies' accounting principles have been adjusted in accordance with the City's accounting principles.

The combined accounts are prepared in accordance with the acquisition accounting method, which means that the parent company indirectly acquires the subsidiary's assets and liabilities, valued at actual value. In the combined Balance Sheet the parent company's book value of its share in subsidiaries is eliminated against the acquired share of the subsidiaries' equity. In the Group's equity, therefore, is only that part of the subsidiaries' equity that has been added after the acquisition, together with the parent company's equity. In the combined Income Statement, the minority share of net earnings for the year is shown. The minority share of a subsidiary's capital is shown as a separate item in the Balance Sheet. A disposed of subsidiary is included in Group earnings until the time of disposal. On acquisition of a subsidiary, earnings are included in Group earnings from the time of acquisition.

Associated companies

Associated companies are shown in accordance with the equity method. Companies that are not subsidiaries, but where there is a long-term direct or indirect holding of at least 20 per cent and not more than 50 per cent (usu-

ally the share of voting power), are shown as associated companies. The parent company's shares in associated companies are shown at acquisition value. In the combined accounts, shares in associated companies are shown at acquisition value adjusted by the Group's share of the associated company's equity and 73.7 per cent of untaxed reserves. In the combined Income Statement, the share of the associated company's earnings before tax is included as income. The share of the associated company's tax is shown as a tax expense in the combined Income Statement.

Intangible fixed assets

Intangible fixed assets are shown at acquisition cost less depreciation according to plan and write-downs, if any. Depreciation according to plan is calculated with regard to the fixed asset's expected useful life. The linear depreciation method is used for all types of intangible fixed assets.

Goodwill comprises the amount by which the acquisition value exceeds the real value of the Group's share of acquired net assets or assets and liabilities at the time of acquisition. Depreciation of goodwill is made at 5–20 per cent. Goodwill attributable to Kungälv Transporttjänst AB is written down by 20 per cent per year. Goodwill attributable to Falbygdens Energi AB, Ale Energi AB, Göteborg Din El AB and Lerum Fjärrvärme AB is written down by 10 per cent per year. Goodwill attributable to FordonsGas Sverige AB is written down by 5 per cent per year. The investments are regarded as strategic in all cases.

Tangible fixed assets

Tangible fixed assets are shown at acquisition cost less depreciation according to plan and write-downs, if any. Expenses for improvements to the performance of the fixed assets beyond the original level raise the asset's reported value and the expenditure is capitalised. Expenses for repairs and maintenance are shown as costs. Depreciation according to plan is calculated with regard to the fixed asset's expected useful life. The linear depreciation method is used for all types of tangible fixed assets. In reclassification of tangible fixed assets there is an adjustment of the



year's balance b/f. This adjustment refers to a discrepancy that arose in connection with a change of system. Analysis of the discrepancy will be made in 2011.

Depreciation

At each period end it is assessed whether there is any indication of a write-down of the reported values of the Group's assets. If there are indications, the asset's recovery value is determined. The recovery value is the higher of the utilisation value and the net sale value. In cases where an asset's reported value is assessed to exceed the estimated recovery value, the asset is written down to its recovery value.

Untaxed reserves

Untaxed reserves in individual companies are divided into an equity part, shown as restricted equity, and a deferred tax liability part. In joint statutory authorities and subsidiaries not wholly owned, external participants/shareholders' shares of equity and untaxed reserves are shown as a minority interest. In the Income Statement the minority's share of earnings after tax is shown.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency have been translated at the closing day rate. Receivables and liabilities in foreign currency that are hedged are valued at the hedged rate. Unrealised gains and losses as a result of differences between acquisition value and the closing day value are shown net in operating earnings. Transactions in foreign currency are translated at the transaction day spot rate.

Stocks

Stocks are valued and entered at the lower of the acquisition value by the so-called first-in first-out principle and the net sale value on the closing day. Obsolescence risks have not been observed. Stocks and stocks mainly consist of material intended for own operations, partly for the construction of own facilities and also for repairs and maintenance.

Receipts

Receipt accounting occurs as and when essential risks and benefits associated with the Group's products are transferred to the buyer. Sales of goods are reported on delivery of products to the customer, in accordance with the conditions of sale. Income attributable to service and contract work is shown as a receipt or cost in the period when the service is delivered and in relation to the degree of completion of the task. Minor fixed price tasks are not shown in the Income Statement until the task is completed.

Other receipts are reported as follows:

- Rent receipts are entered as income in the period the letting refers to.
- Capital gains/losses on the sale of fixed assets are

entered as income when risks and benefits associated with ownership have been transferred to the buyer, normally on the contract day.

- Interest receipts are entered as income in the period when they were earned.

Receipts are shown net after VAT and discounts. In the combined accounts, internal Group sales are eliminated.

Water and sewerage connection charges

Water and sewerage connection charges are shown as a receipt when supply of the connection is initiated. Charges for 2010 total 87 MSEK (103).

Loan expenses in connection with investment

Loan expenses in connection with investments are charged either to earnings or to the acquisition value. In 2010 City committees and companies capitalised loan expenses of almost 40 MSEK. (54) See further on page 70.

Income taxes

Reported income taxes include tax to be paid or received for the current year, adjustments of previous years' current tax, changes in deferred tax and a share of the tax of associated companies. Valuation of all tax liabilities / tax receivables is normally made at a nominal amount in accordance with the tax rules and tax rates determined or advised, if very certain to be confirmed.

For items shown in the Income Statement, the coherent tax effect is also shown in the Income Statement. Tax effects of items shown directly against equity are shown against equity. Deferred tax is shown according to the Balance Sheet method for all temporary differences that arise between reported values of assets and liabilities and values for tax purposes. The temporary differences have mainly arisen through differences between book depreciation and depreciation for tax purposes of fixed assets and provisions.

Deduction limit interest expenses

In June 2008 the Tax Authority proposed certain changes in legislation to the Finance Department concerning a deduction limit for interest within a so-called community of interests. The new rules were introduced from 2009-01-01. There is a risk that the new rules may be applied to the GKF and Älvstranden Groups. The risk for 2010 is about 40 MSEK, based on present interest expenses. In connection with the companies' tax returns for 2010, this will appear as an open claim.



Internal transactions and contractor companies

Included in the City of Gothenburg Group are the City, the municipal companies and the joint statutory authorities. A large number of transactions occur between the various units in the City of Gothenburg Group. The table below gives a picture of these transactions.

Extensive internal sales occur within the City of Gothenburg Group. Among other things there are extensive sales by the Göteborg Energi Group of district heating and electricity to other units in the City of Gothenburg. The Eco-cycle Office also has extensive internal sales to other units. Following a decision by the City Council, the City's investments in movable property should be financed by leasing, with the municipal company Kommunleasing i Göteborg AB as leaser. This involves a large number of

transactions with other companies, committees and joint statutory authorities.

Most of the borrowing consists of transactions with the Finance Department, which constitutes the internal bank function in the City of Gothenburg.

The Finance Department has guarantee commitments to the City companies. The City stands surety for loans and for pension obligations that are not covered by other pension solutions.

Sales

TSEK	Companies	The City	Joint Statutory Authorities	Total
Seller				
Companies	—	2,368,087	18,474	2,386,561
The City	523,572	—	13,693	537,265
Joint Statutory Authorities	340	5,524	—	5,864
Total	523,912	2,373,611	32,167	2,929,690

Lending

TSEK	Companies	The City	Joint Statutory Authorities	Total
Lender				
Companies	—	2,032,095	—	2,032,095
The City	21,177,304	—	5,546	21,182,850
Joint Statutory Authorities	—	287,167	—	287,167
Total	21,177,304	2,319,262	5,546	23,502,112

Surety

TSEK	Companies	The City	Joint Statutory Authorities	Total
Issuer				
Companies	—	14,850	—	14,850
The City	1,838,672	—	—	1,838,672
Joint Statutory Authorities	—	—	—	—
Total	1,838,672	14,850	—	1,853,522



Göteborgs Kommunala Förvaltnings AB

Göteborgs Kommunala Förvaltnings AB (GKF AB) has since 1996 been the parent company of a Group wholly owned by the City of Gothenburg, the GKF Group. There are 18 directly owned subsidiaries, of which 5 are dormant.

The companies are Göteborg Energi AB, Göteborgs Spårvägar AB, Gothenburg Port Holding AB, Hantverks- och Industrihus i Göteborg AB (HIGAB), Göteborgs Gatubelysning AB, Göteborgs Stadsteater AB, Liseberg AB, Got Event AB, Business Region Gothenburg AB, Kommunleasing i Göteborg AB, Göteborgs Stads Upphandling AB, Försäkrings AB Göta Lejon, Utveckling Nordost AB, AB Kärra Centrum (dormant), Fastighets AB Göta Lejon (dormant), Förvaltnings AB Bältespännaren (dormant), Göteborgs Stads Data AB (dormant) and Miljöfordon i Göteborg AB (dormant).

Göteborgs Kommunala Förvaltnings AB's Board comprises members appointed by the Gothenburg City Council. The Board has a political composition corresponding to current representation in the City Council. The company's assignment, according to the Articles of Association, is to:

"by means of shareholdings or participation rights in other companies conduct and develop activities of general interest connected with the City or its inhabitants. The object of the company is also to own, administer, buy and sell shares and participation rights and real estate and to conduct business consistent therewith."

The companies in the Group operate in such areas as energy, industry, culture, traffic, properties and production of services.

Earnings and position of the GKF Group

It appears from the five-year survey on page 93 that the earning capacity of the GKF Group, measured in earnings after financial items and before tax, gradually improved until 2007, but then declined sharply in 2008. In 2009 and 2010 there has been some recovery. The equity-assets ratio improved until 2008, then fell slightly in 2009. In 2010, however, the equity-assets ratio improved slightly. Turnover rose by 40% in 2010. The rise in turnover is largely an effect of the acquisition of Göteborgs Spårvägar AB on 2009-12-31 and of Göteborg Energi AB's acquisition of the remaining shares in Plusenergi AB on 2009-04-01. Total assets rose by about 33 % during the five-year period as a result of large investments made in the energy and port sectors, among other things.

The Group's earnings for 2010 after financial items totalled 516.5 MSEK (+457.9). In comparison with 2009, some companies show a higher level of earnings in 2010

and others a lower level. The largest positive deviations are in Göteborg Energi AB (+203 MSEK), an effect of the cold weather and favourable purchase prices and Gothenburg Port Holding AB (+81 MSEK), largely due to greater volumes. The largest negative deviations are in HIGAB (-104 MSEK) and KLAB (-85 MSEK). In these companies, write-downs of future projects and buses have been made.

Total assets rose by 3.9 % (14.2) in 2009, from 25,421 to 26,400 MSEK. Göteborg Energi AB and Gothenburg Port Holding AB account for a large part of this rise, a result of a continued high level of investment. Other companies with considerable investments are KLAB and HIGAB.

The parent company Göteborgs Kommunala Förvaltnings AB

The parent company reports earnings after tax of 352.5 MSEK (186.9) for 2010. The improvement in earnings comes mostly from Group contributions and dividends from subsidiaries. Equity rose from 1,801.7 MSEK to 1,961.1 MSEK. The equity-assets ratio at the end of the year was 43.5 % (36.1). Net interest for 2010 was -83.2 MSEK (-92.1). The improved net interest compared with 2009 is an effect of a reduced volume of borrowing in 2010. The average rate of interest during the year on the company's long-term borrowings of 1,401.6 MSEK (2,531.6) was 3.87 % (2.82). The company's total interest-bearing borrowings at the end of the year were 2,047.8 MSEK (3,107.9).

In order to keep up a balanced level of profit in the long term and maintain equity, the deficit arising during the year in the parent company is covered by capital contributions from companies in the Group or from the owner, the City of Gothenburg.

Expected future development

The companies in the Group work in different branches of business and in different markets. For companies working in a competitive market, their own competitive ability is decisive to the companies' future. These include Gothenburg Port Holding AB, Liseberg AB and to some extent also Göteborg Energi AB and Got Event AB.

Progress of Gothenburg Port Holding AB

Gothenburg Port Holding AB is affected to a very great extent by the international market situation, which became clear in connection with the global financial crisis and the recession, which for the port started in the second half of 2008 through a sharp fall in volumes. Volumes continued to fall in 2009, but recovered gradually in 2010. One of the driving forces behind the structural change in port operations, which was decided in 2009, was the chance of attracting new global terminal operators, thereby to generate increased flows of goods and greater efficiency. The ongoing sales process confirms the great interest from external operators to set up in the Port of Gothenburg. The signed transfer of Älvsborg Ro/ro AB to DFDS/Cobelfret is the first step in this process. In 2011 the transfer of both Gothenburg Car Terminal AB (spring 2011) and Skandia Container Terminal AB (autumn 2011) is planned. Through the reorganisation, Port of Gothenburg AB gains a new role. The new assignment is to meet the requirements of a well functioning infrastructure, to market the Port of Gothenburg as an important goods hub in northern Europe and to discharge its role as port authority.

Progress of Göteborg Energi AB

While the earnings capacity of Göteborg Energi AB is assessed as good for the foreseeable future, the company is making and planning major investments to meet future challenges. The outcome of these investments will

be decisive for the company's prospects of long-term profitability. The company's prospects are also affected to a considerable extent by laws and rules in areas such as the environment, taxes and competition. The company's planned facility GoBiGas for the production of biogas based on forest material will be a considerable future addition of environmentally renewable fuel to the transport sector.

Progress of Göteborgs Spårvägar AB

Göteborgs Spårvägar AB has since 2009-12-30 been a member of the GKF Group. The company's future is dependent among other things on the ongoing discussion and preparations for the organisation of the responsible authority for traffic in the Västra Götaland Region (VGR) from 2012. A possible transfer of tram traffic to VGR will also have consequences for Kommunleasing i Göteborg AB (KLAB), which leases trams to Göteborgs Spårvägar AB.

Progress of other companies

For other companies the direction, extent and profitability of operations are more dependent on the assignments given by the owner, the City of Gothenburg, than the current state of competition. Some of the companies in principle only perform services for other municipal departments and companies. These are Försäkrings AB Göta Lejon, Kommunleasing i Gothenburg AB and Göteborgs Stads Upphandlings AB.

Five-year review GKF Group

MSEK	2010	2009	2008	2007	2006
Net turnover	13,063.9	9,344.0	7,749.0	7,263.1	7,098.6
Operating earnings	894.8	775.7	676.9	911.8	783.6
Earnings after financial items	516.5	457.9	250.3	548.4	516.7
Net earnings for the year	321.7	309.5	246.6	391.9	341.0
Total assets	26,400.2	25,421.0	22,254.5	21,102.0	19,828.8
Equity	4,832.6	4,509.7	4,208.6	3,954.3	3,444.9
Equity-assets ratio	18.3 %	17.7 %	18.9 %	18.7 %	17.4 %
Return on equity	6.7 %	6.9 %	5.9 %	9.9 %	9.9 %
Return on total capital	3.4 %	3.2 %	3.7 %	4.9 %	4.5 %
Average number of employees	5,725	3,978	4,094	4,030	4,051

Equity-assets ratio: Equity as a percentage of total assets. Return on equity: Net earnings for the year as a percentage of equity. Return on total capital: Operating earnings plus financial receipts as a percentage of total assets. The key ratios are only used as an indication of the trend, not as a control instrument.



Earnings and investment analysis of Groups and companies

The City of Gothenburg owns 20 or so larger Groups and companies. They have operating income of about 19.7 billion SEK. The largest Groups are Förvaltnings AB Framtiden and Göteborg Energi AB, which in 2010 had operating income of 5.1 billion SEK and 8.1 billion SEK respectively. The companies' total investments for the year were 4.3 billion SEK. Compared with the corresponding period the year before, the level was 0.4 billion SEK lower.

A brief earnings and investment analysis is made below of some larger Groups and companies in the City of Gothenburg. Earnings for the other Groups and companies are shown in tabular form on page 97.

Earnings analysis of some large Groups and companies

Earnings after financial items for the City's Groups and companies totalled 733 MSEK, which was slightly lower than 2009, when earnings totalled 808 MSEK.

Göteborg Energi AB's * earnings after financial items for 2010 totalled 819 MSEK, an increase of 203 MSEK compared with 2009. Cold weather, high availability in the production facilities, high electricity prices and favourable purchase prices for fuel affected earnings for 2010 substantially. The cold weather affected above all production volumes of district heating. Sold volumes of "district heating and ready heat" totalled 4,502 GWh in 2010; the corresponding value for 2009 was 3,893 GWh. Net turnover of "district heating and ready heat" in 2010 was 3,765 MSEK and comprised almost half of the Göteborg Energi Group's total net turnover. Operations in Göteborg Energi Din El AB were added in April 2009 as a subsidiary, having earlier been shown as a share of an associated company. This means among other things that the share of earnings from associated companies fell by 40 MSEK compared with 2009. The Göteborg Energi Group reports depreciation and write-downs of fixed assets of 730 MSEK, which is a rise of 111 MSEK compared with 2009. 49 MSEK is explained by writing down goodwill from Göteborg Energi Din El AB.

Port of Gothenburg AB's* operating income totalled 752 MSEK, which exceeds previously forecast receipts. The company's main receipts from 1 February 2010 are

port dues for ships and goods, oil and concession fees, rents and leases. Earnings after financial items totalled 144 MSEK, which falls short of the forecast made by the company earlier in the autumn. Included in the earnings is a provision of about 60 MSEK for a commitment in a concession agreement to restore areas to a determined standard. Profitability in the company improved dramatically in 2010 through structural changes. Increased volumes explain part of the improved profitability, but this is also due to greater understanding of the business, improved productivity, better earning capacity and cost control. The explanation is related to Port Holding/Port Operation.

** Göteborg Energi AB's and Port of Gothenburg AB's official final accounts are prepared in accordance with the Financial Accounting Standards Council's recommendation RR29. Therefore there are deviations from the values in the combined accounts.*

Port Operation AB started its operations on 1 February 2010 through a transfer of operations from Port of Gothenburg AB. The Group consists of three subsidiaries and a parent company. It is therefore not possible to make any comparison with the year before. Terminal operations are run in the subsidiaries Älvsborg Ro/ro AB, Skandia Container AB and Gothenburg Car Terminal AB. The trend in volumes and earnings in the companies has been substantially improved, leading to a better financial position than budget and forecast. The Group reported earnings for 2010 after financial items of -8.5 MSEK and operating income of 1,295 MSEK.

Göteborgs Gatu AB underwent major restructuring during the year, where one branch of operations was transferred to an external party and two others were transferred to other units in the City of Gothenburg. From 1 January 2011 the company comprises only the business



area Technical Service. The company reported operating income of 470 MSEK, which is 10 MSEK less than the year before. The reduction is mainly linked to the transfers of operations. Earnings after financial items totalled 22 MSEK, compared with the previous year's earnings of 18 MSEK. The deviation is to be found among personnel costs, where the company's pension expenses were lower than in 2010.

Liseberg AB's operating income rose by 1 per cent to 904 MSEK. Earnings after financial items totalled 65 MSEK (72 MSEK). A weak pre-season in the amusement park and in the hotel business affected the total guest trend adversely. A positive guest trend in the restaurant and camping companies was gratifying.

Renova AB's operating income rose by 6 per cent to 1,196 MSEK. Earnings after financial items totalled 31 MSEK (32 MSEK). The rise in income is mainly due to greater heating and electricity receipts. Compared with the previous year, costs for depreciation rose by 14 MSEK, owing to the completion of the fourth incinerator line at Sävenäs. The company sees increasing competition and thereby forceful pressure on prices, which will be visible in next year's earnings performance, where the company expects unchanged turnover but appreciably lower earnings than for the current year.

Kommunleasing i Göteborg AB's (KLAB) operating income rose to 374 MSEK (307 MSEK). Earnings after financial items totalled -73 MSEK (12 MSEK). In 2009 the company carried out a larger so-called sale and leaseback deal with buses from Göteborgs Spårvägar AB (GSAB). A total of 403 buses were included in the deal. At the beginning of 2010 the buses had a book value of 395 MSEK in KLAB. On selling the buses it is KLAB that stands the risk, except for 28 MSEK that GSAB will cover. In 2010 GSAB cancelled agreements for 167 buses. On 2010-12-31, 74 of these buses were sold. The company had a new valuation of the buses made in 2010, which resulted in a write-down of the value by 99 MSEK in the 2010 final accounts.

Hantverks- och Industrihus i Göteborg AB (HIGAB) reported 621 MSEK in operating income for 2010. Earnings after financial items totalled -75 MSEK. One important explanatory factor is the provision (100 MSEK) made to meet the necessary write-down of the planned baths and ice facility in Angered.

Förvaltnings AB Framtiden's operating income for the Group rose by 5.9 per cent to 5,096 MSEK. The company is the parent company of the public service housing companies. The Group manages a total of over 69,000 flats. Earnings after financial items totalled 118 MSEK (220 MSEK). Earnings were favourably affected by reversed

write-downs. The cost of planned maintenance was 673 MSEK (638 MSEK) and the cost of extended maintenance was 377 MSEK (482 MSEK).

Göteborgs Spårvägar AB's operating income fell by 12 per cent to 1,629 MSEK (1,842). The Group reported earnings of -47 MSEK. The Group's subsidiary, Göteborgs Spårvägar Buss, reported earnings of -98 MSEK. At the end of June the company concluded lost assignments with a turnover equivalent to about 50% of the previous turnover. Major adjustment of both staff and buses was made during the year. The residual value risk in the buses up to 28 MSEK has been charged to earnings, excess risk is charged to Kommunleasing AB. Other explanations for the bus company's earnings given by the Board are greater vehicle costs and costs for restructuring measures.

The tram subsidiary runs its operations as instructed by the City, in accordance with a zero earnings agreement. The company reports earnings of 21 MSEK. The Group's future earning capacity is at present assessed as very uncertain.

Investment analysis of some large Groups and companies

In 2010 eight companies had total investments in excess of 100 MSEK. The proportion of new investments was 86 % of the total, replacement investments comprised 9 %, capacity investments were 1 % and other investments 4 %.

A summary of the companies' investment budgets for 2011 shows that investments may lie at a level of about 5,300 MSEK. Companies that budget investment expenditure around 1,000 MSEK or above are Förvaltnings AB Framtiden, Göteborg Energi AB and Port of Gothenburg AB.

Förvaltnings AB Framtiden's investment expenditure for 2010 was 1,311 MSEK (1,118), compared with 1,396 MSEK in budgeted investments. Of the total investment expenditure, 463 MSEK (438) comprised investments for new production of housing, 599 MSEK (523) concerned rebuilding and 250 MSEK (157) referred to acquisitions and other investments. The largest single ongoing project in the Group is the Venus quarter in Gårda, where total investments are estimated at 865 MSEK, of which 552 MSEK has been implemented so far.

Göteborg Energi AB's investments for the year totalled 1,269 MSEK, which is 131 MSEK lower than the budgeted volume of investments, but 44 MSEK higher than the outcome the year before. The reason is a lower rate of investment in wind power and the GoBiGas and BiG projects.

Of the total investment expenditure, 1,009 MSEK (1,049) concerns new investments and 260 MSEK (176) reinvestment. Larger ongoing projects are investments in



wind power stations in the Töftedal hills, among other places and an extensive reconstruction of the Sävenäs hot-water boiler with a new steam turbine that is estimated to produce about 40 GWh of green electricity per year with biofuel.

Higab's investments for the whole of 2010 of 181 MSEK (460) were considerably lower than the year before. The main reason for the deviation was that the company acquired a property at Rantorget from Göteborgs Spårvägar AB last year.

Some larger projects were completed in 2010, such as the Sports College at Katrinelund Upper Secondary School, Arken Asian Spa. A major ongoing project is the refurbishment of the market hall, Stora saluhallen. Larger projects to come that are in the pre-study phase are a new construction of a baths and ice facility in Angered, foundation reinforcement of the old courthouse, Rådhuset and rebuilding of the City Library.

Älvstranden Utveckling AB's investments totalled 373 MSEK (279) for 2010. The largest investment during the year was the completion of the office block at Lindholmen Science Park. A project that has been put forward and affects the year's results is the rebuilding and completion of the M2 property. Among other larger projects to come in the company may be mentioned investments in infrastructure at western Eriksberg and inner Sannegården, as well as Skeppsbron.

Renova AB's largest investment expenditure in 2010 was the completion of the fourth incinerator line, where 108 MSEK was invested in 2010. A total of 621 MSEK has been invested in this project.

Other larger ongoing projects at Renova are a turbine upgrade at Sävenäs to improve electrical efficiency, with investments estimated at a total of 49 MSEK, of which 31 MSEK in 2010. Investments in a plant for wet sulphur purification, an investment intended to minimise emissions of sulphur from the Sävenäs facility, are estimated at 42 MSEK in total, of which 36 MSEK has been invested so far in 2010. Total investments in the company for 2010 are 354 MSEK (328).

Gryaab AB reduced their investments for the year by 69 MSEK compared with the budgeted level, to a total of 86 MSEK (292). The main reason was that investments in the plant for better nitrogen and phosphorus purification were lower than budgeted, 650 MSEK against budgeted 700 MSEK. Another major project at Gryaab is the Tunnel Lerum project, with a budget of 416 MSEK, of which Gryaab's share is limited to 187 MSEK. The project is behind schedule. Connection of Lerum is expected to occur during the autumn of 2011.

Port of Gothenburg AB's investments of 115 MSEK

(184) consisted mainly of several smaller projects (under 100 MSEK/project) where the rebuilding project of Majnabbe Terminal to adapt to Stena Line's ferries, crude oil storage in Syrhåla and a new fuel pipe and new loading arms at berth 501/511 are the largest.

Total investments in Groups and companies

MSEK	Final accounts 2010	Budget whole year 2010	Final accounts 2009
Förvaltnings AB Framtiden	1,311	1,396	1,118
Göteborg Energi AB	1,269	1,400	1,225
Älvstranden Utveckling AB	373	360	279
Kommunleasing i Göteborg AB	361	288	484
Renova AB	354	175	328
HIGAB, Hantverks- och Industrihus i Göteborg AB	181	168	460
Port of Gothenburg AB	115	132	184
Liseberg AB	108	93	133
Gryaab AB	86	155	292
Göteborgs Gatu AB	72	58	67
Göteborg Port Holding AB	23	23	0
GREFAB AB	17	19	24
Göteborgs Spårvägar AB	14	74	99
Got Event AB	9	0	5
Göteborgs Stadsteater AB	8	13	3
Försäkrings AB Göta Lejon	4	4	6
Göteborg & Co AB	1	0	1
BRG AB	1	1	1
Eliminations	-15	-6	0
Total	4,292	4,353	4,709

Groups and companies in figures 2010

MSEK	Operating income	Earnings after fin. items	Net earnings for the year	Total assets	Equity	Equity -assets ratio*	The year's investments
Förvaltnings AB Framtiden***	5,096	118	85	26,151	8,126	31 %	1,311
Göteborg Energi AB***	8,059	819	566	13,683	4,464	33 %	1,269
Göteborgs Spårvägar AB	1,629	-47	-56	784	373	48 %	14
Göteborg Port Holding AB	1,662	118	87	3,839	272	7 %	138
Renova AB	1,196	31	23	2,180	360	17 %	354
Liseberg AB	904	65	47	1,028	606	59 %	108
Hantverks- och Industrihus i Göteborg AB	622	-75	-56	4,471	535	12 %	181
Göteborgs Gatu AB	470	22	16	416	72	17 %	72
Älvstranden Utveckling AB	423	71	21	4,907	325	7 %	373
Kommunleasing i Göteborg AB	374	-73	-93	2,270	4	0 %	361
Gryaab AB	269	-4	0	1,492	8	1 %	86
Göteborg & Co Kommunintressent AB	217	1	1	72	19	27 %	1
Got Event AB**	133	-101	-75	116	40	34 %	9
BRG Business Region Göteborg AB **	104	-46	-35	160	81	51 %	1
Försäkrings AB Göta Lejon	115	3	2	241	67	28 %	4
Göteborgs Stadsteater AB **	59	-90	-67	60	20	34 %	8
Göteborgsregionens Fritidshamnar AB	45	4	1	99	12	12 %	17
Göteborgs Stads Upphandlings AB	35	5	4	29	17	56 %	0
Boplatz Göteborg AB	9	,0	0	8	3	38 %	0
Göteborgs Kommunala Förvaltnings AB	0	425	353	4,533	1,961	43 %	0
GKF Group, dormant companies	0	0	0	5	5	0 %	0

* The equity-assets ratio is defined as equity in relation to total assets as a percentage.

** Receives budgeted Group contributions from GKF AB.

*** Förvaltnings AB Framtiden's official final accounts are prepared in accordance with IFRS.

Göteborg Energi AB's and Port of Gothenburg AB's official final accounts are prepared applying RR 29. There are therefore deviations from values in the combined accounts.

Auditors' Report

Auditors' Report for 2010

concerning the City of Gothenburg Executive Board and Committees and the combined annual accounts
Municipal City of Gothenburg reg. no. 212000-1355

The Assignment

We, the auditors for the Executive Board and Committees of the City of Gothenburg (the Municipal City), are appointed by the Gothenburg City Council. The Executive Board and Committees are responsible for activities being conducted in a purposeful and financially satisfactory manner, for the accounts and the report being fair and for the adequacy of the internal control. Our responsibility is to express an opinion on the accounts, the activities and the control system on the basis of our audit. We also assess whether the annual accounts are compatible with the financial goals and the goals of the activities decided by the City Council. By means of lay auditors appointed to companies and subsidiaries wholly owned by the City of Gothenburg, the activities and internal control of these companies have also been examined.

The Audit

We have examined the accounts, activities and control for the year 2010. The results of the examination of the City Executive Board and Committees are shown in the audit memoranda and audit accounts submitted to the Board and to each Committee. 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 has also covered the combined accounts for the City of Gothenburg (the City and the companies). The year's examination is summarised in our annual statement, which has been submitted to the City Council.

The audit has been performed in accordance with generally accepted auditing standards. We consider that our audit provides reasonable grounds for our statements below.

The Annual Report

We consider that the annual accounts and the combined accounts have been prepared in accordance with generally accepted accounting practice and give a true and fair picture of results and position. We assess that the results according to the annual report are consistent with the financial and operative goals determined by the City Council.

Examination of Liability

The auditors 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 cover any opinion in the matter of liability.

Criticism has been made of the Kortedala District Committee. We assess that the handling of foster-home matters shows serious shortcomings. The committee has not lived up to the requirements of the legislation that consideration of further care for children placed should occur at least every sixth month. Neither does the committee satisfy the minimum requirements of the legislation regarding contact with the child placed. Children placed in foster-homes are in a very vulnerable situation and the committee has a statutory responsibility to ensure that these children get good care and that their needs and rights are satisfied. A special audit report has been prepared for the committee.

The Auditors' Report continues on the next page. >>

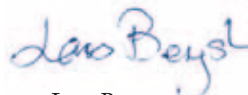
We recommend that the Executive Board and the Committees of the City of Gothenburg be discharged from liability for the financial year 2010.

We recommend that the Income Statement and the Balance Sheet for the City and the combined accounts be approved.

Gothenburg, 16 March 2011



Arne Hasselgren



Lars Bergsten



Claes-Göran

Lans



Kågan Karlsson



Elisabet Olin



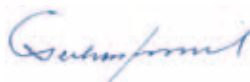
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Gerhard Annvik



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Annbrith Svensson



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Ulf Rothmyr



Carina Henriksson Johansson



Torbjörn Rigemar



Sven R. Andersson



Ingrid Palmquist



Birgitha Stillner Dawidsson



Bengt Bivall



Fredrik André

In Brief

	2008	2009	2010
Population 31/12	500,197	507,330	513,726
Primary municipal tax rate (%)	21.30	21.30	21.55
Net earnings for the year (MSEK)			
The City	281	597	229
The companies	405	616	442
Combined accounts	682 *	805 *	638 *
Investments (MSEK)			
The City	1,827	1,444	1,360
Combined accounts	6,592 *	5,757 *	5,623 *
Receipts (MSEK)			
The City	29,527	29,720	30,900
Combined accounts	42,480 *	46,139 *	47,757 *
Total assets (MSEK)			
The City	35,225	38,350	38,984
Combined accounts	69,507 *	72,224 *	73,452 *
Equity-assets ratio			
The City	19	19	19
Combined accounts	25 *	25 *	26 *

* Group accounts are called combined accounts in the municipal sector.

If there are any questions about the annual Report, please contact the City Office Group Accounts group +46 31 368 02 17. www.goteborg.se

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